

Gubernatorial Elections in the Volgograd Region: Do They Matter?

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Late in 2000, a series of gubernatorial elections will be held in 34 regions of Russia. The elections are complicated by the ongoing reformation of the Russian federal system undertaken by President Vladimir Putin. Another factor in these electoral campaigns is the start of economic revival accompanied by property redistribution. In Russia, property is always related to power, so the new owners of regional economic "gems" are trying to gain political power as well. They have such an opportunity in many places, including--as this memo examines--in the Volgograd region.

The Volgograd Situation

Volgograd politics have always been characterized by a split within the regional elite. Several groups are fighting for power in the region and since the late 1980s have been appealing to the popular vote for a final decision. By the 1996 gubernatorial races, that division led to a form of institutional democracy (in the procedural sense). However, the fight between major groups of regional elites has weakened all the participants, thus clearing the way for a newcomer with greater resources.

The first example of the new strategy was demonstrated in the 1999 elections by the victory of 26-year-old Yevgeny Ischenko over regional Communist leader Alevtina Aparina in her own electoral district. Ischenko had almost no record in local politics, but possessed enormous resources by Volgograd standards. He came in second in the mayoral elections in Volgograd and won the Duma elections. Ischenko launched a large campaign using new technologies (again, by Volgograd standards): free newspapers were mailed to every address and TV advertisements were created to look like news programs. Ischenko was backed by the MDM-bank, which was reportedly linked to Aleksandr Mamut and Boris Yeltsin's political "family."

The interest of MDM-bank in the Volgograd region quickly became apparent. In spring 2000 MDM purchased Volgograd's largest enterprise, the Volzhsky Pipe Plant (recently ranked fifth in the top 200 Russian enterprises). In accordance with Soviet tradition, the director of that plant had great influence within the local elite. With the new ownership, the regional authorities suddenly realized that they must deal with real proprietors, instead of just an enterprise director. Furthermore, the owners seemed to use another strategy of penetration into the Volgograd power structures: they refused to negotiate

with the current political leaders. New financial power had entered the Volgograd political stage.

The big public relations machine created for Ischenko in 1999 passed into the hands of another newcomer: former athlete Oleg Savchenko. This 34-year-old chairman of the board of directors of still *another* Volzhsky enterprise (a ball bearing factory) is now running for governor. His massive campaign has already eclipsed the scale of Ischenko's mayoral/Duma campaign. Although no formal links were declared, the fact of passing a huge propaganda machine from Ischenko to Savchenko demonstrates that the same power pushed both young men to Volgograd's main offices. According to many polls, Savchenko today is the major competitor to incumbent governor Nikolai Maksyuta.

Maksyuta was a Communist candidate in 1996, but his major business ally is Russian oil giant LUKoil, which has established total dominance in the regional economy since 1996. LUKoil's property there includes the Volgograd Oil Refinery, the oil-extracting company Nizhnevolzhskneft, and several smaller enterprises. Several machine-building factories, such as Volgogradneftemash and Volgograd Ship-Building Plant, are now working primarily to fill LUKoil's orders. Moreover, for many years LUKoil supplied Volgograd agriculture with fuel, and the region owes an enormous sum of money to the company. So, behind the two major political players in Volgograd we can easily see the interests of the two owners of the largest pieces of property in the region. Maksyuta, however, unlike Savchenko, has always belonged to the regional elite, and there are some other significant differences between him and his rival.

Nationalism as a Campaign Tool

Savchenko has followed Ischenko in his campaign strategy and has also followed the example of Vladimir Putin, who rapidly rose to power several months ago from relative obscurity. Savchenko not only supported Putin's candidacy (which is standard in this year's elections), he was the first Volgograd politician to use sharp nationalistic rhetoric against the Chechen diaspora there, employing Putin's approach for gaining national support. The main problem for Savchenko is the rural areas of the Volgograd region, where the power belongs to local leaders, who are predominantly Communists. They will certainly support their fellow party member, incumbent governor Maksyuta, against Savchenko. A strong nationalist stand, however, could attract many votes in those areas.

The convenient time for starting such an attack was after the terrorist-launched explosion in Volgograd on May 31, 2000, when several soldiers were killed and wounded. The next day Savchenko accused oblast authorities of an "irresponsible policy which allowed the Chechen terrorists to rise." The Volgograd authorities boasted peaceful relations with the large Chechen diaspora in the region; Savchenko called this policy nothing but "criminal inaction." He charged that "the oblast and local authorities close their eyes as our region turns into a bandit front...a home base for the Chechen rebel fighters." He further blamed them for allowing "uncontrolled settlement of Chechens [who then] seize control over the most profitable sectors of the Volgograd economy." Savchenko essentially accused the

Chechen diaspora of carrying out the terrorist act: "It is clear that years of coexistence with such a government convinced the bandits that they could do whatever they like. They do not fear any revenge for the bloodshed on Volgograd soil. We need to dissuade them."

Whether or not Savchenko is backed by Putin's administration remains unclear. His supporters in Moscow, however, assist their protégé in several ways. Early in September one of the largest Russian newspapers, *Argumenty i Fakty*, published information to the effect that Chechen leader Aslan Maskhadov called Nikolai Maksyuta a friend who has promised to create a Chechen national district in Volgograd. Later, a change in the rules of appointment for chiefs of regional broadcasting companies helped Savchenko penetrate regional TV. The governor lost the right to influence such an appointment, and soon regional TV started to give the floor to Savchenko's commercials.

Although the guessing of real linkages between politicians in Russia is mostly useless, and the nationalism of Savchenko is not precisely the same nationalism as that of Putin, Aleksandr Mamut establishes their connection. Mamut was famous as the banker of a close group of Yeltsin's "family" that reportedly played a key role in the promotion of Putin as his successor. Mamut is also the head of MDM bank--now the major participant in Volgograd property redistribution. It is likely MDM bank that now finances Savchenko's campaign.

What Really Matters in the Coming Elections?

Whether Savchenko wins or not, the clear possibility of his victory uncovers a deeper problem concerning political development in Russia today. We witness today a situation where big money, a massive advertising campaign, and nationalist rhetoric eventually lead to electoral success. The people go to cast their vote for a Duma deputy, governor, or president--choosing a person they did not know half a year ago. When people hear a name often enough, they come to feel that they know the politician. Electoral campaigns now involve the competition of big money and sophisticated technologies while real issues are totally neglected.

Taking into account all of these developments, the outcome of the gubernatorial elections will not demonstrate any important socio-political change in Russian society. They will rather be a measure of the technological and financial advantages of one group over another. This means that the vast majority of Russian citizens continue to not realize their own interests, and do not possess enough civil responsibility to cast a rational vote. In other words, the situation demonstrates the lack of civil society in Russia.

Implications

The ongoing reformation of the federal system in Russia has so far concentrated on relations between the federal and regional levels of the state, but not on relations between state and society. Without a strong civil society the strong state may be just an autocratic one. Free elections in such a situation can produce a strange outcome, and certainly constitute a factor of instability rather than stability for society. The two options for state authorities in this situation are: 1) to limit the power of elected officials and even abolish free elections; or 2) to strengthen civil society.

The first option appears easiest, and the introduction of the system of appointed governors general over elected governors seems to follow that line. However, that line obviously leads to a familiar dead end. Izvestia recently reported that governors from the southern federal district "as an experiment" sought for themselves the right to dismiss heads of municipal authorities. That kind of transfer of center-region relations to regional-local government relations is one of the most threatening developments in Russia today. The only level of power that constitutes a part of civil society is local government.

The second option is more complicated and requires more time to implement. But in the long run it will definitely diminish the possibility of electoral manipulation. That is why there are forces in Russia today that are fighting to freeze the transition where it is now; free elections on all levels do not mean democracy. These forces have learned how to manage election results under existing societal conditions.

Putin is perhaps wiser than many of us guessed. In his recent visit with Aleksandr Solzhenitsyn, they spoke about *zemstvos*--the only successful form of Russian local governments, which existed from 1864 to 1917, and a favorite idea of the great writer. This may demonstrate the president's evolution toward understanding the importance of the development of civil society in Russia.