

By Sergei Tagor, Tatiana Drobyshevskaya, Vladimir Mau

Russia's regional Policy

In 1992, Russia's regional policies could be divided into policies steered in relation to regions seeking to gain economic independence and those followed with respect to autonomous areas and republics within Russia, which had already acquired economic independence and political sovereignty. The whole year was marked by efforts to preserve the federal arrangement of the state in its more or less "rigid" form, with the central power represented by the President and government advocating a less "rigid" version, and the Supreme Soviet pressing for a more "rigid" system, constantly reproaching the President of willing to "break up" Russia but the Supreme Soviet was in no hurry to legislatively seal the delimiting of the terms of reference of central and regional authorities, leaving these arrangements fully for the executive branch to decide. It did not enact laws that would contribute to the creation of an updated federation. The resolution "On Chiefs of Regional Administrations" passed by the 7th Congress of People's Deputies, was not enough, although it introduced positive changes to the system of federal relations.

The regional policies of the President, aware of having inherited a super-centralized state, aimed to grant regions certain economic leeway amid liberal economic reform and supported their regional mergers in the frameworks of which reform could be implemented in accordance with local conditions. However, the Center did not supplement the granted economic freedom with a redistribution of powers as a result of which decentralization assumed a spontaneous nature.

The first year of liberal economic reform was keyed by the desire of regions and autonomous areas to achieve maximum possible economic "sovereignty" depending on the local economic and social situations. The principal struggles waged between the Center and the provinces were over property, money, taxes and budgets.

Regional administrations during the year assumed full control over regional bank branches and law-enforcement services and also subordinated local government agencies. In their actions they were guided by the following objectives: over the short term -- to check the slump in the production of food and prime necessities, avert mass strikes and disorders, and move subsidies from producers to cover less secure categories of customers; over the medium term -- to foster local markets with balanced supply and demand as regards foodstuffs and prime necessities, fashion mechanisms to protect these markets from the negative influences of other regions and absorb the adverse effects of inflation through administrative price regulation; and *in the*

long term-- to prevent wholesale unemployment, furnish a felicitous investment climate and open new jobs.

As those tasks were tackled, regions in Russia increasingly tended to cluster together and even integrate into independent production and economic "republics" in the Far East, Siberia and the Ural Mountains. Throughout the year the chiefs of regional administrations conducted talks on creating, protected common markets (in the Far East, Siberia and the Urals). The general concept for such policies was evolved and advocated by the chiefs of the administrations of the Sakhalin, Novosibirsk, Tyumen and Krasnodar regions. The scientific and economic substantiation for those policies was prepared by scholars from the Siberian, Far Eastern and Ural divisions of the Russian Academy of Sciences. Whereas at the start of the year activities along those lines were more of a declarative nature and used as a bargaining chip in negotiations with the government on individual aspects of economic reform, the second half of the year saw the commencement of actual work to organize the contemplated industrial and economic blocs. Along with the Siberian Agreement, Greater Urals and Far Eastern Agreement regional blocs, efforts got under way to set up regional associations in the center (the Golden Ring and the Greater Volga) and south of Russia.

The ideas of economic regionalization were backed by the majority of the population in the Far East, Western Siberia, the Urals and southern Russia. This was because, with the central government's functions being uncertain, the local people and regional authorities came to believe in the possibility of their being able to solve their problems on their own. The impression of the Center being redundant, however, was no longer as strong in the second half of the year, after the government had started paying closer attention to the operations of individual plants and step up the privatization process. In addition, having mounted the struggle for a re-distribution of powers with the Center, the regional elected authorities, quite unexpectedly for themselves, ran into similar problems in their own relations with the local executive administrations. This was why, by the year's end, they were prepared to compromise with the Center on many issues.

As economic reform made headway, conflicts began to erupt between the central government and regions in determining the share of the taxes the latter were to deduct to the federal budget. The Chelyabinsk region and the Siberian region's Council decided to keep all their tax receipts, while many other regions began to channel only a portion of the taxes they were supposed to pass on to the federal budget. That was how the "tax war" flared up. In order to stop it, the cabinet took measures to restore the statutory procedure for the collection and distribution of federal taxes. It enjoyed the support of the Russian Central Bank and Supreme Soviet legislature in those efforts.

The results of the movement by autonomous areas and republics within Russia for the rights were sealed in the federal treaty and related protocols. But the process of constitutionalizing the sovereignty of autonomous areas and republics within Russia wa

not yet completed.

Amid the scarcity of foodstuffs and prime necessities, all such areas and republics sought to tighten control over the flows of goods and individual natural resources. Karelia, for instance, refused to supply timber and other resources until first receiving promised deliveries from other Russian regions. Tatarstan and Bashkortostan made exports of farm produce subject to licensing. Chechnya pressed for different destinations for its oil and oil product exports. Tatarstan, Bashkortostan, Sakha (Yakutia), Dagestan and other republics proclaimed complete sovereignty over their natural resources.

Such elements of political independence as the presidency, National Guard, the national banks and foreign ministries, and the priority of some republican laws over federal legislation are in evidence in republics, the economies of which show pronounced emphasis on fuel and raw materials production (Tatarstan and Bashkortostan).

Republics in the Volga region and the Urals (Udmurtia, Mordovia, Chuvashia, Mari-El and Kalmykia) are characterized by a gradual growth of nationalism in the absence of claims to political independence. The industrial elites (factories in the military-industrial complex) closely linked with the central government and dependent on its orders and investment for conversion to civilian output, as well as the small share of indigenous ethnic groups (32% of Udmurts and 36% of Mordovians), are a factor restraining the spread of nationalism in Udmurtia and Mordovia. In Mari-El, Chuvashia and Kalmykia the same effect is produced by the absence of strategic commodity resources and an independent industrial base, without which these republics will not be able to survive autonomously.

To control ethnic movements in autonomous regions and the process of decentralization in Russian lands, it is imperative to abandon the principle of "evening out the statuses of all ethnic-territory entities" and equating the statuses of autonomous areas and Russian lands. An effective solution to the problem could be provided by the constitutional definition of the sovereignty of Russian land and the ethnic autonomous areas and republics with the adoption of a new Russian constitution.