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Russian Politics in a Time of Economic Turmoil

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To explain Russia's politics in the last two decades, most scholars focus on the aims of the country's leaders and the formal institutions they created. I argue here that such accounts miss the central element in Russia's postcommunist political economy. Although the designs of those in the Kremlin obviously made a difference, what mattered more were economic forces that were largely beyond their control. Economic conditions shaped public opinion, which, in turn, determined how the formal institutions worked and whether the leaders would get a chance to implement their ideas. Checks—if not balances—arose spontaneously to constrain presidents who had become unpopular and then melted away when the public recovered confidence in the state's chief executive.[1]

In advancing this argument, I make five claims and offer brief evidence for them. First, Russia's dramatic economic contraction after 1990 and its vigorous recovery after 1998 were caused by factors over which the presidents in power at the time had little control. Boris Yeltsin inherited an economy that was imploding; his successor, Vladimir Putin, took over one that was poised to recover. Second, the economy's fall and rise reshaped public opinion, first destroying Yeltsin's popularity and then helping sus-

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1. This chapter draws throughout on my earlier paper "Presidential Popularity in a Young Democracy: Russia under Yeltsin and Putin" (manuscript, University of California, Los Angeles, November 2009) and on my forthcoming book *The Return: Russia's Journey from Gorbachev to Medvedev* (New York: Free Press, 2010).

tain the persistently high ratings of his successor. Third, the incumbent president's ability to enact and implement policies increased and decreased in line with—and, to a considerable extent, because of—changes in that president's popularity. Yeltsin's plummeting ratings emboldened his opponents in the parliament, in regional governments, and elsewhere to block his initiatives and undermine his authority. Conversely, as Putin's popularity soared, such opposition evaporated. Fourth, changes in Russia's formal political institutions during this period explain little about the varying ability of presidents to set an agenda and push it forward. Fifth, the different ideas and aims of Mikhail Gorbachev, Boris Yeltsin, and Vladimir Putin did help to determine Russia's path—but primarily at moments when the incumbent leader was popular. The ideas of unpopular leaders were mostly ignored.

This view of Russian politics differs from conventional accounts in several ways. Both scholars and journalists usually portray ordinary Russian citizens as innocent bystanders in—or victims of—Kremlin politics. I suggest that leaders were actually sensitive to and often constrained by public opinion. Although the public could be fickle, its views were often influential. While missing the importance of public opinion, observers have overemphasized formal institutions. Great significance has been attributed to the extensive formal powers of the Russian presidency since 1993. I argue that these powers meant little when the president was unpopular and were not necessary when his ratings were high. A preoccupation with formal institutions led democracy advocates to condemn details of Russia's political institutions—use of proportional representation in Duma elections, central appointment of regional executives, and a six-year presidential term—that in fact do not distinguish Russia much from many long-established and effective European democracies. The problem was not undemocratic institutions so much as undemocratic *practices*, by which incumbents, shielded by broad and genuine public support, subverted the letter or spirit of relatively democratic laws.[2]

If the character and outcomes of Russian politics depend on public opinion, itself driven largely by economic conditions, the global financial

2. See Treisman, *The Return*, chapter 10. Many of the world's democracies—including Austria, Denmark, Spain, and Switzerland—elect their parliaments using the same party-list proportional representation system that Russia introduced for the 2007 election. (Previously, the Duma was elected half on party lists, half in single member constituencies.) Russia's six-year presidential term is on the long side for European democracies, yet until 2002 France's president served for seven years. Putin was widely censured for abolishing elections for regional governors. But among European Union members, a number—including Portugal, Bulgaria, Estonia, and Lithuania—have regional executives that are centrally appointed. None of these countries are widely criticized for this. The greatest problems for democracy in Russia—considerable falsification of election results, administrative and economic pressures on the media, and biased rulings of courts and electoral commissions—were all informal or illegal practices.

crisis of 2008–10 could bring political change. I briefly explore how the early months of the crisis played out and outline three scenarios for what might lie ahead.

Economic Crisis and Recovery

Opinions differ about the quality of Russia's economic management in the 1990s and the wisdom of the reform strategy chosen. Whatever one thinks about this, two points are hard to deny. As Yeltsin took possession of Gorbachev's Kremlin office in 1991, the country was already in a grave economic crisis. And as his successor, Vladimir Putin, took over in 2000, Russia had already begun a vigorous recovery.

Yeltsin's policies in the 1990s may have affected the depth and duration of the economic downturn. But by the time he reached the Kremlin, a severe contraction was unavoidable. This is evident from the fact that output in all the countries of Eastern Europe and the former Soviet Union fell significantly after communism fell. The drop in officially reported GDP per capita in the 15 former Soviet republics ranged from 68 percent (in Tajikistan) to 22 percent (in Estonia).[3] Russia's decline, at 39 percent, was the tenth largest. The Eastern European countries, some of which had started their transitional recessions earlier, also suffered major contractions.

A number of causes contributed to this downturn: chronic inefficiency of Soviet-style planning, worn-out and obsolete capital stock, disruption of production chains, shock of transition to world prices for trade, macroeconomic imbalances created by some of the last communist governments, and—for those like Russia that were major commodity exporters—the fall in world commodity prices.[4] Official statistics greatly exaggerate the decrease in the value of what was produced. Under communism, much of the output counted in the GDP figures was overvalued, consisting of goods of appalling quality that no one would buy freely or state orders for which there was no real demand. Afterwards, much output was produced underground and therefore not recorded in official statistics.[5] But even

3. Figures for the fall in real GDP per capita (in constant local currency units) between 1991 and the year in which GDP per capita was lowest, calculated from World Bank, *World Development Indicators*.

4. See, for example, Nauro F. Campos and Fabrizio Coricelli, "Growth in Transition: What We Know, What We Don't, and What We Should," *Journal of Economic Literature* (September 2002), 793–836, and Oleh Havrylyshyn, "Recovery and Growth in Transition: A Decade of Evidence," *IMF Staff Papers* 48 (2001), 53–87.

5. Anders Åslund, "How Small Is Soviet National Income?" in *The Impoverished Superpower: Perestroika and the Soviet Military Burden*, ed. Henry S. Rowen and Charles Wolf, Jr. (San Francisco: ICS Press, 1994), 13–62; Evgeny Gavrilenkov and Vincent Koen, "How Large Was the Output Collapse in Russia: Alternative Measures and Welfare Implications," IMF Working Paper 94/154 (Washington: International Monetary Fund, 1994).

taking such mismeasurement into account, there was almost certainly a significant fall in output. No country found a way to avoid it.

If the crash was universal, so was the recovery. From the late 1990s, rapid growth resumed in all postcommunist countries. The rise in GDP per capita in 1998–2008 among the former Soviet republics ranged from 44 percent (in Kyrgyzstan) to 282 percent (in Azerbaijan). Russia had the eighth strongest rebound. In Eastern Europe as well, the 2000s saw high growth. The recovery was caused in part by the effects of the reforms of the early 1990s, and, in Russia's case, by the resurgence of commodity prices. Again, the fact that recovery came everywhere makes it hard to credit it principally to Putin's economic management.

In short, although the policy choices of postcommunist leaders probably influenced the severity and length of their countries' economic contractions and the speed and vigor of their subsequent recoveries, the experience of contraction in the early 1990s and recovery in the 2000s was common and apparently inescapable. In Russia, Yeltsin inherited an economic catastrophe from his predecessor; Putin received an economy that was ready to rebound.

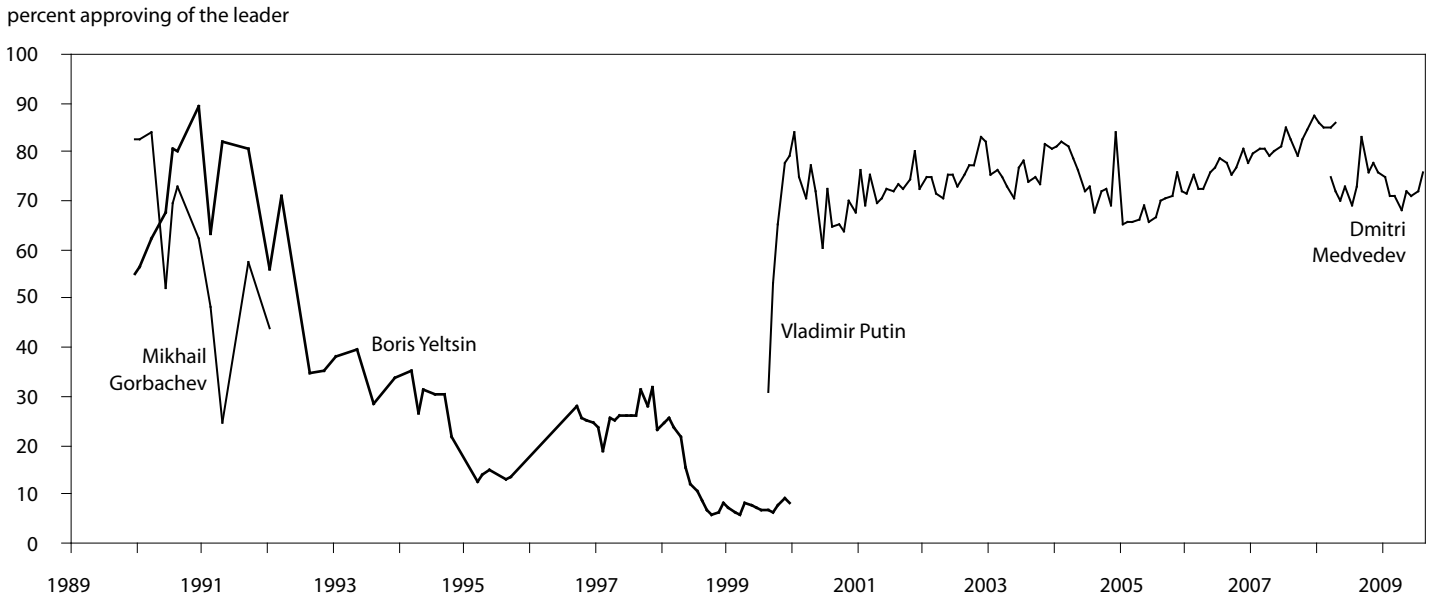
Consequences of Economics for Politics

The gyrations in Russia's economy had profound effects on public opinion. Evidence suggests they were a major influence on the popularity of the country's successive presidents.

In 1988, several of Russia's most-respected, semi-dissident sociologists founded the polling organization VCIOM in Moscow. It quickly acquired a reputation for professionalism and independence. This was widely thought to be the real reason why in 2003 the Putin administration repossessed the organization, forcing out its director, Yury Levada. Most of Levada's colleagues left to form the Levada Center, which continued the group's polls. From 1989, VCIOM began asking its representative sample of voting-age Russians—at first occasionally, from late 1996 more regularly—whether they approved or disapproved of the country's political leaders. Figure 2.1 shows the percent approving of the country's first four presidents (including Gorbachev, the one and only Soviet president). We see, first, the collapse in Gorbachev's support in 1989–91 and the parallel rise in Yeltsin's, which peaked in December 1990 at almost 90 percent. Then came Yeltsin's long slide to a rating of just 6 percent in late 1999. Approval of Vladimir Putin, appointed prime minister in August 1999, rocketed to 84 percent in mid-January 2000 as he took over as acting president and then remained between 61 and 87 percent during the next eight years. In 2008, his replacement, Dmitri Medvedev, started out a little below Putin's final level.

The patterns of presidential approval shown in figure 2.1 turn out to

Figure 2.1 Approval ratings of Soviet and Russian leaders, 1989–2009



Note: The questions vary slightly in the 1990s, but all ask whether or to what extent the respondent "approves" of the president's performance, actions, or handling of his responsibilities. Putin's approval includes his period as prime minister. Missing values interpolated.

Sources: VCIOM and Levada Center polls, available at http://sofist.socpol.ru and www.russiavotes.org.

be closely related to public perceptions of the state of the Russian economy.[6] From 1993—and then more regularly from mid-1994—the pollsters of VCIOM asked Russians how they would evaluate the economic situation in Russia and the state of their family's finances, as well as what they thought awaited Russia's economy in coming months. The relationship between economic perceptions and presidential approval can be seen in figure 2.2. The dashed line plots an index of positive economic sentiment constructed by adding the percentage of respondents that thought Russia's economic situation was "very good," "good," or "intermediate" to the percentage that said they expected a "significant improvement" or "some improvement" in coming months. Superimposed on it is a line measuring the average rating given by respondents to the incumbent president when asked to rate him on a scale from 1, the worst, to 10, the best.

It is hard, looking at figure 2.2, not to see a connection between economic sentiment and the public's rating of its president. I confirm the link between economic perceptions and presidential approval with more elaborate statistical tests in a more technical paper.[7] Although it is difficult to be certain which of the different elements of economic sentiment—evaluations of national economic conditions, family finances, or expectations about future economic performance—were most important since they are highly correlated, measures of economic perceptions do a good job of accounting for the trends in the ratings.

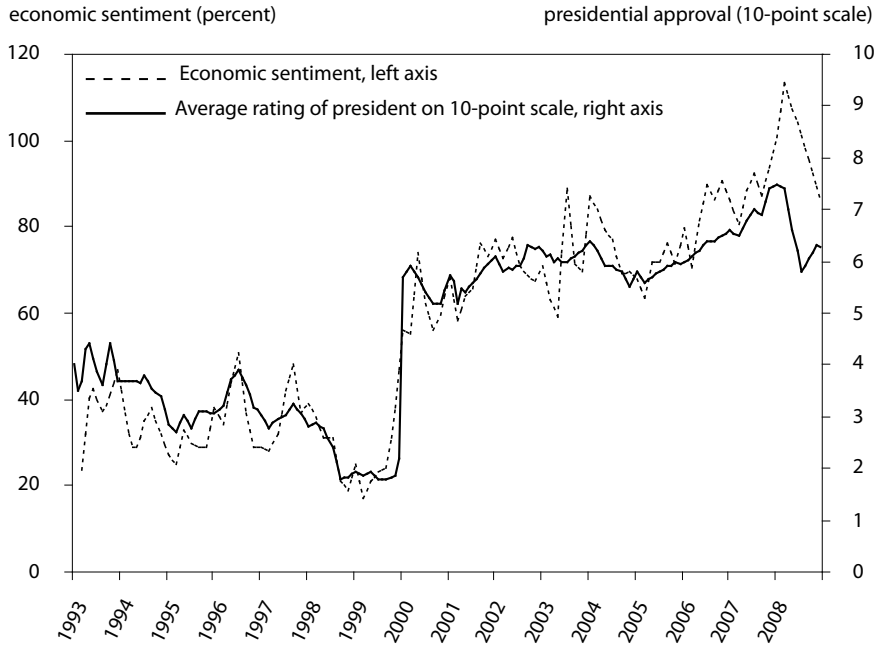
Of course, economic factors do not explain all the variation. Other factors also mattered at various times. Episodes of boorish behavior on Yeltsin's part cost him popularity. When in Berlin in August 1994 after too many glasses of champagne he grabbed the baton and energetically conducted a police band while television cameras rolled, his rating fell by about one quarter point on the 10-point scale. Putin's resolute response to the invasion of Dagestan by Chechen guerrillas and the terrorist bombings of four apartment buildings in late 1999 may have helped propel his rating upwards, although the economic resurgence would likely have achieved the same result a few months later. On the other hand, both the first and second Chechen wars appear to have mostly depressed the popularity of the incumbent president. Although these and other political factors help to explain some of the peaks and valleys in the rating, economic perceptions had a more consistent influence. Had the economy under Yeltsin performed as well as it did under Putin, statistical simulations suggest Russia's first president would have left office extremely popular.

It could be that the public's perceptions of the economy were them-

6. Treisman, "Presidential Popularity in a Young Democracy."

7. Ibid.

Figure 2.2 Economic sentiment and presidential approval in Russia, 1993–2008



Note: Economic sentiment is percent saying "very good," "good," or "intermediate," when asked "How would you evaluate Russia's economic situation?" plus percent saying "a significant improvement" or "some improvement" when asked "What awaits Russia in coming months in the economy?" Missing values interpolated.

Sources: VCIOM; Levada Center; author's calculations.

selves manipulated by the regime, which under Putin was exerting increasing influence over the mass media. In this case, economics would not be driving politics; politics would be shaping economic perceptions. Analyzing the determinants of economic perceptions, I found that media effects could explain some of the change over time in Russians' views of the economy—in particular, assessments improved more than was warranted during the 1996 and 2004 presidential election campaigns, only to sink afterwards.

Evaluations of the economy were also slightly rosier when Russians had greater confidence in their president. However, on the whole, Russians' assessments of economic conditions tracked objective economic indicators—average real wage, average pension, real wage arrears, unemployment, and job openings. By and large, Russians were not tricked into approving of their president by deceptive media reports about economic performance. Rather, they accurately perceived the contraction of the

early and mid-1990s and the rapid recovery after 1998. As the economy deteriorated, their disapproval of Yeltsin intensified; as it recovered, support for Putin reached unprecedented heights.

Presidential Popularity and Political Constraints

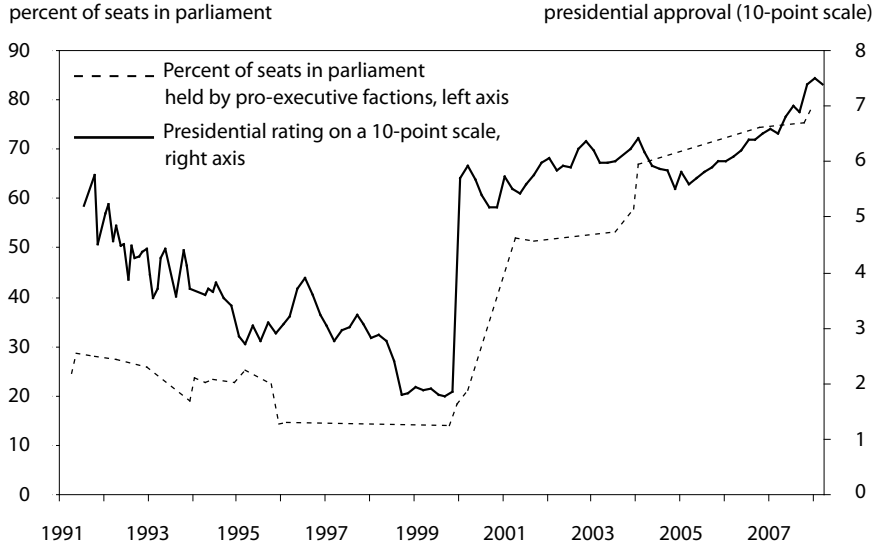
As the president's popularity waxed and waned, so did his ability to get things done. Yeltsin's slide in the ratings encouraged ambitious rivals to block his attempts to enact and implement policies, generating deadlock and a widespread sense of impunity. As Putin's popularity soared, most of the obstacles his predecessor had faced evaporated. After his first few months in office, Yeltsin had to fight with skill and stamina for every minor reform. By contrast, Putin enjoyed enviable freedom of action to push his agenda to fruition.

A first potential barrier for the executive was, of course, the parliament. At no point did Yeltsin enjoy a solid base of support in the legislature. But as his popularity dwindled, it grew harder to get loyalists elected or even to hold on to them between elections. In late 1990, pro-government parties held about 24 percent of the seats in the RSFSR Supreme Soviet.[8] Three years later, in the election of December 1993 pro-government parties won 19 percent of seats in the new Duma. In December 1995, they won only about 14 percent. By 1999, however, the tide was turning. That December, on the back of Putin's sprint upwards in the ratings, the pro-government Unity bloc along with the loyalist Our Home Is Russia won 18 percent of seats.[9] By the election of 2003, progovernment parties were winning 58 percent of seats, and in December 2007 they won 78 percent of seats (see figure 2.3).

8. I classify pro-government parties as follows. In the RSFSR Supreme Soviet (1990–93): the "Coalition for Reform" bloc, including Democratic Russia, Radical Democrats, Left of Center, Non-Party Faction, and Free Russia (for discussion of this classification, see Josephine T. Andrews, *When Majorities Fail: The Russian Parliament, 1990-1993* (New York: Cambridge University Press, 2002), 128; Richard Sakwa, *Russian Politics and Society* (New York: Routledge, 1993), 67; and Thomas Remington, *Politics in Russia*, 3d ed. (New York: Pearson, 2004), 175). In the Duma, 1994–95: Russia's Choice, Party of Russian Unity and Accord; 1995–99: Our Home Is Russia, Russia's Democratic Choice, Party of Russian Unity and Accord; 1999–2003: Unity, Our Home Is Russia, United Russia; 2003–present: United Russia, Fair Russia. Other sources on the balance of parliamentary factions include Anders Åslund, *How Russia Became a Market Economy* (Washington: Brookings Institution, 1995), 201; Thomas F. Remington, *The Russian Parliament: Institutional Evolution in a Transitional Regime, 1989–1999* (New Haven: Yale University Press, 2001), 178–79, 195; and the website www.russiavotes.org.

9. If one classified the Union of Right Forces (URF), the successor to Russia's Choice, as a pro-government party, the pro-government bloc would swell to about 24 percent. The URF won 6.4 percent of the seats in 1999. However, it was not a reliable partner of the government by this point.

Figure 2.3 Presidential popularity and government support in parliament, 1991–2008



Note: Fair Russia, formed in October 2006, is treated as a pro-government party.

Sources: Levada Center, www.russiavotes.org; Thomas Remington, *The Russian Parliament: Institutional Evolution in a Transitional Regime*, 1989–1999 (New Haven: Yale University Press), 178–79, 195; Anders Åslund, *How Russia Became a Market Economy*, 201; Josephine T. Andrews, *When Majorities Fail: The Russian Parliament, 1990–1993* (New York: Cambridge University Press, 2002), 128.

The Kremlin's changing ability to win friends in parliament was felt not just at election time. During most legislative terms, factions shrank or swelled as deputies defected from one to another and "independents" joined factions in the hope of getting a committee assignment. The Kremlin forces usually managed to coopt a few additional independents in the first month or two of a session with promises of patronage. But after that, when the president's popularity was falling, the pro-government bloc tended to hemorrhage deputies. Its total fell from 23.6 percent of seats in January 1994 to 22.5 percent in October 1995, and from 14.7 percent in February 1996 to 13.9 percent in October 1999.

The opposite occurred after 1999 as deputies raced to join the faction of the suddenly immensely popular Putin. Between December 1999 and March 2000, Unity swelled from 18.4 to 21.1 percent of the seats. By July 2003, it had persuaded three other factions—Fatherland-All Russia, Russian Regions, and People's Deputy—to join it in a stable coalition comprising 53 percent of the seats. (Fatherland-All Russia merged with United Russia in 2001.) Between December 2003 and October 2007—without any

new parliamentary election—the rush to jump on Putin's coattails increased the pro-executive factions from 58 to 75 percent of seats.

The nominal size of factions was not everything. Even though his allies held only about one-quarter of the seats in 1991, at moments when his popularity was soaring Yeltsin could leverage this into large majorities. Bathed in the glow of his victory against the August coup plotters, his rating near an all-time high, Yeltsin managed to convince almost the entire Supreme Soviet to endorse his plans for radical economic reform and to vote him the power to rule by decree and appoint regional governors. But later, as his popularity plunged, he had to fight for each scrap of legislation. Every year, passing the budget required creative deal-making and tactical finesse.

Even when the government got its way, it took longer to push bills through the legislature. The time taken to pass important, nonbudgetary bills increased from fewer than six months in 1994 to almost two years in 1999. It fell rapidly in 2000 with Putin's election and soaring popularity and stayed relatively low throughout his presidency, averaging about six months.[10] The president signed the momentous bill introducing a flat-rate income tax just 65 days after it was introduced in the Duma.[11] The Federation Council proved readier to veto bills introduced by the executive branch under Yeltsin than under Putin. During 1994–99, the Federation Council vetoed 12 percent of such bills, while during 2000–04, it vetoed only 6 percent of such bills.[12] And as Yeltsin's rating fell, he had to fight off repeated attempts to impeach him. The deputies tried in December 1992, March 1993, September 1993, July 1995, and June 1998-April 1999. All attempts failed to receive the required number of votes, although the 1999 effort came quite close. No attempt was made to impeach the more popular Putin.

A second set of obstacles lay in the regional capitals. Yeltsin's plunging rating emboldened the governors to take control of their budgets, assert rights over federal property, even to coopt locally based federal bureaucrats. They ignored government instructions and remitted less tax revenue to the center. Some even supported the Communist extreme opposition. In deciding how far to go in resisting Moscow, evidence suggests the governors took local public opinion into account. In regions where support for

10. See Paul Chaisty, "The Legislative Effects of Presidential Partisan Powers in Post-Communist Russia," *Government and Opposition* 43, no. 3 (2008), 424–53, at 448–49.

11. Yegor Gaidar, Current Russian Politics (speech, University of California, Los Angeles, June 14, 2002).

12. Calculated using dataset on Russian bills from 1994 to 2004, collected by Moshe Haspel and Thomas F. Remington. I am grateful to Tom Remington for sharing this. Since the executive is unlikely to introduce bills it expects the Federation Council to veto, it is not surprising that the absolute number of vetoes is relatively low. The contrast, however, suggests that the Putin administration was less frequently subjected to unpleasant surprises.

Yeltsin had been falling relatively faster, the governors were more likely to oppose Yeltsin at critical moments.

One such moment came in September 1993, when Yeltsin declared a state of emergency and ordered the Supreme Soviet to dissolve. A group of deputies refused to leave the building, prompting a constitutional standoff. At this point, 15 of the country's governors spoke out against Yeltsin's action, rallying behind the parliament. Which governors did so was related to local trends in the president's popularity. In regions where support for Yeltsin had fallen in the previous two years, 30 percent of the leaders publicly opposed him; where support for Yeltsin had risen, only 11 percent did. A similar calculus appears to have influenced how regional delegations to the national parliament voted. Deputies from regions where support for Yeltsin had fallen in 1991–93 were more likely to vote against the government's proposals at the March 1993 Congress of People's Deputies session.[13]

By contrast, after Putin's approval rating rose above 80 percent and he won the election in the first round in 2000, opposition from the previously obstreperous governors disappeared. They stood by docilely as he took away their seats in the parliament's upper house, which had conferred legal immunity, imposed a structure of presidential prefects to watch over them, reduced their share of government revenues from 54 percent in 1999 to 35 percent in 2005, and abolished popular elections for their positions.[14] Despite these adverse changes, no governors were overtly fighting the Kremlin, and some seemed positively enthusiastic.

I do not mean to suggest that it was presidential popularity by itself that reshaped the political arena so dramatically. The surge in presidential popularity under Putin was part of a syndrome of positive developments that also included higher tax revenues, expanded government spending (in absolute terms), and revived public optimism, all of which were stimulated by the economic recovery and, in turn, helped underwrite the image of an active, effective president. Yet the president's rating was not just a concomitant of presidential power—it was a signal to potential opponents not to stick their necks out. High approval enabled the president to intimidate, coopt, and coordinate other political actors.

In characterizing political systems, it is customary to focus on the institutions. Yet in Russia in the 1990s and 2000s, such an approach can lead one astray. In fact, the system operated very differently at different times, even without any significant change in the rules and structures of government. Conversely, institutions changed in major ways without much affecting the way the system worked.

13. Daniel Treisman, *After the Deluge: Regional Crises and Political Consolidation in Russia* (Ann Arbor: University of Michigan Press, 1999), 122–31, 234.

14. Goskomstat Rossii, *Finansy Rossii* [*Russia's Finances*] (2000, 2008).

The greatest institutional reform in the postcommunist period was the adoption of the new constitution in December 1993. Some viewed this constitution as virtually—or actually—authoritarian in the powers it gave to the president.[15] The previous constitution had assigned sovereign—indeed, dictatorial—authority to the Supreme Soviet. Did this mean that after December 1993 Yeltsin could enact and implement the reforms he favored? Not at all. He remained blocked at every step by the opposition majority in the new Duma, by the defiant ranks of the governors, and by the evasive measures and lobbying of the country's major business interests. There was no noticeable increase in the effectiveness of the executive. Yeltsin struggled for years to institute the free sale of land and a liberal new tax code; he never succeeded.

Another much-discussed institutional change concerned the selection of regional governors. In late 1991, Yeltsin won the right to appoint the governors; then during the mid-1990s, he gradually allowed the regions to elect their leaders; finally in 2004 Putin returned the system to one of presidential nomination. Did the strength of the center vis-à-vis the regional executives increase and decrease in line with these institutional changes? Elected governors were sometimes harder to manage than their appointed counterparts. But this was a relatively small effect. Context was far more important. The greatest regional defiance of central authority came in 1992–93, precisely the period in which almost all the governors were presidential appointees. Putin's success in curbing the governors came not after he reintroduced presidential nomination, but in 2000–02, while they were still popularly elected.

Indeed, the major recentralization of authority and reassertion of presidential power occurred between 1998 and 2002 with almost no significant simultaneous change in political institutions. During his entire eight years in the Kremlin, Putin did not amend the constitution once, although he could have done so quite easily. The changes he did make to the formal government system were relatively minor. And yet his ability to get his way was incomparably greater than Yeltsin's, and the pattern of political outcomes was completely different.

A second common misapprehension is the belief that in Russian politics the opinions of ordinary citizens have been largely irrelevant.[16] In fact, as I have argued, public opinion plays a central role, helping to define the president's freedom of maneuver. A popular president can accomplish far more than an unpopular one. In this, Russia is like many other countries,

15. See, for instance, Pavel Felgenhauer, "Yeltsin—The Man who Created Contemporary Russia," *Eurasia Daily Monitor* (Jamestown Foundation, April 24, 2007), www.jamestown.org (accessed on December 10, 2009).

16. For instance, Stephen Holmes, "Simulations of Power in Putin's Russia," in *Russia After the Fall*, ed. Andrew Kuchins (Washington: Carnegie Endowment for International Peace, 2002).

including the United States, where the effectiveness of presidents also depends upon their approval ratings. But the logic in Russia is even starker.

In practice, both Yeltsin and Putin were often solicitous of public opinion, and both adapted their policies in response to it. Even before his first competitive election in March 1989, Yeltsin confessed that he was attentively following "all the official and unofficial public opinion polls (including those of the Americans)."[17] Putin's Kremlin remained an avid consumer of such data, served up for it in recent years by the sociologists of Aleksandr Oslon's Fond Obshchestvennogo Mneniya. Yeltsin's decisions both to pursue radical economic reform in late 1991 and to moderate its pace from late 1992 were in line with public opinion at the time.[18] Putin's emphasis on restoring order, attacking the oligarchs, and increasing the state's role in the economy were all extremely popular.[19] His nods to nostalgia such as the reinstatement of Soviet era music to the national anthem also aimed to buy him popularity—and succeeded.[20] Both his cooperation with the United States after 9/11 and his gradual slide into resentful ambivalence also mirrored the evolution of Russian public opinion. In October 2001, 61 percent of Russians felt "very good" or "mostly good" about the United States, and 62 percent expressed willingness to give blood to help the American victims of the 9/11 terrorist attack. By January 2009, after the Iraq war, US recognition of Kosovo, and Washington's support for Georgia in the 2008 war with Russia, the percentage feeling good about the United States had fallen to 38 percent, and 49 percent "felt bad" about the American superpower.[21]

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17. Boris Yeltsin, *Ispoved na zadannuyu temu* [*Confession on a Given Topic*] (Moscow: Ogonyok, 1990), 1.

18. The creation of a market economy was favored by 74 percent of Russians, according to one poll in late 1991, although slightly more favored a "gradual" than a "rapid" transition (VCIOM, Omnibus 1991-15, December 1991–January 1992, 3,453 respondents, see http://sofist.socpol.ru.). Sixty-one percent endorsed the privatization of large enterprises; only 13 percent thought that private enterprises were not necessary at all (VCIOM, Fakt 1991-11, November 1991, 1,960 respondents, http://sofist.socpol.ru). Between December 1991 and December 1992, the percentage of respondents favoring a transition to the market "as fast as possible" fell from 33 to 19 percent, and the percentage favoring a gradual transition increased from 41 to 51 percent (VCIOM, Omnibus 1991-15, December 1991–January 1992, and 1992-15, December 1992–January 1993, http://sofist.socpol.ru.)

19. In August 2001, 62 percent of Russians thought the state had "too little" a role in the economy, compared with 3 percent that said it had "too much." In July 2003, 37 percent thought all privatized property should be returned to the state and another 31 percent thought this should be done in cases in which illegality in the privatization process was proven. See www.russiavotes.org.

20. Treisman, "Presidential Popularity in a Young Democracy."

21. Levada Center polls, available at www.russiavotes.org (accessed on November 15, 2009).

Politics in the Financial Crisis

Despite the hopes of some Russian leaders that their country could remain an "island of stability" in the international financial crisis of 2008–10, it too succumbed to the effects of the global meltdown.[22] Industrial production fell by almost 3 percent in the last quarter of 2008 and by 15 percent in the first quarter of 2009, before stabilizing. Compared with a year earlier, real disposable incomes were 6 percent lower in the last quarter of 2008, roughly flat in the first and second quarters of 2009, and lower again in the third quarter.[23] In line with the deterioration, Russians' perceptions of the economy also darkened. The percentage characterizing the state of the Russian economy as "very good," "good," or "intermediate" fell from 64 percent in June 2008 to 50 percent in March 2009. The share expecting some economic improvement in coming months fell from 40 percent in June 2008 to 26 percent that December.

Based on past experience, one might expect the crisis to pull down the ratings of Putin and Medvedev, perhaps even jeopardizing the successful model of governance of the previous eight years. Since Medvedev's inauguration, the ratings of the two leaders have been extremely highly correlated ($r = .88$ in levels and $r = .92$ in first differences). Medvedev's approval tracks Putin's almost exactly, and the gap between them narrowed from about 10 points early in Medvedev's term to about six points in late 2009. As economic sentiment deteriorated, their ratings slipped a little in parallel. The popularity of both surged—Medvedev's jumped 10 points and Putin's 5 points—as Russians rallied behind the Kremlin after the August 2008 war with Georgia. Despite this, between June 2008 and April 2009, Medvedev's rating fell from 73 to 68 percent and Putin's from 83 to 76 percent. However, the economy began to stabilize in the spring of 2009, and economic perceptions improved again. By October 2009, approval had risen to 72 percent for Medvedev and 78 percent for Putin.

If the stabilization of mid-2009 proves temporary and the economy enters a period of sustained, severe decline, one might expect the slide in the leaders' popularity to resume. Of course, they start from an unusually high level, so it could take some time for even a major deterioration to pull the leaders' ratings into dangerous territory. On the other hand, in a grave crisis Russians' sensitivity to economic conditions might increase. During the economic turmoil under Yeltsin, perceptions of the economy had a stronger impact on presidential popularity than in the period of steady in-

22. The quote is from Finance Minister Aleksei Kudrin's speech to the Davos Economic Summit in January 2008 (see *Russia Today*, "Russia Is an 'Island of Stability': Finance Minister," January 24, 2008, www.russiatoday.ru).

23. Data downloaded from Roskomstat RF, www.gks.ru (accessed on December 10, 2009).

come growth under Putin, during which Russians apparently acclimated to the new, more positive environment.[24]

Were the ratings of the ruling "tandem" to plunge, history suggests opposition would spontaneously emerge, timidly at first but then more assertively. Most likely, it would come from familiar quarters. Regional governors and legislatures might dare to resist unpopular central projects. Dissent might sound from within the parliament, where factional divisions might appear within United Russia. One might see more public protests, the breaking of previous taboos in the media, more legal challenges against officials, perhaps even some overt disagreements among cabinet members. Of course, history never repeats itself exactly and resistance could also come from new directions. Some unusually independent judge might risk ruling against the Kremlin on some important issue. Institutions created to coopt the elite such as the Public Chamber might start to play a more independent role. Whatever its source, the viability of any resistance would depend on the continued worsening of economic conditions driving down the incumbents' ratings. Other events—military hostilities, terrorist attacks—could intervene.

How the two leaders would react is impossible to predict. A crisis of confidence in their leadership might prompt either a loosening or a tightening of administrative controls and could either reinforce or weaken the bond between them.[25] While nothing is impossible, the chances of genuine conflict between the two appear slim given how closely their political interests are aligned. The almost identical paths of Medvedev's and Putin's ratings show that, nearly two years after the turnover, Russians still see the two as virtually joined at the hip and assign shared responsibility to them for both economic performance and the prosecution of the Georgian war.

Already in early 2009, some rumblings could be heard from the more outspoken governors. Mintimer Shaimiev (of Tatarstan) and Yuri Luzhkov (of Moscow) had already raised the idea of reintroducing gubernatorial elections, earning a quick rebuke from Medvedev.[26] Then in June 2009, Murtaza Rakhimov, the long-serving president of Bashkortostan, lashed out in an interview at the incompetence of the United Russia leadership, saying the party was being run by people who had "never commanded so much as three chickens." He called the rubber stamp politics of the Duma "embarrassing to watch" and warned that "the population is laughing!"[27] This was just before the recovery kicked in; he may have regretted his

24. Treisman, "Presidential Popularity in a Young Democracy."

25. Treisman, *The Return*.

26. Mikhail Vinogradov, "Will There Be a 'Medvedev Thaw'?" *Pro et Contra,* nos. 5-6 (2008).

27. Dmitri Bulin, "Torzhestvo plyuralizma" ["The Triumph of Pluralism"], *Politichesky klass*, May 21–June 6, 2009.

candor as the tandem's ratings revived. But it gave a hint of what might be expected were the economic slide to restart.

The administration in 2009 appeared intensely focused on the possibility of protest. Riot police were flown from Moscow to Vladivostok in December 2008 to arrest dozens of demonstrators incensed by Putin's increase in tariffs on imported automobiles, which had decimated the trade in used Japanese cars.[28] By spring 2009, a program had been installed on the computers of Medvedev and two of his top aides, Sergei Naryshkin and Vladislav Surkov, showing a map of the country highlighting regions in crisis—as classified on the basis of 60 indicators that included Putin's local rating.[29] Then, when unpaid workers in the "one-industry town" of Pikalevo blocked the highway and occupied the local government building, Moscow tried a new tactic—a televised, and completely staged, dressing-down of a Kremlin-friendly oligarch, who was in fact given additional financial aid to quiet the local workers.[30] The spectacle was supposed to encourage other businessmen to dip into their wallets to appease local pockets of protest.

Conclusion

The way in which economic conditions shape Russian public opinion, which, in turn, determines the effectiveness of the government, is hardly unique. Indeed, the striking thing is how closely the logic described here resembles political processes in other electoral democracies, both liberal and illiberal. Russia, often portrayed as unique and mysterious, is in this respect both familiar and intelligible. In the United States, research has traced links from better economic performance to higher presidential ratings, and from presidential popularity to more effective promotion of the president's legislative agenda, at least on salient issues on which the public does not have entrenched views.[31] Similar phenomena have been noted in Latin American states such as Argentina, Brazil, and Uruguay.[32]

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28. *The Times,* "Moscow Riot Police Flown in to Smash Protests against Car Tariffs in Vladivostok," December 22, 2008.

29. Konstantin Gaaze and Darya Guseva, "Lezte s mest" ["Stand Up"], *Russky Newsweek*, March 16, 2009.

30. Darya Guseva, Artem Vernidub, and Nadezhda Ivanitskaya, "Na Deripasovskoy khoroshaya pogoda" ["The Weather Is Good on Deripasovskaya Street"], *Russky Newsweek*, June 8, 2009; *Moscow News*, "Putin Has Pikalevo Jumping, Money Flying," June 5, 2009.

31. On economics and presidential approval, see, for instance, Robert S. Erikson, Michael B. MacKuen, James A. Stimson, "Bankers or Peasants Revisited: Economic Expectations and Presidential Approval," *Electoral Studies* 19, no. 2 (2000): 295–312. On presidential approval and policy effectiveness, see Brandice Canes-Wrone and Scott de Marchi, "Presidential Approval and Legislative Success," *Journal of Politics* 64, no. 2 (2002): 491–509.

32. Michael S. Lewis-Beck and Mary Stegmaier, "The Economic Vote in Transitional Democ-

On the one hand, this pattern suggests greater accountability than is implied by characterizations of Kremlin politics as the domain of an insulated elite. The public turns out to have an important role in politics. On the other hand, the mode of accountability is somewhat perverse. First, in Russia, where economic conditions depend strongly on international factors like the price of oil, economic performance is a very noisy signal of the incumbent's competence. Presidents end up revered or scorned largely on the basis of fortuitous factors. This is not necessarily irrational—given the ignorance of the public about what drives Russia's economy, it may make sense to simply hold the incumbent responsible. Still, it leads to some major errors. Second, the long lags between policies and their results have meant that Russia's leaders, when they were not being rated based on international conditions, were repeatedly rewarded or penalized for the actions of their predecessors. Gorbachev was a bit of an exception. His own mismanagement arguably played as big a role in the economic disaster on his watch as the problems he inherited. But history played tricks on his two successors. Yeltsin was punished for the catastrophe bequeathed to him by Gorbachev, while Putin was rewarded for a boom caused in part by the market reforms Yeltsin had introduced.

One way to read the message of this chapter would be to conclude that everything in Russian politics is just a function of the price of oil. That would be too reductionist. Of course, oil price changes have been a major determinant of Russia's economic history from the 1980s to the present.[33] But their importance has varied over time, and other factors mattered as well. In the 1980s, the sharp drop in oil prices did not make the collapse of the Soviet economy inevitable. Rather, it prompted Gorbachev to borrow like crazy, triple the money supply, and initiate reforms that were disastrously misconceived.[34] At this point, a different economic strategy might have had quite different results. During the recovery phase, the link between oil prices and growth was far clearer in 2005–09 than in 1999–2001 (when growth owed more to the devaluation) and 2001–04 (when higher output of oil and minerals mattered at least as much as prices). Economists estimate that higher oil prices can explain between one-third and one-half

racies," *Journal of Elections, Public Opinion & Parties* 18, no. 3 (2003), 303–23; Scott Mainwaring, "Multipartism, Robust Federalism, and Presidentialism in Brazil," in *Presidentialism and Democracy in Latin America*, ed. S. Mainwaring and M. Shugart (New York: Cambridge University Press, 1997); David Altman, "The Politics of Coalition Formation and Survival in Multiparty Presidential Democracies: The Case of Uruguay (1989–1999)," *Party Politics* 6, no. 3 (2000): 259–83; Eduardo Alemán and Ernesto Calvo, "Unified Government, Bill Approval, and the Legislative Weight of the President," *Comparative Political Studies* (forthcoming).

33. Yegor Gaidar, *Collapse of an Empire: Lessons for Modern Russia* (Washington: Brookings Institution Press, 2007).

34. Treisman, *The Return*, chapter 1.

of the total growth since 1999.[35] I find clear statistical relationships running from real wages, pensions, and unemployment to economic perceptions, and from these to presidential approval. But I find only weaker relationships between changes in the oil price and economic perceptions.

Even though the oil price is not everything, it has become increasingly important in recent years. With most operational fields approaching exhaustion, increasing output will require major investments to develop new fields—investments that have been discouraged by high taxation of oil profits and insecure property rights. Within the Kremlin as well as outside, a belief has been spreading that the reasons for rapid growth in 1999–2007 no longer apply. The response has been to talk feverishly about innovation policy, diversification strategies, nanotechnology, and so on. Yet, so far, Medvedev's focus on modernization has been undercut by continued evidence of judicial corruption, abusive corporate raiding by state insiders, and security service intimidation at the margins of academia. It is also unclear what niche in the world economy is free for Russia to fill if it diversifies away from minerals, in which it has an obvious comparative advantage.

Of course, economic performance and public opinion are not the only elements in Russia's political economy. I do not mean to suggest that economic fluctuations can explain every uptick and slide in the president's rating or every success and failure in enacting policy. I show elsewhere that the wars in Chechnya also mattered for presidential approval, as did various other temporary factors. Despite Yeltsin's low popularity and formidable constraints, his ministers did manage to push through important reforms in the 1990s, using strategies that coopted some opponents while marginalizing others.[36] The Putin administration, despite more auspicious conditions, did not achieve all of its goals.

In the next few years, Russia seems likely to develop according to one of three scenarios. If oil and gas prices surge again and remain very high, the sense of urgency about reforms will dissipate. "So long as oil prices were growing, many, almost all of us, to be honest, fell for the illusion

35. Paavo Suni, "Oil Prices and the Russian Economy: Some Simulation Studies with NiGEM," Discussion Paper 1088 (Helsinki: Research Institute of the Finnish Economy, 2007) estimates that higher oil prices explain about 2.5 points (38 percent) of the 6.5 percent average growth rate in 2001–06. Roland Beck, Annette Kamps, and Elitza Mileva, "Long-Term Growth Prospects for the Russian Economy" (Frankfurt: European Central Bank, 2007), reviewing previous studies, note estimated long-run elasticities of GDP to permanent increases in the oil price of 0.15 to 0.20. Using the monthly prices of European Brent oil, these elasticities imply that the change in oil prices in 1999–2007 can explain 25 to 33 points of the 72 percent increase in GDP (measured in constant rubles) between those years—or, in other words, 35 to 46 percent of the total growth.

36. Andrei Shleifer and Daniel Treisman, *Without a Map: Political Tactics and Economic Reform in Russia* (Cambridge, MA: MIT Press, 2000).

that structural reforms could wait," Medvedev confessed in November 2009.[37] Complacence could return. A resumption of boom times would keep the Kremlin incumbents popular and opposition to their rule muted. If oil prices remain around their current level of $70 to $80 a barrel, the Kremlin's most likely strategy is one of muddling through. This would probably result in somewhat slower growth, with gradually increasing public discontent and louder grumbling among the elite. But, barring some unexpected trauma, a gradual slide would probably not be enough to prompt a major departure from the established model.

If, however, oil and gas prices plunge and stay low long enough to push the economy into deep recession, driving up unemployment and exhausting the government's fiscal resources, more serious opposition could emerge, leading ultimately to challenges to the regime. How the men on the tandem would react is unpredictable. A joint approach seems far more likely than genuine conflict between the two, although for public relations purposes Medvedev might be cast as the advocate of a softer hand. Regimes that have been in power for a long time tend to make mistakes at critical moments, and the current leadership has no experience of governing in bad times. If economic turmoil returns, the centralized structures of the Putin era—the "super-presidency," the "vertical of power" between Moscow and the governors, and the hierarchical United Russia party—may turn out to be less effective at enforcing the leaders' will than in the past. Once again, the context is likely to prove more important than the institutions.

37. Medvedev's annual address to the Federal Assembly, November 12, 2009, http://eng.kremlin.ru (accessed on December 11, 2009).