

# Russia's Elites in Search of Consensus: What Kind of Consolidation?

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**T**here is a commonly accepted view that different segments of the elite are major actors in regime transition and consolidation. Most scholars of democratization believe that substantial compromises among elites are a necessary (although not the only) condition of a successful transition to democracy. However, evidence from Russian politics casts some doubt on this proposition. At least, several attempts at elite pacts or settlements have not led to democracy even in the most minimal sense thus far. The study of elite interactions and their impact on transition processes in Russia might be useful for understanding the limits of elitist models of democratization.

The following analysis consists of three sections. In the first section, I discuss some elements of theoretical schemes of the impact of intra-elite conflict and consensus on regime transition process and their application to contemporary Russia. The second section is a case study of regime transition at the level of subnational politics in Russia, in Nizhny Novgorod oblast in 1991–98. In the final section I consider the development of national elites in post-Soviet Russia and speculate about the possible implications of Russia's experience for further analysis of the role of elites in regime transition processes.

## **Elite Consensus: Pro et Contra**

Although the idea that the achievement of consensus among different factions of elites is a breakthrough in the process of transition to democracy was formulated a long time ago,<sup>1</sup> the elitist concept of democratization was elaborated in the 1980s and early 1990s. The "transitologists," who analyzed the process of democratization in Latin America and Southern Europe, introduced the model of successful transition to democracy via a "pact" between the moderate wings of the ruling elite and the opposition.<sup>2</sup> Almost simultaneously, elite theorists, who analyzed regime transitions from a comparative-historical perspective, developed a similar concept.<sup>3</sup> The analysis of regime transitions by elite theorists started from a typology

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of political elites and corresponding political regimes. The scholars determined three ideal types of elites based on the different types of elite structure.<sup>4</sup>

The first is a "disunified elite," characterized by minimal value consensus and cooperation among elite factions in regard to existing political institutions and by unlimited political struggle according to a zero-sum game principle. This elite type exists in unstable political systems, both democratic and authoritarian. The second is a "consensually unified elite," characterized by value consensus and cooperation among elite factions in regard to existing political institutions, in the framework of which political conflicts are carried out in a positive-sum game. This elite type exists in stable representative regimes, "at least nominally democratic in nature." Finally, the "ideologically unified elite" is also characterized by value consensus and cooperation among elite factions with regard to existing political institutions; cooperation is assured by the presence of a dominant elite faction whose ideology determines the character of official political discourse. This type of elite exists in stable, nonrepresentative regimes, where despite the presence of democratic institutions, political competition among elites for mass support does not exist.

According to the elitist concept, the main development trend is the transformation of elite and political systems from a disunified elite toward a consensual unified elite. In the comparative-historical perspective, elite theorists make the distinction between two different models of elite transformation: long-term "elite convergence" and short-term "elite settlement." To some extent, the elite settlement model is close to the model of a "pact." Pact as a mode of transition is based on a compromise among elite groups regarding the major political institutions (i.e., the formal and informal norms and rules that constrain the activities of political actors).<sup>5</sup> The precondition for the achievement of such consensus is a conflict between elite factions that results in heavy losses for all sides. When a compromise strategy produces lower costs to the actors than does a strategy of force, with its threat of loss, reaching an agreement and forming an elite settlement become the most rational choices for all actors.<sup>6</sup>

The scheme of transitions that I have described has roots in the deep crises of previously existing nondemocratic regimes and the attempts of elites to overcome those crises while minimizing their transaction costs. But the outcomes and the consequences of those crises might be quite different. Thus, scholars need to focus their attention not only on successful pacts/elite settlements, but also on some other, relatively neglected stories. Indeed, two partially overlapping research questions deserve places on the agenda: (a) What is the impact of elite consensus, if transitions from nondemocratic regimes occur by another means than pacts/elite settlements? and (b) Does achievement of consensus among elites inevitably lead to successful democratization, or are other outcomes of regime change also possible?

Both of these research questions could be crucial in the study of post-Soviet politics. The principal distinction of the breakdown of the Soviet regime (and of the subsequent collapse of the Soviet Union) from the pacts/elite settlements is obvious. The Soviet regime failed in August 1991 as a result of conflict between

different elite factions, which was resolved as a zero-sum game. In terms of the typology of models of transitions, such an outcome of crisis fell into the category of "imposition."<sup>7</sup> With respect to the case of Russia, the following crisis, in October 1993, repeated the model of the crisis of 1991: the conflict between President Yeltsin and the Supreme Soviet was resolved as a zero-sum game as well. At first glance, this experience is a triumph of the use of force strategies by "winners" of intra-elite conflicts. However, by mid-2002 elite dissent in Russia's national politics—at least at the behavioral level—had been significantly minimized, if not eliminated. The label of "imposing consensus" seems to be appropriate for the evaluation of such developments.

Meanwhile, in the broader perspective, the elitist concept of democratic transition is vulnerable on at least two principal points. First, using the typology of political elite structures one could speculate about a distinctive fourth type of elite structure, in which the combination of two features occurs: (a) value consensus and cooperation among elite factions in regard to existing (merely informal) political institutions, while political conflicts follow the model of a positive-sum game; (b) the existence of a dominant elite faction that determines the official political discourse either through its ideology or by other means. This type of elite structure can exist under a political regime where competition among actors is restrained. William Case, for example, discovered similar characteristics of "semidemocracy" in his analysis of elites and regimes of Southeast Asian countries.<sup>8</sup>

Second, the elitist concept of transition almost entirely excludes the content of the pacts/elite settlements themselves from the analysis; they are perceived only as a movement toward "democracy by non-democratic means."<sup>9</sup> However, it remains unclear why the very concept presupposes the democratic potential of pacts/elite settlements virtually by default. What would move the elites toward democracy, if we assume that democracy is not the power of those who proclaimed themselves "democrats," but the political contestation and accountability, which includes the threat of elites' loss of power? On the contrary, the most rational decision, one that would guarantee preservation of the actors' power positions under conditions of a pact, is a division of spheres of influence among the elite groups, with the goal of preventing an invasion by political outsiders, that is, those not participants in the pact/elite settlement.

In a market economy such a cartel agreement between companies is no less common than open competition (which is, by the way, usually encouraged by the state). The metaphor "cartel of anxiety," used by Ralf Darendorf in his critical analysis of West German elites in the 1960s,<sup>10</sup> is quite typical for this kind of elite consensus, which might correspond with possible consolidation of new (certainly nondemocratic) regimes. This is not the case for established democratic systems, but might be a serious challenge for so-called new democracies. It is especially important for post-Soviet societies, with their long record of lack of elite differentiation and absence of rule of law. Thus, one can assume that the participants of these pacts/elite settlements find themselves interested not in democracy, but in noncompetitive regimes. The analysis of deals of Mexican elites in the

late 1920s opens up alternative perspectives for assessments of the political consequences of pacts/elite settlements as an obstacle to further democratization.<sup>11</sup>

In light of the above considerations, the practices of intra-elite relations in post-Soviet Russia might encourage the special interest of scholars. Various assessments of the impact of intra-elite interactions in Russia were quite controversial.<sup>12</sup> However, no special studies of pacts/settlements in Russia have been made as yet. In the next parts of this article I propose to fill this gap, looking first at subnational political developments and then at national elites under Yeltsin and Putin. One could say that any consideration of regional political elites and regimes would be incorrect unless it takes into account the dependence of regions on national political developments. That is true, but why not say the same about the dependence of nation-states on international influences? Such international influence is certainly not an obstacle to the study of national politics. Thus, for an analysis of regional political elites regimes in Russia, it is possible to identify regional entities as if they were nation-states. Within this framework, federal authorities (as well as other actors outside a particular region) may be regarded as "external" actors, as if one were analyzing international influence on national politics. This assumption allows us to turn to a case study of pacts/elite settlements in Nizhny Novgorod oblast in the 1990s.

#### **Elite Settlement and the Limits of Democracy: Nizhny Novgorod Oblast**

The liberalization and subsequent decline of the previous political regime characterized political developments in Nizhny Novgorod oblast during the opening of the Soviet system in the late 1980s.<sup>13</sup> During that time, regional democratic movements gained sufficient influence to engage in public political competition with the authorities and managed a mass mobilization that resulted in the triumphal election of the leader of the local democrats, the young physicist Boris Nemtsov, as a Russia's Congress deputy. They also received fifty-two of 280 mandates to the oblast Soviet, where they formed the Democratic Reform group, whose main activity was a struggle with communists, represented in the Soviet by the Union group.

The breakdown of the previous regime, although caused by external circumstances, led to the failure of the communists in the region. During the August 1991 putsch the oblast leaders showed loyalty to the putschists, while the democrats strongly supported Yeltsin and the Supreme Soviet of Russia. After the suppression of the putsch and the banning of the Communist Party, the oblast Soviet leaders were replaced by democrats. Nemtsov was appointed as Yeltsin's representative in the region. The "imposition" in this case came from the outside, and the conflict in the region, with its disunified elite structure, ended as a zero-sum game: the democrats took the key power positions and completely ousted their communist opponents.

In fall 1991, a struggle broke out around the nomination of the head of the regional administration. Although the appointment was made by the Russian president, the candidate had to be approved by the oblast Soviet. As the Union group did not support the nomination of democrats, Nemtsov had no chance of receiving

a majority of the deputies' votes. He made use of the situation, though. Supported by Soviet chairman Yevgeny Krestyaninov, Nemtsov managed to reach an informal agreement with the Union-backed candidate, Ivan Sklyarov, on the division of powerful positions. Sklyarov agreed to Nemtsov's nomination as the head of the regional administration on the condition that he, Sklyarov, be nominated as Nemtsov's first deputy. As a result, the overwhelming majority of deputies recommended Nemtsov to the president, and he was soon appointed head of the regional administration. He also retained his post as presidential representative.<sup>14</sup>

The Nemtsov-Sklyarov pact was not just a tactical alliance reached out of personal interests. On the contrary, after approval by their political supporters in the regional Soviet, the pact became the foundation of an elite settlement in the region, based on the cooperation of representatives of the old and new elite groups. Both principal factions of the regional elite, which had previously been in serious confrontation with each other, now agreed on both the new configuration of actors and the new institutions, thus overcoming the uncertainty that had arisen after August 1991. But rather than the pact model described above serving as a means of democratization, the Nizhny Novgorod elite settlement was based on the actors' agreement over the informal institutions that determined the redistribution of resources among them. Nevertheless, the Nizhny Novgorod pact created the foundation for the establishment of a new—and, in practice, relatively stable—regional political regime.

Nemtsov, a political outsider in relation to the former elite, did not have his own crew of administrators and faced the necessity of choosing a political strategy. It goes without saying that Nemtsov's most important political resource was his influence at the center, primarily his close links with the president of Russia. However, Nemtsov could use that resource effectively only if there was stability in the region. Nemtsov awarded some posts in the administration to his supporters, while appointing former elite members to other posts. In the regional administration, members of the former Soviet nomenklatura made up 40 percent of the high-level officials and 75 percent of mid-level officials.<sup>15</sup> The most significant new appointment that Nemtsov made was the promotion of Dmitri Bednyakov, previously a professor at the local police academy, to be the mayor of Nizhny Novgorod, in December 1991.

On the other hand, Nemtsov managed to neutralize the most influential actor of the region—the directors of large industrial enterprises—after concluding several informal agreements on cooperation with them.<sup>16</sup> Nemtsov, using his ties in Moscow, managed to arrange for part of the tax payments of large enterprises to be paid into an extrabudgetary fund. In response, some of the directors provided

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political support and helped to consolidate the legitimacy of the new political regime; others at least did not oppose the administration. As a result, some enterprises obtained informal access to the administration's decision-making process, and the assistant to the director of the largest regional enterprise, Gorky Car Plant (GAZ), was appointed vice governor for external economic relations.<sup>17</sup> Thus, Nemtsov, who did not have sufficient resources to control the group, managed to ensure his own security against possible conflicts with it.

Nemtsov also enlisted the support of a number of new entrepreneurs. Andrei Klimentev (a friend of Nemtsov from his childhood), who had earlier been convicted of fraud and who became a businessman after he was released from prison, launched an initiative in spring 1992 to found a Council of Entrepreneurs under the governor. According to Nizhny Novgorod experts, the members of this council received some preferential treatment from the administration, although this was not a matter of corruption, but a case of face-to-face negotiations used to interest entrepreneurial groups in participating in regional programs.

The oblast Soviet supported not only Nemtsov's appointment but his further activities as well. Mostly thanks to the influence of Krestyaninov, who controlled the majority of the deputies, the Soviet provided Nemtsov with additional legitimation for many of his decisions. In June 1992 Nemtsov proposed the establishment of a regional Coordinating Council to organize support for decisions concerning the implementation of reforms. The council included the heads of the regional and city administrations and the chairmen of the regional and city Soviets. Although some deputies opposed the move, the leaders of the region were in favor of the idea, so the opinion of the assemblies was not taken into consideration. After the new regional Legislative Assembly was elected in 1994, Nemtsov's authority grew even greater. Almost half of the assembly's deputies were executive officials subordinated to Nemtsov.

Subsequent events consolidated Nemtsov's dominant position in the elite of the region. In December 1993 Nemtsov and Krestyaninov, running in the Federation Council elections in a two-mandate district, received 66 percent and 57 percent of the vote, respectively. It should be noted that no other candidates attempted to run against them in the election. To ensure a formally competitive vote, a puppet candidate was put up. During the 1993 elections to the State Duma that took place at the same time, a *Vybor* (Choice) foundation was set up under Nemtsov's patronage. It ran candidates in five out of six single-mandate districts in the region and coordinated their campaigns. Election returns showed four out of the five *Vybor* candidates claiming victory in their districts; one of them came in second, and another candidate loyal to Nemtsov received one more mandate.

If such support of the elite settlement was mainly due to an effective resource exchange among the dominant actor, other (subordinate) actors, and the regional population, then the maintenance of the actors' status within the framework of the elite settlement was a result of Nemtsov's strategy of accumulating maximum resources. After having reconfirmed his legitimacy on the electoral field, Nemtsov acquired the means to eliminate or neutralize those members of the elite settlement who did not have sufficient resources to compete with him for influ-

ence over regional politics. The subordinate actors, in turn, claiming autonomy within the limits of the elite settlement, found themselves restrained in implementing their strategies. This constellation of forces determined the outcome of a series of conflicts between Nemtsov and other actors in 1994–95.

The first of those conflicts arose between Nemtsov and Bednyakov during elections for mayor of Nizhny Novgorod in 1994. A popularly elected mayor would acquire the status of a legitimate autonomous actor who would potentially be capable of competing with the dominant actor for control. Under strong pressure from Nemtsov, Krestyaninov announced his candidacy. On the eve of the election, when, according to survey estimates, both candidates' chances were equal, Krestyaninov withdrew. Since there was no other candidate registered to run against Bednyakov, the election was canceled. Two days later, on Nemtsov's initiative, Bednyakov was fired and replaced by Ivan Sklyarov, by Yeltsin's decree. Krestyaninov was quickly rewarded by being given Nemtsov's post as Yeltsin's representative to the region.

During this conflict Nemtsov stirred up an open break with the leaders of GAZ over privatization of the enterprise. The GAZ directors tried to take control of a 50 percent stake in the company, but Nemtsov opposed the plan. After a court ruled in favor of GAZ, Nemtsov agreed to a compromise: the controlling stake was formally left in the hands of GAZ management, and GAZ's managing director retained his position; however, he soon retired. Shortly thereafter the new position of president of the joint-stock company GAZ was given to a former GAZ director and former USSR minister, who later became a strategic ally of Nemtsov. If, as in the case of Bednyakov, a Nemtsov opponent was totally removed as a political actor, then the GAZ leadership was neutralized. This conflict demonstrated the limits of both Nemtsov's and the directors' opportunities. On the one hand, the directors could be content with the status of subordinate actors within the elite settlement framework; on the other hand, Nemtsov, as the dominant actor, was limited in his ability to apply force strategies to other actors and was not able to accumulate all the resources.

A short time later, Nemtsov initiated another conflict with far-reaching consequences for the region. At the beginning of 1995, Nemtsov declared that Klimentev, who had earlier actively supported Nemtsov in all his activities, had misused a part of the credits allocated from the federal budget for the modernization of one of the regional factories. Klimentev in turn claimed that it had been the administration itself that had deliberately imposed conditions that made it impossible to return the credit. The conflict quickly grew into a political opposition. Klimentev announced his intention to run for the post of governor in the elections. A criminal case was then opened against Klimentev, who was arrested.

Although these conflicts may have seemed to undermine stability in the region, breaking down the elite settlement, in reality they allowed a consolidation of the political regime. Consensus and interaction among elite factions in relation to existing political institutions were not weakened; in fact, they were strengthened. In any case, the majority of the elite settlement participants took Nemtsov's side in these conflicts, and his position as dominant actor remained indisputable.

Nemtsov, as he gradually removed potential challengers, became independent in implementing his politics, as he had no obligation to the elite settlement participants and was no longer bound by the terms of the initial pact.

Nemtsov's most successful public action was the December 1995 gubernatorial election. Nemtsov won 58.4 percent of the votes, more than twice the share (26.2 percent) of his nearest competitor, the entrepreneur Vyacheslav Rasteryaev, who was supported by the left-patriotic bloc *Nizhegorodsky Krai*. According to Nizhny Novgorod experts, the main issue in the governor's election was not an ideological conflict between the liberal reformer Nemtsov and his main rival, but rather the loyalty of the electorate to Nemtsov's regime. The results of simultaneous mayoral election in Nizhny Novgorod were very important for Nemtsov. Sklyarov claimed a convincing victory over Bednyakov.

Thus, the elite settlement formed in 1991 led to a consolidation of the actors of the regional political regime, which was maintained throughout the entire period of Nemtsov's governorship, until spring 1997, when Nemtsov was appointed as first deputy prime minister of the Russian government and moved to Moscow. This consolidation was based on a resource exchange system among actors ("bargaining"). It provided a mutual advantage for the participants of the settlement and helped maintain stability in the region.

### **From Elite Settlement to a Hybrid Regime?**

While evaluating the effect of the elite settlement on the process of democratization, one should take into account the most important dimensions of the political system introduced by Robert Dahl: contestation and participation.<sup>18</sup> From such a perspective, the Nemtsov regime in Nizhny Novgorod oblast may be viewed as one with hybrid or mixed features. Although mass political participation was not obviously limited, its effectiveness (in the sense of both vertical and horizontal accountability of authorities) declined as the set of political alternatives narrowed. The elite settlement in Nizhny Novgorod oblast set limits for the process of democratization in the region in three essential ways: (a) restricting competition among political actors; (b) excluding some actors from the process of decision making; and (c) securing the continued dominance of informal institutions of the political regime.

Competition was restricted once the pact was established because positions were distributed between Nemtsov and Sklyarov not because of a coalition victory in competitive elections, but through assignment by the regional Soviets and by subsequent presidential decree. In the 1993 and 1995 elections, Nemtsov did not face any serious challenge from his competitors, and he in turn did not need to form a political party on the basis of the ruling group. As a result, the party system in Nizhny Novgorod oblast experienced a deep crisis even in comparison with the weak parties in other regions of Russia. It is enough to note that only one deputy from all political parties together was elected to the regional legislature in 1994 and in 1998.

The exclusion of some participants from the elite settlement (and the nonintervention of other actors) served not only to consolidate Nemtsov's position but



also to legitimize the regime, as a peculiar substitute for accountability. At the same time, an increase in the influence of political outsiders was inevitable as the price of a divide-and-rule strategy, which led the authorities to limit the effect of mass political participation. What were the alternatives to the dominant actor's governing through an elite settlement? Obviously, pact participants could have been given certain guarantees through a collective leadership mechanism on both the informal and formal institutional levels. In this connection, pacted transitions are predisposed to corporatist forms of interaction among actors.<sup>19</sup> The one-party regime in Mexico that evolved from an elite settlement provides an example of the benefits of collective leadership. However, corporatism in its essence presupposes guarantees for all actors, and this is in obvious contradiction to the position of Nemtsov as the dominant actor.

Philip Roeder considered this contradiction a "dilemma of leadership": the elites' need for a strong leader is coupled with the threat that this leader constitutes to them.<sup>20</sup> In post-Soviet society this dilemma is resolved through clientelism and integrating a system of checks and balances into the executive branch of power.<sup>21</sup> In Nizhny Novgorod oblast the clientelist mechanism of intra-elite interactions was implemented as an alternative to corporatism under Nemtsov. Frequent changes in the structure and staff composition of the administrative apparatus, as well as Nemtsov's conflicts with other actors, became the main tools in elaborating this mechanism. Simultaneously, the effective clientelist mechanism between the elite settlement and the population provided mass support for the regime in elections, where votes were the "currency" of the electorate in the system of resource exchange.<sup>22</sup>

However, the institutionalization of informality by the Nizhny Novgorod regime, based on the dominance of informal practices in adopting exclusionary decisions to the detriment of formal structures and procedures, seems to be its most important feature. The foundations of informal institutionalization were the patron-client interactions between actors. The Coordinating Council, together with Nemtsov's inner circle, made up of his fellow students at the university, who took a number of prominent posts with his help, had a significant effect on decision making in Nizhny Novgorod oblast. In contrast, the role of representative assemblies in the region, not to mention the judicial branch of power, was insignificant. Moreover, regional laws were continually changed to please the short-term interests of political actors. A certain informal contract was in force in relations between Nemtsov and the federal center, guaranteed, first of all, by Yeltsin. At the same time, Nemtsov's interactions with the directors of enterprises, entrepreneurs, parties, public associations, the mass media, and the population he was entrusted with were based on a similar model of informal contract, this time guaranteed by Nemtsov himself. Thus, the main features of the regional political regime could be described as (a) dominance of the executive over the representative branch of power; (b) the contract of mutual loyalty between the center and the head of the regional executive; (c) indirect control by the executive over mass media; (d) the neutralization or suppression of real or potential centers of opposition in the region; and (e) patronage exercised over public asso-

ciations (both political and those of the “third sector”) by the regional executive in exchange for their support.<sup>23</sup>

The appointment of Nemtsov led to the migration of part of Nizhny Novgorod’s elite (including Krestyaninov) to Moscow, where they took a number of government posts. In the absence of other important actors, only Sklyarov could provide for the continuity of the “elite settlement.” Sklyarov ran in the gubernatorial elections of June 1997 as the official candidate supported by the regional elite settlement (and by Nemtsov as well). Sklyarov won the election in the second ballot, but Nemtsov’s departure weakened the new political regime that he had created in the region. This weakening was related not only to the matter

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of leadership and the change of the regional elite composition, but to the fact that Nemtsov’s skills in bargaining with external actors (i.e., federal authorities) made possible a resource inflow to Nizhny Novgorod, whereas Sklyarov was unable to bring sufficient resources into the exchange system for both elites and masses. In the ongoing economic crisis in Russia, this was a crucial point of regional political development.

In March 1998, elections for the legislative assembly were held simultaneously with the mayoral election in Nizhny Novgorod to replace Sklyarov, who had become governor. The threat to the elite settlement arose from the popular elections for the regional center’s mayor—the only political actor in the region with access to economic resources comparable in volume to the resources controlled by the governor. In this sense the victory of a candidate loyal to the Nizhny Novgorod elite settlement was of extreme necessity. However, those hopes were buried by Klimentev, who was the major figure in a scandalous legal case initiated when the electoral campaign was in full swing, which gave his candidacy additional publicity. The race resulted in a slim victory for Klimentev. The city electoral commission declared the election invalid because of violations of law in the course of the campaign. The day following this decision, Klimentev was arrested. The presidential representative in the region, Yuri Lebedev, was forced to resign from his post after he accused the authorities of attempting to falsify the results in the mayoral elections.

Although the Nizhny Novgorod elite settlement attempted to survive in the post-Nemtsov period, it was at the cost of violating the formal institution of elections, which had confronted the elite settlement with a challenge to its authority. These attempts, however, could not preserve the regional political regime. The mechanism of resource exchange—formed under Nemtsov—had been undermined, and open electoral political competition led the actors to return to their autonomous state. The by-elections for mayor of Nizhny Nov-

gorod in September-October 1998 led to the complete breakdown of the elite settlement. Although the imprisoned Klimentev had been excluded from the election struggle this time, the conflict between actors exceeded the limits of the elite settlement. The new challenger was Lebedev, who became a candidate from a kind of coalition of negative consensus among some directors and entrepreneurs who claimed independence from the regional administration and a number of federal politicians, including Nemtsov himself, who by that time had already lost his post as first deputy prime minister of the Russian government. No wonder that Lebedev claimed victory and immediately after the election launched a series of attacks on Sklyarov, thus preparing for the struggle for the post of governor in new elections. Thus, the Nizhny Novgorod elite settlement and, consequently, the post-Nemtsov political regime were conclusively broken. The intra-elite agreements on the division of authority were replaced by an open competition between actors for the control of resources in a situation of new uncertainty, which would continue, at least, until the next gubernatorial elections in summer 2001.

### **National Elites in Russia: Toward Consolidation?**

#### **Elite Coalitions and Rivalry: 1993–2000**

The previous analysis is useful for understanding the impact of intra-elite relations on Russia's transition at the level of national politics in 1993–2000.<sup>24</sup> As noted above, the October 1993 putsch and decisive victory of Boris Yeltsin could be evaluated as a typical "imposition" mode of transition. The adoption of the new constitution in the December 1993 national referendum increased Yeltsin's popularity, granting him extraordinary powers<sup>25</sup> and limiting potential dangers to existing ruling groups. However, the further use of force strategies would be costly because of the emergence of new institutions in Russia, such as multiparty elections and (to a lesser extent) federalism. The December 1993 elections clearly show the limits of the ruling group's influence on popular will: opposition candidates won nearly half the seats in the State Duma.<sup>26</sup> The idea of denouncing the election results, although discussed among Russia's rulers, was buried due to the simultaneous holding of the constitutional referendum. Thus, the winners of the 1993 conflict, who gained the status of dominant actor, were turned toward more or less peaceful existence with the opposition.

For their part, opposition parties and politicians found themselves facing the dilemma of whether to employ an "irreconcilable" strategy, without realistic chances of gathering sufficient resources for victory (and even facing the threat of new oppression from the ruling group), or to consider implementing a new political system.<sup>27</sup> But within the new institutional environment the latter choice meant that the opposition agreed to be subordinated to a dominant actor, namely, the Russian president. Since opposition groups have no opportunities either to change the constitution (this would be possible only in the case of a broad consensus of virtually all Russia's political class) or to win presidential elections (this would be possible only with a majority of votes in the second ballot of national elections), the opposition would gradually be eliminated.

The post-1993 developments in Russian national politics appear similar to the post-1991 Nizhny Novgorod case, although the pact/elite settlement in the 1993 case was never discussed explicitly. However, Yeltsin's camp initiated the signing of the so-called Treaty on Public Accord, which serves as a substitute for the pact. And although pacts within the model of "transition to democracy" are clearly focused on conditions of establishing a new (presumably democratic) regime, in Russia's case the major goal of the treaty was the preservation of the post-1993 regime. According to the draft treaty, Yeltsin promised not to dissolve the State Duma, and Duma factions promised not to implement no confidence votes against the government or initiate impeachment of the president. Early elections for both the president and the State Duma were also excluded. Yeltsin and 245 representatives of parties, regional governments, and major interest groups signed the treaty in April 1994, although both the CPRF and Yabloko refused to sign. Nevertheless, in practice this "imposed consensus" is still to be realized. The principal turn from "war" to "bargaining" was a determinant of Russia's national political developments in 1994-95.

Russia's national "consensus" was too fragile and (contrary to the Nizhny Novgorod case) could not secure the stability of the newly emerged political regime. In search of the causes of the diverse outcomes of these similar elite situations, one could consider the impact of the different styles of Yeltsin's and Nemtsov's leadership. Whereas Nemtsov actively built capacities for effective resource exchange, establishing new and maintaining old ties within and outside his polity, Yeltsin was inactive and merely sought to balance the different elite groups that were competing for his favor.<sup>28</sup> In addition, Yeltsin's poor health and heavy drinking certainly undermined his leadership capacity. In terms of Roeder's above-mentioned "dilemma of leadership," Yeltsin demonstrated another kind of "bad equilibrium" with Nemtsov: the former was unable to perform well; the latter abused his dominant position and purged subordinated actors. But the ineffectiveness of the new regime was even more threatening to the survival of the "imposed consensus" than was weak leadership. The escalating economic crisis, the unfinished Chechen war launched in late 1994, and the growing unpopularity of the ruling group, as well as the general decline of popular trust in existing political institutions, challenged the political elite, particularly on the eve of the presidential elections, which were scheduled for June 1996. The decisive victory of the CPRF in the December 1995 parliamentary elections, when the communists and their allies won more than 40 percent of State Duma seats, was a clear sign of such a challenge.

The 1996 presidential elections were crucial for the survival of Russia's national elite and political regime. According to institutional design, presidential elections were a zero-sum game: their results meant either full-fledged domination or a loss of power for the ruling group. The prospect of electoral defeat was ominous, not only for Yeltsin's survival as a political actor, but even for guarantees of his personal security. Thus, the Yeltsin campaign had to deal with the political dilemma of abolishing elections or denouncing their results in the case of defeat.<sup>29</sup> Were the ruling group to survive by refusing to hold presidential elec-

tions, after seven years of electoral experience and two parliamentary elections, that could undermine the legitimacy of the regime and make intra-elite conflict even deeper, worse than in 1991 and 1993. Thus, the presidential team was forced to choose elections as the lesser evil; in other words, elite consensus was imposed again by the establishment of a "cartel of anxiety."

No wonder that Yeltsin's team effectively mobilized virtually all possible resources in the cause of electoral victory, including the administrative capacity of the state apparatus, control over most of the media, and almost unlimited financial resources. Entrepreneurs seized former state property on the basis of loan-for-shares auctions. Yeltsin granted more powers to the leaders of Russia's regions. The academic and cultural intelligentsia were intimidated by the idea of horrors to come in the event of the communists' return to power. Some of Yeltsin's competitors were involved in his campaign or were strongly pressured and limited in access to the media. Yeltsin's major rival, Communist Party leader Gennady Zyuganov, was obstructed and discredited in the media. During the campaign coverage on TV news on the three major national channels, the balance of positive and negative assessments of Yeltsin and Zyuganov was +492 and -313, respectively.<sup>30</sup> Observers evaluated the campaign of Zyuganov as sluggish and colorless, and they even proposed some hypotheses of behind-the-scene deals between Yeltsin's team and the left-wing opposition.<sup>31</sup> Last but not least, electoral fraud in favor of Yeltsin has been revealed, although there are no data of crucial importance on these matters.

The change of the political strategy of the Communist opposition was one of the immediate consequences of the elections. In August 1996, the opposition adopted the new approach of "implementation into power"; due to lack of resources for mass mobilization, they were finally integrated into the political system within the framework of the existing regime. The danger to the transition process from antisystem political forces seemed to be exhausted, but the stabilization of the political regime, achieved in the manner it was, remained too fragile and too partial; it was based on the short-term common goal of the elites, that is, on the survival of the "cartel of anxiety" rather than on acceptance of common norms and practices. Soon after the election, the "grand coalition" of negative consensus disappeared, and "imposed consensus" easily turned into a new struggle between elite factions for the position of (new) dominant actor. Intra-elite relations soon turned again from bargaining to war. The open conflicts among national elites definitely undermined the fragile legitimacy of Russia's national political regime. But the impact on the regime of the 1998 economic crisis was even more dramatic in terms of its inefficiency.

These developments found Yeltsin's "family" in circumstances similar to those that Gorbachev confronted in late 1991, when negative consensus among both the masses and the elites left him no space for political survival. However, unlike Gorbachev, Yeltsin still held administrative resources under his control. In August 1999, he appointed as prime minister the former head of the Federal Security Service, KGB Colonel Vladimir Putin. Most observers agreed that such a replacement made no sense in terms of the survival of Yeltsin's regime. In fact, Putin's

appointment was probably the most successful cadre decision throughout all Yeltsin's political career.

Soon after Putin became prime minister, bombs in Moscow and other Russian cities killed hundreds of people. The explosions were commonly associated in public opinion with Chechen terrorists (although no evidence of their involvement has been provided as yet). Putin, who promised to kill bandits wherever they arose, successfully mobilized the wave of popular fury against terrorists. In September 1999, the Russian army launched new attacks on Chechen paramilitary troops and then transformed the operation into full-fledged war. Although the Chechen war of 1994–96 was unpopular among Russians, the new campaign was recognized as a response to the bombings; thus the war was justified. Because of its overwhelming resources, the Russian army had soon taken most of the Chechen territory, although it never realized real control over the area. In the short-term perspective of the 1999–2000 elections, military euphoria was helpful for Putin and his allies. All of Russia's parties except Yabloko supported the military actions against Chechnya.

At the same time Putin, thanks to efforts of the Presidential Administration and remaining supporters of the Yeltsin "family," effectively maintained a pro-government (really, pro-Putin rather than pro-Yeltsin) parliamentary campaign. The newly emerged electoral coalition Unity received economic resources and administrative support that far outweighed any help given to other Russian parties. Under strong pressure from the Kremlin, most regional and business leaders changed their preferences to Unity during the campaign. In sum, the electoral results were quite favorable to Putin: his vehicle Unity and its allies won about one-third of the State Duma seats. The communists and their allies won nearly the same proportion of seats; and the remaining one-third were distributed among four other parties. That composition in the Duma permitted the Presidential Administration easily to control the parliamentary agenda and outcomes.

Putin's successes made Yeltsin's next, most decisive step possible. On 31 December 1999 he resigned from his presidential post and passed his powers to Putin as acting president. An early election was scheduled for March 2000. Against the background of growth of mass support for Putin, his electoral chances were beyond discussion. Although Zyuganov and other politicians participated in the presidential race, virtually all elite groups expressed their loyalty to Putin. Without significant resistance and even with a relatively modest campaign, Putin achieved 53 percent of the votes in the first ballot, marking the end of Yeltsin's epoch.

### **The National Elite under Putin: Imposed Consensus**

As one can see, attempts to achieve national elite consensus in Russia (even one that is imposed)—in 1993–94 and 1996–97—failed for two reasons: the absence of a dominant actor due to the leadership of Yeltsin, who served as "a hegemonic President without a hegemonic project";<sup>32</sup> and the ineffectiveness of the elites in maintaining an effective resource exchange system, mainly due to the lack of stable mass support (thus undermining the legitimacy of elites and the regime as such), limited state capacity, and economic crises. But since late 1999 the cir-

cumstances have changed and become much more favorable for the consolidation of national elites, as occurred in Nizhny Novgorod oblast under Nemtsov.

First and foremost, Putin launched his presidency on decisive claims for revitalizing the state. In fact, the military operation in Chechnya and attempts to use (or abuse) military and security force as a tool in domestic as well as in foreign policy—whether successful or not—have had some effect on remobilizing the administrative capacities of the state. Even if one could trace the roots of this U-turn to Putin's KGB background, its consequences were much broader. It meant not only the rise of military and security elites (who played a limited role in Russia's politics after 1991) as a powerful tool of the dominant actor, but their integration into a new resource exchange system. This strategy was double-edged. Although quite costly in economic terms, the military/security-dominated revitalizing of state capacity provided some opportunities for Putin to maintain a balance between different segments of national elites as well as to increase his popularity.

Second, the return of high oil prices on the world market enabled Putin and his government to solve—at least in the short term—such problems as stabilization of public finances and currency exchange rates and payment of pension debts and obligations to the IMF. In summer 2000, Russia's government adopted an ambitious program of economic reforms based on approaches similar to those of the early 1990s. Some liberal economists were promoted to key posts in Russia's government and the Presidential Administration.

Finally, Putin was able to gain electoral legitimacy. In contrast to the re-election of Yeltsin in 1996, Putin's election came not only from a negative consensus provided by the cartel of anxiety, but also from mass support. Whereas the incumbent vote in the presidential election of 1996 was merely anti-Zyuganov, in 2000 it was pro-Putin. Currently, there are no visible challenges to Putin's high popularity (no less than 60–65 percent, according to different opinion polls). Thus, Putin's claim to the position of dominant actor is based on both intra-elite and elite-mass relationships.

Despite the difference in initial conditions and immediate consequences, in general, the elite settlement in Nizhny Novgorod oblast and the imposed consensus of Russia's national elites under Putin are based on similar principles, such as the agreement between dominant and subordinate actors on power-sharing; the maintenance of the resource exchange system between them; and the prevalence of informal institutions. Since the appearance of Putin as prime minister, his dominant position has never been seriously challenged; other actors either agreed to be subordinate to him or have been targeted by the dominant actor. Those actors who sought political influence outside the elite settlement (or who tried to maintain an alternative resource exchange system) were either integrated within the elite settlement or targeted as well. In fact, during Putin's presidency the degree of actor autonomy and contestation among elites has been limited.

As noted above, the national parliament of 1993–99, especially the State Duma, served as a base for opposition groups of many kinds. By contrast, after the 1999 election the pro-Putin Unity and its allies consolidated one-third of the

seats, with enough power to at least serve as a veto group. At the very beginning of the parliament, Unity and CPRF, with the strong support of Putin's administration, achieved an informal agreement for sharing most of the powerful positions within the Duma: the communists secured the post of chairman of the Duma, and pro-Putin factions gained control over most of committees. The remaining minor factions received almost nothing. Although two liberal parties, Yabloko and Union of Right-Wing Forces, tried to protest these deals, they were forced to agree with the new rules of the game. Moreover, since some liberals were rewarded with important posts, they voted in favor of Putin in the Duma. No wonder that the Duma supported virtually all bills provided by the president and the government, including new budgets and tax reform.

This success in the Duma was a great help to Putin, who targeted other autonomous actors, the regional elites. In May 2000, Putin established seven federal districts across all Russia's territory and appointed his envoys, who obtained control over branches of the federal ministries as well as the use of federal property and finances from the federal budget. Thus, regional leaders, who previously had almost unlimited power and resources in their fiefdoms, in the manner of feudalism,<sup>33</sup> were restrained to some extent. However, autonomous regional leaders also gained some broad powers from the formation of the upper chamber of the Russian parliament, the Federation Council, composed of chief executives and heads of legislatures from each region. Meanwhile, Putin proposed a bill on reform of the Federation Council, the major goal of which was to remove regional leaders from the upper chamber and replace them with permanent parliamentary members, although these were to be nominated by the regional governments. Another bill gave Putin the right to dismiss regional legislatures and/or chief executives in case of violation of federal laws (in some circumstances, even without a court decision). These bills were enthusiastically adopted by the loyal Duma. Regional leaders were forced to agree to this subordinated status.

Simultaneously, Putin launched attacks on the independent media, primarily television (radio and newspapers have limited circulation, and the Internet is not universally available). Among the three national TV channels, state-owned RTR and joint-stock ORT, with 51 percent of state-owned shares, were politically loyal to Putin. But NTV, controlled by the Media-Most holding group, criticized Putin openly. In May 2000, the law enforcement agencies launched a series of attacks on NTV and other Media-Most companies, culminating in the seizure of Media-Most by the giant state-owned company Gazprom.

The relations between the state and major business leaders, the so-called oligarchs, developed according to the familiar "sticks and carrots" scheme. The prosecutors and tax police targeted some banks and oil companies for underpayment of taxes and other violations of the law. Although Putin declared the state's "equal distance" approach toward business, these attacks were in fact clear attempts to restrain the political autonomy of big business leaders and to limit their influence as independent actors. Almost all business leaders soon declared their loyalty to the new regime, thus agreeing to subordinate status.

As to another principle of imposed consensus, the prevalence of informal



institutions in national politics, at first glance this contradicts the very idea of the "dictatorship of law" announced by Putin. However, "dictatorship of law" is distinct from the principle of "rule of law." In practice, "dictatorship" means the purely instrumental use of legal norms as a tool (or even a means of coercion) within the resource exchange system. These kind of legal norms and rules, imposed in Russia by the dominant actor, tend not to use the framework of formal institutions as a basis of rule of law, but serve as a facade for the informal practices of arbitrary rule.

So, imposed consensus seems to have been adopted by Russia's national elites as a major tool for elite integration (or reintegration). In this respect, we could even call it a "self-imposed consensus." This mode of elite integration could survive Putin's leadership, if it helps Russia's modernization. Thus, as Juan Linz noted, referring to post-1964 Brazil, "such a process, combining administration, manipulations, arbitrary decisions, false starts, and frequent changes of personnel might be successful as long as the economy goes well."<sup>34</sup> It might be successful in terms of Russia's economic growth and the rise of its international influence, but it might be worse for the future of Russia's democracy, finally undermining incentives for the future emergence of a political contest within the framework of formal institutions under the principle of rule of law. In this respect Linz mentioned that such an "authoritarian situation" would be "leaving a frightful political vacuum for the future." However, it seems unclear what kind of political regime would fill such a vacuum and what kind of consolidation would follow in accordance with elite consensus.

### **Tentative Conclusions: Some Theoretical Implications**

In the context of analysis of regime transitions, the case of the pact/elite settlement of Nizhny Novgorod oblast and the possible development of imposed consensus in Russia's national politics under Putin demonstrate the limits of the elitist model of transition to democracy. Those pacts/elite settlements led to restrictions on actors' competition. Thus, a consolidation of the elite might be an obstacle to further democratization. The political regime based on the imposed consensus revealed itself to be weak. Without a comparative study of this imposed consensus it is difficult to properly judge the elites' impact on regime transitions and consolidation. But the political regime in Nizhny Novgorod oblast and some trends in Russia's national politics under Putin provide some grounds for generalizations.

We cannot say that the effect of the elite settlements on the process of regime transition, as shown above, totally contradicts the elitist concept of transition. On the contrary, the elite theorists note that pacts/elite settlements may lead to the creation of "limited democracies" and "pseudo-democracies,"<sup>35</sup> but they do not study the consequences of this kind of elite transformation. Meanwhile, the question that arises in a comparison of "transition to democracy" with Russia's experience is why, during the breakdown of the ancien régime, the elite settlement serves as a means of democratization, but during the process of installation of the new regime it is a means of pending democratization. The Russian cases could shed some light on this issue.

The achievement of the pact/elite settlement in Nizhny Novgorod in 1991 and in Russia under Putin's rule in 2000 had different costs for its participants. The strategy of bargaining for both parties was clear even before the conclusion of the pact/elite settlement. The subordinated actors agreed to the imposed consensus because it seemed to be the only way to retain their status as political actors—it was the lesser evil in comparison to other possible political developments. Contrary to this, the pact/elite settlement was the most effective way for Nemtsov and Putin and their allies to establish a “minimal winning coalition.” In such a situation the terms of the pact reflected the uneven constellation of actors' resources and consolidated the status of Nemtsov and Putin as the dominant actors, something that doomed the pact/elite settlement to instability. We may assume that the initial strategies and positions of the actors and the procedural conditions for reaching the pact/elite settlement predetermine its consequences for regime transition.

Thus, the analysis of Russia's cases within the comparative framework of studies of pacts/elite settlements and regime transitions allows us to reach some tentative conclusions and formulate hypotheses for further comparative studies on the differences in the conditions of pacts/elite settlements from the perspective of their consequences for regime transitions: First, the pacts/elite settlements that emerge when one of the actors is dominant and that consolidate the dominance of informal institutions contribute to the establishment of hybrid and unstable political regimes. Second, the pacts/elite settlements that emerge when the actors' powers are balanced or when the constellation of their resources is uncertain and that are based on defining formal institutions are able to create conditions suitable for the emergence of democratic political regimes.

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