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Roundtable Summary

Obstacles to Democratic Transition in Contemporary Russia

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Summary

Contrary to the claims of some, Russia's political trajectory is not unique. In fact, Russia's political and economic transition has been fairly typical amongst post-Soviet successor states. When discussing Russia's development over the last 20 years, one of two narratives is usually deployed. The first is structured around the idea of democratic progress in the 1990s, followed by a gradual 'roll-back' in the Putin era. Russia was moving in the right direction in the 1990s, but with the arrival of Putin, democratic reform was reversed and an authoritarian or semi-authoritarian state was established. The second narrative argues that the failure of democracy in Russia is due to the conservative values of the Russian population and its underdeveloped political culture.

The real picture is more complex. Russia's political development is characteristic of post-Soviet bloc transition, which differs very much from the pattern of post-Communist development in Central Europe. In the structural context of transition theory, Russia has not gone through a period of 'revolution of values' necessary for democratic consolidation. By contrast, by the time the socialist bloc collapsed, Central Europe had already experienced a cultural transformation: 'Solidarity', the Prague Spring and the Hungarian Revolution, all furnished the cultural preconditions for transition.

Russia, by contrast, adopted an instrumental approach to democratic reform. The USSR in the late 1980s drew its legitimacy from the fact that, though the country as a whole may not have been as rich as the advanced capitalist states, its system of social security and welfare was stronger. As this myth unwound, democracy came to be associated with expectations of greater prosperity. Integration with Western values was seen as a mechanism to increase both wealth and welfare. The subsequent fall in living standards led to deep disillusionment with the Western model. It proved impossible to build consensus on democratic transition. If you ask Russians 'what is the objective of post-Soviet change?' you will get thousands of different answers. Few will answer, however, that it means re-integration into Europe.

Nevertheless, the democratic 'roll-back' in 2000 was not predetermined. If one were to take a procedural approach, one could argue that there were several critical points in the 1990s which undermined the democratic process. Yeltsin's shelling of the Government in 1993 showed that there could be no peaceful compromise on the division of power. The collusion between business and the state to keep the Communists out of power in 1996 was also harmful. There are examples of post-socialist states, such as Bulgaria, Poland and Moldova, where the Communists have returned to power by

democratic election, and subsequently been removed again from office. The process of elite turnover has ultimately strengthened democracy in these countries.

The two important democratic achievements of the 1990s in Russia were the development of political pluralism, and the formation of independent political actors. When he became president in 2000, Vladimir Putin faced a serious problem of legitimacy. He set about solving this through the promise of 'stability' and, as the oil price rose, economic prosperity. Starting from 2000, there was a systematic assault on independent actors, starting with the media, and then the oligarchs, who in the 1990s had contributed to democratic development. The oligarchs now preferred to develop exclusive relations with the authorities and use ties to further their own businesses. In 2003, financing of political parties was limited. Political parties became dependent on the state. In 2004, the regional executives became appointees of the President.

There are four main indicators of democratic development which can be used as a yardstick in Russia and other post-Soviet states.

- Political pluralism. Russia had this in the 1990s. Moldova and Ukraine still possess it. Belarus has yet to experience it.
- Democratic elite turnover. In Moldova this has happened three times, in Ukraine twice. This has not occurred in Russia.
- Respect for democratic procedures as a basis for the democratic system
- Not one post-Soviet state has managed to destroy the nomenklatura relations as a basis of power relations. The system is very feudal. The term 'clans' is often used to describe elite grouping in Russia, but it is a misnomer. The term 'clan' implies that there are other ties (kinship, ethnicity) which underpin the elite groupings. Nomenklatura relations, by contrast, are based simply on the redistribution of bureaucratic resources. When the resources disappear, the group disintegrates. Money is the only tie holding people together. The elite in Russia have absorbed the experience of the 1990s, which has given them a lack of confidence in institutions.

Of these factors, not even Ukraine has succeeded in achieving all four of them. Only once all four have been realised can the Soviet legacy be said to have been overcome.

What has been the influence of recent events on democratic development in Russia? The war has quite clearly further decreased the room for manoeuvre for reformers and the liberal opposition. There is broad awareness that the only way to overcome the current financial crisis is through socio-economic liberalisation. However, there is a lack of independent actors capable of lobbying for such reform. Consider the difference in the people agitating for reform now, and in the early 1990s. Today, democratic values are mainly held by those in the middle and upper middle class. By contrast with the early '90s, however, these groups have something to lose. The prospects for democratic change are tied up with the traditional paradigm for Russia whereby a group from within the elite sees the necessity for reform and mobilises public support and sets out the case for change, as happened under Alexander II, Khrushchev, and Gorbachev. It is hard to see pressure for democratic change coming from below or outside the state/government structures, given the weakness of independent business and the lack of independent actors.

Discussion

You argue that the financial crisis will necessitate socio-economic reform. Yet, in the West, the crisis has led to an increased role for the state and legislation which, from an economic point of view, looks distinctly anti-liberal. Could the crisis not be taken as an argument in Russia that Western capitalism has failed, and as a vindication of the policy of state ownership of industry and natural resources?

Liberal measures will only be considered for small- and medium-sized enterprises (SME). The SME sector accounts for only 15 per cent of GDP. Only this sector can provide solutions to Russia's growing unemployment. Other possible reforms include restricting huge state investments, such as the capital expenditures for the 2012 APEC summit in the Russian Far East, and focusing the budget on social obligations. The government would like to preserve the present socio-economic and political system. When Putin addressed the last congress of United Russia, he claimed there were no objective reasons for the current problems in the economy. It is seen as purely a U.S. export, which will be overcome in a couple of years. There is no pressure to lessen state control of industry or the economy.

What if the crisis turns out to be prolonged? How does the government deal with this?

The 'social contract' which operated under Putin, whereby the people enjoy greater prosperity in exchange for a lack of political freedom has been undermined. It's not clear what the response to this will be. There have been some positive amendments to the electoral law announced by President Medvedev. The process for registering parties has been liberalised. This indicates an understanding that to take well qualified decisions you need a balance between political interests and economic expertise. The problem is that parliament was formed in a different political era and provides no source of political innovation. Early elections to the Duma could provide not an opposition party, but a partner which could represent new interests. It would be a very positive step if the role of parliament in the political process was recognised. But doubts remain about this. Putin faces a crisis. The objective of the legislation is to strengthen his position and expand the role of parliament to give him more power.

The key problem of Russia's political development in the last few years has been that the system can only exist under conditions of virtually unlimited resources. The system doesn't have the internal capacity for self-development. The majority of people in power just want to preserve the status-quo. The aim is simply survival. The Yeltsin period was corrupt, but people became accustomed to working within limited resources, and the elites were capable of adapting and innovating in response to adversity. It is said that if GDP growth falls below 3 per cent, there will not be sufficient funds to satisfy all interest groups. This may provoke infighting. Only a deep split within the elites can stimulate the political process. The prospects for a grassroots socio-political movement look very unpromising.

Do you believe Medvedev is sincere when he speaks about the problem of 'legal nihilism', and the need to strengthen the rule of law?

Kremlinology is always extremely difficult. The regime has two centres of power now, but it is still extremely personalised. Many specialists underestimated the conflicts within the leadership, but on the other hand there are clearly informal agreements between the two leaders. They have reached a deal regarding the division of power, including the power ministries. There are mutual obligations which constrain the leaders and force them to act together for their survival.

Medvedev's references to legal nihilism show that he has his own vision of reform. Importantly, he does not see corruption as simply an illegal activity, but as a form of political participation.

Medvedev would like to avoid any public confrontation with his Prime Minister. During the Mechel case, for example, Medvedev was careful not to rebuke Putin directly, observing simply that it is important to avoid spreading fear and panic.

Medvedev would like to expand the space for political manoeuvre, but he has a limited amount of time to realise this. This is the big difference with Putin in 2000. As they say in finance, Putin has 'short credits'.

Are there really two centres of power? How do we know this? Doesn't the haste with which serious constitutional revision has been pushed through go against your interpretation that there is a conflict between Putin and Medvedev?

The President and Prime Minister have different views, but they are not in total contradiction. In theory, they have different approaches, but the informal agreement plays a very important role in managing their interactions. The best term to describe the new situation is tandemocracy. It is not a diarchy, as the division of power and responsibility is essentially informal; the institutionalised nature of the division of power is not, at present, significant.

The aim of the constitutional changes is to expand the field of possible alternatives. Putin has to have guarantees that he can return to the presidency if he needs to.

In his address to the Federal Assembly, Medvedev said that Russia must respond to the crisis by developing a self-sufficient financial system by 2010. What does the Russian intelligentsia understand by globalization? Do they understand it at all? Are there any economic models emerging out of Russia we should know about?

Of course the bulk of intellectuals do not share this idea of Russia as an island. But the link between academics and policy-makers has been broken. It's unclear where the political elite's ideas are coming from. Some of their statements are simply grandstanding for the domestic audience. Russia is not in a position to offer a new model of globalisation. Putin suggested to the Chinese premier that other centres of globalisation outside the US could

develop, and it was ignored. The US will be the centre of globalisation for the foreseeable future. Russia has nothing innovative to offer in this area.

It seems hard to believe that the economic crisis would lead to liberalisation. Surely it could go the other way, to increased state consolidation, or even a return of the Communist Party, or the far Right. Could we see a Soviet-type restoration?

A Soviet restoration is unlikely. Firstly, the Communist Party is highly integrated into the current political system, and has little interest in upsetting it. Secondly, the high ranking bureaucrats and top businessmen have no desire to see a return to a Belarusian style economy. They are businessmen, and wish to remain such. True, the oligarchs have been forced to bind themselves closer to the state to honour their debts, but people see this as a temporary measure. No one considers the big state companies, such as RosOboronEksport, to be models for Russia's modernisation. These are simply mechanisms for the enrichment of the bureaucracy. There are three possible responses to the crisis. It could stimulate reform, it could provoke demands for a new distribution of property, or the Government may prove incapable or unwilling to deal with the crisis, engendering a radical swing to the Right.

Throughout the '90s and '80s we talked about economic drivers as the key to Russia's political development. Why should the relationship between economic factors and democracy continue in the '00s? The link existed in the '90s, and this was very damaging to democracy. In his address, Medvedev talked about freedoms, but not about democracy. So could we see in the Medvedev era a strengthening of property rights, but not a democracy in the wider sense?

Medvedev talked about rules of the game, rather than democracy, because this is what mobilises elites. Discussions about democracy will not gain wide support from elites, but the idea of establishing fixed property laws is extremely attractive. Medvedev senses this and wants to reach out to them. By advancing the rule of law, Medvedev can start to build a coalition of supporters in a way that doesn't contradict the Prime Minister.