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The Politics of Local Government In Russia: The Neglected Side Of The Story

ABSTRACT

In the 1990s the government of Russia made an ostensible commitment to radical reforms in local government. Ten years later, however, Russia’s localities still lack serious autonomy. Why has the project of post-Soviet municipal reform failed? This paper concentrates on the crucial role of two major factors: (1) political opportunities inherited from late-Soviet period and (2) strategic choices of political actors in the post-Soviet period. Post-Soviet Russian reformers faced the task of reorganising Soviet local governments, which had been ineffective, unpopular, and subordinate to higher levels of power. The political regime that emerged in Russia after 1993 was far from being democratic, and the development of local government in Russia was hampered by the restrictions on democracy imposed both by the center and the regions. Thus the unfavorable initial conditions of reforms in local government in post-Soviet Russia have been reinforced by the unfavorable outcomes of the transition. Limited and inconsistent democratisation, ineffective marketisation, and the formation of a weak state have contributed to the crisis of local government. Finally, the paper considers the possible impact of local autonomy in Russia on national social, economic and political developments.
Introduction

Local government is often viewed as the ‘back yard’ of ‘Big Politics’. The political framework of studies of local government is by no means the center of attention either in scholarly works on comparative politics or in specialised studies of local government. Though local government plays an important role in Russia, it has received little emphasis in most scholarly analyses of post-Soviet Russian politics. Nevertheless, one should not go so far as to say that all scholarly works on Russian politics concentrate on trends within Moscow’s Garden Ring. The politics of federalism and centre-regional relations as well as regional politics have been the foci of scholarly attention in a number of monographs, conferences, journals, and comparative research projects. But the politics of local government in Russia is still a neglected subject. Most Russian studies of local government are either purely legal works or are confined to policy issues like local finance or management. Some Western works either cover various general problems of local government in Russia or are in-depth case studies. However, the complex political analysis of local government in Russia is still on the agenda for further research.

The first task of students of local government in Russia is to place recent reforms of local government in a comparative and historical perspective. In the 1990s the government of Russia made an ostensible commitment to radical reforms in local government. According to the Constitution of the Russian Federation, adopted in 1993, local autonomy is one of the fundamental principles of the constitutional system. Article 12 of the Constitution clearly states that ‘organs of local self-government do not constitute a part of the state bodies.’ Local government is defined in legal terms as ‘the independent and responsible activity of the population for the solution of ... local issues.’ During the next several years, the State Duma adopted major laws on local government, and in 1996 Russia pledged to adhere to the European Charter of Local Self-Government. Almost all municipalities across Russia have had one or two cycles of elections of local councils, and most of them have conducted elections of city mayors and heads of district administrations. At first glance, it seems as if Russia has made a decisive step toward local autonomy and local democracy, while the Soviet pattern of local government completely subordinated to Communist party rule has been abolished. State Duma deputy Sergei Mitrokhin, one of the major proponents of local government reforms
among Russia’s politicians, even termed the post-Soviet program of municipal reforms a ‘municipal revolution.’

However, by the early 2000s the consequences of the ‘municipal revolution’ in Russia had to be regarded as modest. It is difficult to consider Russian local government as exhibiting genuine local autonomy, or ‘the discretion local government possesses to act free from control by higher levels of government.’ Both the legal and political dimensions of the autonomy of Russian local government are sharply limited. In fact, the political manifestation of local autonomy in Russia consists largely of local elections, which often cannot be classified as free and fair. Contrary to legal declarations, the Russian state has not delegated its powers or its resources to local governments. At the same time, federal and regional authorities have pursued a policy of shifting the state’s social obligations (such as health care, education, public transportation, infrastructure, and recreation) to local governments, creating a heavier burden on local budgets. Transforming the social assets of privatised enterprises into the property of municipalities has a troubling impact on local government. The state of municipal finances depends greatly on transfers from federal and regional budgets, while the types of local taxes and the size of local taxation are sharply limited by the Tax Code. As a result, in 2001 municipal budgets bore responsibility for 32 percent of the overall expenditures in Russia’s consolidated budget, but received only about 17 percent of the total revenues. Finally, amendments to the federal law on local government, adopted in August 2000, declared that the President of Russia and regional governors could dismiss local assemblies or chief executives for violations of federal or regional laws. In sum, major elements of local autonomy, particularly the power of initiation and the power of immunity, were very low. In this respect, the period of the early 2000s could be regarded as the time of a ‘municipal counter-revolution,’ characterised by the partial restoration of the subordinate status of local government that had been typical in the Soviet era.

Yet problems of reform of local government are only part of the general complexity of Russia’s transition. Perhaps in no other area of reform is the contrast between stated principles and reality sharper than in the contrast between declarations of local autonomy and local democracy, on the one hand, and the realities of impoverished municipalities with ruling ‘political machines,’
on the other. The evidence from comparative studies leads to the conclusion that there has been a qualitative distinction between the trajectories of reform of local government in East-Central Europe and in Russia.\textsuperscript{11}

Why has the project of post-Soviet municipal reform failed? Why have the ideas of local autonomy and local democracy, which post-Soviet Russia has borrowed from the experience of Western liberal democracies, failed to take root successfully in Russian soil? Was the reform of local government in Russia ‘doomed’ from the beginning to be unsuccessful, or it did its failure result from poorly chosen or inconsistent policies in the post-Soviet period?

**Democratisation, National and Local**

In his assessment of the possibility that the new democracies in Eastern Europe might employ principles based on Western European practices of local government, Alan Norton noted that ‘experience from the West shows that the nature of the political system as a whole is the most variable and problematic aspect of local government. It is also the most difficult area for learning across nations.’\textsuperscript{12} In his classical study of institutional changes, Douglass North pointed out that the borrowing of similar institutions might have different consequences in societies with differing institutional systems. While formal institutions (including those of local government) can be replaced, informal constraints often survive over time, thus limiting the potential for institutional changes.\textsuperscript{13} The experience of post-Soviet reforms in local government confirms that thesis. The decades of the Soviet period were a period of complete subordination of local governments to control by the Communist party apparatus and the central state.\textsuperscript{14} Centralisation was enforced not only by the political control of local institutions by higher levels of government, but also by municipalities’ dependence on the hierarchical distribution of resources, which was heavily infected by ‘departmentalism.’\textsuperscript{15} From this perspective, Soviet local government exhibited a lack of local autonomy and local democracy.

That conclusion corresponds with the general patterns of institutional changes, which were analyzed by Douglass North. He argued that discontinuous institutional changes have a greater chance for success if they are supported by the results of incremental institutional changes, which have accumulated earlier.\textsuperscript{16} Post-Soviet local government in Russia has faced the twofold challenge
of path-dependency and discontinuous institutional changes. In contrast with
the historical experience of the establishment of the zemstvo from the begin-
ning as an autonomous entity, without an inherited institutional legacy, post-
Soviet Russian reformers faced the task of reorganizing Soviet local governments
which had been ineffective, unpopular, and subordinate to higher levels of
power. It is not surprising that they opted for the ‘revolutionary’ mode of
discontinuous institutional changes, which aimed to install local autonomy
and local democracy in Russia from scratch. However, constitutional norms
about the separation of local government from the state borrowed some prac-
tices, which had not been inherited from the Russian or Soviet past. As
Kimitaka Matsuzato has noted, the Soviet model of local government was an
extreme version of the Western European continental model of local gov-
ernment. The evolutionary transition from the Soviet model to the North
and Middle European variant of local government (a path which most East
European countries followed) might have been a more natural solution. As
Matsuzato has suggested, the effort to install the Anglo-Saxon model of home
rule in Russia contributed to the limitation of local autonomy, because post-
Soviet Russian municipalities have neither the economic resources nor the
political opportunities for its full implementation.

The post-Soviet democratisation of local government to some extent resem-
bled the practice of limited democracy in the zemstvos under Tsarist rule.
The zemstvos served as substitutes for political representation on the national
level of Russian politics, at least until 1905. It might be said that the mass
basis of social support for the zemstvos was partly due to the lack of national
democratic institutions in Russia. That sharp contrast between local democ-


1991 Boris Yeltsin and the Russian Congress of People’s Deputies imposed a moratorium on local and regional elections and restored the hierarchical subordination of local executive bodies to higher ones (the so-called ‘executive vertical’). Thus local autonomy was not realised. Since the local soviets had no chance to gain power, they soon lost popular support. Even the dissolution of local soviets in accordance with Yeltsin’s decree in October 1993 did not arouse mass protest.

The political regime that emerged in Russia after 1993 was far from being democratic even in ‘minimalist’ or ‘procedural’ terms. Democratic institutions were tolerated as long as they did not give rise to a threat that the ruling group would lose power. Yeltsin’s successful campaign for reelection as president in 1996 and the transfer of presidential power from Yeltsin to Putin during late 1999 and early 2000 are examples of the elite’s maneuvers to subvert democratic contestation and accountability. Thus, it is understandable that regional and local democratisation was not a high priority for Russia’s national leaders. Furthermore, local democratisation could be a dangerous project, because the ruling group could lose its ‘transmission belts’ for electoral mobilisation from the top down. In short, the development of local self-government in Russia was hampered by the restrictions on democracy imposed both by the center and the regions.

One may ask whether such trends are inevitable, temporary hardships of the transition to democracy, or they have long-term consequences. Michael Brie compares the ‘political machine’ in Moscow under the current Mayor, Iurii Luzhkov, with the similar practices of patronage politics in cities in the USA in the late nineteenth and early twentieth century and in Southern Italy after Second World War. Brie shows that economic growth and social development in those countries gradually undermined the ‘machine politics’ which had prevailed in the early stages of democratisation. However, the transition from oligarchy to pluralism in local politics in the manner which was evident in cities in the USA is not the only possible outcome of political transformation. Undemocratic political practices are deeply embedded in Russian history and culture, and it is hardly to be expected that they can be overcome easily, especially in the short term. There are no powerful political or societal forces, whether in the form of political parties, leaders, or citizens’ initiatives, that would like to install strong and democratic local government in Russia, either from the top down or from the bottom up.
Russia’s Crises and Local Government

The weakness of the post-Soviet Russian state has had various consequences. These factors have also affected policy toward local government. The vertical dimension of the decline of state capacity is exhibited in the federal authorities’ lack of control over regional institution-building processes. The practical implication of that decline was the ongoing regionalisation of the reform of local government, which has resulted in great variation in the degree of autonomy which has been permitted for local governments and in the degree of democracy which has been attained at the local level. The lack of a strategy by the central government for state-building on the regional and local levels has led to unlikely outcomes for local government in some regions.

Russia’s economic crisis has been still another factor that has exerted an unfavorable influence on the effort to achieve local autonomy. That severe economic slump has had complex and far-reaching implications for local politics. First, the budget crisis of the national government led to the chronic under-financing of the principal municipal expenditures. If foreign debt was the major immediate problem for the national government, for local governments the most pressing problem resulting from the growth of their debt consisted of major interruptions in the supply of electricity, natural gas, and water to local citizens and enterprises due to underpayment for such utilities. Primorskii Krai, where the budget crisis has resulted in a frequent lack of heating in many cities and towns in the middle of the winter, has furnished the best known example of that problem, but the problem is not confined to that region. Second, since the early 1990s, the national government of Russia has sought to shift responsibility for social benefits to the regional and local governments. In combination with the trend toward municipal ownership of the social assets of privatised enterprises, the dumping of social obligations by the national government has further deepened the crisis of local budgets. Third, under existing regulations and practices, the potential for local governments to finance their operations through reliance on their own sources of taxation is highly limited. Although federal law declares that the expenditures of local governments should be covered by their own revenue sources, that statement is nothing more than wishful thinking. About 75 percent of the spending of local governments in Russia consists of subsidies for municipal housing, social security, education, and public health, in sharp contrast
with the budgets of local governments in Western countries and also in distinction with the budgets of the zemstvos of the late tsarist period.

According to some estimates, among the local governments in Russia (which number more than 12,000), over 75 percent cannot maintain their budgets without financial support from the federal or regional governments, and thus find themselves financially subordinated to higher levels of authority. The majority of localities in that category are small towns, villages, and rural districts which have no prospects for financial autonomy, at least in the short-term perspective. Only a small minority of city and district governments have sufficient financial resources to claim local autonomy. Most localities which have adequate tax revenues are either big cities (mainly regional capitals) or single enterprise towns (‘company towns’) with profitable enterprises. The latter cases are rare, though. Moreover, even in those ‘success stories’ of local governments, municipal authorities face attempts by the owners or managers of the enterprises within their territory to impose their control over decision-making. However, the relative well-being of those towns depends primarily on current economic circumstances such as trends in the world oil market. The problems resulting from such economic dependency by local government are typical for most of the company towns of Russia.

In the course of the 1990s only large cities showed some signs of local autonomy and stimulated some hope for the emergence of local democracy. It is not surprising that the politics of larger cities produced multiple conflicts between regional and local authorities. Those conflicts are rooted in causes deeper than the contests of personalities between mayors and governors. Regional-local relations reflected fundamental controversies in center-periphery relations, even though on a smaller territorial scale. While big cities and their metropolitan areas served as centers of political, economic, and social modernisation, the surrounding areas of most regions faded into semi-peripheries or hopeless peripheries. Since the spatial structure of most of Russia’s regions is mono-centric, the cleavage between the regional capital and the rest of the region became evident.

According to the commonly accepted view, the center-periphery relationship is a key factor of processes of political modernisation. The role of center-periphery relations in post-Soviet politics is undeniable. On the one
hand, centre-periphery cleavage was the major determinant of voting in national elections in Russia from 1989 to 2000. On the other hand, the dynamics of centre-periphery relations were recognised as an explanatory variable in a comparative study of regime transitions in Russia’s regions, which presented an attempt to analyze the causes of the success or failure of regional democratisation. The dynamic of centre-periphery relations also played a role in the emergence or failure of local autonomy and local democracy in Russia’s cities.

The large cities of Russia (mainly the regional centres) play a crucial role in the country’s adaptation to the process of globalisation. They fulfill a mediating and civilising mission, pulling the less developed periphery up to a more contemporary level of development. That mission could not be carried out by the large cities unless they acquired political autonomy from the peripheries. However, the performance of that function would become more difficult if not impossible in conditions of the political dependence of the centres on the peripheries, which would lead to the forced redistribution of economic resources in favor of small towns and rural areas. The very existence of elements of regional democracy, such as competitive elections, is even worse for the autonomy of the major cities, because such competition provides strong incentives for incumbents to cultivate electoral loyalty among voters in rural areas and small towns, which constitute the territorial bases of ‘parties of power’, both national and regional. Therefore, the innovative potential of cities as centers of modernisation is being dissipated through redistributive practices, reducing the larger cities to the level of the peripheries.

Thus the unfavorable initial conditions of reforms in local government in post-Soviet Russia have been reinforced by the unfavorable outcomes of the ‘triple transition.’ Limited and inconsistent democratisation, ineffective marketisation, and the formation of a weak state have contributed to the crisis of local government. The level of local autonomy and local democracy in Russia is low. But that conclusion may lead us to ask whether weak and undemocratic local government is a permanent feature of Russian politics, or recent problems are only the temporary hardships of a protracted transition process.
Conclusion: New Local Politics?

Certainly, the future of local government in Russia is inseparable from the outcome of the country’s ‘triple transition.’ It is difficult to imagine the success of local autonomy and democracy without full-fledged national democratisation, an effective market economy, and successful state-building, based on the principle of the rule of law. But it is hardly realistic to expect that Russia will either achieve such goals quickly and easily or completely fail to do so. An intermediate and transitional state of affairs seems to be a more plausible expectation for Russia in the foreseeable future. Consequently, all assessments of the condition of local government in Russia must be highly tentative.

In those circumstances, the strategic choices by Russia’s political authorities are assuming heightened significance for the future of local government. Their preferences for political and economic reforms will condition the politics of local government in the short term, and also will have a long-term impact. Boris Yeltsin’s resignation from the presidency and Vladimir Putin’s rise to power during 1999-2000 opened new opportunities for reforms. So far it does not appear that Putin has adopted a conscious and consistent policy toward local government. His administration has not generated initiatives that would attempt to resolve major municipal problems.³² Putin’s reforms in the Russian federal system have clearly aimed at the recentralisation of power. However, the implementation of those reforms seems to have been largely ineffective in achieving the objectives stated by their authors.³³ Putin’s presidential address to the Federal Assembly in July 2000³⁴ provided a clear statement of the idea of transforming local government into the lowest level of the ‘executive vertical.’ Moreover, early drafts of Putin’s laws on federal reform proposed abolishing mayoral elections in cities with a population over 50,000 and returning to the practice of the appointment of mayors by regional governors.³⁵ That proposal was buried by the State Duma, but it is obvious that the consequence of such a change would be to eliminate any element of local independence.

The central leadership’s striving to recentralise the administration of the country sharply limits the potential for the development of local self-government. However, the possible negative consequences of the ‘municipal counter-revolution’ should not be overestimated. The reforms of local government of
the 1990s have imposed limits on institutional changes, so that there is little chance for the success of efforts for the complete suppression of local autonomy. Key norms of Article 12 of the Russian Constitution could be changed only by the adoption of a new Constitution, which is not on the agenda of Russian politics. In fact, other trends of development at the local level are evident, in connection with economic growth in some regions and the increase in involvement at the regional level by national financial-industrial groups as well as some foreign companies. The emergence of new political and economic actors in the regions (such as the representatives of the President in federal districts, and the local branches of national companies) facilitates the growth of the pluralism, creating a more favorable environment for the autonomy of local governments.

The task of the social and economic modernisation of Russia that has been proclaimed by Russia’s President cannot be resolved without effective policy implementation at the regional level. Reforms initiated by the central government will come to naught if they are blocked at the periphery. Thus the Center needs to recruit local allies to be agents of economic reform. Undoubtedly, the leaders of the large cities are the best candidates to serve in that role. For that reason, there is a possibility of a revival of the alliance between pragmatic federal bureaucrats and advocates of local government reforms, which contributed to the ‘municipal revolution’ in the 1990s. Therefore, paradoxically, the policy of re-centralisation could widen political opportunities for local governments. It is also possible that the politics of local government may again become a part of process of bargaining between federal and regional authorities, as was true in the 1990s.

In a broader perspective on political and economic development, the issues of local autonomy and local democracy are crucial for Russia’s ‘triple transition.’ The persistence of the political subordination of impoverished local governments as well as the compulsory redistribution of local resources from urban centers to peripheral areas will not facilitate the growth of an effective market economy and the building of authoritative political institutions on the local level. Also, there is little hope of democratisation in Russia when local democracy is reduced to elections that take the form of non-competitive voting for local or regional ‘parties of power.’ The continuity of those practices in Russia’s municipal politics would reinforce deeply embedded traditions
of clientelism and corruption, and might even undermine society’s demand for local autonomy. The choices faced on the path of development of local government are not taken into account by most of the country’s politicians and experts, who still look on local government as on the ‘back yard’ of Big Politics. The ‘municipal revolution’ in Russia seems to have come to an end, but the politics of post-Soviet local government is still in an early stage of development.

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Notes
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16. See North, Institutions, p. 89.


See Gel’man, Ryzhenkov, and Brie, Rossiia regionov.


See, for example: Stenogramma parlamentskikh slushanii po zakonodatel’stvo o mestnom samoupravlenii (Moscow, State Duma, 19 January 2001).


Rossiiskaia gazeta, 11 July 2000.

Nezavisimaia gazeta, 16 May 2000.