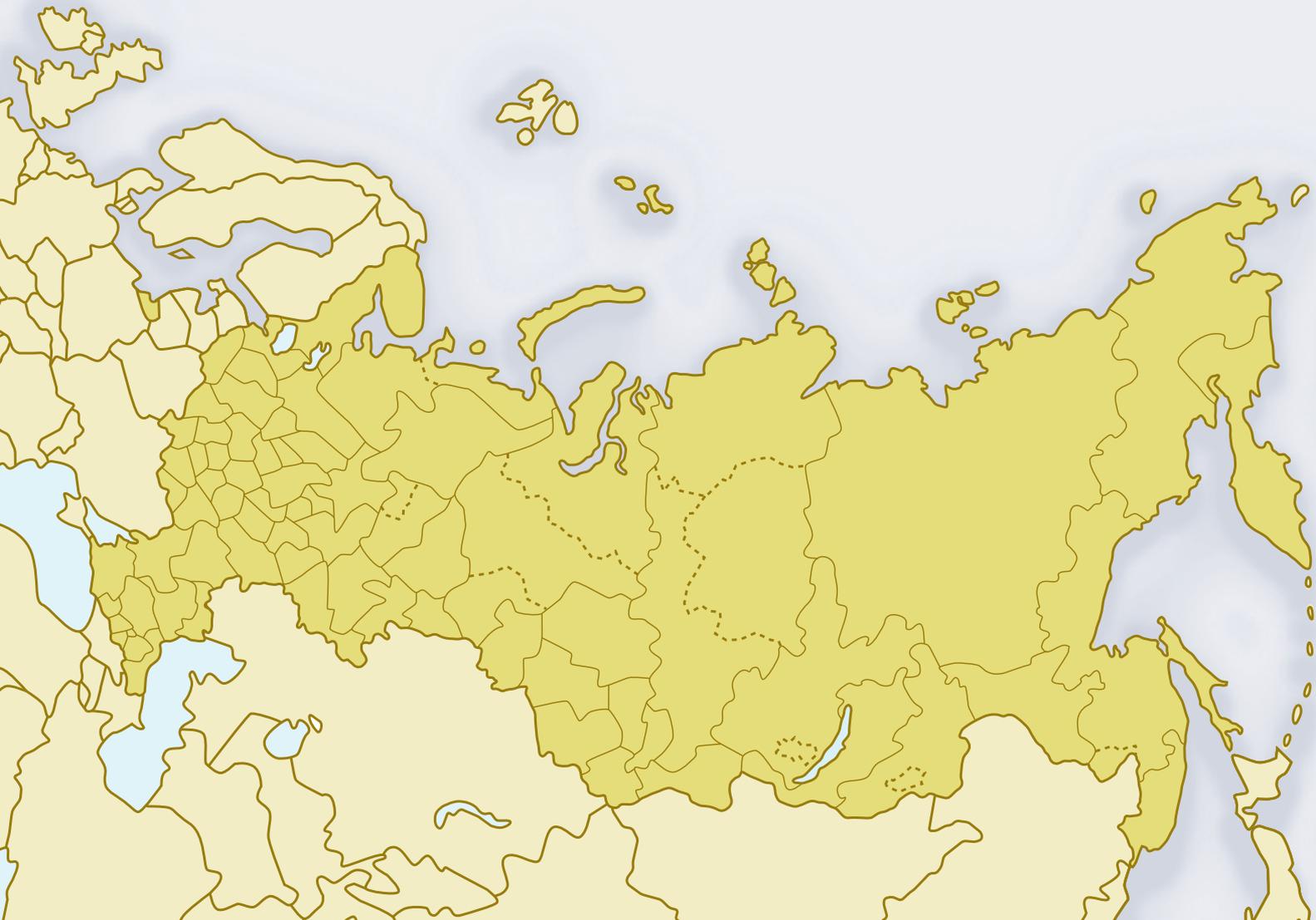


# Internationalization of Russian Regions and the Consequences for Russian Foreign and Security Policy

By Jeronim Perović



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**Working Paper No. 1**

Foreword	5
Introduction	7
1. Conceptual background	9
1.1. Globalization versus regionalization	9
1.2. Distinction between Western Europe and Russia	12
1.3. Russia's uneven globalization	14
1.4. Significance for federal foreign and security policy	17
1.5. Levels of inquiry and formulation of the problem	19
2. The region's foreign and security policy interests	21
2.1. The region as a political entity	22
2.2. The region in the federal union	26
2.3. The region in its international environment	29
3. Center-region interaction in the area of foreign and security policy	37
3.1. Regional influence on federal foreign and security policy	37
3.2. "Independent" regional foreign and security policy	40

4. Possible consequences for federal policy	45
4.1. Global economic processes and Russia's internal stability	45
4.2. Processes of integration in the CIS area and beyond	46
4.3. Consequences of regionalization for Moscow's relationship with the West	47
5. How to proceed?	49
Select bibliography	51

## Foreword

The problem of regionalization, the shifting of power from the center to the regions, is one of the most crucial challenges to the new Russia. Apart from “national” interests, the Russian state now also must consider the interests of “subnational” actors such as economic groups or economically influential regions of the Russian Federation. Russia’s internal stability and its performance in international relations will depend largely on the impact of interests pursued by important domestic actors – including Russian regions.

The international dimension of Russia’s regionalization is the main concern of the ETH-funded project on “Regionalization of Russian Foreign and Security Policy: Interaction between Regional Processes and the Interest of the Central State”. The research project is carried out by members of The Russian Study Group at the Center for Security Policy and Conflict Research led by Prof. Andreas Wenger and composed of Jeronim Perović (project coordinator), Dr. Andrei Makarychev and Oleg Alexandrov. The research is being conducted in close cooperation with research institutions and organizations in Russia and in several other Western countries.

The project aims at determining how the Russian central state understands the specific interests of Russian regions and the extent to which regional processes have an impact on Moscow’s formulation of foreign and security policy. A main task of this project consists in establishing profiles of selected Russian regions (such as the Republics of Tatarstan and Karelia, the cities of Moscow and St Petersburg, the Nizhny Novgorod, Tyumen, Sverdlovsk, Samara Oblasts etc.) in order to examine their international situation and relationship to the Moscow center. Extended field research in Russian regions is envisaged.

This study is the first in a series of working papers, which will be carried out in the context of the larger project. The project arose from the impetus to close an existing gap in the research in this area. Despite the lasting changes of recent years described here, the consequences of regionalization on Russian foreign and security policy have received little systematic research in the scientific literature. Most analyses of Russian foreign and security policy have been in the tradition of Western Soviet research and still take the state center as the central entity under investigation.

Results of this project (which will be available in full-text format at: <http://www.fsk.ethz.ch>) will contribute to a deepened understanding of the possible implication of regionalization not only for Russian foreign policy, but also for Europe's security concerns as a whole.

Zurich, April 2000

Prof. Dr. Andreas Wenger

Deputy director of the Center for Security Studies  
and Conflict Research

## Introduction\*

The disintegration of the Russian state continues. The Russian regions, i.e. the individual components of the federation, have largely escaped the control of the center.<sup>1</sup> The regional political elites play an increasingly important role in the political future of the country. At present the relations between the Moscow center and the territorial units maintain a fragile balance. Although a breakup of the Russian Federation, i.e. the total split-off of individual regions, is highly improbable at present, such a scenario cannot be ruled out in the event of further deterioration in the country's political and socioeconomic crisis.

The current process can be accurately described by the term regionalization. Regionalization means the transfer of power from the center to the regions. At the same time, regionalization can be taken to represent the increasing importance of the regional components within national politics. Regionalization describes the process of disintegration and decentralization of the geographical and political area, of the economy (the division of property) and of the legal and military power structures. Parallel to the decline of the centralized structures, power subsides vertically downwards and moves horizontally to the periphery. At the level

\* The draft of this paper was finished by the end of February 2000. Events after this date are not taken into account. The author would like to express his thanks to Andreas Wenger and Andrei Makarychev for their valuable critiques and comments on this paper. Special thanks go to Michelle Norgate for her help in editing the manuscript and to Marco Zanoli for laying out the text.

1 The Russian term *region* is non-specific and can be applied at will to any geographical unit, from a village to whole continents. In this paper the concept of region refers most frequently to one of the 89 administrative units of the Russian Federation – the constituents of the Russian Federation. According to the Russian constitution of December 1993, the 89 components of the Russian Federation are subdivided into: 21 republics, six Krai, 49 Oblasts, two cities of federal status (Moscow and St Petersburg), and ten Autonomous Okrugs and one Autonomous Oblast.

of the regions, therefore, regionalization can also be understood as the process of the integration and consolidation of new political structures.<sup>2</sup>

The decline of state structures is not without consequences for Russian foreign and security policy. Regionalization makes itself strikingly evident in an area which was until recently the exclusive domain of the central state. Moscow's voice on the stage of world politics reflects only one side of the reality of Russian foreign and security policy. The increasing importance of the regions in the sphere of foreign and security policy calls into question the central state's power monopoly. The subnational level of Russian foreign and security policy is growing in importance and could, in the long term, have a lasting effect on the geopolitical scene in the Eurasian region. As independent international players, the regions are increasingly bypassing the center and directly developing their own foreign relations. Furthermore, economically powerful regions sell raw materials on the world market and in consequence are concerned with attracting direct foreign investments and capital. The border regions in particular have a complex network of relations with their neighbors. In the case of these regions, issues relating to the battle against illegal arms-smuggling, terrorism, drugs, war-induced mass migration or economic factors, the regulation of border and territorial questions or ecological problems can be of significance.

The central question is what effects the processes of regionalization have on the foreign and security policy of the Russian state – a question which is of great relevance to Western security policy decisions. The present study will provide preliminary ideas for later inquiries which will deal with detailed aspects of these problems. This study will establish the conceptual framework, explain important terminology, elaborate relevant questions and present concrete theses.

2 On the conceptual terminology cf. also: Medvedev, Sergei. "Post-Soviet developments: A Regional Interpretation." In *Post-Soviet Puzzles: Mapping the Political Economy of the Former Soviet Union: Vol. II: Emerging Geopolitical and Territorial Units, Theories, Methods and Case Studies*, ed. Klaus Segbers and Stephan DeSpiegeleire, pp. 5-47. Aktuelle Materialien zur Internationalen Politik, vol. 40. Baden-Baden: Nomos, 1995.

## Conceptual background

In order to arrive at an understanding as to what is to be understood by “regionalization of Russian foreign and security policy” various terms must first be conceptually defined. It is especially important to clarify the connection between regionalization and globalization and to describe Russia’s specific situation within this complex process. Only then can the questions be formulated which the project “Regionalization of Russian foreign and security policy” will deal with in detail.

### 1.1. Globalization versus regionalization

Globalization and regionalization describe the two most important trends that world states are subject to. Politics is characterized on the one hand by accelerated economic and social integration, on the other hand by an increasing demand for more autonomy and a greater voice in events at the subnational or local level. These two forces will in future permanently influence international trading movements and the flow of capital, the process of decentralization or the development and determination of the function of large cities (*megacities*).<sup>3</sup>

The concept of globalization describes tendencies of increasing worldwide economic, political and cultural integration which will result in extensive changes

3 Cf. *Entering the 21<sup>st</sup> Century: World Development Report, 1999/2000*. New York: Oxford University Press, 2000 (full text available at <http://www.worldbank.org/wdr/2000/>). The World Bank’s report calls these two forces globalization and localization. By localization is meant the increasing concentration of economic and political power by cities, regions and other administrative units within nation states.

to the framework for national and international politics.<sup>4</sup> The movement of goods, services, ideas and capital across national borders is nothing new. The enormous acceleration of this process in the last decade of this century, however, marks a clear qualitative change in comparison with the earlier situation. Economic decisions cannot be made today without regard for the international environment. Thanks to technological developments, information and ideas can be called up simultaneously at the press of a button and in practically every nook and cranny of the world. The international economic system is to a large extent electronically networked, and the geographical space is clearly losing significance as the most important limitation in economic transactions. Modern information and communications technology increases industry's independence of location and the mobility of capital in particular through its distance-defying character.<sup>5</sup>

Better communication and transport facilities not only make the world smaller, but also encourage the desire of subnational units and communities to take their destiny into their own hands. In many countries national governments have handed over power and rights to subnational entities – with differing results, it must be said. Decentralization and the transfer of power to local structures can promote democratization at the subnational level and lead to local governments becoming more proactive and efficient. It is also true that decentralization can have the opposite result and produce authoritarian, non-reforming structures at the subnational level. In some cases (Yugoslavia, Soviet Union, Czechoslovakia, etc.) decentralization measures have strengthened secessionist tendencies and led to the decline of states.

The future belongs to those states which understand how to counter the global challenge by creating a healthy balance between international and local conditions. If this is not achieved, they run the risk of being overwhelmed by dynamic forces and being brought to grief. Joseph Stiglitz, the retiring chief economist and Vice-President of the World Bank, summarizes this position as follows: "Globalization is like a giant wave, that can either capsize nations or carry them forward. [...] Successful localization creates a situation where local entities and other groups in society – the crew of the boat if you will – are free to exercise individual autonomy but also have incentives to work together."<sup>6</sup>

Although the economy is the driving force for globalization, politics does not lose in importance, but on the contrary becomes more important. The central

4 A survey of the literature on the subject of globalization can be found in: Beishaim, Marianne and Gregor Walter. "'Globalisierung' – Kinderkrankheiten eines Konzeptes." *Zeitschrift für Internationale Beziehungen*, I/1997, pp. 153-180. Worth reading on globalization is: Held, David et al. *Global Transformations: Politics, Economics and Culture*. Cambridge, UK: Polity Press, 1999.

5 See O'Brien, Richard. *Global Financial Integration: The End of Geography*. New York: Council on Foreign Relations Press, 1992; Carnoy, Martin et al. *The New Global Economy in the Information Age: Reflections on Our Changing World*. University Park, Pa.: Pennsylvania State University Press, 1993.

6 Joseph Stiglitz quoted in World Bank, News Release No. 2000/032/S (can be found at <http://www.worldbank.org/html/extdr/extme/032.htm>).

question which arises in the age of “glocalization” is a political one, namely how to succeed in attracting mobile specialists or wealth-creating business activities and through them achieve the highest possible productivity. It is a question of increasing the capacity for action of the central players, i.e. the (national) state and the subnational entities. Inhabitants of local agglomerations must possess sufficient political autonomy in order to be able to form framework conditions in such a way as to make them particularly attractive to certain mobile factors.<sup>7</sup> In that respect traditional attributes such as number of inhabitants, size of territory, natural resources or military power play a decreasingly important role. What is decisive is the ability to participate successfully in competing for global markets and information technologies. Various examples of small states (Luxembourg, Singapore, etc.) have already proved that traditional size is not decisive for economic success.<sup>8</sup>

Under the impact of a rapid process of increasing economic interdependence the state is exposed to enormous pressure to conform and is encouraged to adapt to the new conditions. The breaking down or increasing ‘permeability’ of existing borders and the loss of state monopoly is not to be understood as the end of the state but as a change of its functions and of the conditions within which it operates. In the established democracies in the West the state is today more and more regarded by its citizens and by the economy as the provider of services. The legitimacy of the state and its policies is derived from the state’s function as the provider of public services such as law, education, welfare and security. More and more, the state functions as negotiator and representative of interests within a global communication context.<sup>9</sup>

In many post-communist countries the state has not yet succeeded in defining its new role within the changed environment. After the revolutionary upheavals and the discrediting of the old ideology the state forfeited its legitimacy as the unifying center. Particularly in Russia, where the state traditionally held a dominant position in the economy, society and politics, the changes produced convulsions within the whole political structure. In order to retain or regain the state’s dominant position, the state leaders in the countries of the post-Soviet area have been greatly tempted to look for new ideological justifications for preserving their power. In that respect nationalism in particular, which evokes strong emotions in those countries, can be highly exploited politically by the state’s ambitions to retain its power.

7 Straubhaar, Thomas. “Wird der Nationalstaat im 21. Jahrhundert überflüssig? ‘Glokalisierung’ als Resultat von Globalisierung und lokaler Standortaktivität.” *Neue Zürcher Zeitung*, 31 December 1999, p. 79.

8 See Ohmae, Kenichi. *The End of the Nation State: The Rise of Regional Economies*. London: Harper Collins Publishers, 1995, pp. 79-100.

9 See Rosecrance, Richard. *The Rise of the Virtual State: Wealth and Power in the Coming Century*. New York: Basic Books, 1999.

## 1.2. Distinction between Western Europe and Russia

Globalization and regionalization are not mutually exclusive, but complementary, concepts.<sup>10</sup> In Western Europe and Russia, however, the concepts are used in different contexts. In the Western European context the predominant question is which political concepts and procedures can be used to counter the consequences of globalization. The national state passes authority for action on the one hand upwards to supranational structures, on the other hand downwards to strengthen subnational entities.

When regionalization is mentioned in Europe, it is understood to refer primarily to the merging of states to form larger communities. Accordingly, a substantial literature is devoted to the international aspect of regionalization, i.e. to the formation of strong regional economic areas such as the EU, the North American market (NAFTA) and the Asiatic economic sphere (ASEAN and APEC). Globalization runs into obvious limitations by provoking a counter-reaction which expresses itself in economic terms in the tendency to close off one's own regional market.<sup>11</sup>

To describe the political movements in the subnational or local sphere, the term "localization" is also used in the Western literature. Likewise, there is a growing literature devoted to this phenomenon.<sup>12</sup> Particularly in Western Europe, where the trend towards integration is at its strongest, an attempt is being made to counterbalance the centralization of the supranational institutions by strengthening the subnational state structures. This is not only the result of a new economic logic, but also follows the political determination of avoiding possible democratic deficits which might arise through the delegation of power and competences to supranational structures. In Article 3A of the Maastrich Treaty the EU committed itself to the principle of subsidiarity in order to prevent increasing centralization taking place at the supranational level at the expense of autonomy at subnational levels. In order to allow decisions to be taken as far as possible by the citizens within a union of the people of Europe which is growing ever closer together, the national states should hand over power and competences not only upwards to supranational institutions, but also to the subnational level. It is not a Europe of national states but the idea of a "Europe of the regions"

10 Cf. Nicolas, Françoise. "Mondalisation et régionalisation dans les pays en développement – les deux faces de Janus." *Politique étrangère*, 2/1997, pp. 293-308.

11 Representative of the copious literature: Fawcett, Louise and Andrew Hurrell, eds. *Regionalism in World Politics: Regional Organization and International Order*. Oxford: Oxford University Press, 1995.

12 As representative of this literature reference is again made to the world development report of the World Bank which also contains a comprehensive bibliography (<http://www.worldbank.org/wdr/2000/>).

that will increasingly become the dominating model for the future political order.<sup>13</sup>

While in Western Europe the debate is taking place about the forms and problems of the integration of states into supranational structures, in the states in the post-communist sphere – and especially in Russia – the central question concerns the way in which the consequences of the decline of state structures are to be handled. Accordingly, the concept of regionalization is used in Russia to describe two phenomena: on the one hand the disintegration of the centralist state structures, on the other the formation of economically and politically independent subnational entities – the federal components.

The last ten years have seen a steady transfer of power from the center to the regions in Russia – i.e. to the federal constituents. A fundamental trend in the opposite direction could not be discerned up to the present, or at most only in a rudimentary form. The region has experienced a significant strengthening in politico-legal as well as in economic and social respects. Regions emerge more and more as international players and construct their own networks of diplomatic and external economic contacts without regard for the center.<sup>14</sup> The fact that the heads of the regional executives (i.e. governors or presidents) are today all elected by the populations of their regions and are no longer appointed by the headquarters in Moscow has contributed substantially to the qualitative difference in the present relations between center and region, as compared with previously.

A further characteristic of Russian regionalization is that this has contributed to an internal political strengthening of many of the federal components. Central concepts such as “territoriality” or “sovereignty”, which characterize the traditional state but have lost in importance in the train of economic and social globalization processes, are of great relevance for many subnational entities, even in the age of globalization. This is true not only for the post-communist states, but also occasionally for OECD countries. In a majority of the federal subjects political power is unilaterally vested in the executive of the political center of the region (i.e. in the governor or the administration). In many regions of Russia, the regional center predominantly directs economic and social processes and controls the political fortunes. An important characteristic of this centralization of the political power structures can be seen in the attempt of the regional government

13 Further on this subject: Danspeckgruber, Wolfgang, “Self-Determination, Subsidiarity, and Regionalization in Contemporary Western Europe.” In *Self-Determination and Self-Administration: a Sourcebook*, ed. Wolfgang Danspeckgruber with Arthur Watts, pp. 221-248. Boulder and London: Lynne Rienner Publishers, 1997.

14 In the case of Western Europe the international participation of subnational entities is nothing new. Single, economically strong regions (such as North Italy, Baden-Wurttemberg, Wales, etc.) have long been concerned with creating an independent international profile for themselves through the creation of a network of external political contacts. Cf. the regional cases outlined in the collection: Aldecoa, Francisco and Michael Keating, eds. *Paradiplomacy in Action: The Foreign Relations of Subnational Governments*. London and Portland, OR: Frank Cass, 1999.

to subordinate the organs of local self-government to its control. In many Russian regions the same centralized and hierarchical structures and authoritarian tendencies have developed which were characteristic of the former Soviet system.

### 1.3. Russia's uneven globalization

The collapse of the Soviet Union and the emergence of 15 new states are to be understood as a consequence of complex political and economic events. The Soviet Union was in many ways a heterogeneous construction held together by the vertical line of state and party. Regionalization was present in Soviet times but was concealed by the structures of the state and the party and was therefore somewhat "invisible". Following the withdrawal of state and party from economic and social life under the leadership of Gorbachev, heterogeneities and clashes of interests among the elites of the various state levels began to appear. As a result of the economic crisis, the state had clearly lost its most important regulatory function, the redistribution of resources, and in the wake of Gorbachev's reforms had also forfeited its authority as the identifiable center of the country, resulting in an open struggle for power and resources. As a result the regional elites were concerned with acquiring a decisive share of the power by securing the right of disposal of a large part of the resources in their territories. In the case of the USSR this process led to the disintegration of the uniform structure and in Russia brought in its wake the strengthening or "sovereignizing" of the subnational entities. The Soviet Union collapsed because the state, as a result of its overcentralized economic and political structure, proved incapable of reacting quickly and flexibly to the new challenges after the opening up of the markets.<sup>15</sup>

In truth it is astonishing that Russia has avoided the fate of its predecessor, the Soviet Union. The preconditions for that fate exist because of the following circumstances: first, the interests of the individual sections of state and society are heterogeneous and are difficult to reconcile. Secondly, in view of extremely scarce resources and the disastrous economic situation, the center is not able to

15 A promising start to explaining the emergence of the region under conditions of "totalitarian" structures is offered by the concept of the Soviet system as an "administrative market". This concept emerged at the beginning of the 1990s in the combination of economic theory and political science. The development of the theory of the "administrative market" derives essentially from Simon Kordonskii and Vitalij Naishul' and is based on fragments of theory from the area of political economy. Kordonskii, Simon. "The Structure of Economic Space in Post-Perestroika-Society and the Transformation of the Administrative Market." In *Post-Soviet Puzzles: Mapping the Political Economy of the Former Soviet Union. Vol. 1. Against the Background of the Soviet Union*, ed. Klaus Segbers and Stephan DeSpiegeleire, pp. 5-47. *Aktuelle Materialien zur Internationalen Politik*, vol. 40. Baden-Baden: Nomos, 1995; Naishul', Vitalij. *The Supreme and Last Stage of Socialism: An Essay*. New Series, no. 2. London: Centre for Research into Communist Economies, 1991. – A useful survey of the theory of the "administrative market" and the conditions for the emergence of regionalization in: Müller, Dietmar. *Regionalisierung des post-sowjetischen Raumes*. Arbeitspapiere des Osteuropa-Instituts der Freien Universität Berlin, 6/1997. Berlin: Osteuropa-Institut der Freien Universität Berlin, 1997.

equalize the great socioeconomic disparities within the country by means of redistribution and subventions. Thirdly, the various representatives of regional interests have unequal access to the political process. The struggle for the distribution of scarce resources is therefore an unequal struggle which is barely institutionalized and so proceeds in an arbitrary fashion. Its outcome is in large part determined by the personal relations which exist between the elites at the various state levels.

That Russia has not collapsed is due to the fact that most of the regional leaders accept the present situation – practical independence despite formal membership of the association of states – as the best possible alternative. Few of the regions could survive as independent states. Furthermore, Moscow is strictly against secessionist tendencies and in the event of regional moves for independence would not hesitate to impose immediate sanctions (including military ones).

It is obvious that the regions are looking for possibilities of equalizing the apparent state deficits by measures of their own. The regions' measures include increasing, mainly economic, foreign integration. The central characteristic of the globalization processes within Russia is that they proceed unequally. Only a small number of regions has been able to become integrated into the world economy. The greater number barely participates in these processes.<sup>16</sup> All in all, as a result of their favorable economic situation and the development of long-term investment programs, the cities of Moscow and St Petersburg, the Samara, Nizhnii Novgorod and Sverdlovsk Oblasts, the Republic of Tatarstan, as well as some of the resource-rich parts of Siberia and the Far East can be counted among those regions which are increasingly capable of developing their own external relations, especially in trade, and in attracting foreign investment and capital.<sup>17</sup>

16 This can be statistically expressed by indicating that the ten strongest exporting regions in 1998 were responsible for over 60 per cent, or US\$ 53.5 billion, of the total Russian foreign trade of US\$ 88.2 billion. Of that, the city of Moscow and the Tyumen Oblast alone made up 40 per cent, and the remainder was spread between 4.4 per cent (Krasnodar Krai) and 1.7 per cent (Perm) across the other eight regions. In order of volume of exports are the Sverdlovsk, Irkutsk, Kemerovo, Samara and Chelyabinsk Oblasts, and the Republic of Tatarstan. The import situation shows a less severe regional imbalance. About 40 per cent of all Russian imports were attributed to the ten strongest importing regions in 1998. All calculations are from: Goskomstat Rossii, ed. *Regiony Rossii: statisticheski sbornik 1998*. Vol. 2. Moscow, 1998, pp. 782-783.

17 The largest part of the investments were accrued by the city of Moscow which with US\$ 7 billion made up 67 per cent of the total volume of investment in 1997. Moscow was followed by the Republic of Tatarstan (US\$ 698 million), the Krasnoyarsk Krai (US\$ 370 million), the Omsk Oblast (US\$ 365 million), Tyumen Oblast (US\$195 million), St Petersburg (US\$ 171 million) as well as the Tomsk (US\$ 154 million) and Nizhnii Novgorod (US\$ 145 million) Oblasts. Alongside the central region, which enjoyed almost 70 per cent of all foreign investments, in 1997 investment activity was concentrated on the following large regions: Volga region (8 per cent, of which 6.6 per cent to the Republic of Tatarstan alone), West Siberia (7.8 percent, of which 3.5 per cent and 1.9 per cent respectively to the Omsk and Tyumen Oblasts), East Siberia (4.1 percent, of which 3.5 per cent accrued to the Krai Krasnoyarsk) and the Far East (2 per cent). Details from: *Interfax Statistical Report*, 7-13 March 1998.

Accordingly a large number of the businesses that have foreign capital investment are concentrated in these regions.<sup>18</sup>

The globalization process has enormously speeded up processes of socio-economic differentiation, and Russia is in many respects the most striking example of uneven globalization. Disparate developments can be observed not only in the sphere of external economic integration, but also in respect of the process of democratization and the framework of law or of market economy structures. By means of the election of governors, which took place for the first time in Russia's history, the democratization process was continued on the one hand at the regional level, and on the other hand political regimes of different types have developed: from democratic market economy orientations through centrist organizations up to authoritarian variants.<sup>19</sup>

Precisely because most of the regions do not participate in the economic (and social) globalization processes the differentiation between at least three terms is suggested: internationalization, globalization and transnationalization. The following scheme provides an overview of the relevant terms:<sup>20</sup>

<b>"Territorial" level</b>	<b>Process</b>	<b>Political-economic consequences</b>
National	Internationalization	Increasing loss in significance of administrative borders and simultaneous increase in significance of cross-border activities. Increasing division of labor.
Global	Globalization	Emergence and expansion of a global communications network. Economic and political liberalization. Reduction in the cost of transport and travel and a consequent increase in the volume of goods and people moved. Loss in significance of physical distances and simultaneous increase in significance of time factors.
Supranational/ regional	Transnationalization	Internationalization and globalization lead to a political strategy that encourages trans-national institutions. Formation of transnational economic and political alliances that require a shift of competences from a lower national/regional level to a higher level.

18 In 1997, 55 per cent of all industries in which foreign capital was involved (this corresponds to 14,740 of a total of 26,612 registered businesses) were concentrated in the city of Moscow and 11.5 per cent (or 3,074 businesses) in St Petersburg. Between 190 (Tyumen Oblast) and 387 (Republic of Karelia) businesses with involvement of foreign capital are registered in the Amur, Samara, Kemerovo, Sverdlovsk, Chelyabinsk, Omsk, Sakhalin, Kaliningrad, Volgograd, Murmansk and Rostov Oblasts, as well as in the Primorskii, Khabarovsk and Krasnodar Krai. Details from: Goskomstat Rossii, ed. *Regiony Rossii: statisticheskii sbornik 1998*. Vol. 2. Moscow, 1998, pp. 786-787.

19 On the regional political regimes: Gel'man, Vladimir. "Regime Transition, Uncertainty and Prospects for Democratisation: The Politics of Russia's Regions in a Comparative Perspective." *Europe-Asia Studies*, vol. 51, no. 6 (1999), pp. 939-956.

20 This concept follows an outline presented by Klaus Achim Boesler at the *Third Geo-Political Colloquium*, "A Decade of Globalization and Fragmentation in the Transformation States of Eastern Europe", organized by the George C. Marshall European Center for Security Studies in Garmisch-Partenkirchen, 13-15 March 2000.

*Internationalization* does not necessarily include global economic aspects but describes a process in which the majority of regions participate. Internationalization is understood as the tendency by which the regions increasingly play an international role, not necessarily full global engagement, but perhaps merely a cross-border exchange of goods on a small scale. Along with economic exchange, internationalization can also include other spheres (social, ecological or cultural). Globalization and transnationalization are to be understood as a qualitative development of internationalization. *Globalization* is a complex phenomenon stipulating systemic, institutional, comprehensive and endured interaction between Russian regions and institutions of worldwide reach (the World Bank, the IMF, the UN and its specialized agencies, multinational companies etc.). Globalization of Russia's regions is conditioned by the availability of instruments that link the region's infrastructure to the global political, financial, economic, or social environment. For example, Russian oil-producing companies who depend on profits on the world market are undoubtedly globalizing. *Transnationalization* is to be understood as a political strategy of national and subnational entities in developing cooperation with foreign countries, regions belonging to foreign states, or international institutions.

#### 1.4. Significance for federal foreign and security policy

The transformational processes of the past ten years, which were characterized by the previously described continuing processes of globalization and regionalization, have also changed the character of Russian foreign and security policy. In Soviet times foreign and security policy was the province of just a handful of people. Today the connection between external and internal factors is of great significance. Together with the president who constitutionally is responsible for foreign policy, there are a number of competing persons and bureaucratic institutions within the center of power who determine the decision-making process in the sphere of foreign and security policy.<sup>21</sup> At the same time the interests of sectional and regional players in foreign and security policy are becoming ever more important. Alongside powerful economic and finance groups, the regions pursue their interests indirectly by lobbying within the state's power structures or directly through their own initiatives.<sup>22</sup>

21 Cf. Schröder, Hans-Hennig. *Instanzen sicherheitspolitischer Entscheidungsfindung in der Jelzin-Administration*. Berichte des Bundesinstituts für ostwissenschaftliche und internationale Studien, no. 18. Cologne: Bundesinstitut für ostwissenschaftliche und internationale Studien, 1996.

22 Generally on this subject: Korbinskaya, Irina. "Vnutrennie faktory vneshnei politiki v postkommunisticheskoi Rossii." In *Rossiya politicheskaya*, ed. Liliya Shevtsova, pp. 273-319. Moscow: Moscow Carnegie Foundation, 1998; Godzimirski, Jakub M., ed. *New and Old Actors in Russian Foreign Policy*. Oslo: Norwegian Institute of International Affairs, 2000.

Consequently, the aims and priorities of the foreign and security policy of the Russian state have fundamentally changed in recent years. The foreign policy of the new Russia can no longer be compared with that of the Soviet Union, which was characterized by concepts such as the “struggle against world imperialism”, by questions concerning the nuclear threat as well as the spread of socialist ideas or by worldwide support for national independence movements. The federal center increasingly recognizes the internal dimension as a challenge to the center and turns in upon itself. Despite the superpower rhetoric which is deployed externally time and again, and which in recent years has grown more pronounced in light of the eastward expansion of NATO and NATO’s intervention in Kosovo, at the present time Russian foreign and security policy deals mainly with resolving concrete problems, so as to guarantee the protection of the country’s national interests – including those of its regions.<sup>23</sup>

This strategic innovation was further retained in principle in the “National security concept of the Russian Federation”, which was revised early in 2000.<sup>24</sup> On a conceptual level at least Russian foreign and security policy is based primarily on the premise that social and economic problems represent the chief danger to national security. The new concept points to the deterioration in the international background conditions (which have arisen, for example, through NATO’s eastward expansion or NATO’s intervention against Yugoslavia) and stresses the growing external danger to which Russia again feels itself exposed. In comparison, the new concept is intended mainly to express more clearly “the definition of the multipolar world and the way in which Russia will defend its national interests”.<sup>25</sup>

Basically, the national security concept derives from a broadly conceived “modern” understanding of security policy. Just as in the Western view, today’s understanding of security policy has become broader. Security policy has moved beyond the classic dimensions of diplomacy and defense to include commerce and finance, social modernization and domestic safety, international crime and

23 The literature on Russian foreign and security policy focusses heavily either on the importance and influence of individual persons and institutions or on the role of ideological factors, such as the “Westerners” and the “Slavophiles” (or the “Eurasians” or “Stateists”). A survey of this literature can be found in: Wallander, Celeste A. “The Sources of Russian Conduct: Theories, Frameworks and Approaches.” In *The Sources of Russian Foreign Policy After the Cold War*, ed. Celeste A. Wallander, pp. 5-6. Boulder: Westview Press, 1996. However, there has been little literature till now (although interest has recently been increasing) concerned with the importance of subnational, regional or sectoral participants in Russian foreign and security policy. One of the first studies dealing with the role of regional factors in Russian foreign and security policy is: Melvin, Neil. *Regional Foreign Policies in the Russian Federation*. London: Royal Institute of International Affairs, Post-Soviet Business Forum, 1996. A detailed account of the literature can be found in the various footnotes.

24 The national security draft document of 17 December 1997 (published in: *Rossiiskaya gazeta*, 26 December 1997) was revised under Acting President Putin who was appointed by Yeltsin. The new outline was published in full on 14 January 2000 in the newspaper *Nezavisimoe Voennoe Obozrenie*. An unofficial English translation can be found in: *Johnson’s Russia List*, 20 January 2000.

25 Quoted from Sergei Ivanov, Secretary of the National Security Council. See *Johnson’s Russia List*, 7 January 2000.

environmental quality. Getting the right policy mix across this broad spectrum of concern has grown more complicated. Foreign policy is closely related to security policy insofar as it represents a component or means of security policy.

### 1.5. Levels of inquiry and formulation of the problem

When questions are asked about the repercussions of regionalization on federal foreign and security policy, three levels of inquiry have to be borne in mind: the region, the relationship between region and center, and finally the center. The *first* part of this paper will describe the formation of the region as an independent political, economic and social construct and will consider its situation both within Russia and in the international context. Building on these prerequisites the *second* part will scrutinize the interaction between region and center. The question must be asked how the relationship between center and regions develops in respect of their mutual interest in the area of foreign and security policy and how the implementation of regional foreign and security policy interests functions. *Thirdly*, the question of the consequences of regionalization for federal policy has to be answered. From a Western perspective the question as to whether increasing regionalization has a “positive” or “negative” effect on Russia’s external relations and its security policy is of special interest.

The following is a roster proposed by means of which individual Russian regions selected for the project will be examined.

## The region's foreign and security policy interests

The interests of a region in the area of foreign and security policy result from an interaction of various factors. *First*, the general political situation within the region, i.e. the various developments in state, economic and social structures are decisive. Regional players and institutions can exert an influence on the region's interests, as can the social and economic situation. *Secondly*, the situation of the region within the Russian Federation must be considered. Together with the constitutional status of the region, the region's relations to the federal center are of particular importance. Basically, one must distinguish between the region's legal-formal relations to the structures of state power and the informal relations which are based upon personal associations. According to the nature of these relations, a region can enjoy special rights and privileges which give them an advantage over other regions. A *third* category of factors is concerned with the region's situation in the international context. These factors acquire an important and increasing significance in the formation of foreign and security policy interests. Among these factors are the (geographical) proximity of a region to prosperous or crisis-ridden zones, the militarily strategic situation of a region or the existence of ethnic and territorial disputes. Finally, the investment activity of foreign businesses and states is of significance for the determination of the regional interest. All these factors taken together are responsible for the progress of regionalization. The weighting of the individual factors depends on the specific situation of the federal constituent and must be applied individually in each case.

## 2.1. The region as a political entity

### Actors and institutions

After 1990-91 the regions exploited the weakness of the center in order to test the limits and possibilities for extension of their own spheres of influence and to call into question the nature of the existing dependencies. The regional elites filled the vacuum created by the destruction of the state structure and were able to extend their control over territory and resources during the initial years of the existence of the new Russia. At the same time they set about consolidating the political, economic and legal structures in their own areas. In recent years the region has developed into the real center of gravity of social and political life. In view of the center's weakness and the lack of a strong national identity, the periphery goes its own way and provides models for reform which are designed mainly to meet the regional situation.

Regionalism is primarily a concern of the regional elites and represents the driving political force in their regions. The regional elite is made up of state and non-state players. In view of the concentration of political power within the regional executive, the elected chief executive (the governor or president of the republic) and the bureaucratic or ministerial apparatus which is answerable to him are important for an analysis of regional foreign and security policy. Accordingly, the sociopolitical orientation of the authoritative political players must be looked into. The world view and the basic political position of the regional political elites may, but must not necessarily, influence the foreign and security policy of a region.

Of course, conflicts can arise within the region among the various main players and institutions when, for instance, because of the varying range of interests, different ideas exist concerning the form of cooperation with foreign states and partners. An important reason for contradictory interests leading to conflict is that the institutions, i.e. those rules which – in the words of Renate Mayntz and Fritz Scharpf – “refer chiefly to the allocation and exercise of power, the definition of competences, the disposal of resources as well as the conditions of authority and dependency”, have not been definitively consolidated since 1990-91.<sup>26</sup>

As well as relations with the Moscow center and the federal instances which operate in the region (e.g. the ministries for foreign affairs, defense and external economy or the president's representative), the internal political system is determined by the following interactions which, depending on circumstances,

<sup>26</sup> Quoted from: Mayntz, Renate and Fritz Scharpf. “Der Ansatz des akteurszentrierten Institutionalismus.” In *Gesellschaftliche Selbstregulierung und politische Steuerung*, ed. Renate Mayntz and Fritz Scharpf, p. 40. Frankfurt a. M. and New York: Campus, 1995. – Of particular relevance is Douglass North's definition of the institution: “Institutions are the rules of a game in society, or, more formally, are the humanly devised constraints that shape human interaction.” Quoted from: North, Douglass C. *Institutions, Institutional Change and Economic Performance*. Cambridge: Cambridge University Press, 1992, p. 3.

can be more or less conflict-ridden: relations between the executive and legislative powers; relations between the bearers of political power and the players outside the official power structures (economic and social organizations and groupings, parties, media); and relations between the regional center and the organs of local self-government.

Within the region the relations between the regional center and the local self-administration, as well as the interconnection between the political (executive) power and economic and financial groupings, are particularly decisive in the stabilization of regional power structures. Where cooperation exists and the distribution of power and resources is regulated, a uniform and efficient policy is more readily achievable.<sup>27</sup> In general, the intensity of the conflicts has decreased. In comparison with the period from 1990-91 to 1993 the political situation has settled down, even if it is not totally stabilized. Over the years certain “rules of the game” have emerged among the players, making the conflicts more predictable. The internal political climate is no longer characterized merely by irreconcilable confrontational postures but by a growing desire for consensus.

In any analysis of the foreign and security policy situation of a federal constituent the following questions must be addressed: Who are the authoritative regional protagonists who determine the foreign and security policy within the region? What is the sociopolitical obligation of the players, what are their basic political attitudes and their world views? In what ways do the main regional actors cooperate, and what are their interests? Are there conflicts among the players within the region, and if so why do these conflicts arise? What influence do conflicts among the main players have on the establishment of state structures in the region and thereby on the efficiency and the responsibility of the regional governments?

### Socioeconomic situation

An analysis of regional foreign and security policy should also include a brief survey of the region’s general socioeconomic situation. This includes *first*, a description of the economic potential (natural resources, state of development of the infrastructure and stage of diversification of trade structure), *secondly*, a survey of the economic policy of the region’s leadership, *thirdly*, a demonstration of the activities of regional businesses and *fourthly*, a review of the social situation of the population (unemployment, poverty, gross national product per capita, average life expectancy, level of education, etc.). It should be possible on the basis of this information to draw conclusions about the international competitiveness of a region.

<sup>27</sup> This thesis follows: Stoner-Weiss, Kathrin. *Local Heroes: The Political Economy of Russian Regional Governance*. Princeton, NY: Princeton University Press, 1997.

The existence of a certain socioeconomic situation within a region is to be seen not least as a legacy of the Soviet system. Regions were not only territorial, but also functional units within the national economic complex. The uniform national economic complex of the Soviet Union was based on a specific division of labor and a “specialization” of the regions in the manufacture of specific products. After the breakdown of the single economic unit this system collapsed. Thereafter the region was for the most part left to its own devices, and the previous division of labor no longer functioned. The products of the region were often no longer in demand within the internal market, partly because they were seen to be inferior in comparison with foreign products and were therefore not competitive. After the end of the Soviet Union those Russian regions which were rich in raw materials, had a diversified trade structure, a well developed infrastructure or possessed links with important traffic junctions were better situated to adapt to the new circumstances.

Along with these structural conditions, the economic policy of the regional elites is responsible for the current socioeconomic situation. The center of gravity of economic activity has moved to the regions since 1991. The federal center lays down the legal guidelines for implementing the reforms, but their practical application takes place in the regions. This varies according to the regional specification and is accompanied by appropriate regional packages of measures and laws. Russia therefore presents a very uneven picture in respect of economic policy, so far as the level of privatization, the degree of openness of a region or pricing policy are concerned.<sup>28</sup> At the same time economic policy is not only a matter for the political elites only, but is partly determined in agreement or under the influence of the activities of large businesses working in the region. Most frequently in the regions one comes across partnership arrangements between the political and economic powers. In regions with consolidated power structures (particularly in the national republics) the economic players are often subjected to strict controls by the regional political authorities. In other regions it can happen in reverse, and the economy controls politics.<sup>29</sup>

Corresponding to the varying degree of socioeconomic development, there is a pronounced regional variation in regard to the general standard of living in the regions. The “Human Development Index”, which is calculated on the basis of three indicators (gross regional product per capita, average life expectancy and educational level), varies within a range of 0.867 (for the front runner Moscow) and 0.520 (for the Republic of Tuva, one of the poorest regions of Russia).<sup>30</sup> There

28 On this subject generally: Programma Evropeiskogo Soyuza Tacis, Kontrakt BIS/95/321/057. *Analiz tendentsii razvitiya regionov Rossii v 1992-1995gg.* Moscow, March 1996.

29 Lapina, Natalia. *Business und Macht in den russländischen Regionen.* Berichte des Bundesinstituts für ostwissenschaftliche und internationale Studien, no. 14. Cologne: Bundesinstitut für ostwissenschaftliche und internationale Studien, 1998.

30 *Human Development Report 1998, Russian Federation.* Moscow: UN Development Program (UNDP), 1998, pp. 77-78.

are similar imbalances in respect of the unemployment quota or the degree of poverty.<sup>31</sup> It is interesting at this point to see whether a connection can be established between the socioeconomic situation and the political orientation of the political elites and the population. The analysis of the regional pattern of elections between 1991 and 1996 shows that a connection exists between economic strength and political orientation. While the population and the elite of the poorer areas were motivated to vote either conservative or “nationalist” – which can be taken to include both communist and radical right – regions with economically more promising perspectives tend to be more liberal and open to reform.<sup>32</sup> After 1996 (the second wave of elections of governors) this pattern can no longer be observed, or only to a limited extent. The regions cannot simply be divided into pro and contra reform camps. The economic policy of the regional leaderships presents a much more complex and uneven image and does not always correspond to the policy which might be expected on the basis of a given socioeconomic situation.

The questions which have to be answered in this section are: How is the general socioeconomic situation in the region formed, and what measures are adopted by the regional leaders in this sphere? Which factors influence a given situation? Is there a connection between the socioeconomic situation and the political orientation of a region, and what consequences does this have for its international orientation?

### Regional social awareness

Apart from elections, the population is hardly involved in political processes in the regions. Active participation – through the political parties – exists only to a limited extent (the only party with a mass membership is the communist party of the Russian Federation), and a regional party system only exists in embryo. In most of the regions parties are created by the main political forces only for short-term goals, namely the achievement of electoral success.<sup>33</sup>

The role of the population in regional processes, however, should not be underestimated. Although the population appears to be a passive, politically unstructured force which can be relatively easily manipulated by the leaders, what the people think and feel about their region is nevertheless important – even if that does not involve any concrete political engagement with the region. The vital fact is that more and more sections of the population feel a basic affinity with

31 Comparative figures on the standard of living are to be found in: Goskomstat Rossii, ed. *Regiony Rossii: statisticheskii sbornik 1998*. Vol. 1. Moscow, 1998, pp. 96-157.

32 On the political orientation of the Russian population cf. Programma Evropeiskogo Soyuza Tacis, Kontrakt BIS/95/321/057. *Analiz tendentsii razvitiya regionov Rossii v 1992-1996gg.: Politicheskie orientatsii naseleniya regionov Rossii*. Moscow, May 1997.

33 Cf. Gel'man, Vladimir and Grigorii V. Golosov. “Regional Party System Formation in Russia: The Deviant Case of Sverdlovsk Oblast.” *The Journal of Communist Studies and Transition Policies* 14, no. 1 and 2 (March-June 1998), pp. 31-53.

their region and not with the state or any higher state concept. Opinion polls confirm the tendency of popular orientation to move away from the state towards the regions.<sup>34</sup> In regions where the majority of the population harbors secessionist desires, the regional political elite is likely to devise its political program accordingly. Policy can also be influenced by fear of threats and images of the enemy which predominate in the social strata of certain regions. Regional leaders can be tempted to deliberately stir up fear among the population and present the argument of an external threat in order to win imminent elections or exact more support from Moscow (e.g. the financing of military installations or the construction of border posts).

It must be established whether regionalism is based only in the political consciousness of the representatives, i.e. of the regional elites, or whether a regional consciousness can be found among the population. Following on from that, it is of interest to establish which factors constitute regional awareness. In particular, it will be necessary to examine the role which external factors (e.g. fear of threats) play in the formation of social awareness and what influence these exert on regional policy.

## 2.2. The region in the federal union

The region's range of interests in the sphere of foreign and security policy is substantially determined by the legal status of the region within the federal union and its relations with the center. These factors determine what possibilities the region has to articulate its interests and put these into practice. The relationship of the region to the center takes on individual forms. The nature of the relationship is dependent upon the constitutional status of the region within the federation, the bilateral contractual relationship and the informal relationships based on personal contacts.

### Legal status

Although the constitution of December 1993 lays down in Article 5 the equality of all the constituents of the Russian Federation both to one another and in their relationship with the Federation, the asymmetric structure was to remain the determining element of Russian federalism. Some Oblasts and Krai were not allowed to retain the status of national republics. The leaders of the republics struggled violently against the removal of the distinction between "Russian" and "non-Russian" areas, which had been demanded by the other regions, because

<sup>34</sup> Cf. the surveys carried out by the Russian *Foundation "Obshchestvennoe mnenie"* (FOM) on the specific problem of the relations between the center and the regions. FOM carries out weekly country-wide polls on various current subjects in which 1,500 people of different social backgrounds are surveyed and 56 locations in 29 Oblasts, Krai and republics are taken into account, representing all the important economic-geographical zones of the country. The results are regularly published at <http://www.fom.ru>.

they feared they might thereby lose the possibility of their people's national aspiration to the right of self-determination and thus the independent legitimization of their claim to statehood. Russian federalism is still based on the ethnic principle of a hierarchically gradated division into national and territorial entities carried over from Soviet times.<sup>35</sup>

The national republics – and also some of the regions – regard themselves as sovereign components of the federation. The concept of sovereignty is interpreted differently from region to region. While the Chechen Republic takes sovereignty to mean complete independence from Russia, most national republics do not interpret the concept so radically. Basically the sovereignty tendencies of the national republics – like those of most of the other regions – aim at achieving control over the economic resources in their areas. The sovereignty declarations of the national republics are based on the concept of equal relations with the center. To emphasize that claim the sovereignty aspirations are accompanied by various partly purely symbolic measures, which together represent elements of (independent) statehood. Most national republics therefore passed their own constitutions and introduced a presidential system. At least four republics (Bashkortostan, Komi, Sakha [Yakutia] and Tatarstan) created regional “citizenships”. Most republics passed legal statutes concerning the regional “state language”, whereby the language of the titular nation was declared to be of equal status to the Russian language. A further aspect of regional sovereignty was also to be seen in the demand by the republics to be able to form their own relations with foreign states – including other regions within Russia. The freedom to be able to act independently in foreign affairs is an important element of statehood.

The Oblasts and Krai, as opposed to the republics, are not “states”. They only have statutes, not constitutions. Some statutes certainly contain provisions which aim for parity of status with the republics, for example, the introduction of a constitutional court and a bicameral system (Sverdlovsk Oblast). Also, certain regions have their own “governments” apart from administrations. Just as the constitutions of the republics regulate their regional “citizenships”, some statutes of the Oblasts and Krai have introduced the concept of “inhabitant of the Oblast” (for instance, Stavropol Krai and Moscow Oblast). According to these, only “inhabitants” can – in clear violation of the constitution of the Russian Federation – take advantage of the right to vote and other basic rights.<sup>36</sup>

It is one of the tasks of the regional case studies to investigate more closely the idea of regional “sovereignty”. The question must be posed how sovereignty

35 On the problem of asymmetry see Heinemann-Grüder, Andreas. “Integration durch Asymmetrie? Regionale Verfassungen und Statuten in Russland.” *Osteuropa*, 7/1998, pp. 672-688.

36 For a fuller explanation of the legal structures in the national and Russian entities: Ivanov, V.V. *Rossiiskii federalizm i vnutrigosudarstvennaya dogovornaya politika*. Krasnoyarsk: Krasnoyarskii gosudarstvennii universitet, 1997, pp. 16-31.

is defined in the regional constitutions and statutes and how far such a definition influences the region's role as an active entity on the international stage.

#### Bilateral "Treaties on limitation of powers"

To prevent a possible collapse of the Russian state after 1991, and in view of its weakness, the center had no option but to treat the national republics preferentially, in relation to the other regions, and to grant them special rights – particularly on the subject of international relations. These rights are guaranteed to the republics in bilateral treaties "On the limitation of competences and the mutual delegation of authority". Since 1996 these treaties on the limitation of powers have been concluded not only with national republics, but also with a number of other regions of mainly economic importance. The center felt itself forced to take into account not only ethnic-national factors, but also the economic potential of a region. For financial reasons Moscow is dependent upon the economically and financially strong regions.<sup>37</sup>

In total the federal center has concluded bilateral treaties of limitation on powers with 46 constituents, and in parallel it has signed hundreds of additional decrees and agreements. These additional agreements often invalidate constitutional norms or qualify the provisions of the bilateral treaties.<sup>38</sup> Thus Tatarstan delegates to the Federation all legal titles which concern the federal constitution and state citizenry. Foreign and security policy, as well as defense, are also part of the federal sphere of competence. However, the administration of military installations and establishments of the arms industry belongs to the joint sphere of competence. The Republic therefore has the right to function at the international level, to establish relations with other states and to conclude international treaties with them.<sup>39</sup>

The regional case studies should therefore contain analyses of the individual bilateral treaties on the limitation of powers and of additional agreements. In particular, the regulations concerning the limitation of competences in foreign policy, security policy and external economics should be more closely examined. The question arises as to how far a given bilateral relationship influences the possibilities of the region to act more or less independently in the sphere of the international economy and policy.

37 In 1999 13 regions were numbered among the group of the so-called "donor regions", i.e. those regions which pay more into the federal budget than they receive. According to the information of the Ministry of Finance, the following regions belong to this group: the cities of St Petersburg and Moscow, the Moscow, Lipetsk, Samara, Perm, Sverdlovsk and Irkutsk Oblasts, the Tatarstan and Bashkortostan Republics, the Khanty-Mansi and Yamal-Nenets Autonomos Okrugs, as well as the Krasnoyarsk Krai. From: *EWI Russian Regional Report*, 27 May 1999.

38 Part of the texts of the treaties are contained in: Gubolgo, M. ed. *Federalizm vlasti i vlast' federalizma*. Moscow: TOO "IntelTech", 1997, pp. 236-846.

39 On Tatarstan: Noack, Christian. "Tatarstan – Souveränität im souveränen Russland?" In *Regionalismus und Nationalismus in Russland*, ed. Andreas Kappeler, pp. 57-85. *Nationen und Nationalitäten in Osteuropa*, no. 4. Baden-Baden: Nomos, 1996.

### Channels of communication with the centers of power

The nature of the bilateral treaty relationship with Moscow and the possibility for the region to pursue its interests depend not least on personal factors, i.e. the relations of the regional power elite to the center. The center does not consist of a homogenous force but is made up of a number of constituents, groupings and institutions which are more or less influential, depending upon political circumstances. Contacts with the heads of political power, i.e. the president and the prime minister, are particularly important. In the sphere of foreign policy, external economic and security policy, the most important points of contact for the regions are the ministries of external economics, defense, home and foreign affairs, the presidential apparatus, the government and, in addition, the major parties and the State Duma. The regions pursue their lobbying through these authorities. At the same time the regional elites seek to pursue their interests via other channels such as contacts with powerful (semi-) state industries (e.g. Gazprom) or wealthy influential personalities (“oligarchs”).

At present regions are in a stronger position in that the regional leaders (governors or presidents) are elected by the people. The Federation Council – the upper house of parliament – offers the most important platform from which the regions or the governors and republic presidents can effectively put their cases and participate in federal policy-making. The importance and the influence of the Federation Council have increased parallel to the transfer of power from the center to the periphery.<sup>40</sup>

In connection with this, the regional case studies must explore by which channels and authorities the regional representatives seek to pursue their interests with regard to the center in the areas of foreign and security policy.

## 2.3. The region in its international environment

Together with the internal prerequisites and the situation of the region in the federal union (see chapters 2.1 and 2.2), the international environment became increasingly more important for regional interests in the fields of foreign and security policy after the opening up of the country to the outside world. The external factors can be grouped according to *political* (military-strategic factors, territorial disputes), *economic* (proximity to economic zones and investment activity of foreign economic forces), and *social* factors (ethnic, religious and cultural). Before the individual factors are discussed, the special situation of the border regions will be looked at briefly.

40 On the Federation Council see Petrov, Nikolai. “Sovet Federatsii i predstavitel'stvo interesov regionov v Tsentre.” In *Regiony Rossii v 1998 g.: Ezhegodnoe prilozhenie k “Politicheskomu al'manakhu Rossii”*, ed. Nikolai Petrov, pp. 180-223. Moscow: Carnegie Foundation. Moscow: Gendal'f, 1999.

### Introductory comment: The special situation of the border regions

The geographical factor has particular significance, especially for the border regions. After the collapse of the Soviet Union, 27 federal constituents became border regions for the first time. If the coastal borders are counted, then a total of 47 Russian regions border on other states. The proximity of a region to foreign states can have a significant influence on the policies of the regional elites, not only in respect of their international orientation, but also with regard to their relationship with the Moscow center. Tensions can arise between the center and a region when conflicts occur between the center's global military strategy and the region's mostly economic interests. Such differences can be observed particularly often, although not exclusively, in the case of the border regions.

The new geographical situation has produced a series of important implications, especially for the regions of the Far East, the North Western area and the Northern Caucasus. Thus the Far East of Russia cannot ignore the fact that two major regional powers, Japan and China, are in close proximity and influence directly or indirectly the fortunes of the bordering Russian regions. Both countries have *inter alia* an interest in the resources of Siberia. Furthermore, there is some pressure on the Russian provinces bordering China on the question of population. The three Chinese regions which border on Russia are home to some 90 million people. Only some seven million people live in the five bordering Russian provinces, but they are scattered over a far bigger geographical area.<sup>41</sup> Russia's South is exposed to the dangers and problems which stem from the crises and wars in the Northern Caucasus and the Trans-Caucasian countries. The geopolitical situation of the regions in Russia's North West became particularly important after the breakup of the Soviet Union, both in strategic military terms as well as in respect of the economy. After the collapse of the USSR, Russia lost some two thirds of its Baltic coastline. More specifically, the region of Kaliningrad, which was completely cut off from the motherland after 1991, acquired new importance from the strategic military perspective. At the same time some of the North Western regions profited economically from their proximity to the Baltic and the North Sea states.<sup>42</sup>

Despite Russia's traumatic experience of the collapse of the Soviet Union and the particularly painful loss of the three Baltic states, Belarus and the Ukraine, the new geopolitical situation offered new opportunities for cross-border economic cooperation. The border regions' external relations are now driven less by ideological than by pragmatic considerations and focus on resolving specific problems. General economic considerations are at the heart of regional

41 See Bradshaw, Michael. *The Russian Far East: Prospects for the New Millennium*. London: RIIA, 1999; Harada, Chikahito. *Russia and North-east Asia*. International Institute for Strategic Studies. Adelphi Paper no. 310. London: Oxford University Press, 1997.

42 Cf. on Kaliningrad generally: Swerew, Jurij M. *Russlands Gebiet Kaliningrad im neuen geopolitischen Koordinatenfeld*. Berichte des Bundesinstituts für ostwissenschaftliche und internationale Studien, no. 6. Cologne: Bundesinstitut für ostwissenschaftliche und internationale Studien, 1996.

interest in cooperation across national borders. But questions involving the struggle against the illegal smuggling of arms, terrorism, the drug trade, mass economic or war-based migration and the regulation of border and territorial problems or ecological issues can be of importance.

As a consequence of the growing activity of the border regions, the contours of new, cross-border regional contacts are gradually becoming clearer. Thus the various regions of Siberia and the Far East are concerned with developing economic relations with their Asiatic neighbors. Khabarovsk and Primorskii Krai cooperate with Japan, China and South Korea. Sakhalin maintains trade relations with Japan and Korea. The Amur region conducts trade on a modest scale along its border with China. In addition, Primorskii Krai is integrated into the Economic Forum for North East Asia, which was established by China, Japan and South Korea in 1993.<sup>43</sup> Analogous processes are taking place in other parts of Russia. The Belgorod Treaty between six Russian and Ukrainian regions has been in force for several years.<sup>44</sup> Further treaties exist between Kazakstan, Finland and Poland and the respective bordering Russian regions. Russian regions also take an increasing part in regional forums in the Baltic area, on the Barents Sea and on the Black Sea.<sup>45</sup>

In all the regional case studies (especially the studies on the border regions) it is important to note the special features of the new geopolitical situation and the implications for a region's international orientation which arise thereof. Each region should be assessed according to the following factors: the importance of strategic military factors, the proximity to prosperous economic zones, the proximity to crisis areas, territorial disputes as well as cross-border cultural, ethnic or religious factors. In the following the individual external factors will be briefly elaborated.

#### External political factors

There are four external political factors which can be relevant to regional processes and the foreign and security policy situation: depending on the situation of each region, strategic military factors, territorial demands of foreign states, migration or refugee movements into Russia, and cross-border ecological problems have to be considered.

Military alliances, the strength of military formations on the Russian borders or nearby military conflicts have repercussions on the internal situation and

43 On Russia's Far East and its cross-border relations, see: Vitovskii, D. and D. Trenin, eds. *Perspektivy Dal'nevostochnogo regiona: mezhsranovye vzaimodeistviya*. Moscow: Carnegie Foundation. Moscow: Gendal'f, 1999.

44 On cross-border cooperation between Russia and the Ukraine cf. Kolossow, W.A. and A.D. Krindatsch. "Russlands neue Grenzgebiete: Dargestellt am Beispiel des Gebietes Rostow am Don." *Osteuropa*, 1/1995, pp. 33-52.

45 For more information see: Cottey, Andrew, ed. *Subregional Cooperation in the New Europe: Building Security, Prosperity and Solidarity from the Barents to the Black Sea*. London and New York: Macmillan and St. Martin's Press, 1999.

the international orientation of the relevant Russian regions. For particularly exposed regions, such as the North Western regions (especially the Kaliningrad Oblast) or the regions bordering on China, the new geopolitical situation within the individual regions can result in internal political tensions which have direct effects upon the foreign and security policy orientation. The diminution of the external threat has had direct economic consequences for a number of regions, in so much as the relaxation in international relations was partly accompanied by a massive reduction in staff numbers in the armed forces and defense spending.<sup>46</sup> Regions whose importance increased after the breakup of the Soviet Union (such as Kaliningrad) were likewise affected by these cuts. However, they often acquired privileges of different kinds and where possible are financially supported by Moscow. In individual regions there are groups and lobby groups (especially from the military industrial complex) which, on the basis of the international exclusion of the region and the emphasis on external threat, hope for more support and investment from Moscow. In addition, there are those who see the new geopolitical situation as an opportunity for more intensive cross-border cooperation. At present in most of the Russian regions a majority of the political elite and population fully support the opening up of their regions. At the same time the possibility cannot be ruled out that, if the economic crisis and the increasing anti-Western rhetoric of Moscow's political elite persist, those forces which favor closing off their region to the outside world will receive a boost.

Disputes which arise from territorial demands on Russia from neighboring states can likewise present an external impetus to regionalization. The justification for such demands is usually based on historical claims and often contains an ethnic component. The conflicts are diverse. Three types can be identified.<sup>47</sup> In the most common case both the Moscow center and the relevant Russian regions adopt a negative attitude to external territorial demands. Such a pattern forms the basis of the territorial conflicts between Russia and Estonia and Latvia. The central government in Moscow actively supports the authorities of the Russian regions bordering on these states *inter alia* by providing funds for the demarcation of borders and the building of customs and border posts. A second type of conflict concerns cross-border territorial disputes in which conflicts of interest arise between Moscow and the relevant Russian regions. This type can be seen when the regional authorities appear conciliatory towards foreign territorial demands (as can be seen, for example, in the case of Kaliningrad, Karelia or Sakhalin), while Moscow comes out strongly against such demands. The regions concerned often turn this situation to their advantage by accepting certain privileges and autonomous rights from the center in return for abandoning territorial

46 Comparative figures are to be found in the SIPRI yearbooks. Cf. the latest edition 1999: *SIPRI Yearbook 1999: Armaments, Disarmament and International Security*. SIPRI Yearbook 1999, Oxford: Oxford University Press, 1999.

47 The following passage is based on: Sergounin, Alexander A. *Russia's Regionalization: The International Dimension*. Working Papers, no. 20. Copenhagen: Copenhagen Peace Research Institute, 1997, pp. 11-16.

concessions to the foreign states. A third type of conflict arises when Moscow acts in a conciliatory manner to foreign territorial demands, while the relevant Russian border province rejects such claims. This pattern could be seen in the redrawing of disputed border areas on the Russian-Chinese border. The ultimate determination of the border zones was at the expense of the Amur Oblast and the Khabarovsk Krai (both regions had to accept territorial losses) and led to dissatisfaction among the local political leaders. However, this measure contributed to a significant improvement in the climate between Russia and China.

Yet the situation of those regions which border on foreign crisis and war zones is different. For those regions the main question is how existing crises (and especially the migration pressures they bring) can be resolved. Apart from the internal streams of refugees caused by the war in Chechnya, with which the republics of Dagestan and Ingushetia, Rostov Oblast and the Krasnodar and Stavropol Krai are currently confronted, Russian regions are also faced with migration problems from foreign states. In 1995 there were some two million refugees in the whole of Russia. Of these about 400,000 were from the Trans-Caucasus, 300,000 from the Central Asian republics and 400,000 from the Baltic states.<sup>48</sup> Furthermore, regions on the Russo-Chinese border are exposed to a large, economy-driven flood of migration. Estimates assume that already two million Chinese live in Russia, about half of them in Russia's Far East.<sup>49</sup>

As well as migration, ecological problems can make cross-border cooperation necessary. A number of Russian regions are confronted with cross-border ecological problems. The problem on the Barents Sea is particularly acute. Large-scale nuclear pollution threatens this region, if the authorities do not quickly succeed in cleaning up the environment of the partly de-commissioned military installations, as well as the Russian navy's deactivated nuclear submarines on the Kola peninsula. In particular, the bordering states of Finland and Norway are providing financial support and are trying to work directly with the authorities in the locality in order to avert an ecological catastrophe.<sup>50</sup>

Of special interest here are the questions: how are the various regions dealing with the problems above, and how are these problems affecting regional foreign and security policy?

48 *Ibid.*, pp. 16-18.

49 Cf. Portiakov, V. "Kitaitzy idut? Migratsionnaya situatsiya na Dal'nem Vostoke Rossii." *Mezhdunarodnaya zhizn'*, 2/1996 (online edition).

50 Cf. the shocking report which the Oslo-based Bellona-Foundation published on this problem in the summer of 1996. Report available at <http://www.bellona.no>. A general survey of Russia's ecological problems is provided by: Feshbach, Murray. *Ecological Disaster: Cleaning up the Hidden Legacy of the Soviet Regime*. New York: The Twentieth Century Fund Press, 1995.

### The economy as an external factor

One of the most important external factors is proximity to economically prosperous zones. This factor is all the more important since, with the continuing economic crisis of the center and the fact that cooperation among the regions is poorly developed, most regions are forced to seek out other markets and foreign investments. Cross-border development in Russia's North Western areas, for instance, is particularly dynamic. The city of St Petersburg, Kaliningrad and Leningrad Oblasts or the Republic of Karelia regard economic cooperation with bordering states as the best option for overcoming the present crisis. All these regions are trying to turn their exposed geographical situation to their economic advantage. On the assumption that the volume of trade in the Baltic and North Sea areas will continue to increase, strong competition already exists, for example, between St Petersburg and Kaliningrad for the position of leading trade center between Russia and her northern neighbors.<sup>51</sup>

As previously discussed, regionalization, or the formation of the regions' foreign and security policies and interests, is conditioned by the policies and the interests of foreign states, entrepreneurs and organizations, whose activities encompass the spheres of economic cooperation, technical aid and support for re-training and development programs, as well as the provision of credit. The funds which are made available for these and similar programs are increasingly concentrated on the regions and not on Moscow. This can be seen from the central programs of the World Bank<sup>52</sup> or the European Union (TACIS-program),<sup>53</sup> as well as from the programs of the Council of Europe (LODE-program – Local Democracy Program) or those of the European Bank for Reconstruction and Development (EBRD).<sup>54</sup> The regions are encouraged to articulate their needs in an internationally effective way and to create an investment-friendly climate within the region. This assumes among other things that the regional leaders make the conditions for active foreign investment and the creation of an international partnership as transparent as possible. This means in the first place that the legal framework, i.e. the “rules of the game”, should be clearly laid down as guidance for potential foreign investors.<sup>55</sup> Nonetheless, despite the existing legal frameworks, corrupt, Mafia-like structures can still be found in many regions.

51 Wellmann, Christian. “Russia's Kaliningrad Exclave at the Crossroads: The Interrelations between Economic Development and Security Politics.” *Cooperation and Conflict*, vol. 31, no. 2 (June 1996), pp. 161-183, here: p. 176.

52 For more information on the activities of the World Bank in Russia: <http://www.world-bank.org/>

53 For more information on TACIS: <http://europa.eu.int/>

54 For the activities of the EBRD: <http://www.ebrd.org/>

55 Meanwhile, a number of Western and Russian institutions are concerned with rating the regions according to their investment climate. In that process no uniform indicators are applied, and accordingly, the rank-listings vary. Particularly interesting are the publications of the Russian based *Ekspert*-Institute. The data from this institution can be accessed at: <http://www.expert.ru/expert/ratings/regs.shtml>.

That is the most important reason why foreign investors are reluctant to make major investments in Russia.

In particular, those analyses concerned with economically powerful regions have to focus specifically on the following questions: to what extent does the proximity of a region to economically interesting neighboring states and the activity of foreign states, regions, entrepreneurs and organizations influence the attitude and policies of the regional elites and thereby shape the foreign and security policy of a region? What concrete measures are taken by the regional elite to improve the investment climate?

#### Cultural, ethnic and religious factors

Cross-border cultural, ethnic or religious connections can also influence regionalization. Thus, those ethnic groups in Northern Russia belonging to the Finno-Ugric language group hope to build on earlier historical and cultural connections with Finland and other Nordic states, with the foremost expectation of deriving financial support from those relationships. According to information from the Russian Foreign Office, in 1996 there were some 70 different projects being pursued by member states of the Barents and Euroarctic Council in cooperation with the ethnic groups in Northern Russia.<sup>56</sup> Moscow does not take a negative attitude to the pursuit of such contacts, as long as no secessionist intent is suspected behind these relations.

External influence on a region's cultural and intellectual life should not be underestimated. Many universities have been able to expand their activities thanks to Western support. Student exchanges and Western scholarships have led to intensive academic and personal exchanges. The programs of the Soros Foundation, the British Council, IREX, the Peace Corps, Unesco and other state and non-state institutions are represented in many of the advanced Russian regions and contribute to the creation of an epistemic cross-border community of students, scholars, teachers, artists and journalists.

Religious factors, such as Islam, likewise influence regionalization. The leaders of the national republics in particular, in which Islam is the predominant religion, base their political ideas within wider contexts derived from their region's specific situation. Thus, Tatarstan does not regard itself merely as a constituent of Russia but feels itself committed to the European family of Islamic

56 Matvienko, V. "Tsentri regiony vo vneshnei politike Rossii." *Mezhdunarodnaya zhin'*, 8/1996, p. 13.

states and the concerns of the great Tatar Diaspora at home and abroad. Against the background of the war in Chechnya, Moscow tends increasingly to equate Islam with the extreme form of Islamism. The so-called “anti-terrorist campaign” against Chechnya is regarded in Moscow as a struggle against the general Islamic “threat from the South”.<sup>57</sup>

Regional studies must consequently direct special attention to the significance of cultural, ethnic and religious factors. Above all, the question arises as to how far these factors influence the processes within the region and its international orientation.

57 On this subject: Halbach, Uwe. *Regionale Dimensionen des zweiten Tschetschenienkrieges: Teil I: Der kaukasische Kontext*. Aktuelle Analysen, no. 1. Cologne: Bundesinstitut für ostwissenschaftliche und internationale Studien, 2000; also *Regionale Dimension des zweiten Tschetschenienkrieges: Teil II: die südliche GUS und die “islamische Welt”*. Aktuelle Analysen, no. 2. Cologne: Bundesinstitut für ostwissenschaftliche und internationale Studien, 2000. – For a detailed account of the first Chechnian war (1994-1996): Lieven, Anatol. *Chechnya, Tombstone of Russian Power*. New Haven, CT and London: Yale University Press, 1998.

## Center-region interaction in the area of foreign and security policy

There are two possibilities for the federal constituents in pursuing their foreign and security policy: *first*, they can influence the decision-making process of the center in foreign and security policy from within, i.e. via the channels which exist to the state centers of power. *Secondly*, they can try to develop their foreign and security policy independently by means of their own network of transnational contacts.

While in the first case the difficulty for the region consists of choosing the proper channels and gaining the appropriate participants for the concerns of the region, in the second case the challenge consists of implementing the regional foreign and security policy in such a way as to avoid a conflict with the federal center as far as possible.

### 3.1. Regional influence on federal foreign and security policy

The political fragmentation of the Russian Federation has made the decision-making process in the area of foreign and security policy much more complicated. In the centralized Soviet system not even the political leaders of the Union Republics were in a position to comment on, let alone criticize, Moscow's course. The involvement of the regions in the foreign and security policy was restricted to cultural or sporting contacts between individual cities or territories.<sup>58</sup>

As a result of the changed balance of political power, the politicians in Moscow are increasingly forced to take into account the interests of the regions, not only in the formation, but also in the implementation of federal policies. The

58 Parkanskii, Alexandr B. "Rossiiskie regiony i vneshnaya politika. *Segondya*, 19 June 1996.

federal center involves the regions more closely in decisions which deal with current problems of an interstate character and also takes into account regional interests in multilateral affairs, such as international regional agreements and forums (as exist in the North and North West of Russia and on the Black Sea). The center cannot sign any agreements with neighboring states without at least consulting the border regions. Governors play an increasing part as members of delegations in official diplomatic missions. Thus, Yegvenii Nazdratenko, the governor of the Primorskii Krai, accompanied the then prime minister Primakov to the APEC meeting of ministers in Malaysia.<sup>59</sup> The governor of Sakhalin Oblast, Igor Farkhutdinov, was also involved in the bilateral discussions which took place between Russia and Japan concerning the disputed status of the Kurile islands.

Moscow is likewise dependent on cooperation of the regions where the implementation of international agreements on the destruction of weapons of mass destruction is concerned. The opposition of some regional leaders has made it impossible for Moscow to carry out its treaty obligations under the Chemical Weapons Convention ratified in 1997. The six regions concerned, the Bryansk, Kirov, Kurgan, Penza and Saratov Oblasts and the Udmurt Republic, demand financial compensation from Moscow to cover the cost of the ecological damage which would follow the destruction of chemical weapons.<sup>60</sup> Similarly, the center found itself obligated to be slightly more careful about its too exclusively pro-Slav position in its Balkan policies out of consideration for the sensitivities of the Muslim-dominated republics (mainly Tatarstan and Bashkortostan) and the large Muslim minority in its own country (some 20 million).<sup>61</sup> Finally, the center is also dependent upon the cooperation of the regions in attracting foreign capital or exports.

Basically, the federal center regards the international economic contacts of the regions in a positive light. Even Yevgenii Primakov, otherwise known more as a supporter of centralist administrative structures, made it understood during his period as foreign minister that the organs of the federal center were currently in no position to implement the numerous treaties and agreements which the regions signed with foreign partners in the name of the Federation.<sup>62</sup> Starting from the position that "federalism forms the basis of the state structure in Russia", Russian foreign policy, according to Primakov, should increasingly be seen "through the prism of federal relations".<sup>63</sup>

59 *EWI Russian Regional Report*, 19 November 1998.

60 Nicholson, Martin. *Towards a Russia of the Regions*. International Institute for Strategic Studies. Adelphi Paper no. 330. London: Oxford University Press, 1999, p. 63.

61 Cf. *EWI Russian Regional Report*, 1 April 1999.

62 Primakov paraphrased in: Shvetsova, S. I. "Roszarubezhtsentr v mezhdunarodnykh svyazakh Rossii." *Mezhdunarodnaya zhizn'*, 7/1998 (online-edition).

63 Quoted from Primakov's speech of 19 January 1998 contained in: "Pervaya vserossiiskaya nauchno-prakticheskaya konferentsiya, problemy i perspektivy razvitiya Rossiiskogo federalizma." *Diplomaticheskii vestnik*, 2/1998 (online-edition).

Accordingly, the Russian foreign ministry acknowledges that one of the main tasks of Russian foreign policy is to create favorable conditions for cultivating contacts between potential foreign investors and the constituents of the Russian Federation and to provide all possible assistance in developing appropriate projects. In an article Foreign Minister Igor Ivanov presents the thesis that even today economic cooperation and the attraction of foreign capital investment into the Russian regions is one of the priorities of foreign policy towards which Russian embassies direct their efforts.<sup>64</sup>

As early as 1994 a Consultative Council of Russian Federation Components on International and Foreign Economic Relations was established under the Ministry of Foreign Affairs by presidential decree, with responsibility for coordinating of the international contacts of the constituents, parliament, the parties and other organizations. Since 1994 Igor Ivanov, currently Russia's minister for foreign affairs, has been head of this department. The Consultative Council has, *inter alia*, the duty of taking the interests of the regions into account in drafting Russian foreign policy, of overseeing their international contacts (to ensure that federal and regional authorities act in harmony in the implementation of treaties) and, in its cooperation at the regional level, the foreign ministry is to make its international experience available in the cross-border cooperation of the Russian regions.<sup>65</sup>

Furthermore, the Foreign Ministry has opened a number of departments in various Russian regions. At the beginning of 1999 the Foreign Ministry was represented in some 25 regions.<sup>66</sup> The planned total of 40 agencies has not yet been realized for financial reasons.<sup>67</sup> Valentina Matvienko, the then leader of that department and present deputy prime minister for social issues, is of the view that the "development of the foreign relations of the constituents of the Federation – assuming they are developed within a legal framework – are generally appropriate to the interests of the regions and the Russian state and contribute to the consolidation of international stability".<sup>68</sup> However, both the Consultative Council and the regional representatives of the Foreign Ministry are merely administrative bodies, with no power of controlling the regional actors' activities in the field of foreign relations.

64 Ivanov, Igor S. "Mezhdunarodnye i vneshneekonomicheskie svyazi sub'ektov Rossiiskoi Federatsii." *Diplomaticheskii vestnik*, 2/1998 (online-edition).

65 See "Russian Regions and the CIS: Foreign Economic Relations." *International Affairs (Moscow)*, vol. 45, no. 2 (1999), pp. 134-153.

66 Nicholson, Martin. *Towards a Russia of the Regions*. International Institute for Strategic Studies. Adelphi Paper no. 330. London: Oxford University Press, 1999, p. 64.

67 *Itogi*, 3 February 1998, pp. 16-17.

68 Matvienko, V. "Tsentri i regiony vo vneshnei politike Rossii." *Mezhdunarodnaya zhizn'*, 8/1996, p. 12.

The rights which a region can claim for itself and the effectiveness with which a region can establish its influence is determined on the one hand by its economic strength within the whole Federation, and on the other hand through its ability to represent its lobbying interests effectively within the central power structures. As already outlined in chapter 2.2., this ability depends not least on the personal relations of the regional representatives to the ultimate decision-makers in Moscow. The relations of the regions to non-state or semi-state economic structures and industrial finance groups, who ultimately defend the interests of the regions in relation to the external economy, are also important.<sup>69</sup>

At the center of this section, therefore, is the interaction of regional and federal interests in the sphere of foreign and security policy. In the individual regional case studies it is particularly important to establish whether the individual regions regard their interests as adequately represented by the center and to ascertain the reasons which lead to differences between the center and the region.

### 3.2. "Independent" regional foreign and security policy

The second form in which the regions deal with their international activities is by creating their own networks of "paradiplomatic" contacts with foreign partners.<sup>70</sup> Because of its weakness the state center fulfils its function as coordinator less and less efficiently, and so this form of regional foreign and security policy has recently increased in importance.

Tatarstan has been the forerunner in this respect, and many other regions quickly followed the Republic's example. Tatarstan maintains close contacts with the countries of the Turkish-speaking region in the Middle East. In mid-November 1996 the President of Tatarstan, Mintimer Shaimiev, signed an agreement in Teheran on commercial and economic cooperation with the leaders there. The Iranians are interested in oil equipment, shipbuilding, and the TU-214 plane, which is manufactured in Tatarstan.<sup>71</sup> Before signing, Tatarstan had cleared the text of the agreement with the Foreign Ministry of the Russian Federation. Tatarstan has signed a similar agreement with Irak. Tatarstan hopes to supply Irak with goods for the manufacture of transport vehicles after the lifting of sanctions against Bagdad. Direct official contacts are also used for the mobilization of external sources of finance. Thus, Tatarstan has obtained credit through

69 See Petrov, Nikolai. "Otnosheniya 'Tsentr-regiony' i perspektivy territorial'no-gosudarstvennogo pereustroistva strany." In *Regiony Rossii v 1998 g: Ezhegodnoe prilozhenie k "Politicheskomu al'manakhu Rossii"*, ed. Nikolai Petrov, pp. 57-69, especially p. 61. Moscow: Carnegie Foundation. Moscow: Gendal'f, 1999.

70 On the theoretical background cf. the study by : Duchacek, Ivo D. *The Territorial Dimension of Politics: Within, Among, and Across Nations*. Boulder and London: Westview Press, 1986.

71 Cf. Rutland, Peter. "Tatarstan Expands Foreign Relations." *EWI Russian Regional Report*, 27 November 1996 (online-edition).

agreements with the USA, Germany and France. Repayments of credits can be guaranteed by Tatarstan itself, and not, as previously, only by Moscow.<sup>72</sup>

Meanwhile, various other Russian regions have followed suit. In the middle of 1999, *inter alia*, 11 federal constituents had their own representation in foreign countries.<sup>73</sup> For export oriented regions in particular, economic contacts to foreign partners are an important (if not the most important) support for their regional economy.

A majority of the regions' political leaders approves of the creation of an investment-friendly climate. In the forefront of many gubernatorial elections, which took place after 1996, the contacts of the candidates to foreign sources of capital played an important part. Even the Governor of Pskov, Yevgenii Mikhailov, who is the only to belong to the Liberal Democratic Party of Vladimir Zhirinovskii, approves of the opening up of his region and a stronger economic orientation towards the neighboring border states, despite his national-patriotic rhetoric.<sup>74</sup> In many regions, departments of external relations have been established within the administration which are responsible for the creation of an investment-friendly climate in their region.

The regions' independent international activity can have positive or negative repercussions on its relation with the center, depending on the circumstances. The international relations of the regions meet with the consent of Moscow when the cross-border contacts or the international cooperation between regions, cities, communities and non-governmental organizations (NGOs) are in conformity with the constitution and legal requirements. Moscow also has no objection to "diplomatic" initiatives which explicitly promote the interests of Moscow. In this respect the Governor of Saratov, Dmitrii Ayatskov, distinguished himself by actively committing himself on his own diplomatic missions to an improvement in relations with the Ukraine.<sup>75</sup>

Tensions with Moscow may arise when regions try to take an independent line from Moscow in international politics. Thus, the leaders of the North Caucasian Krasnodar Krai and the Karachaevo-Cherkess Republic infringed Moscow's line in acting as mediator in the regulation of the conflict between Georgia and Abkhazia. Without prior consultation with Moscow, the two Russian regions discussed with the renegade Republic of Abkhazia the possibility of opening up mutual diplomatic agencies.<sup>76</sup>

72 DeSpiegeleire, Stephan. "Gullivers Fäden: Die russischen Regionen und die Aussen- und Sicherheitspolitik der Russischen Föderation." In *Russland und der Westen*, ed. Hans-Joachim Spanger, pp. 150-176, here: p. 161. Frankfurt a. M.: Campus Verlag, 1998.

73 This is permitted under the new legislation as long as these missions do not perform any diplomatic function.

74 Cf. Alekseev, Mikhail A. and Vladimir Vagin. "Russian Regions in Expanding Europe: The Pskov Connection." *Europe-Asia Studies*, vol. 51, no. 1 (1999), pp. 43-64.

75 *EWI Russian Regional Report*, 1 April 1999.

76 *Itogi*, 3 February 1998, pp. 16-17.

Another case was to be more embarrassing for Moscow's diplomacy. Representatives from the Bashkortostan, Dagestan, Sakha (Yakutia), Tatarstan, Tuva, Khakassia and Chuvash Republics took part in April 1997 in the fifth "meeting of friendship, brotherhood and cooperation of the Turkish states and communities" in Istanbul. The Russian participants gave their approval to the text of the final communiqué which among other things referred to the necessity of granting international recognition to the self-styled "Turkish Republic of Northern Cyprus". The Foreign Ministry of the Russian Federation apologized consequently to the Ambassador of the Republic of Cyprus in Moscow and proceeded to explain the official position of the Russian Federation in this matter. In conformity with the relevant resolutions of the UN Security Council, Russia rejects the international recognition of Northern Cyprus.<sup>77</sup>

In its state of weakness the center cannot do much about such diplomatic aberrations other than to point out under protest that questions of this kind fall within the competence of the center, according to Article 71 of the constitution. After many attempts and against the current strong objection of the Federation Council, the center has succeeded in making the legal framework for the participation of the regions in foreign and foreign economic policy more transparent – an area which until now was vaguely regulated in the Russian constitution<sup>78</sup> – through the law "On the coordination of the international and foreign economic relations of the constituent members of the Russian Federation". In principle the law does not plan any drastic changes but rather a codification of the present situation which grants the regions considerable freedom in the sphere of international policy and foreign economic policy. At the same time the new law lays down the limits of regional autonomy by laying down clear rules of the game for the cooperation of federal and regional organs in this sphere. Thus, the organs of the members of the Federation have to inform the Foreign Office about the content of discussions at the latest 14 days before commencing negotiations with foreign partners. The document lays special emphasis on the rules of the country's supreme constitution, whereby the regions are strictly forbidden to act as independent bodies in international law.<sup>79</sup> However, reality is often different, and neither the regions nor the center abide in every case by the legal requirements, if these do not coincide with their own particular interests.

An analysis of this kind of regional foreign and security policy must look at the kind of contacts a region maintains with foreign (state and non-state) partners. A distinction must possibly be made between the economic and the

77 *Itogi*, 3 February 1998, pp. 16-17 – And: *EWI Russian Regional Report*, 11 June 1998.

78 Cf. Pustogarov, V.V. "O kontseptsii razvitiya mezhdunarodnykh svyazei sub'ektov Rossiiskoi Federatsii." *Gosudarstvo i pravo*, 2/1997, pp. 45-50.

79 The Law "On the coordination of the international and external economic relations of the constituent members of the Russian Federation" was signed on 4 January 1999 by President Yeltsin.

political (diplomatic) level. In this section it is also important to pay attention to the repercussions (negative or positive) which the international activity of a region has on its relationship with the center.

## Possible consequences for federal policy

It is the aim of this project, on the basis of regional case studies, to reach more general conclusions concerning the consequences which arise from regionalization for Russian foreign and security policy. In anticipation of the first results the following section presents a number of theses.

### 4.1. Global economic processes and Russia's internal stability

The participation of the Russian regions in global economic processes can have consequences for the internal stability of the country. More and more regions are closely integrated into the world economy and are therefore interested in a general opening up of the Russian economy. This process, however, does not proceed symmetrically but is limited to a relatively small group of regions, while most regions hardly take any part in these developments. Therefore, globalization has dual consequences for Russia. While uncoupling from the world economy would have far-reaching negative consequences for a small (but important) group of regions, the vast majority of regions are scarcely affected by global developments or are only aware of the repercussions which follow in the form of the ever-widening internal gap and of increasing competition from outside as from within.

Two scenarios can be envisaged from this situation: it could well be that the people and the regional elites of those territories which are not linked into the world economy increasingly tend towards isolationist solutions and see their interests best guaranteed through disconnecting the Russian market from the outside world. It would be just as conceivable that the leaders of the so-called "depressed" regions realize that their participation in world economic processes

is only possible if comprehensive structural economic reforms are introduced in their regions. The enactment of such reforms is indeed painful and involves high social costs. In the long term, however, the prerequisites for participation in world economy processes, and thus for an upturn in their economy, can only be achieved in that way.

In the federal center it is realized that the economically strong regions eventually become more and more irreplaceable “economic locomotives” of the Russian economy. The center approves the integration of the regions into the world economy and tries to promote this development. Not all the regions are treated equally, however. In the bilateral “Treaties on the limitation of powers” individual economically strong regions are granted privileges which put them at an advantage compared to other regions. By virtue of the freedoms and decision-making powers granted to them, the privileged regions have a better starting-point in the creation of a favorable investment climate. This contributes to a greater regional imbalance. To keep the economically strong regions happy, Moscow is forced to concede them relatively important rights and freedoms. After all, these regions are responsible for the greater part of the tax revenue.

## 4.2. Processes of integration in the CIS area and beyond

International engagement of the regions beyond the state borders has far-reaching implications for the processes of integration in the CIS area and for the development of relations with the three Baltic states, the North Sea states and individual Far Eastern and Asiatic states. Moscow’s attitude towards these developments takes two forms. Moscow takes a negative view of the internationalization of the regions and of cross-border regional cooperation, if secessionist tendencies within the region are thereby ignited. Moscow looks with particular concern at the developments in the Far East of the country, where individual regions are already highly dependent economically on their bordering neighbors and are increasingly tied into cross-regional economic structures. The regional leaders in the Far Eastern border territories are aware of Moscow’s concern and try to turn the center’s fears to their own best advantage. The Governor of the Primorskii Krai, Yevgenii Nazdratenko, is an example of a politician who, in his struggle with Moscow’s leaders, has never hesitated to put pressure on Moscow by playing the “foreign card” in order to gain more autonomy and privileges. This leads to added tensions with the center and heightens mutual mistrust. From Moscow’s point of view such developments undermine the stability of the country.

At the same time the federal center recognizes that regionalization and the increased cooperation of the regions across borders helps the country as a whole to cope with the problems of the transitional period. For a number of regions, such as Kaliningrad, Karelia and a number of Northern regions and the regions

of the Far East, economic, ecological and humanitarian cooperation with neighboring states and regions has for some time contributed significantly to easing the socioeconomic crisis in these areas.

Regionalization has also helped in some cases to defuse Russia's present bilateral problems with a number of neighboring states. Thus, Kaliningrad's close cooperation with Lithuania, Poland and Germany has certainly contributed to defusing the problem of territorial claims from these neighboring states and, at the same time, to preventing excessive militarization of the enclave. The same is true for Finno-Russian relations. Close cooperation between Karelia with bordering Finnish regions has been an important factor for relatively smooth relations between Helsinki and Moscow. Other examples could be adduced for regions in Russia's Far East or for regions bordering on the Ukraine. In these cases cross-border cooperation has also worked out positively in the end and has contributed to a relaxation at the interstate level.

Cooperation between the Russian regions and the neighboring states is accompanied more and more by the construction of supraregional political and economic structures which create the institutional context for these forms of subnational cooperation and provide continuity in the cross-border dialogue. This development has prospered particularly in Russia's North and North West. Similar tendencies can be seen in the South of Russia (around the Black Sea) and in the Far East.

### 4.3. Consequences of regionalization for Moscow's relationship with the West

If one analyzes Russian foreign and security policy at the rhetorical level, one is reminded in part of the aggressive rhetoric from the time of the Cold War. This has been apparent in the debate about NATO's expansion to the East, the internal Russian discussion about the intervention of NATO against Yugoslavia, and the deployment of Russian forces in Chechnya. Russia's political elite, not least for reasons of domestic politics, maintains its claim as a superpower whose political, economic and military foundation must be seen as largely undermined.

This means that Moscow can indulge at most rhetorically in a strategic confrontation with the West, but in view of its internal political limitations it cannot break off its relations with the Western states. In practice the previously centralized state has passed over some of its very important competences in economics, politics, law and – apart from the state monopoly in nuclear weapons – in the armed forces to subnational power structures. For the implementation of a superpower policy, which would imply the danger of a break in the relationship with the West, Moscow's leadership elite would no longer be able to count either on

the support of a majority of the regional political leaders or on the politically influential economic and finance groups within Russia.

Russia's foreign and security policy has recognized this already. Despite its anti-Western rhetoric, Russia has never pursued any other than a Western policy since it came into being. If one penetrates the smokescreen of Russian superpower rhetoric, one can see that Russian foreign and security policy is driven by economic considerations – a tendency which in the end amounts to a breach with the traditional priorities of Russian national interests. In his annual statement to parliament of 17 February 1998 Yeltsin demanded the “economization of Russian foreign policy”.<sup>80</sup> For an area of responsibility to be defined in this way commits Russian diplomacy to creating the prerequisites for a deeper integration of the country into the Western economy, to improving conditions for Russian exports and to fostering a favorable climate for foreign investments.

Likewise, it can be observed that the center is concerned with involving the regions in the decision-making process in the fields of foreign and security policy when questions arise which directly affect regional interests. Russia's foreign policy is thus much wider-ranging and more strongly integrated into the international context than one would suppose from the heated debates on the eastward expansion of NATO, the Balkan wars or Chechnya. Thus, the integration of Russia proceeds “organically”, i.e. it is driven less by political decisions of the federal center and more by the logic of economic development. As previously stated, an abrupt change of course and separation from the West would meet with resistance from those economically developed Russian regions which have succeeded in recent years in strengthening their participation in international and external economic affairs and which are therefore especially dependent on global economic developments. Those regions would hardly accept such a policy and would resist any possible attempt at re-centralization.

This is far from stating that such a scenario, the isolation of Russia from the West, could not occur in the future. The development of the relations between the West and Russia depends above all else on whether Russia succeeds in stabilizing its economy. If it does not succeed, those forces which hold the West chiefly responsible for Russia's sorry state could make further advances and work for the country's isolation. In a politically charged climate of mistrust, Russia's economic cooperation with the West would be seriously damaged, and Western willingness to invest would further decline. Such a scenario would, however, undermine the already weak domestic cohesion and lead to major internal political tensions, if not indeed to warlike conflicts between the center and individual regions. Already voices are increasingly warning that Moscow is trying to exert influence on the behavior of the regional constituents by toughening its foreign and security policy.

## How to proceed?

This paper does not provide the reader with ready answers but can rather be seen as a first attempt at structuring the complex issue of “Regionalization of Russian Foreign and Security Policy” by introducing the relevant terms and setting up a questionnaire. It should provide the skeleton for further studies that will add more flesh to the research body.

Research on the topic is proceeding on two tracks: before switching over to field research, several additional studies are planned to further elaborate on issues of a more general and/or theoretical character. Problems such as the regions’ place in a globalizing world, the understanding of “sovereignty” from a regional point of view, the importance of external factors for Russia’s regionalization, the impact of information and communication technology on center-periphery relations, and the role and political orientation of Russia’s regional elite will among others be the issues included.

Field research in about a dozen of Russia’s regions will then be at the heart of this project. Scholars from Russian and Western research institutions will be asked to address the set of questions laid out in this first study. Regional case studies are expected to provide an in-depth analysis on the region concerned, based on regional literature, newspapers, journals, interviews of regional officials, and – if necessary – surveys among regional experts. In order to present a true picture of Russia’s uneven regional landscape, the regions have been carefully selected according to various criteria. Border regions and central regions, ethnic Republics and Oblasts and Krai, poor agrarian regions and rich oil- and gas-producing regions are among the regions selected: the Tatarstan, Karelia and Tuva Republics, the Sverdlovsk, Kaliningrad, Pskov, Nizhny Novgorod, Novgorod, Samara, Novosibirsk, Volgograd and Sakhalin Oblasts, the Krasnodar and Primorskii Krai, as well as the two cities of St Petersburg and Moscow.

Research is an open process. Critics and recommendations on this paper, on the project plan and on the methodology proposed are welcome. Any ideas can be directed by e-mail to one of the members of The Russian Study Group at the Center for Security Studies and Conflict Research. The Russian Study Group strongly encourages any research proposals that would contribute to the successful outcome of this international project. Any suggestions and ideas for cooperation within the framework of this project are appreciated.

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The main objective of the “Regionalization of Russian Foreign and Security Project” is to analyze regional dimensions of Russian foreign and security policy, an aspect in the relationship between the center and the regions that has not been subject to any systematic research so far. The project aims at determining how the central state understands the specific interests of Russian regions and to what extent regional processes have an impact on the formulation of Moscow’s foreign and security policy. Given a dramatically changed geopolitical environment and the absence of a unifying ideology, the relationship between Russia’s regions and the Moscow center is a crucial factor for both the country’s internal stability and its position in Europe and the world.

The study presented marks the beginning of a series of working papers to be carried out in the context of this international research project. The author provides preliminary ideas and lays out the conceptual framework for later inquiries. The paper explains important terminology, elaborates relevant questions and formulates concrete theses.

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