

In 2005, Putin announced a new program of National Projects intended to address inadequacies in the social sector and to reverse Russia's decline in population. The Projects focus on four priority areas: health care, education, housing, and agriculture. The National Projects were put under the stewardship of First Deputy Prime Minister Dmitry Medvedev, who was elected to the post of president in March 2008.

Russia saw a steady decline in population until 2009, mitigated to some extent by a positive inflow of immigrants, particularly from other former Soviet republics.¹³ Life expectancy for Russian men in 2009 was estimated at 63 years and 75 years for women. Primary factors contributing to the high mortality rates include stress related to social and economic dislocation and unnatural causes of death (accidents, murders, suicides).¹⁴

To boost the birthrate, in May 2006 Putin announced a doubling of monthly child support payments and a large monetary bonus for women having a second child. Another pronatalist measure was Medvedev's announcement in 2010 instructing government officials to "design a program of free land allocation for house/dacha construction, when a third and every subsequent child is born."¹⁵ Although declining birth rates often accompany economic modernization, in the 1990s many couples were especially reluctant to have children because of daily hardships, future uncertainty, a declining standard of living, and continuing housing shortages. Furthermore, women continue to carry the bulk of domestic responsibilities while still working outside the home to boost family income; fathers play a relatively small role in child rearing. Many women take advantage of the permitted three-year maternity leave, which is only partially paid, but difficulties in reconciling home and work duties no doubt contribute to low birthrates as well.

Russia in the Global Economy

Right up to the end of the Soviet period, the economy remained relatively isolated from outside influences. Foreign trade was channeled through central state organs, so individual enterprises had neither the incentive nor even the possibility to seek external markets. Over time, the ruble has been allowed to respond to market conditions, and firms are allowed to conclude agreements directly with foreign partners. In response, in the 1990s Western governments (especially Germany) made fairly generous commitments of technical and humanitarian assistance. The World Bank, the International Monetary Fund (IMF), and the European Union (EU) also contributed substantial amounts of economic assistance, often in the form of repayable credits. In the past, release of IMF credit, issued to stabilize the ruble, was made contingent on Russia's pursuing a strict policy of fiscal and monetary control and lifting remaining price controls. The Russian government had difficulties in meeting these conditions, and thus the funds were released intermittently. After the August 1998 crisis, the Russian government defaulted, first on the ruble-denominated short-term debt, and then on the former Soviet debt. Since then, debt repayments have been made on time. In 2001, the government decided to forgo additional IMF credits. By 2005, it had paid off its IMF debt.

Russia has had problems attracting foreign investment. Levels still remain low compared to other East European countries, despite some improvements since 2004. An upward trajectory was interrupted by the 1998 financial crisis. Major sources of foreign direct investment since 2000 have been Germany, the United States, and Cyprus (mainly recycled Russian capital, previously exported for tax reasons), but foreign investors are, since 2006, prevented from gaining a majority share in certain sectors of the economy that are identified as of strategic importance. After ironing

out some specific contentious trade issues, both the EU and the United States have confirmed their support for Russian membership in the World Trade Organization (WTO), which many experts expect to occur sometime in 2011, fueling concern in some sectors of the Russian economy about their continuing competitiveness in the face of increased international exposure. Many experts, however, consider that WTO membership will offer Russia considerable economic benefits overall.

The geographic focus of Russia's foreign trade activity has shifted significantly since the Soviet period. Whereas in 1994 Ukraine was Russia's most important trading partner, in 2008 the most important trading partners were Germany (receiving more than 6.9 percent of Russian exports, and providing 12.6 percent of imports to Russia), the Netherlands (receiving 12.2 percent of Russian exports), Italy (with 9 percent of Russian exports), and China (the largest source of Russian imports, 12 percent). Overall the expanded EU accounts for more than 50 percent of Russia's trade, compared to 14 percent for the countries of the Commonwealth of Independent States (CIS).¹⁶ A substantial portion of export commodities to Europe are energy resources.

GLOBAL CONNECTION



Russia and International Organizations

Russia is open to global influences. The government has achieved membership in many international and regional organizations such as the World Bank, the International Monetary Fund, and the Council of Europe, and is seeking membership in others, such as the World Trade Organization. In other cases Russia has forged partnerships with organizations for which membership is currently not foreseen (e.g., the European Union or the North Atlantic Treaty Organization, NATO). Relations with three regional organizations are profiled here:

The European Union (EU). Russia has not expressed a desire to join the European Union, but in 1997 a ten-year Partnership and Cooperation Agreement (PCA) between the EU and Russia went into effect, setting the basis for a "strategic partnership," which in 2003 was reinforced by the creation of four "Common Spaces" of cooperation in areas relating to economic cooperation; common borders; external security; and research, education, and culture. With the lapsing of the PCA, in late 2008 negotiations commenced for a new agreement. In 2007 the EU and Russia initiated a process to facilitate the issuance of visas for Russians wishing to visit the EU, and in 2010 they announced a Modernization Partnership.

The Council of Europe (distinct from the European Union) is the major European vehicle for the defense of human rights, enforced through the European Court of Human Rights (ECHR) in Strasbourg, France. The Council defines its mandate as being "to develop throughout Europe common and democratic principles based on the European Convention on Human Rights and other reference texts on the protection of individuals."¹⁷ Russia acceded to the organization in 1996 and ratified the European Convention on Human Rights in 1998. In joining the

Council of Europe, Russia subjected itself to periodic reviews and to the judgments of the ECHR, along with a number of other obligations. Thousands of human rights cases involving Russia have been brought to the ECHR and most judgments have gone against Russia, leading to a controversial suggestion by the Chief Justice of the Russian Constitutional Court that Russia could consider withdrawal from the Court's jurisdiction.¹⁷ However, observers doubt that this proposal will be implemented and evidence suggests that Russia's leaders support continued Council of Europe membership.

The North Atlantic Treaty Organization (NATO) was originally formed after World War II to safeguard its members from the Soviet threat. Following the collapse of the communist system, NATO has had to rethink its mandate and the nature of potential threats. Among its redefined duties are crisis management, peacekeeping, opposing international terrorism, and prevention of nuclear proliferation. Since 1999 many countries of Central and Eastern Europe have been admitted as members. Russia has objected to the expansion of NATO at each step, most recently to the proposed admission of Ukraine and Georgia. Russia has, over time, nonetheless developed a stronger working relationship with the organization, including the agreement on the NATO-Russia Founding Act on Mutual Relations in 1997, formation of the NATO-Russia Council in 2002, and, most recently, an agreement at the Russia-NATO summit in Lisbon in November 2010 regarding a commitment to undertake a Joint Review of 21st Century Common Security Challenges.

¹⁷<http://www.coe.int/aboutCoe/index.asp?page=quisommesnous&l=en>.

Russia's position in the international political economy remains undetermined. With a highly skilled workforce, high levels of educational and scientific achievement, and a rich base of natural resources, Russia has many of the ingredients necessary to become a competitive and powerful force in the global economy. However, if the country's industrial capacity is not restored, reliance on natural resource exports will leave Russia vulnerable to global economic fluctuations in supply and demand. In the first nine months of 2010, about 69 percent of exports were fuels and energy resources, whereas only about 5.2 percent were machinery and equipment, with other resources such as metals and timber making up a large part of the balance.¹⁸ Furthermore, levels of capital investment and technological innovation have not been adequate to fuel increased productivity; even in the lucrative energy sector, experts raise serious concerns about the ability of Russian firms to develop new reserves adequate to meet both domestic needs and contractual obligations to foreign (mainly European) consumers in future years. At the same time, its wealth in natural resources has given Russia advantages compared to its neighbors, since these expensive materials do not need to be imported. Ultimately, Russia's position in the global economy will depend on the ability of the country's leadership to fashion a viable approach to domestic economic challenges and to facilitate differentiation of the country's export base.

Summary

The heavy hand of state control contributed to the inefficiency of the Soviet economy, but in contemporary Russia the state has often been ineffective in providing the legal framework and institutional structures necessary for the new market economy. In the early 1990s, the government lifted price controls, privatized state enterprises, and opened the economy to international influences. The result was rapid inflation, a fall in the standard of living, and dramatic economic decline. Ever since an economic recovery began in 1999, a wider range of goods has been available to the consumer, but many people still have difficulty making ends meet, and inequality is much higher than in the Soviet period. Under Soviet rule, Russians came to expect the government to provide a certain level of social welfare, but market economic reform undermined many of these policies. The Russian economy is highly dependent on exports of oil, gas, and other natural resources, making it susceptible to global economic influences such as the financial-economic crisis of 2008–2009.

SECTION 3

GOVERNANCE AND POLICY-MAKING

In the 1990s the Russian leadership, under Boris Yeltsin, endorsed liberal democratic principles, and subsequent Russian presidents, both Vladimir Putin and Dmitry Medvedev, have reaffirmed their commitment to democracy. However, over time, the interpretation of how democratic governance should be applied and interpreted to make it compatible with Russia's unique political tradition and realities has become contested. Skeptics have abounded as Putin's measures to strengthen presidential power seem to have undermined many of the Russian Federation's founding democratic principles. Since 2008, when Dmitry Medvedev was elected to succeed

Vladimir Putin as president, speculation has arisen as to whether Medvedev's approach would be more sympathetic to liberal democratic principles and, if so, whether he might develop his own political base to reverse some of the authoritarian tendencies introduced by Putin.

Organization of the State

In the Soviet period, before Gorbachev's reforms, top organs of the Communist Party of the Soviet Union (CPSU) dominated the state. The CPSU was hierarchical. Lower party bodies elected delegates to higher party organs, but elections were uncontested, and top organs determined candidates for lower party posts. The Politburo, the top party organ, was the real decision-making center. A larger body, the Central Committee, represented the broader political elite, including regional party leaders and representatives of various economic sectors. Alongside the CPSU were Soviet state structures, which formally resembled Western parliamentary systems but had little decision-making authority. The state bureaucracy had day-to-day responsibility in both the economic and political spheres but followed the party's directives in all matters. People holding high state positions were appointed through the *nomenklatura* system, which allowed the CPSU to fill key posts with politically reliable individuals. The Supreme Soviet, the parliament, was a rubber-stamp body.

The Soviet constitution was only symbolic, since many of its principles were ignored. The constitution provided for legislative, executive, and judicial organs, but separation of powers was considered unnecessary because the CPSU claimed to represent the interests of society as a whole. When the constitution was violated (frequently), the courts had no independent authority to enforce or protect its provisions. Likewise, the Soviet federal system was phony, since all aspects of life were overseen by a highly centralized Communist Party. Nonetheless, the various subunits that existed within the Russian Republic were carried over into the Russian Federation in an altered form.

Gorbachev introduced innovations into the Soviet system: competitive elections, increased political pluralism, reduced Communist Party dominance, a revitalized legislative branch of government, and renegotiated terms for Soviet federalism. He also tried to bring the constitution into harmony with political reality. These changes moved the political system haltingly and unevenly closer to the liberal democratic systems of the West.

Even before the collapse of the USSR, political institutions began to change in the Russian Republic, which was only one constituent unit of the Soviet Union. A new post of president was created, and on June 12, 1991, Boris Yeltsin was elected by direct popular vote as its first incumbent. Once the Russian Federation became independent, a crucial turning point was the adoption by referendum of a new Russian constitution in December 1993. This constitution provides the legal foundation for current state institutions (see Figure 8.4). Ratification of a new Russian constitution followed a violent confrontation between the president and the parliament in 1993. Nonetheless, the new constitution seems to have acquired broad-based popular legitimacy.

The document affirms many established principles of liberal democratic governance—competitive multiparty elections, separation of powers, an independent judiciary, federalism, and protection of individual civil liberties. At the same time, the president and executive branch are granted strong powers. In the face of radical institutional change, however, in the 1990s the state demonstrated only a weak

Focus Questions

Why has the Russian leadership viewed centralization as necessary and what centralizing measures have been taken since 2000?

How have the military, judiciary, and subnational governments evolved since the fall of the Soviet Union? Have they gained or lost importance?

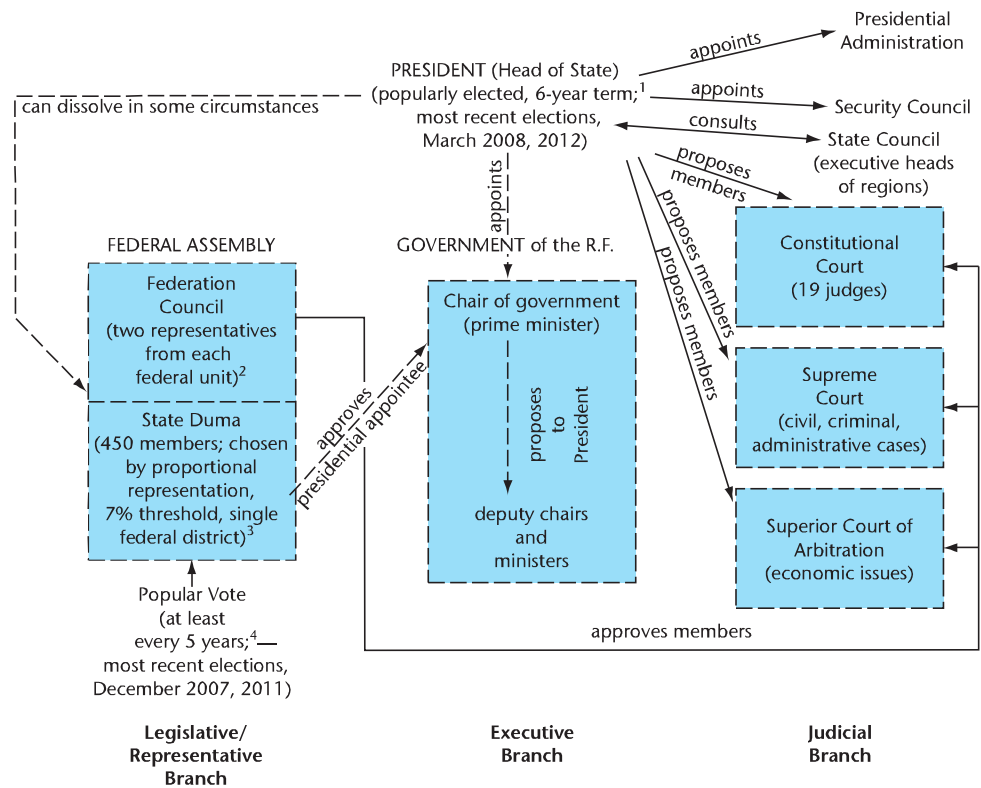
What is the relationship between the prime minister and the president in Russia? How have the particular individuals who have filled these posts helped to shape this relationship?

nomenklatura

A system of personnel selection in the Soviet period under which the Communist Party maintained control over the appointment of important officials in all spheres of social, economic, and political life.

capacity to govern, involving dysfunctional conflict between major institutions of government. Subnational governments demanded increased autonomy, even sovereignty, generating a process of negotiation and political conflict between the center and the regions that sometimes led to contradictions between regional and federal laws. The constitution made the executive dominant but still dependent on the agreement of the legislative branch to realize its programs. Under President Yeltsin, tension between the two branches of government was a persistent obstacle to effective governance. In addition, establishing real judicial independence remained a significant political challenge.

Beginning with Vladimir Putin's presidency (2000–2008) the power of the presidency was augmented further in an effort to address the weakness of central state authority. Many observers feel, however, that Putin's centralizing measures have undermined the very checks and balances that were supposed to protect against reestablishment of authoritarian control. In fact, some observers see in Putin's reforms a partial reversion to practices and patterns reminiscent of the Soviet period, namely, centralization of power and obstacles to effective political competition. In addition, poor salaries and lack of professionalism in the civil service have made it difficult to control widespread corruption and misuse of political power.



¹As of 2012 the term is 6 years, previously 4 years.

²One representative appointed by the regional legislature and one by the regional executive.

³Changed to nation-wide proportional representation system in 2007 with 7% threshold. Until 2007 half of seats were chosen in single-member-districts and half by proportional representation with a 5% threshold.

⁴As of 2011 the term will be maximum 5 years, previously 4 years.

FIGURE 8.4 Political Institutions of the Russian Federation (R.F.) 2011

The Executive

The constitution establishes a semipresidential system, formally resembling the French system but with stronger executive power. As in France, the executive itself has two heads (the president and the prime minister), introducing a potential venue for intrastate tension. The president is also the head of state, and until 2008 this office held primary power. The prime minister, appointed by the president but approved by the lower house of the parliament (the State Duma, hereafter Duma), is the head of government. As a rule of thumb, the president has overseen foreign policy, relations with the regions, and the organs of state security, while the prime minister has focused his attention on the economy and related issues. However, with Yeltsin's continuing health problems in 1998 and 1999, operative power shifted in the direction of the prime minister. In December 1999, Yeltsin resigned from office, making the prime minister, Vladimir Putin, acting president until the March 2000 elections. Following the election of Vladimir Putin as president in March 2000 the primary locus of power returned to the presidency. Putin's 2004 electoral victory was stunning (71 percent of the vote), reinforcing his authority. Since the constitution excludes the same person from holding three consecutive terms as president, Putin proposed Dmitry Medvedev as his successor, who was elected to the post in March 2008. Since 2008 the actual balance of power between the president and prime minister has been a perennial topic of discussion within the Russian Federation and among foreign observers.

One of the president's most important powers is the authority to issue decrees, which Yeltsin used frequently for contentious issues. Although presidential decrees may not violate the constitution or specific legislation passed by the bicameral legislature, policy-making by decree allows the president to ignore an uncooperative or divided parliament. Yeltsin's decision in 1994, and again in 1999, to launch the offensive in Chechnya was not approved by either house of parliament, despite strong objections. Under Putin and Medvedev the power of decree has been used more sparingly, partly because both leaders have had strong support in the legislature.

The president can also call a state of emergency, impose martial law, grant pardons, call referendums, and temporarily suspend actions of other state organs if he deems them to contradict the constitution or federal laws. Some of these actions must be confirmed by other state organs (such as the upper house of the parliament, the Federation Council). The president is commander-in-chief of the armed forces and conducts affairs of state with other nations. Impeachment of the president involves the two houses of the legislative body (the Duma and the Federation Council), the Supreme Court, and the Constitutional Court. If the president dies in office or becomes incapacitated, the prime minister fills the post until new presidential elections can be held.

The Russian government is headed by the prime minister, flanked by varying numbers of deputy prime ministers. The president's choice of prime minister must be approved by the Duma. During Yeltsin's presidency, six prime ministers held office, the longest being Viktor Chernomyrdin, from December 1992 until March 1998, and the final one being Vladimir Putin, appointed in August 1999. After becoming acting president in December 1999, Putin had three prime ministers (and one acting prime minister). The first of these, Mikhail Kasyanov (May 2000 to February 2004), later became an outspoken opposition figure. Following his election as president in 2008, Medvedev selected Putin as his prime minister. A governing Medvedev-Putin tandem was put in place. As prime minister, Putin created a new organ, the Presidium of the Russian cabinet, a body that meets weekly and acts as a kind of executive committee of the larger cabinet.

The prime minister can be removed by the Duma through two repeat votes of no confidence passed within a three-month period. Even in the 1990s when there was



PROFILES



Following the presidential election of March 2008, the new Russian president, Dmitry Medvedev (left), nominated the highly popular former president, Vladimir Putin (right), to serve as his prime minister.

Source: AP Images/ITAR-TASS, Presidential Press Service, Vladimir Rodionov.

He began his academic career as an associate professor at the same university, while working as an adviser to the chairman of the Leningrad City Council and an expert consultant to the St. Petersburg city hall's Committee for External Affairs.

In 1999 Medvedev moved to Moscow, where he worked in the Presidential Executive Office under Vladimir Putin, first as deputy and first deputy chief of staff, then, in 2003, as chief of staff. He continued to rise under Putin's leadership, becoming first deputy prime minister of the Russian Federation in November 2005. At the same time, from 2000 to

Dmitry Medvedev

Dmitry Medvedev was elected third president of the Russian Federation on March 2, 2008 in a landslide victory, receiving 70 percent of the popular vote. Just forty-two years old, Medvedev is the youngest leader to take power since the fall of the tsars. Medvedev was born in Leningrad (now St. Petersburg), completed his education there, and received his Ph.D. in law from Leningrad State University in 1990.

2008, Medvedev was the Chairman of the Board of Directors of OAO Gazprom—the Russian natural gas monopoly.

As the nation's president, Dmitry Medvedev has proposed a strategic program of modernization under the title "Go, Russia!" The plan would make Russia into "a country whose prosperity is ensured not so much thanks to commodities but by intellectual resources: the so-called intelligent economy, creating unique knowledge, exporting new technologies and innovative products."

In a speech in Yaroslavl (Russia) at the Global Policy Forum on September 10, 2010, Medvedev also stated his criteria for democracy: In addition to assurance of basic legal rights, he mentioned an advanced level of technological development, protection of citizens from crime and terrorism, a high level of culture and education, and the belief among citizens themselves that they live in a democratic society. Medvedev concluded that "there is democracy in Russia . . . young, immature, incomplete and inexperienced, but it's a democracy nevertheless."¹⁹ Observers debated whether Medvedev is likely to promote real political liberalization.

The Russian president is famous for being an active Internet user. He has his own blog and is on "Twitter" and other social networks. He uses state-of-the-art IT products (iPhone, iPad), and he likes photography and hard-rock music. Deep Purple is reportedly one of his favorite bands.

¹⁹Dmitry Medvedev, "Rossia Vpered" (Go, Russia), gazeta.ru 10.09.2009; <http://www.kremlin.ru/news/5413>, accessed January 30, 2011.

tension with President Yeltsin, the Duma was unable or unwilling to exercise this power, presumably in part because this action could lead to dissolution of the Duma itself. Until 2008, the prime minister was never the leader of the dominant party or coalition in the Duma. This changed when Putin became prime minister in 2008 because he was also elected as chairperson of the dominant party, United Russia, in that year.

One of the most intriguing questions in the current period relates to the relationship between the current president, Dmitry Medvedev, and his appointee as prime minister, Vladimir Putin. The interdependence of the two leaders has aroused much speculation about whether Medvedev is building an independent political base or whether he is primarily a vehicle of Putin's continued dominance. Observers wonder whether Medvedev will cede to Putin in the next presidential elections in 2012, when Putin would, under the constitution, be permitted to run again.

The National Bureaucracy

The state's administrative structure includes ministries, state committees, and other agencies. Based on an administrative reform adopted in 2004, ministries are concerned with

policy functions or political aspects, whereas services and agencies generally undertake monitoring functions or implementation. Most observers agree that these administrative reforms have not improved bureaucratic efficiency or government responsiveness.

Some government ministries (such as the Foreign Affairs Ministry, the Federal Security Service, and the Defense Ministry) report directly to the president. The president has created various advisory bodies that solicit input from important political and economic actors and also co-opt them into support for government policies. The most important are the Security Council and the State Council. Formed in 1992, the Security Council advises the president in areas related to foreign policy and security (broadly conceived) and includes heads of the so-called power ministries such as Defense and the Federal Security Service, the prime minister, and in recent years the heads of seven newly created federal districts. The 2009 State Security Strategy of the Russian Federation accorded the Security Council a coordinating role in this area, but the body remains only advisory. The State Council was formed in September 2000 as part of Putin's attempt to redefine the role of regional leaders in federal decision-making (see below). A smaller presidium, made up of seven of the regional heads selected by the president, meets monthly.

Ministers other than the prime minister do not require parliamentary approval. The prime minister makes recommendations to the president, who appoints these officials. Ministers and other agency heads are generally career bureaucrats who have risen through an appropriate ministry, although sometimes more clearly political appointments are made. Many agencies have been reorganized, often more than once. Sometimes restructuring signals particular leadership priorities. For example, the State Committee for Environmental Protection was abolished by a May 2000 decree; these responsibilities now lie with the Ministry of Natural Resources and Ecology. The mixing of responsibility for overseeing both use and protection of natural resources in this single agency may be an indicator of the low priority of environmental protection (as compared to resource use). In May 2008, Putin created a new Ministry of Energy, splitting off these functions from those of the Ministry of Industry and Trade. This move reflected the growing importance of this sector to Russia's economy.²⁰

Top leaders also use restructuring to place their clients and allies in key positions. For example, Putin drew heavily on colleagues with whom he worked earlier in St. Petersburg or in the security establishment, referred to as *siloviki*, in staffing a variety of posts in his administration. *Clientelistic networks* continue to play a key role in both the presidential administration and other state organs. These linkages are similar to old-boys' networks in the West; they underscore the importance of personal loyalty and career ties between individuals as they rise in bureaucratic or political structures. While instituting a merit-based civil service system has been a state goal, it has not yet been achieved in reality. The Russian state bureaucracy continues to suffer low levels of public respect and continuing problems with corruption.

Despite efforts to reduce the size of the state bureaucracy during Putin's term of office, its size increased substantially, in part through the creation of new federal agencies. As an apparent cost-cutting measure, in December 2010 Medvedev issued a presidential decree mandating a 5 percent cut in staff during 2011, with a decline of 20 percent by April 2013. The exact mechanism for achieving this result is unclear.

Public and Semipublic Institutions

In limited sectors of the economy, partial or complete state ownership has remained fairly intact or even been restored after earlier privatization was carried out. Public or quasi-public ownership may take the form of direct state or municipal ownership of assets or

siloviki

Derived from the Russian word *sil*, meaning "force," Russian politicians and governmental officials drawn from the security and intelligence agencies, special forces, or the military, many of whom were recruited to important political posts under Vladimir Putin.

clientelistic networks

Informal systems of asymmetrical power in which a powerful patron (e.g., the president, prime minister, or governor) offers less powerful clients resources, benefits, or career advantages in return for support, loyalty, or services.

majority control of shares in a “privatized” firm. Economic sectors more likely to involve public or semipublic ownership include telecommunications (the nonmobile telephone industry in particular), public transport (railways, municipal transport), the electronic media (television), and the energy sector. A prime example from the energy sector is Gazprom, the natural gas monopoly, in which the federal government controls just over 50 percent of the shares. Several television channels are publicly owned. Indirect state influence is also realized through the dominant ownership share in many regional TV channels by Gazprom-Media, a subsidiary of the state-controlled natural gas company.

In other areas, such as education and health care, while some private facilities and institutions have emerged in recent years, these services are still primarily provided through tax-supported agencies. Some prestigious new private universities, often with Western economic support, have cropped up in major urban areas, but Russia’s large historic universities remain public institutions. Likewise, a state-run medical care system assures basic care to all citizens, although private clinics and hospitals are increasingly servicing the more affluent parts of the population. In public transport, smaller private companies that provide shuttle and bus services have grown up alongside publicly owned transport networks. In general, public or semipublic agencies offer services at a lower price, but often also with lower quality.

Significant parts of the social infrastructure remain under public or semipublic control. In the Soviet period, many social services were administered to citizens through the workplace. These services included daycare, housing, medical care, and vacation facilities, as well as food services and some retail outlets. Between 1991 and the end of the 1990s, a process of divestiture resulted in the transfer of most of these assets and responsibilities to other institutions, either to private owners or, often, to municipalities. For example, while many state- or enterprise-owned apartments were turned over to private ownership by their occupants, an important part of the country’s housing stock was placed in municipal ownership.

Political authorities, including the president, are responsible for appointing executive officials in many public and semipublic institutions. This situation indicates a continuing close relationship between major economic institutions and the state, likely to remain due to the Russian tradition of a strong state and the discrediting of privatization by its association with dismal economic results in the 1990s. Indicative of this trend, the overall share of GDP created in the nonstate sector increased from 5 percent in 1991 to 70 percent in 1997, then fell from 70 percent in 1997 down to 65 percent in 2005–2006.²¹

Other State Institutions

The Military and Security Organs

Because of Vladimir Putin’s career background in the KGB, he drew many of his staff from this arena. Thus, while the formal rank of the Federal Security Service (the successor to the KGB) has not changed, the actual impact of the security establishment acquired increasing importance under Putin, even before 9/11. The Russian government attributes repeated bombings since 1999 to Chechen terrorists and has claimed that the terrorists have international links to Al Qaeda (see page 376). Since the September 11 attacks, cooperation between Russian and Western security agencies has increased, as Russia has shared security information. Because many Russians are alarmed by the crime rate and terrorist bombings in the country, restrictions on civil liberties have not elicited strong popular concern. At the same time, there is widespread public cynicism about the honesty of the ordinary police. Many believe

that payoffs by the mafia and even by ordinary citizens can buy police cooperation in overlooking crimes or ordinary legal infractions such as traffic tickets.

The Soviet military once ranked second only to that of the United States, but the size of the armed forces has declined to a quarter of its size at the end of the Soviet period. Defense spending declined in the 1990s, then increased again after 2000, but is still far below Soviet levels.²² The Soviet and Russian military have never usurped civilian power. The Communist Party controlled military appointments and, during the August 1991 coup attempt, troops remained loyal to Yeltsin and Gorbachev, even though the Minister of Defense was among the coup plotters. Likewise, in October 1993, despite some apparent hesitancy in military circles, military units defended the government's position, this time firing on civilian protesters and shocking the country.

The political power and prestige of the military have suffered, in part as a result of its failure to implement a successful strategy in Chechnya. Accordingly, the government increased the role of the Federal Security Service there instead of relying on the army alone.²³ Reports of deteriorating conditions in some Russian nuclear arsenals have raised international concerns about nuclear security. In addition, the situation of military personnel, from the highest officers to rank-and-file soldiers, has dramatically worsened. As of 2007, the Russian Federation still maintains universal male conscription, but noncompliance and draftees rejected for health reasons have been persistent problems. In 2008 mandatory service was reduced from two years to one year; women have never been subject to the military draft. A law to permit alternative military service for conscientious objectors took effect in 2004. Government proposals to supplement the conscript army by a smaller professional military corps are on the agenda, but there are no definite plans to abolish the military draft entirely.

High crime rates indicate a low capacity of the state to provide legal security to its citizens. Thus, in addition to state security agencies, there is a range of private security firms that provide protection to businesses and individuals. A network of intrigue and hidden relationships can make it hard to determine the boundaries of state involvement in the security sector, and the government's inability to enforce laws or to apprehend violators may create an impression of state involvement even where they may be none. A prominent example is the case of a former agent of the Russian Federal Security Service, Alexander Litvinenko, who claimed in 1998 that he was threatened after failing to fulfill an FSB order to kill Boris Berezovsky, an out-of-favor businessman in self-imposed exile in the United Kingdom (UK);²⁴ in 2000 Litvinenko himself took political asylum in the UK and continued his outspoken criticism of the Russian government. In November 2006, Litvinenko was fatally poisoned in London with the rare radioactive isotope Polonium-210. On his deathbed, Litvinenko accused the Kremlin of being responsible for his death, an undocumented accusation. In May 2007, the United Kingdom formally requested extradition of Andrei Lugovoi, an ex-KGB agent and Russian politician, to stand trial for the murder, but the Russian government refused, citing a constitutional prohibition. The issue sparked tension between the two countries, including expulsion of diplomats on both sides. These kinds of incidents have generated an atmosphere of insecurity and bizarre linkages reminiscent of Cold War spy novels.

The Judiciary

Concepts such as judicial independence and the rule of law were poorly understood in both pre-revolutionary Russia and the Soviet era. These concepts have, however, been embedded in the new Russian constitution and are, in principle, accepted both by the public and political elites. However, their implementation has been difficult and not wholly successful.