

Russia

by Robert W. Ortung

Capital: Moscow
Population: 142.0 million
GNI/capita: US\$15,460

Source: The data above was provided by The World Bank, *World Bank Indicators 2010*.

Nations in Transit Ratings and Averaged Scores

	1999-2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	4.00	4.25	4.50	4.75	5.50	6.00	6.25	6.50	6.75	6.75	6.75
Civil Society	3.75	4.00	4.00	4.25	4.50	4.75	5.00	5.25	5.50	5.75	5.75
Independent Media	4.75	5.25	5.50	5.50	5.75	6.00	6.00	6.25	6.25	6.25	6.25
Governance*	4.50	5.00	5.25	5.00	5.25	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.75	6.00	6.00	6.25	6.50	6.50
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.75	5.75	5.75	5.75	5.75	5.75
Judicial Framework and Independence	4.25	4.50	4.75	4.50	4.75	5.25	5.25	5.25	5.25	5.50	5.50
Corruption	6.25	6.25	6.00	5.75	5.75	5.75	6.00	6.00	6.00	6.25	6.50
Democracy Score	4.58	4.88	5.00	4.96	5.25	5.61	5.75	5.86	5.96	6.11	6.14

* Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive SUMMARY

Over the past decade, Russia's government has become increasingly authoritarian. Boris Yeltsin's presidential tenure from 1991 to 1999 saw competitive, but tainted, elections, relatively free television discussions, an incipient civil society, and somewhat decentralized political power. However, it laid the groundwork for increasingly authoritarian rule with the 1993 tank assault on the Parliament, a super-presidential constitution, the first Chechen war, and extensive corruption. With the price of oil rising since 2000, Vladimir Putin was able to provide the country improved living standards and a higher international profile, but fewer of the Yeltsin-era gains in media freedom, electoral competition, and decentralization. High levels of corruption and a lack of judicial independence remained constant under both presidencies. Under Putin, the state greatly increased its control over the economy, in particular, over the lucrative energy sectors. While the Russian population is generally well-educated, it remains politically inert. With little prospect for change in the current leadership, the country continues to sink into a stagnant form of authoritarianism at home. As has been the case for almost two decades, Russia actively tries to undermine democratic developments in neighboring countries.

Since neither Prime Minister Putin nor President Dmitry Medvedev have ruled out the possibility of running for president in 2012, the current system seems likely to continue into the foreseeable future. According to the present model, leadership is focused on improving the Russian economy and maintaining a highly centralized political system. A culture of impunity is imbedded in Russia, where human rights activists and opposition journalists are killed, and the perpetrators are typically neither found nor prosecuted. This sends a strong signal to potential activists to avoid political engagement. The government has also failed to address on-going instability in the North Caucasus and its repressive tactics only seem to attract new recruits to the insurgency.

National Democratic Governance. While pundits continue to discuss the nature of the relationship between Prime Minister Putin and President Medvedev and the latter's ability to implement a program of modernization, all aspects of national governance remain intact from Vladimir Putin's presidency. Russia's key political problems include the insurgency in the North Caucasus and violence against journalists and human rights defenders. The Kremlin appears either unwilling or unable to address these issues. *Russia has an authoritarian system of government that gives its citizens few tools to hold their leaders accountable. Russia's rating for national democratic governance remains at 6.50.*

Electoral Process. 2009 marked a new low for elections in Russia. On October 11, Prime Minister Putin's United Russia won more than 70 percent of the seats in regional and local elections. Unaffiliated candidates won most of the other seats. The level of falsifications was so high that it provoked the usually quiescent, quasi-opposition parties in the Duma to stage a walkout. *This year the authorities continued to tinker with the electoral legislation, making it easier to eliminate unwanted candidates, and to ensure that there will be no surprises in the 2012 presidential elections. Russia's rating for electoral process remains at an abysmal 6.75.*

Civil Society. This year social activists continued to face physical threats and difficulties exercising their right to assembly. Nevertheless, there were numerous social protests during the year, particularly against government restrictions on imported cars. The authorities laid the legal-institutional groundwork for a crackdown on historians who challenge the state-supported portrayal of the past. However, in a positive development, the courts ruled a 2008 police raid of Memorial's offices in St. Petersburg illegal. Additionally, bloggers found new ways to use the Internet to mobilize groups and the frequency of racially-motivated crimes appeared to drop. *While there are some positive signs, the overall atmosphere for NGOs remains extremely difficult in light of the strict 2006 law governing their activities. Moreover, activists clearly remain vulnerable to attacks by unknown assailants in a system that fails to punish such perpetrators. Russia's rating for civil society remains at 5.75.*

Independent Media. Russia's main television broadcasters remain under tight central control, though free discussion continues on less popular outlets, such as Ekho Moskvy and opposition Web sites. Censorship increased and violence against journalists continued. *While future trends do not look promising as a business with close ties to the Kremlin is buying many of Russia's most popular Web sites, and regional leaders, like Chechen President Ramzan Kadyrov, use the threat of slander charges to pressure critical activists, Russia's rating for independent media remains at 6.25.*

Local Democratic Governance. Little changed in the area of local governance over the course of the year. Although the idea of returning to direct gubernatorial elections remains popular, Russia's leadership has no intention of restoring this practice. Rather, President Medvedev introduced superficial changes, allowing the top party in each region to prepare a list of gubernatorial candidates from which the president selects. Additionally, governors and city councils have new powers to remove elected mayors. *Local governments often lack the resources to meet their obligations and are subject to the political and budgetary whims of higher officials. The federal government has yet to effectively quell the violence in the North Caucasus. Russia's rating for local democratic governance remains unchanged at 5.75.*

Judicial Framework and Independence. Russia's court system remains under the shadow of prominent political cases, such as those surrounding Anna Politkovskaya and Mikhail Khodorkovsky. The former demonstrated the prosecutors' inability

to prepare an effective case, while the latter showed how the legal system is used for political purposes. Investigations into the death of lawyer Sergei Magnitsky in pre-trial detention revealed that the authorities denied him medical care in order to secure testimony against his client, Hermitage Capital Management, which alleged that corrupt officials had stolen its assets and public funds. *Judges remain beholden to their superiors and are pressured to produce convictions. Security services are increasing their ability to monitor private correspondence. Russia's penitentiaries remain unreformed with torture a common practice. Russia's rating for judicial framework and independence remains unchanged at 5.50.*

Corruption. Russia is one of the most corrupt countries in the world. Although President Medvedev has devoted considerable attention to the problem, his actions have had little effect. The long-festering problem of corruption in the police force became the focus of public attention in November when Aleksei Dymovsky, a police major in the Black Sea port city of Novorossiisk described the force's widespread abuses in a YouTube video addressed to the prime minister. The activity of organized crime syndicates has increased. At the same time, the authorities have continued to carry out illegal "corporate raids" on businesses. The decision to close the vast majority of Russia's casinos has not impacted this general trend. *Due to the growing prevalence of bribe-paying, the failure of the authorities to address widespread police corruption, and the growing use of sophisticated legal and illegal means to pressure business, Russia's rating for corruption deteriorates from 6.25 to 6.50*

Outlook for 2010. The global economic crisis changed the trajectory of Russia's economy from rapid growth to sharp contraction, which will undoubtedly put additional pressure on the federal and regional governments to increase spending to reduce social tensions. Russia's economy remains dependent on fluctuations in energy prices, though prices are currently high enough to maintain the status quo. Strains are likely to appear in the political system as the 2012 presidential elections approach, forcing Prime Minister Putin and President Medvedev to lay out their future plans. The most likely immediate source of problems for the regime includes an incompetent response to a natural disaster or large-scale industrial accident, a flare in North Caucasus violence, the exposure of direct links between officials and political assassinations, a dramatic decline in police discipline, or a spike in organized crime activity. The regime grows more fragile as it becomes less sensitive to society's feedback.

MAIN REPORT

National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	n/a	5.75	6.00	6.00	6.25	6.50	6.50

Russia has an authoritarian form of government, designed to secure the political and economic power of the current incumbent leaders who exert extensive control over society rather than being accountable to it. The formal system laid out in the constitution, which defines the president as the most powerful player, has little relation to the informal practices of the current system. Vladimir Putin established the overall framework of the political system during his presidency (2000–2008) and his successor, Dmitry Medvedev, has done nothing to change its core features. In December, Prime Minister Putin announced at his annual public question and answer session that he would “think about” running for president again in 2012.¹ Nevertheless, in the current Russian political system, there are several competing centers of power, which produce pluralism if not democracy.

The efforts of President Medvedev to modernize the country’s economy have proceeded without any real democratization of the political system. Regardless of his intentions, he lacks the political base that would allow him to implement his ideas. Rather, Putin-era personnel, typically with strong connections to Russia’s security agencies, maintain extensive control over the key levers of political and economic power.

There are few checks and balances of executive power. Prime Minister Putin controls the United Russia party, which uses his personal authority to maintain a super majority in the national Parliament and to dominate the regional executive and legislative branches. The Parliament plays no important, independent role in Russian politics.

The national system of governance ensures political stability through repression. The state fosters a culture of impunity by failing to prosecute those responsible for the murders of prominent individuals who dare to oppose it. A number of high profile murders took place in 2009, including the assassinations of Stanislav Markelov (human rights lawyer), Anastasia Baburova (journalist), and Natalia Estemirova (outspoken critic of Ramzan Kadyrov’s Chechnya). Furthermore, in his November 12 address to Parliament, President Medvedev warned the opposition not to use democracy as a cover to “destabilize the state and split society.”

The on-going insurgency in the North Caucasus, where hundreds of security officers, fighters, and innocent citizens are killed each year, continues to be the country’s most formidable challenge. In Chechnya, the Kremlin-installed president, Ramzan Kadyrov, has established unquestioned rule over the once rebellious region and largely, but not completely, has eliminated opposition fighters. In Ingushetia, Dagestan, and parts of Karbardino-Balkaria, the authorities face rampant violence

from the insurgency. In Ingushetia, fighters seeking independence and the establishment of an Islamist state launched an attack on the president that left him in a coma for several weeks and blew up a police station, killing more than 20 policemen.

The global economic crisis is unlikely to provoke political change in the short to medium term; the government has too many economic and coercive tools to prevent it. Economic deprivation or a potential break in the social contract through which Russian citizens trade loyalty to the regime for increased standards of living, is unlikely to be a source of social protest.² According to the Bank of Finland, while real incomes grew 10 percent per year during Putin's presidency, they declined through 2009, dropping 5 percent year-on-year in September. The Russian government has increased public spending to address this decline.

With the state controlling television and limiting the topics allowed for popular debate, Russia has few ways of generating new ideas. The absence of competitive elections also means that young people with innovative solutions face numerous obstacles in implementing change. The practice of setting up a "personnel reserve", basically lists of individuals compiled by the Chief of the Presidential Administration, Sergei Naryshkin and his first Deputy, Vladislav Surkov, to identify highly-qualified people is a poor substitute for open competitions.

Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.00	4.25	4.50	4.75	5.50	6.00	6.25	6.50	6.75	6.75	6.75

Russia's electoral system continues to deteriorate, allowing the authorities to control the outcomes of elections while depriving citizens of an important opportunity to hold public officials accountable. As a result, an increasing number of voters simply stay at home during the elections. Official turnout for the regional and local elections on October 11 was just under 40 percent, and turnout for the Moscow city legislative elections held the same day was 35.6 percent.³ In some parts of the North Caucasus, turnout was suspiciously high, exceeding 90 percent, raising concerns about ballot stuffing. In such conditions, the electoral system no longer provides valuable feedback to leaders, but rather tells the authorities what they want to hear.

Russia again fine-tuned its electoral legislation in 2009 making it easier for authorities to disqualify unwanted candidates from competing in elections. Federal legislation eliminated the possibility to pay a cash deposit to participate in the election. Instead, candidates must collect signatures in order to run. The authorities frequently abuse this procedure as a way of disqualifying opposition candidates with allegations that an unacceptably high percentage of the signatures they collected are invalid. In the Moscow city elections, the authorities ruled that 100 percent of the signatures collected by Ilya Yashin of the opposition party Solidarity (Solidarnost) were invalid.⁴ Ultimately, none of the seven Solidarity candidates and only one of four Right Cause candidates was registered. In his November 12 address

to Parliament, President Medvedev called for abolishing the signature requirement in the future, but without setting a timeline for doing so or identifying a better method for putting candidates on the ballot.

In nine regional parliamentary elections held in March, Prime Minister Putin's party, United Russia, won a majority of seats but was down by about 10 percent of its usual support base.⁵ United Russia candidates also did poorly where there was real competition from other parties.

Yet in October, United Russia scored a crushing victory in elections for three regional Parliaments and a variety of local offices in 76 regions. According to the Central Electoral Committee, of the 42,361 regional and local offices filled that day, United Russia won 29,687 or 70 percent.⁶ Unaffiliated candidates won 24 percent of the seats, while the Communist Party, Just Russia, and the Liberal Democrats took 3, 2, and less than 1 percent, respectively. The extra-parliamentary opposition won a handful of seats across the country. According to the Central Electoral Commission's data, United Russia candidates had a much easier time gaining registration: only 0.5 percent of their candidates were denied a place on the ballot, while similar figures for Patriots of Russia were 54 percent; Pravoje Delo, the Kremlin-initiated rightwing party, 26 percent; and Yabloko, the opposition party, 33 percent. The election results were so obviously falsified that Duma members from the Communist Party, Liberal Democratic Party, and Just Russia walked out of the parliament in a short-lived protest.

Even in the current harsh electoral conditions, some signs of competitiveness remain, with the courts responding to challenges to United Russia's sweeping victories. In Moscow, Yabloko party leader Sergei Mitrokhin proved in court that election results were falsified in the precinct where he had voted, as precinct figures claimed that there had been zero votes for Yabloko and no spoiled ballots. Similarly, in Derbent, Dagestan, the city court cancelled mayoral election results after the incumbent United Russia mayor won 67 percent of the vote, despite the fact that one third of the polling stations remained closed on election day. Additionally, where local mayoral elections are held more or less openly, the challenger replaces the incumbent in approximately one out of every two races.⁷ The disputed October 11 mayoral election in Astrakhan ended in weeks of protests after Just Russia's opposition candidate, Oleg Shein, claimed that incumbent Mayor Sergei Bozhenov of United Russia, had stolen the election. The city electoral committee had originally denied Shein registration, but ultimately registered him.

Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.75	4.00	4.00	4.25	4.50	4.75	5.00	5.25	5.50	5.75	5.75

The Russian state continues to exert intense pressure on Russian civil society, making it difficult for citizens who disagree with government policy to found organizations, assemble to express their points of view, and influence state

decision-making. According to the Charity Aid Foundation, there are currently more than 215,000 nonprofit organizations in Russia.⁸ But rather than joining an active civil society organization, most Russians prefer to send letters to the country's top leaders or appeal to Prime Minister Putin during his televised call-in shows, seeking high level intervention to solve their various problems.⁹

Opposition activists continue to face physical attacks, sometimes deadly, and pressure from the state. The body of Andrei Kulagin, the head of Justice, a regional organization seeking better conditions in Russia's prisons and colonies, was discovered near Petrozavodsk on July 22, two months after his disappearance. Albert Pchelintsev, leader of the Movement Against Corruption, Deceit, and Disgrace, was shot in the face in Khimki, near Moscow, that same week. Pchelintsev had received repeated threats seeking to silence his criticism of local officials. In March, unknown assailants assaulted Lev Ponomarev, the head of For Human Rights.

Russia's 2006 nongovernmental organization (NGO) Law places harsh restrictions on the activities of nongovernmental organizations. This legislation forces groups to deal with extensive red tape even as they face entangling law suits, physical attacks, and hostile statements from officials. In July, President Medvedev signed into law amendments to simplify registration and reporting procedures, and to make inspections less frequent. The legislation also limited the range of documents that the state could request from organizations. While a positive move, these changes are only initial steps in improving the overall atmosphere for social organizations.

The global economic crisis has created an even more difficult fundraising environment for NGOs. Over half of the country's NGOs claimed revenue drops of 25 percent or more in the last year, and almost a quarter of these organizations said that they are likely to close as a result of poor economic conditions.¹⁰ On July 15, Prime Minister Putin produced a list of 14 domestic foundations whose grants are tax free under Article 217 of the tax code. In 2008, the government had produced a list of 12 foreign funders who could work tax-free financing Russian science, education, culture, and arts. The government has yet to provide criteria to explain why some organizations are tax exempt and others are not.

The Russian government provided 1.2 billion rubles (approximately US\$40 million) to a select group of non-political NGOs and has made progress in promoting aid to the disabled.¹¹ On May 6, a St. Petersburg court upheld an earlier court ruling declaring that the police raid of the city's Memorial office on December 4, 2008 was illegal because no lawyer had been present at the time of the raid. The court order forced the police to return Memorial's databases, which included extensive information about victims of Stalin-era repression. The court did rule, however, that the raid was "justified" even though it was carried out in an illegal manner.

The economic crisis gave steam to social protest movements and trade union activity. According to a Web site associated with opposition leader Gary Kasparov, Russians took part in a wide variety of public demonstrations focusing on environmental, urban planning, road building, and local political issues.¹²

Automobile associations, especially the Association of Initiative-taking Citizens of Russia (TIGR) and the Federation of Automobile Owners of Russia, were particularly active in challenging governmental attempts to restrict car imports. Lacking institutionalized ways to influence state policy, the organizations used street protests to make themselves heard.

Although less organized than NGOs, bloggers have begun using the Internet to put pressure on the authorities. Members of a newly-formed group, Aging with Joy (*Starost v Radost*), organized an online protest after an activist wrote a post about poor conditions in a care facility for the elderly in Yamm, Pskov Oblast. As a result, the governor was forced to intervene, removing the incompetent director and relocating the residents to facilities with better conditions. Such actions demonstrate the possibilities and limits of civil protests in Russia; while the activists were able to provide concrete help to needy individuals, it frequently takes a national effort on behalf of people who do not politically threaten the regime to make change.

The government undermined pluralism by seeking to impose what it considered an acceptable version of Russian history. On May 14, President Medvedev issued a presidential decree creating a Commission for Countering Attempts to Falsify History to the Detriment of Russia's Interests. The commission includes professional historians, members of the Duma and Public Chamber, and representatives from the foreign and domestic security services, the Ministry of Defense and the Ministry of Foreign Affairs. The commission seeks to expose "falsifications" of Russian history that can allegedly hurt the country and develop measures to counter them.¹³ Russian critics denounced the decree as reflecting a totalitarian ideology aimed at defending Stalin's record, and called for a full investigation of the Stalin era. In a similar vein, authorities filed a case against Professor Mikhail Suprun and Police Colonel Aleksandr Dudarev for collecting information about German and Polish political prisoners held in the Soviet Union during and after WWII. The authorities accused Suprun and Dudarev of illegally revealing the victims' personal data. In September, the Federal Security Service (FSB) searched Suprun's apartment and confiscated his computer.

The SOVA watchdog group that tracks racist and neo-Nazi attacks reported a drop in hate crimes during 2009. Over the course of the year, at least 60 people were murdered, including anti-fascist activist Ivan Khutorskoy, and no fewer than 306 were injured in violent hate crimes. In 2008, at least 110 people died and 486 were injured.¹⁴ Despite the declining numbers, neo-Nazism remains a serious problem in Russia. SOVA found that law-enforcement officials, the mass media, and pro-government youth groups promoted xenophobia. Additionally, while the overall number of attacks dropped in 2009, the difficulties spurred by the economic crisis increased the number of attacks against immigrants and fueled rumors that immigrants were committing criminal acts.

Also in 2009, President Medvedev signed an order introducing religious education into public schools. The plan is to conduct pilot programs in 18 regions and to introduce religious education in all regions in 2012. Starting in the spring of 2010, parents of students in the fourth and fifth grades can choose for their

child to learn about one of three new subjects twice a week: the religious culture of one religion (Orthodox Christianity, Islam, Judaism or Buddhism), the history and cultural background of the world's great religions, or the foundations of secular ethics. Critics worry that introducing religion into public schools will inevitably favor Orthodox Christianity, as the new head of the church, Patriarch Kirill, is one of the most powerful leaders in the country.¹⁵ At the same time, the U.S. Commission on International Religious Freedom placed Russia on its watch list of 11 countries after the Justice Ministry created an Expert Religious Studies Council with wide powers to investigate religious organizations for an array of reasons, including extremism.

Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.75	5.25	5.50	5.50	5.75	6.00	6.00	6.25	6.25	6.25	6.25

The country's media outlets remained under extreme pressure in 2009 and the issue increasingly became one of international concern. Anastasia Baburova, a journalist for *Novaya Gazeta* was murdered in January as she apparently tried to protect Stanislav Markelov, a human rights lawyer who fought Russian abuses in Chechnya. Natalya Estemirova, a human rights activist who worked closely with Anna Politkovskaya, and Vyacheslav Yaroshenko, editor of the Rostov-on-Don newspaper *Korrupsiya i Prestupnost* (Corruption and Crime), also died at the hands of assassins.

According to the Committee to Protect Journalists (CPJ), Russia is the third most dangerous country in the world for journalists and ninth worst for prosecuting crimes against journalists.¹⁶ Furthermore, of the 17 journalists murdered since 2000, the masterminds behind the assassinations remain at large in every case and the actual killers have been convicted in only two cases.¹⁷ In June, the International Federation of Journalists reported that the Russian authorities are much quicker to prosecute the killers of journalists who are murdered in ordinary homicides than those killed while working.¹⁸ All of the murdered journalists were involved in investigative reporting that threatened powerful interests in business, government, law enforcement, and criminal groups. The result is extensive self-censorship and selectivity among journalists. For example, the national media rarely offers any serious discussions of the problems facing “Monotowns,” or cities that exclusively depend on the output of one factory. The Russian media rarely covers the brutality of the pro-Moscow Chechen leadership, preferring instead to focus on the success of Kadyrov's stabilization policies.¹⁹

Unacceptable obstacles often prevent journalists from doing their work. RusHydro expelled an Interfax reporter from its Sayano-Shushenskaya hydropower plant, where a flood killed 75 people on August 17, because the journalist refused to let the company edit his report.²⁰ Internet journalist Mikhail Voitenko received

threatening phone calls and fled Russia after writing investigative articles for his Web site about the *Arctic Sea*, a Russian cargo ship that disappeared for a couple of weeks while at sea during the summer. Similarly, the pro-Kremlin youth group Nashi held rallies outside the house of Alexander Podrabinek, a journalist whose publications its members claimed insulted WWII veterans. One of Podrabinek's articles praised dissident veterans who fought against the Soviet authorities, whose abuses he denounced.²¹

Russia's most influential television broadcasters remain under tight state control. At the same time, politically sensitive discussions, relatively free of censorship, take place on the radio station Ekho Moskvy, and through the Internet. Approximately one quarter of Russian households are connected to the Internet, but access is greatly concentrated in the larger cities. The possibility of greater state oversight on the Internet remains. Over the course of the year, Alisher Usmanov's investment company, Digital Sky Technologies acquired control over key Russian portals and Web sites including: LiveJournal, Mail.ru, VKontakte and Odnoklassniki.ru, —popular blogging, e-mail, and social networking Web sites, respectively. Visits to these sites make up over 70 percent of all page views.²² The authorities have discussed blocking Internet phone services like Skype, claiming that they cut into the business of cell phone providers.

Like their counterparts in other countries, the struggling Russian media was hit hard by the economic crisis. Newspaper and magazine revenues fell by 45 percent in the first half of 2009. Nevertheless, during that period, advertisers spent 5 percent more on the Internet than they had the previous year.²³

Regional media continue to work in difficult conditions. Content providers generally rely on external funders, either the local governor or businessmen. In addition to the revenue lost due to the economic crisis, some regional governments have also cut media budgets. Most newspapers are willing to sell space to politicians, businessmen, and even organized crime syndicates. Self-censorship is pervasive among journalists and editors in the regions. Nevertheless, despite these hardships, many of the newspapers that provide political and economic information were less affected because they receive support from businessmen who are, in some cases, insulated from the crisis.

The authorities use charges of slander to silence critical activists. On October 6, a Moscow court found Oleg Orlov, the head of Memorial, guilty in a defamation suit for claiming that Chechen President Akhmad Kadyrov was responsible for the murder of Natalia Estemirova. Memorial had to publish a refutation on its Web site and pay 50,000 rubles (US\$1,700), while Orlov faced a fine of 20,000 rubles (US\$700). The Moscow police also opened a criminal case against Orlov later that month on similar charges. Orlov protested his innocence, saying he claimed that Kadyrov was not "involved" in the murder, but culpable for it.

Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	n/a	5.75	5.75	5.75	5.75	5.75	5.75

The centralization of political and economic power away from the regions was a defining reform of the Putin era. During his tenure as president, Putin made it difficult for regional interests to gain representation at the federal level through his reform of the Federation Council, and current President Medvedev has proposed no real solution to fix this problem. In 2005, direct gubernatorial elections were replaced with presidential appointment of governors following the formal approval of regional legislatures. President Medvedev modified this process by requiring the political party with the most seats in the regional legislature—typically Prime Minister Putin’s United Russia—to nominate at least three potential candidates for governor, from which the president must select one. Since the Kremlin began appointing governors it has replaced approximately half of the regional executives.²⁴

On November 10, President Medvedev used the first gubernatorial appointment based on party recommendations to remove Sverdlovsk’s Eduard Rossel, a 72-year-old Yeltsin-era heavyweight governor who had held the position for 18 years and was an independent politician with his own base. The president replaced him with former deputy transport minister Alexander Misharin, a 50-year-old career railway engineer, likely to be much more dependent on the Kremlin.

A June poll conducted by the Levada Center revealed that an estimated majority of 57 percent of Russian voters support the return to gubernatorial elections. 20 percent prefer the current practice, and 23 percent voiced no opinion.²⁵ The president has said that he is firmly opposed to returning to a system in which governors are directly elected by the people.²⁶

Governors hold significant power in their regions as long as they maintain stability and deliver the necessary votes for the Kremlin. While governors have lost control over local law enforcement and some financial flows, they still maintain important levers of power by controlling some budgetary funds, local public property, and the ability of individuals to conduct business. In an innovative move, President Medvedev appointed former opposition leader Nikita Belykh governor of Kirov Oblast and has given him some visibility. Belykh is tasked with the challenge of improving the quality of life in one of Russia’s most depressed regions. But, as a liberal, he faces enormous opposition from the local legislature, which has blocked him from installing his own team of assistants.

Local governments remain underfunded and constantly struggle to maintain control of the resources they currently possess. In May, the president signed into law a provision allowing governors and city councils to initiate the removal of elected mayors for a wide range of reasons.²⁷ Perm Governor Oleg Chirkunov was the first to use the new provision in July, when he ousted Yuri Vostrikov, the Mayor of the city of Chaikovsky, accusing him of not carrying out his duties diligently. The courts turned down Vostrikov’s appeals to be reinstated. City Duma deputies have also initiated impeachment proceedings in other regions.

Mayoral elections, a slowly disappearing institution, have become the only arenas for real political contests in the country. In March, Prime Minister Putin's United Russia lost mayoral elections in Smolensk and Murmansk and nearly lost in Tomsk. In Sochi's mayoral election, opposition candidate Boris Nemtsov put up a fight, but never had a chance against the United Russia incumbent in the city set to host the 2014 Olympics. In Derbent, the court overturned the apparent victory of a United Russia incumbent. At the end of the year, United Russia sought to end the direct election of mayors through new legislation.

The North Caucasus remained mired in violence throughout 2009 even after Moscow's April decision to lift the special anti-terrorist regime it had imposed on the region. After Natalia Estemirova's murder, Zarema Sadulayeva, an activist who headed an organization aiding disabled children and victims of the military campaigns in Chechnya was killed along with her husband, Alik Dzhabrailov, on August 11. On October 25, Maksharip Aushev, a prominent Ingush opposition leader and rights defender was murdered. He had been a close associate of Magomed Yevloyev, owner of the critical Ingushetiya.ru Web site, who was killed in 2008. Aushev headed the independent Web site Ingushetia.org, the successor to Ingushetiya.ru. In 2009, an Ingushetia court sentenced the policeman who killed Yevloyev to a two-year prison term.

The on-going violence makes clear that Moscow's strategy of buying off local elites in the North Caucasus to promote stability has not worked. The extremists benefit from widespread corruption and the strong-arm tactics of the police and security forces, who continue to antagonize the local population. Many educated people have left the North Caucasus and militant Islamism is on the rise. The bombing of a police station in Ingushetia on August 17 that killed more than 20 people was by far the worst attack in the region in many years. The attack reflects the emergence of a new generation of insurgents, led by Sheikh Said Abu Saad Buryatskii, which is attracted to Islamism and jihadism rather than Chechen independence.

Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.25	4.50	4.75	4.50	4.75	5.25	5.25	5.25	5.25	5.50	5.50

Russia's legal system remains under the dark shadow cast by the numerous high profile cases which suggest political and business influence on court cases. According to President Medvedev, "[Human rights abuses] are so numerous because there is no effective judiciary system."²⁸ Politicians and businesses in Russia typically use the law as a means to advance their interests. In a positive development, the Constitutional Court confirmed the existing ban on the death penalty on November 20, pointing out that Russia's international commitments required such a move.

Hermitage Capital Management lawyer Sergei Magnitsky died on November 16 in pre-trial detention, after accusing officials of financial misconduct. His

untimely death provided evidence that the authorities had tortured him and denied him medical care in order to secure testimony against his client. Hermitage alleged that corrupt officials had stolen its assets and public funds. Following Magnitsky's death, the president removed Federal Penal Service leaders in Moscow and other regions, announced a reform of the Interior Ministry, and removed a key official who was allegedly involved in the fraud surrounding the Hermitage case. At the end of the year, President Medvedev signed a law allowing courts to sentence some criminals to house arrest. However, there is little money to carry out this reform. There is also no sign that the government will replace the current prison guards, whom critics charge with torturing inmates. Moreover, the fact that the president did not dismiss the high-ranking official who put Magnitsky in prison casts doubt on whether President Medvedev has the institutional clout to overhaul Russia's law enforcement system.

The failed effort to bring the murderers of Anna Politkovskaya to justice is emblematic of the problems facing Russia's legal system. Neither the gunman nor the individual who ordered her murder have been found. On February 19, three men accused of helping to organize the murder were found not guilty. The verdict reflected the failure of the investigators and prosecutors to put together a convincing case. Nevertheless, in June the Supreme Court overturned the conviction and ordered a retrial, and in September, the court called for a new investigation to find out who had ordered the murder.

Likewise, the cases of Mikhail Khodorkovsky and Platon Lebedev returned to the spotlight. As the two men came near to the end of their eight-year prison terms, the authorities filed a new set of charges against them and launched a second trial against Khodorkovsky. According to defense lawyers, the charges against Khodorkovsky and Lebedev are absurd since, among other things, prosecutors claim that the two men physically took possession of and embezzled more than 350 million metric tons of oil.²⁹ The European Court of Human Rights ruled that Lebedev's original arrest was illegal at the end of 2009, and the Russian Supreme Court confirmed that decision.

The year saw fewer jury trials, more pre-trial detention, more closed hearings, and more use of confessions obtained under torture.³⁰ Fewer than 600 cases a year go before juries in Russia. Jury trials require much higher standards of evidence and debate than those taking place before judges, who tend to be more sympathetic to the prosecution. Judges have ignored European guidelines on pre-trial detention and often do not provide reasons for imposing this form of restraint. Convictions are frequently based on confessions obtained through torture, and the Supreme Court has prohibited revealing the reliability of evidence to jurors. In August, President Medvedev proposed reducing the use of jury trials for cases involving organized crime. Activists complained that the proposal shielded police who use brutal methods to extract confessions. In 2008, Russia barred juries from hearing cases dealing with terrorist, kidnapping and other acts.

In an unusual display of criticism, Constitutional Court Justices Anatoly Kononov and Vladimir Yaroslavtsev openly declared that judges were not

independent in Russia since they faced extensive pressure from the executive branch. Kononov, who had been on the Court since its founding and was well known for his dissenting opinions, was forced to resign from the court as a result; Yaroslavtsev remains on the bench.

Judges have little scope for independence in controversial or politically important cases because they are beholden to their superiors (court chairmen) for promotions and a variety of perquisites. Court chairmen are picked by the president and beholden to the executive branch. None of the recent reforms introduced into the Russian legal system address this fundamental problem. The court chairs typically assign cases to judges, and can choose reliable judges for important cases. The court chairs also give bonuses up to 200,000 rubles (US\$7,000) to judges. With salaries varying between 18,000 (US\$600) and 30,000 rubles (US\$1,000), such bonuses can be a vital part of a judge's income.³¹ On April 2, the Supreme Court overturned the removal of Volgograd Judge Elena Guseva, who had refused to provide regular reports to her chair on all cases involving officials or governmental bodies. This represented a positive development, but one that is unlikely to introduce much change into the system. However, in October, legislation replaced a three-year probationary period with lifetime appointments for Russian judges.

Other forms of pressure are extensive. Acquittals make up less than 1 percent of the cases heard by judges, and “not guilty” verdicts are reportedly 30 times more likely to be challenged by higher courts than convictions.³² This places clear pressure on judges to secure convictions. Additionally, on June 2, President Medvedev replaced the election of the Constitutional Court chairman and his deputies behind closed doors by the members of the court with presidential appointment and Federation Council approval, giving the executive more leverage over the court.

Witnesses are frequently subject to threats with little protection from authorities. Nearly half of the 10 million people who testify each year in criminal trials receive threats, according to Oleg Zimin, the head of the Interior Ministry's Witness Protection Program.³³ The authorities provide protection for only 20,000 of these 5 million.³⁴

Disillusioned with the domestic judicial system, many Russians appeal to the European Court of Human Rights (ECHR), where they often prevail. Russia continues to formally accept ECHR rulings, but rarely changes its practices to reflect them. Human Rights Watch charges that Moscow pays fines to the ECHR on cases dealing with Chechnya, but does not implement ECHR's requested policies. Oleg Orlov, the leader of Memorial, calls these fines a “tax on impunity.”³⁵ Russia continues to be the only country that has not ratified Protocol 14, which streamlines court activities. However, at the end of the year, the president asked the Duma to consider doing so.

The security agencies are increasing their ability to monitor private citizens. On July 21, a Communications and Press Ministry decree came into force that allowed security agents to search mail without gaining a court order. This is in clear violation of Article 23 of the Constitution, which provides privacy of correspondence. Although the Procurator General ruled the decree illegal, on September 11 the

Supreme Court confirmed its legitimacy and on November 19, the Cassation Collegium, an appeals board, let the decision stand. According to the Supreme Court's Judicial Department, requests for search warrants, phone taps, and mail searches have been increasing.³⁶

Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6.25	6.25	6.00	5.75	5.75	5.75	6.00	6.00	6.00	6.25	6.50

Russia's leaders have defined corruption as a major problem confronting their country, but they continue to adopt measures with little effect. President Medvedev introduced an extensive package of anticorruption reforms at the end of 2008. The signature feature of the proposals forced top public officials to declare their incomes, and many have complied. But critics point out the various loopholes for bureaucrats and that there is no assurance that irregularities will be investigated. A December 4 nightclub fire in Perm that killed more than 150 people put a tragic human face on the problem, demonstrating that corrupt public officials and inspectors often do not do their jobs to protect the public.

International observers rank Russia as one of the most corrupt countries in the world. Since the financial crisis began, 71 percent of surveyed firms said they have fallen victim to economic crime, and nearly half of the respondents live in fear of their assets being stolen, according to PricewaterhouseCoopers. Transparency International (TI)'s 2009 Corruption Perceptions Index ranked Russia 146 out of 180 countries surveyed with an absolute score of 2.2 on the 10-point scale. Similarly, Russia ranked 120th in the World Bank's 2009 "Doing Business" report, which evaluates business-related laws and regulations in 183 countries. The report pointed to Russia's construction sector bureaucracy as the country's weakest area because it takes 704 days, 54 procedures, and more than 2,141 percent of per capita income to acquire permits for a project.³⁷ Furthermore, Ikea suspended new investments in Russia for two months complaining about corruption among local utility companies and courts.

TI's Russia chapter has reported an increase in corruption inside the country, with survey results showing that 29 percent of Russians admitted to having bribed an official in 2009. The comparable figure for 2007 was 17 percent, and the global average is 13 percent.³⁸ Fifty percent of Russians felt that President Medvedev's high-profile efforts to combat corruption were futile, however, the percentage of those who considered his efforts effective climbed to 21 percent in 2009 from 12 percent in 2007.

The long-festering problem of corruption among the police force was a focus of public attention in November when Aleksei Dymovsky, a police major in the Black Sea port city of Novorossiisk, described the force's widespread abuses in a YouTube video addressed to Prime Minister Putin. Dymovsky claimed that the police ordered false arrests, planted drugs on innocent suspects, and took bribes.

Three days after posting the video, Dymovsky was fired for allegedly slandering his colleagues. Nevertheless, other police officers have followed Dymovsky's example by stepping forward and describing problems on their own city's forces.

In October, even as the extent of police corruption became apparent, the president signed new legislation on organized crime to give the state additional powers in dealing with the problem. Authorities can now arrest syndicate leaders who help plan, but do not commit, crimes. They can also arrest syndicate members for attending meetings to coordinate their activities. According to a report released by the president with the proposed law, the amount of criminal activity associated with the mafia has increased in recent years. The October killing of Vyacheslav Ivankov, a criminal leader known as Yaponchik, suggests that a deadly turf war is under way among major, organized crime groups in Moscow. Yaponchik sought to broker an agreement between the groups, but apparently ran afoul of ambitious younger thugs who were not willing to abide by the rules of the older generation. In a surprising move, Russia closed the vast majority of its casinos and banished gambling to four zones far from population centers on July 1. This move was seen as a frontal attack on an industry long associated with money laundering and organized crime.

Doing business in Russia remains a dangerous proposition. Illegal, hostile takeovers through so-called corporate raiding is a big problem for Russian companies. In such raids, outside groups take ownership of a company through a combination of legal and illegal means, including forced bankruptcies, inside connections, police and tax inspector raids, and violence. Additional techniques may involve the use of insiders at banks to take over firms with large assets. In the case of Hermitage Capital Management, police and tax officials appear to have used Hermitage assets to arrange an illegal US\$230 million tax refund.³⁹ Successful entrepreneurs must spend a great deal of resources to protect themselves.

President Medvedev has sought to reduce some of the most egregious links between the state and business and has announced plans to reorganize state corporations dealing with industries ranging from automobile production to developing nano technologies. Prime Minister Putin established the state corporations during his presidency to strengthen the state's hand in controlling entire sectors of the economy. At President Medvedev's order, the Procurator General conducted a study and announced on November 10 that the corporations had used state money ineffectively and inappropriately, violated tender and outsourcing rules, and paid questionable bonuses to employees. This investigation does not affect the state's extensive control over Russia's energy sector.

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