

ELECTIONS

The Russian political system supports three types of national votes:

- **Referendum** – The Constitution of 1993 allowed the president to call for national referenda by popular vote on important issues. Even before the Constitution was written, Boris Yeltsin called for a referendum on his job performance. The people clearly supported his reforms, but his majorities were not overwhelming. The second referendum was held later in the year, and the people voted in favor of the new Constitution. A regional referendum was held in Chechnya in 2003 to approve a constitution for the area. The constitution was approved, including the phrase that declared Chechnya to be an “inseparable part” of Russia.
- **Duma elections** – Russian citizens have gone to the polls five times to elect Duma representatives (1993, 1995, 1999, 2003, and 2007). The Duma has 450 seats, and until 2007, half were elected by proportional representation, and the other half by single-member districts. As of 2007, the 225 single-member districts were abolished, so that all Duma seats now are assigned exclusively by proportional representation. Also eliminated was the “against all” option that allowed voters to reject all candidates. Parties must get at least 7% (raised from 5% before 2007) of the total vote to get any seats according to proportional representation. The election changes were initiated by Putin, who argued that the new rules would reduce the number of parties in the Duma and thus make policymaking more efficient. Since 1993 parties have merged and disappeared, so that only a few have survived to the present.
- **Presidential elections** – Presidential elections follow the two-round model that the Duma has. In 2000 Putin received 52.94% of the vote, so no run-off election was required, since he captured a majority on the first round. Communist Gennady Zyuganov received 29.21%, and no other candidates garnered more than 5.8%. Some observers have questioned the honesty of elections, particularly since the media obviously promoted Yeltsin in 1996 and Putin in 2000. A 2001 law seriously restricted the right of small, regional parties to run presidential candidates, so critics questioned how democratic future presidential elections might be. The presidential election of 2004 added credence to the criticism, since Vladimir Putin won with 71% of the vote, again requiring no run off. His closest competitor was Nikolay Kharitonov, who ran for the Communist Party, and received less than 14% of the vote. In 2008 Putin was ineligible to run, but his chosen successor, Dmitri Medvedev, won the election with more than 70% of the vote.

DUMA ELECTIONS OF 2007

PARTY	% OF VOTES	SEATS	% OF SEATS
United Russia	64.3%	315	70%
Communist Party	11.57%	57	12.7%
Liberal Democrats	8.14%	40	8.9%
Fair Russia	7.74%	38	8.4%
Agrarian Party	2.3 %	0	--
Yabloko	1.59%	0	--
Civic Strength	1.05%	0	--
Union of Right Forces	.96%	0	--
Patriots of Russia	.89%	0	--
Party of Social Fairness	.22%	0	--
Democratic Party of Russia	.13%	0	--

Reference: "Russia Votes," www.russiavotes.org/duma/duma_today.php#

Duma Election Results of 2007. The new election rules changed the makeup of the Duma primarily by eliminating representation from minority parties. Before 2007, many parties had regional support that allowed them to capture a few Duma seats, but the new rules eliminated single-member-district seats, so smaller parties received no representation. For example, in the 2003 elections Yabloko earned 4 seats, the Union of Right Forces gained 3, and the Agrarian Party earned 2. None captured any seats in 2007.

INTEREST GROUPS

Of course, interest groups were only allowed in the Soviet Union under **state corporatism**, controlled by the government. Decision-making took place within the Central Committee and the Politburo, and if any outside contacts influenced policy, they generally were confined to members of the Communist Party. When market capitalism suddenly replaced centralized economic control in 1991, the state-owned industries were up for grabs, and those that bought them for almost nothing were generally insiders (members of the *nomenklatura*) who have since become quite wealthy. This collection of **oligarchs** may be defined loosely as an interest group because they have been a major influence on the policymaking process during the formative years of the Russian Federation.

THE OLIGARCHY

The power of the oligarchy became obvious during the last year of Boris Yeltsin's first term as President of the Federation. The tycoons were tied closely to members of Yeltsin's family, particularly his daughter. Together they took advantage of Yeltsin's inattention to his presidential duties, and soon monopolized Russian industries and built huge fortunes. One of the best-known oligarchs is Boris Berezovsky, who admitted in 1997 that he and six other entrepreneurs controlled over half of the Russian GNP. Berezovsky's businesses had giant holdings in the oil industry and in media, including a TV network and many newspapers. He used the media to insure Yeltsin's reelection in 1996, and he and the "family" clearly controlled the presidency. When Yeltsin's ill health and alcoholism triggered events that led to his resignation in 2000, Berezovsky went to work with other oligarchs to put together and finance the Unity Party. When Unity's presidential candidate Vladimir Putin easily won the election with more than 50% of the vote in the first round, it looked as if the oligarchs had survived Yeltsin's demise.

Putin, however, has shown some resistance to oligarchic control. He has clashed with the entrepreneurs on several occasions, and when television magnate Vladimir Gusinsky harshly criticized Putin's reform plans, Gusinsky was arrested for corruption and his company was given to a state-owned monopoly. Both Berezovsky and Gusinsky are now in exile, but they still have close political and economic connections in Russia. In October 2003, Mikhail Khodorkovsky, the richest man in Russia and chief executive officer of Yukos Oil Company, was arrested as a signal from Putin that the Russian government was consolidating power. The government slapped massive penalties and additional taxes on Yukos, forcing it into bankruptcy. In 2009 the government pursued new charges against Khodorkovsky, so it is possible that he could remain behind bars for two more decades.

The other oligarchs heeded the warning from Khodorkovsky's example and largely withdrew from political activities, leaving Putin in control but probably with a narrower base of support from economic leaders. However, as the Russian economy sank during the recession that began in late 2007, oligarchs have found themselves heavily in debt and have looked to the state for loans. Even though the government has been cash-strapped as well, the economic climate has the potential for weakening the power of the oligarchs and giving the government more control over them. Putin's choice for president, Dmitri Medvedev, was Chairman of Gazprom until he was elected president of the Russian Federation in May 2008, and he was replaced at Gazprom by Viktor Zubkov, the prime minister who was in turn replaced by Vladimir Putin.

STATE CORPORATISM

Under Putin's leadership **state corporatism**, where the state determines which groups have input into policymaking, has become well established. The Russian government has established vast, state-owned holding companies in automobile and aircraft manufacturing, shipbuilding, nuclear power, diamonds, titanium, and other industries. If companies appear to be too independent or too rich the government has not forced owners to sell, but has cited legal infractions (such as with Yukos) to force sales. Either government-controlled companies, or companies run by men seen as loyal to Mr. Putin, are the beneficiaries. Another term for such an arrangement is **insider privatization**.

THE RUSSIAN MAFIA

A larger and even more shadowy influence than the oligarchs is known as the "mafia," but this interest group controls much more than underworld crime. Like the oligarchs, they gained power during the chaotic time after the Revolution of 1991, and they control local businesses, natural resources, and banks. They thrive on payoffs from businesses ("protection money"), money laundering, and deals that they make with Russian

government officials, including members of the former KGB. They have murdered bankers, journalists, businessmen, and members of the Duma.

The huge fortunes made by the oligarch and mafia offend the sensibilities of most Russian citizens, who tend to value equality of result, not equality of opportunity. In Russia's past, lawlessness has been dealt with by repressive, authoritarian rule, and these groups represent a major threat to the survival of the new democracy.

STATE CORPORATISM IN RUSSIA

State Owned Company	Chairman	Benefits
Gazprom (natural gas)	Viktor A Zubkov (former prime minister)	Sibneft oil company Sakhalin II oil company (controlling stakes) Yukos Oil assets
Vneshtorgbank (VTB)	Andrei Kostin (close friend of Putin and on the board of Rosneft)	International investment opportunities; funding for power generation
Rosneft (oil)	Igor I. Sechin (presidential deputy chief of staff)	the Yuganskneftegaz oil fields (Yukos assets) Refineries, oil fields from Yukos
Russian Technology (weapons trader)	Sergey V. Chemezov (former KGB colleague of Putin)	Avtovaz, Russia's largest car maker VSMPO, a titanium aircraft parts maker
United Aircraft Corporation	Sergei B. Ivanov (first deputy prime minister)	Company created in 2006 by presidential decree

*References: The New York Times, July 8, 2007, May 11, 2008; "Andrei Kostin's Russian Power Grab," Forbes, October 8, 2007, <http://www.rosneft.com/>, <http://old.gazprom.ru/eng/articles/article29605.shtml>, <http://www.vtbcapital.com>. It is interesting to note that the former Chairman of Gazprom was Dmitri Mevedev, the current president of Russia. The chart also reflects Russia's **patron-client system**, where individuals in power give favors to subordinates, in return for political support.*