After the Deluge
After the Deluge

Regional Crises and Political Consolidation in Russia

Daniel S. Treisman

Ann Arbor

THE UNIVERSITY OF MICHIGAN PRESS
Contents

List of Figures ................................................................. vii
List of Tables ................................................................. ix
Acknowledgments ............................................................. xi
Chapter 1. Introduction .................................................. 1
Chapter 2. Center and Regions in Russia ............................. 28
Chapter 3. Fiscal Transfers and Fiscal Appeasement .............. 47
Chapter 4. Public Spending and Regional Voting ................... 81
Chapter 5. Political Strategies of Regional Governors .......... 120
Chapter 6. Yugoslavia, the USSR, Czechoslovakia—and Russia . 137
Chapter 7. Conclusion: Democratization and Political Integration . 161
Appendix A ................................................................. 181
Appendix B ................................................................. 189
Appendix C ................................................................. 209
Appendix D ................................................................. 216
Notes ................................................................. 221
References ................................................................. 241
Index ................................................................. 259
Figures

3.1. “Winners” and “losers” from fiscal redistribution, 1992 56
4.1. Regional vote for Yeltsin in 1991 presidential election 83
4.2. Vote of trust in Yeltsin, April 1993 referendum 84
4.3. Change in regional vote for Yeltsin, 1991 election to April 1993 referendum 85
4.4. Vote for the three most pro-reform blocs in December 1993 86
4.5. Vote for major pro-reform blocs and for Communists, December 1995 87
4.6. Second-round vote for Yeltsin in 1996 presidential election 88
A1. The threshold function for regional rebellion 183
A2. Threshold function and cumulative density of $\sigma$ 184
A3. Increasing tax 185
A4. Tax increase with selective appeasement 186
A5. Appeasement with imperfect information 187
Tables

2.1. Elections of Regional Leaders, January 1991 through June 1996 32
3.1. Estimated State Budget Revenues and Expenditures in Russia in the Early 1990s 50
3.2. Estimated Fiscal and Financial Transfers from Center to Regions, 1992–96 53
3.3. What Explains the Pattern of Net Center-to-Region Transfers in Russia, 1992–96? 61
3.4. What Explains the Pattern of Particular Transfers and of Regional Tax Retention, Russia 1992? 68
3.5. Change in Ranking of Regions in Terms of Net Central Transfers, 1988–92 76
4.1. Relationship between Central Transfers and Regional Budget Spending 93
4.2. Voting for Yeltsin and Incumbent Pro-Reform Blocs 95
4.3. The 1996 Presidential Election: Voting for Yeltsin in Rounds 1 and 2 101
4.5. Independent Variables Correlated with the (North-South) Latitude of Regions’ Capital Cities 109
4.6. Logistic Regression of Whether the Incumbent Governor Was Reelected if Regional Election Held 114
4.7. Logistic Regression of Whether the Most Senior Regional Executive Official Running in December 1993 Federation Council Election Was Elected 116
5.1. Which Regional Chief Executives Opposed Yeltsin at Moments of Constitutional Crisis? 126
5.2. Which Regional Chief Executives Supported Yeltsin During 1996 Presidential Election Campaign? 130
5.3. Aid, Voting, and Governors’ Strategies in Three Russian Regions 133
6.1. Federal Own Revenue in Three Reforming Communist Federations and Russia 140
Acknowledgments

I have accumulated debts—inTELlectual and otherwise—to many people in the course of researching and writing this book. Peter Hall, Andrew Walder, and especially Tim Colton provided insightful suggestions and generous encouragement during the period of its germination as a Ph.D. dissertation in the Government Department at Harvard. Andrei Shleifer has been a source of intellectual stimulation throughout, as well as penetrating comment on the current state of Russian politics. Jim Alt, Robert Bates, Robert Conrad, Tim Frye, and Joel Hellman read earlier versions of parts of the book and offered useful insights. Phil Roeder read the manuscript in its entirety and provided invaluable criticism. His careful reading forced me to clarify my thinking on various points and has greatly improved the final product. Deborah Treisman, Michel Treisman, and Hans Landesmann also read parts of the final manuscript and made valuable suggestions. Other colleagues swapped insights into the current state of Russian politics; I would like to thank in particular Michael McFaul, Steve Solnick, Yitzhak Brudny, and Robert Moser.

I am more than grateful to my colleagues in the political science department at UCLA for the atmosphere of intellectual curiosity and good humor in which the final manuscript took shape. Lev Freinkman, of the World Bank, has been more than generous with his expertise on numerous occasions. I am grateful also to participants in seminars and workshops where I presented earlier versions of parts of the argument, at Harvard, Yale, UCLA, the University of Pennsylvania, and the U.S. Institute of Peace, as well as at the American Political Science Association 1995 and 1996 annual meetings and the American Economic Association 1998 annual meeting.

In Russia, I have trespassed on the patience of more people than can be listed here. Leonid Smirnyagin and Aleksei Lavrov generously shared their data and insights over the course of several years. Others have found the time to provide their own perspectives on Russia’s emerging politics. I am grateful in particular to Ramazan Abdulatipov, Aleksandr Belousov, Yuri Blokhin, Viktor Filonov, Boris Fyodorov, Sergei Ignatev, Gabibulla Khasaev, Mikhail Leontev, Aleksandr Morozov, Oleg Morozov, Mikhail Motorin, Vitali Naishul, Valery Pavlov, Sergei Shatalov, Sergei Sinelnikov, Viktor Stepanov, Andrei Yakovlev, and Mark Yanovsky. Mark Bond, Konstantin Borovoi, Ruslan Shamurin,
Mikhail Zhivilo, and Yuri Zhivilo provided broader insight into the world of Russian business and politics, and Sergei Lazaruk into the Moscow cultural tursovka.

Charles Myers at the University of Michigan Press shepherded the manuscript through the editorial process with patience and dedication. I am grateful also to anonymous readers of the manuscript—some for valuable comments and suggestions, others for securing the additional time necessary to see my arguments confirmed by subsequent developments. I would like to acknowledge financial support from the Harvard University Russian Research Center, which provided a summer grant and a postdoctoral fellowship at crucial periods, as well as the UCLA Academic Senate and Center for European and Russian Studies. My understanding of center-region relations was enhanced toward the end by participation in a technical support project offering advice on fiscal federalism to the Russian Ministry of Finance, funded by USAID under the direction of Robert Conrad. No part of the argument in this book should, of course, be attributed to USAID or any other funding organization.


On a personal note, I am grateful to my parents, Anne Kahneman and Michel Treisman, and my stepfather, Danny Kahneman, for the constant support, interest, and understanding they have shown through the years as this project took form. Hans and Elaine Landesmann, my mother- and father-in-law, invited me along to some of the most conducive spots for writing that I can imagine. My wife, Susan Landesmann, to whom the book is dedicated, put up with it—and me—for so long that she deserves a medal. Instead, she will have to settle for my love.