

# Political Economy of Russian "Vertical-of-Power"

*(Preliminary draft)*

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**Abstract:**

*We show that specific institutional system of vertical-of-power (power-property) determined by traditions of oriental despotism underlies privatization inefficiency. From the viewpoint of power-property system constructed in the USSR a transfer of property rights from central authority to the enterprise level meant the collapse of pyramidal (or segmental) governance structure. However the collapse of hierarchy does not lead to efficient private property and economic development.*

*We analyze political economy of Russian Vertical-of-Power in federal-regional aspects. In the year 2008 in Russia new president (the formal head of Russian government) was elected, in the next elections to come in the 2012 most probably that Putin is going to return his formal presidential chair. In this paper we test if governor appointed by new president followed by extra federal money (extra payments from federal budget to regional budget). There are two hypotheses: if new governor appointed by new president leads to significant increase in payments from federal budget to regional budget or there were no changes in payments from federal budget to regional budget. The data analysis confirms the first hypothesis.*

The reforms are carried out but the economy is still in crisis. Government officials regard an attempt of power centralization as a way to treat the problem. Whether centralization of government decision making is a step to the free-market or it is backward movement to command economy?

To answer this question we need to consider previous history and in particular analyze power-property institution as an inherent feature of the oriental despotism system. Wittfogel has given complex institutional treatment of this phenomenon (Wittfogel, 1957). Vasilev has offered the term "power - property" (Vasilev, 1982), and Semenov has characterized this governance structure as pyramidal or segmental (Semenov, 1980).

For the first time in Russian literature Nureev has made analogy between oriental despotism (Asian mode of production) and socialism (Nureev, 1976, 1990). This analogy has become more obvious in Russia after the publications of works Djilas (Djilas, 1956) and Voslensky (Voslensky, 1984) in the West. However, the detailed analysis of the Russian State socialism as the successor of Asian mode of production in Russian literature was not done until 1990. Only in 1990 years works are appeared, in which the Asian features of the Russian system of property (Starikov, 1996; Gaidar, 1997; Bessonova, 1999; Kirdina 2000) and its social structures (Radaev and Shkaratan, 1991) are analyzed.

It seems that new institutional economics tools such as path dependence (Schotter, 1981; North 1991), import of institutions (Cornell, Kalt, 1995) institutional innovation (Bromley, 1989), genesis of the property rights (Alchian and Demsetz 1967; Alston, Libecap, Schneider, 1995) specifications / attenuation of the property rights (Pejovich, 1998; Barzel, 1989) alternative governance structures (Williamson, 1991) could be fruitfully applied to analyze the problem. The gap appears between new institutional methodology (Eggertsson, 1990, Furubothn and Richter 1997; Shastitko, 1998; Kuzminov and Yudkevich, 2000, Oleynik, 2000) and empirical research of post-soviet Russia (Radygin, 1994, 1998; Chubais etc.). The gap was reduced partly with the appearance of western researches (Cooter, 1992; Olson, 1993, 1997; Boycko, Shleifer, and Vishny, 1995; Joskow and Shmalensee, 1997). Moreover, special papers concerning privatization in East Europe (of East Germany, Czech Republic, Hungary and Poland) from the position of path dependence (Stark, 1992) are appeared.

Meanwhile, the new tendency characterizes a modern stage not only as a stage, breaking off the past, but also having common features. In these conditions the path dependence problem becomes extremely urgent and allows to understand possible ways of development of Russia in the first decades of XXI century.

In the first section we analyze vertical of power in pre-soviet Russia, Soviet Russia, and post-soviet economy. The second part is about new evidence of the vertical-of-power in the Putin's regime and in the third part we analyze the vertical of power in the Medvedev's regime where we analyze federal-regional aspect of vertical-of-power. We show that many problems of modern administration are predetermined by remaining elements of power- property system.

## **1. "Vertical-of-Power"**

### **1.1. Power-property system in pre-soviet Russia**

The power-property arises in the conditions, when monopolisation of official functions in a public division of labour occurs, when power and domination are based not on a private property, but on a high position in traditional hierarchy and prestige (Fried, 1967; Sahlins, 1968; Service, 1975; Vasiliev, 1982).

The forms of function monopolisation in a public division of labour can be various. 1) The monopolisation of distribution functions; 2) the monopolisation of sphere of deficit resources' exchange; 3) the monopolisation of production conditions (infrastructure, know-how, experience, knowledge etc.); 4) the monopolisation of control and management functions in public production or in its separate branches. The further monopolisation of functions in a public division of labour could be supplemented by the property on resources.

The necessity of collective activity in creation the conditions of production prevent an appearance and development of a private property, and restrict the process of social differentiation. The owners of means of production and bureaucracy and military are not wholly divided. Not the political sphere is determined by economic one, but vice versa (Wittfogel, 1957).

The rent in the form of tax was paid not to the owners, but to the government, which on behalf of despot allocated it between the bureaucracy and military. The economic basis of assignment of the rent - tax serve the supreme state ownership on land.

The private landed property in Russia develops mainly from the top: the central government assigned the right of a tax collection to this or that representatives of a prevailing class. As a rule similar land ownership are temporary and conventional. The government redistributes them quite often or simply replaces one possession with another. Though the state ownership is not to 100% under pre-soviet Russia its influence is dominant. The nominal right of a state ownership frequently become quite real due to a monopolisation of the supreme administrative function, an appropriation of a significant part of the product, a control of the Orthodox Church possessions, strong government regulation etc. Under these conditions private enterprises have the minor influence on the economy and have no chance to undermine the supreme property of the State land ownership. There is no reliable guarantee of private property. State power tries to suppress any signs of private initiative, slightest attributes of any independence. This process develops extensively since Ivan the Terrible.

The prosperity of any ruling class representative depends entirely on his position in state hierarchy. In a society, with strong State and weak private property, the officials play a key role. They get a profit (legal or illegal) out of carrying out their duties. A corruption is inevitable then there are a strong bureaucracy and an absence of the reliable public control of its activity.

The distinctive feature the system is that the private ownership, possession and property develop on the basis of a state ownership and are even oppose to it (Nureev, 1989). As a rule, the expansion of a private property (privatisation) is carried out then the central authority becomes weaker due to internal or external factors. Quite the contrary, a private possession absorption by the State often appears during the new strengthening of centralisation.

The official possession can be inherited only in case of assignment of the nearest relative (son, son-in-law) to the appropriate post. However it is not always possible. (Nureev, 1993). It influences on national mentality.

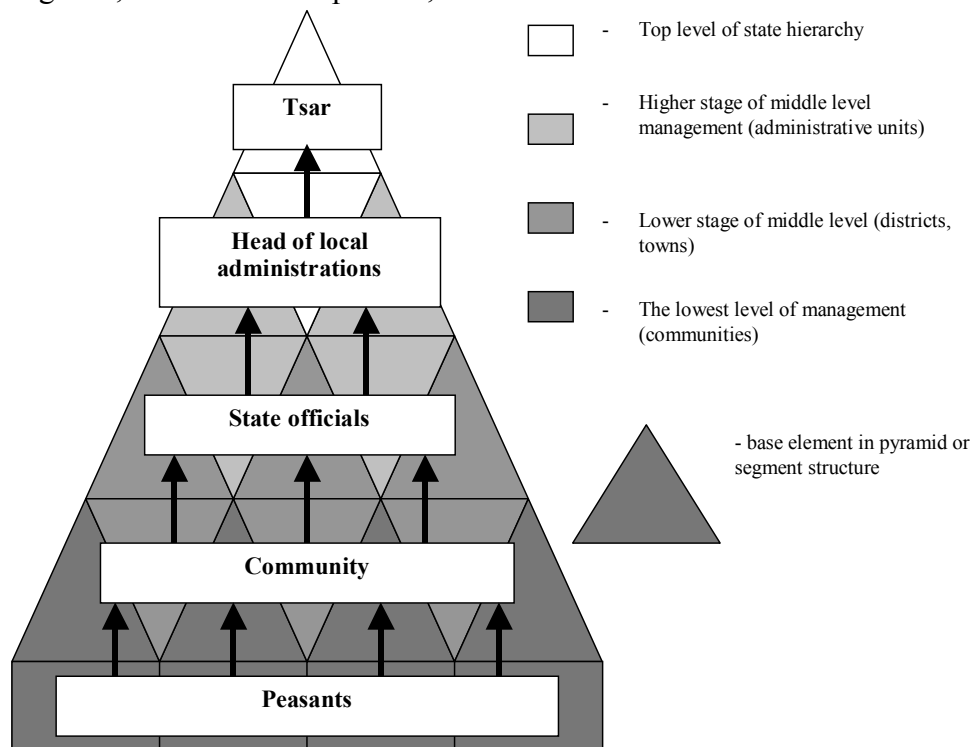
Russian economic mentality is formed during the centuries. It characterizes specificity of consciousness of the population developing historically and shown in unity of conscious and unconscious values, norms and installations reflected in behavior of the population. The people either accept new social norms or reject it. As it is well-known, Russian economic mentality can be characterized as municipal, communal, considering the man as a part the whole. Processes of the reciprocity and redistribution (Polanyi, 1944) always play an important role in Russia. Orthodoxy fixes strongly redistribution customs of a country community. It develops propensity to humility and resignation and interferes with allocation of the individual as independent agent, absolutizing moral values in contrasting material values. From here low ranks is active - attainment of values in modern Russia.

The success in Russian culture is, first of all, good luck and happy coincidence (and naive belief in fast enrichment), but not a result of long own efforts. Most likely it is a result of personal communications but not a consequence of objective processes. Private property frequently are considered in national culture not as positive, but as negative values. Freedom is treated not as an independence, but as an opportunity to do what you likes (in spirit of anarchy and willfulness). The dependence of the personal on a community and community on the State interfered with a development of private work and private property, increase of an efficiency and a culture of individual production. To overcome these obstacles in ways of technical progress become possible only in conditions of genesis of a private property institution.

The analysis of power - property would be not complete, if we do not show the mechanisms process of its reproduction and development in economic system. According to movement of the rent - tax the reproduction can be considered: 1) at a level of patriarchal family and community, 2) at a level of an administrative unit, 3) at a level of the State as a whole (figure 1).

Financial and military resources of the administrative unit are gradually concentrated in hands of the local officials. Such unit was reproduced independently, and in frameworks of the state it was kept only by force of the weapon of the monarchy. Any lightening of his army strengthened the centrifugal tendencies.

Last and main level, which rent - tax reached, was the level of the state as a whole. In conditions of the closed economy of Russia opportunity of an exchange of a huge product produced assembled in the natural form, were extremely restricted. And the stocks of the foodstuffs and resources(not consumed by a prevailing class) are used in the production of luxurious goods, construction of palaces, churches and fortresses.



**Figure 1** Movement of the rent - tax in system of power - property

The similar system of reproduction on the basis of consumption of the rent - tax has braked the further development of Russia, cycling her forward movement. Society, in which the product does not use for development of individuals, gets stagnation; thus all stimulus for the

further development are closed, it is expected only disintegration in the future, so as economic development of each unit and management are stereotyped.

The impulse for market modernisation in Russia was generated by external factors in a great degree. Capitalism in Russia grew not so much "from bottom", but "from top" due to favourable, guaranteed orders, large grants and subsidiaries to the private capital, creation of exclusive conditions of manufacture and realization of separate kinds of production, direct development of state business etc. Using of institutes of the Russian semi-Asian monarchy for creation and strengthening of the capitalist relations has predetermined not only progressive, but also reactionary features of the Russian capitalism of the beginning of XX century.

**Table 1.**

The comparative characteristic of power - property and private property systems

<b>Criteria</b>	<b>Power - property system</b>	<b>Private property system</b>
1. Pattern of ownership	Public-service property	Private property (individual or collective)
2. The subjects of property rights	Government officials	Individual owners of resources, households.
3. Type of property rights	Public-service rights (authority) of officials within the framework of hierarchical system of state management	Individual rights
4. Character of distribution of competences between the subjects (degree of individuality)	Rights are attenuated between all managing subjects: they don't belong to anybody wholly. The realisation of warrant has the form of a service	The separate bunches of rights belong to the independent private proprietors
5. Target function of subjects	The maximisation of a difference between the received distributions and deliveries	The maximisation of given current cost of actives or dividends under the shares in the enterprise
6. System of motivation	The administrative control and compulsion	Individual motivation to increase of personal well-being
7. Mechanisms and tools of transfer of the property rights	«Delivery» and «distributions»	The contracts between the independent participants
8. The subjects –guarantees of property rights	Special administrative – retaliatory divisions of central and regional power	Courts, law-enforcement organisations
9. Mechanisms of guarantees of property rights	Administrative complaints	The statements of claim against the infringes of the contract obligations
10. Transactional costs structure a) Specification б) Protection	a) Property rights are intentionally “washed away” by the officials with the purposes of receiving rent and as a base for corruption. b) Protection of the rights is made by the government officials in the individual order	a) Property rights are precisely specified with the help of legal procedures b) State protects within the framework of the procedures, established by the law of the right of the individual proprietors

Source: Nureev R., Runov A. *Russia: Whether Deprivatization is Inevitable? (Power-property Phenomenon as a Path Dependency Problem) - Proceedings from the Fifth Annual ISNIE conference. Berkley, September 2001.*

Let's summarize. In pre-soviet Russia two institutional systems (two sets of formal rules and informal restrictions) struggle with each other (North, 1991; Tambovtsev, 1997; Kuzminov and Yudkevich, 2000). The basic distinctions between system of power-property and system of a private property can be shown to the following basic elements. (table 1). If in system of power - property dominates the public-service property (Bessonova, 1999), then in the private system individual property dominates. If in power- property system the basic subjects of the property rights are the officials, then in private property system the owners of the factors are the basic subjects. Therefore in first case redistribution and reciprocity dominate (Polanyi, 1944, Bessonova, 1999), in the second case contracts dominate (table 1).

It allows some researchers (Kirdina, 2000) to put forward a hypothesis about various institutional matrixes, eastern (oriental) and western. The institutional matrix, in opinion of these researchers, covers not only sphere of economy, - «it is steady, historically usual system of the base institutes regulating interconnected functioning of the basic public spheres — economic, political and ideological». (Kirdina, 2000: 24). The main distinction is that in east matrix non-market mechanisms, institutes of the unitary-centralised state, priority of collective, overpersonal values prevail.

### **1.2. Ideologization of power-property**

Tradition of power- property have not died after 1917. In the contrary, they have received an original reinforcement from the party of communist ideology, denying private-property. The policy dominates the economy in conditions of the lowest development of a civil society.

Excessive de facto nationalization (overstatement) of economy began at the end of the 20-th years (not based on a real level of development of economy). The replacement of private sector was carried out more uneconomic, then economic measures. The new authoritarian power finds a support in rigid centralism. Both external (capitalist environment), and internal (the necessity of creation of own heavy industry as bases of a defensive industry) promoted destruction of market relations. The function of the control and accounting of public production is transformed to function of organization and planning of development of system as a whole. The State machinery adjusts communications between separate units of production and determines, what part of public time is necessary for spending on satisfaction of public needs. Planning bodies of the state decide how and in what sizes to make, and for whom, and when and where to consume. However, this task more and more becomes complicated with enlargement economic system, there is a decrease of quality of balances, slump of growth rates.

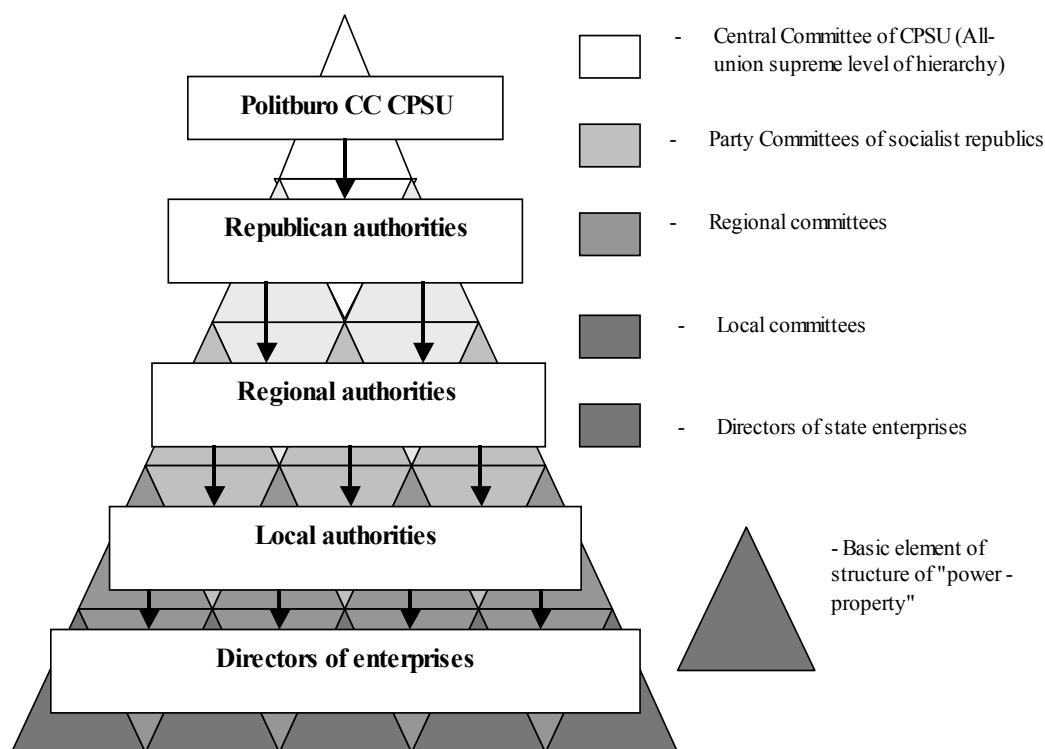
Hyper centralism naturally promotes enlargement of the bureaucratic device. The system of the vertical responsibility develops in conditions naturalization of economy and strong deformation of the market.

Monopolization of a role in hierarchical division of public works was basis of the expanding bureaucratic device. The tendency to speed up a course of business by administrative methods, absolutisation forms at the expense of contents, bringing of strategy in a victim to tactics, submission of the purpose of organization to tasks of its preservation are characteristic of the Soviet bureaucracy, as well as for bureaucracy in general, . At the same time Soviet bureaucracy had also number of specific features. The administrative - command system is ideological form of bureaucratism.

There are top, average and lowest parts within the framework of bureaucratic structure. The top level covers bureaucratic device of the central bodies, the average level includes officials of regional bodies and lowest level consists of managers of factories and organizations. It is possible to speak about reproduction at a new stage of pyramidal segmental of structure (see figure 2). However not tsar, but Central committee CPSU (Politburo) is at the top level, regional

committee and municipal committee CPSU is at the average level and director of factories (or organizations) is at the lowest one (Winecki, 1996: 68-69).

The new subordinated pyramid is not the copy of previous one. But there are elements, which are subordinated to the central authority directly (for example, largest enterprises). However, importance of this factor is reduced. It happens because the structure was not constant during all existence of command economy. Later there is a redistribution of power from top to bottom. Undoubtedly, that all completeness of authority belonged to a top level under Stalin. There is a significant strengthening of average bureaucracy in Khrustchev's and Brezhnev's period, but lowest - in the epoch of Gorbachev (table 2). The strengthening of an average link is connected with the economic reform in 1957, when not branch ministries, but sovnarchoz started to play a conducting role. And though Kosygin's reform in 1965-th tried to proceed to a branch principle of management again, there was a downturn of its status. The further shift aside of an average and lowest links took place in 70-80-s. This process finished with the privatization in 1991 (table 2).



**Figure 2. Structure of power -property in USSR 1950-80-s.**

However it does not mean, that the command economy covered all society. During all history of the Soviet Union dualism of planned and market economy, on the one hand, and legal and illegal economy, on the other hand, kept (table 4). About what we wrote above, characterizes only so-called planned economy alongside with the collective-farm market. These two elements characterize dualism of legal economy. However alongside with it there was also an illegal economy, which, in turn, was too dualistically. It included, on the one hand, “clan socialism”, and on the other hand, - informal sector. We designate the bureaucratic market administrative agreements and market of posts and privileges by concept clannish of socialism, which has developed in conditions of decomposed socialism (Naishul, 1992). Informal the sector included unregulated economic relations, fictitious and black economy (Latov, 2001).

**Table 2.****Evolution of an economic mechanism in USSR and Russia (on G.B.Kleiner)**

Periods	Key Events	Basic economic agents
Beginning 1940-s - end 1950-s: "economy of the state "	Reform of management 1940 – 1941	State
The end 1950-s – mid 1960-s: " economy of regions "	Economic reform of 1957	Economic regions, sovnarchozs.
Middle 1960 – mid 1970-s: " economy of branches "	Economic reform of 1965	Branch ministries
Middle 1970s – mid 1980-s: " economy subindustry"	Reform of management of an industry of 1973. The general circuits of management of an industry	Main directorate of the ministries, all-Union industrial associations
Mid 1980-s – 1992: " economy of the large enterprises "	Reorganization of 1985	Large enterprises, association
1992 - 1993: "economy of the small enterprises"	Privatization of 1991	Enterprises; small enterprises, allocated from large
1993 - 1995: " economy of the physical persons "	Voucher, post-voucher privatization	Chiefs of the enterprises, their divisions, physical persons

*Source: Kleiner, Tambovtsev, Kachalov. 2000: 48.*

The strengthening of a state-bureaucratic form of property occurs at the expense of collective, cooperative and individual forms of property. It's not the secret, that in 30-s family production was superseded with administrative methods, that essentially has limited satisfaction of public requirements. De facto nationalization (overstatement) took place simultaneously not only in sphere of production, but also in spheres of distribution, exchange and consumption. The State defined the standards of life of a man in all spheres according to his place, which he occupied in party-state hierarchy.

Redistribute principle of distribution dominates in the conditions of administrative - command system. The participation in authority means also participation in distribution. Vertical form of distribution of a product is embodied in nomenclature levels of distribution. The income in a society depends on the status, grade and post.

It is no wonder, that the bureaucracy has natural aspiration to add the property to authority in Gorbachev's epoch (Gaidar, 1997:142-144; Pejovich, 1998: 143-145).

The former soviet party and economic nomenclature was quite satisfied with the way the things were. It even has been ready to provoke the change of the system for the sake of receiving the property in exchange for a part of the administrative power. But the deal has been completed at the post-soviet Russia.

Table 3 is consisting information of which level of soviet society was made modern economic elite. There are five most important groups. These groups are from Party, Komsomol, Soviet and from Economic. As we can see the Party and the Comsomol are most important groups in constructing of elite. Only Economic and Another are important in the Government.

**Table 3**

**The structure of the Russian political and economic elite of a highest level,  
the middle of 1990th (In % from an aggregate number of elite group)**

	The top management	Leaders of parties	Regional elite	the Government	Business-elite	as a whole
In total from the nomenclature including:	75,0	57,1	82,3	74,3	61,0	69,9
From party	21,2	65,0	17,8	0	13,1	23,4
From Komsomol	0	5,0	1,8	0	37,7	8,9
From Soviet	63,6	25,0	78,6	26,9	3,3	39,5
From economic	9,1	5,0	0	42,3	37,7	18,8
From another	6,1	10,0	0	30,8	8,2	11,0

Source: O.Kryshstanovskaya, 1995: p. 65 (as basis of data sociological researches which were spent by sector of studying of elite of Institute of sociology of the Russian Academy of Science under direction of O.Kryshstanovskoj in 1989-1994 have served)

## 2. Vertical-of-Power under the Putin

Under Putin, there was a noticeable change in the political elite. There was a marked decrease in the proportion of people educated in elite universities and have a PhD. Dramatically increased the number of military in the top echelons of power, and people with military education, who come from rural areas and countrymen of the president (see Table 4)..

**Table 4**

**Change in the elite characteristics in the first two years of  
Eltzin's and Putin's regimes, %**

Elite characteristics*	Eltzin's elite (1993)	Putin's elite (2002)
Average age (years)	51,3	51,5
Women	2,9	1,7
Those from rural areas	23,1	31,0
Individuals with higher education	99,0	100,0
Persons with PhD	52,5	20,9
Individuals with military education	6,7	26,7
People with economic and legal education	24,5	25,7
Persons with educated in elite universities **	35,4	23,4
Countrymen of the President	13,2	21,3
Appointees business	1,6	11,3
Military	11,2	25,1

Source: O. Kryshstanovskaya *Putin regime: liberal melitokratiya? // Pro et Contra.2002. Vol.7 № 4., 161.*

Note:

\* Assigned to the elite members of the Security Council, the deputies of both chambers of Russian Federal Assembly, the members of the Russian Government, the heads of Russian regions.

\*\* The category of elite universities classified State University, MGIMO, Institute of Foreign Languages, HPS, ESC, ANE under the USSR Council of Ministers, the CPSU Central Committee Academy of Social Sciences, the IFIs, the Academy of Foreign Trade, Diplomatic Academy.

Let's consider how these changes affected the strengthening of vertical power.

### 2.1. Administrative resource as a signal of the political market imperfections

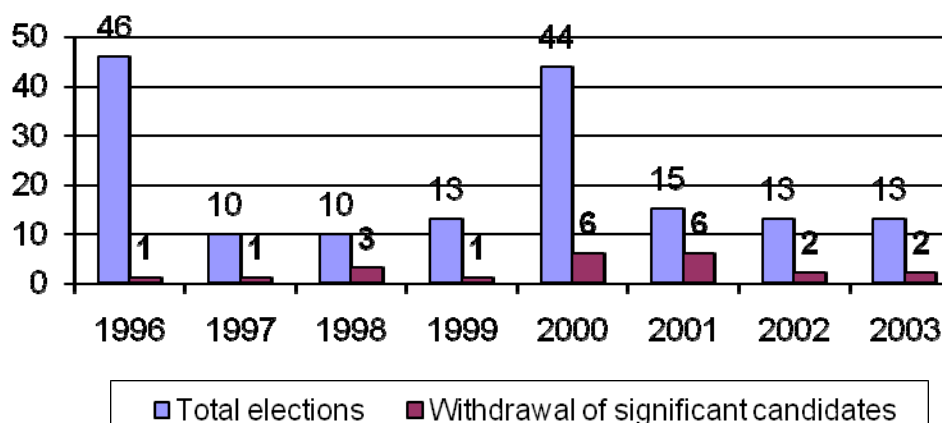
Administrative resource - the barrier at the entrance political market, a kind of expression of the degree of monopoly in the political market.

On the political monopoly presents not only the number of candidates nominated, but, above all, an opportunity to exclude (withdrawal) of the competition most meaningful competitor, as well as the possibility of postponing the election for the convenience acting Chief Executive of the time. In order to determine the monopoly Governor (or the candidate supported by local authorities) must take into account the political orientation of the region, because the election of a candidate may be not only the result of the efforts of the executive branch, but also the result of the influence of one or another party in the federation entity. Therefore, it is necessary to adjust the percentage voted for the current Chief Executive of the region on political affiliation. All these parameters political monopoly reflected in the table. 1.

Will consider several manifestations of administrative resources on the material he 1996-2004 elections. Above all, these include:

- • The possibility of transferring elections and the withdrawal of significant competitor
- • Pressure on turnout and drive up turnout
- • Reduce the political competition in elections

Analysis of the candidates withdrawing from the elections shows that since 2000 has become increasingly power to intervene in regional polling company. If in the election of heads of the executive from 1996 to 1999. 6 was only lifted significant competitors, the 2000 and 2003 - already 16 (see Fig. 3).



**Fig. 3. Elections of heads of executive and withdrawing significant competitors**  
*Source: constructed by cikrf.ru data*

A similar trend is observed in the elections of mayors and regional centres. Analysis of the election of mayors of major cities showed that in the new millennium the cases withdrawing from the election of candidates - serious applicants for the posts of mayors of major cities. Between 1995 and 2000, respectively. there were only two cases, and since 2000, more than 6.

In the elections of deputies to the State Duma in 2003, in 20 subjects of the Russian Federation registered candidates from the pre left the company. The largest percentage of retirement registered candidates for deputies observed in the Republic of Tyva, the Sakhalin region, Khabarovsk Territory, the Republic of Dagestan, the Republic of Chechnya, Adygeya Republic, the Stavropol territory. The percentage who voted for the party "United Russia" in these regions amounted to 51.4%, while the average for Russia 39.5%.

Thus, a marked strengthening of government interference in the elections. During 2000 - 2003. candidates in the elections of governors were shot at the 16 - and polling companies, in the elections of mayors of major cities - in the 6 - and. Elections to the State Duma 3 - the second convocation held in 1999, with the increased intervention of the authorities at the time of registration and cancellation of registration of candidates than the parliamentary elections 4 - the second convocation in 2003.

Development of a political monopoly in Russia can be seen in the turnout at the federal electoral companies to the State Duma and presidential elections Russia. If, in 1991, turnout in all subjects of the Federation was about the same level. The national republics, it averaged 76%, 79% in the fields and in general in Russia 78%, whereas by 2004 the level of turnout has undergone significant changes. Against the background of an overall decline of voter participation, especially highlighted the growth in national republics turnout, which increased from 72% (1996) to 80% in 2004 This clearly demonstrates the exercise of administrative resources in the national republics. This trend is particularly evident in some regions. Data shows that in some regions there has been a significant increase in turnout: more than 8 percentage points from 2000 to 2004, a detailed analysis of the political monopoly submitted to the Open Economy Institute's study. The study, using data on voting at the level of territorial election commissions 1996 2004. Virtually all "irregularities" were in favour of a candidate from the party of power and particularly pronounced in the national republics.

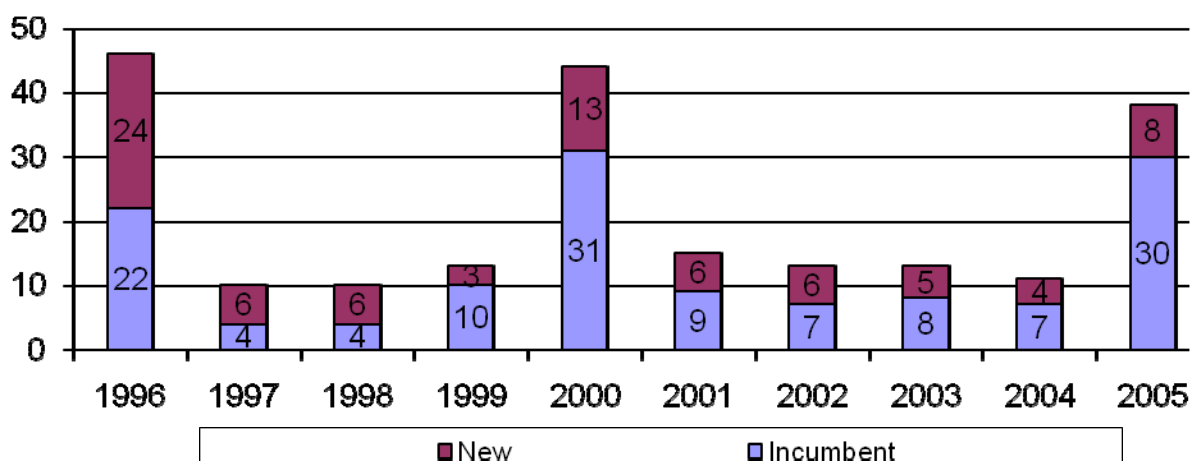


Fig. 4. Reelection of head of regional executives (1996-2004) and appointment in 2005

*Source: constructed by cikrf.ru data*

Administrative resources are linked not only with the imperfections of the political markets, but, in turn, helps reduce economic competition. Facts about the existence of tax exemptions and other privileges mean that in the region there is duality rules (division into its other people's) - a concrete manifestation of economic monopolies connection with the political, visual impact of administrative resources to limit economic competition in the region.

Political factors determine only the relative capacity to use part of the available resources. Absolute values are determined by available indicators of administrative resources available local budgets (on the basis of their dependence on federal authorities), the level of autonomy the region, etc.

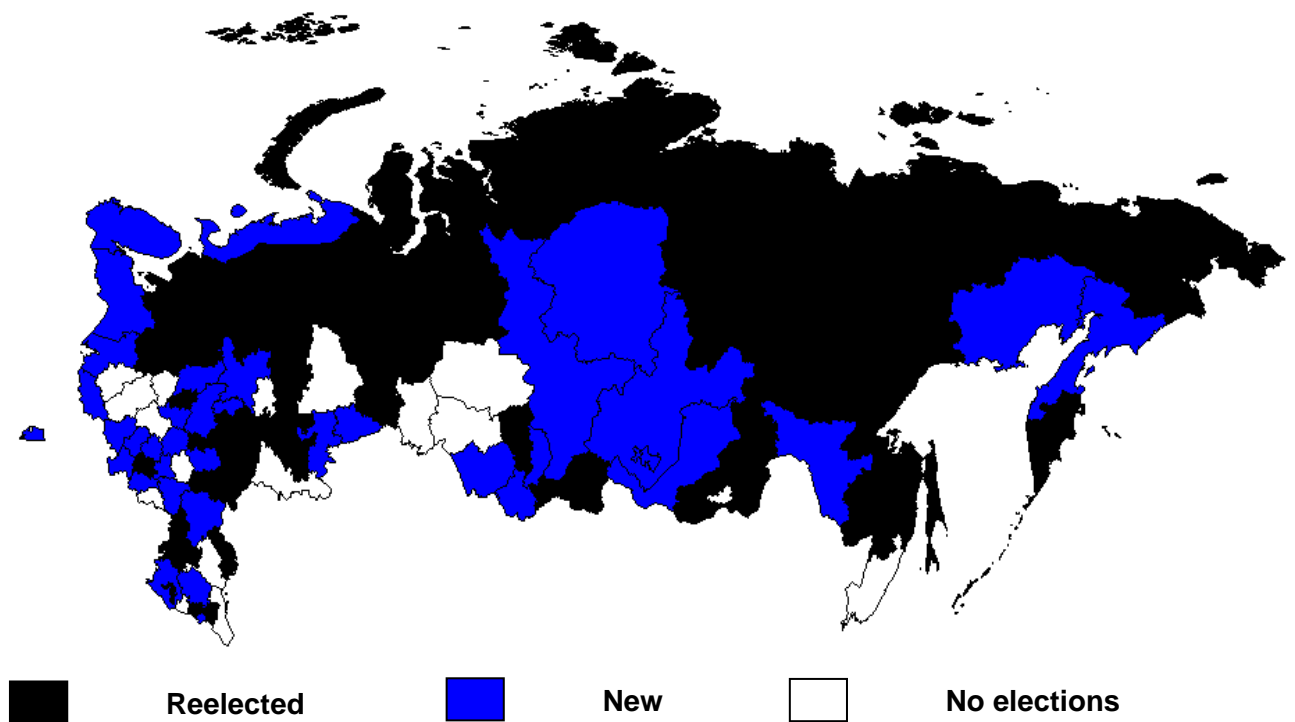


Fig. 5. Elections of head of regional executives 1996-1998  
*Source: constructed by cikrf.ru data*

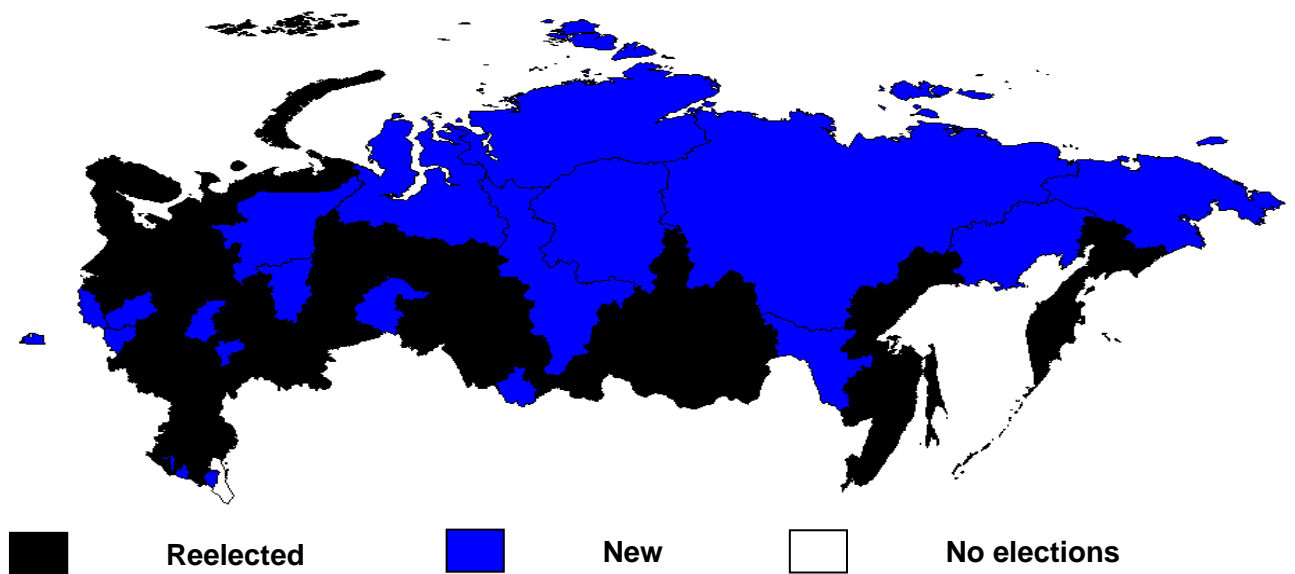


Fig. 6. Elections of head of regional executives 1999-2004  
*Source: constructed by cikrf.ru data*

Analysis of the election of heads of executive in the year 1996-2004 shows (see Fig. 5-8), that if, prior to 1999, was the main trend in the change of existing chapters, since 1999, in most cases, the heads of the executive branch has been able to maintain their position. Before 1999, less than half (45%) were able to governors renewed for a further term, from 1999 to 2004. two thirds (66%) of governors retained their posts.

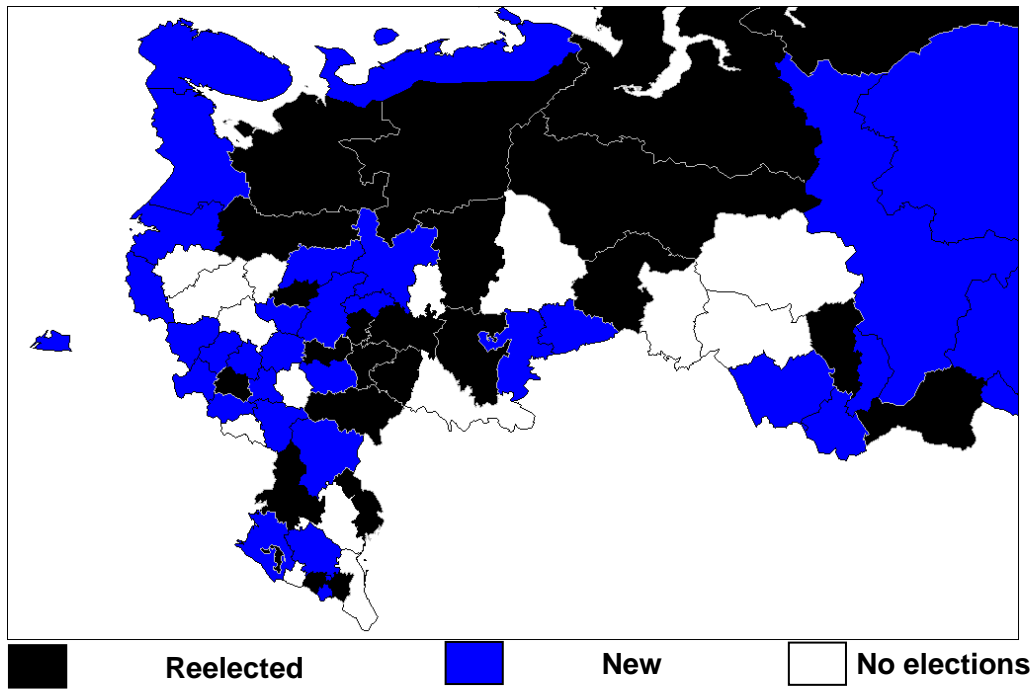


Fig. 7. Elections of head of regional executives 1996-1998 (European part of Russia)

*Source: constructed by cikrf.ru data*

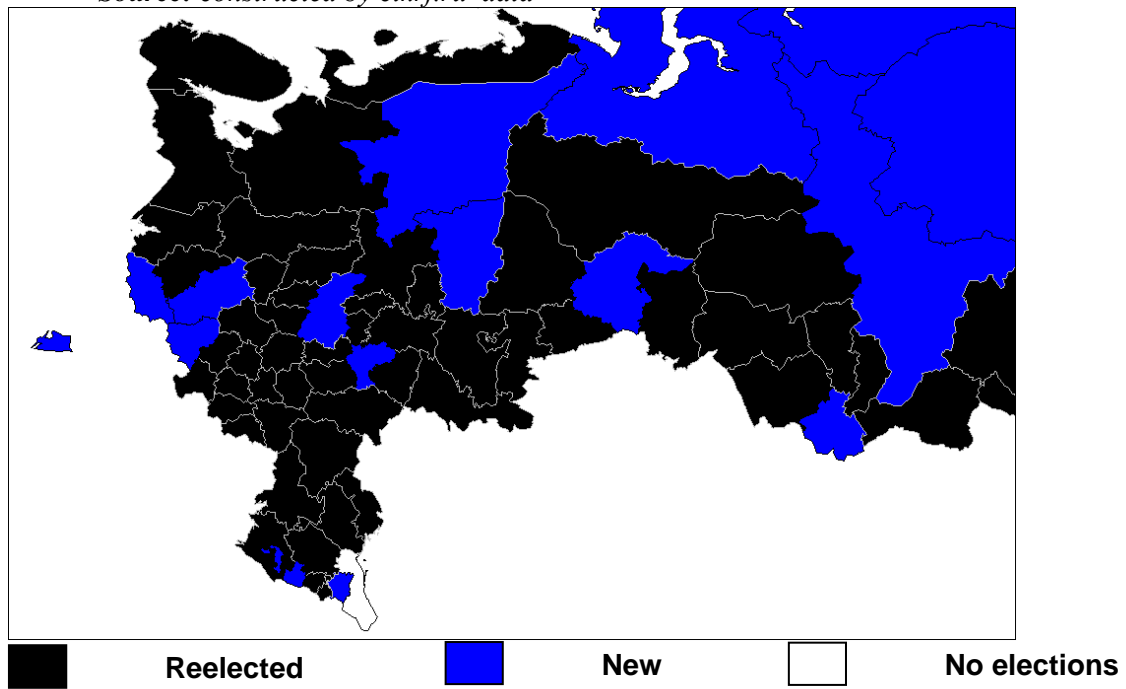


Fig. 8. Elections of head of regional executives 1999-2004 (European part of Russia)

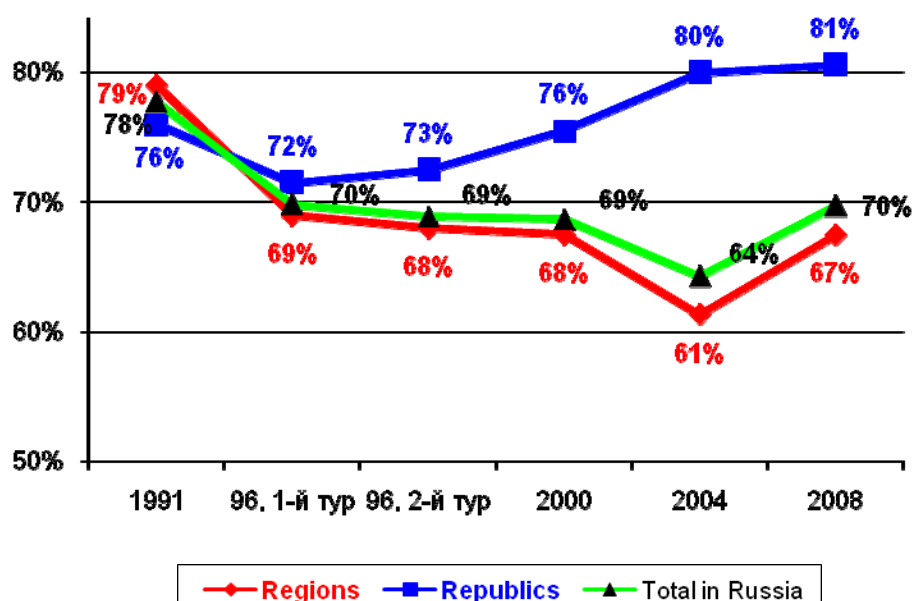
*Source: constructed by cikrf.ru data*

After the adoption of a new order of elections of governors in 2004, when the candidacy of Governor proposes president of the Russian Federation and approved by the regional legislature, overwhelming majority of heads of the executive power (79%), retained the post and stayed appointed governors.

## 2.2. Turnout on Federal Elections

On the political monopoly presents not only the number of candidates nominated, but, above all, an opportunity to exclude (withdrawal) of the competition most meaningful competitor, as well as the possibility of postponing the election for the convenience acting Chief Executive of the time. In order to determine the monopoly Governor (or the candidate supported by local authorities) must take into account the political orientation of the region, because the election of a candidate may be not only the result of the efforts of the executive branch, but also the result of the influence of one or another party in the federation entity. Therefore, it is necessary to adjust the percentage voted for the current Chief Executive of the region on political affiliation. All these parameters political monopoly reflected in the table 5.

There was a substantial increase in turnout in the elections for the national republics in 2004 compared to 2000 against the backdrop of falling general interest in elections in Russia. While Russia as a whole, turnout fell from 69% to 64%, the national republics, on the contrary, it increased from 76% to 80%, see Fig. 9.



**Fig. 9. Turnout on president elections 1991-2008**

*Source: constructed by cikrf.ru data*

Development of a political monopoly in Russia can be seen in the turnout at the federal electoral companies to the State Duma and presidential elections Russia (see Fig. 9). If, in 1991, turnout in all subjects of the Federation was about the same level. The national republics, it averaged 76%, 79% in the oblasts (regions) and in general in Russia 78%, whereas by 2004 the level of turnout has undergone significant changes. Against the background of an overall decline of voter participation, especially highlighted the growth in national republics turnout, which increased from 72% (1996) to 80% in 2004. This clearly demonstrates the exercise of administrative resources in the national republics.

However, these data indicate a different trend, that the elections in a weak democracy can become a instrument for demonstrating the loyalty of local authorities vis-à-vis the central government.

The ability to manage the mass consciousness is becoming a signal of reliability of local authorities and should be rewarded by the center. The extent of the reward depends on the specific situation and may become a subject of bargaining.

Election models of national republics became a example for the other parts of the Russian Federation. This is evidenced by the shift that occurred from 2004 to 2008.

Elections 2008 demonstrate curious trend, when unopposed elections combined with an increase in voter turnout.

Total turnout in Russia rose from 64% to 70%, the level of turnout in the Republic remains at the 2004 level (80%). Largest contribution to turnout growth made by the Russian regions (oblasts) in which the turnout growth from 61% to 67% since 2004 to 2008 (see Fig. 2).

Curiously, the earlier high standard of turnout in the national republics has not changed (on average about 80%) see Fig. 9.

Table 5

**Regions with significant increase in turnout on presidential election (2004-2008)**

Regions	Turnout on president election 2004 (%)	Turnout on president election 2008 (%)	Difference in turnout 2008 and 2004 (percentage points)
Krasnodar	63,25	87,39	24,14
The Republic of Mari El	65,09	83,48	18,38
Omsk Region	66,78	83,10	16,32
Zabaikalsky Region	55,72	70,50	14,77
Khanty-Mansi Autonomous District - Ugra	64,03	78,57	14,53
Altai Republic	62,58	76,86	14,28
Komi Republic	57,59	71,79	14,20
Tula Region	55,23	68,65	13,43
Irkutsk Region	53,18	64,74	11,57
Yamalo-Nenets Autonomous District	80,84	91,96	11,12
Tver Region	54,90	65,90	11,00
Kaluga Region	56,35	67,33	10,98
Moscow Region	58,29	69,19	10,91
Karachay-Cherkessia Republic	81,42	92,20	10,78
City of St. Petersburg	57,40	68,10	10,70
Amur Region	59,28	69,89	10,61
Murmansk region	57,61	68,00	10,39
Kirov Region	60,05	70,26	10,21
Krasnoyarsk Krai	51,10	61,27	10,17
Kemerovo Region	71,82	81,95	10,13

Source: constructed by cikrf.ru data

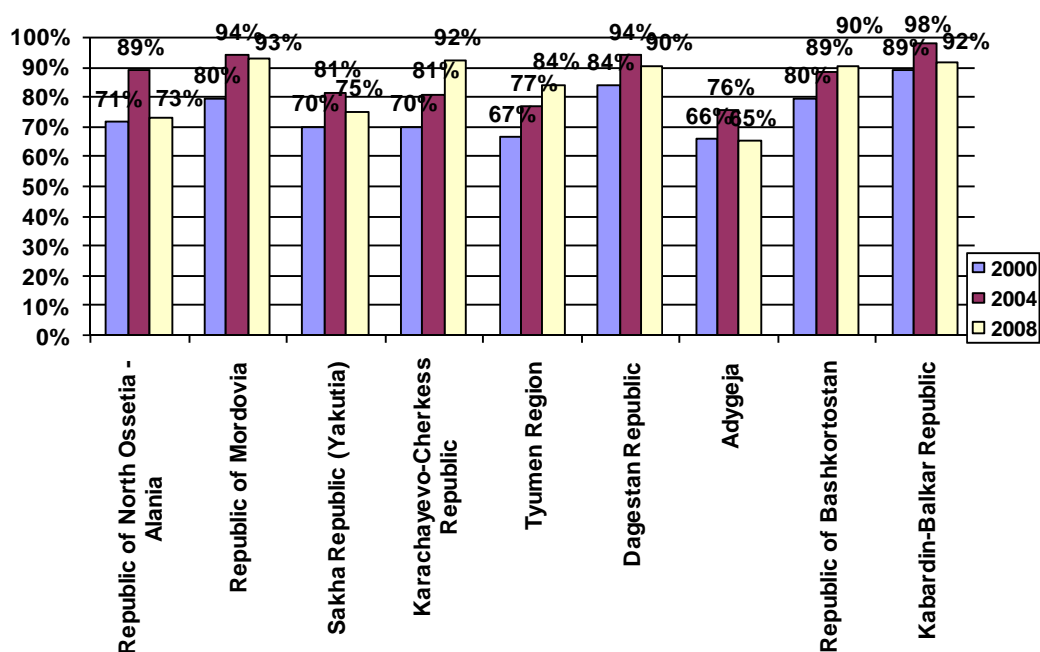


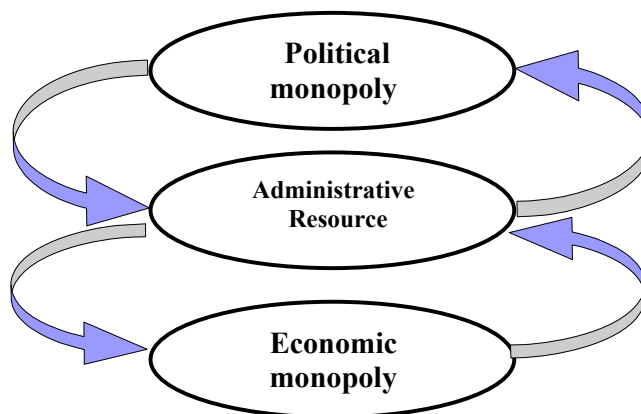
Fig. 10. Shift on turnout on Russian President Elections 2000-2008

Source: constructed by cikrf.ru data

If in 2004 the main sources of growth in voter turnout have been some national republics (see figure 10.) then on election 2008 major turnout growth drivers were already other regions (see Table 3). The movement started from the «periphery» to the center. A large number of regions have been able to substantially (by 10 percent or more) to increase voter turnout in presidential elections.

Turnout growth wasn't result of votes interest in election and in politics but result of activity of local bureaucrat, for whom a high turnout is a prerequisite for preserving and strengthening their own power.

As the heads of the regions shall be appointed from the center and they should «work for» his appointment.



**Fig.11. Interconnection of political and economic monopolism with administrative resource.**

The existence of a political monopoly, his explanation of the main reasons for creating the preconditions for overcoming the political and monopolistic competition (see Fig. 10).

There is a vicious circle in which a high turnout in the region is the condition of reappointment and reappointment leads to high turnout in elections. This is reminiscent of the practice of the Soviet Union, when voter turnout is below 99% was seen as a failure of local authorities and became the subject of a special investigations and could mean the end of political and bureaucratic career.

### 2.3. Focal points on elections

We found that exist significant outliers in turnout distribution on round figures (50%, 60%, 70%, 75%, 80%, 90%). This unnatural behavior repeated on every federal election. On 2007/2008 federal elections outliers were more significant then on 2003/2004 elections.

Article discusses peculiarities of turnout behavior. We analyzed official Russian electoral data (from 95 000 local districts electoral committees) on parliamentary and presidential federal election on 2003, 2004, 2007 and 2008.

On the president elections these outliers were more significant then on the parliamentary elections. In our article we discuss the nature of this abnormal behavior. We explain this effect as focal points – spontaneous behavior strategies chosen by different individuals in the same situation. We suggest that focal points come into existence as result of bureaucratic pressure on turnout.

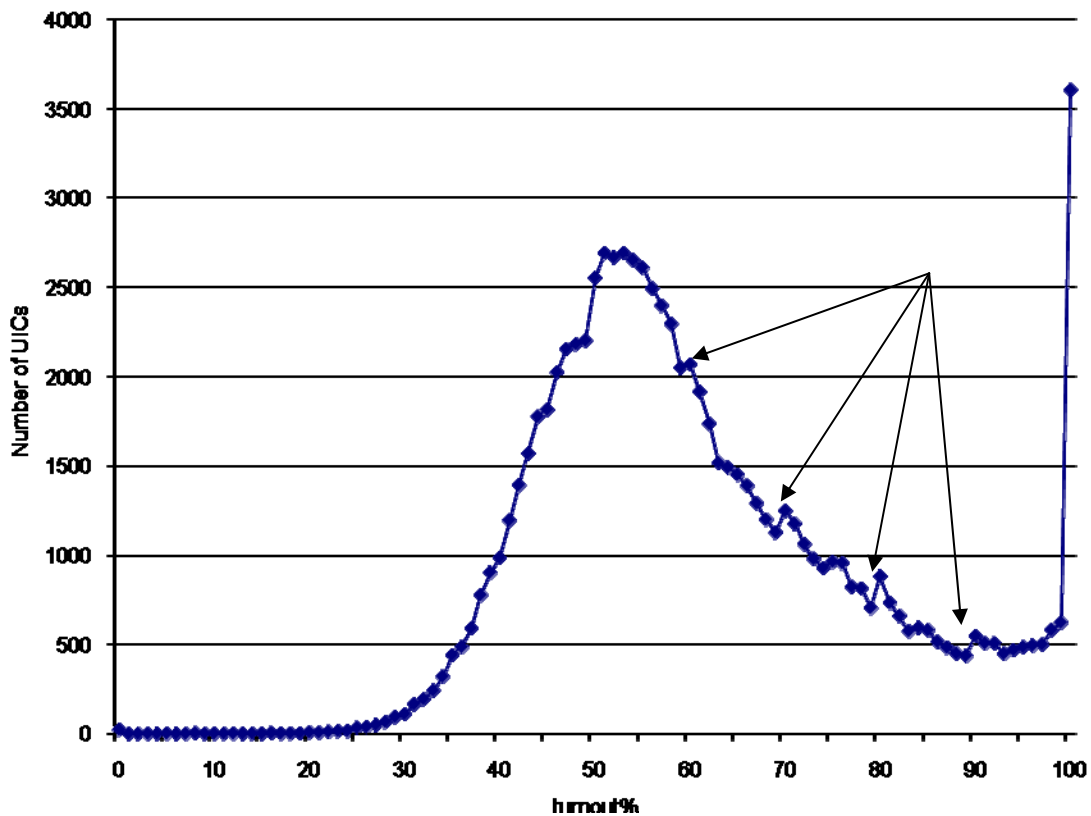
When authorities will try to stimulate electoral activities, local bureaucrats tend to think in round figures (50%, 60%, 70%, 75%, etc.). The higher pressure on election makes focal points more visible and on president elections focal points will be more visible then on the Duma Elections.

What are the reasons for increasing the voter turnout in a virtually non-alternative elections?

Russian electoral statistics date covers about 95 000 local districts election committees (Uchastkovaya Izbiratel'naya Comissiya - UIC). We analyzed official Russian electoral data (from 95 000 local districts electoral committees) on parliamentary and presidential federal election on 2003, 2004, 2007 and 2008.

What are the form of this distribution should be? Naturally voter does not choose his out probability of voting. And turnout distribution close to the normal distribution. Analyzing turnout distribution constructed based on official results.

Russian Duma Elections, 2003



**Fig 12. Turnout distribution on Russian Federal Parliament Election (State Duma), 2003**  
Source: Central Election Commission of The Russian Federation (<http://www.cikrf.ru>)

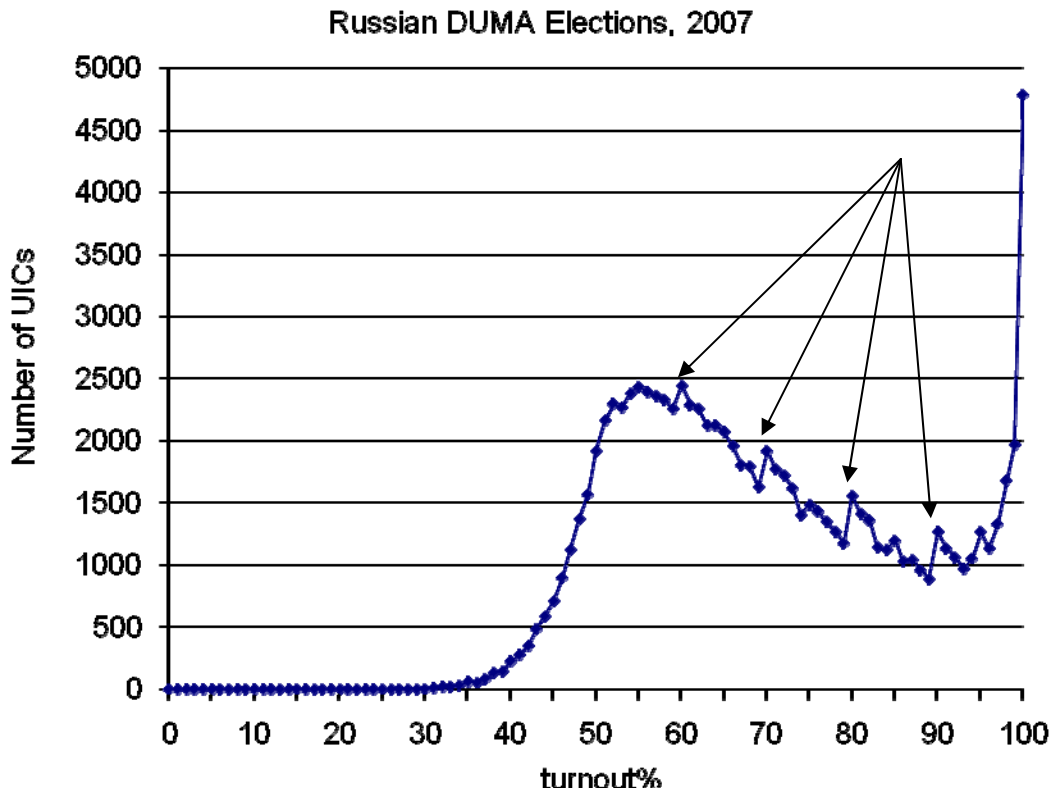
Figures 12 & 13 show that exist significant outliers in turnout distribution on round figures (50%, 60%, 70%, 75%, 80%, 90%).

This unnatural behavior repeated on every federal election. On 2007/2008 federal elections outliers were more significant then on 2003/2004 elections (Fig. 14 & 15)

Why outliers in turnout distribution ONLY on round figures:

- 50%
- 60%
- 70%
- 75%
- 80%
- 90% ?

If authorities will trying to stimulate electoral activities bureaucrats tend to think in round figures (50%, 60%, 70%, 75%, etc.)

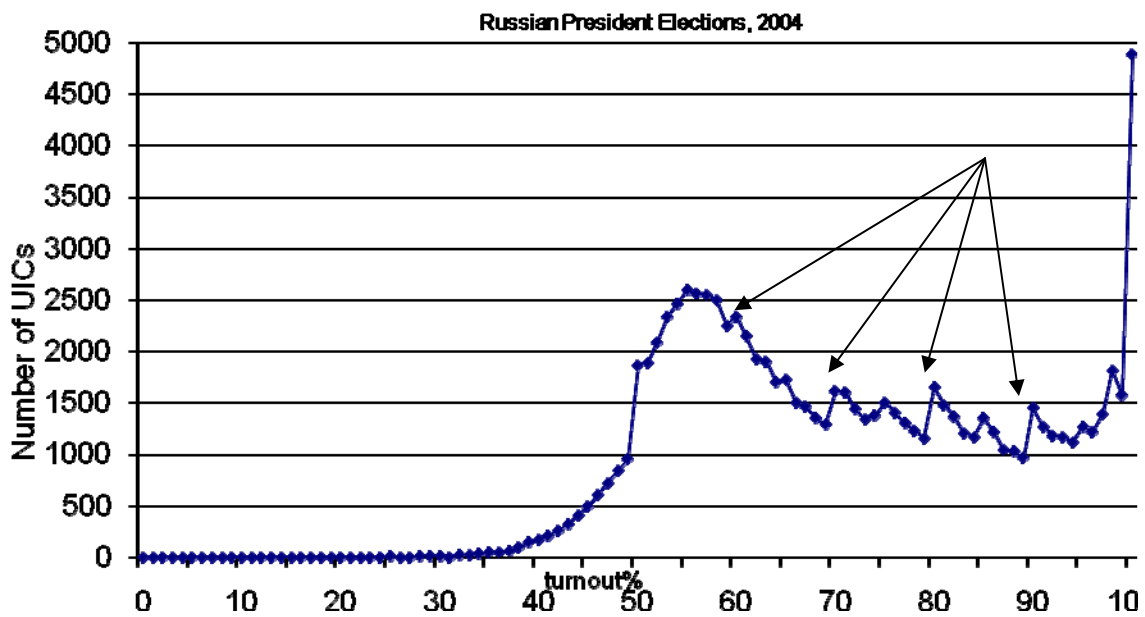


**Fig 13. Turnout distribution on Russian Federal Parliament Election (State Duma), 2007**  
 Source: Central Election Commission of The Russian Federation (<http://www.cikrf.ru>)

Focal point – spontaneous behavior strategies chosen by individuals in the same situation. If bureaucrats “responsible” for turnout, rationally choose round figures like 50%, 60%, 70% etc. The more pressure on election makes focal points more visible

#### **On president elections focal points more visible then on the Duma Elections**

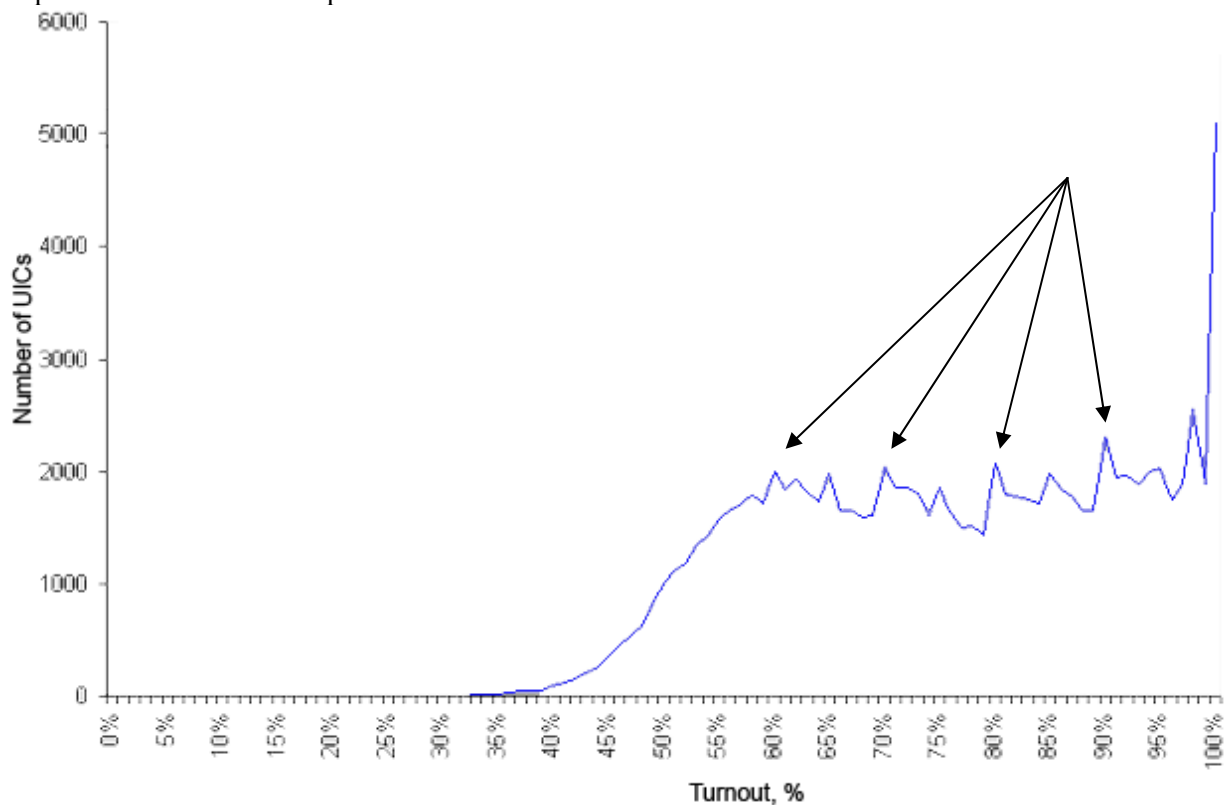
On the president elections these outliers were more significant then on the parliamentary elections. In our article we discuss the nature of this abnormal behavior. We explain this effect as focal points – spontaneous behavior strategies chosen by different individuals in the same situation. We suggest that focal points come into existence as result of bureaucratic pressure on turnout.



**Fig 14. Turnout distribution on Russian President Election, 2004**

Source: Central Election Commission of The Russian Federation (<http://www.cikrf.ru>)

When authorities will try to stimulate electoral activities, local bureaucrats tend to think in round figures (50%, 60%, 70%, 75%, etc.). The higher pressure on election makes focal points more visible and on president elections focal points will be more visible than on the Duma Elections.



**Fig 15. Turnout distribution on Russian President Election, 2008**

Source: Central Election Commission of The Russian Federation (<http://www.cikrf.ru>)<sup>1</sup>

<sup>1</sup> constructed by <http://podmoskovnik.livejournal.com/>

The reasons for increasing the voter turnout in a virtually non-alternative elections. The appointment of governors. «Competition» between the regions for the level of turnout.

In these circumstances the existence of round numbers (60 vs. 59.5, or 70 vs. 69.5 etc.) in turnout results is an obvious advantage in the eyes of local and central bureaucracies.

The fact of the existence of focal points in voter turnout distribution, shows a significant modification of the institute of elections in Russia at the regional level.

If the distribution of the appearance was initially close to the normal distribution, it is a significant change. In part, they relate to the behavior of voters (especially in the national republics), in part, the activity of local bureaucrat using turnout at elections as a signal of their loyalty to the federal center.

In the context of strengthening the vertical of power is becoming an important factor in obtaining the direct and indirect benefits. Direct, is the maintenance of power - as a result of the majority of the governors retain their jobs, incomes and privileges. As a result of the election shall cease to be a monitoring mechanism for the citizens of the authorities turning into a mechanism for state control over the activities of regional and local bureaucrats, and society as a whole. Hence the decline of interest among citizens to formal democratic institutions in general and elections in particular.

### 3. Vertical-of-Power under Medvedev

The economic crisis has uncovered a few negative Russian tendencies that created institutional obstacles for market economy growth during the last decade: deepening of raw materials specialization, wear and tear of the equipment, gap in scientific and technical progress, and strengthening of the government. Political system reacted on economic crisis by strengthening federal authorities. To stop these negative tendencies and overcome economic crisis it is necessary to reform political system.

In the year 2008 in Russia new president (the formal head of Russian government) was elected, in the next elections to come in the 2012 most probably that Putin is going to return his formal presidential chair. In this paper we consider regional aspect, pros and cons of building a vertical power under Medvedev.

Renewal of the regional elite it is a long and complex process, especially in a multinational country like Russia. However, this trend intensified in recent years, the number of new governors steadily increased, surpassing the old redirection (see Table. 6.) His gubernatorial seats are lost "political centenarians" as Luzhkov (Moscow), Shamiev (Tatarstan), Boss (Kaliningrad Region), Stroev (in the Orel region.), etc.

**Table 6.**

**The number of "incumbent" and "new" governor under Medvedev**

<b>years</b>	<b>Incumbent (reappointed)</b>	<b>New</b>
2008	2	7
2009	5	9
2010	18	19
2011	2	3

The new administration of President Medvedev, tried to create a new regional elite and became more active use of its function of appointing new governors. In 2008 was appointed 7 new governors in 2009 already 9. In 2010 the number had risen to 19. Thus, for the first three years of his rule was assigned 35 new governors (see Table 7).

The governor appointment mechanism has the features of autocratic rule. This does not mean that there is no any choice in the appointment of governors, but the president appoints from the limited number of candidates proposed by the ruling party "United Russia".

Table 7.

## New governors appointed under Medvedev

	<b>Region</b>	<b><u>Governor</u></b>	<b>Appointment date</b>
1.	Arkhangelsk Region	Mikhalchuk	19.03.2008
2.	Ryazan Region	Kovalev	12.04.2008
3.	Stavropol Territory	Gajewski	23.05.2008
4.	Chukotka	Kopin	13.07.2008
5.	Amur Region	Kozhemyako	20.10.2008
6.	Republic of Ingushetia	Yevkurov	31.10.2008
7.	Kirov region	Belykh	18.12.2008
8.	The Republic of Khakassia	Zimin	15.01.2009
9.	Nenets	Fedorov	24.02.2009
10.	Orel Region	Kozlov	27.02.2009
11.	Pskov Region	Turchak	27.02.2009
12.	Voronezh Region	Gordeyev	12.03.2009
13.	Murmansk region	Dmitrienko	25.03.2009
14.	Khabarovsk Territory	Shport	06.05.2009
15.	Irkutsk Region	Mezentsev	08.06.2009
16.	Sverdlovsk region	Misharin	23.11.2009
17.	The Volgograd Region	Brovko	12.01.2010
18.	The Republic of Komi	Gaiser	15.01.2010
19.	Krasnoyarsk Territory	Kuznetsov	17.02.2010
20.	The Republic of Dagestan	Magomedov	20.02.2010
21.	The Jewish Autonomous Region	Vinnikov	25.02.2010
22.	Khanty-Mansi Autonomous Area - Ugra	Komarova	01.03.2010
23.	Yamalo-Nenets Autonomous District	Kobylkin	16.03.2010
24.	The Republic of Tatarstan (Tatarstan)	Minnikhanov	25.03.2010
25.	Chelyabinsk region	Yurevich	22.04.2010
26.	Rostov Region	Golubev	14.06.2010
27.	Orenburg Region	Berg	15.06.2010
28.	The Republic of Sakha (Yakutia)	Borisov	17.06.2010
29.	Republic of Bashkortostan	Khamitov	19.07.2010
30.	The Republic of Karelia	Nelidov	21.07.2010
31.	The Chuvash Republic - Chuvashia	Ignatyev	29.08.2010
32.	Novosibirsk Region	Yurchenko	22.09.2010
33.	The Kaliningrad region	Tsukanov	28.09.2010
34.	Moscow	Sobyanin	21.10.2010
35.	Republic of Kalmykia	Orlov	24.10.2010
36.	Karachay-Cherkess Republic	Temrezov	01.03.2011
37.	Kamchatka	Ilyukhin	03.03.2011

Source: <http://www.governors.ru>

We check whether the impact of fiscal policy in strengthening the vertical of power, and if shown how. The arrival of a new president was associated with a new round of regional destinations (see Table 9). We test whether this was reflected in fiscal policy. We formulate two alternative hypotheses:

**Hypothesis 1.**

**In the newly-appointed governors, come with higher subsidies (non-repayable transfers from the federal budget).**

**Hypothesis 2.**

**Governor appointment does not come with additional financial support from the federal budget.**

Hypothesis 1 suggests that the mechanism of formation of the vertical of power, is a personal, paternalistic nature. On the contrary, the hypothesis 2, said about the depersonalization of relationships and the early formation of the legal community when subsidies are allocated to regions not linked to personal preference, but are dictated only by the real situation.

To test these hypotheses we calculate the subsidy per capita (see Appendix 1), which take into account regional specificity, we calculated the subsidy relative to nationwide levels (see Appendix 2) and relative to the level of the Federal District (see Appendix 2).

**Table 8**

Dynamics of non-repayable transfers from the federal budget,  
thousand rubles. per capita, 2007-2011

	2007	2008	2009	2010	2011 (9 месяцев)
Non-repayable transfers from the federal budget, thousand rubles. per capita, 2007-2011.	4,38	7,92	10,40	9,78	7,53

*Calculated according to the Ministry of Finance of the Russian Federation ([http://info.minfin.ru/subj\\_analytics.php](http://info.minfin.ru/subj_analytics.php))*

Calculations show that the subsidy policy changed during the reporting period (see Table 8). Subsidization has increased significantly during the crisis (in 2009) and began to decrease as the exit. From 2007 to 2009 subsidies increased by 2.37 times in nominal terms, which indicates that increasing the federal government and its role in the redistribution of resources during the crisis.

However, subsidies of various Russian regions are uneven. A certain role in this has a political factor: the appointment of new governors. Calculations show that the federal government allocates additional funds to regions subject to the new governor was appointed.

Calculations show (see Table 9). That in 25 cases out of 35 region received additional federal subsidies (or reduction of payments to the federal budget) after the appointment of new governors.

Buying loyalty of the population in the elimination of the democratic procedure of elections of governors require additional appropriations. Under Medvedev appointments of a new governor for the federal government meant additional spending for federal budget.

All this suggests that we cannot reject the hypothesis 1, that vertical of power still retains personified.

Table 9

## Changes in Non-repayable transfers in regions with new governors

	Governor appointment date	Changes in non-repayable transfers p.p. to previous year ( as a % shave of national average level)						Shift
		2008	2009	2010	2011	at the appointment year	year after appointment	
Voronezh Region	2009	-0,20	-0,07	0,12	-0,09	-0,07468	0,120258	0,194934
Orel Region	2009	-0,35	0,12	0,09	0,09	0,122486	0,088472	-0,03401
Ryazan Region	2008	-0,17	0,08	0,21	-0,11	-0,1667	0,079879	0,24658
Moscow	2010	4,45	-0,06	-0,02	0,18	-0,02359	0,176027	0,199614
The Republic of Karelia	2010	-0,39	-0,06	0,07	-0,06	0,069154	-0,06245	-0,13161
The Republic of Komi	2010	-0,30	0,28	-0,21	0,13	-0,21378	0,133015	0,346794
Arkhangelsk Region	2008	-0,37	-0,09	0,24	-0,29	-0,37418	-0,0928	0,281384
The Kaliningrad region	2010	-0,33	0,41	-0,66	0,17	-0,66315	0,173271	0,836419
Murmansk region	2009	-0,58	-0,62	-0,30	-0,01	-0,61527	-0,29917	0,316099
Pskov Region	2009	-0,49	-0,03	0,20	0,10	-0,02526	0,196038	0,221295
Nenets Autonomous District	2009	6,49	-2,26	-1,61	0,34	-2,26192	-1,61127	0,650655
Republic of Kalmykia	2010	-0,79	-0,38	-0,20	-0,01	-0,20269	-0,01336	0,189333
The Volgograd Region	2010	-0,51	0,05	-0,16	0,01	-0,16069	0,014393	0,175087
Rostov Region	2010	-0,22	-0,03	-0,04	-0,03	-0,04273	-0,03241	0,010322
The Republic of Dagestan	2010	-0,74	-0,01	-0,04	-0,12	-0,04359	-0,12495	-0,08137
Republic of Ingushetia	2008	-1,04	-0,51	0,30	-0,68	-1,03945	-0,50501	0,534434
Stavropol Territory	2008	-0,36	-0,11	0,03	0,00	-0,36273	-0,10528	0,257448
Republic of Bashkortostan	2010	-0,25	-0,02	0,09	0,04	0,094162	0,03926	-0,0549
The Republic of Tatarstan	2010	-0,08	0,38	0,56	-0,36	0,555872	-0,36244	-0,91831
Chuvash Republic	2010	-0,74	-0,09	-0,06	-0,01	-0,06189	-0,01152	0,050374
Kirov region	2008	-0,58	0,05	0,27	-0,22	-0,58114	0,049292	0,630429
Orenburg Region	2010	-0,09	0,04	0,00	-0,05	-0,00476	-0,04646	-0,0417
Sverdlovsk region	2009	-0,03	0,01	-0,01	0,00	0,008806	-0,01435	-0,02316
Chelyabinsk region	2010	-0,08	0,16	-0,06	0,02	-0,0582	0,017068	0,075271
Khanty-Mansi Autonomous Okrug	2010	0,06	-0,08	-0,04	0,03	-0,0445	0,029528	0,074025
Yamalo-Nenets Autonomous District	2010	-0,07	-0,15	-0,02	0,05	-0,01856	0,045512	0,064068
The Republic of Khakassia	2009	-0,11	-0,04	0,08	-0,01	-0,04463	0,084667	0,129292
Krasnoyarsk Territory	2010	-0,18	-0,06	-0,65	-0,19	-0,65353	-0,18533	0,468202
Irkutsk Region	2009	-0,39	-0,09	0,14	-0,16	-0,09253	0,144511	0,237042
Novosibirsk Region	2010	-0,14	-0,10	0,11	-0,02	0,10858	-0,01898	-0,12756
The Republic of Sakha (Yakutia)	2010	-1,01	0,51	0,42	-0,10	0,42241	-0,09975	-0,52216
Khabarovsk Territory	2009	-0,79	-0,13	0,16	-0,11	-0,12594	0,162385	0,288328
Amur Region	2008	-1,03	-0,39	0,22	-0,26	-1,03173	-0,39124	0,640492
The Jewish Autonomous Region	2010	-1,78	-0,19	0,39	-0,78	0,386562	-0,77661	-1,16317
Chukotka Autonomous Okrug	2008	25,36	-3,54	11,54	0,42	-25,3635	-3,54212	21,82135

Calculated according to the Ministry of Finance of the Russian Federation ([http://info.minfin.ru/subj\\_analytics.php](http://info.minfin.ru/subj_analytics.php))

## Conclusions

The analysis has shown that the problems of modern Russia, caused by the transition to the market, are predetermined by the path dependency phenomenon, by following the traditions of the oriental despotism. Taking this circumstance into account the paper represents the phenomenon of the power - property, when not the power is determined by the property, but the property by the power, i.e. the position of the man in the state hierarchy. The results allow find out the phenomenon of the organizational path dependency. Using comparative institutional analysis we have come to a conclusion, that there is a hybrid form of governance structure connected to the oriental despotism traditions.

From the point of view of the power-property thesis the transfer of property rights to the enterprises has predetermined the USSR disintegration. However the soviet state's decline does not mean the development and the efficiency of a private property yet. It is so, because these were not the private owners who became the dominant owners with market like traditions of the private property using (unity of the rights and liabilities), but the former directors of the enterprises and regional authorities.

The State is able to promote the development of the private property institute, but the protection of the property rights should become its main function. The deprivatization is inevitable, if we come back to amplification of the east despotism institutions. In this case Asian cycle again will go on a stage of development, there will be strengthening power-property and will begin spontaneous renationalization. As a result it will be crash of market reforms and delay of economic development of Russia.

On the contrary, the deprivatization will not take place, if we shall create the preconditions of the market development and, first of all, the effectively working private property rights. If the Asian cycle will go on a stage of rise again, one will see the power-property amplification, the crash of market reforms and the beginning of a spontaneous renationalization – a decline of the economic system in Russia is inevitable as a result. Whereas, deprivatization won't take place, if we create preconditions of market development and effectively working private property rights. The kind of private property when owner possesses residual rights. The effective parity *de jure* and *de facto* of the property rights between the State and private proprietors only, supported with the enforcement mechanisms and guarantees of long-term state protection, will create the preconditions for the development of market economy in Russia.

Analysis of the election of heads of executive power in the 1996-2004 year of shows that if, prior to 1999, the main trend has been to change the existing chapters, since 1999, in most cases, the heads of the executive branch has been able to maintain his post. Before 1999, less than half (45%) were able to governors election for a new term, from 1999 to 2004, two-thirds (66%) of governors retained their posts. After the adoption of a new order of gubernatorial elections in 2004, when the candidate was invited to the Governor and the President of the Russian Federation approved the regional legislature, acting overwhelming majority of heads of the executive branch (79%), retained the post of Governor and designated left.

Analysis of the Russian political monopolism reform of the State is also a concern with the aim of creating a truly competitive environment in the political marketplace. Only if there is clear constitutional framework of the activities of the state may prevent a regional separatism, which is a threat to the current hierarchical system.

The absence of functioning legal in Russia and other regulators of their politicians leads to a further widening of the role of administrative resources. There are features of autocratic regime where power is concentrated in the hands of one. Establishing the existence of political

monopolies, explaining his reasons for creating the basic preconditions for overcoming monopolies and the development of real political competition

Our analysis leads to conclusion that there is a kind of institutional trap, since 2000, a kind of administrative resource, which is both a cause and a consequence of the increasing economic and political monopolies in Russia.

Preservation of existing trends related to the strengthening of political and economic monopolies in the regions. This scenario involves the consolidation of administrative resources and authoritarian trends.

Another possible scenario for the emergence of elements linked to the political competition between the old and new power. This can lead a partial renovation of regional elites and the easing of administrative resources.

Now we could observe modification of formal democratic institutions. Democracy was a form allowing, under certain institutional conditions, a very different content.

The calculations show that vertical of power only increases its expression, which limits the possibilities of strengthening democratic institutions and the formation of Rule of law in Russia.

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**Non-repayable transfers from the federal budget,**  
thous. rub. Per capita, 2007-2011

<b>Regions</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>на 01.09.2011</b>
The Russian Federation	4,38	7,92	10,40	9,78	7,53
Central Federal District	-1,97	5,32	7,66	6,67	5,48
Belgorod region	4,80	7,84	12,80	11,91	10,25
Bryansk region	7,73	8,85	10,78	10,69	8,28
Vladimir Region	5,81	7,09	9,40	8,43	6,05
Voronezh Region	4,69	6,88	8,26	8,94	6,19
Ivanovo region	7,57	9,00	11,68	11,24	8,21
Kaluga region	6,77	7,08	8,61	6,04	5,12
Kostroma region	6,15	7,87	9,39	11,34	8,33
Kursk region	4,43	5,22	7,71	8,72	6,38
Lipetsk region	2,86	4,94	7,51	6,23	4,32
Moscow region	3,38	3,88	7,55	4,19	3,92
Orel region	5,56	7,28	10,84	11,06	9,21
Ryazan Region	4,11	6,10	8,85	10,41	7,16
Smolensk region	3,71	5,12	7,27	7,38	6,78
Tambov region	6,86	9,63	12,89	13,10	10,44
Tver Region	5,26	6,33	8,91	8,13	5,76
Tula Region	4,14	5,00	7,79	7,44	4,42
Yaroslavl Region	3,50	5,73	14,71	9,92	5,03
Moscow	-17,48	3,62	4,08	3,61	4,10
<b>NORTHWEST FEDERAL DISTRICT</b>	<b>5,13</b>	<b>7,57</b>	<b>10,41</b>	<b>8,54</b>	<b>7,31</b>
The Republic of Karelia	7,55	10,58	13,24	13,13	9,63
The Republic of Komi	4,37	5,52	10,15	7,45	6,74
Arkhangelsk Region	8,54	12,47	15,41	16,81	10,73
Vologda Region	2,93	4,10	9,32	7,19	5,62
The Kaliningrad region	7,74	11,35	19,17	11,54	10,19
Leningrad Region	3,00	4,32	4,83	4,62	4,77
Murmansk region	11,84	16,78	15,64	11,79	8,98
Novgorod region	5,40	8,06	10,58	7,45	7,68
Pskov Region	7,13	9,04	11,62	12,84	10,61
St. Petersburg	3,38	5,17	7,69	5,75	5,84
Nenets Autonomous District	12,12	73,32	72,78	52,69	43,11
<b>Southern Federal District</b>	<b>5,35</b>	<b>6,95</b>	<b>8,57</b>	<b>7,55</b>	<b>7,67</b>
Republic of Adygea	11,56	14,65	17,13	15,32	9,96
Republic of Kalmykia	14,20	19,37	21,50	18,24	13,94
Krasnodar region	3,57	5,29	7,23	7,39	10,59
The Astrakhan Region	12,04	12,77	9,72	5,74	6,15
The Volgograd Region	5,06	5,13	7,28	5,27	4,16
Rostov Region	4,89	7,07	8,99	8,03	5,94
<b>North Caucasian federal DISTRICT</b>	<b>14,38</b>	<b>16,86</b>	<b>18,54</b>	<b>17,65</b>	<b>13,75</b>
The Republic of Dagestan	10,20	12,60	16,41	15,01	10,61
Republic of Ingushetia	20,05	28,00	31,53	32,58	19,95
Kabardino-Balkaria	10,49	12,31	14,31	13,48	10,68
Karachay-Cherkess Republic	11,96	15,49	17,88	18,95	12,67

Republic of North Ossetia-Alania	12,36	20,15	15,29	13,90	11,08
The Chechen Republic	46,17	45,99	46,39	44,03	39,31
Stavropol Territory	5,58	7,22	8,38	8,20	6,31
Volga Federal District	4,48	5,95	8,29	8,81	6,12
Republic of Bashkortostan	3,20	3,83	4,83	5,47	4,50
The Mari El Republic	7,81	9,04	10,71	12,26	9,33
Republic of Mordovia	10,69	12,46	18,23	20,21	12,80
The Republic of Tatarstan	3,62	5,91	11,73	16,47	9,95
Udmurt Republic	4,30	5,72	7,76	6,49	6,53
Chuvash Republic	8,28	9,12	11,06	9,80	7,46
Perm region	3,99	4,62	6,27	5,44	3,52
Kirov region	7,29	8,58	11,78	13,74	8,95
Nizhny Novgorod region	3,26	4,91	6,03	5,83	4,12
Orenburg Region	3,22	5,11	7,09	6,63	4,75
Penza Region	8,24	9,09	10,90	11,92	8,21
Samara Region	2,01	3,62	5,33	6,44	4,13
Saratov Region	3,97	6,00	8,25	6,99	5,21
Ulyanovsk Region	8,13	10,43	12,19	8,36	6,31
The Ural Federal District	2,96	4,67	6,37	8,53	6,02
Kurgan Region	8,89	11,13	14,81	14,60	10,68
Sverdlovsk region	2,40	4,10	5,48	5,01	3,83
Tyumen Region	1,09	1,72	1,80	11,51	6,83
Chelyabinsk region	2,67	4,17	7,19	6,19	4,90
Khanty-Mansi Autonomous Okrug	1,86	3,81	4,13	3,45	2,88
Yamalo-Nenets Autonomous District	2,95	4,78	4,77	4,31	3,66
SIBERIAN FEDERAL DISTRICT	7,38	10,08	12,41	10,68	7,46
The Altai Republic	30,81	32,98	49,69	43,66	38,36
The Republic of Buryatia	15,50	19,14	24,63	21,34	14,74
Republic of Tyva	25,27	32,30	39,66	37,22	27,46
The Republic of Khakassia	4,27	6,82	8,49	8,81	6,73
Altai Territory	9,18	11,51	13,60	13,34	9,88
Trans-Baikal Territory	10,86	14,21	16,30	15,68	10,20
Krasnoyarsk Territory	8,20	13,37	16,88	9,49	5,91
Irkutsk Region	5,96	7,66	9,10	9,97	6,45
Kemerovo region	3,44	5,76	8,87	6,73	3,48
Novosibirsk Region	3,71	5,60	6,30	6,99	5,23
Omsk region	6,87	7,50	7,23	5,60	5,22
Tomsk Region	5,45	9,00	11,16	10,35	7,51
Far East Federal District	17,41	22,16	30,45	28,77	20,57
The Republic of Sakha (Yakutia)	22,57	32,81	48,40	49,65	37,46
Kamchatka	61,19	52,92	76,05	87,05	79,13
Primorsky Krai	7,41	11,34	25,20	19,54	14,03
Khabarovsk Territory	9,22	10,39	12,34	13,20	9,33
Amur Region	14,51	18,05	19,65	20,67	13,98
Magadan region	35,05	55,58	67,31	67,91	45,05
Sakhalin Region	18,93	35,59	25,36	24,57	6,07
The Jewish Autonomous Region	19,57	21,31	25,97	28,21	15,86
Chukotka Autonomous Okrug	216,55	190,59	213,52	87,97	70,83

Calculated according to the Ministry of Finance of the Russian Federation ([http://info.minfin.ru/subj\\_analytics.php](http://info.minfin.ru/subj_analytics.php))

**Non-repayable transfers from the federal budget,**  
Per capita, % of national average 2007-2011

<b>Region</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>01.09.2011</b>
The Russian Federation	100%	100%	100%	100%	100%
Central Federal District	-45%	67%	74%	68%	73%
Belgorod region	110%	99%	123%	122%	136%
Bryansk region	176%	112%	104%	109%	110%
Vladimir Region	133%	90%	90%	86%	80%
Voronezh Region	107%	87%	79%	91%	82%
Ivanovo region	173%	114%	112%	115%	109%
Kaluga region	155%	89%	83%	62%	68%
Kostroma region	140%	99%	90%	116%	111%
Kursk region	101%	66%	74%	89%	85%
Lipetsk region	65%	62%	72%	64%	57%
Moscow region	77%	49%	73%	43%	52%
Orel region	127%	92%	104%	113%	122%
Ryazan Region	94%	77%	85%	106%	95%
Smolensk region	85%	65%	70%	75%	90%
Tambov region	157%	122%	124%	134%	139%
Tver Region	120%	80%	86%	83%	76%
Tula Region	95%	63%	75%	76%	59%
Yaroslavl Region	80%	72%	141%	101%	67%
Moscow	-399%	46%	39%	37%	55%
<b>NORTHWEST FEDERAL DISTRICT</b>	<b>117%</b>	<b>96%</b>	<b>100%</b>	<b>87%</b>	<b>97%</b>
The Republic of Karelia	172%	134%	127%	134%	128%
The Republic of Komi	100%	70%	98%	76%	89%
Arkhangelsk Region	195%	157%	148%	172%	143%
Vologda Region	67%	52%	90%	74%	75%
The Kaliningrad region	177%	143%	184%	118%	135%
Leningrad Region	68%	55%	46%	47%	63%
Murmansk region	270%	212%	150%	121%	119%
Novgorod region	123%	102%	102%	76%	102%
Pskov Region	163%	114%	112%	131%	141%
St. Petersburg	77%	65%	74%	59%	78%
Nenets Autonomous District	277%	926%	700%	539%	573%
Southern Federal District	122%	88%	82%	77%	102%
Republic of Adygea	264%	185%	165%	157%	132%
Republic of Kalmykia	324%	245%	207%	187%	185%
Krasnodar region	82%	67%	69%	76%	141%
The Astrakhan Region	275%	161%	94%	59%	82%
The Volgograd Region	116%	65%	70%	54%	55%
Rostov Region	112%	89%	86%	82%	79%
<b>North Caucasian federal DISTRICT</b>	<b>328%</b>	<b>213%</b>	<b>178%</b>	<b>180%</b>	<b>183%</b>
The Republic of Dagestan	233%	159%	158%	153%	141%
Republic of Ingushetia	458%	354%	303%	333%	265%
Kabardino-Balkaria	239%	155%	138%	138%	142%
Karachay-Cherkess Republic	273%	196%	172%	194%	168%

Republic of North Ossetia-Alania	282%	255%	147%	142%	147%
The Chechen Republic	1054%	581%	446%	450%	522%
Stavropol Territory	127%	91%	81%	84%	84%
Volga Federal District	102%	75%	80%	90%	81%
Republic of Bashkortostan	73%	48%	46%	56%	60%
The Mari El Republic	178%	114%	103%	125%	124%
Republic of Mordovia	244%	157%	175%	207%	170%
The Republic of Tatarstan	83%	75%	113%	168%	132%
Udmurt Republic	98%	72%	75%	66%	87%
Chuvash Republic	189%	115%	106%	100%	99%
Perm region	91%	58%	60%	56%	47%
Kirov region	166%	108%	113%	140%	119%
Nizhny Novgorod region	74%	62%	58%	60%	55%
Orenburg Region	74%	65%	68%	68%	63%
Penza Region	188%	115%	105%	122%	109%
Samara Region	46%	46%	51%	66%	55%
Saratov Region	91%	76%	79%	71%	69%
Ulyanovsk Region	186%	132%	117%	85%	84%
The Ural Federal District	68%	59%	61%	87%	80%
Kurgan Region	203%	141%	142%	149%	142%
Sverdlovsk region	55%	52%	53%	51%	51%
Tyumen Region	25%	22%	17%	118%	91%
Chelyabinsk region	61%	53%	69%	63%	65%
Khanty-Mansi Autonomous Okrug	43%	48%	40%	35%	38%
Yamalo-Nenets Autonomous District	67%	60%	46%	44%	49%
SIBERIAN FEDERAL DISTRICT	168%	127%	119%	109%	99%
The Altai Republic	703%	417%	478%	446%	510%
The Republic of Buryatia	354%	242%	237%	218%	196%
Republic of Tyva	577%	408%	381%	381%	365%
The Republic of Khakassia	98%	86%	82%	90%	89%
Altai Territory	210%	145%	131%	136%	131%
Trans-Baikal Territory	248%	180%	157%	160%	136%
Krasnoyarsk Territory	187%	169%	162%	97%	78%
Irkutsk Region	136%	97%	87%	102%	86%
Kemerovo region	79%	73%	85%	69%	46%
Novosibirsk Region	85%	71%	61%	71%	70%
Omsk region	157%	95%	69%	57%	69%
Tomsk Region	124%	114%	107%	106%	100%
Far East Federal District	397%	280%	293%	294%	273%
The Republic of Sakha (Yakutia)	515%	414%	465%	508%	498%
Kamchatka	1397%	668%	731%	890%	1051%
Primorsky Krai	169%	143%	242%	200%	186%
Khabarovsk Territory	210%	131%	119%	135%	124%
Amur Region	331%	228%	189%	211%	186%
Magadan region	800%	702%	647%	694%	598%
Sakhalin Region	432%	450%	244%	251%	81%
The Jewish Autonomous Region	447%	269%	250%	288%	211%
Chukotka Autonomous Okrug	4944%	2407%	2053%	899%	941%

Calculated according to the Ministry of Finance of the Russian Federation ([http://info.minfin.ru/subj\\_analytics.php](http://info.minfin.ru/subj_analytics.php))

## Current Governors of Russia

Region	Governor	Number of term	Appointment date	Till
<i>Altai Territory</i>	Carlin	2	25.08.2009	08.2014
<i>Amur Region</i>	Kozhemyako	1	20.10.2008	10.2012
<i>Arkhangelsk Region</i>	Mikhalchuk	1	19.03.2008	03.2012
<i>The Astrakhan Region</i>	Zhilkin	2	24.12.2009	12.2014
<i>Belgorod region</i>	Savchenko	5	16.06.2007	06.2012
<i>Bryansk region</i>	Denin	2	18.10.2007	10.2012
<i>Vladimir Region</i>	Vinogradov	4	28.02.2009	02.2013
<i>The Volgograd Region</i>	Brovko	1	12.01.2010	01.2015
<i>Vologda Region</i>	Pozgalev	4	21.06.2007	06.2012
<i>Voronezh Region</i>	Gordeev	1	12.03.2009	03.2014
<i>The Jewish Autonomous Region</i>	Vinnikov	1	25.02.2010	02.2015
<i>Trans-Baikal Territory</i>	Geniatulin	4	01.03.2008	03.2013
<i>Ivanovo region</i>	Men'	2	22.12.2010	12.2015
<i>Irkutsk Region</i>	Mezentsev	1	08.06.2009	06.2014
<i>Kabardino-Balkaria</i>	Kanokov	2	01.09.2010	09.2015
<i>The Kaliningrad region</i>	Tsukanov	1	28.09.2010	09.2015
<i>Kaluga region</i>	Artamonov	4	26.07.2010	07.2015
<i>Kamchatka</i>	Ilyukhin	1	03.03.2011	03.2016
<i>Karachay-Cherkess Republic</i>	Temrezov	1	01.03.2011	03.2016
<i>Kemerovo region</i>	Tuleyev	4	20.04.2010	04.2015
<i>Kirov region</i>	Belykh	1	18.12.2008	12.2013
<i>Kostroma region</i>	Slyunyaev	1	25.10.2007	10.2012
<i>Krasnodar region</i>	Tkachev	3	23.04.2007	04.2012
<i>Krasnoyarsk Territory</i>	Kuznetsov	1	17.02.2010	02.2015
<i>Kurgan Region</i>	Bogomolov	4	29.12.2009	12.2014
<i>Kursk region</i>	Mikhailov	3	01.03.2010	03.2015
<i>Leningrad Region</i>	Serdyukov	3	09.07.2007	07.2012
<i>Lipetsk region</i>	Korolev	4	01.06.2010	06.2015
<i>Magadan region</i>	Dudov	2	02.02.2008	02.2013
<i>Moscow</i>	Sobyanin	1	21.10.2010	10.2015
<i>Moscow region</i>	Gromov	3	04.05.2007	05.2012
<i>Murmansk region</i>	Dmitrienko	1	25.03.2009	03.2014
<i>Nenets</i>	Fedorov	1	24.02.2009	02.2014
<i>Nizhny Novgorod region</i>	Shantsev	2	08.08.2010	08.2015
<i>Novgorod region</i>	Mitin	1	07.08.2007	08.2012
<i>Novosibirsk Region</i>	Yurchenko	1	22.09.2010	09.2015
<i>Omsk region</i>	Polezhaev	5	24.05.2007	05.2012
<i>Orenburg Region</i>	Berg	1	15.06.2010	06.2015
<i>Orel region</i>	Kozlov	1	27.02.2009	02.2014
<i>Penza Region</i>	Bochkarev	4	29.04.2010	04.2015
<i>Perm region</i>	Chirkunov	2	01.12.2010	12.2015
<i>Primorsky Krai</i>	Darkin	3	04.02.2010	02.2015
<i>Pskov Region</i>	Turchak	1	27.02.2009	02.2014
<i>Republic of Adygea (Adygea)</i>	Tkhakushinov	1	13.12.2006	12.2011

<i>The Altai Republic</i>	Berdnikov	2	20.01.2010	01.2014
<i>Republic of Bashkortostan</i>	Khamitov	1	19.07.2010	07.2015
<i>The Republic of Buryatia</i>	Nagovitsyn	1	15.06.2007	06.2012
<i>The Republic of Dagestan</i>	Magomedov	1	20.02.2010	02.2014
<i>Republic of Ingushetia</i>	Yevkurov	1	31.10.2008	10.2013
<i>Republic of Kalmykia</i>	Orlov	1	24.10.2010	10.2015
<i>The Republic of Karelia</i>	Nelidov	1	21.07.2010	07.2015
<i>The Republic of Komi</i>	Gaiser	1	15.01.2010	01.2014
<i>The Mari El Republic</i>	Markelov	3	15.01.2010	01.2015
<i>Republic of Mordovia</i>	Merkushkin	4	10.11.2010	11.2015
<i>The Republic of Sakha (Yakutia)</i>	Borisov	1	17.06.2010	06.2015
<i>Republic of North Ossetia - Alania</i>	Mamsurov	2	07.06.2010	06.2015
<i>The Republic of Tatarstan (Tatarstan)</i>	Minnikhanov	1	25.03.2010	03.2015
<i>Republic of Tyva</i>	Kara-ool	1	06.04.2007	04.2012
<i>The Republic of Khakassia</i>	Zimin	1	15.01.2009	01.2013
<i>Rostov Region</i>	Golubev	1	14.06.2010	06.2015
<i>Ryazan Region</i>	Kovalev	1	12.04.2008	04.2013
<i>Samara Region</i>	Artyakov	1	29.08.2007	08.2012
<i>St. Petersburg</i>	Matvienko	2	06.12.2006	12.2011
<i>Saratov Region</i>	Ipatov	2	05.04.2010	04.2015
<i>Sakhalin Region</i>	Khoroshavin	1	09.08.2007	08.2011
<i>Sverdlovsk region</i>	Misharin	1	23.11.2009	11.2013
<i>Smolensk region</i>	Antufiev	1	24.12.2007	12.2012
<i>Stavropol Territory</i>	Gajewski	1	23.05.2008	05.2012
<i>Tambov region</i>	Betin	4	13.07.2010	07.2015
<i>Tver Region</i>	Zelenin	2	10.07.2007	07.2012
<i>Tomsk Region</i>	Cress	5	10.03.2007	03.2012
<i>Tula Region</i>	Dudka	3	29.04.2010	04.2015
<i>Tyumen Region</i>	Yakushev	2	24.11.2010	11.2015
<i>Udmurt Republic</i>	Volkov	3	20.02.2009	02.2014
<i>Ulyanovsk Region</i>	Morozov	3	08.04.2011	04.2016
<i>Khabarovsk Territory</i>	Shport	1	06.05.2009	05.2013
<i>Khanty-Mansi Autonomous Area - Ugra</i>	Komarov	1	01.03.2010	02.2015
<i>Chelyabinsk region</i>	Yurevich	1	22.04.2010	04.2015
<i>The Chechen Republic</i>	Kadyrov	2	05.04.2011	04.2016
<i>The Chuvash Republic - Chuvashia</i>	Ignatiev	1	29.08.2010	08.2015
<i>Chukotka</i>	Kopin	1	13.07.2008	07.2013
<i>Yamalo-Nenets Autonomous District</i>	Kobylkin	1	16.03.2010	03.2015
<i>Yaroslavl Region</i>	Vakhrukov	1	25.12.2007	12.2012

Source: <http://www.governors.ru>