

ELECTION OVERVIEW

GOVERNORS: FROM PRESIDENTIAL APPOINTMENT TO POPULAR ELECTIONS

Although their positions have existed for five years, the majority of Russia's regional executives, or governors as they call themselves in the Russian pre-revolutionary style, will face the voters for the first time this fall. While the idea of electing the governors existed from the start, most of them were in fact appointed by President Boris Yeltsin. Between now and 1 January 1997, 50 regional executives will submit to the popular will, joining the 16 who have already stood for election. (The presidents of the Adygeya and Kabardino-Balkariya republics will stand for re-election in January, since their terms in office expire then).

An August 1991 Russian Supreme Soviet decree created the post of governor in all of Russia's six krais, 49 oblasts, 10 autonomous okrugs, and the Jewish Autonomous Oblast. (The mayors of Moscow and St. Petersburg were initially elected in June 1991.) Governors were supposed to replace the former obkom Communist Party first secretaries who were the de facto regional leaders of their territories. The decree made governors accountable to the president and the regional legislatures.

According to a law passed by the Supreme Soviet in October 1991, the governors were to be popularly elected by the end of that year. But a week later, the Russian Congress of People's Deputies acceded to President Yeltsin's request that the elections be postponed until December 1992. By early 1992, governors--or at least acting governors--were appointed to all krais, oblasts, and okrugs.

The appointment of governors led to a conflict between the president and his appointees, on the one side, and regional legislatures, which had to approve the new regional executives, on the other. The soviets, which had been elected in 1990 and often had strong links with the local party organizations, did not want to allow Yeltsin's reformers to take over regional management. However, in many cases, the new executives turned out to be recycled apparatchiks, often former secretaries of the regional Communist Party branches, and not particularly disposed toward reform. But even in these cases, in spite of the similar ideological attitudes shared by the legislatures' members and the new governors, they continued fighting each other for supremacy in their regions.

In December 1992, when the moratorium on gubernatorial elections expired, the Supreme Soviet again postponed elections for another two years. However, in some regions gubernatorial elections were permitted, especially where the regional legislature passed a vote of no confidence in the governor. As a result, elections were held during the spring of 1993 in eight regions (Amur, Bryansk, Chelyabinsk, Lipetsk, Orel, Penza, and Smolensk oblasts and Krasnoyarsk Krai). These elections confirmed Yeltsin's fear that popular elections would return leaders who were more anti-reformist and independent than the bureaucrats he had appointed. Only in Krasnoyarsk did the incumbent win re-election. In all other regions, Yeltsin's appointees were defeated by candidates backed by local Communist organizations (although many of them later became Yeltsin supporters and joined the pro-government Our Home Is Russia bloc in 1995).

After some governors turned against Yeltsin during his October 1993 clash with the parliament, he issued a decree giving himself exclusive authority to appoint and dismiss regional executives. Recalcitrant governors, some of them elected, were soon replaced, including Aleksandr Surat of Amur Oblast and Yurii Lodkin of Bryansk Oblast.

In December 1993, Yeltsin permitted all governors to stand for the parliamentary elections, and 34 of them were elected to the Federation Council, the parliament's upper house. The incumbents' success paradoxically gave Yeltsin an additional excuse to postpone gubernatorial elections once again (this time until 1996), since he could argue that his nominees had proved through electoral victories that they had popular support.

The reaction from the regions to the constant postponement of gubernatorial elections was mixed. Regional legislative bodies, which themselves had been elected in late 1993 and early 1994, bombarded the president with requests to allow them to call gubernatorial elections. On the other hand, the Union of Russian Governors, which consisted of more than 40 regional administration heads, supported the postponement arguing that there was no appropriate federal and local electoral legislation. Meanwhile, some governors, who were confident of their re-election prospects and hoped to gain more independence from both the president and their regional legislature, sought permission to seek a popular mandate.

Although Yeltsin did not order gubernatorial elections everywhere, he did make a few exceptions. Yurii Nozhikov won re-election in Irkutsk in March 1994. Under pressure from the regional legislature, Yeltsin agreed

to a gubernatorial election in Sverdlovsk Oblast which was scheduled for August 1995. In that vote Eduard Rossel, the regional administration head in 1991-1993, defeated Our Home Is Russia candidate Aleksei Strakhov, a 1994 presidential appointee. Yeltsin had fired Rossel for declaring an independent Urals Republic on the oblast's territory during the presidential clash with the Supreme Soviet in October 1993.

In September 1995, Yeltsin issued a decree ordering gubernatorial elections to be held in December 1996 in all those regions where his appointees were still in charge. The timing ensured that his appointees would still be in place for the 1996 presidential election. However, to satisfy the demands of local legislative bodies, Yeltsin allowed gubernatorial elections in 12 regions (Moscow, Nizhnii Novgorod, Novgorod, Tomsk, Tver, Tambov, Omsk, Orenburg, Belgorod, Yaroslavl, and Novosibirsk oblasts and Primorskii Krai). This list included only regions where the governors were in strong positions and pro-Yeltsin. The results of the races, held in December 1995, generally confirmed Yeltsin's expectations. The incumbents won in nine of the regions; in the other three, they were defeated by candidates supported by the Communist Party.

After its defeat in the presidential elections, the communist and nationalist opposition are seeking revenge during the fall gubernatorial elections. If Yeltsin's opponents succeed, they could change the balance within the Federation Council, which now is mainly composed of Yeltsin supporters, and more effectively block presidential policies in both houses of the parliament. On the other hand, the pro-government organizations have declared their intention to back a single candidate in each region, including many of the current incumbents who have vast resources to win over popular support. -- Anna Paretskaya

CONFUSION REIGNS IN ELECTING REGIONAL LEGISLATURES

The controversy and confusion surrounding the elections to the Russian regional legislatures was perhaps even greater than that around the gubernatorial elections. Although representative bodies had been elected in Russia during the entire Communist era, the new relatively independent and effective legislative bodies took their first halting steps only in 1990.

After many regional and local soviets opposed President Yeltsin in his conflict with the federal parliament in October 1993, Yeltsin ordered them disbanded and called elections for new legislatures. These new bodies would have fewer members and work on a professional basis (i.e. with full-time deputies who did not simultaneously hold other posts). The president hoped that the new legislatures would be more productive and less politicized. Most of these elections were held in late 1993--early 1994. The new legislatures were elected for two-year terms, as stipulated by a November 1993 presidential decree.

As the expiration of their terms drew near, Yeltsin issued another decree postponing elections until December 1997 and ordering the current legislatures to extend their terms in office. Some of the legislative assemblies obeyed the presidential decree immediately and prolonged their authority for another two years. However, the State Duma, several regional legislatures, and individual citizens challenged the decree, claiming that any postponement of regional legislative elections would be a violation of the voters' constitutional rights.

After some regional courts ruled that the decree postponing the elections was not legal, Yeltsin issued another decree in March 1996 allowing regional legislatures to set the dates for regional elections on their own. The Duma called on regional legislative bodies to hold elections on 16 June, the same date as the presidential poll, and asked those legislatures which had already extended their terms in office according to the September 1995 presidential decree to suspend this decision. However, the Central Electoral Commission declared that none of the regional or local polls, except for those specially permitted by the president, could be held on the same day as the presidential election.

Finally, in July, the State Duma passed a bill regulating the elections to regional legislatures. According to the Duma plan, all regional legislatures whose term had expired by July would be forced to hold new elections within six months after the law comes into effect. The Federation Council, the upper house of parliament, has not yet considered the bill and may change it. The Federation Council has already proposed legalizing the decision of those regional legislative assemblies that had prolonged their powers.

The disagreement between the Duma and the Federation Council may be left for the regions to resolve themselves. They may be allowed to hold referendums to find out whether their inhabitants want to hold new legislative elections, or they may agree to extend the regional legislatures' powers for another two years. By the end of this year, 24 oblast and autonomous okrug legislatures will be elected. Depending on what the federal

parliament decides, the others could hold elections at the beginning of next year or as late as 1998. -- Anna Paretskaya

SCHEDULE FOR AUGUST-SEPTEMBER REGIONAL ELECTIONS

25 August	Kaluga Oblast Legislative Assembly
1 September	Saratov Oblast Governor
22 September	Amur Oblast Governor
29 September	Leningrad Oblast Governor Rostov Oblast Governor Tula Oblast Duma

REGIONAL ELECTIONS UPDATE

REGIONAL ELECTION IN KALUGA MARKED BY LOW TURNOUT. While 213 candidates were competing for 40 seats in the regional legislature, only 29% of voters participated in the 25 August Kaluga Oblast election, Radio Rossii reported the next day. In more than half of the districts, turnout was below 25% requirement for the vote to be considered valid. The Agrarian Party of Russia, which had fielded 22 candidates, won six seats in the legislature; the regional association of physicians won the other four seats. Surprisingly, Valerii Sudarenkov, who had been chairman of the regional legislature since April 1990, lost his race to a local hospital surgeon, Yurii Volkov. Moreover, Vladimir Zhirinovskiy's Liberal Democratic Party, which had fielded five candidates, failed to receive any seats, as did Gennadii Zyuganov's Communist Party, which had about 20 representatives running as independent candidates since the party has not been officially registered in the oblast. -- Anna Paretskaya

SARATOV INCUMBENT IS LIKELY TO WIN IF ELECTION IS HELD . . . Almost all observers believe that the incumbent governor of Saratov Oblast, Dmitrii Ayatskov, will win the 1 September gubernatorial race, *Kommersant-Daily* reported on 22 August. However, experts suggest that Ayatskov's main rival, Communist candidate Anatolii Gordeev, is taking steps to cancel the election. Gordeev's aides have claimed that the list of nomination signatures prepared by the third gubernatorial hopeful, Forward, Russia! regional leader Vitalii Pavlov, were forged. The local procurator has opened an investigation. If Pavlov is not registered, Gordeev will be able to end the race. If he withdraws from the ballot, the election cannot be held, since Russian legislation prohibits candidates from running unopposed. (Some say that Ayatskov himself asked Pavlov to join the race to ensure that the election could not be canceled). Observers point out that postponing the gubernatorial election until the late fall is more advantageous for the Communists because a possible financial crisis, which is expected to hit Russia some time in the coming months, will help make the anti-incumbent card more effective. -- Anna Paretskaya

. . . WHILE YABLOKO OPPOSES HIM. Vyacheslav Igrunov, the Yabloko official responsible for the regional elections, has announced that the movement is "utterly against" backing Ayatskov for re-election, *Segodnya* reported in 23 August. Ayatskov is supported by the United Consultative Council (OKS), a coalition of "democratic" and "centrist" organizations that endorsed President Yeltsin for re-election. Igrunov said that in Yabloko's opinion, Ayatskov is not an honest politician and does not the requirements of his position. He added that Yabloko will not support some other OKS endorsed candidates, possibly including Stavropol Krai incumbent Petr Marchenko. Igrunov proclaimed that his party will field its own candidates in the Far East and Siberia which have been Yabloko strongholds in the past. -- Anna Paretskaya

INCUMBENT REGISTERED IN AMUR . . . The incumbent governor of Amur Oblast, Yurii Lyashko, and opposition candidate Pavel Shtein, a former Federation Council member, were the first candidates to be officially

registered for the 22 September gubernatorial poll, Radio Rossii reported on 17 August. Another opposition candidate, Anatolii Belonogov, the chairman of the oblast legislative assembly who has been endorsed by the Communist Party is expected to be registered soon. Lyashko, who was appointed by President Yeltsin three months ago and is the fifth regional administration head in the last five years, is likely to face about five challengers. -- Anna Paretskaya

. . . **AND ROSTOV OBLAST.** Vladimir Chub, a presidential appointee since 1991, was the first candidate to get official registration from the regional electoral commission for the 29 September gubernatorial election in Rostov Oblast, *Kommersant-Daily* reported on 27 August. Chub's most serious rival is Communist Party nominee Leonid Ivanchenko, a former Soviet-era secretary of the regional Communist Party and chairman of the oblast Soviet of People's Deputies. In December 1993, both Chub and Ivanchenko won spots in the Federation Council, the federal parliament's upper house, with Chub outpolling Ivanchenko by about 15%. Six other candidates are collecting signatures for registration: three independent candidates, as well as nominees of the Liberal Democratic Party, the Congress of Russian Communities, and Aleksandr Lebed's Honor and Motherland movement. Rostov Oblast was among those regions that voted for Gennadii Zyuganov in the first round of the presidential election but supported Yeltsin's re-election in the runoff. -- Anna Paretskaya

OPPOSITION NOMINATES CANDIDATES IN ALTAI KRAI. The opposition has endorsed two candidates for the 17 November gubernatorial election in Altai Krai. The regional branch of the opposition movement For True Popular Power, Civil Peace, and Working People Interests nominated Aleksandr Surikov, the regional legislative assembly chairman. It rejected former Agriculture Minister Aleksandr Nazarchuk, a leading figure in the Agrarian Party until Yeltsin sacked him in a January 1996 cabinet reshuffle. Nazarchuk returned to Altai Krai after his dismissal, but he will not have been a permanent resident of the krai for one year by the time of the poll, a necessary condition for all candidates. Nevertheless, he is still popular among the krai's rural residents, and has been endorsed by several agricultural enterprises. Governor Lev Korshunov may also join the race, while five other hopefuls are collecting signatures for official registration. -- Anna Paretskaya

RUSSIA'S DEMOCRATIC CHOICE NOT TO BACK KRASNODAR KRAI INCUMBENT. The deputy chairman of Russia's Democratic Choice (DVR) movement, Sergei Yushenkov, has announced that the DVR will urge its supporters not to vote for the incumbent governor of Krasnodar Krai, Nikolai Yegorov, in the 27 October gubernatorial election, Radio Rossii reported on 24 August. Yegorov was reappointed governor after President Yeltsin dismissed him as his presidential chief of staff on 15 July. Yushenkov said that Yegorov, who was the nationalities minister from May 1994 through June 1995 and Yeltsin's representative in Chechnya, was partially responsible for the fighting in the separatist republic. The DVR will field its own candidates, Aleksei Sarychev and Vladimir Golovlev, to challenge the incumbents in Altai Krai and Chelyabinsk Oblast, respectively. -- Anna Paretskaya

NDR TO ENDORSE INCUMBENTS IN SEPTEMBER. The Our Home Is Russia (NDR) movement has decided to support Dmitrii Ayatskov, Yuri Lyashko, Aleksandr Belyakov, and Vladimir Chub, the incumbent governors of Saratov, Amur, Leningrad, and Rostov oblasts, respectively, Russian media reported. These regions will be the first to hold gubernatorial elections in September of this year. Moreover, the NDR will also back Stavropol Krai Governor Petr Marchenko, who will stand for reelection in October. Under pressure from Russia's Democratic Choice, the NDR has postponed its decision on whether to support Krasnodar Governor Nikolai Yegorov. -- Anna Paretskaya

ANALYSIS AND PREDICTIONS

GUBERNATORIAL ELECTIONS WILL NOT CHANGE STATUS QUO. Rustam Arifdzhonov and Valerii Konovalov analyzed the upcoming gubernatorial elections in an article titled "A country of the president or of the governors?" in *Izvestiya* on 27 August. The authors agreed with Nizhnii Novgorod Governor Boris Nemtsov when he said that the governors "are, must be and will be dependent on the center." Nevertheless, one

can expect a four-month campaign of anti-Moscow rhetoric, since this is a way to ensure victory--as Eduard Rossel showed in the August 1995 Sverdlovsk Oblast gubernatorial election. The article notes a second paradox: even governors who try to block the implementation of reforms, such as Aleksandr Kovalev of Voronezh Oblast, can maintain good ties with Yeltsin. Yegor Stroev, Orel Oblast governor and chairman of the Federation Council, told the authors that fears of a change in the political complexion of the upper house (in a communist direction) are exaggerated. He argued that the governors must be essentially apolitical in order to tackle their main task: economic management. Still, Stroev conceded that the elections will strengthen the power of the governors, and will intensify their relationship with the president's representatives --often the cause of minor but annoying conflicts. -- Peter Rutland in Moscow

VEK: CHUBAIS' CONTROL OF ELECTION CAMPAIGNS MAY RESULT IN DEFEAT. If the presidential administration headed by Chief of Staff Anatolii Chubais takes monopolistic control of the regional electoral campaigns, it may result in the defeat of pro-reform candidates in the gubernatorial races, according to weekly *Vek* from 9-15 August. According to the newspaper, the best strategy for the presidential administration is to develop individual tactics for each region. The paper suggested that if a governor supports the Communists, Chubais' team must work out strategies to defeat him. However, if an incumbent is a sober-minded pragmatist, a regional branch of Prime Minister Viktor Chernomyrdin's Our Home Is Russia bloc, which has strong ties with and is supported by local elites, should support his electoral campaign. The paper questioned whether Chubais will agree to cooperate with the prime minister's team or will try to place his nominees everywhere, even at the expense of being defeated in some regions. -- Anna Paretskaya

REGIONAL ELECTIONS MAY END UP IN COURTS. According to Justice Ministry expert Svetlana Boshko, almost every regional electoral law violates federal legislation, *Moskovskii komsomolets* reported on 20 August. The paper suggested that a candidate who lost the election might appeal to the courts, asking that the results be annulled since the poll was held in violation of federal law. The newspaper noted that the most common violation in the regional electoral legislation is the restrictions on those who are eligible to take part in the voting. According to a majority of the regional laws, only those who permanently live in the region may participate in the polls. There is no similar provision in federal law. In addition, some regions set up controversial procedures to determine a winner in situations where all the candidates receive the same number of votes. For instance, in Vologda and Samara oblasts, the candidate who first submitted signatures for official registration becomes the winner in the event of a tie; in other regions, the number of signatures collected determines the poll winner. Though the Justice Ministry reviews all regional laws for compliance with federal legislation, it can only recommend amendments, but is unable to enforce them. Only the Constitutional Court and the Procurator General's Office may order regional legislatures to reconsider laws. -- Anna Paretskaya

PROVINCIAL CHRONICLES

PROCURATOR PROTESTS NEW RYAZAN MAYOR. The procurator of Ryazan Oblast has submitted a protest on the illegal election of the Ryazan mayor, Radio Rossii reported on 22 August. Although a referendum on mayoral elections in Ryazan is scheduled for 22 September, Pavel Mamatov, a secretary of the local Communist Party (KPRF) organization, was elected mayor of the city by 18 deputies of the city legislature, which is dominated by the KPRF. The legislature passed a city statute in June under which a mayor is to be elected from among the legislature's deputies without a popular vote. Ryazan residents have complained that this procedure violates federal legislation. The Ryazan legislative assembly, which now bears the Soviet-era name of "city soviet," was elected in April this year, with a voter turnout of 28%, just 3% over the threshold for an election to be valid. -- Anna Paretskaya

ECOLOGISTS BEATEN UP IN ROSTOV. Members of the special police detachment (OMON) beat several people taking part in an ecological protest at a campsite near the Rostov nuclear power plant, Ekho Moskvy reported on 22 August. Two journalists--Igor Podshivalov of *Obshchaya gazeta* and Vladlen Tupikin of *Nedelya*--were among those beaten, said Glasnost Defense Foundation spokesman Oleg Panfilov. A group of armed men

in camouflage gear and masks drove up to the camp, which had been organized by the ecological group Keepers of the Rainbow. Under threat of execution, the people in the camp were gathered together by the OMON troops and several of them were beaten up. Additionally, OMON troops carried out a search during which they seized several cameras. -- Anna Paretskaya

REGIONS ESTABLISH BILATERAL TIES . . . Tatar President Mintimer Shaimiev and St. Petersburg Governor Vladimir Yakovlev on 21 August signed a series of bilateral agreements on economic, scientific, and cultural cooperation, Russian TV (RTR) and *Kommersant-Daily* reported. St. Petersburg and Tatarstan have agreed to combine efforts in promoting trade and direct contacts between businessmen. Yakovlev suggested that trade between the regions, which is now worth 20 billion rubles (about \$2 million), may grow tenfold. The day before, Moscow Mayor Yurii Luzhkov and Saratov Oblast Governor Dmitrii Ayatskov signed a similar package of documents, Russian Public TV (ORT) reported. Under the agreement, Saratov Oblast will supply Moscow with new buses and trolley buses produced in the oblast, while the Moscow government will provide the oblast with additional funds to produce new bus models. -- Anna Paretskaya

. . . AND CONTACTS WITH CIS COUNTRIES. The Yaroslavl Oblast government has signed an agreement on cooperation for the next two years with the administration of Dzhizak Oblast in Uzbekistan, ITAR-TASS reported on 22 August. Yaroslavl Oblast is interested in receiving Dzhizak autos and cotton in exchange for car tires, lacquers, and paints. Yaroslavl Oblast signed a similar treaty with Belarus earlier this year. -- Anna Paretskaya

TATARSTAN SEEKS FOREIGN INVESTMENT. The government of Tatarstan has transferred state equity stakes in its nine largest companies to the 5-year trust management of the investment fund Tatinvest-Ross, a subsidiary of the American investment fund Tatinvest, *Kommersant-Daily* reported on 27 August. These companies are Nizhnekamskneftekhim (33.9%), Nizhnekamskshina (40%), Tatnefteprodukt-holding (62.9%), Tasma (80.2%), Polimerfoto (68.9%), Karpov Chemical Plant (22.4%), Polimiz (23.1%), Alnas (26.4%), and Tatarstan SOTE (64.19%). At the end of the 5-year period, stakes will be returned to the state, while Tatinvest will receive 20% of an increase in share prices. In order to finance the companies' restructuring, Tatinvest and Tatinvest-Ross intend to set up special investment funds which will attract money of other investment funds in the U.S. They expect that this scheme will allow them to raise some \$200 million in the near future. Meanwhile, Tatarstan's Economics Minister Damir Bikbov said that the government plans to sell large equity stakes in some 900 companies to both foreign and Russian investors. -- Natalia Gurushina

WORLD TOURIST CONGRESS TO BE HELD IN ST. PETERSBURG. The board of directors and inspection committee of the American Association of Tourist Agencies (ASTA) has decided to hold its international congress in St. Petersburg in 2001, *Izvestiya* reported on 23 August. ASTA consists of 27,000 companies which run tourist business in 168 countries. -- Anna Paretskaya

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REGIONAL PROFILE: SARATOV OBLAST

Candidates for 1 September Governor's Elections

Governor **Dmitrii Ayatskov** was appointed by President Yeltsin in April 1996, replacing Yurii Belykh who was dismissed in February for misuse of budgetary funds. Previously, Ayatskov was a deputy mayor of Saratov and deputy chairman of the city commission on combating crime. In the 1993 elections to the Federation Council, Ayatskov (with 28.64% of the vote) came in second to Belykh (34.81%). Ayatskov is the chairman of the regional branch of the Reforms-New Course movement headed by former Federation Council Chairman Vladimir Shumeiko. After becoming governor, he developed a treaty on social concord, which was signed by many regional public and political organizations. He changed half of the local administration heads, many of whom were charged with corruption.

The incumbent's main rival is Communist candidate **Anatolii Gordeev**, one of Gennadii Zyuganov's economic advisors during the presidential campaign. He is a vice president and executive director of the Saratov regional branch of the commercial industrial association Germes. From 1993 to 1995, he was a Duma deputy belonging to the Communist faction and working on the budgetary committee.

Vitalii Pavlov is an activist in the local branch of Boris Fedorov's movement Forward, Russia! A local teacher, Pavlov is unknown to the public and is expected to receive no more than 1% of the vote.

Other Local Leaders

Chairman of Legislative Assembly--Aleksandr Kharitonov was elected to the oblast Duma in May 1994 on the Agrarian Party of Russia ticket and became its chairman in June of that year.

Brief History

Saratov Oblast is 858 km southeast of Moscow on the banks of the Volga River. The city of Saratov was founded sometime between 1584 and 1589. Today Saratov is one of Russia's largest industrial centers and, as a result, one of the most polluted cities. It is also a major center of higher education and research institutes.

On 21 September 1993, the oblast soviet declared Yeltsin's decree closing the Supreme Soviet unconstitutional. The governor supported the president. When the oblast soviet refused to dissolve itself on 12 October, the governor disbanded it.

Basic Facts

1995 Population: 2,739,300 (1.85% of Russian total)

Industrial production as percentage of all Russian production (Jan.-Aug. 1995): 1.09%

Agricultural production as percentage of all Russian production (1994): 2.53%

Average personal income index in July 1995: 62 (Russia as a whole = 100)

Price basket index in July 1995: 85 (Russia = 100)

Average back wages owed per person: 53,400 rubles (Russian average = 37,100)

Urban population: 73.9% (Russia overall: 73%)

Student population: 190 per 10,000 (Russia overall: 171/10,000) Pensioner population: 24%

Percent of population with higher education: 11.0% (Russia overall: 11.3%)

Percent of population working in: Industry: 26.7% (Russia average: 29.9%) Agriculture: 19.6% (12.8%) Trade: 11.0% (9.1%) Culture: 11.5% (13.6%) Management: 2.0% (2.3%)

Number of telephones per 100 families (1993): in cities: 28.1 (Russian average: 41.5) in villages: 16.4 (17.2)

Electoral History

1996 Presidential Election

Yeltsin: 28.38%/44.08% (first round/second round)

Zyuganov: 41.59%/49.94%

Lebed: 12.76%

Zhirinovskiy: 7.09%

Yavlinskii: 5.28%

Turnout: 73.46%/73.83% (Russia overall: 69.67%/68.79%)

1995 Parliamentary Election

Communist Party of the Russian Federation: 28.26%

Liberal Democratic Party of Russia: 15.46%

Our Home Is Russia: 7.96%

Yabloko: 3.91%

Women of Russia: 3.73%

Communists -- Workers' Russia: 5.79%

Party of Workers' Self-Government: 2.58%

Russia's Democratic Choice: 3.10%

Agrarian Party of Russia: 3.96%

Derzhava: 4.67%

In single-member districts: 3 Communist Party of the Russian Federation, 1 My Fatherland
Turnout: 68.07% (Russia overall: 64.37%)

1993 Constitutional Referendum

“Yes” -- 49.77% “No” – 47.71%

1993 Parliamentary Election

Liberal Democratic Party of Russia: 26.63%

Communist Party of the Russian Federation: 15.28%

Russia's Choice: 12.30%

Women of Russia: 9.90%

Agrarian Party of Russia: 7.64%

Yabloko: 8.59%

Party of Russian Unity and Concord: 5.68%

Democratic Party of Russia: 6.45%

From electoral associations: 1 Communist Party of the Russian Federation, 1 Russia's Choice, 1 Liberal Democratic Party of Russia

In the single-member districts: 1 Communist Party of the Russian Federation, 1 Russia's Choice, 1 Liberal Democratic Party of Russia, 1 independent

Turnout: 59.44% (Russia overall: 54.34%)

1991 Presidential Election

Yeltsin: 55.73%

Ryzhkov: 18.67%

Zhirinovskiy: 7.91%

Tuleev: 7.16%

Makashov: 4.84%

Bakatin: 2.55%

Turnout: 79.02% (Russia overall: 76.66%)

ELECTION IMPLICATIONS

THE FEDERATION COUNCIL: THE PRIZE AT STAKE

The 50 gubernatorial, two republican presidential, and 26 legislative elections scheduled during the next five months will not only affect how individual regions are governed, but could also have broad implications for Russian politics. Each of the executives elected will become, *ex officio*, a member of the Federation Council, the upper house of the federal parliament. The chairmen chosen by the newly-elected legislatures will also join the Council automatically. If the relatively united left-wing opposition unseats many incumbent governors and takes control of more regional legislatures, it could change the balance of power in the Council, which currently is favorably disposed toward President Boris Yeltsin.

It took two years to establish the rules for selecting members of the upper house. In December 1993, Russia took the unusual step of selecting members of both houses of parliament--the State Duma and the Federation Council--on the same day as the referendum on the new constitution that defined those bodies. Determining the Council's membership posed special problems. While the draft constitution stipulated that the Duma would be "elected," it did not specify a mechanism for the "formation" of the Council.

To complicate matters further, under the draft constitution the Council was to be comprised of two members from each of Russia's 89 regions: one from the legislative branch, and one from the executive branch. However, Yeltsin had disbanded many regional legislatures, or soviets, for backing his parliamentary opponents in October 1993. Consequently, those regions had no way to delegate a member from the legislative branch. As a transitional solution, elections were held and the top two candidates in each region became deputies of the Federation Council.

Deciding how deputies of the upper house would be chosen in the future proved a contentious issue up to the very end of the Council's two-year transitional term. An early draft law passed by the Duma in July 1995, which would have created a popularly-elected, full-time Council, was approved by the Council but vetoed by Yeltsin. The president wanted regional leaders--most of whom he had appointed himself--to become Council members automatically.

The Duma took some of Yeltsin's objections into account and in October passed a revised draft law on the Council's formation. Under the new version, the administrative and legislative heads of each region would become Council members *ex officio*, but the governors would be popularly elected as well. Governors who were presidential appointees would be forced to face the voters before the presidential election scheduled for June 1996. That provision proved unacceptable for Yeltsin, who wanted the governors he had appointed to remain in place so that they would support him during the presidential campaign.

In November, the Duma passed a third draft law on forming the upper house, acceding to Yeltsin's demand that gubernatorial elections be held no later than December 1996. Not surprisingly, this draft law was vigorously opposed by the Council; most of the members elected in 1993 were neither chairmen of regional legislatures nor heads of executive branches. Until the last moment it appeared likely that the Council would have to extend its authority through early 1996 until the impasse could be broken. However, in early December the Duma managed to assemble the two-thirds majority needed to override the objections of the upper house. Yeltsin signed the law soon after, and although some frustrated Council deputies appealed to the Constitutional Court against the new law, the judges refused to hear the case. The new Federation Council took office in January 1996.

Critics of the law on forming the Federation Council argued that popular elections would have created an upper house of professional legislators who could devote their full attention to the legislation under consideration. They feared that a part-time Council whose members simultaneously held high office in their home regions would be inclined to make deals with the federal government rather than seek out an independent stance for the legislature. These fears have in large part been vindicated. As it stands, the Council is rarely in session, and when it meets, its members most often act in accordance with the wishes of the executive.

Having a sympathetic Federation Council simplifies matters for Yeltsin. Although the balance of power is heavily weighted toward the president in any event, the Russian constitution grants the Federation Council significant powers, among them the authority to:

approve changes in borders between federation subjects;

- approve presidential decrees on introducing martial law or declaring a state of emergency;
- decide questions of deploying the armed forces of the Russian Federation outside Russian territory;
- set the date of presidential elections;
- confirm presidential nominees for the Constitutional Court and Supreme Court;
- and remove the president from his post (after a complicated impeachment procedure).

In addition, while most laws passed by the Duma are automatically forwarded to the president if the Council does not consider them within 14 days, certain categories of laws must be approved by the Council before they are sent to the president. Among these are laws concerning:

- the federal budget;
- federal taxes and collections;
- financial, currency, credit, or customs regulations, as well as monetary emissions;
- ratification or denunciation of international treaties;
- the status and defense of Russian Federation borders;
- and declarations of war and peace.

Of the 178 current Federation Council members, a clear majority are reliable Yeltsin allies. In January of this year, *Obshchaya gazeta* estimated that about 99 Council deputies could be described as “loyal Yeltsinists,” 28 were opposition candidates (mostly from the Communist Party or allied groups), and 51 were “dark horses” who considered themselves independent from the center but did not oppose Yeltsin consistently.

Since the Communist Party and its allies enjoy a working majority in the Duma, the Council often forms a first line of defense for Yeltsin, rejecting draft laws before the president is forced to take a position on them. For example, in August the Council blocked a Duma initiative to raise the minimum wage and pensions considerably. The Council deputies were no doubt concerned that the extra expenditures would strain regional as well as federal budgets. Their vote saved Yeltsin from having to make an embarrassing veto only a month after his re-election.

The Council also came to Yeltsin’s aid concerning one of the most contentious issues in Russia: private ownership of farmland. The Duma passed a draft land code in May that would have restricted private land ownership sharply. The Council rejected that law the following month, leaving the issue to be determined by a controversial March presidential decree favoring private land ownership.

Even if the opposition fares well in the upcoming regional elections, it will almost certainly not gain the veto-proof two-thirds majority needed to force legislation on Yeltsin. Pro-Yeltsin sitting governors will use all the powers of incumbency to retain their jobs. Moreover, even successful opposition candidates could become more cooperative with the federal government to gain privileges for their regions. (For example, Sverdlovsk Governor Eduard Rossel was elected in August 1995 as a maverick who had once been sacked by President Yeltsin, but he went on to contribute considerable financial and political resources to the Yeltsin re-election effort.)

Nevertheless, an assertive upper house could cause Yeltsin embarrassment by frequently sending him popular laws the deputies know he will veto. Such a posture in the Council would strengthen the opposition’s hand in the next presidential election, to be held no later than the year 2000. These facts help explain why both the government and the leading opposition movement, Gennadii Zyuganov’s Popular-Patriotic Union of Russia, are devoting considerable resources to the upcoming regional elections. -- Laura Belin

REGIONAL ELECTIONS UPDATE

SARATOV INCUMBENT WINS COUNTRY’S FIRST GUBERNATORIAL RACE. Dmitrii Ayatskov, appointed by President Yeltsin in April of this year, was re-elected governor of Saratov Oblast on 1 September, Russian and Western media reported. Ayatskov received more than 80% of the vote, while his main challenger Anatolii Gordeev, a Communist Party member and economics adviser to Gennadii Zyuganov, was supported by about 16% of voters. The Saratov gubernatorial race was the first in the series of regional executive elections that will take place by the end of this year. Both the presidential administration and the opposition have acknowledged that the Saratov race was important and could set a trend for elections in other regions. According to Presidential Chief of Staff Anatolii Chubais, the race in Saratov “highlighted the features characteristic of the current stage of

political struggle in Russia, where those who put their stakes only on ideology lose." -- Anna Paretskaya

SAMARA MAYOR RE-ELECTED. Oleg Sysuev was re-elected mayor of the city of Samara in the 1 September local election, ITAR-TASS reported the next day. Sysuev, elected for the first time two years ago, far outpolled his four rivals with more than 70% of the vote. Elections to the city's legislature were held the same day. About four candidates contested each of the council's 18 seats. The turnout was about 35%, low but still 10 points more than the minimum requirement for elections to be valid. The final results are not yet available. -- Anna Paretskaya

TWO CANDIDATES REGISTERED IN LENINGRAD OBLAST. Two candidates have been officially registered for the 29 September Leningrad Oblast gubernatorial election, ITAR-TASS reported on 2 September. Only the incumbent Aleksandr Belyakov and Vadim Gustov, the former chairman of the oblast legislature and chairman of the Federation Council Committee on CIS affairs, have been able to submit the more than 13,000 nomination signatures required for registration. The last day for turning in signature was 3 September. Meanwhile, gubernatorial hopeful Gennadii Zolototrubov, the deputy chief surgeon of a St. Petersburg hospital, has announced that the campaign in Leningrad Oblast is being conducted with serious violations of federal and regional legislation, *Kommersant-Daily* reported on 31 August. According to Zolototrubov, Belyakov started his electoral campaign before the regional electoral commission registered him as a candidate. -- Anna Paretskaya

FORMER AGRICULTURAL MINISTER WITHDRAWS FROM RACE. Former Agriculture Minister Aleksandr Nazarchuk has decided to withdraw from the gubernatorial race in Altai Krai, *Kommersant-Daily* reported on 29 August. Although several agricultural enterprises nominated him for the 17 November gubernatorial elections, he quit the race after the krai's Legislative Assembly decided to maintain the requirement that gubernatorial hopefuls have lived permanently for one year in the krai. Nazarchuk moved back to Altai Krai from Moscow in February of this year, soon after his dismissal. However, Aleksei Sarychev, another Muscovite who is a department chief in the Finance Ministry, continues to seek official registration by the regional electoral commission. He is the nominee of the pro-reform Russia's Democratic Choice party. -- Anna Paretskaya

ULYANOVSK GOVERNOR LEFT WITHOUT SUPPORT. Ulyanovsk Oblast Governor Yurii Goryachev has attracted neither Communist nor government support for the December gubernatorial elections, *Izvestiya* reported on 31 August. In late July, the regional Communist Party organization refused to back Goryachev for re-election saying he was too pro-government. Similarly, in August, the United Coordinating Council on regional elections (OKS), which consists of organizations that supported President Yeltsin's re-election, refused to support Goryachev, claiming he was too pro-Communist. Goryachev is often associated with communists because of his socialist-style government. For instance, Ulyanovsk has retained price controls, and until recently the oblast issued ration coupons for many household items. In the presidential election, Communist Party candidate Gennadii Zyuganov finished first in both rounds in Ulyanovsk with a lead of around 20%. -- Anna Paretskaya

OPPOSITION CANDIDATE MAY STEP OUT IN KRASNODAR. The opposition candidate for the 2 October gubernatorial election in Krasnodar Krai, Nikolai Kondratenko, may withdraw from the race, according to *Kommersant-Daily* on 4 September. The paper reported that Kondratenko told the presidential administration that if former krai Governor Yevgenii Kharitonov runs for re-election, he will drop out of the race and support Kharitonov. The presidential administration is supporting the incumbent, former Nationalities Minister and presidential Chief of Staff Nikolai Yegorov, who replaced Kharitonov in mid-July. However, a majority of pro-reform organizations refused to endorse Yegorov (see *Russian Regional Report*, no. 1, 28 August 1996). After Kondratenko's proposition, the United Coordinating Council (OKS) decided to back Kharitonov, hoping his chances, considered low before, will increase. -- Anna Paretskaya

COMMUNIST CANDIDATE JOINS PRESIDENTIAL RACE IN SAKHA. Artur Alekseev, the leader of the Communist Party in Sakha (Yakutiya), has announced his intention to run for president of the republic, ITAR-TASS reported on 2 September. According to the republican electoral commission's analytical center, Alekseev is the most serious opponent for President Mikhail Nikolaev. Alekseev, who will be the sole candidate of

Gennadii Zyuganov's Popular Patriotic Union of Russia in the region, said he is against the institution of the presidency and will abolish it if he wins the election, scheduled for 22 December. -- Anna Paretskaya

KALUGA LEGISLATURE BY-ELECTIONS SCHEDULED. A by-election to the Kaluga Oblast legislative assembly has been scheduled for 27 October, the same day the oblast governor and several local government bodies will be elected, ITAR-TASS reported on 2 September. Only 21 out of 40 regional legislators were elected on 25 August; in the other districts, turnout was lower than the required 25%. -- Anna Paretskaya

RADICAL COMMUNISTS SET REQUIREMENTS FOR CANDIDATES. Workers' Kirov, the Kirov Oblast branch of the radical communist organization Workers' Russia, has outlined its requirements for potential gubernatorial candidates seeking its support. Among other things, the organization says nominees must acknowledge Marxist-Leninist theory as a science, *Izvestiya* reported on 29 August. -- Anna Paretskaya

ANALYSIS AND PREDICTIONS

COMMUNISTS FACE DIFFICULT STRUGGLE. The Communists are trying to learn the lessons of the presidential campaign by using sophisticated election techniques and making better use of the mass media, but they have very limited resources at their disposal, *Moskovskie novosti* reported in its 25 August-1 September edition. Duma deputy Viktor Peshkov, one of Zyuganov's election advisors, is in charge of their campaign effort. The pro-Yeltsin team has a clear advantage. Presidential Chief of Staff Anatolii Chubais has retained some of the consulting firms that helped Yeltsin win--Niccolo M. and the Foundation for Effective Politics--and will provide financial aid to favored regional leaders, mostly in the form of regional grants. To make up for a lack of funds, the Communists are seeking powerful regional allies. In Bryansk, for example, they are supporting former Governor Yurii Lodkin. But the Communist Party has been burned by its candidates in the past. The December 1995 victory of Vitalii Mukha in Novosibirsk was considered a victory for the Communists, but he later rejected Zyuganov's offer of a position in a future Communist coalition government. Because many of the people Zyuganov named as his supporters distanced themselves from the candidate, the proposal came across as a desperate attempt for support. -- Robert Orttung

KOMMERSANT: COMMUNISTS TO LOSE IN REGIONS. Despite the ongoing crisis in Chechnya, growing wage arrears, strikes among miners and energy workers, and an expected financial crisis in the fall, the Communists will not win in the regional elections, according to the weekly journal *Kommersant* on 27 August. The journal argued that voters do not choose their regional leaders according to their political preferences; their main criteria is the candidate's ability to promote regional interests in the center. The paper predicted that many gubernatorial candidates will distance themselves from both the "party of power" and the opposition. Moreover, even if Communist candidates succeed in certain regions, they will have to establish good personal relations with the federal authorities to be able to promote their regions' interests. Nevertheless, once all regional leaders have been popularly elected, their influence on federal politics will increase, and the central government will have to take into account more demands from the regional elite than it has in the past. -- Anna Paretskaya

FILATOV: COMMUNISTS TO WIN 10 REGIONS. Sergei Filatov, the co-chairman of the United Coordinating Council (OKS), has predicted that the Communists will win at least 10 of this year's 50 gubernatorial races, *Kommersant-Daily* reported on 31 August. For instance, he said, opposition candidates may win in Krasnodar Krai and Kursk Oblast. Filatov described the prospects for pro-government candidates in Kaluga, Voronezh, and Kostroma oblasts as problematic, and he predicted the victory of Yurii Goryachev, the opposition incumbent governor of Ulyanovsk Oblast, because he is regarded as a good manager rather than a politician. -- Anna Paretskaya

MINOR PARTIES FOCUS ON LEGISLATIVE ELECTIONS. While the "party of power" and the Communist-led "popular-patriotic bloc" will compete for most of the 52 local executive slots to be elected through next January, smaller parties will compete in only a few of these races. The Liberal Democratic Party of

Russia, the Congress of Russian Communities, Yabloko, and Forward, Russia! will seek some of these seats but will focus mainly on electing their members to regional legislatures, according to *Moskovskie novosti* on 18-25 August. Many of these parties do not have the funds or a popular local candidate to compete for the governor's chair • • . The main problem though is party loyalty. Although they may endorse a gubernatorial candidate, the parties know they will have no control over a regional executive once he is elected, and he will have to do little, if anything, to repay party support. The leader of the small Russian Social Democratic Union, Vasilii Lipitskii, cites the case of newly elected St. Petersburg Governor Vladimir Yakovlev who offered Lipitskii's party only two or three insignificant posts in his administration in exchange for its backing. In contrast, parties can establish their own factions in the local legislatures and exercise greater control over their deputies. -- Robert Orttung

REGIONAL ELECTIONS TO CHANGE NATURE OF REGIONAL ELITE. The approaching regional elections are dramatically changing the nature regional elite relations, *Segodnya* reported on 28 August. The paper examined past patterns in the elections of 1995 and early 1996 to predict some of the main trends in the upcoming elections. In the past, Yeltsin appointed the oblast governors and they, in turn, appointed the executives of cities and towns within their jurisdictions. Now that these lower level officials will be elected, they may begin to oppose some of the governors' policies. To prevent such an outcome, the governors are providing extensive training in public relations to the incumbent mayors' campaign managers. The governors are hoping to avoid what happened in Sverdlovsk Oblast, where many of Governor Eduard Rossel's opponents won at the local level. The elections of 1995 and 1996, particularly in Yaroslavl Oblast, also showed that local enterprise directors have been very successful in winning seats in the local legislatures. The directors' campaigns are generally well-financed, and they can appeal to the voters as experienced managers. Local candidates in the recent elections have generally become depoliticized--rejecting the ideologies of Moscow's political elite in favor of defending their regional interests. -- Robert Orttung

EACH REGION SETS ITS OWN RULES FOR ELECTIONS. The Central Electoral Commission will not play a significant role in the regional elections, *Moskovskie novosti* reported on 18-25 August. The regional electoral commissions will have complete control over the balloting within their jurisdictions, and the voting will be financed entirely from local budgets. The local electoral commissions, legislatures, and executives must work together to define the rules under which the elections will be conducted. They will set the boundaries of the districts, the amount candidates can spend, the budget for conducting the elections, and whether candidates will run in single-member districts, party lists, or a combination. Accordingly, elections in each region are conducted with a unique set of rules. -- Robert Orttung

PROVINCIAL CHRONICLES

NORTH OSSETIYA OPPOSITION DEMANDS PRESIDENT'S RESIGNATION. Twelve "national patriotic" political organizations in the republic of North Ossetiya have demanded the immediate resignation of republican President Akhsarbek Galazov, RIA-Novosti reported on 29 August. The opposition says Galazov must resign because of the "difficult economic situation and the absence of any reforms" in the republic. An address to the people of the republic issued by the opposition groups mentioned numerous cases of abuse of power by members of the presidential administration. Although more than 20 North Ossetiyan politicians, including some deputies in the republican legislature, signed the address, the local mass media refused to publicize it, according to RIA-Novosti. -- Anna Paretskaya

REGIONS NEIGHBORING CHECHNYA OVERWHELMED WITH REFUGEES. According to the Republic of Ingushetiya's migration services, more than 17,000 refugees from the Chechen capital Grozny have been registered in the republic, Radio Rossii reported on 27 August. Despite the cessation of hostilities in Chechnya, people from Grozny are in no hurry to return home. They are staying in tent camps near the village of Aki-Yurt and the Cossack village Sernovodskaya. There have been problems getting enough food and water to the refugees, and even tents are in sort supply, the report says. Another 18,000 refugees from Chechnya are reported have fled to Krasnodar Krai, where they make up more than 45% of the krai's total forced immigrants. Despite

the beginning of peace talks between Security Council Secretary Aleksandr Lebed and the Chechen separatists, refugees from the republic are still fleeing to neighboring Dagestan, ITAR-TASS reported on 2 September. During the last several days, about 3,000 Chechen refugees have arrived in Dagestan. -- Anna Paretskaya

ST. PETERSBURG, LENINGRAD OBLAST FIGHTING TO DEFINE MUTUAL BORDER. The city of St. Petersburg and Leningrad Oblast cannot agree on their mutual border, *Kommersant-Daily* reported on 29 August. The land in dispute includes parts of the city and oblast airports, an apartment building, and a few villages. There are no documents for either side to refer to, since communist-era plans for the region envisioned the development of the area as a whole. Although St. Petersburg and Leningrad Oblast have discussed merging, they have yet to agree on how to do so. St. Petersburg Governor Vladimir Yakovlev is trying to assert his leadership in the entire northwest region and wants to demonstrate that he can resolve this conflict. Leningrad Oblast Governor Aleksandr Belyakov is up for election this fall and also has an interest in resolving the dispute. At stake is the revenue derived from the land and the cost of maintaining it. The St. Petersburg Legislative Assembly is set to discuss the question in September. -- Robert Orttung

TATARSTAN TIGHTENS CONTROL OVER CASH TURNOVER. Tatarstan's president, Mintimer Shaimiev, has issued a series of decrees to tighten the government's control over cash turnover in the republic, *Delovoi mir* reported on 29 August. The decree on tax evasion in non-banking cash circulation stipulates that Tatarstan's National Bank should impose the following limits on the usage of cash from sales revenue: 30% of daily sales revenue for trade firms; 40% for catering companies; and 70% for companies buying agricultural products from farmers. If companies fail to comply with these requirements, they will have to pay a fine of 3.8 million-7.6 million rubles (about \$710-1,420). The decree on banks' responsibility for transferring tax payments to the budget stipulates that the chairmen of banks delaying such payments will have to pay a fine of 7.6 million rubles. -- Natalia Gurushina

BASHKORTOSTAN TO EXPAND GOVERNMENT'S ROLE IN BANKING SYSTEM. The government of Bashkortostan intends to increase its participation in the equity capital of local banks, *Kommersant-Daily* reported on 28 August. The measure is expected to increase the liquidity of the republic's banks. In order to test the viability of this move, the government has formed a commission on state participation in the equity capital of financial and credit organizations. The government intends to operate within the framework of existing legislation, which allows it to hold up to 20% of the share capital in joint-stock banks and up to 35% in partnership banks. Bashkortostan's government has already participated in the establishment of the first Russian regional investment and credit bank, Bashkredit. Local authorities were also very active in increasing the liquidity of commercial banks by transferring the accounts of government departments to Bashkredit. -- Natalia Gurushina

ANTI-ALCOHOL BILL TURNED DOWN IN PERM. The Perm Oblast legislature has voted down a draft law under which street stalls would have been prohibited from selling hard liquor, ITAR-TASS reported on 31 August. The law was intended to restrict the sale of imported liquors that are successfully competing with the products of the local alcohol processing plant, Permalko. Similar bills were passed by the legislatures of Pskov Oblast and the city of Moscow earlier this year. Those laws, however, are aimed at preventing the sale of alcohol near schools, hospitals, churches, and other public institutions. -- Anna Paretskaya

MILLIONS OF RUBLES STOLEN IN VOLGOGRAD. Three masked intruders broke into the Volgograd Agroindustrial Financial Corporation after midnight on 29 August and stole 700 million rubles (about \$1.4 million), ITAR-TASS reported. They captured and handcuffed two guards, threatening them with Kalashnikov sub-machine guns. It is the largest theft in Volgograd this year. -- Anna Paretskaya

Compiled by Anna Paretskaya; Copy edited by Victor Gomez

REGIONAL PROFILE: AMUR OBLAST

Candidates for 22 September Gubernatorial Election

Head of administration **Yurii Lyashko** was appointed by President Yeltsin in June 1996. He became the fifth oblast governor in the last five years, replacing the previous executive head, Vladimir Dyachenko, who had been dismissed in May for misuse of budgetary funds and high wage arrears. Before being appointed governor, Lyashko was mayor of Blagoveshchensk, the oblast's capital city.

Communist Party member **Pavel Shtein** is one opposition candidate. In December 1993, Shtein was elected to the Federation Council, the parliament's upper house, where he was a deputy chairman of the committee on regional policy.

Another potential opposition candidate is **Anatolii Belonogov**, the chairman of the oblast legislative assembly since October 1994. In 1990-1993, Belonogov was a deputy of the Russian Congress of People's Deputies where he joined the Communists of Russia and Russian Unity deputy groups. At the same time, he headed the oblast soviet, which was disbanded in October 1993 after it supported the Supreme Soviet in its confrontation with the president.

Brief History

Amur Oblast is situated about 8,000 km east of Moscow on the banks of the Amur and Zeya rivers. Its capital city, Blagoveshchensk, one of the oldest settlements in the Far East, was founded in 1856. It is a traditional center of trade and gold mining.

In late September 1993, both the regional soviet and the governor, who had defeated a presidential appointee in an April 1993 election, opposed Yeltsin's decree to disband the Supreme Soviet. In early October, Yeltsin dismissed the governor. The soviet refused to reconsider its decision on Yeltsin's decree, and by the end of the month it was disbanded by the new governor.

Basic Facts

1995 Population: 1,040,800 (0.7% of Russian total)

Industrial production as percentage of all Russian production (Jan.-Aug. 1995): 0.35%

Agricultural production as percentage of all Russian production (1994): 0.88%

Average personal income index in July 1995: 107 (Russia as a whole = 100)

Price basket index in July 1995: 115 (Russia = 100)

Average back wages owed per person (September 1995): 114,500 rubles (Russian average = 37,100)

Urban population: 66.3% (Russia overall: 73.0%)

Student population (1993): 137 per 10,000 (Russia overall: 171/10,000) Pensioner population (1994): 17%

Percent of population with higher education (1989 census): 11.2% (Russia overall: 11.3%)

Percent of population working in (1993): Industry: 19.4% (Russian average: 29.9%) Agriculture: 15.3% (12.8%) Trade: 10.3% (9.1%) Culture: 11.3% (13.6%) Management: 2.7% (2.3%)

Number of telephones per 100 families (1993): in cities: 28.4 (Russian average: 41.5) in villages: 20.8 (17.2)

According to a survey by Bank Austria, the oblast is ranked 62nd among Russia's 89 regions in terms of investment climate.

Electoral History

1996 Presidential Election

Yeltsin: 26.6%/40.67% (first round/second round)

Zyuganov: 41.85%/53.07%

Lebed: 11.84%

Zhirinovskiy: 7.91%

Yavlinskii: 6.06%

Turnout: 68.58%/65.59% (Russia overall: 69.67%/68.79%)

1995 Parliamentary Election

Communist Party of the Russian Federation: 23.53%

Liberal Democratic Party of Russia: 8.70%

Our Home Is Russia: 2.38%

Yabloko: 2.26%

Women of Russia: 3.95%

Communists-Workers' Russia: 3.91%

Party of Workers' Self-Government: 2.05%

For the Motherland!: 3.39%
In a single-member district: 1 independent
Turnout: 67.43% (Russia overall: 64.37%)

1993 Constitutional Referendum

“Yes” - 47.45% “No” - 48.99%

1993 Parliamentary Election

Liberal Democratic Party of Russia: 24.90%
Communist Party of the Russian Federation: 16.23%
Russia's Choice: 12.51%
Women of Russia: 10.31%
Agrarian Party of Russia: 9.78%
Yabloko: 4.68%
Party of Russian Unity and Concord: 7.08%
Democratic Party of Russia: 5.01%
In a single-member district: 1 independent
Turnout: 56.78% (Russia overall: 54.34%)

1991 Presidential Election

Yeltsin: 37.72%
Ryzhkov: 31.19%
Zhirinovskiy: 9.05%
Tuleev: 7.20%
Makashov: 5.74%
Bakatin: 4.72%
Turnout: 74.71% (Russia overall: 76.66%)

Sources: *Goroda Rossii [Cities of Russia]*, Moscow: Bolshaya Rossiiskaya Entsiklopediya, 1994; *Rossiiskie regiony nakanune vyborov-95 [Russian regions on the eve of 1995 elections]*, Moscow: Yuridicheskaya Literatura, 1995; *Itogi vyborov 17 dekabrya 1995 goda po regionam [Results of the 17 December 1995 elections, regional breakdown]*, Moscow: Panorama, 1996; *Vybory deputatov Gosudarstvennoi Dumi 1995 [State Duma elections 1995]*, Moscow: Central Electoral Commission, 1996.

YELTSIN ADMINISTRATION PREPARES FOR LOCAL ELECTIONS.

President Boris Yeltsin's administration is taking the local elections very seriously. One of the main reasons Yeltsin chose Anatolii Chubais to be his chief of staff, according to Duma member Sergei Shakhrai who used to cover regional affairs in the government, was that the president hoped Chubais would be able to put his successful experience in the presidential campaign to good use in getting pro-government regional leaders elected. During the presidential campaign, Chubais played a key role in developing Yeltsin's winning strategy and ensuring financial support for the re-election effort.

Since Yeltsin appointed him to office on 15 July, Chubais has moved quickly to consolidate his power over the Kremlin staff. Where in the past there was often confrontation between factions led by senior aide Viktor Ilyushin and Presidential Security Service chief Aleksandr Korzhakov, Chubais has now concentrated authority in his hands. He believes centralized leadership is necessary for effective campaign management. On 31 July, for example, he announced that he was seeking to avoid a situation where one Moscow politician supports one local candidate while another supports someone else.

The main issue is not so much to guarantee victory in all of the regions, since the Communists are likely to win in only a handful of cases anyway. What's important during the campaign is to lock in ties of dependency and cooperation with regional governors so that after the elections, the normal process of bargaining between the center and periphery can proceed under Chubais's control.

By all accounts, Chubais has set up a strong team to work in the regions. First Deputy Chief of Staff Aleksandr Kazakov is playing the lead role in the administration's attempts to get its supporters elected at the local level. Kazakov served as head of the presidential department for work with territories from 1994 to the beginning of 1996. According to NTV's *Itoги*, Kazakov's experience means that he knows the majority of governors well, is familiar with their strong and weak sides, and, most importantly, understands the levers of influence that can be used on the regional leaders. Sergei Samoilov is head of the administration's Territorial Department, which provides analytical support on the regions to the administration and coordinates its work with them. Samoilov told *Rossiiskie vesti* on 7 September that his staff had analyzed all the potential candidates in each region and drawn up predictions of who would win. *Novoe vremya* (no. 34) argued that Kazakov and Samoilov would overlap each other, possibly creating confusion, but Chubais later made it clear that Kazakov is in charge. Deputy Chief of Staff Maksim Boiko is coordinating the administration's ties with political parties and other social groups. The president's political adviser, Georgii Satarov, told *Nezavisimaya gazeta* on 6 September that he has been spending much of his time on the regional elections and is working in close contact with Kazakov and Boiko. He claimed that it is "easier for me to work now" with the entire administration unified behind Chubais.

The administration's concrete steps in getting its candidates elected are already becoming clear. Initially, the only visible Kremlin activity (before Chubais's arrival) was to remove particularly unpopular governors in places like Arkhangelsk, Chita, Bryansk, Saratov, and Amur oblasts. During the Saratov campaign, the administration sent down a team of consultants from the Nikkolo M consulting firm which had worked on the president's re-election effort, *Kommersant-Daily* reported on 10 September. However, the newly elected governor of Saratov, Dmitrii Ayatskov, and his team were not happy with the firm's work. Ayatskov rejected the idea of using the slogan "Ayatskov-Our Governor," a variation of the Yeltsin campaign theme. However, his team liked the phrase "Saratovtsy have made their choice," which was similar to the phrase Moscow Mayor Yuri Luzhkov had used in his June campaign. At the insistence of the Saratov team, all the posters left over from the presidential campaign showing Ayatskov together with Yeltsin were quickly removed. Chubais, however, was happy with the way the campaign went and the administration began a seminar for other campaign managers in Saratov on 8 September.

Novoe vremya has noted some conflict between Chubais and the government's staff, headed by Deputy Prime Minister Vladimir Babichev. While Chubais wants one centralized campaign staff to oversee the regional elections, Babichev wants two--the administration and the All-Russian Coordinating Council (OKS). *Vek* in its 9-15 August issue argued that Chubais should be in complete control of the regional election strategy, saying a Moscow-defined plan could lead to disaster in the regions. The paper suggested that a good division of labor would be for Chubais's staff to coordinate regions where the Yeltsin team has decided to oppose the incumbent governor, and for the OKS to organize campaigns where the Kremlin prefers the status quo. -- Robert Orttung

THE ALL-RUSSIAN COORDINATING COUNCIL: ANOTHER UMBRELLA ANTI-COMMUNIST MOVEMENT

Boris Yeltsin probably would not have been elected president in 1991 without the help of Democratic Russia, the umbrella anti-communist movement that became one of the most powerful forces of the Gorbachev period. Yeltsin's election proved the peak of Democratic Russia's influence. Once the Communist Party's hegemony was broken and the Soviet Union had collapsed, the organization began a long decline as members discovered they did not agree on how Russia should be governed and left to form their own parties.

But while Democratic Russia's glory days are long past, the presidential administration is trying to recreate its spirit. When Yeltsin faced a tough re-election battle this year, he put former presidential Chief of Staff Sergei Filatov, who is well-liked in Russia's "democratic" camp, in charge of an All-Russian Movement of Public Support for the President (ODOPP). The goal was to unite a host of democratic and centrist groups behind the president. Filatov's task was aided by Communist Party leader Gennadii Zyuganov, who was then the front-runner in the race. The prospect of a Zyuganov presidency sent many democrats who had long since denounced Yeltsin scurrying back into the president's camp.

Shortly after Yeltsin's victory, ODOPP was transformed into the All-Russian Coordinating Council on regional elections (OKS). Its main task was to encourage all democrats and centrists to put up a united front against Communist-backed gubernatorial candidates, especially in regions where Gennadii Zyuganov did well in the presidential election.

More than 20 pro-reform organizations, large and small, have joined the OKS, including Prime Minister Viktor Chernomyrdin's Our Home Is Russia, Yegor Gaidar's Russia's Democratic Choice, Boris Fedorov's Forward, Russia!, Vladimir Shumeiko's Reforms--New Course, and, of course, Democratic Russia. (Grigorii Yavlinski's Yabloko joined the council only as an observer.) Each member organization has one vote, and representatives from the groups take turns chairing meetings. Decisions are adopted by majority vote, so that no one party can impose its will on the council. The most powerful group in the OKS, Our Home Is Russia, has been outvoted on at least one occasion: it advocated endorsing the incumbent governor in Kostroma Oblast, but the council picked the mayor of Kostroma instead.

Although the OKS itself follows strict democratic procedures, the incumbents endorsed by the council do not necessarily adhere scrupulously to democratic practice. Rather, as during the presidential campaign, the overriding sentiment is to forgive the incumbent his flaws if he appears to be the only candidate capable of keeping the Communists out of power. Filatov openly admitted in an interview with *Kultura* (No. 34) that the main goal of the OKS is to make sure "revanchists" are not elected, even if the winners cannot exactly be described as "democrats."

As of 9 September, the OKS had agreed to back 33 incumbents for re-election and rejected only two--former presidential Chief of Staff Nikolai Yegorov in Krasnodar Krai and Yurii Goryachev of Ulyanovsk Oblast. Nevertheless, the undemocratic behavior of certain incumbents is a source of some friction within the council. Seven of the incumbents were endorsed only after lengthy debate, and the OKS has been unable to reach consensus on candidates for several other regions. Many of those are prime targets for the Communists, such as Voronezh, Ryazan, and Kemerovo oblasts. In addition, Russian Public TV (ORT) reported on 9 September that local branches of some democratic parties on the OKS have objected to the council's decision to endorse Stavropol Krai Governor Petr Marchenko.

In some regions where the incumbent is not appealing but there is no viable "democratic" candidate, the OKS may decide not to endorse anyone for governor. This would only be a symbolic decision, signaling the incumbent in question that the government (represented by its proxy, Our Home Is Russia) and leading democratic parties do not approve of his leadership style. But of course, even sitting governors who are not formally backed by the OKS will have the political and financial advantages of incumbency, including lopsided support from the local media.

Despite continuing disagreement within the OKS, the council has proved that Russia's fractious pro-reform parties will cooperate with the presidential administration, and with each other, when they have reason to fear a Communist revanche. It is not clear, however, how long this unity will last among democrats and centrists.

Paradoxically, the more successful the OKS is this year, the less likely it is to survive until the next election cycle. If the Communists are routed in all but a few regions and gradually fade from the Russian scene as a viable opposition party, the groups represented on the OKS will probably go their separate ways, ignoring attempts by the administration to keep them together. Filatov told *Kultura* that by the time of the next presidential election, he hoped that the small organizations on the council would remain united in one democratic party. Given the deep personal animosity among some reform advocates, however, Filatov's optimism seems unfounded. The fate of Democratic Russia illustrates that as goes the Communist threat, so goes unity among Russian democrats. -- Laura Belin

REGIONAL ELECTIONS UPDATE

LAPSHIN: ZYUGANOV SHOULD RUN FOR GOVERNOR. Speaking in Voronezh, Agrarian Party chairman Mikhail Lapshin said Communist Party leader Gennadii Zyuganov should run for governor in one of the "red belt" regions where he outpolled President Yeltsin in the presidential election, *Izvestiya* reported on 7 September. (Lapshin is one of five co-chairmen of the Popular-Patriotic Union of Russia, an umbrella left-wing opposition movement headed by Zyuganov.) Lapshin said running an oblast would give Zyuganov valuable practical experience, and a governor's post would be a good starting point for a presidential bid in the year 2000. Zyuganov is often criticized for his lack of administrative experience, since he spent most of his career working in a Communist Party ideology department. However, he is unlikely to embark on a gubernatorial bid: losing would be a humiliation, and winning would force him to give up his seat in the State Duma, where he leads the dominant faction. -- Laura Belin

INCUMBENT CONFIDENT IN AMUR. Amur Oblast Governor Yurii Lyashko predicted during a visit to Moscow that he will be re-elected on 22 September, Russian TV (RTR) reported on 6 September. Initially, Lyashko's prospects did not appear to be good: he was appointed by President Yeltsin just three months ago, and Gennadii Zyuganov carried Amur Oblast in July by a margin of 53% to 40%. However, the 1 September victory of the incumbent in Saratov Oblast, where Yeltsin is also unpopular, encouraged Lyashko, and the latest opinion poll in Amur gave him further grounds for confidence. He registered 40% support to just 26% for his main rival, the oblast legislature chairman Anatolii Belonogov, who is backed by Zyuganov's Popular-Patriotic Union of Russia. Lyashko's election platform pledges to solve the oblast's economic problems by securing more benefits from the central government and improving economic ties with neighboring China, ITAR-TASS reported on 6 September. Like most incumbents, he is backed by Prime Minister Viktor Chernomyrdin's Our Home Is Russia movement, and he will try to persuade voters that a cooperative rather than confrontational relationship to the Moscow authorities is most likely to reap economic benefits for the region. -- Laura Belin

CANDIDATE FOR CHELYABINSK GOVERNORSHIP CLAIMS AIDE ARRESTED FOR POLITICAL REASONS. Duma deputy Vladimir Golovev, whose aide Anatolii Dudin was detained by Moscow police on 27 August, told ORT on 3 September that he believes the arrest was politically motivated. Russia's Democratic Choice has nominated Golovev as a candidate in the December Chelyabinsk gubernatorial election. He claimed he had been told that Dudin, charged with embezzling budget funds and other financial offenses, would be released if Golovev withdrew from the race. On 5 September, however, the Chelyabinsk authorities rejected Golovev's charges, saying that the arrest was a purely criminal matter, ITAR-TASS reported. Golovev has long been at odds with the Chelyabinsk Oblast administration and Governor Vadim Solovev. In a May article in *Trud*, for example, he accused Solovev of misusing budget funds allocated to the victims of the 1957 nuclear accident in the oblast. Solovev's camp has, in turn, charged Golovev with financial irregularities. -- Penny Morvant

COMMUNISTS CRY FOUL IN ROSTOV. Communist gubernatorial candidate and Duma deputy Leonid Ivanchenko has accused Rostov Oblast Governor Vladimir Chub of falsifying the presidential election returns and rigging the 29 September gubernatorial vote, *Kommersant-Daily* reported on 5 September. President Yeltsin lost the first round of the presidential race to Zyuganov 29%-35%, but won handily in the second, 51%-44%. Ivanchenko

believes that Chub is abusing his office and exerting pressure on city leaders to gain reelection. Chub's staff rejects the accusations, saying Ivanchenko is simply trying to attract attention. Chub has the support of the local directors and most democratic parties. Opinion polls give him 56% to Ivanchenko's 11%. Both Chub and Ivanchenko were elected to the Federation Council in 1993, but Chub won about 14% more of the vote. The presidential administration's newspaper *Rossiiskie vesti* on 27 August painted the competition as one between the consistent reformer Chub who refused to support the 1991 coup attempt and Ivanchenko who backed the coup and is now using the Communist Party, even though he does not believe in its ideals, to gain personal revenge. – Robert Orttung

ANALYSIS AND PREDICTIONS

NO GOOD CANDIDATES IN VORONEZH. President Yeltsin's team will have a difficult time electing a pro-government candidate in the 8 December vote in Voronezh Oblast, where Communist leader Zyuganov won 58% in the second round, *Voronezhskaya nedelya* (no. 33) reported. Recent pensioner demonstrations for more money outside the oblast administration building indicate that the current governor, Aleksandr Kovalev, is unlikely to do much better than Yeltsin did. The oblast's pensioners are owed 400 billion rubles and there is no solution to the problem in sight, ORT reported on 6 September. There are numerous rumors that Kovalev will soon be removed from office in favor of a more viable candidate who would have a great advantage in the campaign as the acting incumbent. However, there are no ideal candidates available. First Deputy Governor Gennadii Makin would have a difficult time convincing the population that his policies would be much different from Kovalev's. The mayor of Voronezh, Aleksandr Tsapin, was popularly elected, but more than half the oblast's voters live outside the city and the rural residents, who are much more politically active, may not support him. The Communists also have no solid candidates. Oblast Duma Speaker Ivan Shabanov, the former first obkom secretary, has managerial experience and ties to the rural parts of the oblast, but the hardliners in his party believe he compromises too much with the administration. Duma deputy Georgii Kostin, on the other, may be too radical for the oblast's center-left voters, who do not support his idea of restoring a centralized system for the distribution of goods through rationing coupons. -- Robert Orttung

OPPOSITION SEEN FARING BETTER IN REGIONAL RACES . . . Opposition candidates could do better in gubernatorial races than the result of the presidential election might suggest, according to a commentary by Vladimir Mau, the deputy director of the Institute of Economic Problems of the Transition Period. He argued in the 410 September edition of *Kapital* that many Russians voted for Yeltsin reluctantly out of fear of a Communist revanche. Now that radical changes on the national level have been averted, such voters could decide it is safe to register their protest this autumn. Second, Mau noted, Russian experience has shown that regions whose leaders oppose the center and press strongly for more autonomy tend to receive greater benefits than regions whose leaders have close ties to the Moscow elite. By way of example, he cited the tax benefits enjoyed by Tatarstan and other republics. Consequently, voters could reject incumbents who are loyal to the Chernomyrdin government in favor of new leaders who may battle Moscow for more regional privileges. Finally, Mau argued, world experience shows that voters are wary of leftist parties in national elections because they do not want to upset the general stability of the system. However, they are much more likely to trust leftist parties to head regional and local governments, which determine the level of social benefits. -- Laura Belin

. . . BUT FILATOV INCREASINGLY CONFIDENT. Sergei Filatov, who chairs the All-Russian Coordinating Council (OKS) that is seeking to elect pro-reform gubernatorial candidates, said Communist candidates will win only four or five of the 50 gubernatorial races and two republican presidential elections scheduled during the next five months, *Kommersant-Daily* reported on 7 September. Although he acknowledged that the incumbents would face fierce struggles, he predicted that they would win even in most "red belt" regions. He added that the growing consensus among diverse "democratic" movements would have a positive impact on voters who have in the past been bothered by splits in the pro-reform ranks. Shortly before the 1 September Saratov election, Filatov predicted that Communist-backed candidates would win up to 10 gubernatorial races (see *OMRI Russian Regional Report*, 4 September 1996). However, Saratov Governor Dmitrii Ayatskov trounced his

Communist opponent by a five to one margin. -- Laura Belin

PROVINCIAL CHRONICLES

FEDOROV TO COORDINATE PRESIDENT'S REPRESENTATIVES IN THE REGIONS. President Yeltsin has appointed Anton Fedorov to head his administration's department for coordinating the work of the president's regional representatives, ITAR-TASS reported on 7 September. Fedorov was Yeltsin's representative in Samara from 1991-1993 and since then has worked as the deputy head of the administration's department for work with the territories, a position in which Chief of Staff Chubais's current first deputy, Kazakov, was his immediate superior. The president's representatives have generally been much weaker than the governors, who were also generally appointed by Yeltsin. Usually, if the governor and the president's representative came into conflict, the federal administration would side with the governor. Now that the governors will be freely elected, Yeltsin is trying to strengthen the role of his regional representatives so that they can keep a watchful eye on the regional executives who may now feel freer to deviate from the Kremlin's line. -- Robert Orttung

ENERGY CRISIS THREATENS SAMARA OBLAST. The pattern of mutual indebtedness that has led to severe energy crises in Primorskii Krai is being replicated in other parts of the Russian Federation. *Kommersant-Daily* reported on 7 September that the general director of the Samaratransgaz gas company has sent an open letter to Oblast Governor Konstantin Titov warning that it will halve energy supplies to four power plants in the oblast if the local power company Samaraenergo does not pay its bills. Such a move would endanger electricity supplies to the giant AvtoVAZ car plant, a major local employer. Samaratransgaz says that Samaraenergo's 1.5 trillion ruble (\$283 million) debt to the gas company means that it cannot afford to pay taxes to the federal, oblast, and local budgets or carry out vital maintenance work. Samaraenergo, in turn, says that it cannot meet its obligations because of the failure of its customers to pay their bills and the Russian government's pricing policy, which it argues results in industrial consumers of electricity subsidizing domestic users. The situation has been further exacerbated by the poor relations between the two companies, with Samaratransgaz accusing Samaraenergo of renegeing on an agreement last year to take joint action against delinquent customers. -- Penny Morvant

HIGH UNEMPLOYMENT IN INGUSHETIYA. Ingushetiya has long had the dubious distinction of having one of the highest unemployment rates in the Russian Federation. According to Molat Vyshegurov, a member of Ingushetiya's state committee for employment, 53% of the republic's working population is now unemployed and there are an average of 489 applicants for every vacancy in the republic, ITAR-TASS reported. Vyshegurov linked the increase in unemployment to layoffs following the privatization of state companies and contended that the scheduled privatization of another seven enterprises in Ingushetiya in 1997 would lead to an even higher rate of joblessness. The problem is aggravated by the presence of a large number of refugees from conflict zones in the Caucasus. The Russian unemployment rate, calculated according to standard international methodology, is 9.2%. -- Penny Morvant

NEW PETERSBURG GOVERNOR COMES INTO CONFLICT WITH LOCAL LEGISLATURE. The St. Petersburg Legislative Assembly has refused to approve newly elected Governor Vladimir Yakovlev's plans to restructure his administration, *Kommersant-Daily* reported on 6 September. Yakovlev wants to increase the number of committees from 14 to 23, give 10 administrations independent status, and reduce his staff by one-third. The assembly's refusal to pass the bill "On the government of St. Petersburg" calls into question the ability of the new governor to name his own team and shatters his attempt to become a "Petersburg Luzhkov," an apolitical leader who can get things done like the popular Moscow mayor. Within the assembly, the Reforma (based on Russia's Democratic Choice) and Beloved City (Yabloko) factions supported Yakovlev, while the Mariinskaya faction, made up of powerful entrepreneurs and former bureaucrats, voted against him. The Mariinskaya faction had supported former Mayor Anatolii Sobchak and sought to signal to the new governor that he would have to take the assembly's views into account in his work. Yakovlev, who attended the session in the hopes of getting the bill passed, emotionally denounced the deputies. Yakovlev and his subordinates left the hall accompanied by noisy catcalls from the legislators. Yakovlev's experience repeats that of Sobchak, who constantly and bitterly denounced

the city's parliament for obstructing his plans. -- Robert Orttung

TATAR DEFENDS RIGHT TO AUTONOMY . . . The ethnically-defined republics need and deserve their special status within the Russian Federation as opposed to oblasts and kraia, according to a commentary by a Tatar, Ildar Sibgatullin, that was published in the 22-28 August edition of *Obshchaya gazeta*. He was responding to an article the paper recently published by Nobel laureate Aleksandr Solzhenitsyn, whom Sibgatullin called a "typical Great-Russian chauvinist." In his article, Solzhenitsyn claimed that the portrayal of tsarist-era Russia as a "prison of nations" was only a myth. On the contrary, he said, all nationalities and religions were traditionally respected and encouraged. But Sibgatullin retorted that Russian "arrogance and contempt toward other nationalities" has persisted for centuries. Citing the work of an ethnic Russian historian, he observed that during the tsarist era, the Tatar language was not recognized in the Kazan Guberniya, and ethnic Tatars were barred from living within the city limits of their own capital, Kazan. Solzhenitsyn complained that ethnic Russians outnumber the titular nationalities in many of the republics, yet have fewer rights. However, Sibgatullin countered that the indigenous populations have been depleted during the centuries since they were conquered and occupied by Russians. Unlike Russians, these smaller ethnic groups and their languages now face extinction if they are not protected on their own historical lands. Regarding Solzhenitsyn's complaint that some republics, including Tatarstan, have been given "international rights" in recent years, Sibgatullin noted that the Russian constitution allows for bilateral pacts to be signed between the center and the regions. Republics need to be autonomous entities recognized by the international community to protect themselves, he argued, because Russian history shows that an ethnic group without its own statehood can be subjugated and even deported, as occurred several times during the Soviet period. -- Laura Belin

. . . WHILE TATAR PRESIDENT SAYS DEAL SHOULD BE STRUCK WITH CHECHNYA. Appearing on ORT on 6 September, Tatar President Mintimer Shaimiev said Russian and Chechen leaders must seize the opportunity created by the ceasefire recently achieved in Chechnya and immediately begin negotiations on a power-sharing agreement for the republic. Shaimiev has long advocated that the federal government and Chechnya sign a treaty modeled on the one he signed with the government in February 1994, which gave Tatarstan considerable economic autonomy. Prior to signing the treaty, Shaimiev led an independence movement and encouraged Tatarstan's residents to boycott the 1993 parliamentary election. Now he is one of the leading members of Prime Minister Viktor Chernomyrdin's Our Home Is Russia movement. Even now, Shaimiev observed on ORT, there are some contradictions between the Russian and Tatar constitutions, but the treaty provided a framework for ending such confrontations, and he said a similar agreement could do the same for Chechnya. -- Laura Belin

INKOMBANK AND SARATOV OBLAST COOPERATE IN PENSIONS REPAYMENT. Inkombank has opened a 40 billion ruble (\$7.5 million) credit line to the Saratov branch of Russia's Pension Fund, *Izvestiya* reported on 7 September. The first 20 billion ruble tranche of the loan was disbursed in June, and the second tranche will be disbursed in September. Another deal signed by the bank and the pension fund stipulates that local enterprises will be able to use Inkombank's bills of exchange (*vekselya*) in order to repay their debt to the pension fund. By July 1996, the total volume of credits provided by Inkombank to regional pension funds and local authorities topped 390 billion rubles and \$18.5 million. -- Natalia Gurushina

ALFA-BANK PROVIDES GERMAN CREDITS FOR KOMI REPUBLIC. Alfa-bank has signed a framework agreement with Hermes, Germany's state export insurance agency, stipulating that a consortium of German banks (consisting of Deutsche Bank, Dresdner Bank, Commerzbank, and Westdeutsche Landesbank) will provide a DM 300 million credit to Komi Republic, *Finansovye izvestiya* reported on 3 September. The loan will be used to finance purchases of German-manufactured equipment for local investment projects. It will be repaid "in kind"—with deliveries of mineral resources. The credit will be disbursed on the basis of individual agreements signed by Alfa-bank and Hermes. -- Natalia Gurushina

REGIONAL PROFILE: LENINGRAD OBLAST

Major Candidates for 29 September Gubernatorial Election

Governor **Aleksandr Belyakov**, a member of Our Home Is Russia, was appointed in October 1991. He convinced Yeltsin to move up the election from 8 December, a date that had been approved by the oblast legislature, to take advantage of the momentum from Yeltsin's victory. Belyakov unsuccessfully ran for governor of St. Petersburg in June.

Vadim Gustov has little money but is well known since he was the chairman of the oblast soviet that was disbanded in 1993. Although he is not a member of the party, the local Communists (KPRF) decided to support him since they did not have their own candidate. The local Yabloko branch collected signatures for him but did not widely publicize it.

Former head of the Vyborg Raion **Nikolai Smirnov** served briefly as chairman of the oblast government under Belyakov 18 months ago, but the two could not agree on economic policy and Smirnov was banished to a position in charge of roads. After sacking Smirnov, Belyakov decided to rule without a head of government.

Brief History

Leningrad Oblast is situated in the northwest part of the East European Plain. It lies on the Gulf of Finland, an inlet of the Baltic Sea. The oblast's main city-St. Petersburg-is a separate federation subject. The oblast's main industries are machine-building, ferrous and non-ferrous metallurgy, chemicals, petroleum refining, processing of forestry and agricultural products, and light manufacturing.

Basic Facts

1995 Population: 1,674,200 (1.13% of Russian total)
Industrial production as percentage of all Russian production (Jan.-Aug. 1995): 1.12%
Agricultural production as percentage of all Russian production (1994): 2.05%
Average personal income index in July 1995: 65 (Russia as a whole = 100)
Price basket index in July 1995: 102 (Russia = 100)
Average back wages owed per person (September 1995): 14,500 rubles (Russian average = 37,100)
Urban population: 66.0% (Russia overall: 73.0%)
Pensioner population (1994): 25.98%
Percent of population with higher education (1989 census): 9.4% (Russia overall: 11.3%)
Percent of population working in (1993): Industry: 32.2% (Russian average: 29.9%); Agriculture: 13.3% (12.8%); Trade: 8.3% (9.1%); Culture: 12.0% (13.6%); Management: 2.8% (2.3%)
Number of telephones per 100 families (1993): in cities: 46.6 (Russian average: 41.5); in villages: 22.6 (17.2)
According to a survey by Bank Austria, the oblast was ranked 38th among Russia's 89 regions on investment climate.

Electoral History

1996 Presidential Election

Yeltsin: 37.46%/61.35% (first round/second round)
Zyuganov: 23.17%/32.30%
Lebed: 18.12%
Zhirinovskiy: 4.29%
Yavlinskii: 11.6%
Turnout: 69.99%/69.20% (Russia overall: 69.67%/68.79%)

1995 Parliamentary Election

Communist Party of the Russian Federation: 18.88%
Liberal Democratic Party of Russia: 8.01%
Our Home Is Russia: 10.81%
Yabloko: 8.16%
Women of Russia: 6.17%
Communists - Workers' Russia: 6.18%
Congress of Russian Communities: 5.91%
In a single member districts: 1 Communist Party of the Russian Federation, 1 Communists - Workers' Russia, 1 independent

Turnout: 61.79% (Russia overall: 64.37%)

1993 Constitutional Referendum

“Yes” - 65.64% “No” - 31.49%

1993 Parliamentary Election

Liberal Democratic Party of Russia: 30.04%

Communist Party of the Russian Federation: 8.55%

Russia's Choice: 16.10%

Women of Russia: 9.39%

Yabloko: 13.38%

Party of Russian Unity and Concord: 5.29%

From electoral associations: one Russia's Choice, one Party of Russian Unity and Concord

In a single member district: one Party of Russian Unity and Concord, one Agrarian Party of Russia

Turnout: 50.42% (Russia overall: 54.34%)

1991 Presidential Election

Yeltsin: 49.64%

Ryzhkov: 15.77%

Zhirinovskiy: 8.95%

Tuleev: 8.65%

Makashov: 7.30%

Bakatin: 3.99%

Turnout: 73.35% (Russia overall: 76.66%)

ELECTION IMPLICATIONS

THE OPPOSITION'S REGIONAL ELECTION STRATEGY: WINNING ISN'T EVERYTHING

The upcoming regional elections will indicate whether Russia's left-wing opposition, led by Gennadii Zyuganov's Communist Party of the Russian Federation (KPRF), can bounce back from the presidential election and remain a viable opposition force. The Communists and their allies do not expect to win most of the gubernatorial elections; Zyuganov's failed presidential bid taught them all too well about the advantages of incumbency. Instead, the opposition has its sights on the most important political prize in Russia: the federal presidency. To maximize their chances in the next presidential election, the opposition parties have set themselves two main tasks in the regional elections.

First, they will try to cement the coalition of leftist and nationalist groups that supported Zyuganov's presidential bid in the form of the Popular-Patriotic Union of Russia (NPSR). In most regions, opposition candidates will run as representatives of the "popular-patriotic forces" rather than as Communists.

Nikolai Ryzhkov, one of the top figures in the NPSR, told the newspaper *Novaya Sibir* last month that he and his colleagues had learned from the failure of the National Salvation Front, which was formed in 1992 as a movement uniting Communists and nationalists but which subsequently faded from view. The lesson, Ryzhkov said, was that member parties must work together at the local level, not merely on a national committee in Moscow. Each gubernatorial race represents an opportunity to forge regional branches of the NPSR. In an interview published in *Sovetskaya Rossiya* on 14 September, Zyuganov said that founding congresses for local affiliates of the NPSR have already been held in 20 regions. Just as the presidential administration aspires to secure the regional elite's dependency on the Moscow authorities rather than to win in every single race, so the Communist strategy is not to win in every region but to ensure that those who rallied around Zyuganov this spring remain in the Communist camp.

The second, and even more important, task for the NPSR is to build a reputation as a "constructive" rather than an "irreconcilable" opposition, and establish itself as more than just a vehicle for the Communists. The authorities' most effective weapon against Zyuganov during the presidential campaign was to portray his supporters as unreformed Communists who would lead Russia back to the days of empty shelves, repression, and civil war.

At the national level, the Communists' "constructive opposition" stance has been visible for some weeks. When most left-wing deputies in the State Duma voted (by secret ballot) to confirm Prime Minister Viktor Chernomyrdin in August, *Nezavisimaya gazeta* suggested that the KPRF had deprived itself of its main "trump card" in regional elections: implacable opposition to the government and its policies. However, the Communists apparently calculated that possibly discrediting themselves in the eyes of radical supporters was less risky than appearing to be a destabilizing force. (The deputies also had a strong self-interest in voting to confirm Chernomyrdin: they wanted to avoid giving President Yeltsin any pretext to dissolve the Duma.) For similar reasons, the NPSR approved the decision of one of its five co-chairmen, Aman Tuleev, to join the government as minister for CIS affairs.

To achieve these two goals, the opposition will pick their battles, their candidates, and their issues very carefully. It is already apparent that the NPSR will not waste many resources on lost causes. Instead, regions where Zyuganov outpolled Yeltsin in the presidential race and where the incumbent is particularly unpopular will be targeted. Where the incumbents are considered vulnerable, Zyuganov and other leaders will become personally involved in the campaign. Zyuganov told *Sovetskaya Rossiya* that he recently visited Stavropol Krai and will soon travel to Krasnodar, Rostov, and Vladimir.

In contrast, the NPSR made only a meager effort before the recent election in Saratov Oblast, contributing little more than a few campaign leaflets to the opposition candidate, according to *Segodnya* on 3 September. The local branch of the Agrarian Party and even some local KPRF cells supported the incumbent, Dmitrii Ayatskov, who won easily with more than 80% of the vote. Commenting on the race, Zyuganov showcased his moderate side by accepting defeat gracefully and praising Ayatskov's professionalism. In this sense, the Saratov result, while certainly not encouraging, was not a total disaster for the opposition. It will be far more damaging if incumbents are re-elected in regions where the NPSR puts up a real fight.

The NPSR is promoting its candidates as forward-looking professionals. A resolution passed by the movement in early September pledged to choose candidates based on their abilities rather than on their "political passions." So far, the opposition has agreed on 13 gubernatorial candidates, of which six are current Duma deputies representing either the KPRF or the allied Popular Power faction. The others include the chairmen of regional legislatures in Altai Krai and Amur and Vladimir oblasts, the head of an agricultural institute in Krasnodar Krai, and the former elected governor of Bryansk Oblast, who was fired by Yeltsin. In two oblasts the opposition hopes to field candidates of national stature: former Vice President Aleksandr Rutskoi in Kursk, and Vasilii Starodubtsev, a leading figure in the Agrarian Party, in Tula. (Rutskoi was refused registration by the Kursk Electoral Commission and lost an appeal to an oblast court, but his backers hope he will win a Supreme Court appeal.)

Speaking to *Sovetskaya Rossiya*, Zyuganov emphasized that the opposition candidate in Krasnodar has the support of local industrialists, entrepreneurs, and managers. Similarly, Zyuganov described his favored candidate in Vladimir Oblast as "young," "energetic," and "contemporary." He praised Starodubtsev, a participant in the August 1991 coup, as a talented manager who keeps his collective farm "running like clockwork."

As for campaign issues, the opposition's strategy is simple. They will connect the incumbent with economic hardship and Yeltsin's broken promises while stressing their own candidates' concrete achievements. According to *Izvestiya* on 12 September, opposition activists in Rostov Oblast are using leftover pro-Yeltsin campaign posters showing Governor Vladimir Chub standing alongside the president. They are encouraging voters to make Chub answer for Yeltsin's sins, and also reminding voters of every bridge, school, and kindergarten built before 1991, when Chub's opponent, Leonid Ivanchenko, was the chairman of the Rostov Oblast ispolkom and later the oblast soviet.

Even if most incumbent governors are re-elected, the NPSR will consider the regional elections a success if it defeats a few Yeltsin appointees and solidifies its position as the country's dominant opposition movement for the foreseeable future. By nominating "professionals," the NPSR hopes to distance itself from the negative associations of the communist era, thereby neutralizing the most powerful rhetorical weapon currently used against it. This strategy is important not just in appealing for support from the voters but also in positioning the NPSR as a possible ally for conservative regional governors who may drift away from the Yeltsin camp in the future. -- Laura Belin

DILEMMAS OF REGIONAL POLICY

Aleksei Lavrov, an analyst in the Presidential Administration, spoke about the challenges facing Moscow in trying to devise a regional policy for the transition economy at a 5 September conference hosted by the New Economics School. There has been a considerable increase in the economic independence of Russia's regions since 1991: republican and regional governments now account for 50% of tax raising and 70% of government spending.

In the Soviet era, Moscow's regional policy was a by-product of general economic policy, since resources (especially investment) were allocated as part of the integrated central plan. Since 1991, this system has broken down, and in its place Russia has seen a sharp increase in the scale and scope of regional differentiation. Only about 15 of Russia's 89 regions are net contributors to the federal budget, the others are net recipients.

In another paper delivered to the NES conference, Tatyana Maleeva argued that regional inequality increased sharply up till 1994 but has leveled off since then. The increase in inequality is worrying, but it may have been a one-shot phenomenon caused by the abrupt shift to market prices. Much of the increase in inequality in living standards is due to the rise in the cost of basic consumer goods in outlying regions: nominal wages vary less sharply across the regions.

Economic development has impacted very differently on regions depending on their geographical location and inherited economic endowments. Among the winners are mineral-rich regions (such as the oil and gas producer Tyumen) and "gateway" regions that sit astride Russia's booming trade with the global economy (of which Moscow is the prime example). The pattern that emerges is very complex, however. Some regions with vast mineral wealth (such as Sakhalin and Kamchatka) have not yet been able to develop their resources. In some regions (such as Orenburg) living standards have fallen faster than the average nationwide decline although production levels have remained relatively high.

A second criterion for differentiation has been the policies adopted by regional elites. Some have pursued economic reform more enthusiastically than others. The easiest way to measure the degree of resistance to reform is the persistence of local price controls on food and other basic commodities (as in Ulyanovsk, Orel, Belgorod, and other regions).

As in the Soviet era, the main channel for federal subsidies to the regions is still support for individual industries, rather than grants to the regions themselves. Moscow even lacks a centralized system for tracking all flows of federal receipts and spending to and from the provinces. Among the package of decrees President Yeltsin signed on 24 August was a measure barring regional authorities from introducing any new taxes that are not specifically allowed for in existing federal legislation. It remains to be seen whether this will be effectively implemented.

Political factors also loom large in shaping Moscow's policy towards the republics and regions. Research by Daniel Treisman (see "Moscow's Struggle to Control Regions Through Taxation," *Transition*, vol. 2, no. 19) suggests that the political logic behind regional subsidies is quite complicated. One might have expected that the Yeltsin administration would channel subsidies to regions that voted for pro-reform candidates in the 1993 and 1995 parliamentary elections. In fact, the reverse appears to have been the case. Subsidies seem to have flowed to regions where the opposition vote was most strong, presumably in a bid to win their support or at least prevent open conflict.

Whatever the political logic at work, given the economic differentiation taking place across Russia's vast territory, Moscow's regional policy will have to be tailored to the individual strengths and needs of each constituent member of the federation. -- Peter Rutland

REGIONAL ELECTIONS UPDATE

ALL KHABAROVSK CANDIDATES RUNNING AS INDEPENDENTS. All seven candidates registered so far for the December gubernatorial election in Khabarovsk Krai are running as independents, ITAR-TASS reported on 15 September. Incumbent Governor Viktor Ishaev is considered likely to win the race. His strongest rival is the prominent local entrepreneur Valentin Tsoi, who runs a local commercial television station and was elected to the State Duma last December. He had sought backing from the Communist Party for that race, but after Communist activists concluded that Tsoi was merely an opportunist, he ran as an independent instead. The candidates' preference to run as non-partisan professionals reflects two circumstances typical for many Russian regions: voters have negative attitudes toward political parties and few parties have regional branches strong enough to give candidates any competitive advantage. -- Laura Belin

SIMILARITIES BETWEEN TWO MAIN CANDIDATES IN ROSTOV DESCRIBED. Although Rostov Oblast Governor Vladimir Chub is backed by all of the region's democratic forces and his main opponent, Leonid Ivanchenko, is on the Central Committee of the Communist Party, the two men's biographies are strikingly similar, and people who know both say each could easily have ended up on the other side of Russia's political divide, *Izvestiya* reported on 12 September. Born in 1942, Ivanchenko worked in a defense factory, was transferred to party work, and rose through the ranks to the post of Rostov Obkom second secretary. Chub was born in 1948, worked in the ship-building industry, and rose through the party hierarchy to become a raikom first secretary in the city of Rostov. During the August 1991 coup, both initially kept quiet, but Ivanchenko eventually broke his silence to support the coup. Chub announced his support for Yeltsin only after it was clear the coup would fail, *Izvestiya* reported. As a result, Chub became a hero to local democrats and was soon appointed governor, while Ivanchenko's career was ruined. (For a slightly different account, see *OMRI Russian Regional Report*, 11 September 1996.) The paper predicted that Chub will be re-elected on 29 September but said Ivanchenko was not out of the running. -- Laura Belin

LENINGRAD OBLAST GOVERNOR SETS RULES IN HIS FAVOR. Keeping in mind the recent defeat of St. Petersburg Mayor Anatolii Sobchak, Leningrad Oblast Governor Aleksandr Belyakov has set the electoral law in his favor, *Kommersant-Daily* reported 17 September. The law only allows candidates who permanently live in the oblast to run for governor but makes an exception for those like Belyakov who work in the oblast's

administration and live in St. Petersburg, outside the oblast's borders. The law has no minimum turnout requirement and a candidate can win in the first round as long as he has more than 25% of the ballots cast. Belyakov's ties to Moscow were hurt following the firing of Presidential Security Service Director Aleksandr Korzhakov and First Deputy Prime Minister Oleg Soskovets. However, presidential Chief of Staff Anatolii Chubais has provided some assistance in spite of his dislike for Korzhakov and Soskovets. Belyakov also has a connection to Deputy Chief of Staff Yurii Yarov, who chaired the oblast soviet in 1990-1991 and under whom Belyakov served as a deputy. Nevertheless, Moscow's support is not very active; the local media is almost exclusively under Belyakov's control. -- Robert Orttung

PRESIDENTIAL ADMINISTRATION REFUSES TO BACK INCUMBENT GOVERNOR IN VOLGOGRAD. The presidential administration has decided to back the mayor of Volgograd, Yurii Chekhov, against the current incumbent governor, Ivan Shabunin, in the 22 December gubernatorial election because the Communists won more votes in the area during the presidential election than Yeltsin, Russian Public TV (ORT) reported on 11 September. The city of Volgograd was the only area in the oblast that supported Yeltsin. Chekhov decided to join the race even though he had told Shabunin two weeks earlier that he did not plan to run. First Deputy Chief of Staff Aleksandr Kazakov asked Shabunin to resign, but the governor has no intention of doing so, *Kommersant-Daily* reported on 12 September. -- Robert Orttung

ANALYSIS AND PREDICTIONS

TIME COULD BE ON THE SIDE OF THE COMMUNISTS. If all the local elections were held now, the "party of power" would win in two-thirds of the republics and regions, while the opposition would take the other third, according to a 12 September article in *Trud* Vladimir Lysenko, president of the Institute for Contemporary Politics. However, many of the elections are set for the end of the year when some economists foresee a worsening in economic conditions and rising levels of wage and pension arrears. An overall economic downturn could help the opposition win more seats than seems likely now. The situation in Chechnya and a continuing wave of strikes could also help Yeltsin's political enemies. -- Robert Orttung

PROVINCIAL CHRONICLES

NOVOSIBIRSK GOVERNOR IS NOT A COMMUNIST PARTY MEMBER AFTER ALL. Since his election as governor on 24 December 1995, Vitalii Mukha has not refuted statements by members of the local Communist Party branch (KPRF) that he is a member of the party, *Novaya Sibir* (no. 16, September 1996) reported. However, in a 23 August interview with *Trud*, Mukha said he had never joined the KPRF. The former first secretary of the Novosibirsk Obkom said that he had been a member of the Communist Party of the Soviet Union and that he had no intention of joining the KPRF. However, members of the Novosibirsk KPRF continued to say he was a member. *Novaya Sibir* claimed that information about Mukha's party membership began to appear in the press when he hired Svetlana Baram, a member of the party's obkom, as his press secretary. (Note: to read *Novaya Sibir* on the Web, go to <http://www.sicnit.ru:8000/siberia/>). -- Robert Orttung

KABARDINO-BALKARIYA FACES REFUGEE CRISIS. The August fighting in Chechnya sent 2,402 officially registered refugees into Kabardino-Balkariya, the head of the republic's migration service, Anzor Guchapshev, told *Rabochaya tribuna* on 17 September. Until then there were 3,878 officially registered refugees in the republic, and the number of refugees without official papers may be much higher. About 2,000 of the new refugees have no place to stay and are currently sleeping outside. There is almost no money, either from Moscow or Chechnya, to finance programs to help the refugees, many of whom are suffering from tuberculosis. The situation is equally bad in Ingushetiya, where there are more than 10,000 officially registered refugees and many others staying with family and friends. -- Robert Orttung

ST. PETERSBURG GOVERNOR FINDS WAY OF WORKING WITH LOCAL LEGISLATURE. After the St. Petersburg Legislative Assembly turned down his plans for restructuring the city's administration, St.

Petersburg Governor Vladimir Yakovlev and his aides spent the week working with the assembly deputies and finally got them to approve his plans as a basis for further discussion, *Kommersant-Daily* reported on 17 September (see *OMRI Russian Regional Report* 11 September 1996). The first deputy governors who have retained their seats in the assembly, Vyacheslav Shcherbakov and Igor Artemev, played a key role in getting their colleagues to come around. Among the reasons the deputies turned down the governor's plans was his intention to reduce his staff by 1,300. Many of his staffers are apparently friends and business partners of the deputies. The assembly will consider the plan again in two weeks. Yakovlev blamed the assembly's intransigence on the deputies' "political ambitions." -- Robert Orttung

NIZHNII NOVGOROD GOVERNOR'S CAREER REVIEWED. Nizhnii Novgorod Governor Boris Nemtsov is "a mixture of dubious merits and charming faults," according to a profile published in *Itogi* (no. 18). The 36-year-old Nemtsov "talks about himself constantly" and "gives more interviews than a rock star." He is so conceited that instead of tactfully losing to President Yeltsin at tennis, he beats the president and then brags about it to journalists. But through a combination of luck and skill, he has become one of Russia's most prominent governors.

Nemtsov first attracted Yeltsin's attention by chance. Passing through Moscow on vacation in August 1991, he saw tanks in the street and immediately went to help defend the White House. A week after the coup failed, Yeltsin appointed Nemtsov to be his presidential representative in Nizhnii Novgorod. In November of that year, he appointed Nemtsov governor.

Nemtsov criticized the economic reforms advocated by Yegor Gaidar and implemented a reform plan designed in part by Grigorii Yavlinskii instead. According to *Itogi*, Nemtsov's economic record is mixed. Although the regional capital, also named Nizhnii Novgorod, was closed to foreigners until only a few years ago because of its high concentration of defense industry, the oblast boasts more joint ventures and greater hard currency turnover than oblasts with a similar economic structure, such as Samara and Saratov. Nemtsov has also implemented successful housing development and telephone extension programs. On the other hand, although Nemtsov sought advice from U.S. experts on agricultural reform, Nizhnii Novgorod's agrarian sector is doing less well than the same sector in other Volga-Vyatka regions (including Kirov Oblast and the republics of Chuvashiya, Mordoviya, and Marii-El), and far worse than agrarian sector in Tula Oblast and Stavropol Krai.

Nemtsov easily won the first gubernatorial election in the region in December 1995. In February, some politicians, including Gaidar, tried to recruit Nemtsov as a presidential candidate who could unite Russia's "democratic" forces, but Nemtsov refused to challenge Yeltsin. The magazine predicted that in the future he will seek to become a player at the federal level by founding a governors' association. For now, he will bide his time in Nizhnii Novgorod, making sure to give plenty of interviews in order to build his reputation in other regions. -- Laura Belin

DEBT FORCES ST. PETERSBURG NEWSPAPERS TO SUSPEND PUBLICATION. Several St. Petersburg newspapers, including *Smena*, did not appear on 13 September due to debts of about 2 billion rubles (\$370,000) owed by the papers to the state-run publishing complex, Ekho Moskvyy and ITAR-TASS reported. When the state-run publisher stopped its printing presses, a few papers, including *Vechernii Peterburg*, managed to use a private printer and did not miss a day of publication, according to *Kommersant-Daily* on 17 September. The state-run publisher agreed to resume printing the newspapers on 14 September after the papers' editors promised to pay all their debts by 1 October. *Kommersant-Daily* predicted that the local authorities will help solve the debt problem, because a gubernatorial election in Leningrad Oblast is scheduled for 29 September, and the "party of power" will not want to campaign without the help of the local press. Leningrad Oblast surrounds St. Petersburg but does not include the city itself. -- Laura Belin

HIV CASES MULTIPLY IN KALININGRAD, OTHER REGIONS. The number of people testing positive for the HIV virus that leads to AIDS has tripled in Kaliningrad Oblast over the past month, and the local government has imposed emergency security measures on the region. Regional health official Oleg Nelubin said the number of people infected with HIV has risen from 37 to 122 over the past month and the city of Kaliningrad now has the highest HIV per capita rate in Russia, AFP reported on 13 September. The increase is due in part to a

broadening of the categories of people undergoing mandatory testing and to an increase in the incidence of HIV infection among drug users. According to *Vechernyaya Moskva* on 17 September, all foreign visitors to the oblast will now have to present a certificate showing that they are HIV-negative. Visitors to Russia as a whole are required to have such a certificate if they plan to stay in the country for more than three months. Other Russian regions have also reported a sharp increase in HIV infection this year -- again mainly linked to intravenous drug use. The worst affected areas are St. Petersburg, Krasnodar Krai, and Saratov, Nizhnii Novgorod, and Tyumen oblasts. In Russia overall, twice as many cases were registered during the first half of this year compared with the same period last year. As of mid-July, 1,269 HIV cases had been registered since 1987. Actual infection rates are thought to be significantly higher, and another 193 people, including 80 children, are known to have died of AIDS. -- Penny Morvant

PAYMENTS PROBLEMS SLOW DELIVERY OF WINTER SUPPLIES TO FAR NORTH. Company indebtedness and delays in the disbursal of state funds have slowed the shipment of winter supplies to Russia's most northerly regions. According to an ORT report on 15 September, last year all provisions shipped from Murmansk to residents of Russia's Far North were en route by the end of August. By mid-September this year, however, only half as many supplies had been shipped. The director of the Murmansk Shipping Lines attributed the reduction to the inability of customers to pay transport costs. For example, the giant Norilsk Nickel concern, in northern Krasnoyarsk Krai, owes the company tens of billions of rubles for the transportation of building materials and other supplies to its factories. Chukotka Autonomous Okrug Governor Aleksandr Nazarov on 11 September described the situation as catastrophic, warning that residents of the Far North could go hungry if urgent measures to speed up deliveries are not taken soon, ORT and ITAR-TASS reported. Nazarov, the chairman of the Federation Council's committee on the Far North and small ethnic groups, said that the north cannot survive without state support and that northern administrations are concerned about the "sluggish" flow of state subsidies to the region. He said his committee is working on a package of laws on the status of minorities, state assistance for regional economic and political programs, and revised maps of the north. Nazarov, appointed by Yeltsin in 1991, is running for a second term in the December regional election. -- Penny Morvant

PRIMAKOV SUPPORTS FOREIGN ECONOMIC TIES FOR REGIONS. Speaking to a symposium on improving Russian-Japanese relations, Foreign Minister Yevgenii Primakov said the days when "all the economic ties of our Far East passed through Moscow" are gone, ITAR-TASS reported on 13 September. Primakov said Russia's regions should be given both the legal and material means to manage their own foreign economic relations, especially since the Asian-Pacific region will be the world's most important political and economic area in the 21st century. On 17 September, Khabarovsk Krai Governor Viktor Ishaev announced that his region and South Korea's Kyongsang-Namdo province had signed an agreement to increase cooperation in many areas including trade, agriculture, technology, and fishing, ITAR-TASS reported. -- Laura Belin

BASHKORTOSTAN ISSUES SURROGATE MONEY. Bashkortostan's Finance Ministry has issued a new form of payment known as republican tax exemptions (RNOs), *Kommersant-Daily* reported on 14 September. Bashkortostan's government hopes that the RNOs will ease the republic's nonpayment crisis and budget problem. The volume of the first emission amounts to about 110 billion rubles (\$19 million) and there are no limits on further issues of RNOs as the means of repayment for enterprise debts. Regional economists are not concerned over Bashkortostan's new quasi-money because the volume of the emission is not very large and it is unlikely to have a serious effect on prices. However, the Russian government has already abolished the federal Finance Ministry's tax exemptions (see *OMRI Daily Digest*, 9 August 1996). Many regions and republics have been issuing promissory notes of various types over the past year. The government of Khakassiya recently announced that it will issue a special "currency"--effective from October 1996--to pay pensions on the territory of the republic. Only pensioners will be allowed to use the new means of payment, which can be exchanged for real money, *Kommersant-Daily* reported on 17 September. The RNOs and other forms of money-surrogates are being used due to an acute cash shortage. If more money-surrogates are issued at the regional level, the center will gradually lose control over the money supply. -- Ritsuko Sasaki

Compiled by Robert Orttung; Copy edited by Victor Gomez

REGIONAL PROFILE: SARATOV OBLAST

Major Candidates for 29 September Gubernatorial Election

President Yeltsin appointed the incumbent, **Vladimir Chub**, to his post in October 1991. Chub is a member of Our Home Is Russia. He was elected to the Federation Council in 1993 and earlier had served as chairman of the Rostov City Soviet.

The Communist Party of the Russian Federation's candidate, **Leonid Ivanchenko**, is a former chairman of the oblast ispolkom and soviet, was a member of the Federation Council from 1993-1995, and was elected to the State Duma on the Communist list in December 1995.

Colonel Sergei Shatskii is running on Lebed's Honor and Motherland ticket. He has accused the local media and electoral commission of foul play.

Other Local Leaders

Legislative Assembly Chairman Aleksandr Popov (elected in April 1994)

Brief History

Rostov Oblast's capital city, Rostov-na-Donu, is located 1,226 km southeast of Moscow on the Lower Don. The Tatars held the region from 1237 until 1480. The territory came under Russian rule during the mid-16th century, except for the southern part which remained Turkish as part of the Khanate of Crimea until the end of the 18th century. The Don Cossacks have long inhabited the territory of the oblast. Rostov-na-Donu was founded as a customs post in 1749.

Because of the fact that it is only 46 km away from the Azov Sea, Rostov is an important transportation point and industrial center, producing agricultural and construction machinery, electrical equipment, and chemicals. It is an important farming region, producing tobacco and wine. Rostov-na-Donu is also a center of higher education and research.

Basic Facts

1995 Population: 4,429,200 (2.99% of Russian total)

Industrial production as a percentage of all Russian production (Jan.-Aug. 1995): 1.76%

Agricultural production as percentage of all Russian production (1994): 2.48%

Average personal income index in July 1995: 61 (Russia as a whole: 100)

Price basket index in July 1995: 80 (Russia: 100)

Average back wages owed per person (September 1995): 48,400 rubles (Russian average: 37,100)

Urban population: 68.0% (Russia overall: 73.0%)

Student population (1993): 182 per 10,000 (Russia overall: 171/10,000); Pensioner population (1994): 26.52%

Percent of population with higher education (1989 census): 10.6% (Russia overall: 11.3%)

Percent of population working in industry (1993): 30.0% (Russian average: 29.9%); Agriculture: 17.0% (12.8%);

Trade: 9.9% (9.1%); Culture: 11.2% (13.6%); Management: 1.8% (2.3%)

Number of telephones per 100 families in cities (1993): 31 (Russian average: 41.5); in villages: 16.1 (17.2)

A Bank Austria survey ranked the oblast 36th among Russia's 89 regions for investment climate.

Electoral History

1996 Presidential Election

Yeltsin: 29.08%/50.67% (first round/second round)

Zyuganov: 34.99%/44.17%

Lebed: 20.04%

Zhirinovskiy: 4.61%

Yavlinskii: 7.70%

Turnout: 75.62%/73.03% (Russia overall: 69.67%/68.79%)

1995 Parliamentary Election

Communist Party of the Russian Federation: 26.99%

Yabloko: 14.11%

Liberal Democratic Part of Russia: 10.25%

Congress of Russian Communities: 6.25%
Our Home Is Russia: 5.33%
Communists - Workers' Russia: 5.32%
Women of Russia: 4.16%
Party of Workers' Self-Government: 3.42%
Derzhava: 3.18%
In single-member districts: Communist Party of the Russian Federation, two; Agrarian Party of Russia, one; Party of Russian Unity and Concord, one; Yabloko, one; independent, two
Turnout: 67.48% (Russia overall: 64.37%)

1993 Constitutional Referendum

"Yes" - 50.05% "No" - 47.14%

1993 Parliamentary Election

Liberal Democratic Party of Russia: 22.28%
Communist Party of the Russian Federation: 17.31%
Russia's Choice: 12.30%
Party of Russian Unity and Concord: 12.11%
Women of Russia: 8.26%
Agrarian Party of Russia: 7.52%
Yabloko: 7.44%
Democratic Party of Russia: 6.24%
From electoral associations: 2 Party of Russian Unity and Concord, 1 Russia's Choice
In single-member districts: Russia's Choice, one; New Regional Policy, one; Agrarian Party of Russia, two; Communist Party of the Russian Federation, two
Turnout: 56.47% (Russia overall: 54.34%)

1991 Presidential Election

Yeltsin: 53.48%
Ryzhkov: 17.82%
Zhirinovskiy: 11.63%
Tuleev: 6.47%
Makashov: 4.90%
Bakatin: 3.09%
Turnout: 77.34% (Russia overall: 76.66%)

Sources: *Goroda Rossii* [Cities of Russia], Moscow: Bolshaya Rossiiskaya Entsiklopediya, 1994; *Rossiiskie regiony nakanune vyborov-95* [Russian regions on the eve of 1995 elections], Moscow: Yuridicheskaya Literatura, 1995; *Itogi vyborov 17 dekabrya 1995 goda po regionam* [Results of the 17 December 1995 elections, regional breakdown], Moscow: Panorama, 1996; *Vybory deputatov Gosudarstvennoi Dumi 1995* [State Duma elections 1995], Moscow: Central Electoral Commission, 1996.

FOCUS ON TATARSTAN

TATARSTAN: A SOVEREIGN REPUBLIC WITHIN THE RUSSIAN FEDERATION

Dr. Rafael Khakimov, an adviser to President Mintimer Shaimiev and director of the Institute of History of the Academy of Sciences in Kazan, visited OMRI on 19 September and discussed Tatarstan's path to sovereignty. In 1992, on the eve of Tatarstan's sovereignty referendum, Russian military forces assembled on the borders of the republic, and there was a real danger that it would suffer the fate that subsequently befell Chechnya in December 1994. This did not occur, and relations between Moscow and Kazan now seem stable and strong. What went right?

The Republic of Tatarstan has led the way for Russia's 21 republics in the quest to define the relationship between Moscow and the component parts of the Russian Federation. Kazan has pursued a path of voluntary negotiations with Moscow, encapsulated in a bilateral treaty signed in February 1994. It has finessed the controversial subject of "independence" by the simple expedient of not using that loaded word. Instead, the emphasis has been on sovereignty and the "mutual delimitation of powers" between Moscow and Kazan.

The result of such negotiations between Moscow and many of the 89 republics and regions that make up the Russian Federation is an "asymmetric federalism" of unequal relations and overlapping jurisdictions. This may seem messy to constitutional purists, but it beats the alternative which would probably be an attempt to impose uniformity on the country through force.

Tatarstan's negotiators have taken to heart many of the lessons of the conflict resolution specialists at Harvard University's John F. Kennedy School of Government. In discussions with Moscow, they tried to avoid controversial topics, focusing instead on issues where agreement could be reached. It was better to postpone or fudge controversial issues, rather than force a confrontation. They preferred to negotiate with executive structures rather than have the bilateral treaties subject to parliamentary debate. This would likely have led to an escalation of political rhetoric, trapping of leaders in public postures and making compromise more difficult.

Ambiguities remain. Tatarstan regards itself as a subject of international law that has delegated some of its powers to the Russian Federation. This may or may not be in conformity with the Russian Constitution, which declares both that the laws of the federation are supreme and (in Article 11) that the constitution incorporates bilateral treaties with federation subjects (in which the two sides are usually treated as equal partners). Tatarstan's legal ambiguity has been raised as a possible problem with regard to Russia's entry into international bodies such as the World Trade Organization.

In practical terms, Tatarstan won for itself complete ownership of all the resources and economic assets on its territory, and the right to conduct its own relations with foreign countries. It agreed that Moscow would continue to levy customs duties on Tatarstan's foreign trade (imports and exports) with countries beyond the Russian Federation. Tatar oil exporters were also initially subject to quotas in oil transit pipelines that were set in Moscow, but as of this year such quotas have effectively been abolished. Tatarstan does not pay taxes to Moscow on the same basis as other federation members -- but on the other hand, it also does not ask Moscow for help in running its economy. As Dr. Khakimov remarked, if there are meetings to protest wages or pensions, the complaints are directed at President Shaimiev, not Boris Yeltsin. Tatarstan negotiates with Moscow what proportion of its taxes it will send to the federal budget -- usually about 15-22% of total taxes collected. Some federal programs spend money in the republic. Tatarstan is one of only a dozen or so regions that are net donors to the federal budget.

Tatarstan has pursued independent policies in all spheres of economic activity. This year output is expected to rise by 2%, led by a 2 million metric ton increase in oil production. Most prices have been liberalized, although price controls on bread and milk remain. The minimum wage in Tatarstan is 200,000 rubles (about \$37), higher than elsewhere in Russia. The Russian privatization program was adopted with some amendments. For example, additional republican privatization vouchers were issued. The farms were not forcibly decollectivized, although seven different forms of agricultural property are allowed under the newly adopted land code. Tatarstan's policies to encourage foreign investment are more generous than Moscow -- with regard to profit tax holidays, for example. This has encouraged the U.S. company General Motors to get involved in the giant Yelabuga auto plant project.

Kazan agreed to delegate foreign and defense policies to the Russian Federation. Most Interior Ministry operations on Tatarstan's territory are financed from Moscow. Most of the higher education institutes are still Moscow's property, and are financed from the federal budget. Four defense plants remain in Moscow's ownership, and another 15 are in joint ownership, still relying for their financing on defense orders from Moscow.

Khakimov argued that relations between ethnic Russians and Tatars within the republic are good and that political polarization along ethnic lines has not occurred. The number of schools with Tatar as the language of instruction is growing, but Russian is compulsory as a second subject in those schools -- as is Tatar in Russian schools.

Not all problems have been resolved, however. Only 25% of Russia's Tatars live within Tatarstan. Access to cultural and education facilities for Tatars in other regions of Russia is often difficult. The main destabilizing factor that Khakimov sees is the possibility of unpredictable developments in Moscow. Should hardliners accede to power there, they could use relations with Tatarstan as a test case to polarize society and trigger conflict. "If democracy continues to develop in Russia, we do not see a threat for Tatarstan," Khakimov concluded. -- Peter Rutland

ELECTION SCHEDULE FOR OCTOBER

6 October	Vologda Oblast Governor Kaliningrad Oblast Governor Kirov Oblast Governor Republic of Marii El State Assembly Sakhalin Oblast Duma
13 October	Yamal-Nenets Autonomous Okrug Governor
20 October	Kursk Oblast Governor Pskov Oblast Governor Sakhalin Oblast Governor Jewish Autonomous Oblast Governor
27 October	Krasnodar Krai Governor Stavropol Krai Governor Chita Oblast Governor Kaluga Oblast Governor Tyumen Oblast Governor Agin Buryat Autonomous Okrug Governor Koryak Autonomous Okrug Governor Khanty-Mansi Autonomous Okrug Governor
October (date unspecified)	Koryak Autonomous Okrug Duma Chita Oblast Duma Amur Oblast Assembly Agin Buryat Autonomous Okrug Duma

REGIONAL ELECTIONS UPDATE

COORDINATING COUNCIL AGREES ON 10 MORE CANDIDATES . . . The All-Russian Coordinating Council (OKS) on the regional elections, which is seeking to stave off challenges by the left-wing opposition, endorsed candidates in another 10 regions during its last two meetings, bringing the total number of regions where "democratic" and "centrist" forces will nominate a single candidate to 42. (As of 9 September, the OKS had agreed on 33 candidates but decided to review its backing for Stavropol Krai Governor Petr Marchenko following protests from the local branches of some parties.)

Seven of the 10 candidates endorsed by the OKS on 16 and 23 September are incumbents: the sitting governors of Ryazan, Murmansk, Chelyabinsk, and Arkhangelsk oblasts; the heads of the Evenk and Taimyr autonomous okrugs; and the current president of the Republic of Sakha (Yakutiya). Most of them were supported without significant disagreement, except for Ryazan Governor Gennadii Merkulov, whose candidacy was debated for several weeks and only endorsed on the recommendation of a special OKS conciliatory council, *Nezavisimaya gazeta* reported on 18 September.

In the other three regions, the OKS selected prominent local figures who it believes can mount a strong challenge both to the incumbent and to the Communist opponent. In Krasnodar Krai, where Yeltsin's former chief of staff, Nikolai Yegorov, was appointed governor in June, the OKS will support Deputy Governor Yevgenii Kharitonov. (Kharitonov was Yegorov's predecessor.) For the presidential election in the Republic of Khakasiya, the OKS nominated the mayor of Khakasiya's capital city Abakan, and the rector of Ulyanovsk University will be the OKS gubernatorial candidate in Ulyanovsk Oblast, ITAR-TASS reported on 23 September.

The OKS has now agreed on candidates in almost all the regions facing elections before 8 December, with a few notable exceptions: Altai and Stavropol krais, and Voronezh and Ivanovo oblasts. In those regions, unpopular incumbents are considered vulnerable to Communist-backed challengers, but they are also vehemently opposed by local branches of "democratic" parties. -- Laura Belin

. . . BUT LONG-TERM PROSPECTS FOR UNITY DIM. While the OKS endorses more candidates at every weekly meeting, the parties represented on the council are unlikely to stay united once the current series of gubernatorial elections has ended. The two most prominent groups among some 20 political parties and movements on the council are the pro-government bloc Our Home Is Russia (NDR) and Yegor Gaidar's party, Russia's Democratic Choice (DVR). The NDR has the most influence and the best ties with incumbent governors, while the DVR is considered to represent the "radical" wing of Russia's democratic camp.

While these parties have agreed to back the incumbents in most regions, they have occasionally been at odds. For example, the OKS has deferred its decision on Voronezh Oblast, where Our Home Is Russia supported the incumbent Aleksandr Kovalev but others insisted that he would inevitably lose and that a better candidate must be found. In Ivanovo, the incumbent Vladislav Tikhomirov is still facing a challenger from Gaidar's party, and the coordinating council has decided to let the local OKS branch settle the dispute. The NDR has not always gotten its way. Although a conciliatory commission did agree to back the incumbent in Ryazan, the DVR prevailed upon the OKS not to endorse Yegorov in Krasnodar; the OKS nominee in Khakasiya is also the leader of the local DVR branch.

The gap between the pro-government bloc and Gaidar's party is likely only to grow in the coming months. The DVR held its fifth congress on 21 September, and Gaidar announced shortly thereafter that having helped avert the threat of a Communist revanche in Russia, the DVR is now looking ahead to other tasks. To this end, it will form a "liberal opposition" to lobby for changes in current economic policy advocated by the NDR, which he described as a "party of the status quo," Russian Public TV (ORT) reported on 23 September. When asked who might join an alliance of the liberal opposition, Gaidar named only a few very small parties. -- Laura Belin

CHELYABINSK INCUMBENT PUTS TV TO WORK FOR HIM. All television media in the Urals region of Chelyabinsk appears to be firmly under the control of the current governor, Vadim Solovev, which will impair the campaigns of his opponents before the 22 December gubernatorial election, *Kommersant-Daily* reported on 19 September. In addition to the state-run affiliate of Russian TV (RTR), which strongly supports Solovev, the Chelyabinsk Oblast administration has founded a new station called Fokus TV, which will mainly broadcast news. Furthermore, recent news broadcasts suggest that the administration has begun to exert more influence on the private television and radio company Vostchnyi Ekspres. Solovev was appointed head of the Chelyabinsk administration after he supported President Yeltsin during the August 1991 coup, and the paper described him as "an experienced apparatchik who is using all possible methods in the battle to preserve his power."

Nevertheless, *Kommersant-Daily* suggested that Solovev's prospects for re-election are not bright; on the contrary, "it is difficult to find a more unpopular person in Chelyabinsk Oblast." Solovev is notoriously unable to converse with ordinary people, and staff reductions at a number of large enterprises--for instance, staff cuts of 50%

at one Chelyabinsk tractor factory--have recently increased social tension. -- Laura Belin

KALININGRAD GOVERNOR BLAMES CENTER FOR UNFINISHED PROJECTS. Kaliningrad Governor Yuriy Matochkin, who is up for re-election on 6 October, argued that Moscow is responsible for Kaliningrad's inability to set up a free economic zone and called for a greater transfer of power from the center to the regions in an interview with *Segodnya* on 19 September. He said that some in Moscow believe the issue will be resolved once a treaty on the division of power is signed. He said Moscow should make further concessions to Kaliningrad, particularly in the areas of foreign policy, the transfer of state enterprises, and the payment of its debts to the oblast. The Communists are weak in the oblast because market reforms are off to a good start and nobody wants to return to the time when it was harder to travel across the border, he claimed. One of Matochkin's main concerns is to convert the oblast's heavy concentration of military industry to civilian use. He has succeeded in signing a deal with the South Korean company KIA Motors to produce cars at some of the former military shipbuilding plants, ORT reported on 23 September. Our Home Is Russia's *Dom i Otechestvo* (21-27 September) argued that the oblast's location, cut off from the rest of Russia by Lithuania and Belarus, has forced its residents to accept the new political and economic realities more quickly than other regions. The possibility of neighboring Poland entering NATO has given an additional impetus to the reform process in the oblast. -- Robert Ortung

TYUMEN OBLAST SEEKS TO AVOID SPLIT WITH AUTONOMOUS OKRUGS. The territory of Tyumen Oblast includes three of Russia's 89 regions--Tyumen Oblast, and the Yamal-Nenets and Khanty-Mansi autonomous okrugs. ORT on 21 September noted that the okrugs have the same rights as the oblast under the constitution and that the exact relationship of the units to each other today is unclear. The one constant is conflict between the oil- and gas-rich regions. Initially, all three areas were to hold gubernatorial elections on different days. But Yeltsin issued a decree stipulating that the votes should be held on the same day, since the residents of all three areas are entitled to vote for the governor of Tyumen. On 17 September, the Tyumen Oblast Duma voted to shift its elections from 22 December to 27 October, when Khantii-Mansi will hold its elections. The Tyumen Duma feared that if the elections took place on different days, turnout in the autonomous okrugs for the Tyumen Oblast gubernatorial election would be very low, exacerbating friction between the units and possibly leading to the secession of the two autonomous areas from Tyumen, RIA news agency reported. However, the Yamal-Nenets Duma defied Yeltsin's decree, refusing to move its election from 13 to 27 October on the grounds that there is no provision in Russian law for electing the governor of one region within the territory of another. The Yamal-Nenets politicians protested to both Yeltsin and the Constitutional Court and sought to drum up public support for their response among the local population. Public opinion polls suggest, however, that the residents of the okrugs do not support the division of the oblast and consider themselves citizens of Tyumen, *Kommersant-Daily* reported on 21 September. So far, the only candidate registered in the Tyumen race is the incumbent Leonid Roketskii. There is also speculation that former Fuel and Energy Minister Yuriy Shafranik may decide to run. Were he to do so, he would have a good chance of winning. -- Robert Ortung

SAKHA PRESIDENT SUPPORTS YELTSIN'S CALL FOR NATIONAL IDEA. It is not surprising that the pro-Yeltsin All-Russian Coordinating Council recently endorsed Sakha (Yakutiya) President Mikhail Nikolaev for re-election, judging by an interview with Mikhailov published in *Rossiiskaya gazeta* on 19 September. While Mikhailov groused about the federal government's educational and transport policies, which he views as unfair to his far northern region, he strongly endorsed President Yeltsin's recent call for a new Russian national idea. Sounding like a Russian nationalist, Mikhailov, an ethnic Yakut, said that such an idea could help unite the Russian Federation. He praised Yeltsin's policy of signing power-sharing treaties with various federation subjects. Mikhailov also declared that none of the federation subjects would be better off outside Russia; as evidence, he noted that separation from Russia had damaged the economies of the non-Russian members of the CIS. Even Chechnya, he suggested, would probably decide to remain part of the Russian Federation if it waits five years to hold a referendum on the issue, as stipulated in recent agreements. Mikhailov is widely regarded as one of Yeltsin's most staunch supporters among the leaders of the ethnic republics. -- Scott Parrish

PRELIMINARY RESULTS OF AMUR OBLAST ELECTIONS. According to preliminary results of the 22 September gubernatorial elections in Amur Oblast, left-wing challenger Anatolii Belonogov beat the incumbent, Yurii Lyashko, by a very small margin, NTV reported on 23 September. The only other candidate was Pavel Shtein, a Communist and bank manager. Turnout was about 36%, in comparison with 67% in the presidential election. *Rossiiskaya gazeta* reported that the difference between the top two candidates was so small that there might have to be a recount. But the official newspaper argued that even if Lyashko loses, it will not be a bad result, given that the incumbent was appointed by presidential decree only three months ago and that the Amur region has traditionally been a Communist stronghold. ORT noted with regret that turnout was highest in the countryside (as is generally the case) and very low in the city of Blagoveshchensk, which Lyashko governed as mayor for several years. Belonogov is the head of the Amur Oblast legislature and a member of the Communist Party. -- Penny Morvant

PREDICTIONS AND ANALYSIS

REGIONAL REGIMES ARE "DELEGATIVE DEMOCRACIES." Since October 1993, regional political regimes have been characterized by a strong executive branch whose leaders act in an arbitrary fashion, limited only by existing power relations and a set term of office, according to Vladimir Gelman, an instructor at the European University in St. Petersburg, writing in *Nezavisimaya gazeta* on 19 September. As a result, pluralism and civil liberties at the regional level have been reduced. Gelman argues, however, that this type of regime cannot be labeled "authoritarian" because its leaders are democratically elected. A more apt description is provided by Guillermo O'Donnell's concept of "delegative democracy." Delegative democracies are regimes that have all the formal attributes of democracy but do not reflect the characteristics of representative democracy or show signs of devolving into authoritarianism. (On delegative democracy, see O'Donnell's article in *Journal of Democracy*, January 1994.) Gelman believes that without radical changes at the federal level, the regional delegative democracies will be able to survive for a considerable period of time. Prime examples of regional leaders and mayors who run their constituency in this manner are Kalmykiya's Kirsan Ilyumhinov, Tatarstan's Mintimer Shaimiev, and Moscow's Yurii Luzhkov.

Gelman noted pointed to several trends in regional elite formation. There is, he argues, a much greater stability among the leadership now than there was in the 1990-1991 period and many of the "democrats" who gained power then have been removed. In each region, the elite is divided into two groups: one that is associated with the incumbent executive and one that is in opposition to it. The nature of conflict at the local level has changed, since the center can no longer act as a political arbiter, but the parties to the conflicts generally adhere to the formalities of democratic procedure. Gelman sees a slow process of evolution in which the elites are reaching agreement on basic principles. In his opinion, there are no signs of a return to the nomenklatura era but a real democratic transformation is still a long way off. -- Robert Ortung

PROVINCIAL CHRONICLES

AGREEMENT ON MERGING ST. PETERSBURG, LENINGRAD OBLAST INITIALED. St. Petersburg Mayor Vladimir Yakovlev and Leningrad Oblast Governor Aleksandr Belyakov initialed an agreement on 22 September on the gradual unification of the city and oblast into a single subject of the Russian Federation, *Izvestiya* reported on 24 September. The agreement will be discussed by the city and oblast legislatures and is expected to be signed in November, paving the way for further work on the merger during a four-year transition period. A regional referendum on the issue will also be held. If the merger is approved, the region will be administered by a single governor and a bicameral legislature. Both Yakovlev and Belyakov argue that the separation of the city and oblast in 1931 weakened the region economically. The president's representative in St. Petersburg, Sergei Tsyplyayev, also backs the projected merger. Belyakov is running for re-election as governor on 29 September. Earlier this year, he also ran in the St. Petersburg mayoral election. One of his pledges during that campaign was to remove barriers between the city and oblast, which increased sharply after the collapse of communism. -- Penny Morvant

ST. PETERSBURG LEGISLATURE AGREES TO BAIL OUT ALL INDEBTED PAPERS--ALMOST.

The St. Petersburg Legislative Assembly has voted to grant subsidies for the next four months to several local newspapers that owe a combined total of nearly 2 billion rubles (\$370,000) to the state-run publishing complex, *Kommersant-Daily* reported on 20 September. Some of the papers had been forced to suspend publication briefly because of their debts (see *OMRI Russian Regional Report*, 18 September 1996). *Sankt-Peterburgskie vedomosti*, *Vechernii Peterburg*, *Smena*, and *Nevskoe vremya* are slated to receive subsidies, from 100 million rubles to 250 million rubles for each paper. Some deputies in the legislature had favored paying the publishing complex directly rather than granting subsidies to the indebted papers, and a scandal arose when the apparent reason behind the indirect bailout plan became clear: the influential paper *Chas pik* was not included on the list of subsidy recipients. *Kommersant-Daily* noted that *Chas pik* recently published a series of articles accusing the speaker of St. Petersburg's legislature, Yurii Kravtsov, of using 300 million rubles in budget funds to luxuriously redecorate his apartment. -- Laura Belin

CHERNOMYRDIN ARGUES FOR OLYMPICS IN ST. PETERSBURG.

Prime Minister Viktor Chernomyrdin met officials of the International Olympic Committee (IOC) in St. Petersburg on 18 September to try to persuade them that the 2004 Olympic Games should be held in the city, ITAR-TASS reported. He described the talks as constructive and businesslike, saying "I think we have convinced them of the possibility and necessity of holding the 2004 Olympics in St. Petersburg, for we see it as a sign of trust in Russia." Chernomyrdin, who pledged his government's political and financial support, chairs the organizing committee that nominated St. Petersburg for the 2004 games. Large sums would be required to build Olympic facilities and upgrade the city's infrastructure. St. Petersburg is the first of 11 contenders to be visited by the IOC, which will announce its decision next year. -- Penny Morvant

ECONOMICS MINISTRY ON DEPRESSED REGIONS.

According to *Interfax-AIF* on 16-22 September, the Economics Ministry regards the following regions as "depressed" areas: Pskov, Bryansk, Kaluga, Kurgan, and Chita oblasts, Altai Krai, and the North Caucasus republics. The average income of residents of these regions is about 30% below the Russian average (741,000 rubles a month for the period January through August 1996). In a public opinion poll cited by the weekly, 69% of respondents regarded themselves as living on or below the poverty line--a 50% increase over the corresponding figure for 1992. The percentage of those who felt they were thrifty "and somehow manage to live" fell from 40% to 13%. -- Penny Morvant

KUZBASS CALLS FOR DISBURSAL OF WORLD BANK COAL LOAN.

Local officials and trade union leaders in the mining areas of Kemerovo Oblast are concerned about the whereabouts of a loan granted by the World Bank in June to support the restructuring of the coal industry. They contend that the Finance Ministry has spent the Kuzbass's share of the first half of a \$500 million World Bank credit on other matters and are threatening to withhold budget contributions and take industrial action if the money is not returned. NTV on 21 September quoted Kemerovo Oblast Deputy Governor Sergei Loparev as saying that the money had been spent on other needs and that the Finance Ministry is now doing its utmost to gather the necessary funds for the coal regions by 1 October. Miners are particularly bitter because the loan was contingent upon the closure of some loss-making pits and a reduction in coal extraction. -- Penny Morvant

NEW FINANCIAL INDUSTRIAL GROUP ESTABLISHED IN NIZHNII NOVGOROD.

The oil firms LUKoil and Norsioil, Alfa-Bank, ONEKSIMbank, and the investment company Rusintern have announced the establishment of a new financial-industrial group (FPG), *Kommersant-Daily* reported on 21 September. The new venture will be based in Nizhnii Novgorod. The recently formed Volzhsko-Kamskaya Petroleum Company (VKNK), whose charter capital is set at 50 billion rubles (\$9.3 billion), will become its core enterprise. The original project envisaged the participation of Tatarstan's leading oil firm, Tatneft, in the creation of the FPG, but a conflict of interests between Tatneft and its old business partner, Norsioil, prevented it from the Tatar company from taking part. Tatneft officials argue that choosing LUKoil as a partner instead of Tatneft, may have a negative effect on the operations of the new FPG, since it will lose an oil supplier and a potential market in Tatarstan. -- Ritsuko

Sasaki and Natalia Gurushina

TATAR VICE PRESIDENT IN WASHINGTON. During his recent visit to Washington, Tatar Vice President Ravil Muratov met with U.S. Vice President Al Gore to press for changes in U.S. regulations that would give Kazan increased autonomy in negotiating foreign investment deals. Muratov pressed for a new Tatar-U.S. agreement allowing the U.S. Eximbank to issue guaranteed credits to American firms investing in Tatarstan solely on the basis of Tatar approval, sidestepping Moscow, whose consent is now necessary. Kazan has already reached similar agreements with France and Germany. The paper noted that the Yeltsin administration appears to support Kazan's desire for more foreign economic independence, as Russian Ambassador to the U.S. Yuli Vorontsov accompanied Muratov to the meeting with Gore. -- Scott Parrish

REGIONAL PROFILE: KALININGRAD OBLAST

Candidates for 6 October gubernatorial elections

The incumbent head of administration, **Yurii Matochkin**, who is supported by the All-Russian Coordinating Council, was appointed by President Yeltsin in September 1991. He is a member of the Our Home Is Russia bloc. In 1993, he was elected to the Federation Council, where he was member of the committee on international affairs.

Leonid Gorbenko, the director of the Kaliningrad seaport, is the only viable opposition candidate.

Pro-communist candidate **Yurii Semenov** is currently deputy chairman of the local Duma. He was chairman of the oblast soviet from 1990 until it was disbanded in 1993. He protested against the decision to dissolve the soviet, submitting an appeal to the Supreme Court. In the 1993 Federation Council election, he won third place. Observers give him little chance of winning.

Other Local Leaders

Chairman of the local Duma: **Valerii Ustyugov** (since April 1994)

Brief History

Kaliningrad Oblast is the westernmost part of the Russian Federation, an exclave situated between Poland and Lithuania on the southern coast of the Baltic Sea. With a total area of 15,000 sq. km, it is Russia's smallest oblast. The city of Kaliningrad was founded in 1255 as Koenigsberg during German expansion eastward. After World War II, it was assigned to the USSR and received its current name. The main industries in the oblast are engineering, electronics, the processing of agricultural and forestry products, and the production and processing of amber.

Basic Facts

1995 Population (est.): 926,400 (0.62% of Russian total)

Industrial production as a percentage of all Russian production (Jan.-Aug. 1995): 0.30%

Agricultural production as a percentage of all Russian production (1994): 0.60%

Average personal income index in July 1995: 83 (Russia as a whole: 100)

Price basket index in July 1995: 99 (Russia: 100)

Average back wages owed per person: 28,500 rubles (Russian average: 37,100)

Urban population: 78.1% (Russia overall: 73%)

Student population (1993): 125 per 10,000 (Russia overall: 171/10,000)

Pensioner population (1994): 21.2%

Percentage of population with higher education (1989 census): 12.4% (Russia overall: 11.3%)

Percentage of population working (1993) in: industry: 29.0% (Russia average: 29.9%); agriculture: 12.5% (12.8%); trade: 9.3% (9.1%); culture: 12.5% (13.6%); management: 3.9% (2.3%)

Number of telephones per 100 families (1993) in cities: 28.9 (Russian average: 41.5); in villages: 13.8 (17.2)

According to a survey by Bank Austria, the oblast is ranked 17th among Russia's 89 regions in terms of investment climate.

Electoral History

1996 Presidential Election

Yeltsin: 33.46%/57.69% (first round/second round)

Zyuganov: 23.08%/35.34%
Lebed: 19.31%
Zhirinovskiy: 7.2%
Yavlinskii: 12.85%
Turnout: 71.71%/69.18% (Russia overall: 69.67%/68.79%)

1995 Parliamentary Election

Communist Party of the Russian Federation: 19.30%
Liberal Democratic Party of Russia: 11.44%
Congress of Russian Communities: 9.18%
Our Home Is Russia: 8.55%
Yabloko: 8.16%
Party of Workers' Self-Government: 4.78%
Women of Russia: 4.68%
Communists -- Workers' Russia: 3.37%
Russia's Democratic Choice: 3.26%
Agrarian Party of Russia: 1.30%
In a single-member district: 1 independent
Turnout: 63.77% (Russia overall: 64.37%)

1993 Constitutional Referendum

"Yes" -- 64.38% "No" -- 32.68%

1993 Parliamentary Election

Liberal Democratic Party of Russia: 29.96%
Russia's Choice: 19.96%
Communist Party of the Russian Federation: 10.40%
Women of Russia: 7.98%
Yabloko: 7.94%
Democratic Party of Russia: 7.58%
Party of Russian Unity and Concord: 5.21%
Agrarian Party of Russia: 3.03%
From electoral associations: 1 Liberal Democratic Party of Russia
In a single-member district: 1 New Regional Policy
Turnout: 59.81% (Russia overall: 54.34%)

1991 Presidential Election

Yeltsin: 39.09%
Ryzhkov: 23.76%
Zhirinovskiy: 12.93%
Tuleev: 7.54%
Makashov: 4.56%
Bakatin: 4.09%
Turnout: 74.12% (Russia overall: 76.66%)

Sources: *Goroda Rossii* [Cities of Russia] (Moscow: Bolshaya Rossiiskaya Entsiklopediya, 1994); *Rossiiskie regiony nakanune vyborov-95* [Russian regions on the eve of 1995 elections] (Moscow: Yuridicheskaya Literatura, 1995); *Itogi vyborov 17 dekabrya 1995 goda po regionam* [Results of the 17 December 1995 elections, regional breakdown] (Moscow: Panorama, 1996); *Vybory deputatov Gosudarstvennoi Dumy 1995* [State Duma elections 1995] (Moscow: Central Electoral Commission, 1996); S. A. Nagaev and A. Woergoetter: *Regional Risk Rating in Russia*, (Vienna: Bank Austria, 1995).

COMMUNISTS SCORE UPSET

WHY DID BELYAKOV LOSE IN LENINGRAD OBLAST?

Leningrad Oblast Governor Aleksandr Belyakov surprised observers by losing to his Communist-supported challenger Vadim Gustov, the former chairman of the oblast soviet until 1993 and then a member of the Federation Council, by a margin of 32% to 53% in the 29 September vote. Turnout was approximately 34%. The opponent's landslide victory was unexpected because in both rounds of the presidential election, the oblast heavily favored President Boris Yeltsin.

Belyakov lost because he committed several strategic errors during the campaign, while Gustov capitalized on the theme of professionalism. Belyakov's greatest mistake was trying to turn the race into an ideological battle between old-style communists and democrats. This strategy worked for Yeltsin on the national level, but voters in regional campaigns are less interested in overall political philosophy than in electing leaders who can make their regional government work effectively. Making the revanchist label stick to Gustov was particularly difficult since Gustov was not himself a member of the Communist Party and campaigned on the themes of professionalism and improving the living conditions of those hardest hit by Yeltsin's economic policies while stressing that the populace should not be divided between reds and whites. Gustov has studied in Sweden and claims never to have read Marx's *Das Kapital*, *Kommersant-Daily* reported 1 October. He also has many years experience in managing the oblast's affairs.

Belyakov's second mistake was excessive exposure in the media in ways that did not help his campaign. Sergei Filatov, chairman of the All-Russian Coordinating Council, criticized Belyakov for running a pompous campaign, singling out the incumbent's appearance with an orchestra while most of his constituents were barely earning enough money to make ends meet. In the days before the balloting, Belyakov appeared constantly on local and national television and pressured local newspapers to give him favorable coverage. *Izvestiya* (1 October) noted that one night he appeared on three different channels simultaneously. While Yeltsin also dominated the media in the recent presidential elections, he was careful not to appear on the screen himself very often. As numerous campaigns in Russia have shown, merely controlling the media is not enough: it has to be used effectively or it could backfire against the candidate. Most crucially, the campaign did not mobilize Belyakov's core constituencies of the intelligentsia and young people, as he admitted to *Nezavisimaya gazeta* (1 October).

Third, Belyakov made a number of tactical mistakes that offended the voters. He hoped that moving the election up from December to September would help him coast into office on Yeltsin's coattails. However, voters perceived the move as giving him an unfair advantage over his opponents. Additionally, the local electoral commission did not disperse funds to the other candidates until very late in the campaign even though the law required that the money be made available in time for the candidates to use it effectively.

Finally, on the eve of the election Belyakov initialed a treaty on merging Leningrad Oblast with the city of St. Petersburg by the year 2000, subject to the results of a referendum to be held in 1997 (See *OMRI Russian Regional Report*, 25 September). The treaty sought to unify the leadership of both jurisdictions under one governor. Since St. Petersburg would probably have benefited more from the merger, oblast voters did not understand Belyakov's attachment to this idea.

In contrast, Gustov ran an excellent campaign. Since he could not afford much advertising, he spent his time crisscrossing the oblast and pressing the flesh with voters, RFE/RL reported. After the Communist Party of the Russian Federation decided that it had no candidate of its own, it backed Gustov. But Gustov also had plenty of other endorsements, from local trade unions, the local branch of Yabloko, and even some chapters of Russia's Democratic Choice. Former St. Petersburg Mayor Anatolii Sobchak himself also supported Gustov, as did several of the other candidates who dropped out of the race. (Belyakov had supported Sobchak's opponent, Vladimir Yakovlev the current governor of St. Petersburg, in the city's runoff election.) Gustov stressed that the incumbent had no plans for developing the oblast, benefiting from striking teachers who complained about the oblast's social policies and pensioners who had not been paid.

Gustov's victory does not mean a return to the bad old days of communism for Leningrad Oblast. The new governor told NTV that there will be serious changes in the staff of the oblast leadership, but that he is planning to bring in young professionals, many of whom have western degrees. He has called for early elections for the oblast Duma, and wants to hold local elections by the end of the year. He said that he will focus on

economic problems. He wants to postpone the referendum set by the Belyakov treaty for 1997 on uniting the oblast with St. Petersburg, but backs that idea of carrying out the merger by 2000, ITAR-TASS reported 1 October. In the Federation Council, he has no plans to attack Yeltsin, claiming that asking him to resign because of his health, as the Communist Party leadership has done, is immoral. Even though the Kremlin supported Belyakov, First Deputy Presidential Chief of Staff Aleksandr Kazakov told Russian Television that Yeltsin's staff will be able to work with Gustov in the future.

Following Governor Dmitrii Ayatskov's victory in Saratov, the pro-Yeltsin campaign team boasted that it would beat the communists in most of the 52 regional executive races set for this fall and winter. After four elections the score is 2:2. While pro-Yeltsin incumbents were able to win in such traditionally communist areas as Saratov and Rostov, Belyakov's loss should be sobering. Where the communists back a strong candidate who runs a non-ideological campaign, they have a good chance of winning. However, as the campaign season continues, Belyakov's defeat will probably prove to be more an exception than the rule. Unlike Rostov's Vladimir Chub, who held onto his post on 29 September, Belyakov did not learn the obvious lesson of the Saratov poll that professionalism, not ideology, wins regional campaigns. Incumbents with a sense of self-preservation who are facing elections and their presidential administration advisors now have the example of Belyakov to warn them against trying to beat the opposition by polarizing the electorate into communists and non-communists. -- Robert Orttung

REGIONAL ELECTIONS UPDATE

AMUR RESULT COULD STILL BE OVERTURNED . . . On 27 September the Amur Oblast electoral commission announced that Anatolii Belonogov defeated incumbent Governor Yuri Lyashko with a margin of victory of just 189 votes, or 0.08%. However, since officials are still investigating charges of voting irregularities, the result could yet be overturned, according to the 1 October edition of *Segodnya*. The chairman of the electoral commission at first advocated declaring the 22 September election invalid, but he was outvoted by his colleagues. Now members of the Central Electoral Commission have gone to Amur to investigate the alleged procedural violations. (For instance, some residents in remote northern regions have claimed no helicopters carrying ballot boxes were sent to pick up their votes.) In addition, Lyashko is determined to fight "to the end," and his representatives have filed a court appeal to prevent Belonogov from taking over the governor's chair. -- Laura Belin

. . . AND LEFT-WING PRESS SEES DIRTY TRICKS. Prominent opposition newspapers heralded Belonogov's victory but complained that the Amur authorities had tried to defeat him with dirty tricks. *Pravda-5* claimed on 27 September that officials had fabricated allegations of vote fraud to deny the opposition victory. The paper noted that when pro-Yeltsin governors win elections, the results are announced quickly. *Sovetskaya Rossiya* on 28 September charged that the Amur authorities set a "trap" for the opposition in the form of Pavel Shtein, a Communist Party member and former Federation Council deputy. Although Belonogov was the Communist Party's primary candidate in Amur, Shtein was also well-known to voters, and according to *Sovetskaya Rossiya*, the "party of power" deliberately conspired to keep Shtein in the race in order to disorient the left electorate. Indeed, Shtein won 9% of the vote on 22 September, which almost cost Belonogov the election. -- Laura Belin

THEMES OF ROSTOV CAMPAIGN FORESHADOW UPCOMING BATTLES. Rostov Governor Vladimir Chub's successful campaign against Communist-backed challenger Leonid Ivanchenko employed several themes that proved effective in Saratov Governor Dmitrii Ayatskov's re-election effort and will no doubt be used by incumbents in dozens of elections to come. Chub portrayed himself as a practical and professional man who could provide concrete benefits for his region. Ivanchenko, who was chairman of the Rostov ispolkom during the Soviet period, also tried to project an image of professionalism. However, Chub's supporters (including most of the media) depicted Ivanchenko as a critic who was making unrealistic promises to voters in order to regain high office. According to *Kommersant-Daily* on 1 October, the primary slogan of the incumbent's campaign was the rhyme, "Don't hope for a miracle (*na chudo*), vote for Chub (*za Chuba*)." -- Laura Belin

ZYUGANOV CHARGES FALSIFICATION IN ROSTOV OBLAST. Communist Party leader Gennadii Zyuganov blamed "massive falsification" for Leonid Ivanchenko's loss to the Rostov incumbent by a margin of 62% to 32%, Radio Mayak and ITAR-TASS reported. After losing a presidential campaign in which his party was connected with the tradition of one-party dictatorship, Zyuganov is likely to depict unsuccessful gubernatorial races as proof that opposition candidates respect the electoral process, while the authorities are unwilling to fight fair. -- Laura Belin

YELTSIN APPOINTS NEW GOVERNOR IN VORONEZH. Yeltsin appointed Voronezh Mayor Aleksandr Tsapin as the governor of Voronezh Oblast 30 September with just over two months to go before the oblast's gubernatorial elections. Tsapin was elected mayor one year ago and is considered to have done a good job addressing the city's difficult economic situation, providing housing for officers, increasing the number of telephones, and cleaning up the streets, Russian Public TV reported 1 October. First Deputy Presidential Chief of Staff Aleksandr Kazakov said that the administration decided to name Tsapin to the position now in the hopes that he will win the post in the 8 December elections, ITAR-TASS reported. His communist-backed opponent will be Ivan Shabanov, chairman of the oblast дума, who has a stronger base among the oblast's rural residents than Tsapin. -- Robert Ortung

AGRARIANS WON'T "BLINDLY" FOLLOW ORDERS ON GUBERNATORIAL CANDIDATES. Although Agrarian Party (APR) chairman Mikhail Lapshin is a leading figure in Gennadii Zyuganov's Popular-Patriotic Union of Russia (NPSR), he announced on 30 September that the APR will not "blindly" take orders from the main opposition movement about whom to support in upcoming regional races, *Kommersant-Daily* reported the next day. Lapshin explained that the APR will only endorse gubernatorial candidates "who are defenders of the village," ITAR-TASS reported.

Specifically, Lapshin said Agrarians would refuse to back the NPSR's preferred candidate in Stavropol Krai, State Duma deputy Aleksandr Chernogorov, on the grounds that he lacks the necessary "professional qualities." Lapshin was not present when NPSR leaders endorsed Chernogorov, a Communist Party member. According to the 1 October *Segodnya*, Agrarians hold a grudge against Chernogorov, who allegedly used "dirty" campaign tactics and "slander" to defeat an APR candidate in last December's parliamentary elections.

The Agrarians have also broken ranks with the NPSR in Volgograd Oblast by supporting incumbent Governor Ivan Shabunin rather than the Communist Nikolai Maksyuka. *Kommersant-Daily* reported on 2 October that furious local Communists have given the Agrarians a week to change their position "and save face."

Lapshin has publicly disagreed with Zyuganov on other matters as well; for instance, he recently said President Yeltsin need not step down because of his health problems. But it will not be easy for the Agrarians to retain an independent identity outside the NPSR, in which the Communist Party is the dominant force. Only 20 APR members were elected to the Duma last December, and they were able to attract the 35 deputies needed to form a registered parliamentary faction only after the Communists "donated" several like-minded deputies. If their left-wing allies decide to withdraw those deputies, the APR will lose clout and two committee chairmanships in the Duma. -- Laura Belin

OUR HOME IS RUSSIA MAKES CASE FOR STAVROPOL INCUMBENT. The small "democratic" parties who have refused to support the re-election effort of Stavropol Krai Governor Petr Marchenko are "playing into the hands of local Communists," according to a blistering attack published in the latest edition of *Dom i otechestvo* (no. 25), a weekly publication of the pro-government Our Home Is Russia movement. The All-Russian Coordinating Council, which unites many pro-government and "democratic" groups in an attempt to seek common gubernatorial candidates, initially endorsed Marchenko but decided to review its decision following protests from "democratic" activists in Stavropol (see *OMRI Russian Regional Report*, 11 September 1996, and *OMRI Daily Digest*, 20 September 1996). The dissenting activists, including members of Yegor Gaidar's Russia's Democratic Choice and Boris Fedorov's Forward, Russia! movement, wanted the coordinating council to support Aleksandr Korobeinikov, who is closer to Security Council Secretary Aleksandr Lebed.

In the July presidential election, Zyuganov gained 54% of the vote in Stavropol Krai to 41% for Yeltsin, and *Dom i otechestvo* charged that the splits in the anti-Communist camp will vastly improve the chances of

Marchenko's main opponent, former Komsomol leader and Communist Party member Aleksandr Chernogorov. Zyuganov has already traveled to Stavropol to campaign on Chernogorov's behalf.

So-called "divan parties" (those whose members could fit on a single sofa) are creating an "absurd tempest in a teacup," which was bound to put off voters, *Dom i otechestvo* argued. To make matters worse, instead of sticking by Marchenko, the All-Russian Coordinating Council has sent emissaries to Stavropol to investigate the matter, wasting precious time before the 27 October election.

A representative of Our Home Is Russia, Gennadii Shipilov, argued that "everyone knows" there is no stronger candidate against the Communists than Marchenko. While he found kind words for Korobeinikov and admitted that perhaps Marchenko could have been "more flexible" at times during his tenure, he argued that Korobeinikov has no chance of victory and should instead be appointed to a post in Marchenko's administration. However it is resolved, the controversy in Stavropol reflects the dilemma facing "democrats" across Russia, who are often torn between supporting unpalatable incumbents with the best chances of victory or weaker politicians on principle. -- Laura Belin

ANALYSIS AND PREDICTIONS

EARLY ELECTIONS SHOW PRESIDENTIAL ELECTION RESULTS ARE NO GUIDE. Although it is too early to speak of clear trends in the regional elections, the first four gubernatorial elections indicate that voting patterns from the July presidential election do not necessarily correspond to voter preferences at the regional level. In Amur Oblast, the results were comparable: Zyuganov outpoured Yeltsin by a margin of 53% to 41% in July, and the main Communist-backed challenger was able to defeat the Yeltsin appointee (albeit by the slimmest of margins) despite facing competition from another Communist Party member.

However, a Yeltsin appointee gained more than 80% of the vote in the 1 September election in Saratov, crushing his Communist opponent, even though Zyuganov gained 50% there in July to just 44% for Yeltsin. To complicate matters further, a Communist-backed candidate won easily in Leningrad Oblast, which Yeltsin carried in July by a margin of 53% to 32%. In addition, although Zyuganov was not far behind Yeltsin in Rostov Oblast in July (he gained 44% to Yeltsin's 51%), a Yeltsin appointee beat the Communist-backed challenger there convincingly, by 62% to 32%.

Media support does not appear to be a decisive factor, since in all of the races so far, the local media, especially television, have overwhelmingly favored the incumbent candidate. The vastly different results suggest that voters do not necessarily view governor's races as a contest between two parties--the "party of power" and the Communists--but are influenced by other factors, such as the individual characteristics of the contenders, and the effectiveness of mobilizing techniques. -- Laura Belin

PROVINCIAL CHRONICLES

TYVA AMENDS CONSTITUTION. The Tyva people's congress met for two days on 26-27 September and approved some 20 amendments to the Tyva constitution which had been adopted in October 1993, ITAR-TASS reported. The congress acted to correct the 13 substantial differences between the local constitution and that of the Russian Federation. The Tyvan constitution previously claimed the republic had the right to have its own armed forces and to secede from the Russian Federation. The congress's recommendations will now be passed into law by the Tyva parliament, whose speaker, Kaadyr-oola Bicheldei, said that Tyva has "a sincere desire to promote the real strengthening of Russian statehood." -- Peter Rutland

CHAMBER ON INFORMATION DISPUTES REPRIMANDS KOMI OFFICIAL FOR INTERFERENCE. The President's Judicial Chamber on Information Disputes ruled that the chief of staff for the president of the Komi Republic unlawfully interfered with the activities of journalists when he sought to punish the local newspaper *Krasnoe znamya* for publishing a critical article, ITAR-TASS reported on 26 September. That article, published in April, charged that high-ranking Komi officials had spent 250 million rubles (\$46,000) in budget funds on a luxurious junket to Germany. The reporter's source for the story was an unidentified official who participated in the trip and was ashamed at how state funds were misused.

In response, the Komi president's chief of staff pressured the officials who traveled to Germany to file lawsuits against the paper; he even provided each with prepared legal documents that lacked only the claimant's signature. According to ITAR-TASS, the action was meant not only to destroy the newspaper financially, but to ferret out the "traitor in the ranks" who gave the journalist the information. The judicial chamber affirmed that Russia's law on the mass media protects the right of journalists not to reveal their sources. The judges also asked the president of Komi to take strong disciplinary action against his chief of staff. However, the chamber lacks the power to enforce its decisions. -- Laura Belin

GOVERNMENT SEEKS SUPPORT FROM REGIONAL GOVERNORS. The pro-government party Our Home is Russia (NDR) organized on 26 September an informal meeting in Moscow for representatives from 21 regions and republics to lobby for their support for the 1997 draft budget, *Kommersant Daily* reported. The NDR faction leader in the Duma, Sergei Belyaev, said that NDR will create a permanent club for governors, entitled "Regional Cooperation," which will meet in the building which Altai Krai maintains as its representative office in Moscow. Belyaev said that the government is relying on the "rightist" orientation in the Federation Council, composed of regional representatives, to offset the "leftist" orientation which predominates in the Duma. Last week the government held two meetings with regional governors (in Voronezh and Yekaterinburg) to bolster their support for the draft budget. -- Peter Rutland

DAGESTAN STRUGGLING TO SURVIVE. Dagestan is in a state of virtual economic isolation, complained Prime Minister Mirzabekov on ORT on 1 October. Its rail and electricity links with the rest of Russia have been severed for the past five years because they pass through the breakaway republic of Chechnya. Its border with Azerbaijan has been closed since the outbreak of Chechen hostilities, dealing a further blow to its economy. In addition, some 200,000 refugees from Chechnya have moved to the republic, straining its budgetary resources. Pension are being paid with three month arrears. There are daily reports of banditry, including kidnapping and cattle-rustling, along its western border with Chechnya, *Moskovskii komsomolets* reported on 2 October. -- Peter Rutland

"COLD WAR" IN TVER. Despite the onset of freezing temperatures, heating stations in Tver are not being switched on, and the city's 500,000 residents are "hostage to economic blackmail," according to Mayor Aleksandr Belousov. An open letter from the mayor to Security Council Secretary Aleksandr Lebed was printed in *Sovetskaya Rossiya* of 28 September. Gazprom has cut supplies to the city by 45%, until it pays its debt of 210 billion rubles (\$40 million). Belousov complains that two thirds of the debt arises from federal institutions within the city, and is threatening to send police units to take over the gas transmission stations. Tver is also having problems maintaining its electricity supply, and a repeat of the "Primorskii syndrome" is possible this winter. The Tver electricity company is owed 742 billion rubles by its customers, and in turn owes 762 billion to its suppliers. It costs them 263 rubles to produce a kilowatt-hour, but the price is only 60 rubles for residents, 238 for industry, and 119 for farms. -- Peter Rutland

SVERDLOVSK OBLAST TO ADOPT FOREIGN INVESTMENT PROGRAM. The regional authorities of the Sverdlovsk Oblast adopted in the first reading a program for stimulating foreign investment, *Vek* (38) reported. The oblast has a diversified industrial base, in particular energy, mining, engineering, metal-processing, and metallurgy. The Bank of Austria has rated Sverdlovsk Oblast fifth out of Russia's 89 regions in terms of investment and political risk. Although a number of large foreign companies, including the U.S. General Motors, Coca-Cola and Pepsi-Cola, have investment projects in the region, the actual volume of foreign investment is still small. The draft investment program envisages the development of bills on concessions and free economic zones on the oblasts' territory. These measures are expected to attract new capital for utilizing precious metals waste, reconstructing metallurgical plants, and developing telecommunications, hotels and catering enterprises. At the same time, the regional anti-monopoly committee will guard the interests of local producers. -- Natalia Gurushina

A \$100 MILLION INVESTMENT PROJECT FOR KARELIYA. The Swedish giant AssiDoman will invest \$100 million in the modernization of Russia's leading pulp and paper plant Segezhabumprom in Kareliya, whose

operations have been disrupted by insufficient financing, ITAR-TASS reported on 30 September. The Swedish concern will acquire 50% of Segezhabumprom's equity capital. This financial injection and technical assistance are expected to boost the plant's output of packing materials to 30,000 tons a year, making it one of the leading manufacturer of packing materials in the world. The acquisition of the controlling interest in Segezhabumprom will also allow AssiDoman to acquire a stronghold in the Russian pulp and paper industry. -- Natalia Gurushina

BANKRUPTCIES OF BANKS IN VLADIVOSTOK. Following the bankruptcies of Vostokinvestbank, the largest bank in the Primorskii Krai, and Vladivostok Bank last year, two more regional banks, Vladbank and Rossiisko-Tikhookeanskii Bank (RTB) are now facing liquidation, *Kommersant-Daily* reported on 1 October. RTB, a Vostokinvestbank subsidiary, has actively participated in the regional market of interbank credit, where it lost 14.5 billion rubles (\$2.7 million). Moreover, it provided regular credits to the now bankrupt Vostokinvestbank. At present, about half of RTB's credits are classified as bad loans, and another 25% as problematic. Vladbank's problems were caused by its reliance on operations with budgetary funds as a major source of income. Last year the administration of the regional center Vladivostok transferred its accounts to another bank called Primorye. The absence of an alternative development strategy resulted in Vladbank's collapse. These cases underline the problem of chain bankruptcies among regional banks. Deputy Chairman of the Central Bank Aleksandr Khandruiev has recently noted that many regional banks have risky financial policies, expecting that the center will bail them out. Of 20 banks in the Primorskii Krai, 10 had losses in the first half of the year and this sequence of bankruptcies is likely to continue. -- Ritsuko Sasaki and Natalia Gurushina

ENERGY CRISIS IN PRIMORE CONTINUES. Following repeated energy crises in Primorskii Krai this year, the regional Commission for Emergency Situations on 1 October announced the imposition of a state of emergency in the energy sector, ITAR-TASS reported. Administrative heads and the managers of factories and organizations have been given 10 days to draw up plans to ensure the provision of energy, while municipal power suppliers have been instructed to work out a schedule for night-time power cuts to domestic consumers. Local energy official Vladimir Dyachenko said that as of 30 September, the krai had only 26% of the coal and 16% of the fuel oil it needs for winter. The main reason for the shortage is the inability of the regional power company Dalenergo to pay suppliers. Its debts currently total 730 billion rubles (\$135 million). -- Penny Morvant

REGIONS DEMAND MORE FINANCING. The governors of Russia's central regions have called for 10-15% more money for their regions than what is proposed in the 1997 draft budget, ITAR-TASS reported on 1 October. The governor of Yaroslavl Oblast, Anatolii Lisitsin, who is the president of the interregional association Central Russia, sharply criticized the government's draft budget. Lisitsin asserted that the governors in his association have decided to vote against the 1997 draft budget and called for convening an extraordinary session of the Federation Council to discuss the budget. -- Ritsuko Sasaki

NOTE: For a regional profile of Kirov Oblast, please see the OMRI web page at:
<http://www.omri.cz/Elections/Russia/Regions/Exec/Index.html>.

Compiled by Robert Ortung

REGIONAL PROFILE: VOLOGDA OBLAST

Candidates for 6 October Governor's Elections

Governor **Vyacheslav Pozgalev** was appointed by President Yeltsin in June 1996. In March of this year Pozgalev had been elected mayor to the oblast's largest city, Cherepovets, gaining more than 80% of the vote. Former Governor **Nikolai Podgornov**, a member of Our Home Is Russia, who was dismissed 23 March for abusing his power, also announced his intention to join the race. In the 1993 elections to the Federation Council Podgornov came in second with 30.8% of the vote after Pozgalev, who won 44.7% of the vote.

Another candidate is businessman **Mikhail Surov**, a member of the Legislative Assembly and leader of the Popular Movement of Vologda.

The communists support **Mikhail Beznin**, a professor of Vologda university, who is unknown to the public.

Other Local Leaders

Gennadii Khripel was elected chairman of the Legislative Assembly in February 1996, a post he had previously held from March 1994 until his resignation in September 1995.

Brief History

Vologda Oblast is situated in the southwest of the East European plain. Its administrative center, Vologda, is 500 km (300 miles) northeast of Moscow on the Vologda River, a tributary of the Sukhona River. Vologda is an important rail junction with lines to Moscow, St. Petersburg, Arkhangelsk and Kirov. The timber industry dominates the oblast's economy. Other main industries include metallurgy in Cherepovets and engineering in Vologda.

Basic Facts

1995 Population (est.): 1,354,500 (0.91% of Russian total)

Industrial production as percentage of all Russian production (Jan.-Aug. 1995): 1.95%

Agricultural production as percentage of all Russian production (1994): 1.26%

Average personal income index in July 1995: 101 (Russia as a whole = 100)

Price basket index in July 1995: 96 (Russia = 100)

Average back wages owed per person (Sept 1995): 20,900 rubles (Russian average = 37,100)

Urban population (1995): 67.2% (Russia overall: 73%)

Student population (1993): 128 per 10,000 (Russia overall: 171/10,000) Pensioner population (1994): 26.1%

Percent of population with higher education (1989 census): 8.2% (Russia overall: 11.3%)

Percent of population working in (1993): Industry: 33.1% (Russia average: 29.9%) Agriculture: 12.5% (12.8%)

Trade: 9.4% (9.1%) Culture: 11.0% (13.6%) Management: 2.2% (2.3%)

Number of telephones per 100 families (1993): in cities: 34 (Russian average: 41.5); in villages: 18.1 (17.2)

According to a 1995 survey by Bank Austria, the oblast is ranked 26th among Russia's 89 regions in terms of investment climate.

Electoral History

1996 Presidential Election

Yeltsin: 45.17%/63.97% (first round/second round)

Zyuganov: 18.66%/28.49%

Lebed: 17.63%

Zhirinovskiy: 7.12%

Yavlinskii: 5.92%

Turnout: 69.03%/67.41% (Russia overall: 69.67%/68.79%)

1995 Parliamentary Election

Liberal Democratic Party of Russia: 14.36%

Communist Party of the Russian Federation: 12.09%

Our Home Is Russia: 10.69%

Yabloko: 5.53%

Women of Russia: 6.69%

Agrarian Party of Russia: 6.17%

Communists -- Workers' Russia: 4.71%

Congress of Russian Communities: 4.36%

Party of Workers' Self-Government: 3.40%

Russia's Democratic Choice: 4.99%

Derzhava: 2.02%

In single-member districts: 1 Communist Party of the Russian Federation, 1 independent

Turnout: 64.16% (Russia overall: 64.37%)

1993 Constitutional Referendum

"Yes" -- 67.94% "No" -- 29.34%

1993 Parliamentary Election

Liberal Democratic Party of Russia: 29.66%
Russia's Choice: 16.51%
Agrarian Party of Russia: 15.21%
Women of Russia: 9.59%
Yabloko: 5.84%
Communist Party of the Russian Federation: 5.19%
Party of Russian Unity and Concord: 5.18%
Democratic Party of Russia: 4.36%
From electoral associations: 1 Liberal Democratic Party of Russia
In single-member districts: 1 Agrarian Party of Russia, 1 12 December Union
Turnout: 59.98% (Russia overall: 54.34%)

1991 Presidential Election

Yeltsin: 53.78%
Ryzhkov: 20.7%
Zhirinovskiy: 7.8%
Tuleev: 6.01%
Bakatin: 4.0%
Makashov: 2.91%
Turnout: 77.38% (Russia overall: 76.66%)

Sources: *Goroda Rossii [Cities of Russia]*, Moscow: Bolshaya Rossiiskaya Entsiklopediya, 1994; *Rossiiskie regiony nakanune vyborov-95 [Russian regions on the eve of 1995 elections]*, Moscow: Yuridicheskaya Literatura, 1995; *Itogi vyborov 17 dekabrya 1995 goda po regionam [Results of the 17 December 1995 elections, regional breakdown]*, Moscow: Panorama, 1996; *Vybory deputatov Gosudarstvennoi Dumy 1995 [State Duma elections 1995]*, Moscow: Central Electoral Commission, 1996; S.A. Nagaev and A.Woergoetter: *Regional Risk Rating in Russia*, Vienna: Bank Austria, 1995.

KEY ELECTIONS

KRASNODAR RACE WIDE OPEN

When Nikolai Yegorov was replaced by Anatolii Chubais as presidential chief of staff in July, he was reportedly given two options: he could become Russian ambassador to Argentina or be reappointed governor of Krasnodar Krai, a post he held from December 1992 to May 1994. He picked the latter. On 27 October, Krasnodar voters will determine whether Yegorov chose wisely. As the current incumbent, he is one of three contenders with a good chance to win the gubernatorial election, but the race remains wide open, and Yegorov is not even assured of making the second round of voting.

The All-Russian Coordinating Council, which is seeking to elect pro-Yeltsin governors, refused to support Yegorov because his record as a hawk on Chechnya made him unacceptable to parties such as Yegor Gaidar's Russia's Democratic Choice. However, Yegorov was endorsed by the pro-government Our Home Is Russia movement, and like incumbents almost everywhere in Russia, he has the almost unanimous support of the local media. Since taking office in July, Yegorov has restructured the administration, putting in place officials loyal to him. He has also issued two decrees on fighting crime, according to the local paper *Volnaya Kuban* on 7 September. In addition, Yegorov has played the patriotic card; in August he spoke out against negotiating with Chechen rebel fighters, and more recently he declared that the Crimea "is not Ukrainian" and that its Black Sea port of Sevastopol must remain a Russian city, *Ekspress-khronika* reported on 5 October.

The main opposition candidate, Nikolai Kondratenko, is backed by the Communist Party. He served as chairman of the Krasnodar Krai Soviet before August 1991. In December 1993, he was elected to the Federation Council, and although he failed to win a seat in the State Duma in December 1995, he remains well-known to voters. Kondratenko campaigned actively for Gennadii Zyuganov earlier this year, and Zyuganov received nearly 52% in Krasnodar in July compared to 44% for President Boris Yeltsin. If Kondratenko wins, he is expected to put up fierce opposition to Yeltsin and the central authorities; he has referred to Moscow as the "center of evil," according to *Izvestiya* on 5 October. Kondratenko's position is slightly weakened by the fact that the Agrarian Party has nominated its own candidate, Aleksandr Tkachev, who won the Duma seat Kondratenko sought last December.

The third strong contender in the Krasnodar race is Viktor Krokhnal, a deputy in the krai legislature and the director of a consortium of grain processing enterprises. Krokhnal was the first to submit a list of valid signatures to the Krasnodar Electoral Commission and has blanketed the local press with more advertisements than any other candidate, *Segodnya* reported on 14 August. Furthermore, he is said to have the covert support of the Krasnodar network of Our Home Is Russia, despite that movement's official endorsement of Yegorov, according to *Nezavisimaya gazeta* on 21 September. Krokhnal's promotional material describes him as a professional who will maintain political stability and carry out essential economic reforms while cutting the bureaucracy by 50% and taking care of the public's social needs. He pledges to pursue regional interests without taking a confrontational stance toward Moscow. Krokhnal could be an appealing alternative to Yegorov and Kondratenko.

The chances of the other nine registered candidates are considered slim. They include the favorite candidate of the "democratic" parties in Krasnodar, Yevgenii Kharitonov, whom Yegorov replaced as governor in July. He has said that Yegorov will resort to fraud to "win at any cost." Speaking to ITAR-TASS on 3 October, Kharitonov claimed that Yegorov has tried to stack the deck by appointing loyal figures to local electoral commissions.

Whatever Yegorov's efforts, the first seven gubernatorial races have demonstrated that the advantages of incumbency are not enough to secure victory for all Yeltsin appointees. The incumbent won in three of the races, lost in three, and faces a run-off in Kaliningrad. The 27 October election in Krasnodar will be one of the most closely-watched races this autumn. – Laura Belin

KALININGRAD FACES RUNOFF BETWEEN TWO PRAGMATISTS

In the first round of the gubernatorial election in Kaliningrad Oblast, Governor Yurii Matochkin won approximately 31% of the vote; the director of the city's port, Leonid Gorbenko, won 22%; and Oblast Duma Deputy Chairman Yurii Semenov, a former secretary of the Kaliningrad Communist Party Obkom who was

backed by the Popular Patriotic Union, took 21.5% in a field of seven candidates. Turnout was some 44%. Matochkin and Gorbenko will contest the runoff on 20 October. Although Matochkin has a lead going into the second round, he cannot forget the fate of St. Petersburg Mayor Anatolii Sobchak, who also led in the first round, but lost to an opponent who, like Gorbenko, presented himself as a good economic manager on the model of Moscow Mayor Yurii Luzhkov.

The campaign was a non-stop barrage of mutual attacks by the candidates, according to *Nezavisimaya gazeta* on 4 October. The main contenders threatened to publish compromising evidence on their opponents who, in turn, threatened law suits for propagating allegedly libelous charges. Candidates traded allegations of links to nefarious criminal groups operating out of Moscow and the Caucasus. For example, the incumbent Matochkin, without giving names, claimed that his opponents were carrying out the orders of "Moscow-Caucasus groups, involved in the Chechen war" because they were trying to replace the authorities in the region.

Matochkin used one of the minor candidates to discredit his main opponent Gorbenko, *Izvestiya* reported 3 October. Viktor Syrovatko, a department head at the Kaliningrad Police School, claimed on 20 September that someone planted a bomb in his car two weeks before the election. Opponents said he did it himself to convince people that he was doing such a good job fighting organized crime that somebody wanted him dead. Matochkin, however, tried to link the event to Gorbenko who, according to *Izvestiya*, ruled the port extremely profitably through a small clan of relatives and close friends. Evidence of this corruption was that Gorbenko apparently owned a house valued at \$1 million even though he only received a modest salary as a state employee. Syrovatko charged that Gorbenko had strong ties to Moscow "criminal-political circles," while *Izvestiya* claimed that Gorbenko was supported by "the same people who support recently elected St. Petersburg Governor Vladimir Yakovlev and Yevgenii Nazdratenko in Primore," presumably meaning allies of the former director of the Presidential Security Service, Aleksandr Korzhakov.

Matochkin was appointed governor by Yeltsin on 21 September 1991, and he has the support of Anatolii Chubais' presidential administration and Prime Minister Viktor Chernomyrdin. His base includes a coalition called the "the Amber Krai of Russia," named for the region's extensive deposits of the valuable yellowish-brown resin used in making jewelry. The alliance includes Our Home Is Russia, Yabloko, Women of Russia, Security Council Secretary Aleksandr Lebed's Honor and Motherland, and many other groups. The incumbent presented himself as the father of Kaliningrad's special economic zone and as a good diplomat, capable of attracting large amounts of foreign capital to revive the region's inefficient industry. One of the main charges against him in the local press was that his son was selling "black-market" oil with the help of the administration.

Gorbenko's literature portrayed him as a strong leader who would provide a good life for the region's residents. To the extent that he claimed a political philosophy, it was oriented toward creating a strong state, combined with a little bit of a nationalism. According to *Izvestiya*, both leading candidates discriminated against Chechens, Azeris, and Georgians, but the population generally saw this as a plus.

Gorbenko began his political career as leader of the oblast soviet faction "From Agreement to Reform" in 1992. In 1993, he withdrew from the Federation Council race in favor of Vladimir Shumeiko, who later became the speaker of the Federation Council. As the director of the port, he energetically fights the problem of overdue wages, making him especially popular with workers who depend on the local budget for their salaries. Even published pictures of his \$1 million house did not damage his popularity.

The rural areas supported the Communist Semenov, who did much better than expected by almost making it into the second round instead of Gorbenko. Polls right before the election showed him winning only 9% rather than the nearly 22% he actually received. Kaliningrad's agricultural areas are depressed because they are having trouble competing with cheap, high quality foodstuffs from neighboring Poland and Lithuania. Moreover, Semenov had little potential for support since most of the voters live in the city. *Kommersant-Daily* pointed out on 8 October that most of the communist voters will not have an easy choice in the second round since both the governor and his opponent support capitalism. -- Robert Orttung

REGIONAL ELECTIONS UPDATE

RECENT ELECTIONS SUGGEST THAT TURNOUT MAY NOT BE A DECISIVE FACTOR. It is often said that the lower the turnout in Russian elections, the better the prospects for the leftist opposition,

whose electorate is more disciplined. However, the results of the gubernatorial elections held on 6 October demonstrate that higher turnout does not necessarily benefit incumbents. Turnout was highest in Kirov Oblast at about 50%, but Governor Vasilii Desyatnikov finished a disappointing third with less than 18% of the vote, not enough to make the runoff between the Communist-backed candidate and a local industrial manager (see *OMRI Daily Digest*, 7 October 1996). Turnout in Kaliningrad Oblast was fairly high at 44%, and the incumbent Yurii Matochkin finished first with 31% but not enough to avoid a runoff against the director of a local fishing port. The Communist-backed candidate in Kaliningrad finished a close third. In Vologda, where turnout was about 45%, Governor Vyacheslav Pozgalev was re-elected with 80% of the vote; the second-placed candidate won just 4%. Pro-reform mayors were also elected in the region's two largest cities, Vologda and Cherepovets. In all three regions that held gubernatorial races on 6 October, Yeltsin finished first in the July presidential election: he gained 51% of the vote in Kirov, 58% in Kaliningrad, and 64% in Vologda. -- Laura Belin

CHITA OBLAST MAY CANCEL ELECTION. The Chita Oblast elections for governor, regional legislature, and heads of district administrations scheduled for 27 October may not take place for lack of funds, ITAR-TASS reported on 7 October. Tatyana Kalashnikova, who chairs the Chita Electoral Commission, said holding the elections would cost 13 billion rubles (\$2.4 million) but only 1.5 billion rubles have been allocated from the regional budget so far. Without the money, ballot papers cannot be printed and members of local electoral commissions cannot be paid. According to ITAR-TASS, inadequate funding for Chita from the state budget and difficulties with tax collection are the source of the problem.

However, the authorities may have a different reason for putting off the Chita elections. In the July presidential election, Gennadii Zyuganov gained more than 52% of the vote in Chita to just 41% for President Yeltsin. As part of a policy to replace leaders in regions with high oppositionist sentiment, Yeltsin sacked Chita Governor Boris Ivanov in February and named then-mayor of Chita, Ravil Geniatulin, in his place.

A similar strategy worked in Saratov Oblast. Although Zyuganov outpolled Yeltsin there in July, Governor Dmitrii Ayatskov, who had only been appointed a few months earlier, won re-election on 1 September easily. However, the outcome of the 22 September election in Amur Oblast was far less encouraging from the authorities' point of view. Amur Governor Anatolii Lyashko, who was appointed by Yeltsin in the spring, narrowly lost his re-election bid to a Communist-backed opponent. Lyashko had a background very much like the Chita incumbent Geniatulin's, having run the government of Amur's capital city Blagoveshchensk for 10 years before he was appointed governor. -- Laura Belin

NOVGOROD MAYOR EASILY RE-ELECTED. Novgorod Mayor Aleksandr Korsunov was re-elected with about 78% of the vote on 6 October, *Kommersant-Daily* reported on 8 October. According to ITAR-TASS, Korsunov had previously been voted one of the best mayors in Russia. -- Laura Belin

LEBED ENDORSES STAVROPOL INCUMBENT. Stavropol Krai Governor Petr Marchenko's re-election effort received a boost when several local newspapers published an endorsement from Security Council Secretary Aleksandr Lebed. Lebed's appeal to Stavropol voters praised Marchenko as a well-known figure who understands the problems of the region and has built up "solid experience," ITAR-TASS reported on 8 October. Marchenko is expected to face a tough battle to retain the job to which he was appointed in July 1995. He has the backing of the pro-government Our Home Is Russia movement, but he has been denied the unconditional support of the All-Russian Coordinating Council of "democratic" and centrist groups (see *OMRI Russian Regional Report*, 2 October 1996). -- Laura Belin

KAZAKOV RESOLVES TYUMEN CRISIS. First Deputy Presidential Chief of Staff Aleksandr Kazakov was able to resolve the electoral conflict between Tyumen Oblast and its resource rich Khanty-Mansi and Yamal-Nenets autonomous okrugs on 4 October, ITAR-TASS reported. The two autonomous okrugs had refused to hold elections on their territory for the Tyumen Oblast governor on 27 October, claiming that they are completely independent entities. Yeltsin had issued a decree ordering the okrugs to participate in the Tyumen elections. After working in Tyumen Oblast for two days, Kazakov got the Khanty-Mansi and Yamal-Nenets legislatures to

comply with the decree, effectively preventing the immediate disintegration of the oblast. -- Robert Orttung

TYUMEN: BATTLE OVER CONTROL OF RESOURCES WITH NATIONAL CONSEQUENCES.

Tyumen Oblast is the richest in the country, with industrial output (including oil and gas) one and a half times larger than Moscow's, *Izvestiya* reported on 8 October. However, its territory contains three components of the Russian Federation, with Khanty-Mansi Autonomous Okrug and the Yamal-Nenets Autonomous Okrug subordinate to Tyumen. If its three parts are divided, Khanty-Mansi remains in first place, Yamal-Nenets drops to 15th, and the part of Tyumen Oblast not included in the okrugs falls to 50th. Yamal-Nenets has 89% of Russia's gas, Khanty-Mansi has 53% of Russia's oil, while the rest of Tyumen has only small amounts of these valuable natural resources. If the two okrugs broke free, they would control their resource base independently and be able to negotiate directly with Moscow, while ignoring the current oblast capital. Additionally, if the okrugs were able to split off from Tyumen, it would be a precedent for renegotiating internal Russian borders and could have consequences for a possible division of Chechnya, the unification of St. Petersburg and Leningrad Oblast into a new Nevskii Krai, and Norilsk's struggle to be subordinate to the Taimyr Autonomous Okrug rather than to Krasnoyarsk Krai. -- Robert Orttung

ANALYSIS AND PREDICTIONS

SCANDALS MARK EARLY ELECTIONS. The results of the Rostov and Amur elections are being challenged in court. In Amur, the governor is challenging the victory of his Communist opponent; in Rostov, Communists claim that the governor won by massive falsification. The crisis of the "legitimacy of authority" is now no less threatening than the country's financial or energy crises, *Izvestiya* claimed on 4 October. The situation in Amur is particularly difficult since the challenger won by only 189 votes. In the presidential election, it did not matter that there were some electoral law violations in places like Tatarstan and Chechnya because the difference between the two candidates nationwide was approximately 10 million votes. In Amur, violations could affect the outcome of the vote and the oblast court has postponed any inauguration ceremonies until it can examine all of the allegations. The Central Electoral Commission is investigating allegations in Rostov, *Kommersant-Daily* reported on 8 October. According to Sergei Samoilov, the head of the presidential administration's Territorial Department, there are four reasons for the legitimacy crisis. First, the low voter turnout encourages electoral commissions to augment the figures they report. Second, the local courts are weak and often under the influence of the administration or the communists, allowing one or the other side to believe that it can violate the law without being punished. Third, the local electoral laws make few provisions for monitoring the elections. Finally, most laws only require a 25% turnout for the elections to be valid, allowing the possibility that a candidate in a heavily contested race could win with as little as 6% of the vote. Future scandals are likely, with Krasnodar Krai being the best candidate, the paper argues. -- Robert Orttung

SAMOILOV WANTS TO POSTPONE ELECTIONS. In an interview with *Segodnya* on 4 October, Samoilov called for postponing the regional elections because the population is tired of voting so soon after the presidential election. He admitted, however, that neither the president nor the members of parliament were likely to initiate the process of changing the law on forming the Federation Council to postpone the elections. Samoilov revealed that the administration is working on legislation that would allow the president to discipline governors who are not following orders. Under the current law, the president does not have the power to remove popularly elected regional leaders. He claimed that the president's team is not happy with the incumbents in Ryazan, Voronezh, and Vladimir oblasts and Altai and Krasnodar krais. Additionally, the team is studying Kemerovo Oblast, where they are satisfied with the actions of Mikhail Kislyuk but are concerned that he lacks the popularity to win an election there even though his main opponent, Aman Tuleev, has joined the government as minister for CIS affairs. The Kemerovo election has been postponed until 1997 (see *OMRI Daily Digest*, 8 October). He believes that the Communists have a strong chance of winning in Altai Krai, and Bryansk, Astrakhan, and Kurgan oblasts. -- Robert Orttung

PROVINCIAL CHRONICLES

VLADIVOSTOK COURT REVIEWS THEFT CONVICTION OF MAYOR'S SON. Following the reinstatement of Viktor Cherepkov as mayor of Vladivostok, attention has turned to the fate of his son, Vladimir, convicted on charges that many believe are as bogus as the corruption allegations previously leveled against his father.

In spring 1994, Cherepkov senior was thrown out of his office by police acting on orders from the Primorskii Krai administration. At the same time, his son, a student at the Pacific Higher Naval College, was arrested on charges of participating in the 1992 theft of computer equipment from a school in Vladivostok. He was convicted and sentenced to seven years imprisonment. *Izvestiya* on 23 July 1996 contended that the mayor's enemies had earlier tried to provoke his son into dealing in arms and drugs but Cherepkov junior had refused to take the bait.

At a subsequent appeal, the Pacific Fleet military court in Vladivostok reduced Vladimir's sentence to four years. At that hearing, a number of the other youths convicted of involvement in the break-in submitted a statement saying that they had accused the mayor's son under pressure from law enforcement agencies: they had been beaten and blackmailed with the promise of a light sentence. Moreover, a number of Vladimir Cherepkov's classmates and a teacher testified to being at a party with him the night of the burglary. But the court refused to accept their testimony and charged them with bearing false witness. Cherepkov's lawyers then took the case to the Supreme Court, which ruled that it should be reexamined.

On 4 October, two-and-a-half years after Cherepkov junior was first detained and less than a week after his father returned to the krai, the Pacific Fleet military court began new hearings. Vladimir Cherepkov's case has been taken up by a number of Duma deputies, including Telman Gdlyan, Nikolai Ivanov, Aleksei Lebed (Aleksandr Lebed's brother), and Eduard Vorobev. Speaking on the day the court opened, Gdlyan argued that the case against Cherepkov was fabricated and that he was a "political hostage," persecuted because his father had crossed swords with organized crime. -- Penny Morvant

COURT ORDERS SVERDLOVSK GOVERNOR TO REINSTATE HEAD OF REGIONAL GOVERNMENT. Sverdlovsk Oblast Governor Eduard Rossel signed a decree on 5 October removing Aleksei Vorobev from the post of oblast government chairman following a raion court order to reinstate Vorobev's predecessor, Valerii Trushnikov, *Kommersant-Daily* reported on 8 October. Rossel sacked Trushnikov in April, ostensibly for failing to implement the regional budget and pay wages and child allowances, but most observers saw political motives behind the dismissal (see *OMRI Daily Digest*, 24 April 1996). The two had long been political rivals; Trushnikov ran against Rossel and then-incumbent Governor Aleksei Strakhov in the August 1995 gubernatorial election. He finished third in the first round and only agreed to support Rossel in the second round in exchange for a promise that he would be allowed to remain head of the oblast government.

After Rossel took office, his rivalry with the head of his cabinet continued. The governor was enraged when Trushnikov created his own political party, Mining Urals, to compete against Rossel's party, Transformation of the Urals, in an April 1996 election to the Sverdlovsk Oblast Duma. Rossel's party won 36% of the vote, more than double that of the second-place Communist Party, while Trushnikov's finished a distant fourth.

The April election gave Rossel a working majority in both houses of the Sverdlovsk legislature, and he soon sacked Trushnikov. In his successful court appeal, Trushnikov argued that Rossel's action violated the Russian Labor Code. Despite the verdict, however, Trushnikov may not keep his former job for long. Rossel said he and Trushnikov "are looking for a compromise and should find one this week," and according to *Kommersant-Daily*, Trushnikov might agree to resign as head of the government in exchange for another high regional post. In light of the court verdict, the Sverdlovsk Duma is hurriedly drafting laws on "defending the rights of the governor" and on establishing an administrative court in Sverdlovsk, which could settle questions such as the fate of the head of the regional government. Such laws would greatly weaken Trushnikov's position as government head, giving him incentive to take a different job while one is on offer.

Even if Trushnikov remains head of the Sverdlovsk government, *Kommersant-Daily* argued, the oblast economy would not be affected significantly. Although Trushnikov's political and economic views differ from Rossel's, the business community in Yekaterinburg, Russia's third-largest city, is not worried by the prospect of

Trushnikov's return. Most investment projects are connected to Rossel, not to the former government head Vorobev. Furthermore, Trushnikov will not be able to change the budget, which has already been set until the end of the year.

Rossel frowns on dissent within his cabinet; he told OMRI in June that he is in principle opposed to coalition governments, both at the national and regional level. Rather, he argued, the government should be staffed by "professionals" who share the same views on economic policy. Although a court interceded this time to reverse Rossel's decision to fire Trushnikov, Rossel remains a powerful governor. Given the orientation of the Sverdlovsk legislature, Rossel has plenty of leverage to maintain loyalty within his cabinet. -- Laura Belin

ALTAI KRAI TO RECEIVE AID FROM GERMANY. Altai Krai will receive 25 million German marks (\$17 million) from the German government in 1997, *Izvestiya* reported on 2 October. The money will be used to build food-processing facilities, housing, and social amenities in the city of Slavgorod and six raions that have an ethnic German population. About 25,000 ethnic Germans currently live in the krai. This year Germany transferred about 50 million marks to the region. Since 1989, it has been German government policy to try to improve living conditions for ethnic Germans in Russia in the hope of reducing emigration to Germany. -- Penny Morvant

TENSION RISING IN KEMEROVO OBLAST. A severe financial crisis is sparking protest rallies in Kemerovo Oblast. NTV on 5 October reported on a rally attended by several thousand people in the mining center of Prokopevsk, where schools have been closed for more than a month, apartments are not yet heated, and only emergency medical services are available. Demonstrators burned an effigy representing the president, government, and local administration and called for early regional and national elections. A group of picketers also blocked the Kemerovo-Novokuznetsk railway line for one hour and threatened to block it and major roads for an indefinite period after 10 October. The same day, teachers in Leninsk-Kuznetsk, Polysaev, and Kemerovo protested against wage arrears, while strikes occurred at a machine factory and medical institutions in Anzhero-Sudzhensk. A regional strike has been called for 5 November. The recent increase in protests may have played a role in the decision announced on 7 October to postpone the oblast gubernatorial election from December to sometime in 1997. -- Penny Morvant

LOCAL AUTHORITIES TAKE EMERGENCY MEASURES IN MAGADAN. The lack of food and fuel stocks for winter in settlements in northern regions of Russia's Far East has prompted some local officials to take extreme, even illegal, measures to deal with the situation. Because of the inability of the Magadan Oblast authorities to pay for fuel, several settlements faced the prospect of winter without heat. One of the places worst affected was Ust-Srednekan (population about 1,000), which had received no coal deliveries, *Nezavisimaya gazeta* reported on 3 October. To deal with the crisis, the administration of Srednekan Raion seized 45,000 tons of coal belonging to the Zyryanka coal company in Yakutiya from a storage depot in Seimchan on the Kolyma river, a main supply and transportation hub. The coal company threatened to halt all coal deliveries to Magadan Oblast if it was not paid.

The overall situation with regard to supplying the Far North appears to have improved somewhat. Citing the Government Commission for Operational Questions, ITAR-TASS on 8 October reported that 6.1 million tons of oil, 7.3 million tons of coal, and 1.1 million tons of food had been transported to the Far North as of 1 October--just under 10% less than the amount shipped one year earlier. The State Duma is currently considering a draft law submitted by the government amending the 1996 budget to provide an extra 4.5 trillion rubles for supplying the region, according to *Nezavisimaya gazeta* on 5 October. About a third of the 3 trillion rubles already allocated to the Far North was eaten up by a few large commercial banks as compensation for promissory notes issued by those banks under Finance Ministry guarantees. -- Penny Morvant

NOTE: For regional profiles of the Khanty-Mansi Autonomous Okrug and the Yamal-Nenets Autonomous Okrug, please see the OMRI web page at: <http://www.omri.cz/Elections/Russia/Regions/Exec/Index.html>.

Compiled by Robert Ortung

REGIONAL PROFILE: TYUMEN OBLAST

Candidates for 27 October Gubernatorial Election

Governor **Leonid Roketskii**, a member of Our Home Is Russia, was appointed by President Yeltsin in February 1993. Earlier he had held the post of first deputy governor. In 1993, he was elected to the Federation Council.

Other candidates include **Gennadii Raikov**, who was elected in a Tyumen single-member district seat in December 1995 to the State Duma, where he joined the Russian Regions faction; Chairman of the political movement Tyumen-2000 **Sergei Atroshenko**, Director of the State Legal Department of the oblast administration **Valerii Bagin**, First Secretary of the Oblast Committee of the Russian Communist Workers' Party **Aleksandr Cherepanov** and first secretary of the Oblast Committee of the Communist Party of the Russian Federation **Vladimir Chertishchev**.

Other Local Leaders

Chairman of the oblast Duma Nikolai Baryshnikov (since April 1994)

Brief Overview

Stretching from the Ural Mountains in the west toward the lower reaches of the Yenisei River in the east and from the Kara Sea in the north to the Kazak border in the south, Tyumen Oblast covers most of the West Siberian Plain (drained by the Ob and Irtysh Rivers). The sparsely populated northern parts of the oblast are occupied by the Khanty-Mansi and Yamal-Nenets Autonomous Okrugs. The south of the oblast with the administrative center Tyumen, situated on the Trans-Siberian Railroad, has a relatively well developed industry and infrastructure, whereas the northern parts, with their huge oil and gas fields account for the oblast's raw material wealth.

Basic Facts

1995 Population (est.): 3,156,800 (2.13% of Russian total)

Industrial production as percentage of all Russian production (Jan.-Aug. 1995): 7.45%

Agricultural production as percentage of all Russian production (1994): 1.61%

Average personal income index in July 1995: 220 (Russia as a whole = 100)

Price basket index in July 1995: 113 (Russia = 100)

Average back wages owed per person (September 1995): 242,200 rubles (Russian average = 37,100)

Urban population: 76.1% (Russia overall: 73.0%)

Student population (1993): 111 per 10,000 (Russia overall: 171/10,000); Pensioner population (1994): 14.1%

Percent of population with higher education (1989 census): 10.2% (Russia overall: 11.3%)

Percent of population working in (1993): Industry: 17.9% (Russian average: 29.9%); Agriculture: 8.1% (12.8%);

Trade: 10.4% (9.1%); Culture: 10.3% (13.6%); Management: 1.7% (2.3%)

Number of telephones per 100 families (1993): in cities: 23.7 (Russian average: 41.5); in villages: 22 (17.2)

According to a 1995 survey by Bank Austria, the oblast is ranked 47th among Russia's 89 regions in terms of investment climate.

Electoral History

1996 Presidential Election

Yeltsin: 39.07%/55.82% (first round/second round)

Zyuganov: 27.31%/38.16%

Lebed: 13.28%

Zhirinovskiy: 9.38%

Yavlinskii: 5.7%

Turnout: 67.15%/67.19% (Russia overall: 69.67%/68.79%)

1995 Parliamentary Election

Communist Party of the Russian Federation: 15.42%

Liberal Democratic Party of Russia: 11.15%

Our Home Is Russia: 9.48%

Yabloko: 4.42%

Women of Russia: 5.51%

Communists-Workers' Russia: 12.13%
Party of Workers' Self-Government: 5.89%
Power to the People: 3.07%
In a single-member district: 2 independents
Turnout: 61.25% (Russia overall: 64.37%)

1993 Constitutional Referendum

"Yes" - 65.59% "No" - 31.20%

1993 Parliamentary Election

Liberal Democratic Party of Russia: 21.03%
Women of Russia: 14.77%
Russia's Choice: 13.44%
Communist Party of the Russian Federation: 11.03%
Agrarian Party of Russia: 10.57%
Party of Russian Unity and Concord: 6.72%
Yabloko: 5.90%
Democratic Party of Russia: 6.34%
From electoral associations: 1 Liberal Democratic Party of Russia, 1 Democratic Party of Russia
In a single-member district: 2 New Regional Policy
Turnout: 48.22% (Russia overall: 54.34%)

1991 Presidential Election

Yeltsin: 56.28%
Ryzhkov: 18.26%
Zhirinovskiy: 9.06%
Bakatin: 5.31%
Makashov: 4.77%
Tuleev: 3.01%
Turnout: 72.2% (Russia overall: 76.66%)

Sources: *Goroda Rossii [Cities of Russia]*, Moscow: Bolshaya Rossiiskaya Entsiklopediya, 1994; *Rossiiskie regiony nakanune vyborov-95 [Russian regions on the eve of 1995 elections]*, Moscow: Yuridicheskaya Literatura, 1995; *Itogi vyborov 17 dekabrya 1995 goda po regionam [Results of the 17 December 1995 elections, regional breakdown]*, Moscow: Panorama, 1996; *Vybory deputatov Gosudarstvennoi Dumy 1995 [State Duma elections 1995]*, Moscow: Central Electoral Commission, 1996; S.A. Nagaev and A. Woergoetter: *Regional Risk Rating in Russia*, Vienna: Bank Austria, 1995. Data compiled by Silja Haas and Anna Paretskaya.

MANIPULATION IN THE REGIONS

UNPOPULAR GOVERNORS SEEK EXCUSES TO DELAY ELECTIONS

Earlier this month, the presidential administration announced that the gubernatorial election in Kemerovo Oblast, scheduled for 15 December, will be postponed until 1997. The administration explained that decision by saying that the region lacks an electoral law-- although that objection was not raised when the vote was first scheduled. Skeptics noted that President Boris Yeltsin and Governor Mikhail Kislyuk are very unpopular in Kemerovo, which is currently experiencing labor unrest. Communist support has strengthened in the coal-mining region, formerly a bastion of the democratic movement. Communist Party leader Gennadii Zyuganov outpolled Yeltsin in the July presidential election by 52% to 42%.

The pretext found in Kemerovo cannot be used in regions that already have electoral laws on the books, but Kislyuk is far from the only governor facing discontented voters. As widespread tax evasion leaves both federal and regional coffers short of funds, the casualties include courts, schools, and numerous social programs. In August, Yeltsin issued a decree revoking almost all his campaign-season spending promises, but in his 11 October radio address he again acknowledged that the hardship caused by delays in the payment of wages and pensions requires immediate attention. He announced the creation of a new "extraordinary commission" to improve tax collection. But such emergency measures come too late for the dozens of governors facing election campaigns this autumn, three of whom have already been voted out of office.

However, every cloud has a silver lining, and budget shortfalls -- a problem for almost all Russian regions -- appear to provide a good excuse for some vulnerable incumbent governors seeking ways to prolong their tenure. Election officials in Chita Oblast recently suggested that the east Siberian region lacked the funds to hold gubernatorial and legislative elections planned for 27 October (see *OMRI Russian Regional Report*, 9 October 1996). Media outlets sympathetic to the government, such as the official ITAR-TASS news agency and the newspaper *Trud*, have since printed stories about hardships faced by the population in Chita, subtly reinforcing the message that the oblast cannot spare money for elections when so many are in need.

Authorities in the central Russian region of Bryansk appear to be following a similar strategy. The chairman of the oblast electoral commission, Aleksandr Chernushevich, warned that gubernatorial, legislative, and municipal elections scheduled for 8 December may have to be delayed since the 12 billion rubles (\$2.2 million) needed to finance the elections has not been allocated from the regional budget. Chernushevich said his commission has already asked the opposition-dominated Bryansk legislature to postpone the elections, although deputies have so far refused.

In both Bryansk and Chita, the communist opposition has a proven track record in the 1993 and 1995 parliamentary elections, as well as in this year's presidential race. Zyuganov carried Chita in July by a margin of 52% to 41%. He fared even better in Bryansk, taking 59% of the vote to just 36% for Yeltsin.

Bryansk Governor Aleksandr Semernev was appointed in May of this year. Like most incumbents, he is campaigning as a capable manager who can solve the region's economic problems. A typical article supporting Semernev, published in *Bryanskii izvestiya* on 27 September, described the governor as a professional committed to "new thinking in politics and economics."

Semernev's main opponent is Communist State Duma deputy Yurii Lodkin, whom Bryansk residents elected as their governor in April 1993. He was removed by presidential decree in September of that year when he supported the Supreme Soviet in its confrontation with Yeltsin. Lodkin's supporters portray the incumbent as a handmaiden to the federal government and presidential administration. The opposition newspaper *Bryanskii rabochii* on 19 September praised Lodkin as a man who was sacked illegally, refused offers to be co-opted by Yeltsin's team, and "never once betrayed his voters."

Only a month ago, Sergei Filatov, chairman of the All-Russian Coordinating Council seeking to elect pro-Yeltsin governors, confidently predicted that the opposition would win only four or five gubernatorial races. *Bryanskii rabochii* reported that during a recent visit to the region, Filatov rejected a local journalist's suggestion that postponing gubernatorial elections might be desirable in light of the public's "immaturity." But disappointing results for incumbents in Amur, Leningrad, and Kirov oblasts seem to have sapped the authorities' confidence. Sergei Samoilov, head of the presidential administration's Territorial Department, admitted in an interview published in *Segodnya* on 4 October that the opposition would probably win in Bryansk.

It is not yet clear whether attempts to delay elections in regions hostile to Yeltsin appointees will succeed. If the budget excuse proves viable, the approach adopted in Chita and Bryansk could be enticing for other embattled governors, who might hope that an economic upturn in 1997 could brighten their electoral prospects. -- Laura Belin

NO FREE MEDIA DETECTED IN PRIMORE

Having completed an investigative visit to Primorskiy Krai, experts from the Glasnost Defense Foundation have concluded that not a single regional newspaper or broadcaster is independent. Members of the task force, including foundation Chairman Aleksei Simonov, Oleg Panfilov, and Iosif Dzyaloshinskiy, reported their findings to a press conference in Moscow on 14 October. They announced that all media outlets in the krai

are advocating the point of view of one or another local elite group; none supplies its audience with unbiased information.

According to the experts' observations, the vast majority of local media outlets have been sucked into the power struggle waged between different regional elites in recent months; those groups use journalists as instruments in their confrontations. The same applies to local correspondents of Moscow-based press and electronic media.

Dzhaloshinskii, who also chairs the independent Commission on Access to Information, argued that various political factions and regional authorities, as well as criminal gangs and foreign companies, are trying to gain control over the media in Primore or have already done so. Moreover, he said, investors with illegal and foreign capital are showing increasing interest in and influence on the media in the krai.

The foundation's experts mostly blamed the administration of krai Governor Yevgenii Nazdratenko for seizing control over local media. They also hinted at pressure from other interest groups but did not name them. Local journalists told the task force that, in their opinion, there will be no freedom of speech in Primore while Nazdratenko is in power. He and his administration support -- primarily financially -- only those papers and broadcasters that defend his regime and take Nazdratenko's side in regional conflicts, such as his confrontation with recently reinstated Vladivostok Mayor Viktor Cherepkov and recent miners' and energy-workers' strikes that caused conflict between the governor and the federal authorities.

Most local newspapers and broadcast media have chosen to maintain friendly relations with the current regional government, while only a handful are in opposition. *Krasnoe znamyia*, *Arsenevskie vesti*, and the private radio station "Vladivostok" are the only outlets that refuse to support Nazdratenko and his administration, according to Panfilov. However, even they are not independent and free, because they promote the opposition point of view.

Those media organizations and their journalists are intimidated, persecuted, and often face obstacles in their work. For instance, *Arsenevskie vesti* must be printed in neighboring Khabarovsk Krai because all Primore printers, in accordance with orders coming from the administration, refuse to print the paper. Additionally, newspaper dealers in the krai are often prevented from distributing the newspaper. Individual journalists who dare to question Nazdratenko's policy are sued, banned from reporting, and sometimes physically attacked. It is also common for journalists to abruptly change their positions and start advocating a point of view they recently were denouncing.

As a result, those who read, watch, and listen are deprived of reliable information, have a distorted view of political reality, and thus cannot adequately perceive and influence the political situation in their province. However, most local people understand the media situation in the region and often have a fairly good idea of which publication or individual journalist is paid by which group or corporation and, therefore, whose interests they represent. All this contributes to a general distrust of the media by the population.

In conclusion, Panfilov, who regularly monitors infringements on journalistic freedom for the Glasnost Defense Foundation, suggested that all Russia's regions suffer from problems similar to those in Primore. He said he doubted that there is a single independent and unbiased newspaper, radio, or TV station in Russia, but he said that some of the most unbiased and free media are found in Moscow. -- Anna Paretskaya in Moscow

REGIONAL ELECTIONS UPDATE

PRO-GOVERNMENT BLOC WINS MAJORITY IN MARI-EL PARLIAMENT. The pro-government bloc Our Home Is Russia (NDR) won more than 50% of the vote in the 6 October parliamentary elections in the Republic of Mari-El, *Kommersant-Daily* reported on 11 October. As a result, NDR obtained 36 seats in the republican State Assembly, while the Communist Party and Agrarian Party received only eight and six deputies respectively. The environmentalist movement Kedr, which is allied with NDR, won two seats, and independent candidates won the remaining six seats. According to the latest edition of *Dom i Otechestvo*, V. Kislitsin, who plans to run for president of Mari-El in December with the support of local Communists and Vladimir Zhirinovskiy's Liberal Democratic Party, failed to win a seat in the republican parliament. -- Anna Paretskaya in Moscow

ALEKSEI LEBED WINS RIGHT TO CONTEST ELECTION IN KHAKASIYA. Aleksei Lebed, Security Council Secretary Aleksandr Lebed's younger brother, won an appeal to the Supreme Court of Khakasiya after the republican electoral commission refused to register him for the 1 December election for prime minister, the highest post in the republic, AFP reported on 15 October. (Unlike most of Russia's 21 republics, Khakasiya has no presidency.) The electoral commission disqualified the younger Lebed, who was elected to the State Duma from a single-member district in Khakasiya last December, because he only moved to the republic in late 1995 and therefore failed to meet a seven-year residency requirement. Former Vice President Aleksandr Rutskoi was refused registration in Kursk Oblast on similar grounds; his appeal is pending with the presidium of the Russian Supreme Court (see *OMRI Daily Digest*, 10 October 1996).

According to Central Electoral Commission (TsIK) Chairman Nikolai Ryabov, many regional electoral laws contain unconstitutional provisions, such as residency requirements or demands that candidates know a

region's titular language, *Segodnya* reported on 9 October. However, Ryabov said, since his commission cannot force local legislatures to change the laws, many regional elections are conducted with violations of federal legislation. -- Laura Belin and Anna Paretskaya in Moscow

PSKOV, ST. PETERSBURG SIGN COOPERATION TREATY ON EVE OF PSKOV ELECTION. St. Petersburg Governor Vladimir Yakovlev traveled to Pskov to sign a cooperation agreement with Pskov Governor Vladislav Tumanov on 14 October, six days before he will face six opponents in the oblast's 20 October gubernatorial election, Radio Rossii reported. In addition to backing the incumbent, Yakovlev is trying to boost his own prestige as president of the Northwest Association, which groups together the oblasts and cities in that part of Russia. The treaty focuses on economic ties, with Pskov enterprises supplying "ecologically clean" foodstuffs to St. Petersburg. Yakovlev, in turn, offered to provide Pskov traders places to work on the outskirts of the city. The federal government has signed 23 power-sharing treaties with various regions, and now treaties between the regions themselves are becoming more common. Duma Labor and Social Policy Committee Chairman Sergei Kalashnikov singled out Pskov Oblast (along with Chita) as suffering a crisis from severe nonpayment of wages and pensions, *Vek* reported in its 11-17 October issue. -- Robert Ortung

YELTSIN REPLACES RYAZAN GOVERNOR. President Yeltsin replaced Ryazan Governor Gennadii Merkulov with his deputy, Igor Ivlev, ITAR-TASS reported on 15 October. Prime Minister Viktor Chernomyrdin recommended Ivlev for the post. The oblast's election is scheduled for 15 December. In the presidential election, Ryazan gave a strong margin of support to Communist candidate Zyuganov. -- Robert Ortung

YELTSIN MOVES TYUMEN OBLAST ELECTION BACK TO DECEMBER. President Yeltsin has postponed the Tyumen Oblast election to an unspecified date in December, ITAR-TASS reported on 15 October. The problem is that the resource-rich Khanty-Mansi and Yamal-Nenets autonomous okrugs are subordinate parts of the oblast and are electing their own governors. Yeltsin had decreed that all three federation members should hold their elections on the same day. The Tyumen Duma moved the oblast election date forward from December to 27 October, when Khanty-Mansi's election was scheduled, in the hopes that Yamal-Nenets would move its election to that date as well. However, Yamal-Nenets went ahead with its election on 13 October, returning incumbent Yurii Neelov to power. Neelov said that the Tyumen election could not take place until his okrug had signed a power-sharing treaty with Tyumen. Khanty-Mansi made similar demands. Although First Deputy Chief of Staff Aleksandr Kazakov had visited the region and claimed to have solved the problem (See *OMRI Russian Regional Report*, 9 October 1996), there was apparently no progress. Observers fear that if the two okrugs do not participate in the election of the Tyumen governor, the oblast will effectively split and the election will have little legitimacy. Putting the election off to December gives the three parties to the conflict more time to work out their differences and may prevent a crisis. -- Robert Ortung

CONSTITUTIONAL COURT TO CONSIDER UDMURTIYAN LAW ON POWER. The Constitutional Court is going to examine Udmurtiya's law regulating state institutions, *Segodnya* reported on 16 October. The law, which was passed by the republican parliament in April this year, abolished all republican institutions of local government, including the mayors and legislatures that had been popularly elected two years ago. Now, local executives must be directly appointed by the State Council, the republic's highest authority since there is no presidency. In addition, all municipal property, worth 1.3 trillion rubles (about \$185 million), is to be transferred to the council's control.

Inhabitants of the republic, a group of Duma members, and President Yeltsin asked the Constitutional Court to look into the matter. The petitioners claim that the law violates the general principles of local government in the Russian Federation. Yabloko leader Grigorii Yavlinskii denounced Udmurtiya's actions as an attempt to set up a semi-separatist totalitarian regime under the cover of federalism, which could turn the country into a confederation of small fiefdoms, Radio Mayak reported on 14 October.

Even if the Constitutional Court declares the law unconstitutional, the restoration of local executives and their rights to manage municipal property is unlikely to happen, according to Sergei Shapovalov, first deputy head of the presidential administration's Territorial Department. Since a federal law on municipal property has not been passed yet, individual federation subjects can enact their own regulations. -- Anna Paretskaya in Moscow

ANALYSIS AND PREDICTIONS

DIVIDED DEMOCRATS MAY LOSE IN VOLGOGRAD. Communists could defeat pro-reform candidates in the December gubernatorial election in Volgograd Oblast, political commentator Gleb Cherkasov argued in the 9 October edition of *Segodnya*. The three leading candidates are the incumbent Ivan Shabunin, Volgograd Mayor Yurii Chekhov, and Volgograd city legislature chairman Nikolai Maksyuta, who is supported by the Communist Party and the Popular-Patriotic Union of Russia, a left-wing umbrella movement. Up to 10 candidates may run for governor.

The pro-Yeltsin All-Russian Coordinating Council and the presidential administration have not yet agreed on a single pro-reform candidate for the Volgograd race; so far, they are supporting both Shabunin and Chekhov. The administration seems to favor Chekhov; in September, Yeltsin's Deputy Chief of Staff, Aleksandr Kazakov, called on Volgograd voters to back Chekhov and offered Shabunin a position in the federal administration if he quit the gubernatorial race. But a recent opinion poll measured Shabunin's popularity at 43%, twice that of Chekhov. Shabunin has expressed doubts that Chekhov, who was elected mayor a year ago, can win a gubernatorial race. Meanwhile, the same poll indicated that the opposition candidate Maksyuta's popularity has tripled in recent weeks to 19%.

Volgograd Oblast is seen as a Communist stronghold: the KPRF did well there in the parliamentary elections of 1993 and 1995, communist-backed candidates won 22 out of 26 seats for the Volgograd city legislature last October, and Communist leader Gennadii Zyuganov outpolled Yeltsin in the July presidential election 51% to 44%. -- Anna Paretskaya in Moscow

CENTER WAS UNPREPARED FOR ELECTIONS. Speaking at a round table devoted to center-regional relations, presidential adviser Georgii Satarov said that the central authorities were "legally and psychologically unprepared" for the regional elections, *Kommersant-Daily* reported on 11 October. Satarov's view was shared by other veterans of Yeltsin's re-election campaign, including Vyacheslav Nikonov and senior executives from the Nikkolo M public relations firm. The center's inability to choose an appropriate candidate or agree on a common candidate is mainly to blame for the poor showings posted by pro-government candidates in the first few regional elections, political commentator Gleb Cherkasov wrote in the 9 October *Segodnya*. In many regions, groups that united in support of Yeltsin's re-election are now backing different gubernatorial candidates.

In addition, Cherkasov argued, presidential administration analysts were overconfident in some regions and consequently failed to provide the incumbent with the necessary support. For example, there was not a single report from Amur Oblast on central television networks during the gubernatorial campaign, and the incumbent lost that election by just 189 votes.

On the other hand, the opposition has failed to win some races where incumbents were considered vulnerable, such as Rostov Oblast. In many regions opposition activists are little known to the public and therefore cannot compete with incumbents. Cherkasov concluded that the regional races will not result in a clear victory for either the presidential administration or the opposition. The only obvious winners will be the elected governors, who, unlike presidentially appointed governors, cannot be dismissed by federal authorities. -- Anna Paretskaya in Moscow

STABILITY IN CENTER-REGIONS RELATIONS UNLIKELY. Sergei Samoilov, the head of the presidential administration's Territorial Department, believes that this year's regional elections are likely to lead to more conflicts between regions and the center, as well as to power struggles within regions, in 1997, *Kommersant-Daily* reported on 11 October. Samoilov noted that up to 25 candidates are running in some regions, which indicates a high level of political fragmentation. Conflicts can also be expected between elected regional governors and the elected heads of cities and districts. -- Anna Paretskaya in Moscow

PROVINCIAL CHRONICLES

KUZBASS SALVATION COMMITTEE ATTEMPTS TO TAKE POWER. The Salvation Committee of Prokopyevsk has declared itself a self-governing body with local legislative and executive powers, including control over the local budget and capital investment, *Izvestiya* reported on 16 October. Prokopyevsk is a mining town in the Kuzbass area of Kemerovo Oblast. The committee was set up by Communist members of the local Duma who are demanding a change in the local government. Deputy Yurii Chunkov proposed in a television interview that such committees be set up to govern mining towns during crisis situations. Kemerovo Oblast Governor Mikhail Kislyuk, however, said the committee has no legal authority. -- Ritsuko Sasaki

ALTAI REPUBLIC, CHELYABINSK PENSIONERS TO RECEIVE PAYMENT IN KIND. Branches of the Federal Postal Service in the Altai Republic have begun distributing food and other essentials to pensioners on credit against their delayed pensions, ITAR-TASS reported on 13 October. The measure was mandated by the republic's government to help the region's 44,000 pensioners, who are still owed part of their August payments. The regional branch of the Russian Pension Fund needs about 15 billion rubles a month to meet its pension commitments but has been able to raise less than half that. On 8 October, Chelyabinsk Oblast governor Vadim Solovov, who is running for re-election in December, approved a plan to regularly pay part of pensions in cabbages, potatoes, and other foodstuffs. According to *Kommersant-Daily* on 9 October, the local branch of the Pension Fund is owed 1.3 trillion rubles in mandatory contributions from enterprises. -- Penny Morvant

DEAL REACHED TO SUPPLY VLADIVOSTOK WITH FUEL. Viktor Cherepkov, newly reinstated as mayor of Vladivostok, has reached a preliminary agreement with fuel suppliers on deliveries to local electric power

stations, ITAR-TASS reported on 14 October. Under the deal, each month the local coal company Primorskugol will supply the city with 380,000 tons of coal worth 80 billion rubles. The price is about 30% below the regional average because of the elimination of middlemen. The city will also receive fuel oil (needed to burn the low-quality coal) at prices about 20% below average. Because of Vladivostok's financial difficulties, part of the fuel will be paid for by barter. A number of the city's enterprises -- in particular, the fish company Dalmoreprodukt -- have expressed a willingness to take part in the scheme in return for tax breaks offered by the mayor's office. -- Penny Morvant

FOOD SUPPLIES TO THE FAR NORTH STILL DOWN. As of 1 October, the amount of food supplied to far northern regions for the winter was still 25%-50% below deliveries by that date a year earlier, ITAR-TASS reported on 11 October citing the State Statistics Committee. The situation was particularly bad in the Koryak and Taimyr (Dolgan-Nenets) autonomous okrugs and Kamchatka Oblast. The situation with regard to fuel supplies, however, appeared to be improving. *Rossiiskaya gazeta* on 10 October said that deliveries were only 6%-7% less than 1995, although supplies were still dangerously low in parts of Sakha (Yakutiya) and the Chukotka, Koryak, and Taimyr (Dolgan-Nenets) autonomous okrugs. Deliveries were delayed because no money had been made available from the federal budget until July. The regions were supposed to pay for supplies themselves this year. A spokeswoman for the Emergency Situations Ministry told *Rossiiskaya gazeta* on 15 October that fuel is being supplied to northern regions on credit. She said the situation this year is not unusual and noted that there have been major problems supplying the far north for several years. -- Penny Morvant

MILITARY MURDER SUSPECTS DETAINED IN SAKHALIN. Two soldiers who deserted their unit after one of them allegedly shot four military personnel on 10 October at a military base on Sakhalin Island were apprehended on 14 October, ITAR-TASS reported. Though the exact reason for the shooting is still unknown, several similar incidents recently reported in the region were caused by poor discipline and low morale in the cash-strapped garrisons, Reuters reported. The incident took place during Defense Minister Igor Rodionov's visit to the Far Eastern Military District to boost morale. -- Nikolai Iakoubovski

REINSTATED SVERDLOVSK PRIME MINISTER RESIGNS. Valerii Trushnikov, who went to court to win back his old job as prime minister of Sverdlovsk Oblast, has agreed to step down following intense negotiations with Governor Eduard Rossel, *Kommersant-Daily* reported on 11 October. Rossel sacked Trushnikov in April but was forced to reinstate him when a court ruled that the dismissal was illegal (see *OMRI Russian Regional Report*, 9 October 1996). Trushnikov promised not to remove any government ministers or department heads upon his return, but all the other cabinet members nevertheless threatened to resign rather than work with him. The paper noted that most political parties in Sverdlovsk had remained neutral during the tug-of-war between Rossel and Trushnikov; their refusal to support the prime minister during the standoff probably influenced his decision to step down. -- Laura Belin

STAVROPOL KRAI OFFERS DEBT-PROPERTY SWAP TO GAZPROM. The administration of Stavropol Krai has agreed to clear its debt for gas deliveries by transferring to Gazprom the ownership of certain unfinished construction projects including hotels, houses, and sanatoriums on the krai's territory, ITAR-TASS reported on 11 October. Construction programs in the region, which was a major recreation area in the USSR, were largely frozen in the late 1980s as budgetary financing dried up. -- Natalia Gurushina

OIL INDUSTRY EXPERIMENT IN TATARSTAN. The government of Tatarstan has obtained the first encouraging results of an experiment to prevent bankruptcy of local petrochemical companies that owe substantial back taxes to the regional budget, *Kommersant-Daily* reported on 11 October. The experiment began in March 1996, when the government had to suspend production at some of the plants because high production costs made their output non-competitive. The firms are Tatarstan's largest employers, and closing them down would have negative social consequences. To keep the plants going, the Tatarstan government abolished excise duties on oil and gas. Between March and June, output at the participating plants rose by 17.4%, and the companies' indebtedness fell by 1.3 trillion rubles (\$239 million). The republic's budget revenues increased by 779 billion rubles, compared with 125 billion rubles of the "lost" revenue from the abolished excise duties. -- Ritsuko Sasaki

NOTE: For regional profiles of Sakhalin and Pskov oblasts and the Jewish Autonomous Oblast, please see the OMRI web page at:

<http://www.omri.cz/Elections/Russia/Regions/Exec/Index.html>

Compiled by Laura Belin

REGIONAL PROFILE: KURSK OBLAST

Candidates for 20 October Gubernatorial Election

Head of administration **Vasilii Shuteev**, who is supported by the All-Russian Coordinating Council, was appointed to the post by President Yeltsin in December 1991. In 1993 he was elected to the Federation Council, where he was a member of the Committee on International Affairs.

One of the incumbent's main challengers is Communist **Aleksandr Mikhailov**. Mikhailov joined the Duma in 1993 and was re-elected in December 1995 on the Communist Party ticket from a Kursk single-member constituency.

The other candidates are considered marginal. They include Agrarian local leader **Vitalii Gukov**; **Aleksandr Kuroninov**, the former president's representative in Kursk; and **Vyacheslav Molokoedov**, a human-rights advocate.

Another strong opposition candidate who is believed to have a good chance to win if he is allowed to run is former vice president and leader of the Derzhava movement **Aleksandr Rutskoii**. Rutskoii was denied registration by the Kursk Electoral Commission and lost an appeal to an oblast court. A final decision will be made by the Supreme Court shortly before the election.

Other Local Leaders

Chairman of the oblast Duma: Yurii Pyatnitskii (since April 1994).

Brief Overview

Kursk Oblast is about 500 km south of Moscow on the Ukrainian border. Once covered with forests, it offers rich soil that is used for intensive farming, with the unfortunate consequence of severe gully erosion. Besides agriculture, the oblast's industry includes machine building, chemical enterprises, and iron mining. Energy is generated from a large nuclear power station at Kursk city. The oblast's administrative center dates to the 11th century. It gained new importance in the 17th and 18th centuries when it served as a military outpost to protect the Russian colonies from Tatar attack.

Basic Facts

1995 Population (est.): 1,348,800 (0.91% of Russian total)

Industrial production as percentage of all Russian production (Jan.-Aug. 1995): 0.73%

Agricultural production as percentage of all Russian production (1994): 1.36%

Average personal income index in July 1995: 63 (Russia as a whole = 100)

Price basket index in July 1995: 75 (Russia = 100)

Average back wages owed per person (September 1995): 62,100 rubles (Russian average = 37,100)

Urban population: 59.9% (Russia overall: 73.0%)

Student population (1993): 148 per 10,000 (Russia overall: 171/10,000)

Pensioner population (1994): 29.7%

Percent of population with higher education (1989 census): 7.9% (Russia overall: 11.3%)

Percent of population working in (1993): Industry: 29.3% (Russian average: 29.9%); Agriculture: 22.6% (12.8%);

Trade: 8.6% (9.1%); Culture: 10.6% (13.6%); Management: 2.3% (2.3%)

Number of telephones per 100 families (1993): in cities: 34.1 (Russian average: 41.5); in villages: 11.1 (17.2)

A 1995 survey by Bank Austria ranked the oblast 35th among Russia's 89 regions in terms of investment climate.

Electoral History

1996 Presidential Election

Yeltsin: 24.06%/36.24% (first round/second round)

Zyuganov: 51.13%/58.92%

Lebed: 11.06%

Zhirinovskii: 3.89%

Yavlinskii: 5.38%

Turnout: 73.17%/ 70.5% (Russia overall: 69.67%/68.79%)

1995 Parliamentary Elections

Derzhava: 30.69%

Communist Party of the Russian Federation: 28.29%

Liberal Democratic Party of Russia: 6.08%

Our Home Is Russia: 5.15%

Communists-Workers' Russia: 3.63%

Agrarian Party of Russia: 3.34%

Women of Russia: 2.75%

Yabloko: 2.36%

Party of Workers' Self-Government: 2.17%
In single-member districts: two Communist Party
Turnout: 71.59% (Russia overall: 64.37%)

1993 Constitutional Referendum

"Yes" -- 42.98% "No" -- 55.18%

1993 Parliamentary Elections

Liberal Democratic Party of Russia: 33.48%
Communist Party of the Russian Federation: 20.03%
Agrarian Party of Russia: 11.46%
Russia's Choice: 10.64%
Women of Russia: 5.02%
Yabloko: 4.79%
Democratic Party of Russia: 4.41%
Party of Russian Unity and Concord: 4.11%
From electoral associations: 1 Communist Party, 1 Agrarian Party of Russia, 1 Liberal Democratic Party of Russia
In single-member districts: two Communist Party of the Russian Federation
Turnout: 64.67% (Russia overall: 54.34%)

1991 Presidential Election

Yeltsin: 54.16%
Ryzhkov: 21.03%
Zhirinovskiy: 9.08%
Tuleev: 5.33%
Makashov: 3.58%
Bakatin: 2.30%
Turnout: 85.43% (Russia overall: 76.66%)

Sources: *Goroda Rossii [Cities of Russia]*, Moscow: Bolshaya Rossiiskaya Entsiklopediya, 1994; *Rossiiskie regiony nakanune vyborov-95 [Russian regions on the eve of 1995 elections]*, Moscow: Yuridicheskaya Literatura, 1995; *Itogi vyborov 17 dekabrya 1995 goda po regionam [Results of the 17 December 1995 elections, regional breakdown]*, Moscow: Panorama, 1996; *Vybory deputatov Gosudarstvennoi Dumi 1995 [State Duma elections 1995]*, Moscow: Central Electoral Commission, 1996; S.A. Nagaev and A. Woergoetter: *Regional Risk Rating in Russia*, Vienna: Bank Austria, 1995.
Data compiled by Silja Haas and Anna Paretskaya.

ELECTION SEASON OVERVIEW

INCUMBENT FACES DIFFICULT TEST IN STAVROPOL

Stavropol Krai Governor Petr Marchenko has been fighting an uphill battle in the run-up to the 27 October gubernatorial election. In July, voters in the largely agricultural, economically depressed region supported Communist Party leader Gennadii Zyuganov over Boris Yeltsin by a margin of 54% to 41%. Since then, a campaign scandal has further damaged Marchenko's prospects. All the while, the Communist candidate, 37-year-old State Duma Deputy Aleksandr Chernogorov, has campaigned energetically. He has concentrated on rural areas, where nearly half of Stavropol residents live and where opposition sentiment is traditionally strongest. Yeltsin's opponents clearly consider Stavropol winnable; Zyuganov has visited the region to campaign for Chernogorov in person.

To complicate matters for Marchenko, unlike in other regions, anti-communist groups in Stavropol have not rallied around the incumbent. On the contrary, objections from some local "democrats" prompted the All-Russian Coordinating Council (OKS) seeking to elect pro-Yeltsin governors to reconsider its August endorsement of Marchenko. The dissenters include local branches of Yegor Gaidar's Russia's Democratic Choice, Svyatoslav Fedorov's Party of Workers' Self-Government, and Boris Fedorov's Forward, Russia! movement. Instead, they are backing Aleksandr Korobeinikov of the Congress of Russian Communities. Korobeinikov served as former Security Council Secretary Aleksandr Lebed's envoy to peace talks in Chechnya. According to Radio Rossii on 5 October, he is backed by many young entrepreneurs, as well as by some Cossack organizations.

Outraged representatives from the pro-government Our Home Is Russia movement complained in the local and national press that tiny parties had no right to speak for all Stavropol "democrats" and were playing into the hands of the opposition by splitting the pro-reform vote (see *OMRI Russian Regional Report*, 2 October 1996). However, a leader of the Stavropol council of democratic groups countered that the parties in the OKS should have consulted their local branches before backing Marchenko, *Vechernii Stavropol* reported on 12 September. The OKS sent two separate envoys to Stavropol to investigate the matter but failed to forge a consensus. While "democratic" parties in many regions face a dilemma in deciding whether to back unpopular incumbents, nowhere has there been more public acrimony among Yeltsin's supporters than in Stavropol.

Faced with these obstacles, Marchenko has pursued a campaign strategy typical for incumbent governors across Russia. Appointed by Yeltsin in July 1995, he cultivates the image of a competent economic manager. As he told *Rossiiskie vesti* on 17 October, "I am a builder not only by profession, but also by character." He has also reached out to discontented constituencies in the krai. For instance, Marchenko admits that he "regrets" not doing more during his first months in office to solve the problems of rural areas. He has promised to take steps to end all delays in pension payments, while boasting that he has already reduced the average delay from two and a half months to one month. Meanwhile, Marchenko and his supporters portray the young Communist Chernogorov as lacking enough experience to govern the krai. A similar strategy worked in nearby Rostov Oblast, where Governor Vladimir Chub withstood a challenge from a Communist Duma deputy in September despite the fact that Zyuganov outpolled Yeltsin in the region in July.

Marchenko picked up some important endorsements in late September. Most notably, Lebed issued a statement calling on Stavropol residents to support Marchenko, and the local branch of Lebed's Honor and Motherland movement has also campaigned for the incumbent. More surprising, Stavropol members of Grigorii Yavlinski's Yabloko party endorsed Marchenko on the grounds that he has shown a genuine interest in establishing a dialogue with local democrats, *Stavropolskaya pravda* reported on 24 September. Recent developments in Stavropol thus demonstrate how local political alliances can completely contradict party strategies at the national level. Gaidar's party supports the president almost all of the time, yet its Stavropol affiliate is backing Korobeinikov; Yavlinski's party continually criticizes the president, yet its Stavropol branch is backing a presidential appointee. Local newspapers have made the most of these endorsements and have published numerous appeals on Marchenko's behalf from work collectives. However, since those backing Korobeinikov have refused to give in, it is not clear whether either late endorsements or the advantages of incumbency will be enough to shift the momentum in Marchenko's favor. -- Laura Belin

ADMINISTRATION GETS BAD NEWS IN 20 OCTOBER VOTING

With more than one fifth of the approximately 50 elections scheduled through January complete, the main trend is that the administration is not doing as well as it had hoped. The victory of former Vice President

Aleksandr Rutskoi in Kursk only topped what was generally a bad day for the government. Including the six gubernatorial elections of 20 October, the results are in from 11 governor's races (there will also be a runoff in Pskov Oblast between the incumbent and a challenger from the Liberal Democratic Party of Russia). Overall, six incumbents have been reelected, while five have been defeated. In some cases, Yeltsin-backed incumbents have succumbed to a candidate from the united communist and patriotic parties, in others the victor was an anti-incumbent, but apolitical, manager. Where the opposition has not had a viable candidate, it has sided with the challenger despite his apolitical position.

In contrast to the presidential campaign, there seems to be no relationship between the level of turnout and the success of the incumbent. Overall, the turnout has been pretty good, averaging about 46%, with fluctuations from a low of 33% in Sakhalin Oblast and 34% in Leningrad Oblast to a high of 60% in Saratov. The turnout in the 20 October elections was slightly higher than the previous races, with opposition-minded Kursk, Pskov, and Kirov oblasts all over 50%.

The elections in Birobidzhan and Sakhalin went the way the administration hoped that they would, with incumbents winning despite the fact that their regions face dire economic problems. Birobidzhan Governor Nikolai Volkov defeated his opponent Sergei Leskov by a margin of 72% to 16%. Sakhalin Governor Igor Farkhutdinov scored 40% to the Communist-backed Director of the Siberian-Far Eastern Oil Company (Sidanko) Leonid Chernii's 25%. However, the victory of its candidates does not mean smooth sailing for the central government. In an interview with RIA Novosti (http://www.russia.net/ria/ria_main.html), Volkov stressed that his region needs strong economic support from Moscow since its living standards are among the lowest in the country. Farkhutdinov has also made several visits to the Finance Ministry to get more money from the federal budget for Sakhalin and although he signed a power sharing agreement in May, he is seeking greater economic independence, according to *Nezavisimaya gazeta* of 27 September. Sakhalin has much greater economic prospects than Birobidzhan, though, since giant oil and gas projects are moving ahead, with the planned first results before the end of the century, *Delovoi vtornik* noted on 22 October.

The president's candidate in Kaliningrad, Governor Yurii Matochkin lost to his challenger, the director of the fishing port Leonid Gorbenko, in the second round by a score of 50% to 40%. Although Matochkin led 31% to 22% in the first round, he repeated the experience of former St. Petersburg Mayor Anatolii Sobchak, who won the first round and then lost in the second to a "strong manager" with essentially similar economic views. Matochkin tried in desperation to form an alliance with the communists by offering to set up a coalition government and name their candidate Yurii Semenov, who had won 21.5% of the vote in the first round, vice governor, but Semenov and his allies threw their support behind Gorbenko in an anti-incumbent alliance. Matochkin had other problems as well. Even though the pro-Yeltsin All-Russian Coordinating Council backed him, former Federation Council Speaker Vladimir Shumeiko and Duma Member Sergei Shakhrai supported Gorbenko. In spite of his defeat of the president's candidate, the administration may ultimately be happy with Gorbenko's governorship. He told RIA Novosti that "one must not keep asking for funds from the center." However, *Kommersant-Daily* on 22 October argued that he will have a hard time maintaining his image as an apolitical leader after forming an alliance with the communists to win the election.

Matochkin's and Sobchak's fate must now be haunting Pskov Governor Vladislav Tumanov, who won 31% in the first round and faces a runoff against Liberal Democratic Party of Russia (LDPR) challenger Yevgenii Mikhailov, with 23%. Mikhailov was the only candidate in the race to declare his party membership, Radio Rossii reported 19 October. The communists backed the former chairman of the oblast soviet, Vitalii Pushkarev, although he did not publicize it. In the recent Duma and presidential elections, Pskov gave considerable support to Vladimir Zhirinovskiy's party and there is now talk of creating a wide coalition against the party of power. Pre-election polls showed Mikhailov running well behind, a common occurrence with the LDPR which has a strong stealth vote, so it will be impossible to predict his performance in the runoff. Sixty percent of Russia's trade with the Baltics goes through the oblast and both candidates want the federal government to start sharing the customs revenue this traffic generates, *Kommersant-Daily* reported 22 October. Yeltsin has promised Tumanov 20% of these duties to encourage greater electoral support for him.

In Kirov Oblast, Popular Power Duma faction member Vladimir Sergeenkov defeated the businessman Nikolai Stin by a margin of 50% to 45% in the second round. The unpopular incumbent failed to make it into the runoff, making this race particularly unusual. Sergeenko concentrated on the economic difficulties facing Kirov's

forest products industry, winning heavy support in the rural areas, while the urban parts of the oblast went for Stin, Radio Rossii reported. Four days before the election, one of Stin's key supporters, the entrepreneur Artur Krundyshev, was assassinated in what Stin called a contract killing, Russian Public TV (ORT) reported on 16 October. ITAR-TASS reported that Stin had removed Krundyshev from his team after it became known that he had been sentenced to 10 years in jail in 1986 for rape. The identity of the killers is still being investigated.

First Deputy Chief of Staff Aleksandr Kazakov told Russian Television on 21 October that the election of Sergeenkov in Kirov and Rutsnoi in Kursk were the exception to general rule of regional electorates choosing good managers as governors. Neither Rutsnoi nor Sergeenkov have much practical managerial experience. Kazakov tried to put a good face on the administration's worse than expected performance so far by saying that it was doing pretty well given the economic situation in the country. -- Robert Orttung

REGIONAL ELECTIONS UPDATE

STATE DUMA CALLS FOR REGIONAL LEGISLATURES TO HAVE ELECTIONS WITHIN SIX MONTHS. The State Duma has passed a bill that would order all regional legislatures that were elected for two-year terms in 1993-1994 to hold new elections within six months from the date it is signed into law by Yeltsin, *Segodnya* reported on 17 October. Yeltsin has not decided whether he will sign the bill. The bill is directed against those regional legislatures which, under a September 1995 presidential decree, prolonged their term of their office for another two years. The bill was prepared in March this year by the Federation Council, parliament's upper house, half of whose members are the chairmen of regional legislative bodies. The Federation Council's version sought to provide a legal basis for Yeltsin's two-year extension. When later the Duma cut the re-election period down to six months, the upper house vetoed the law in July saying that it violated the regions' right to set election dates independently from the center. Now, the Duma has overridden the Federation Council, forcing the president to make a decision. According to *Segodnya*, he must balance between a desire not offend the incumbent legislative chairmen and a risk that new elections would return leaders more willing to cooperate with the federal government. -- Anna Paretskaya in Moscow

VLADIMIR GOVERNOR DUMPS DEPUTY. Vladimir Governor Yurii Vlasov fired First Deputy Governor Sergei Sokolov after Sokolov announced that he would run in the oblast's 15 December elections, ITAR-TASS reported. The governor also abolished the position of first deputy. -- Robert Orttung

CAMPAIGN IN CHITA CONTINUES. The five candidates running for governor of Chita Oblast are making frequent appearances on local television and publishing vast amounts of campaign material in newspapers, although it is still not entirely certain that the election scheduled for 27 October will go ahead. Tatyana Kalashnikova, who chairs the Chita electoral commission, had previously warned that the election could be canceled for lack of funds (see *OMRI Russian Regional Report*, 9 and 16 October 1996). With less than a week left in the campaign, less than a quarter of the 13 billion rubles (\$2.4 million) needed to hold the election have been paid from the regional budget, Radio Rossii reported on 22 October. Most of the money would go toward paying salaries of workers on local and territorial electoral commissions. However, Kalashnikova indicated that electoral commission employees would be forced to work on election day even if they have not yet been paid. -- Laura Belin

AMUR RESULT STILL CONTESTED IN COURT. An Amur Oblast court is considering a case that could nullify the result of the 22 September gubernatorial election, Ekho Moskvy and Radio Rossii reported on 22 October. Communist-backed candidate Anatolii Belonogov won the race by just 189 votes, but he has not yet taken office. Supporters of the incumbent Yurii Lyashko have complained about voting irregularities. Lyashko himself was not present at the first day of court hearings, which could last several days. The case was brought by a member of the oblast electoral commission and by individuals from various parts of Amur who claim they were not able to vote on election day. The Central Electoral Commission's investigation of communist allegations of foul play in Rostov, where incumbent Vladimir Chub won, produced no evidence to overturn the results. -- Laura Belin

ADMINISTRATION'S MOVES IN RYAZAN QUESTIONED. President Boris Yeltsin replaced Ryazan Governor Gennadii Merkulov with his deputy in charge of agriculture, Igor Ivlev, on 15 October in the hopes of repeating the success of the Saratov and Vologda elections, where newly named governors won by large margins. Ryazan will hold its elections 8 December. The strategy is highly risky in the case of Ryazan, *Kommersant-A Daily* argued 17 October. Ivlev served as governor only a few days before he had to resign to conduct his campaign, Radio Rossii reported 20 October. According to the radio's correspondent, Alevtina Tarasova, Merkulov was very popular in the oblast. She also pointed out that Ivlev had little practical managerial experience besides his two years serving as Merkulov's deputy. Even in the field of agriculture, he has had little success. Moreover, during the presidential campaign, he went on vacation rather than working to reelect Yeltsin. Although the city of Ryazan supported Yeltsin, the president did very badly in the rural areas. The local industrialists and entrepreneurs have decided to back their own candidate in a crowded field of about nine contenders. The journalist Tarasova sees no explanation for why the administration decided to stake its claim on Ivlev and little chance that he will win. -- Robert Orttung

PROVINCIAL CHRONICLES

REACTION IN TATARSTAN TO LEBED FIRING. Politicians and commentators in Kazan generally agreed that Lebed will remain a force in Russian politics despite his dismissal as Security Council secretary. Such was the view of Vasilii Likhachev, the speaker of the State Council (Parliament) of Tatarstan, in the paper *Vechernyaya Kazan* on 19 October. He regretted the fact that "appointments and discharges of famous politicians are always considered as extraordinary events in our country," since it shows the "excessive politicization of state service." Duma Deputy Oleg Morozov, writing in *Respublika Tatarstan*, remarked on the curious fact that "Lebed was expelled from everywhere with whooping and all of them exulted: the communist [Duma speaker Gennadii] Seleznev, the 'democrat' [Russia's Democratic Choice Party leader Yegor] Gaidar, the 'bureaucrat' [Presidential Chief of Staff Anatolii] Chubais." He suggested that Lebed could prove to be "a twin of Yeltsin, the 1987 model," and that "in this case the copy [may] prove much more talented than the original." -- Midkhat Farukshin in Kazan

NEMTSOV: FUTURE COOPERATION WITH LEBED POSSIBLE. Russian governors and presidents of republics for the most part unequivocally supported the decision to fire Aleksandr Lebed from the post of Security Council secretary. However, since Lebed would be a strong contender if an early presidential election were held, regional leaders who are loyal to President Yeltsin today may someday be forced to deal with Lebed. Tacitly acknowledging this fact, Nizhnii Novgorod Governor Boris Nemtsov criticized Lebed's recent behavior but added that "with time I would be ready to work with him," ITAR-TASS reported on 19 October. In Nemtsov's view, Lebed committed "blasphemy" by showing a desire to become president before the year 2000 and should not have pursued "such close contact" with former presidential bodyguard Aleksandr Korzhakov. However, Nemtsov noted, "one should not forget the positive things Lebed did" while in the government. A longtime ally of Yeltsin, Nemtsov refused overtures from some "democratic" parties to run for president himself this year. -- Laura Belin

PRESIDENT OF SAKHA'S STAFF CONSIDERS REPLACING REPUBLIC CONSTITUTION. The Analytical Center of the President of Sakha (Yakutiya) wants to replace the republic's constitution, claiming that it allows the parliament to usurp the power of popularly elected President Mikhail Nikolaev, *Sovetskaya Rossiya* reported on 19 October. According to a "top secret" document alleged prepared by the center, the constitution is "similar to the program of a Marxist party written in bad Russian," reflecting the desire of the former Communist Party nomenklatura in the parliament to weaken the president and harm his personal authority. The document proposed setting up a presidential committee of distinguished citizens of the republic under the aegis of the Analytical Center in order to demonstrate the constitution's lack of legal foundation and to prepare a new draft. It also proposed that the president disband the republic's legislature and convoke a Constitutional Assembly to adopt the new constitution. Last year, Nikolaev tried to extend his term through a popular referendum, but had to back down in the face of charges that he was violating the Russian constitution. Sakha will hold presidential elections in December. -- Ritsuko Sasaki

HEAD OF ST. PETERSBURG LEGISLATURE TO BE CHARGED WITH CORRUPTION. Procurator General Yuri Skuratov is preparing to ask the Federation Council to lift the immunity of the chairman of the St. Petersburg Legislative Assembly, Yuri Kravtsov, in what could be the first case of charges being filed against a member of the parliament's upper house, *Izvestiya* reported 17 October. The authorities allege that Kravtsov used state money to remodel and furnish an apartment belonging to his wife. Kravtsov called the charges "absurd" and "groundless." -- Robert Orttung

VICTORIES FOR ENVIRONMENTALISTS IN KARELIYA, SAKHA. Environmentalists hailed the decision by the Finnish logging company Enso to cease buying timber from ancient forests in the northern Republic of Kareliya as the "first rays of hope" in their efforts to preserve the area's forests. At a Moscow press conference, representatives of Greenpeace-Russia, the Socio-ecological Union, and the Center for the Protection of Wild Nature dismissed claims by the Kareliyan authorities that the republic's economy would be damaged if all logging in ancient forests along the Russian-Finnish border were prohibited, *Ekspress-khronika* reported on 18 October. According to Sergei Tsyplenkov of Greenpeace-Russia, the timber obtained from ancient forests makes up only a small portion of Kareliya's timber output.

Environmentalists scored an even bigger victory recently when Mikhail Nikolaev, president of the Republic of Sakha (Yakutiya), promised to set aside more than one-fifth of the vast Siberian republic's territory as a nature reserve by the year 2000, AFP reported on 10 October. In a letter to the World Wide Fund for Nature (WWF), Nikolaev said more than 700,000 square kilometers (280,000 square miles), including both tundra and pine forests, would be protected. The entire area of Sakha is about 3.1 million square kilometers. An official from the WWF noted that since Sakha is sparsely populated with only about 1 million residents, it can afford to restrict development, whereas in other, less wealthy Russian regions, there is a greater temptation to exploit natural resources without regard for the environment. According to AFP, Sakha authorities and the WWF have already protected a 10,000 square kilometer tundra zone where the River Lena meets the Arctic Ocean. -- Laura Belin

DAGESTAN MAY FACE ECONOMIC, ETHNIC UNREST. According to many Russian and Dagestani experts, the Republic of Dagestan may soon face severe economic unrest and a deterioration of ethnic relations. Both are caused by the inattention of the federal government and the war in Chechnya.

According to the chairman of the republican parliament, Mukhu Aliev, Dagestan suffered damage amounting to 7 trillion rubles (about \$1.3 billion) during the military conflict in neighboring Chechnya. Due to the closure of the border with Azerbaijan and the termination of oil exports from Dagestan, 85% of the republican budget consists of subsidies from the center, according to *Nezavisimaya gazeta* on 12 October. Not all money allotted from the federal budget is being transferred to Dagestan. Dagestani Finance Minister Gamid Gamidov may have been murdered 20 August for his investigation of these issues, according to *Kommersant-Daily*. The Moscow department of the Interior Ministry arrested Magomedrasul Omarov recently, accusing him of involvement in the crime.

A federal government delegation sent to study the situation in Dagestan came to the conclusion that economic hardships are creating friction between the ethnic groups that inhabit the republic. While local officials claim that there is no basis for ethnic war in Dagestan, the delegation insists that ethnic unrest is possible. Aliev believes that religious extremism is on the rise, exacerbating the crisis.

The probability of armed conflicts is high since many residents of areas that neighbor Chechnya are armed and participate in self-defense units. According to Dagestani Security Council Secretary Magomed Tolboev, the authorities are trying to take control of these units. For instance, the republican government is working on documents which will temporarily legalize carrying weapons. Moreover, the government purchases weapons to equip the units and is going to control their armament.

The federal delegation concluded that though Dagestani authorities are mostly controlling the situation in the republic, they are incapable of preventing an outbreak of violence and need help from federal authorities. -- Anna Paretskaya in Moscow

CANADA TO DELIVER GRAIN TO RUSSIA'S FAR EAST. The government's agent for grain imports, Roskhleboprodukt, began negotiations with Canadian firms on delivering grain to Russia's Far East, ITAR-TASS

reported on 16 October. Deputy Prime Minister Aleksandr Zaveryukha explained that in some parts of the country importing grain is cheaper than transporting it from central Russia. He also noted that the volume of grain imports will be determined locally. Zaveryukha said Russia's decision to import grain was not caused by a poor harvest, which is projected to reach 73 million metric tons (a 16% increase over 1995). Moreover, Russia intends to export some grain to other CIS countries. -- Natalia Gurushina

ST. PETERSBURG TO FLOAT EUROBONDS. The government of St. Petersburg intends to float its own issue of eurobonds, *Kommersant-Daily* reported on 17 October. Some commentators believe that the new bonds will get either a "B" or "B+" investment grade from the Standard & Poor agency. The Russian government's first eurobond issue, which should be floated at the end of October, has just received a higher grade "BB-." The question of St. Petersburg eurobonds' rating is now being discussed with the financial consultant of the local government, the investment bank Salomon Brothers. Generally speaking, Russian municipal bonds have a very poor security record. However, St. Petersburg is one of the very few cities that had a successful history of such issuances (this small group also includes Tyumen and Novgorod). St. Petersburg's municipal short-term bonds (MKOs) are the only financial instrument issued by local authorities whose liquidity and yields are comparable to those of government short-term securities. MKOs are guaranteed by commercial banks operating the local government's accounts and secured against the local budget's revenue from real estate tax and municipal real estate. -- Natalia Gurushina

NOTE: For regional profiles of Chita Oblast and the Agin-Buryat and Koryak autonomous okrugs please see the OMRI web page at: <http://www.omri.cz/Elections/Russia/Regions/Exec/Index.html>

Compiled by Robert Orttung

REGIONAL PROFILE: KRASNODAR KRAI

Candidates for 27 October Gubernatorial Election

Nikolai Yegorov was appointed head of administration in July 1996 after his dismissal as presidential chief of staff. He had held this post earlier, from December 1992 to May 1994, when he was appointed minister of nationalities and regional policy. In December 1994, he became deputy prime minister; his political career also includes stints in the posts of presidential representative in Chechnya, presidential aide, and Federation Council member.

The incumbent's main challenger is **Nikolai Kondratenko**, head of the Agricultural Institute in Kuban, who is backed by Communist Party leader Gennadii Zyuganov's Popular-Patriotic Union of Russia. Until August 1991, he chaired the Krasnodar Krai Soviet; he won the 1993 election to the Federation Council with 56.9% of the vote, ahead of Yegorov who gained 43% of the vote.

Another strong contender with a good chance of winning is **Viktor Krokhmal**, director of a consortium of grain processing enterprises and a deputy of the krai legislature. Yegorov's predecessor, Vice Governor **Yevgenii Kharitonov**, has also joined the race. Kharitonov, a member of Our Home is Russia, served as head of administration from August 1994 until July 1996. Though his candidacy is supported by the All-Russian Coordination Council his chances are considered marginal. (See *OMRI Russian Regional Report*, 9 October 1996)

Other Local Leaders

Chairman of the Legislative Assembly: Vladimir Beketov (elected in December 1995)

Brief Overview

Krasnodar Krai occupies the western part of the North Caucasus area. Its territory includes the Republic of Adygeya. Its coastline stretches along the Sea of Azov and the Black Sea to the Caucasus Mountains and the Georgian (Abkhazian) border. The northern two thirds of the krai contain an extensive plain where the rich black earth soil is used for intensive agriculture. The economy is dominated by agriculture, though oil and gas exploitation is important on the Taman Peninsula. The capital Krasnodar (until 1920 Yekaterinodar), located on the Kuban River, was founded in 1793 as a guard post of the Kuban Cossacks. It is an important railway junction which contributes, beside the Black Sea ports (chiefly those at Novorossiisk and Sochi), to the krai's well-developed transport infrastructure.

Basic Facts

1995 Population (est.): 5,004,200 (3.37% of Russian total)

Industrial production as percentage of all Russian production (Jan.-Aug. 1995): 1.2%
Agricultural production as percentage of all Russian production (1994): 4.31%
Average personal income index in July 1995: 65 (Russia as a whole = 100)
Price basket index in July 1995: 81 (Russia = 100)
Average back wages owed per person (September 1995): 21,000 rubles (Russian average = 37,100)
Urban population: 54.2% (Russia overall: 73.0%)
Student population (1993): 94 per 10,000 (Russia overall: 171/10,000); Pensioner population (1994): 25.6%
Percent of population with higher education (1989 census): 9.2% (Russia overall: 11.3%)
Percent of population working in (1993):; Industry: 20.7% (Russian average: 29.9%); Agriculture: 22.7% (12.8%);
Trade: 10.9% (9.1%); Culture: 10.9% (13.6%); Management: 1.9% (2.3%)
Number of telephones per 100 families (1993): in cities: 32.6 (Russian average: 41.5); in villages: 15.5 (17.2)
According to a 1995 survey by Bank Austria, the krai is 54th among Russia's 89 regions in terms of investment climate.

Electoral History

1996 Presidential Election

Yeltsin: 26.26%/43.89% (first round/second round)
Zyuganov: 39.42%/51.48%
Lebed: 17.49%
Zhirinovskiy: 6.38%
Yavlinskii: 6.36%
Turnout: 67.19%/65.12% (Russia overall: 69.67%/68.79%)

1995 Parliamentary Election

Communist Party of the Russian Federation: 24.39%
Liberal Democratic Party of Russia: 15.19%
Our Home Is Russia: 6.80%
Congress of Russian Communities: 6.55%
Communists-Workers' Russia: 6.46%
Yabloko: 6.39%
Party of Workers' Self-Government: 4.38%
Women of Russia: 2.99%
In a single-member district: 1 Union of Labor, 2 Communist
Party, 3 Power to the People, 1 independent
Turnout: 60.53% (Russia overall: 64.37%)

1993 Constitutional Referendum

"Yes" - 50.10% "No" - 47.84%

1993 Parliamentary Election

Liberal Democratic Party of Russia: 25.48%
Communist Party of the Russian Federation: 16.82%
Russia's Choice: 11.90%
Yabloko: 9.51%
Women of Russia: 8.57%
Agrarian Party of Russia: 7.59%
Party of Russian Unity and Concord: 7.51%
Democratic Party of Russia: 5.65%
From electoral associations: 1 Russia's Choice, 1 Communist Party of the Russian Federation, 1 Agrarian Party of
Russia
In single-member districts: 3 Agrarian Party, 3 Russian Way, 1 12 December Union
Turnout: 56.71% (Russia overall: 54.34%)

1991 Presidential Election

Yeltsin: 45.89%
Ryzhkov: 24.26%
Zhirinovskiy: 12.87%
Tuleev: 6.82%
Makashov: 3.19%
Bakatin: 3.46%
Turnout: 72.83% (Russia overall: 76.66%)

Sources: *Goroda Rossii [Cities of Russia]*, Moscow: Bolshaya Rossiiskaya Entsiklopediya, 1994; *Rossiiskie regiony nakanune vyborov-95 [Russian regions on the eve of 1995 elections]*, Moscow: Yuridicheskaya Literatura, 1995; *Itogi vyborov 17 dekabrya 1995 goda po regionam [Results of the 17 December 1995 elections, regional breakdown]*, Moscow: Panorama, 1996; *Vybory deputatov Gosudarstvennoi Dumy 1995 [State Duma elections 1995]*, Moscow: Central Electoral Commission, 1996; S.A. Nagaev and A.Woergoetter: *Regional Risk Rating in Russia*, Vienna: Bank Austria, 1995. Data compiled by Silja Haas and Anna Paretskaya.

ELECTION OVERVIEW

27 OCTOBER ELECTIONS HIGHLIGHT IMPORTANCE OF REGIONAL ELECTORAL RULES

In Russia, elections are frequently accompanied by fraud allegations, illustrating the old maxim: it's not who votes that matters, it's who counts the votes. The six gubernatorial elections held on 27 October demonstrate that in Russian regions, electoral laws can also be of crucial importance. Regional electoral laws worked to the benefit of the incumbent in Chita Oblast and temporarily saved the job of the Krasnodar Krai governor, while an unusual legal provision in Agin-Buryat Autonomous Okrug left the election there in limbo. The other three elections were straightforward; one incumbent was re-elected and two will face a second round.

Russia's 89 federation subjects have considerable discretion in drafting their own electoral laws, although federal legislation guarantees basic voting rights to all citizens. The rules can vary a great deal; for instance, most regions require a runoff between the top two candidates if no one wins 50% of the vote in the first round, but some--such as Amur Oblast--allow a candidate to win with only a plurality in the first round.

Of the six governors who faced voters on 27 October, only one won convincingly: Aleksandr Filipenko of Khanty-Mansi Autonomous Okrug, where two thirds of Russia's oil reserves are located. He faced no credible opposition candidate and won more than 70% of the vote. According to *Segodnya* on 26 October, Filipenko had the support of the presidential administration as well as the communist opposition. The only alternative candidate was Deputy Governor Gennadii Korepanov, who was apparently nominated only to ensure that Filipenko had at least symbolic opposition to comply with the electoral law. Filipenko ran on a platform that sought great economic independence for the okrug and was credited with being a strong lobbyist for the region.

The other successful incumbent, Chita Oblast Governor Ravil Geniatulin, benefited from an electoral law that only requires a plurality, as long as the winner gains at least 25% in the first round. Geniatulin won with about 31% of the vote. Yaroslav Shvyryaev, a non-partisan businessman who also heads the Chita legislature's economic policy committee, was not far behind with 23%. Given the pattern that cost incumbents their jobs in St. Petersburg in May and in Kaliningrad Oblast this month, Geniatulin could have run into trouble in a second round if other opposition candidates backed Shvyryaev. Chita's electoral law spared him that danger.

Two elections held on 27 October will go to a second round in November, and the incumbents face uphill battles in both. In Kaluga Oblast, the chairman of the oblast legislative assembly, Valerii Sudarenkov, outpolled sitting Governor Oleg Savchenko by a margin of 47% to 39%. Savchenko apparently recognized that he was in trouble, because on 25 October--two days before the election--he fired Kaluga's treasurer, blaming him for non-payment of wages totaling 10 billion rubles (\$1.8 million). He described the wage delays as "sabotage" intended to damage his election prospects. Overtaking Sudarenkov will be difficult for Savchenko, since the third-placed candidate is from Vladimir Zhirinovskiy's Liberal Democratic Party of Russia and is unlikely to back the incumbent in the runoff.

Stavropol Krai Governor Petr Marchenko also has a difficult task ahead of him. In recent weeks, he campaigned hard: according to the 29 October *Kommersant-Daily*, brochures entitled "The 10 Commandments of Marchenko" were distributed in schools, while AFP reported on 26 October that Stavropol radio stations were playing a song with the refrain, "Marchenko, Marchenko--my love, I'll vote only for you, we cannot live without you in Stavropol." Nevertheless, about 47% of Stavropol voters favored State Duma deputy and Communist Party member Aleksandr Chernogorov, compared to 38% for Marchenko. Chernogorov performed well in cities as well as in traditional Communist strongholds in the countryside. The third-placed candidate, Aleksandr Korobeinikov, gained just 6%, so even though his supporters are expected to back Marchenko in the second round, the incumbent will have to take extraordinary measures to swing the election in his favor.

Electoral laws led to unusual outcomes in the other two elections held on 27 October. In one of the most closely watched races of the autumn, Krasnodar Krai Governor Nikolai Yegorov will temporarily hang on to his job despite losing by 57% to 25% to the Communist-backed head of the Krasnodar legislature, Nikolai Kondratenko. Yegorov, appointed Krasnodar governor by Boris Yeltsin in 1992 and again this July, began to criticize the president in the final days of the campaign (see *OMRI Daily Digest*, 22 October 1996), but the electorate did not find his new posture credible.

Yet Yegorov will remain in office until early next year, because Krasnodar's electoral law includes a rare minimum turnout requirement of 50%. Since turnout on 27 October was only 43%, a whole new election must be called. In fact, voter apathy in Krasnodar was not unusually great: in the five other elections held the same day, turnout ranged from 40% to 47%. Nearly every other Russian region sets minimum turnout for valid elections at 25%. The oppositionist Krasnodar legislature met on 28 October and voted to amend the electoral law, pronouncing Kondratenko the winner. But the courts will not uphold changes to an electoral law made after the election. Ironically, just two weeks before the election, Kondratenko's supporters in the legislature voted down a proposal to lower the minimum turnout level, which was backed by deputies loyal to Yegorov.

Krasnodar is one of the few regions where a parallel vote count was tabulated using the experimental Vybory automated system. (Ballots are counted by hand in Russia.) According to NTV, the Vybory system has also been tested in the cities of Moscow and St. Petersburg, as well as in Nizhnii Novgorod Oblast. Critics have charged that the computerized system could be used to perpetrate massive fraud. Yegorov did not appear shy to use the powers of incumbency to his benefit: *Kommersant-Daily* reported on 26 and 29 October that an oblast court was used to pressure one minor candidate into quitting the race, and that a documentary film about Yegorov "with the pretentious title 'Second Coming'" was shown on krai television the last night campaigning was allowed. However, if Vybory were merely a fig leaf for disguising fraud by the "party of power," it is safe to assume that Yegorov would not have lost the first round by more than a two-to-one margin.

Finally, the 27 October election result in Agin-Buryat Autonomous Okrug was inconclusive, due to an unusual provision in the okrug electoral law. Only two candidates contested the race: Governor Bolot Ayusheev gained 49%, and Yuriï Dondokov gained 48%. Under the okrug law, if neither candidate in a two-person race gains 50%, the vote is declared invalid and neither candidate is eligible to run in a new election. ITAR-TASS reported on 28 October that the okrug's legislature may amend the law to allow the same candidates to run again.

Out of the 18 gubernatorial elections held so far, eight incumbents have won and five have lost (four to challengers backed by the Communist Party). Runoffs must be held in Pskov and Kaluga oblasts, along with Stavropol Krai, and incumbents are vulnerable in all three. In the two races that must be rescheduled because of the vagaries of regional electoral legislation, the Krasnodar incumbent Yegorov is almost certain to lose, and the governor of Agin-Buryat Autonomous Okrug could also face trouble. -- Laura Belin

ELECTION SCHEDULE FOR NOVEMBER

3 November

- Magadan Oblast Governor
- Pskov Oblast Governor (second round)

17 November

- Altai Krai Governor
- Stavropol Krai Governor (second round)
- Kamchatka Oblast Governor
- Murmansk Oblast Governor
- Komi-Permyak Autonomous Okrug Governor
- Ust-Orda Buryat Autonomous Okrug Governor
- Leningrad Oblast Legislative Assembly

24 November

- Kurgan Oblast Governor
- Kurgan Oblast Duma

November (date unspecified)

- Ust-Orda Buryat Autonomous Okrug Duma (probably 17 November)
- Kaluga Oblast Governor (second round)

REGIONAL ELECTIONS UPDATE

INCUMBENT FACES A TOUGH CHALLENGE IN TYUMEN. The legislatures of the Yamal-Nenets and Khanty-Mansi autonomous okrugs are trying to secede from the Tyumen Oblast, on whose territory the okrugs are located. Originally, the Yamal-Nenets, Khanty-Mansi, and Tyumen elections were scheduled for the same day in December, but now both of the okrugs have elected their governors and the Tyumen elections are set for 22 December. Yamal-Nenets Governor Yuriy Neelov, who won a second term on 13 October, has close links to Gazprom, which pumps most of its gas from his region. Filipenko is considered a strong figure capable of negotiating with the numerous "oil generals" who lead Russia's petroleum companies. Tyumen Governor Leonid Roketskii's chances of holding onto his office depend largely on his ability to develop good relations with Neelov and Filipenko, and so far he has not been very successful in this endeavor, according to the 24 October *Kommersant-Daily*. -- Robert Orttung

MOSCOW CITY DUMA ELECTIONS POSTPONED. The Moscow City Court has ruled that the Moscow legislature acted legally when it extended its term of office for two years, *Kommersant-Daily* reported on 25 October. The city legislative assembly was elected in December 1993 to serve for two years. It prolonged its term in accordance with a September 1995 presidential decree, which recommended that all regional legislatures postpone elections until December 1997. The court case was brought by a group led by Vladimir Voronin, who claimed the city Duma's action was unconstitutional. Voronin, who heads an association representing deceived investors of the "Tibet" corporation, ran unsuccessfully for city mayor in June of this year. The current Moscow Duma is filled with deputies sympathetic to Mayor Yuriy Luzhkov, who was re-elected in a landslide with about 90% of the popular vote. The verdict may be appealed to the Supreme Court. -- Anna Paretskaya in Moscow

KEMEROVO LEGISLATURE ELECTIONS IN QUESTION. Though an edict determining procedure and date for the Kemerovo Oblast legislative assembly elections was finally signed by Governor Mikhail Kislyuk last week, many in the region doubt that the assembly will be elected, according to *Segodnya* on 29 October. Some question the choice of 29 December as election day, since that day, a Sunday, may be designated a working day because of the New Year's Eve holiday. Moreover, under the new regulations, the new legislature will not convene if more than one-third of deputies are not elected. The Kemerovo electoral commission and the Public Chamber of the regional administration have asked Kislyuk to reschedule the election.

A majority of deputies in the former Kemerovo legislature belonged to the local opposition movement Popular Power (*Narodovlastie*), which was founded by the legislature's then-chairman, Aman Tuleev. Tuleev is now the CIS Affairs Minister, and Popular Power has not yet chosen a successor, *Novaya Sibir* reported on 23 October. (The *Narodovlastie* movement founded by Tuleev in Kemerovo is not to be confused with the State Duma faction of the same name, headed by Nikolai Ryzhkov.) The opposition movement is expected to win a majority of seats in the new legislature. -- Anna Paretskaya in Moscow

CHITA RACE SHOWS IMPORTANCE OF RECRUITING STRONG CANDIDATES. The 27 October election in Chita demonstrates that although the Communist Party is the leading opposition force nationwide, individual races are often decided by the caliber of the candidates recruited. Although Gennadii Zyuganov gained 52% of the vote in Chita in July to just 41% for Yeltsin, the Communist-backed candidate in Chita, State Duma deputy Viktor Kurochkin, finished a distant fourth out of five contenders with just 11%. The incumbent Ravil Geniatulin gained 31%, a non-partisan businessman won 23%, and a Duma deputy from the Liberal Democratic Party of Russia won more than 19%. -- Laura Belin

SCANDALS FOLLOW CAMPAIGN IN MAGADAN. Under pressure from the regional administration, the head of the local polling agency Inform-mnenie, Boris Steblovskii, has been prevented from publishing the results of his surveys on the two main candidates for the 3 November gubernatorial race in Magadan Oblast, *Nezavisimaya gazeta* reported on 25 October. According to Steblovskii's research, the incumbent governor Viktor Mikhailov is supported by 22% of voters, while the head of the State Duma committee on the North, Valentin Tsvetkov, is backed by about 30%. Steblovskii tried to publish his research in one newspaper, but a Magadan printer refused to print the issue until the paper removed the poll results. Then, a local radio station took Steblovskii's analysis off the air and replaced it with a commentary by a Moscow sociologist working for the incumbent's campaign, who

estimated Mikhailov's support at 40%, twice that of Tsvetkov. According to *Nezavisimaya gazeta*, pressure from the administration also influenced the recent decision by the Magadan electoral commission not to register opposition figure Igor Yurov as a gubernatorial candidate, even though he had submitted the required number of signatures. -- Anna Paretskaya in Moscow

KORZHAKOV HAS POOR PROSPECTS IN TULA. According to an opinion poll conducted among Tula residents in mid-October by the *Komsomolskaya pravda* sociological center Status, 25% of respondents said they supported former presidential bodyguard Aleksandr Korzhakov for the February 1997 State Duma by-election, the newspaper reported on 24 October. However, almost half of those asked, 43%, said they opposed Korzhakov. One-third of respondents admitted that Korzhakov's endorsement by Aleksandr Lebed, who was elected to the Duma from a Tula district last December, influenced their attitude toward Korzhakov's candidacy. Public opinion can swing widely in the months before an election. Over 40% of respondents also said they would welcome the military taking power in the country; another 20% said they would support it if Lebed is in charge. They see the military as the only force capable of "establishing order" in the country. -- Anna Paretskaya in Moscow

ANALYSIS AND PREDICTIONS

DIVERGENT INTERESTS OF REGIONAL AND FEDERAL LEADERS DISCUSSED. Regional elections have shown that regional and federal elites and voters have distinct interests and expectations, argued Vladimir Rimskii, a sociologist from the INDEM Center for Applied Political Research, in the 24 October issue of *Nezavisimaya gazeta*. The interests of regional and federal elites are closer to each other than to those of voters, he argued. For the public, professionalism and the moral character of gubernatorial candidates is more important than political affiliation. The regional elite wants candidates who have good connections with other politicians and businessmen and can defend the region's interests in relations with the center. Rimskii claims that a professional and pragmatic manager (*khozyaistvennik*) is the most suitable candidate for all three groups. Executives of this kind are able to satisfy the needs of the electorate and regional elite, and since they usually do not interfere in politics at federal level, Moscow is able to maintain control over the Federation Council, half of which is composed of regional executive heads.

Rimskii notes that sometimes the government, presidential administration, and Federation Council support different gubernatorial candidates in the same region. In addition, the federal administration sometimes retreats from participating in regional campaigns, especially where the incumbent is likely to be defeated, and attempts to bargain with the most probable winner. Since the main resources, particularly financial, are concentrated in the center, regional executives usually go for such deals and try to avoid confrontation with federal authorities. However, some time after being elected, new regional administration heads may feel their strength and legitimacy and attempt to re-negotiate terms with the center. -- Anna Paretskaya in Moscow

ADMINISTRATION CONCERNED ABOUT INCREASING POWER OF GOVERNORS. The presidential administration is concerned about the increasing power the newly elected governors will have vis-a-vis Moscow, *Kommersant-Daily* reported on 26 October. In each member of the Russian Federation, there are local branches of from 36 to 53 federal agencies, ranging from the Ministry of the Interior and State Property Committee to the sanitation inspectorate. In many cases, the governors have a say in naming the local directors for the federal agencies. Among the proposals debated within the presidential administration to weaken the governors is taking away this power over personnel. Another proposal is to group the current units into larger federal territories and rule them through branches that have a larger jurisdiction than any one federation member. Another idea is to place federal administrative centers outside of the capital of each federation unit, depriving the main regional cities of any superiority. All these proposals are currently only in the discussion stage, and Moscow does not yet have a clear idea of how it will restructure Russian federalism, the newspaper adds. -- Robert Ortung

PROVINCIAL CHRONICLES

SKIRMISH BETWEEN MOSCOW AND KAZAN. It is difficult to put into words the shock caused by the decision of the Extraordinary Commission chaired by Prime Minister Viktor Chernomyrdin to begin bankruptcy proceedings against the Tatarstan-based KamAZ. 60% of the trucks in use in Russia were built at KamAZ. Tatarstan refused to implement the decision, arguing that it contradicts some clauses of the power-sharing treaty between the federal government and Tatarstan, *Vechernyaya Kazan* reported on 25 October. The local official newspaper *Republika Tatarstan* published a sharp response to the news on 26 October. It says: "We live in an incredibly funny country, where (the Russian) president's decree born on the Day of the Laugh dies on the Day of Learning." The paper was referring to Yeltsin's signing on 1 April 1996 of Decree No. 439, which granted KamAZ and 15 military enterprises in Tatarstan a five-year tax credit to enable them to invest. On 1 September 1996 (the Day of Learning) -- after the presidential election -- Yeltsin signed another decree suspending the previous one. After protests by Tatar President Mintimer Shaimiev, the federal authorities gave way. On 29 October the two sides agreed that KamAZ will pay 51 billion rubles (\$9 million) in back taxes and will be removed from the bankruptcy list. -- Midkhat Farukshin in Kazan

BLACK EARTH REGIONS PRESS FOR EQUAL RIGHTS. Representatives from six "black earth" regions gathered in Voronezh on 29 October to discuss federal-regional relations, ITAR-TASS reported. The conference encouraged the State Duma to pass a law defining the legislative and executive rights of federal subjects. Gennadii Ivanchenko, the chairman of the Duma Committee for the Federation and Regional Policy, attended the conference and said: "A package of laws aimed at consolidating federalism in Russia, defining the principles of power-sharing while observing the political and economic equality between subjects, is extremely needed." Conference participants complained that "those who came first earned more rights," referring to the 23 or so republics and regions that have already signed power-sharing treaties with the federal government. -- Peter Rutland

MAYORS ON CAMELS. That was the headline of the Tatarstan evening newspaper *Vechernyaya Kazan* of 26 October. The article says that Kazan's mayor, along with 38 chief administrators from Tatarstan and their wives, had a splendid voyage and rest in United Arab Emirates. The paper asks: who paid and from what source? It hints that money was taken from the budget. On 22 October the same paper wrote that every fourth person in Tatarstan lives below the poverty line and wage arrears top 1.7 trillion rubles. -- Midkhat Farukshin in Kazan

LUZHKOVA'S ELECTORAL PROSPECTS VIEWED. Recent public statements by Moscow Mayor Yurii Luzhkov that are unrelated to his duties in running the Russian capital indicate that he harbors presidential ambitions. Luzhkov has repeatedly denounced Aleksandr Lebed's peacemaking efforts in Chechnya; declared that the Crimean port of Sevastopol should be a Russian city; and supported President Alyaksandr Lukashenka in his conflict with the Belarusian parliament. Journalist Andrei Fadin argued in *Nezavisimaya gazeta* on 24 October that Luzhkov's likely presidential bid will play on the public's perceived willingness to exchange democratic values for relatively authoritarian, paternalistic leaders who are good managers. Luzhkov has traveled extensively around the country and has signed cooperation agreements with several oblasts. Luzhkov's relations with many governors have improved since the return to the Kremlin of Anatolii Chubais, who has long been unpopular with Luzhkov and regional leaders. However, Fadin argued, Luzhkov will face a major obstacle in that the public wants a leader who will fight corruption, while "in the mass consciousness, Moscow's prosperity is directly connected with a mafia-style economy." -- Laura Belin

LENINGRAD OBLAST GOVERNOR NAMES CABINET. Leningrad Governor Vadim Gustov defeated the incumbent, Aleksandr Belyakov, campaigning as a "strong manager" with Communist Party support in his 29 September race. According to *Kommersant-Daily* on 29 October, he has collected a team of "stars" in Petersburg political and financial circles. Among his advisers will be former Duma Member Grigorii Tomchin, who had close ties to the people working with Anatolii Chubais and Yegor Gaidar. First deputy governor for finance is the former chairman of the St. Petersburg branch of the Promstroibank. Gustov is hoping to attract some of the most qualified bureaucrats from the St. Petersburg city administration, possibly putting him into competition with St. Petersburg Governor Vladimir Yakovlev. The winner of this struggle will attract more investment and have a better shot at winning the new combined governorship if the city and oblast proceed with their plans to

merge, according to the paper. -- Robert Orttung

NO PROCURATOR IN CHELYABINSK OBLAST. On 24 October the powers of Chelyabinsk Oblast Procurator Gennadii Likhachev ran out, but no one has been appointed to replace him, *Trud* reported on 26 October. Six of the eight Duma deputies from the oblast had sent a petition to Procurator General Yuri Skuratov calling for Likhachev's removal on the grounds that his political and business activities were not in accordance with his status as a procurator. A similar appeal made by deputies in 1994 was not heeded. At a press conference during his last day in office, Likhachev accused most of the signatories of having criminal links. Two of those he named-- V. Golovlev of Russia's Democratic Choice and P. Sumin of Popular Power--are running against current Governor Vadim Solovev in the region's gubernatorial elections. Likhachev praised Solovev as a good manager. -- Penny Morvant in St. Petersburg

FORGED NEWSPAPER ARTICLE AIMED AGAINST VLADIVOSTOK MAYOR. A forged newspaper article in which Vladivostok Mayor Viktor Cherepkov was quoted as urging that Primorskii Krai become independent of the center was sent to the authorities in Moscow in the hopes of damaging Cherepkov's relations with the Kremlin, NTV reported on 26 October. Two editions of a recent issue of *Arsenevskie vesti* existed: one was distributed as usual to readers in the krai, while the forged edition was meant solely for the Kremlin and was allegedly delivered to Yeltsin's office by Moscow representatives of Primorskii Krai Governor Yevgenii Nazdratenko, a longtime opponent of Cherepkov. (*Arsenevskie vesti* is one of the few newspapers in the krai that generally opposes Nazdratenko; see *OMRI Russian Regional Report*, 16 October 1996.) The governor's press secretary issued a statement saying Nazdratenko had nothing to do with the false interview. -- Penny Morvant in St. Petersburg

"DEFAULTERS" SHOP OPENS IN OREL. An original method to boost tax collection was found in Orel, where local authorities opened a shop called "Nedoimka" (Defaulters), ITAR-TASS reported on 29 October. The shop sells off the seized assets of tax-defaulting companies (such as furniture and consumer electronics) at discount prices. Over the last week the local tax police seized companies' assets worth 2.6 billion rubles (\$477,000). -- Natalia Gurushina

COMPANY SELLS ITS LARGEST DOCK TO REPAY WAGES. In order to pay one-year's wage arrears to its employees, Severnyi Ship Repair Plant in Sovetskaya Gavan (in the Far East) sold one of its docks to Chinese investors, ITAR-TASS reported on 28 October. The dock is the largest in the region and hitherto was used for repairing factory fishing vessels. After the onset of economic reform the use of such ships became unprofitable, and the dock's operations were suspended in 1992. -- Natalia Gurushina

PRIVILEGES FOR DISABLED STOLEN IN VORONEZH. Voronezh Oblast Governor Aleksandr Tsapin ordered that certain companies hiding behind organizations funding programs for the disabled be investigated for stealing billions of rubles, ITAR-TASS reported on 28 October. The inspection found that only a little more than 1 billion rubles (\$180,000) of 56 billion rubles spent was used for its intended purposes. For example, the public association Spasenie spent 5.4 billion rubles illegally, the closed joint-stock company Spektr more than 1 billion rubles, and Alternativ Company more than 800 million rubles. The inspection covered almost 800 companies and funds claiming to provide services for the disabled in Voronezh. -- Ritsuko Sasaki

KUZBASS BANS COAL SHIPMENTS. The administration of Kuzbass, the largest mining region in Russia, decreed a ban on coal shipments beyond the border of Kemerovo Oblast on 30 October, ITAR-TASS reported. Following the recommendations of the oblast's Emergency Committee, the measure was taken to ensure adequate stocks of fuel at local heat and power stations. Also, the miners do not want to supply coal to other regions' power companies until the latter pay their outstanding debts. The deputy governor of Kemerovo Oblast, Anatolii Pronin, said he wanted to avoid the sort of power crisis that befell Primorskii Krai. In July the World Bank released the first \$250 million tranche of a \$500 million loan to restructure Russia's ailing coal industry, AFP

reported on 30 October. Much of this money will be going to Kemerovo. -- Ritsuko Sasaki

PENSIONERS PROTEST IN KARELIYA. 3,000 pensioners blocked the entrance of the Kareliya government building in Petrozavodsk, protesting pension arrears and demanding the dismissal of the head of the republic's government, Viktor Stepanov, ITAR-TASS reported on 28 October. The protest was partly motivated by a recent scandal in which the regional branch of the Russian Pension Fund misappropriated about 19 billion rubles (\$3.5 million). Stepanov has admitted his responsibility in the affair, but the republic's legislature opposed his resignation. The body also decided to strengthen the payment discipline of companies and organizations that owe to the Pension Fund's local branch. -- Ritsuko Sasaki

Compiled by Laura Belin

REGIONAL PROFILE: MAGADAN OBLAST

Candidates for 3 November Gubernatorial Election

Head of administration **Viktor Mikhailov** was appointed by president Yeltsin in October 1991. He had previously served as chairman of the oblast executive committee. His candidacy was approved by the All-Russian Coordinating Council seeking to elect pro-Yeltsin governors.

The incumbent's main challenger is **Valentin Tsvetkov**. Tsvetkov, general director of a joint-stock company, was elected to the State Duma in the December parliamentary election from a Magadan single-member constituency, where he joined the Russian Regions faction. In 1993, he won a seat in the Federation Council, whereas Mikhailov failed to be elected. From April 1994 he chaired the Federation Council Committee for Affairs of the North and Numerically Small Peoples. Another candidate is **Valentin Kobets**, the vice president of a Magadan silver and gold company.

Communist-backed candidate **Igor Yurov**, the leader of the regional branch of the Communist Party of the Russian Federation, is considered by local analysts to have little chance of winning.

Other Local Leaders

Duma Chairman -- Petr Lisetskii (elected in June 1994)

Brief Overview

Magadan Oblast is located in Russia's Far East, running north from its capital Magadan along the northern shore of the Sea of Okhotsk and eastwards to the Taigonos Peninsula and the middle reaches of the Omolon River. Apart from swampy taiga along the coastline, most of the rugged mountainous area is covered by tundra on permafrost soil. Economically, apart from some fishing to the south, the most important industry is mining, especially of gold and other non-ferrous metals, mainly around the upper reaches of the Kolyma River. There is no railway; the main internal communication is a road from Magadan city to the Sakha Republic that crosses the Kolyma gold fields.

Of the indigenous peoples, traditionally living on reindeer breeding, most numerous are the Even (Lamut), who belong to the widespread Manchu-Tungus language family.

In 1992, Chukotka Autonomous Okrug, formerly part of the oblast, obtained administrative independence from Magadan Oblast.

Basic Facts

1995 Population (est.): 279,300 (0.19% of Russian total)

Industrial production as percentage of all Russian production (Jan.-Aug. 1995): 0.27%

Agricultural production as percentage of all Russian production (1994): 0.17%

Average personal income index in July 1995: 218 (Russia as a whole = 100)

Price basket index in July 1995: 173 (Russia = 100)

Average back wages owed per person (September 1995): 412,500 rubles (Russian average = 37,100)

Urban population: 87.0% (Russia overall: 73.0%)

Student population (1993): 93 per 10,000 (Russia overall: 171/10,000) Pensioner population (1994): 14.91%

Percentage of population with higher education (1989 census): 13.5% (Russia overall: 11.3%)

Percentage of population working in (1993): Industry: 29.8% (Russian average: 29.9%) Agriculture: 6.1% (12.8%) Trade: 10.9% (9.1%) Culture: 11.0% (13.6%) Management: 3.4% (2.3%)

Number of telephones per 100 families (1993): in cities: 54.1 (Russian average: 41.5) in villages: 54.9 (17.2)

According to a 1995 survey by Bank Austria, the oblast is ranked 64th among Russia's 89 regions in terms of investment climate.

Electoral History

1996 Presidential Election

Yeltsin: 36.93%/63.57% (first round/second round)

Zyuganov: 16.04%/27.54%
Lebed: 23.86%
Zhirinovskiy: 10.91%
Yavlinskii: 6.15%
Turnout: 64.78%/62.27% (Russia overall: 69.67%/68.79%)

1995 Parliamentary Election

Communist Party of the Russian Federation: 12.57%
Liberal Democratic Party of Russia: 22.32%
Our Home Is Russia: 8.16%
Yabloko: 7.63%
Party of Workers' Self-Government: 6.81%
Congress of Russian Communities: 5.44%
Women of Russia: 5.24%
Communists-Workers' Russia: 2.80%
In single-member districts: 1 independent
Turnout: 60.27% (Russia overall: 64.37%)

1993 Constitutional Referendum

"Yes" - 66.84% "No" - 30.66%

1993 Parliamentary Election

Liberal Democratic Party of Russia: 29.21%
Yabloko: 16.45%
Russia's Choice: 14.39%
Women of Russia: 9.54%
Democratic Party of Russia: 7.31%
Communist Party of the Russian Federation: 5.99%
Party of Russian Unity and Concord: 5.81%
Russian Movement for Democratic Reforms: 5.11%
Agrarian Party of Russia: 1.11%
In single-member districts: 1 New Regional Policy
Turnout: 46.86% (Russia overall: 54.34%)

1991 Presidential Election

Yeltsin: 50.43%
Ryzhkov: 12.29%
Tuleev: 9.17%
Zhirinovskiy: 9.01%
Makashov: 7.67%
Bakatin: 6.24%
Turnout: 66.84% (Russia overall: 76.66%)

Sources: *Goroda Rossii [Cities of Russia]*, Moscow: Bolshaya Rossiiskaya Entsiklopediya, 1994; *Rossiiskie regiony nakanune vyborov-95 [Russian Regions on the Eve of 1995 Elections]*, Moscow: Yuridicheskaya Literatura, 1995; *Itogi vyborov 17 dekabrya 1995 goda po regionam [Results of the 17 December 1995 Elections, Regional Breakdown]*, Moscow: Panorama, 1996; *Vybory deputatov Gosudarstvennoi Dумы 1995 [State Duma Elections 1995]*, Moscow: Central Electoral Commission, 1996; S. A. Nagaev and A. Woergoetter, *Regional Risk Rating in Russia*, Vienna: Bank Austria, 1995.

OPPOSITION VICTORIES

"PARTY OF POWER" TROUBLED BY REGIONAL ELECTION RESULTS

The series of elections in dozens of Russian regions is turning out to be a headache for the presidential administration. Two more governors appointed by President Boris Yeltsin were voted out of office on 3 November, from Magadan Oblast in the Far East to Pskov Oblast in the west. Pskov voters chose a Duma deputy from Vladimir Zhirinovskiy's Liberal Democratic Party of Russia over the incumbent by 57% to 37%.

Pskov Oblast is a traditional stronghold of the opposition generally and Zhirinovskiy's party in particular (see below). Gennadii Zyuganov edged out Yeltsin in the region in July by 48% to 45%. The incumbent's loss in Magadan was more surprising, since Yeltsin defeated Zyuganov there convincingly, by 64% to 28%.

Although some representatives of the "party of power" put a brave face on the 3 November results, the authorities' main campaign strategy--promoting incumbents as seasoned professionals while depicting challengers as inexperienced or even dangerous--is clearly not working as well as expected. While eight governors have been re-elected, seven have already been defeated. Two more will probably lose second round contests later this month in Stavropol Krai and Kaluga Oblast. Incumbents will face many more tough races in November and December, especially in Altai Krai and Vladimir, Murmansk, Bryansk, Ryazan, and Ivanovo oblasts.

On the other hand, the candidates who have unseated incumbents so far have mostly been moderate figures rather than members of the hardline opposition. The successful Kaliningrad challenger Leonid Gorbenko was a non-partisan entrepreneur who had the backing of Vladimir Shumeiko's pro-Yeltsin movement Reforms-New Course. Newly elected Leningrad Oblast Governor Vadim Gustov was backed not only by the Communist Party but also by former St. Petersburg Mayor Anatolii Sobchak, a famous anti-communist.

Like the challengers in Leningrad and Kaliningrad, the Magadan winner Valentin Tsvetkov had broad support across ideological lines. He was elected to the Federation Council in 1993 and the State Duma in 1995 as an independent. After joining the Russian Regions faction, he became chairman of the Duma Committee on the North. Tsvetkov announced on 4 November that his priorities upon taking office would be to sign a power-sharing agreement with the federal authorities and to make Magadan a free economic zone. Shumeiko's Reforms-New Course backed Tsvetkov over the Magadan incumbent. (Shumeiko chaired the Federation Council through 1995 and therefore was personally acquainted with Tsvetkov.)

The winning challengers in Amur, Kirov, Kursk, and Pskov oblasts are considered more staunch opponents of the federal authorities, but they too may change their posture once in office. Aleksandr Rutskoii is a prime example. Since his 20 October victory in Kursk, he has said that he supports the government's economic policy and will not become involved in politics at the federal level. On 1 November, Rutskoii even had a cordial meeting with presidential Chief of Staff Anatolii Chubais, at one time an arch-enemy.

Still, each loss is disappointing for the Yeltsin camp. Appearing on Moscow TV on 25 October, Sergei Filatov of the All-Russian Coordinating Council seeking to elect pro-Yeltsin governors said the administration had been too preoccupied with the presidential election to prepare adequately for the regional elections. He argued that while the poor economic situation is primarily to blame for the gubernatorial defeats, the administration's cadre policy has failed as well: more unpopular governors should have been replaced earlier by presidential decree. This type of "cadre solution" worked in Saratov and Vologda oblasts, where governors appointed a few months before the elections won decisively, but the same strategy failed in Amur and is likely to fail in Ryazan.

The Kremlin's uneasiness about the regional elections goes beyond the fear that some incumbents will lose. All governors--even those backed by Yeltsin--will have a power base separate from the president once they have been elected. For this reason, Aleksandr Kazakov, deputy head of the presidential administration, complained on 4 November that the elections will complicate relations between the center and regions no matter who wins. By way of example, he cited Primorskii Krai, where Governor Yevgenii Nazdratenko was elected in December 1995. Nazdratenko is now out of favor with the administration, but he cannot be removed by presidential decree. Kazakov expressed regret in an interview with Reuters that after being elected, governors "will not be controlled by the president, government, local legislature, or anyone at all. I try hard to find a single positive element in the very idea of these elections and I can't," he added.

According to Kazakov, the presidential administration is preparing a draft law that would limit the power of regional leaders by allowing the president to discipline governors who are not following orders. But such a law is almost certain not to pass the Federation Council, which is made up of regional leaders.

It is striking that the practically unchecked power of governors in their regions did not concern the presidential administration when almost all the governors owed their positions to Yeltsin. Although Article 3 of the Russian Constitution says that power flows from the people, Kazakov's comments indicate that the Kremlin remains uncomfortable with the idea of regional leaders who are accountable to their constituents as well as to patrons in Moscow. -- Laura Belin

PSKOV ELECTS FIRST LDPR GOVERNOR

In the 3 November runoff election in Pskov Oblast, 33-year-old Yevgenii Mikhailov of Vladimir Zhirinovskiy's Liberal Democratic Party trounced incumbent Governor Vladislav Tumanov, 57% to 37%. Attempts by the "party of power" to bolster Tumanov, including a promise by Prime Minister Viktor Chernomyrdin to allow the frontier oblast to keep 50% of customs duties collected on its borders, and a last-minute visit by Moscow Mayor Yuri Luzhkov, proved ineffective. Tumanov shared the fate of incumbents in Kaliningrad and Leningrad oblasts, who also led in the first round but suffered defeat in the second round when disgruntled voters coalesced around a single opposition candidate. Working against him was also the unusual decision of the communist opposition, which rarely cooperates with the LDPR, to support Mikhailov. High turnout of 60.2%, some 8.5% higher than in the first round, apparently worked against the incumbent. Mikhailov, for whom LDPR leader Vladimir Zhirinovskiy promised to take "personal responsibility," thus becomes the first LDPR governor in any of Russia's 89 regions.

It is not coincidental that the LDPR triumphed in Pskov. Zhirinovskiy's party received 43% of the vote there in the 1993 Duma election, and 21% in 1995. Mikhailov himself, however, currently a Duma deputy elected on the LDPR party list, was defeated by nationalist journalist Aleksandr Nevzorov in a Pskov single-member district in 1995. A number of factors make Zhirinovskiy's extreme nationalist rhetoric resonate especially well in the region. It is economically depressed, houses a number of military units, including the 76th Guards Airborne Division, and borders on both Latvia and Estonia, with which Russia has ongoing border disputes. Many military units have not been paid in several months, and Defense Minister Igor Rodionov recently announced plans to cut the Airborne Forces by one-quarter, creating a large disgruntled military electorate. Tumanov himself claimed in a recent interview that the oblast is now home to some 80,000 ethnic Russian migrants from Estonia and Latvia, who are also likely to be receptive to Zhirinovskiy's rhetoric.

Tumanov's appeals to "common sense" and his attempts to paint Mikhailov as an extremist in the Zhirinovskiy mold failed to sway many voters in the face of the LDPR leader's local popularity. National media made much of Zhirinovskiy's appearances in the oblast, with Russian Public TV (ORT) broadcasting on 31 October remarks Zhirinovskiy made in the Pechora district of the oblast, parts of which belonged to Estonia prior to its absorption into the USSR in 1940. Zhirinovskiy told his audience that on Estonian maps the district was marked part of Estonia, and he added that the Estonians would expel the Russian population if they reclaimed it. He failed to mention that Estonia has effectively dropped its claim to the Pechora district, although other disputed issues have prevented the signing of a Russian-Estonian border treaty. This sort of rhetoric, however, attracted Pskov voters, rather than repelling them, as ORT had hoped.

In another scare tactic, on 1 November ITAR-TASS reported that oblast authorities had tightened security around public facilities, including government buildings, post offices, and schools, allegedly because of an increase in "crimes and other public disturbances," including assaults and threats to local media, which were attributed to LDPR activists. Moscow media repeatedly quoted Vladimir Zhirinovskiy's statement that if his candidate were elected, he would "grab them [Kremlin officials] by the throat and they will have to give out of a sense of self-preservation," claiming that he could pressure federal authorities into increasing funding for the oblast.

After Mikhailov's victory, LDPR deputy and Duma Deputy Chairman Mikhail Gutseriev said Pskov would become a "testing ground" for LDPR social and economic policies. He said Mikhailov's top priorities would be "social and economic protection of the local population" and "assistance to refugees from the Baltic states." He reiterated that "all territorial claims" by Latvia and Estonia would be "rejected unconditionally," and

pledged support for military units stationed in Pskov. He claimed Mikhailov's victory would only be the first of "three or four" for the LDPR in upcoming gubernatorial contests. Whatever Mikhailov's success in fulfilling his program within the oblast, his election is almost certain to complicate Russia's already strained relationship with Latvia and Estonia. As governors in Primorskiï Krai and Sakhalin Oblast have shown, local authorities in Russian border regions can hamper the resolution of border disputes. -- Scott Parrish

REGIONAL ELECTIONS UPDATE

ELECTORAL TRACK RECORD HELPED MAGADAN WINNER ATTRACT BROAD SUPPORT.

Although some Western reports described him as a leftist, State Duma deputy Valentin Tsvetkov, who defeated Magadan Governor Viktor Mikhailov on 3 November, was supported by a wide range of parties, including Gennadii Zyuganov's left-wing Popular Patriotic Union of Russia, Grigorii Yavlinskii's Yabloko party, Vladimir Zhirinovskiy's Liberal Democratic Party of Russia, and Vladimir Shumeiko's pro-Yeltsin movement Reforms-New Course. Having already beaten Mikhailov once, in the 1993 election to the Federation Council, and having been elected to the Duma from Magadan last December, Tsvetkov was an attractive candidate for opposition parties of all stripes. -- Anna Paretskaya in Moscow

NEW KALININGRAD GOVERNOR TO PURSUE CLOSER RELATIONS WITH MOSCOW. Leonid Gorbenko, the newly elected governor of Kaliningrad Oblast, announced on 31 October that he will work to build closer connections with the city of Moscow, *Segodnya* and *Kommersant-Daily* reported. He said that Kaliningrad port, which he ran for more than 10 years before being elected governor, can become a "sea gate" for Moscow and other regions in Central Russia. Currently, most imports come to Russia through Poland, which requires additional expenses, but Gorbenko believes more intensive use of the port will save money and time. During his election campaign, Gorbenko struck a deal with Moscow Mayor Yuriï Luzhkov: Kaliningrad will supply Moscow with fish and transport imported goods to the capital, while Moscow will invest money into several trawlers. Gorbenko also supports establishing a regional branch of the Federal Treasury and the permanent presence of a Security Council representative in Kaliningrad because the oblast does not border on the rest of Russia. *Kommersant-Daily*, however, doubts that Kaliningrad will become Russia's main Western port, since it is not connected to the mainland. -- Anna Paretskaya in Moscow

LEGALITY OF RUTSKOI'S POST-ELECTION ACTIONS QUESTIONED. Although Aleksandr Rutskoi will not be sworn in as Kursk Oblast governor until 10 November, he has already fired three deputy governors from the previous administration and appointed seven new ones, *Trud* reported on 2 November. In addition, he has replaced two heads of local administrations and signed a bill on a new election to the regional legislature. The paper said some analysts believe Rutskoi's actions are illegal since he has not been sworn in yet. According to the Kursk Oblast Statute, a governor is eligible to execute his duties only after his inauguration ceremony. On the other hand, the statute does not specify who holds gubernatorial powers between an election and the inauguration of a new governor. -- Anna Paretskaya in Moscow

ALTAI CHALLENGER ACCUSED OF CORRUPTION. In Altai Krai, where Governor Lev Korshunov faces a tough battle in the 17 November election, an attempt to discredit his main challenger, Legislative Assembly Chairman Aleksandr Surikov, appears to be underway. *Rossiiskie vesti*, the official newspaper of the presidential administration, reported on 31 October that various "democratic" parties in the krai have asked the Procurator-General's Office to investigate Surikov for taking bribes. The paper claimed that the Altai procurator was protecting Surikov. Still, the strategy seems unlikely to save Korshunov's job. Zyuganov beat Yeltsin soundly in Altai by 56% to 39%. Moreover, the krai has lately been affected by power cuts, and funding shortages forced all the courts in the region to shut down on 6 November, ITAR-TASS reported. -- Laura Belin

PROVINCIAL CHRONICLES

ST. PETERSBURG STUDENT PROTEST ATTRACTS GOVERNMENT ATTENTION. Education Minister Vladimir Kinelev visited St. Petersburg on 1 November, three days after several thousand students and teachers rallied on Palace Square to demand higher grants and wages, *Smena* reported the next day. Representatives of many of the city's 43 higher education institutions took part in the 29 October meeting, which culminated in a march to the statue of Mikhail Lomonosov by the St. Petersburg State University building on Vasilievskii Island. The students called on the government and president to double their monthly grants to 151,000 rubles, or twice the minimum wage, in line with a law passed by the State Duma in the summer and to reduce fares on public transport. A St. Petersburg student transport pass now costs 40,000 rubles a month, or more than half the standard stipend of 75,900 rubles. Given the low level of grants and the absence of any comprehensive system to provide students with loans, most rely on help from family members and their own earnings to make ends meet. In a recent Moscow poll, 69% of female students and 74% of male students said they had a job of some kind.

St. Petersburg's higher education establishments are experiencing severe financial problems. The university, for example, has not paid for communal services since the spring, and its telephone lines have been cut, according to *Smena* on 29 October. Some student dormitories have no heat or water, while others are overcrowded, partly because of a tendency to rent out space to commercial ventures. Professors, whose salaries are notoriously low, received only 45% of their wages in September.

The 29 October demonstration, the brainchild of unionists at three higher education institutes, did not go unnoticed. According to Oleg Vorobeev, editor of the St. Petersburg student newspaper *Gaudeamus*, delayed grants started being paid out to students at some colleges after the decision to hold the rally was announced. On 31 October, the government announced the allocation of 800 billion rubles to pay off debts to vocational schools. Prime Minister Viktor Chernomyrdin instructed Education Minister Kinelev to look into the causes of the protest, while the city administration invited its organizers to take part in a discussion of students' social welfare. The timing of the demonstration, which coincided with the 78th anniversary of the founding of the Komsomol Communist youth organization, and the support given by Communist groups nationally to calls for greater spending on higher education may have played a role in the government's response. But although the meeting was highly critical of both the federal and local government, it was not hijacked by Communist groups. Only the odd red flag was visible among the banners deploring the low funding of higher education. -- Penny Morvant in St. Petersburg

CENTER CONTINUES TO RAIL AGAINST "LEGAL SEPARATISM." Following in the footsteps of presidential Chief of Staff Anatolii Chubais (see *OMRI Daily Digest*, 30 October 1996), Justice Minister Valentin Kovalev on 3 November lashed out at republican authorities for adopting constitutions that violate the Russian Constitution, Russian TV (RTR) and ITAR-TASS reported. Kovalev said the constitutions of 19 of the 21 ethnic republics in the Russian Federation violate the federal constitution, either by declaring the given republic to be a subject of international law, outlining parameters of republican monetary systems, or delimiting the republic's borders with other federation subjects and even foreign countries. He also complained that about one-third of regional laws and regulations registered with the Justice Ministry violate federal legislation or the constitution. He added that several republics and regions, including Dagestan, Ingushetiya, and Moscow Oblast, no longer register their laws and regulations with the Justice Ministry, which he described as "a threat to Russian federalism."

Meanwhile, the Central Electoral Commission on 1 November sent President Yeltsin a letter charging that regional electoral legislation in Adygeya, Buryatiya, Karelia, Marii-El, Khakasiya, Tatarstan, Yakutiya (Sakha), and the Koryak Autonomous Okrug violate voter's rights guaranteed in the Russian Constitution. The commission addressed the complaint to the president because it has no enforcement powers of its own. *Trud* reported on 5 November that the Marii-El Electoral Commission has made registration conditional on a prospective candidate's ability to pass an examination in the Marii-El language. The procurator in the republic has called that language requirement unconstitutional.

Speaking in the Duma on 31 October, deputy Aleksei Lebed, a candidate for prime minister in Khakasiya and brother of Aleksandr Lebed, also condemned regional laws that violate federal legislation and the constitution. According to *Nezavisimaya gazeta* on 1 November, Lebed called on the Constitutional Court to resolve the situation by issuing a blanket ruling on such regional legislation. Lebed has personal experience with such legislation, as a seven-year residence requirement in the Khakasiyan electoral law would have blocked his

candidacy had it not been overturned by the Khakasiyan Supreme Court on 15 October (see *OMRI Russian Regional Report*, 16 October 1996). -- Scott Parrish

BURYATIYA TO INTRODUCE SPECIAL REGIME IN ECONOMIC AND SOCIAL SPHERE.

Leonid Potapov, the president of the Republic of Buryatiya, has announced plans to introduce a special regime for controlling the economic and social sphere in order to cut spending in Buryatiya's budget, ITAR-TASS reported on 5 November. Potapov also said that his republic will take some urgent measures to protect local products from imports of what he called low-quality products. The debts owed to Buryatiya by the federal government total 165 billion rubles (\$30.2 million). -- Ritsuko Sasaki

ILYUSHIN: ECONOMIC POLICY ACCELERATES "SEPARATISM." First Deputy Prime Minister Viktor Ilyushin told *Nezavisimaya gazeta* on 2 November that the failures of economic policy have strengthened what he called "separatist" feelings in regions such as Primorskii Krai, Khabarovsk Krai, Magadan Oblast, and Kamchatka Oblast. Ilyushin recently visited Primore, and he criticized federal government policies, including the raising of excise duties on energy and railway transportation fees. Ilyushin stated his strong support for Primorskii Krai Governor Yevgenii Nazdratenko; he argued that the center's intervention in the ongoing conflict between Nazdratenko and Vladivostok Mayor Viktor Cherepkov might worsen the situation in the krai. Ilyushin was thus implicitly criticizing presidential Chief of Staff Anatolii Chubais, who is an ally of Cherepkov and a long-time enemy of Nazdratenko. -- Ritsuko Sasaki

GERMAN VILLAGE IN ST. PETERSBURG. A groundbreaking ceremony for a German village was held in Strelna, near St. Petersburg, on 5 November, St. Petersburg Radio reported. The village, Neudorf-Strelna, will house 125 ethnic German families from Kazakstan and Siberia. Two-storey cottages will be built on the site of a former settlement founded by German immigrants in the early 18th century. The settlement existed until 1941, when Stalin exiled the native Germans to eastern regions of the Soviet Union. The construction of Neudorf-Strelna will be financed jointly by the German and Russian governments. Their contribution to the financing of the first stage of the project, which includes the construction of 50 cottages and the creation of an infrastructure, will amount to DM10 million and DM3 million respectively. According to a German diplomat in St. Petersburg, about 200,000 Russian Germans emigrate to Germany each year, an influx the German government is keen to reduce. -- Elena Zotova in St. Petersburg

AMUR PENSIONERS TO RECEIVE PAYMENT IN KIND. Amur Oblast Governor Yurii Lyashko has issued a resolution on paying pension arrears in kind, *Izvestiya* reported on 2 November. The Amur branch of the Russian Federation Pension Fund is owed some 40 billion rubles in mandatory enterprise contributions and has not received federal subsidies, leading to delays in the payment of pensions. In lieu of part of their payments, retirees will now be entitled to fuel, foodstuffs, and clothes. The fund also urged debtor enterprises to pay off part of their debt by selling produce to pensioners at reduced prices. Lyashko was apparently defeated by fewer than 200 votes in a controversial 22 September election, but he has not yet left office pending his court appeal. Meanwhile, *Rossiiskaya gazeta* reported on 2 November that about 4,000 of the poorest residents of Tula Oblast have received potatoes and other fruit and vegetables for free or at discount prices. Possibly with an eye to the December gubernatorial election, the local government arranged for the distribution of 536 metric tons of fruit and 580 tons of vegetables to pensioners and the recipients of other social allowances. -- Penny Morvant

NIZHNII NOVGOROD AGAINST FINANCIAL MONOPOLIES. Financial authorities in the Nizhnii Novgorod Oblast intend to take measures against financial institutions from other regions assuming a monopolistic position in the local market, *Kommersant-Daily* reported on 30 October. Their perception is that the recent inflow of "non-resident"--mainly Moscow--banks may have a negative effect on the development of the local financial market. The regional securities commission and the local anti-monopoly committee have passed a new regulation that treats any financial structure that controls more than 35% of the market's volume for more than a year as a monopoly. Relations between provincial banks and their Moscow and St. Petersburg counterparts had been tense for a long time. While big city banks argue that the development of their regional networks follows

the expansion of their clients' operations, regional banks complain that the networks are stealing their business. Typically, local banks have fewer resources, while big city banks offer a wider range of services and have better trained personnel. -- Natalia Gurushina

TATENERGO CUTS OFF ENERGY SUPPLIES TO DEBTORS. Tatarstan's energy supplier Tatenergo has decided to discontinue energy deliveries to 23 local enterprises who owe the company 11 billion rubles (\$2 million), RTR reported on 31 October. The director of Energonadzor, Tatenergo's affiliated company, said that the company will not cut off energy supplies to residential houses. The move was agreed with Tatarstan's government. Tatenergo is currently owed 1.5 trillion rubles by local companies. As a result, its own debt to gas suppliers soared to 1 trillion rubles. -- Natalia Gurushina

NORWAY PULLS OUT OF INVESTMENT PROJECT. The Norwegian government has announced that it will not finance the reconstruction of the Pechenganikel plant, which is part of the Norilsk Nickel company, *Kommersant-Daily* reported on 2 November. The plant is located near the Russian-Norwegian border and is the major source of environmental pollution in northern Norway and northwestern Russia. During his visit to Norway in March 1996, President Boris Yeltsin signed an agreement stipulating that the Russian and Norwegian governments should allocate \$42 million each for the plant's reconstruction. The total cost of the project was estimated at \$257 million, and the remaining sum should have been provided by the plant which was to get an exemption from paying export duties on nickel, copper, and cobalt for the period of reconstruction. Norway explains its withdrawal by Russia's inability to commit the promised funding for the project. Norilsk Nickel officials have now submitted an alternative reconstruction project with an estimated cost of \$84 million. -- Natalia Gurushina

INGUSH FORCED MIGRANTS CALL ATTENTION TO THEIR PROBLEMS. Ingush refugees and forced migrants from North Osetiya set up a standing commission to deal with their problems at a conference in Ingushetiya on 1 November, ITAR-TASS reported. The commission's activity will be aimed at resettling Ingush who fled North Osetiya in October 1992, following clashes between Ingush and Osetiyans in which some 600 people were killed. The number of people displaced because of ethnic conflict in North Osetiya's Prigorodnyi Raion is estimated at 50,000-60,000 people. As of September this year, 1,700 Ingush families were said to have returned to the Prigorodnyi district.

A Duma delegation visited the conflict area in October of this year. The deputies decided that the Duma should take control over the situation in the area and oversee the implementation of President Yeltsin's decrees on overcoming the consequences of the conflict. During that visit, deputies of the Ingush republican parliament announced that human rights are being violated on an ethnic basis, and presidential decrees are not being implemented. Moreover, they alleged that Russian Federation legislation has not been observed in North Osetiya for four years: over 50 articles of the federal constitution are being violated, according to an ITAR-TASS report on 15 October.

In addition, Ingush Procurator-General Sergei Belov has appealed against an agreement signed by the two republics in April of this year on returning forced migrants from North Osetiya to their homes. He said several of the agreement's clauses were vague and may be interpreted by the sides in their own ways, which will cause further disagreement.

The Duma commission did not resolve this dispute; rather, it insisted on transferring the problem from the political to the economic domain. Deputies decided that special funds should be allocated from the federal budget for reconstruction of the area. Meanwhile, the commission's head and Duma Deputy Speaker Mikhail Gutseriev complained that the draft 1997 budget did not allocate a single ruble for settling the conflict or for housing construction for displaced people. -- Anna Paretskaya in Moscow

Compiled by Laura Belin

REGIONAL PROFILE: ALTAI KRAI

Candidates for 17 November Gubernatorial Election

Head of administration **Lev Korshunov**, a member of Our Home Is Russia, was appointed to this post in January 1994. From 1991 to 1994, he was the first deputy head of administration.

Korshunov's strongest rival is **Aleksandr Surikov**, chairman of the Legislative Assembly. Surikov, who chaired the Krai Soviet since August 1991 and became chairman of the Legislative Assembly in March 1994, was nominated by the movement For True Popular Power, Civil Peace and Working People's Interests and is supported by Gennadii Zyuganov's Popular-Patriotic Union of Russia. In 1993, he was elected to the Federation Council with 49.59% of the vote. In the current upper house of parliament, he is deputy chairman of the Committee on Budget, Financial, Currency and Credit Regulation, Monetary Emission, Tax Policy, and Customs Regulation.

Another would-be opposition candidate, former Agriculture Minister **Aleksandr Nazarchuk**, now chairman of the Altai Agricultural Union, withdrew from the race after he could not meet a residency requirement, and the Legislative Assembly decided not to change the kraï electoral law. The chances of the other candidates are considered negligible.

Brief Overview

Altai Krai is located in the south of West Siberia in the basin of the upper Ob River, an area colonized by the Russians in the 18th century. Rolling plains and the foothills of the Altai Mountains, once covered by steppe, are almost entirely under cultivation—wheat, corn, and oats being the chief crops. Mining plays an important role, mainly of nonferrous ores around Zmeinogorsk in the hilly south, whereas light industry, a chemical industry, and wood-processing are developed in bigger cities, notably in the capital Barnaul on the Ob River. Soils in Altai Krai have suffered from nuclear tests at Semipalatinsk in adjacent Kazakhstan, the main nuclear test site in the former Soviet Union.

After Russians, Germans are the second largest ethnic group of the kraï's population (1989 census), partly living in the national raion, situated in the northwestern region of the kraï (around the center Nekrasovo/Halbstadt).

Basic Facts

1995 Population (est.): 2,697,200 (1.82% of Russian total)

Industrial production as percentage of all Russian production (Jan.-Aug. 1995): 0.93%

Agricultural production as percentage of all Russian production (1994): 2.11%

Average personal income index in July 1995: 58 (Russia as a whole = 100)

Price basket index in July 1995: 83 (Russia = 100)

Average back wages owed per person (September 1995): 48,600 rubles (Russian average = 37,100)

Urban population: 52.1% (Russia overall: 73.0%)

Student population (1993): 139 per 10,000 (Russia overall: 171/10,000) Pensioner population (1994): 24.26%

Percent of population with higher education (1989 census): 8.2% (Russia overall: 11.3%)

Percent of population working in (1993): Industry: 27.8% (Russian average: 29.9%) Agriculture: 24.0% (12.8%) Trade: 7.7% (9.1%) Culture: 11.6% (13.6%) Management: 2.5% (2.3%)

Number of telephones per 100 families (1993): in cities: 35.3 (Russian average: 41.5) in villages: 24.5 (17.2)

According to a 1995 survey by Bank Austria, the kraï is 55th among Russia's 89 regions in terms of investment climate.

Electoral History

1996 Presidential Election

Yeltsin: 21.8%/38.56% (first round/second round)

Zyuganov: 41.97%/55.52%

Lebed: 19.39%

Zhirinovskiy: 7.38%

Yavlinskii: 5.05%

Turnout: 70.67%/67.08% (Russia overall: 69.67%/68.79%)

1995 Parliamentary Election

Communist Party of the Russian Federation: 25.98%

Liberal Democratic Party of Russia: 15.59%

Our Home Is Russia: 4.96%

Yabloko: 3.58%

Agrarian Party of Russia: 12.38%

Women of Russia: 4.48%

Communists-Workers' Russia: 4.70%

Party of Workers' Self-Government: 3.55%

Derzhava: 3.08%

In single-member districts: 2 Communist Party, 1 Agrarian Party, 1 independent
Turnout: 66.95% (Russia overall: 64.37%)

1993 Constitutional Referendum

"Yes" - 49.68% "No" - 47.40%

1993 Parliamentary Election

Liberal Democratic Party of Russia: 27.75%

Agrarian Party of Russia: 23.40%

Russia's Choice: 10.81%

Communist Party of the Russian Federation: 9.86%

Women of Russia: 8.58%

Party of Russian Unity and Concord: 5.47%

Democratic Party of Russia: 4.71%

Yabloko: 3.19%

From electoral associations: 1 Agrarian Party of Russia, 1 Women of Russia, 1 Russia's Choice

In single-member districts: 1 Russia's Choice, 2 Agrarian Party of Russia, 1 New Regional Policy

Turnout: 54.25% (Russia overall: 54.34%)

1991 Presidential Election

Yeltsin: 46.38%

Ryzhkov: 23.59%

Zhirinovskiy: 11.59%

Tuleev: 9.11%

Bakatin: 2.73%

Makashov: 2.45%

Turnout: 77.21% (Russia overall: 76.66%)

Sources: *Goroda Rossii [Cities of Russia]*, Moscow: Bolshaya Rossiiskaya Entsiklopediya, 1994; *Rossiiskie regiony nakanune vyborov-95 [Russian regions on the eve of 1995 elections]*, Moscow: Yuridicheskaya Literatura, 1995; *Itogi vyborov 17 dekabrya 1995 goda po regionam [Results of the 17 December 1995 elections, regional breakdown]*, Moscow: Panorama, 1996; *Vybory deputatov Gosudarstvennoi Dumi 1995 [State Duma elections 1995]*, Moscow: Central Electoral Commission, 1996; S.A. Nagaev and A.Woergoetter: *Regional Risk Rating in Russia*, Vienna: Bank Austria, 1995.
Compiled by Silja Haas and Anna Paretskaya

CENTER-PERIPHERY RELATIONS

RUSSIAN CENTRAL AUTHORITIES SEEK NEW FORMULA FOR RELATIONS WITH THE REGIONS

Members of the government and presidential administration have recently voiced concern about the current state of federalism in Russia. On 29 October, presidential Chief of Staff Anatolii Chubais promised to crack down on what he called "legal separatism," whereby regional and local governments adopt laws that contradict federal legislation. The following week, Justice Minister Valentin Kovalev complained that constitutions adopted in 19 out of Russia's 21 republics violate the federal constitution. Deputy presidential Chief of Staff Aleksandr Kazakov also was gloomy about the current series of regional elections, saying he could not find "a single positive element in the very idea" of the elections.

According to a commentary by political analyst Dmitrii Badovskii in the 10 November issue of *Segodnya*, the Moscow political elite are not particularly worried about opposition victories in the regional elections (so far, eight incumbent governors have been re-elected, while eight have lost). Rather, federal authorities fear the elections will complicate the relationship between Moscow and the regions as a whole. By giving governors--many of whom were previously appointed by President Boris Yeltsin--a power base independent of Moscow, the elections could accelerate the trend toward decentralization over the last few years. The center must now devise a "new federalism" in order to preserve its control over regional policies.

"Separatism" in today's Russia differs greatly from the form it took in 1991, when many national republics--as well as some krajs and oblasts with majority Russian populations--wanted full economic and political independence. Currently, no region except Chechnya demands secession. Instead, regions have adopted a policy of "internal emigration," in which they seek to withdraw from close ties with the rest of the federation and establish autarkic political and economic systems on their territories, Badovskii argued. This trend will only strengthen once the current gubernatorial electoral cycle has given regional elites "full political independence."

Federal authorities are concerned about new regions' separatism not only because individual regions have become difficult to rule, but also because relations among federation subjects have started to slip out of the center's control, according to Badovskii. By way of example, he cited the tense relationship between Tyumen Oblast and Khanty-Mansi and Yamal-Nenets autonomous okrugs. The okrugs, which are separate federation subjects but also belong to Tyumen Oblast, want to withdraw from the oblast in order to have complete control over their natural resources. Badovskii said the intention of St. Petersburg and Leningrad Oblast to merge into a single federation subject--the opposite trend from the centrifugal pressures in Tyumen--is equally dangerous for Moscow. Since the initiative for integration has come "from below," among the political elites of St. Petersburg and Leningrad, the process could diminish the center's role in state building. (For more detailed reports on these regions, see stories below.)

In addition, Badovskii contended, the financial crisis and incapacity of the center to pay off its debts to regions encourages them to view the center as useless for the country's development. As a result, regions adopt their own legislation, which may contradict federal laws but help them consolidate control over political and economic processes on their territories.

In this situation, it is vital for the center to work out a new concept for its regional policy. The center is ready to go as far as reconsidering the composition and inner boundaries of administrative units, Badovskii noted. He points out three possible modifications of the federal structure that have been recently discussed: (1) enlarging existing federation subjects, and reducing the total number of regions; (2) rejecting a "mixed" federation, eliminating ethnic-based units, republics, and autonomous okrugs, and replacing them with exclusively geographical units; and (3) developing inter-regional relations, based on economic cooperation within regional associations.

The development of the first two concepts has not gone beyond electoral slogans, according to Badovskii. Besides, newly elected regional executives are likely to oppose enlargement of federation subjects for fear of losing their power. The third option is more realistic and easy to apply as a foundation for "new federalism," since the majority of federation subjects have joined one of eight existing regional associations: the Northwest Association, Russia's Central Area Association, the "Black Earth" Association, the Association of Northern

Caucasian Regions, the "Big Volga" Association, the Urals Regional Association, the "Siberian Accord" Association, and the Far East Association.

Many of these associations are politically and economically heterogeneous, and some regional leaders prefer to carry out individual policies, resisting the idea of further integration. In this situation, Badovskii concluded, the central authorities should concentrate on convincing regional elites that changes are inevitable and necessary not only in relations between the center and the regions but also between the regions themselves. -- Anna Paretskaya in Moscow

REGIONAL ELECTIONS UPDATE

OPPOSITION COMPLAINS OF DIRTY TRICKS IN STAVROPOL. Supporters of State Duma deputy Aleksandr Chernogorov, a Communist and the favorite to win the 17 November runoff election in Stavropol Krai, have complained of unfair campaign practices and "unprecedented pressure" on the voters on behalf of Stavropol Governor Petr Marchenko. Duma deputies Viktor Zorkaltsev, Aleksei Podberezkin, and Stanislav Govorukhin claimed on 10 November that the Stavropol authorities are abusing early voting procedures, Radio Rossii and Russian TV (RTR) reported. Individuals who know they will be out of town on election day have the right to vote early, but Govorukhin said the authorities have been bringing people in to vote by the busload, and that 20,000 people have already voted, *Kommersant-Daily* reported on 11 November. He added that some workers are bused to polling stations and forced to mark their ballots while employers watch, in violation of the law. The Duma deputies also alleged that pro-Marchenko leaflets are being distributed to children in schools. They even claimed that a pornographic video has been shown to members of local electoral commissions in which one of the participants allegedly called on viewers to vote for Chernogorov, according to *Nezavisimaya gazeta*. In the first round, Chernogorov won 47% of the vote to just 38% for Marchenko. Even if the incumbent gains all the votes of supporters of the third-placed candidate Aleksandr Korobeinikov, who polled 6%, it will be difficult for Marchenko to overtake Chernogorov in the runoff. -- Laura Belin

RUTSKOI SWORN IN. Aleksandr Rutskoi, former Russian vice president and the leader of the opposition Derzhava movement, was inaugurated governor of Kursk Oblast on 10 November, RTR and NTV reported. He swore an oath on both the constitution and the Bible. Rutskoi, who lodged three court appeals to secure his registration and was left with only three days to campaign, won the 20 October election with more than 75% of the vote. Last week, Rutskoi prohibited anti-government trade union demonstrations in Kursk; he also declared his support for a presidential decree on accord and reconciliation. As RTR noted, the most prominent opposition figures who endorsed Rutskoi's bid for governor, including Communist Party leader Gennadii Zyuganov, did not attend the ceremony. (Instead, Zyuganov traveled to the Ust-Orda Buryat Autonomous Okrug on 10 November to campaign for his party's gubernatorial nominee.) However, Agrarian Party leader Mikhail Lapshin was present at Rutskoi's inauguration, as was Nizhnii Novgorod Governor Boris Nemtsov, a strong supporter of President Yeltsin. -- Anna Paretskaya in Moscow

KORZHAKOV SUBMITS SIGNATURES FOR DUMA SEAT. Former presidential security chief Alexander Korzhakov was the first to turn in more than the 4,518 nomination signatures required for registration as a candidate in the Duma by-election set for 9 February 1997 in Tula Oblast, ITAR-TASS reported on 11 November. His likely opponents include: Yuri Belyaev, chairman of the extremist National Republican Party of Russia based in St. Petersburg; Tula State University Dean of Medicine Aleksandr Khadartsev; Nikolai Matveev, leader of the local branch of the Social Democratic Party; and Russian Union of Afghan Veterans First Deputy Chairman Vladimir Kostyuchenko. The seat was vacated by Aleksandr Lebed, who resigned it to take the post of Security Council secretary. Lebed has backed Korzhakov's candidacy. -- Nikolai Iakoubovski

KHABAROVSK, VOLGOGRAD CANDIDATES THREATEN ACTION AGAINST CENTER. Khabarovsk Krai Governor Viktor Ishaev has threatened to take extreme measures, including withholding payments to the federal budget, if the government does not meet its financial obligations toward Russia's eastern regions, *Kommersant-Daily* reported on 12 November. Ishaev said that enterprises in the krai are owed 1.1 trillion

rubles from the federal authorities, including 180 billion rubles in defense orders. A gubernatorial election is scheduled in Khabarovsk for 8 December. Meanwhile, Volgograd Mayor Yuri Chekhov announced that he will sue the federal government for 200 billion rubles (\$37 million) he said it owes Volgograd, ITAR-TASS reported on 11 November. Chekhov said the federal government's debt to the city violated the constitutional rights of Volgograd residents, and he encouraged other localities in Volgograd Oblast to follow his example. Lawyers, he added, are currently working on model legal petitions that citizens could use to sue the government if they have not received their wages, pensions, or other social benefits on time. Chekhov is one of the leading candidates in the Volgograd gubernatorial election, scheduled for 22 December; his main opponents are the current governor, Ivan Shabunin, and the Communist-backed head of the Volgograd city Soviet of People's Deputies, Nikolai Maksyuta. Candidates for regional office frequently try to distinguish themselves as figures who will stand up for local interests against the Moscow authorities. -- Penny Morvant and Laura Belin

LOCAL ELECTIONS UNDER THREAT IN CHUVASHIYA? The Republic of Chuvashiya is scheduled to hold local government elections in December, but local media have reported that there is a drive to cancel the elections for lack of funds, according to *Pravda-5* on 2 November. The paper noted that funds are truly scarce in the republic, but that did not force the cancellation of various recent holiday celebrations; it criticized those who would "economize on democracy." The real reason for the calls to postpone the elections, the paper claimed, was the conflict between the president and legislature over charters being drafted for cities and local governments in Chuvashiya. The Chuvash legislature, or State Soviet, distributed one version of a draft charter to local authorities, but the administration of Chuvash President Nikolai Fedorov has pushed a different model. Among other things, Fedorov's version would allow the president to appoint and remove local administrators on certain occasions. *Pravda-5* said Fedorov's draft violated federal legislation, which stipulates that local leaders are elected. Fedorov was elected president of Chuvashiya in December 1993 with less than 30% of the vote; since then he has repeatedly clashed with the republic's State Soviet. He is an ally of President Yeltsin and served as Russian justice minister from 1990 until 1993. -- Laura Belin

OIL FACTOR IN TYUMEN ELECTIONS. At stake in the Tyumen Oblast elections set for 22 December is the oil and gas tax paid to the regional budgets, Russian TV (RTR) reported on 8 November. Yamal-Nenets Autonomous Okrug and Khanty-Mansi Autonomous Okrug, simultaneously subordinate to Tyumen and components of the Russian Federation, control 90% of Russia's natural gas and 53% of oil reserves. According to the law on natural resources, enterprises pay up to 70% of the income they gain from pumping oil and gas out of the ground to the federal and regional budgets. Sixty percent of this money goes into the okrug and local budgets, while the federal and oblast governments get 20% each. The okrugs want to secede from Tyumen Oblast so that they can claim the 20% that would otherwise go to the oblast government. The legislature of Yamal-Nenets has already refused to participate in the Tyumen elections, claiming that it is not subordinate to the Tyumen authorities. Meanwhile, the newly-elected legislature of Khanty-Mansi has decided to take part in them, with the reservation that the elections will only be considered valid if 25% or more of the electorate of Khanty-Mansi participates in them. Additionally, the Khanty-Mansi legislature has ruled that if the elections are not deemed valid, there will be no repeat voting, effectively withdrawing Khanty-Mansi from Tyumen Oblast. It is not clear if the Tyumen Oblast authorities will accept these conditions. -- Ritsuko Sasaki

ANALYSIS AND PREDICTIONS

COMMUNISTS OVERESTIMATE THEIR VICTORY. Although the opposition will clearly increase its representation in the Federation Council by the end of this year, Communist Party leaders have exaggerated the scope of their victory, *Izvestiya* commentator Stepan Kiselev wrote on 6 November. The Federation Council, the parliament's upper house, is made up of regional executives and legislative leaders. Kiselev noted that not all successful opposition candidates can be considered entirely opposition figures. For instance, the new governors of Leningrad, Kaliningrad, and Magadan oblasts were supported by other political parties as well, including the anti-communist Yabloko party led by Grigorii Yavlinskii. These candidates sometimes even had the backing of individual members of the federal executive branch. In addition, Kiselev argued that the new Pskov Oblast

governor, who is a member of Vladimir Zhirinovskiy's Liberal Democratic Party (LDPR), should not be called an oppositionist, since the LDPR frequently supports the government in parliamentary votes. Even successful Communist-backed candidates may change their tune after being elected. Recent statements by Kursk Governor Aleksandr Rutskoi demonstrate that President Yeltsin's harshest critics may make peace with the federal government in exchange for the continuation of federal financial support for their regions. -- Anna Paretskaya in Moscow

PROVINCIAL CHRONICLES

PARTY BUILDING HEATS UP IN TATARSTAN. Although new elections in the Republic of Tatarstan are a long way off--parliamentary and presidential elections were just held there in 1995 and 1996, respectively--political forces in the republic are regrouping. *Segodnya* reported on 12 November. The Tatarstan pro-government party, Unity and Progress, joined the local branch of the Democratic Party of Russia to form a new coalition, Equality and Legality. The new coalition will be headed by Ivan Grachev, a State Duma deputy from Tatarstan and the leader of the regional branch of Grigorii Yavlinskii's Yabloko movement. Grachev will be asked to negotiate with the republican president, Mintimer Shaimiev, to create a single pro-government party in Tatarstan, because previous attempts to create a strong "party of power" in the republic have failed, the newspaper said. In July, the regional branch of the Communist Party and the nationalist movement Ittifak formed a united anti-government coalition (see *OMRI Daily Digest*, 18 July 1996).

Shaimiev headed Tatarstan's Communist organization until 1990, and Tatar nationalists supported his presidential bid in 1991 when he sought more independence for the republic. However, since signing a power-sharing agreement with the federal authorities in February 1994, Shaimiev has become a reliable ally of Moscow. He has played an active role in the pro-government movement Our Home Is Russia, and strongly supported Yeltsin's re-election. Rafael Khakimov, an adviser to Shaimiev, told OMRI in September that since the Russian parliament has never formally ratified the power-sharing agreements with the regions, Tatar authorities fear a new political regime in Moscow might decide not to recognize the power-sharing treaties (see *OMRI Russian Regional Report*, 25 September 1996). -- Anna Paretskaya in Moscow

CITY IN KRASNOYARSK KRAI SEEKS CHANGE IN STATUS. Residents of Sosnovorsk, a town of 32,000 situated northeast of Krasnoyarsk, want their settlement to be incorporated into Krasnoyarsk Krai's Lenin Raion and stripped of city status, *Izvestiya* reported on 10 November. Like many factory towns, Sosnovorsk, created in the Soviet era to house the workforce of a large plant producing trailers for trucks, has fallen on hard times. The market for trailers is limited, and the plant has run out of money. Although the factory was one of the first to be privatized, the process was mired in controversy and attempts to attract foreign investment ultimately failed. Production has now been suspended completely because of a lack of heat and water supplies. There are few alternative employment opportunities, and the local budget is deeply indebted. Teachers are on strike over wage arrears, and crime rates are rising. At an angry meeting last week, the town's residents blamed the plant, city, and krai authorities for their plight, threatening to sue the regional governor for failing to meet his obligations. In a last-ditch attempt to improve Sosnovorsk's economic prospects, its inhabitants have called for the settlement's incorporation into the neighboring raion, where living standards are considerably higher. -- Penny Morvant

DAGESTAN GETS MORE FINANCIAL SUPPORT FROM FEDERAL GOVERNMENT. In an attempt to stabilize the economic situation in Dagestan, the federal government has decided to write off budgetary loans worth 170.9 billion rubles (\$31 million) given to the republic in 1996, ITAR-TASS reported on 11 November. In addition, the government also promised to allocate a further 187 billion rubles of financial aid. Furthermore, the commercial bank Menatep will open a credit line of 358 billion rubles for Dagestan's government, and this credit line will be guaranteed by the Finance Ministry. The money will be spent on financing social programs in Dagestan, the poorest of Russia's 89 regions. Dagestan is expected to repay the credit out of the money earmarked in the 1997 budget for financing the local social sphere and housing programs. -- Natalia Gurushina

EXTRACTING COMPANIES IN KHABAROVSK KRAI SUE LOCAL POWER GRID FOR NON-PAYMENTS. The oil and gas firm Sakhalinmorneftegaz and the Kharanorskii coal mine in the Khabarovsk Krai are suing the local power company Khabarovskenergo for non-payments, considering it the only possible way of getting paid for fuel deliveries, ITAR-TASS reported on 8 November. This attempt to resolve the non-payment problem, however, is complicated by the fact that the power grid is itself owed billions of rubles by defaulting customers. Although Khabarovskenergo's lawyers have recently recovered some 40 billion rubles (\$7.3 million) from some of the most persistent non-payers in similar court cases, their activities are restricted; it is impossible to start legal procedures against the military and social organizations, which are protected by presidential and governmental decrees. Meanwhile, in order to break the chain of non-payments, the Kaluga government and the local trolley company organized a special lottery for holders of monthly passes for the trolley. Proceeds from the lottery will be used to repay the transport companies' debt to power firms, ITAR-TASS reported on 1 November.
-- Natalia Gurushina

BURYATIYA INTRODUCES TOUGH ECONOMIC REGIME. The president of the republic of Buryatiya, Leonid Potapov, signed on 11 November a decree on a temporary special economic regime, *Segodnya* and *Nezavisimaya gazeta* reported the next day. The regime is aimed at improving the republic's economic and social situation without using additional funds from the federal budget. Under the decree, the republican authorities plan to defer some tax privileges, issue republican securities, and temporarily suspend some federal programs financed from the republican budget. Sixty percent of the population of Buryatiya have incomes below the federal subsistence minimum, wage arrears total 400 billion rubles (\$75 million), and the federal budget owes the republic another 165 billion rubles. -- Anna Paretskaya in Moscow

LUZHKOV ANNOUNCES MEASURES TO SUPPORT ZIL . . . Moscow Mayor Yurii Luzhkov has named six banks that will participate in the financial reorganization of ZIL, one of Russia's largest car manufacturers, *Kommersant-Daily* reported on 11 November. In September, the Moscow government acquired a controlling interest in ZIL in order to prevent it from going bankrupt. The banking consortium, which includes Sberbank, Promstroibank, Bank Moskv, Inkombank, Mosbiznesbank, and Moskovskii Industrialnyi Bank, will provide ZIL with a 200 billion rubles (\$36.5 million) credit guaranteed by the Moscow government. Moscow authorities also took steps to provide a guaranteed market for ZIL-manufactured goods, in order to ensure that the company will be able to repay the provided loans. They include: (1) relocating four of ZIL's production sites and selling plots of land in Moscow that belong to the company; (2) selling 25% of shares in subsidiary companies which ZIL currently holds; (3) introducing a ban on using budgetary funds for the purchase of foreign trucks; (4) promising to purchase a certain number of the new model of ZIL's truck; (5) postponing the repayment of ZIL's debt to the city budget and helping to repay the debt to the federal budget. The Moscow Duma has also passed a decree providing tax benefits to the buyers of locally manufactured cars (20% of the car's price) for a period of up to two years. -- Natalia Gurushina

. . . AND PLANS TO CREATE ENVIRONMENTAL POLICE UNIT. Luzhkov announced that a new environmental police unit will be set up in the capital, ITAR-TASS reported on 5 November. Initially about 200 employees will work for the environmental unit, but by the end of 1998 it is expected to have a staff of 1,100. According to the Moscow city committee for environmental protection, the unit is needed to enforce statutes in the new Criminal Code set to take effect in January 1997. The new police unit will have the authority to detain and question those who are suspected of committing environmental crimes. It will also back up the committee for environmental protection, and the sanitary and epidemiological services, whose representatives have occasionally been threatened with force by environmental violators in the past. -- Laura Belin

MOSCOW, ST. PETERSBURG MAYORS UNITE TO PROTECT ECONOMIC INTERESTS. Moscow Mayor Yurii Luzhkov and St. Petersburg Mayor Vladimir Yakovlev have issued a joint statement warning the federal authorities that any attempt to deprive their cities of the right to independent road funds will meet considerable resistance, *Trud* and *Rossiiskaya gazeta* reported on 11 November. A January 1992 law on road funds excluded Moscow and St. Petersburg from the list of regions entitled to set up their own bodies—a decision that

Luzhkov and Yakovlev asserted had severely hindered the development of the cities' road networks—but the legislation was subsequently ruled unconstitutional by the Constitutional Court. During the debate over the 1997 budget, Yakovlev and Luzhkov said, "certain federal organs" are pushing hard to restrict the cities' rights once again and reallocate some of the resources accumulated by the regional funds to federal government agencies. Reacting sharply to the attempt to replenish the federal budget coffers at the expense of their cities, the two men warned that they would not implement any such decision. At a meeting in Nizhnii Novgorod on 7 November, a number of regions that are net donors to the federal budget, including Moscow and St. Petersburg, agreed to a joint position on the 1997 budget. -- Penny Morvant

MERGING OF ST. PETERSBURG AND LENINGRAD OBLAST IS UNLIKELY. Only about a quarter of the residents of St. Petersburg and Leningrad Oblast are expected to support a proposal to unify the city and oblast into one federation subject, according to *Novoe vremya* (no.44). The unification proposal, which is strongly supported by the federal government, must be approved by residents of both the city and the oblast in a referendum. The referendum was initially scheduled for early November, but it has been postponed until the end of the year and may be delayed further, according to the magazine.

The idea of unification, first proposed several years ago, was resurrected by former oblast Governor Aleksandr Belyakov during his election campaign. A preliminary agreement was signed by city Governor Vladimir Yakovlev and Belyakov in September, several days before the oblast gubernatorial election, which Belyakov lost. Supporters of the merger claim that unification will save money by reducing the number of officials in the regional administration and will ease bureaucratic procedures on investors. On the other hand, the oblast, which has a less developed market economy than the city, may negatively affect economic conditions in St. Petersburg. For instance, the city's unemployment rate, which is relatively low and stable, could increase. If the public does vote for unification, the merger would be scheduled for the year 2000 and, if Moscow is committed enough to the idea, it could invest substantially in the region to ease the hardship on the population, the magazine suggested. -- Anna Paretskaya in Moscow

TWO VIEWS ON REGIONAL HUMAN RIGHTS COMMISSIONS. Under a presidential decree signed on 18 October and published in *Rossiiskaya gazeta* on 24 October, human rights commissions will be set up in subjects of the Russian Federation "with the goal of defending the rights and freedoms of individuals and citizens," but human rights activists have expressed different attitudes toward the idea of officially-sanctioned regional commissions. Lyudmila Alekseeva, who chairs the Moscow Helsinki Group, expressed "great enthusiasm" about the decree. She told Radio Rossii on 8 November that such commissions would provide an important meeting place for human rights activists and regional authorities, who in some areas "systematically violate" the rights of citizens. Alekseeva recently argued that the most widespread violation of human rights in Russia is the delayed payment of wages and pensions (see *OMRI Daily Digest*, 5 November 1996).

However, Viktor Gorskii, the secretary of a watchdog group in Nizhnii Novgorod, was less optimistic about the decree. Appearing on the same radio program, he worried that regional human rights commissions may be ineffective if they operate as part of the local administration. According to Gorskii, "A good human rights defender is a hungry human rights defender; a human rights defender who is fed by the administration might start to wonder whether he will lose his privileges if he objects to the governor." He added that the best rights advocates are able to stand up for their convictions because "they have nothing to lose." He also argued that independent advocates are most needed in cases where political pressure prevents courts and prosecutors from defending citizens' rights. Some have charged that the reconstituted presidential commission on human rights lacks the political will to speak out against human rights violations by the federal government. At its first meeting, it mainly discussed violations of the rights of ethnic Russians living abroad. -- Laura Belin

Compiled by Laura Belin

NOTE:For a regional profile of Kamchatka Oblast, please see the OMRI Web page at:
<http://www.omri.cz/elections/russia/regions/about/kamchatka.html>

Regional profiles of Komi-Permyak and Ust-Orda Buryat Autonomous okrugs can be found at:
<http://www.omri.cz/elections/russia/regions/about/komi-permyak.html>
<http://www.omri.cz/elections/russia/regions/about/ust-orda.html>

REGIONAL PROFILE: MURMANSK OBLAST

Candidates for 17 November Gubernatorial Election

Incumbent Governor **Yevgenii Komarov**, a member of Our Home Is Russia, was appointed in November 1991. In 1990, he was elected to the Murmansk Oblast Soviet, but failed to win a seat in the RSFSR Congress of People's Deputies. In 1990-1991, he chaired the RSFSR State Committee for Social-Economic Development of the North.

The leading opposition candidate is **Yurii Yevdokimov**, who served as secretary of the oblast committee of the Communist Party of the Soviet Union and had chaired the oblast soviet of people's deputies. In 1993, he ran unsuccessfully for a seat in the Federation Council, placing third. He is currently president of the Union of Industrialists and Entrepreneurs of Murmansk Oblast. His candidacy is supported by Aleksandr Lebed's Honor and Motherland movement.

Other candidates include **Vyacheslav Kirichenko**, president of a commercial bank, **Mikhail Zub**, general director of a joint-stock company, and **Vasilii Kalaida**, chairman of a permanent commission of the oblast Duma.

Other Local Leaders

Duma Chairman -- Pavel Sazhinov (elected in December 1994)

Brief Overview

Murmansk Oblast occupies the Kola Peninsula, an extension of the Scandinavian Peninsula between the White Sea and the Barents Sea. It borders Norway and Finland to the west and Kareliya to the south. Apart from swampy forests in the south, the severely cold climate allows only tundra vegetation. Though there is fishing and some timberwork, the oblast's most important wealth lies in mineral deposits of the Khibiny mountains, with mining centers at Kirovsk and Apatity. Metallurgy is centered around Monchegorsk and Nikel, with its huge nickel smelters causing high air pollution. The ice-free Barents Sea (due to the Gulf Stream's influence) provides Russia with its only unrestricted access to the Atlantic. The oblast's northern seaports, including that of the capital Murmansk (founded in 1916) have considerable national importance. A large portion of Russia's navy (the Northern Fleet) and commercial fleet is based on the Kola Peninsula, including nuclear submarines and icebreakers. Murmansk Oblast has a nuclear power station.

There are still some Saami living in the oblast (the 1989 census counted 1,615 Saami, or just 0.14% of the oblast's total population). The Saami are an indigenous reindeer herding people spread all over northern Scandinavia.

Basic Facts

1995 Population (est.): 1,067,100 (0.72% of Russian total)
Industrial production as percentage of all Russian production (Jan.-Aug. 1995): 1.33%
Agricultural production as percentage of all Russian production (1994): 0.31%
Average personal income index in July 1995: 148 (Russia as a whole: 100)
Price basket index in July 1995: 131 (Russia: 100)
Average back wages owed per person (September 1995): 44,600 rubles (Russian average: 37,100)
Urban population: 92.4% (Russia overall: 73.0%)
Student population (1993): 63 per 10,000 (Russia overall: 171/10,000); Pensioner population (1994): 18.43%
Percent of population with higher education (1989 census): 13.9% (Russia overall: 11.3%)
Percent of population working in (1993): Industry: 32.4% (Russian average: 29.9%); Agriculture: 2.2% (12.8%); Trade: 10.9% (9.1%); Culture: 13.5% (13.6%); Management: 4.3% (2.3%)
Number of telephones per 100 families (1993) in cities: 44.7 (Russian average: 41.5); in villages: 26.1 (17.2)
According to a 1995 survey by Bank Austria, the oblast is 40th among Russia's 89 regions in terms of investment climate.

Electoral History

1996 Presidential Election

Yeltsin: 40.62%/70.13% (first round/second round)
Zyuganov: 12.09%/21.88%

Lebed: 25.43%
Zhirinovskiy: 6.98%
Yavlinskii: 9.68%
Turnout: 59.59%/56.64% (Russia overall: 69.67%/68.79%)

1995 Parliamentary Election

Liberal Democratic Party of Russia: 12.37%
Communist Party of the Russian Federation: 10.96%
Our Home Is Russia: 10.83%
Yabloko: 10.63%
Women of Russia: 7.03%
Congress of Russian Communities: 6.02%
Party of Workers' Self-Government: 5.19%
Russia's Democratic Choice: 4.57%
Communists-Workers' Russia: 2.59%
In a single-member district: 1 Our Home Is Russia,
1 independent
Turnout: 60.94% (Russia overall: 64.37%)

1993 Constitutional Referendum

"Yes" -- 69.15% "No" -- 27.83%

1993 Parliamentary Election

Liberal Democratic Party of Russia: 24.26%
Russia's Choice: 23.47%
Yabloko: 14.25%
Women of Russia: 7.82%
Democratic Party of Russia: 6.97%
Party of Russian Unity and Concord: 6.44%
Communist Party of the Russian Federation: 5.67%
Russian Movement for Democratic Reforms: 4.43%
Agrarian Party of Russia: 1.30%
In single-member districts: 2 Russia's Choice
Turnout: 50.96% (Russia overall: 54.34%)

1991 Presidential Election

Yeltsin: 55.95%
Ryzhkov: 17.69%
Zhirinovskiy: 9.84%
Tuleev: 6.09%
Bakatin: 4.01%
Makashov: 2.06%
Turnout: 68.46% (Russia overall: 76.66%)

Sources: *Goroda Rossii [Cities of Russia]*, Moscow: Bolshaya Rossiiskaya Entsiklopediya, 1994; *Rossiiskie regiony nakanune vyborov-95 [Russian regions on the eve of 1995 elections]*, Moscow: Yuridicheskaya Literatura, 1995; *Itogi vyborov 17 dekabrya 1995 goda po regionam [Results of the 17 December 1995 elections, regional breakdown]*, Moscow: Panorama, 1996; *Vybory deputatov Gosudarstvennoi Dumi 1995 [State Duma elections 1995]*, Moscow: Central Electoral Commission, 1996; S.A. Nagaev and A.Woergoetter: *Regional Risk Rating in Russia*, Vienna: Bank Austria, 1995.
Compiled by Silja Haas and Anna Paretskaya

ELECTION OVERVIEW

MORE INCUMBENTS LOSE IN 17 NOVEMBER VOTING

The growing anti-incumbent feeling spread on 17 November when three of four incumbents lost their races and two out of three were in trouble in the runoff. Only nine governors have managed to hang on to their seats with 20 regional executive races complete since 1 September (counting Amur Oblast where the opposition's victory has yet to be ratified because of a close vote count). However, according to presidential administration propaganda in *Rossiiskie vesti* on 19 November, the opposition is losing by a score of 15 to 4 (not counting Amur). The administration argues that although six of the governors chosen by President Boris Yeltsin did not find favor with their constituents, they were replaced by candidates whose "business-like characteristics make it possible to hope for constructive work in the region and a business-like relationship with the federal authorities." The administration still hopes to work with the governors of Stavropol Krai and Kursk, Pskov, and Kirov oblasts, where it has conceded defeat to the opposition. In this light, First Deputy Presidential Chief of Staff Aleksandr Kazakov sought to declare a victory for the "party of power" everywhere, by declaring that the current score for the administration stands at "19 victories with four losses." Additionally, Presidential spokesman Sergei Yastrzhembskii claimed that the score among big city mayors is 12-0 for the administration and 155-51 for deputies in regional legislatures, *Kommersant-Daily* reported on 20 November.

The Communists scored a clear victory in the most important race of the day, Stavropol Krai, where their candidate Aleksandr Chernogorov defeated Governor Petr Marchenko in the runoff. Chernogorov's victory was convincing, 55%-40%, taking most of the kraï's cities as well as the rural areas. On 15 November, Communist Party leader Gennadii Zyuganov appeared with Chernogorov in Budennovsk, the town made famous for suffering the Chechen terrorist attack in June 1995. Liberal Democratic Party of Russia leader Vladimir Zhirinovskiy spoke in Budennovsk the same day in support of the incumbent, but Marchenko did not join him. According to NTV, Zhirinovskiy had only faint praise for Marchenko, calling him a lesser evil than Chernogorov. Former Security Council Secretary Aleksandr Lebed also endorsed Marchenko on Russian Public TV (ORT) on 16 November. Moreover, Marchenko completely overhauled his campaign team between rounds, but nothing helped.

Sergei Filatov blamed Marchenko's defeat on a lack of unity among the "democratic" groups. Indeed, *Sovetskaya Rossiya* noted that the local branches of Russia's Democratic Choice and the Congress of Russian Communities backed Chernogorov. Russian TV (RTR) suggested that Marchenko had engaged in dirty tricks, since only 5,000 voters took advantage of their right to vote early in the first round, while more than 50,000 did so in the second round. Such balloting usually takes place outside the view of election monitors. Voter turnout was much higher in the second round, jumping from 45% to 65% but did not benefit Marchenko who believed his first round loss had been caused by a passive urban electorate. Kazakov called Chernogorov's victory a minus for the region since he won on the basis of an ideological platform and lacks administrative experience.

In the Koryak Autonomous Okrug, Valentina Bronevich, the former chairwoman of the okrug executive committee (ispolkom), unseated Governor Sergei Leushkin. Bronevich was backed by former Federation Council Chairman Vladimir Shumeiko's movement, Reforms-New Course. She was able to defeat Leushkin by a margin of 46%-21% because another candidate, Nina Solodyakova, backed by the Popular Patriotic Union of Russia (NPSR), dropped out on the day before the election, possibly after being promised an administration post. Both are residents of Kamchatka Oblast and could participate in the election because there was no residency requirement in the presidential decree on which the election were based, *Segodnya* reported on 19 November.

Refusing to accept his defeat, Leushkin asked Yeltsin to cancel the election results and impose a state of emergency because of the energy shortages and wage arrears in the region, *Segodnya* reported on 20 November. Leushkin complained that the elections were invalid since they were conducted on the basis of a presidential decree rather than local legislation. These problems did not seem to concern Leushkin before the results became known. Central Electoral Commission Secretary Aleksandr Veshnyakov described Leushkin's actions as illegal and warned that "governors will not be allowed to appoint themselves" to a second term, *Segodnya* reported.

When she takes office, Bronevich will be Russia's first female governor. She had resigned her executive committee post because she did not agree with the economic and social policy of the now former governor, *Nezavisimaya gazeta* reported 12 November. She lists herself as another of the anti-incumbent "good managers"

who place professionalism above political orientation. She lists printing textbooks to teach school kids their local languages among her main accomplishments and hopes to develop the local fishing industry to reduce the okrug's almost exclusive dependence on the federal budget.

In the Ust Orda Buryat Autonomous Okrug, incumbent Aleksei Batagaev lost to 32-year-old state farm director Valerii Maleev, making Maleev the youngest member of the Federation Council. The East Siberian Coal Company, headed by Maleev's cousin, provided financial backing for the campaign, while the local branch of Our Home Is Russia offered organizational support, ITAR-TASS reported. The three other candidates included Deputy Governor Anatolii Byvaltsev, local Communist leader Ivan Ivanov, and the chairman of the Bukhonskii Raion Association of Peasants and Farmers, Valentin Nazarov. The main issue was not partisan affiliations, but the candidates' ability to stop the fall in living standards afflicting the okrug and further develop the okrug's relationship with the federal government and Irkutsk Oblast, of which it is a part, according to Radio Rossii on 15 November.

Most observers had expected the Communist-backed challenger Aleksandr Surikov to win in the first round in Altai, but he now must face a runoff with the incumbent, Lev Korshunov, after edging him in the first round, 47% -43%. Korshunov closed the gap with his opponent by getting the federal government to deliver on its promise to pay off pension arrears in the last days before the voting, *Kommersant-Daily* reported on 19 November. The paper described Surikov as holding similar ideas to communist extremist Viktor Anpilov, but the presidential administration has already begun courting him as a "reliable" leader.

In Murmansk, Governor Yevgenii Komarov finished ahead of the former chairman of the oblast soviet, Yurii Yevdokimov, by 31% to 20%. The outcome of the runoff will depend on the decisions of fish plant director Mikhail Zuba (14%), Liberal Democratic Party of Russia local leader Boris Vorobev (10%), and Murmansk Oblast Duma member Vasili Kalaida (7%). Kazakov claimed that the administration would be happy with either candidate, but on 19 November Prime Minister Viktor Chernomyrdin announced plans to visit Murmansk on 21-22 November, with the apparent intention of supporting the incumbent.

Only two incumbents did well on 17 November. In the Komi-Permyatsk Autonomous Okrug, Governor Nikolai Polyanov won with 71% of the vote. According to *Segodnya* on 19 November, he had the support of the administration as well as the Communist-led NPSR. In Kamchatka, Governor Vladimir Biryukov should not have any trouble winning the second round since he fell only two points short of 50% in the first round, while his nearest competitor won only 10%. -- Robert Orttung

YELTSIN ALLY SHUMEIKO STEERS HIS OWN COURSE IN REGIONAL ELECTIONS

The All-Russian Coordinating Council (OKS), which grew out of President Yeltsin's re-election campaign, has set out to elect pro-Yeltsin governors by nominating common "pro-reform" candidates in every region. However, not all groups that joined the OKS have maintained a united front in the regional elections. In particular, Yeltsin loyalist Vladimir Shumeiko has broken ranks, backing several challengers against incumbent governors supported by the OKS and its most powerful member, Prime Minister Viktor Chernomyrdin's Our Home Is Russia movement.

In addition to Valentina Bronevich's victory in the Koryak Autonomous Okrug, candidates backed by Shumeiko's movement, Reforms-New Course, won gubernatorial elections in Kaliningrad and Magadan oblasts.

Shumeiko announced the creation of Reforms-New Course in November 1995 and held the movement's founding congress the following month. At the time, Shumeiko held the high-profile post of Federation Council speaker and was on Yeltsin's Security Council. He was even touted by some analysts as a possible presidential candidate should Yeltsin decide not to seek a second term. However, the law on the formation of the Federation Council, adopted in late 1995, deprived Shumeiko of his seat in parliament. Federation Council deputies are no longer elected separately but join the upper house *ex officio* as regional executive leaders or heads of legislatures (see *OMRI Russian Regional Report*, 4 September 1996).

In 1996, the newly unemployed Shumeiko devoted his full attention to organizational work, and local branches of Reforms-New Course campaigned actively for Yeltsin. As its name suggests, the movement places itself in the "reformist" camp but acknowledges flaws in recent government policies. In particular, Shumeiko has criticized the privatization effort carried out by Presidential Chief of Staff Anatolii Chubais. The opposition newspaper *Zavtra* (no. 40) recently noted that Reforms-New Course borrowed much of its rhetoric, such as the

need to make reforms more "socially oriented," from opposition parties. *Zavtra* also suggested that Shumeiko influenced Yeltsin's apparent drift to the left in early 1996.

In building his movement, Shumeiko avoided the Moscow clique of politicians and turned to the regional elite, where he has good contacts thanks to his work in the Federation Council in 1994 and 1995. Reforms-New Course appears to have especially strong support among the second and third tier of the local political and business elite. It has also received significant favorable exposure in the regional press. A few governors, such as Dmitrii Ayatskov of Saratov Oblast, have joined Shumeiko's movement, although most governors have stronger links to Chernomyrdin's Our Home Is Russia.

The gubernatorial candidates supported by Reforms-New Course campaign as apolitical "professionals" or "strong managers." Shumeiko is fond of saying that he chooses candidates not by their political views, but by their ability to raise the population's living standards. *Zavtra* warned that it would be dangerous to underestimate the potential of Shumeiko's movement to split the opposition vote. That fear was borne out in Kaliningrad, where Shumeiko's ally Leonid Gorbenko finished second in the first round, narrowly edging out the Communist-backed candidate for a spot in the runoff. Gorbenko went on to defeat the incumbent governor in the second round.

Although Reforms-New Course has campaigned against several governors appointed by the president, Shumeiko reportedly has maintained good personal relations with Yeltsin. In a telephone conversation with Shumeiko on 23 October, the president praised the work done by Shumeiko's movement in the regions, ITAR-TASS reported.

Shumeiko's regional election strategy reflects his rivalry with others in the Yeltsin camp. According to the 14-20 November edition of *Obshchaya gazeta*, Shumeiko feels that his work for Yeltsin's re-election campaign was underappreciated and blames Chubais. Allies say Shumeiko hoped to gain a government post and was disappointed when Ivan Rybkin (who was speaker of the State Duma while Shumeiko headed the Federation Council) was recently appointed Security Council secretary.

In addition, Shumeiko's support for challengers against some incumbents backed by Chernomyrdin and the presidential administration reflects his own presidential aspirations. He told *Nezavisimaya gazeta* on 19 September, "Today's governors will choose the next president." Shumeiko's strategy shows that far from being a simple battle between "reformers" and "oppositionists," the current series of regional elections in Russia is also a battle among various pro-Yeltsin forces for influence among the regional elite. -- Laura Belin

REGIONAL ELECTIONS UPDATE

OPPOSITION CANDIDATE REJECTS PRESIDENTIAL APPOINTMENT. Nikolai Kondratenko, the opposition candidate for the 27 October gubernatorial election in Krasnodar Krai, has refused to be appointed governor by President Yeltsin, *Izvestiya* reported on 13 November. The Communist Party leadership approved the proposition made by the presidential administration, the newspaper says. Kondratenko finished first in the gubernatorial race, receiving almost 58% of the vote and outpolling the incumbent, Nikolai Yegorov, by more than 30%. However, the election results were declared invalid due to low turnout: only 43% of the population voted instead of the 50% required by law. The new election is scheduled for 22 December. If the minimum turnout is not lowered, the election is likely to fail once again. The krai legislature is ready to change the law, but the newspaper doubts that Yegorov will sanction a turnout reduction since his chances to be re-elected are already extremely low. The leadership of the regional legislature and several political parties asked the federal authorities to remove Yegorov after he had failed to secure re-election. -- Anna Paretskaya in Moscow

OPPOSITION, "PARTY OF POWER" MAY ENDORSE SOLE CANDIDATE TO CHALLENGE KORZHAKOV. The pro-government Our Home Is Russia (NDR) movement and the opposition Popular Patriotic Union of Russia may nominate a sole candidate to compete with the former chief of the Presidential Security Service, Aleksandr Korzhakov, in the February 1997 Duma by-election in Tula Oblast, *Moskovskii komsomolets* reported on 18 November. The two movements may agree on nominating Vladimir Kostyuchenko, first deputy chairman of the Russian Union of Afghan War Veterans (RSVA) to run against Korzhakov, who was the first candidate to be officially registered for the vote (see *OMRI Daily Digest*, 15 November 1996).

The newspaper argued that Kostyuchenko has a fairly good chance of defeating Korzhakov. First, the regional leadership of the Communist Party and another potential candidate from the opposition, Agrarian Union Chairman Vasilii Starodubtsev, as well as NDR Duma faction leader Sergei Belyaev have expressed their support for Kostyuchenko's candidature. Second, Kostyuchenko himself and RSA are fairly popular in the region which hosts many military units. Finally, the popularity of former Security Council Secretary Aleksandr Lebed, who had endorsed Korzhakov as his replacement in the Duma, has decreased in the oblast. Voters apparently want a deputy who will actually represent their interests in the parliament rather than become involved in politicking.

Additionally, *Moskovskii komsomolets* declared that the opposition and "party of power" have experience in cooperating: gubernatorial candidates in Leningrad, Magadan, and Kaluga oblasts and Altai and Stavropol kraia who were initially endorsed by the opposition also received support, though sometimes unofficially, from the pro-government movements. Those candidates, who won in their regions, received substantial financial support from various sources and were actively promoted by the regional media. -- Anna Paretskaya in Moscow

RUTSKOI TO QUIT POLITICAL PARTIES. Recently elected Kursk Oblast Governor Aleksandr Rutskoi has announced his intention to retire from all other positions, including the leadership of the Derzhava movement and the opposition coalition Popular Patriotic Union of Russia (NPSR), *Moskovskii komsomolets* reported on 14 November. Rutskoi was elected governor with the support of the NPSR, whose other candidate, the local Communist leader Aleksandr Mikhailov, withdrew from the race in Rutskoi's favor the day before the election. The newspaper suggested that the local and central leadership of the NPSR and the Communist Party must be worried by Rutskoi's move as well as his willingness to cooperate closely with the federal authorities. Moreover, the leader of the Independent Trade Union Federation (FNPR), Mikhail Shmakov, has accused Rutskoi of disrupting the union's 5 November protest rally in the oblast, *Pravda-5* reported on 19 November. Rutskoi, whose candidacy was backed by the trade unions, prohibited any protest demonstrations in the oblast on the day of the trade unions' nationwide rally. -- Anna Paretskaya in Moscow

LOCAL ELECTIONS CANCELED IN BRYANSK. The Supreme Court has canceled the elections of administration heads of settlements below the city level in Bryansk Oblast, the oblast electoral commission secretary, Tamara Morozova, told OMRI on 15 November. The case, which was initiated by a deputy of the Bryansk Oblast legislature, Anatolii Chumachenko, was initially rejected by the oblast court. Morozova said that the decision was spurred by the absence of legislation on local administration heads and their election. In many cases, the local leaders were opposed by their immediate subordinates and have already incurred campaign expenses, ITAR-TASS reported. The elections were scheduled for 8 December along with the gubernatorial poll and a host of other regional elections. Despite a shortage of money, the balloting will take place on time, Morozova said. Only 1 billion rubles out of the 20 billion earmarked for the elections have been transferred to the electoral commission. -- Anna Paretskaya in Moscow

PROVINCIAL CHRONICLES

REACTION TO ACCUSATIONS OF "LEGAL SEPARATISM" IN TATARSTAN. Presidential Chief of Staff Anatolii Chubais's criticism of "legal separatism" by members of the Russian Federation at a conference in Moscow provoked a strong response in Kazan (see *OMRI Russian Regional Report*, 6 and 13 November 1996). The local newspaper *Kris* published an article under the headline "Chubais in the role of Ivan Terrible" on 10 November. The paper argued that Chubais is only the latest to propose that Russia follow its own path--this time suggesting the adoption of authoritarian federalism. The weekly *Kazanskoe vremya*, in its 8-14 November issue, cited the speaker of Tatarstan's State Council (parliament) and the deputy speaker of the Federation Council, Vasilii Likhachev, as saying: "Today regions do not have any particular incentive to trust a federal government that demonstrates political and intellectual impotence." -- Midkhat Farukshin in Kazan

KOSTROMA TO HOLD REFERENDUM ON NUCLEAR POWER PLANT. A referendum on the construction of a nuclear power plant will be held in Kostroma Oblast on 8 December, the day of the gubernatorial election, ITAR-TASS reported on 13 November. The construction of the Chornobyl-type nuclear

plant, which was started almost 10 years ago, was frozen following public protests. Activists of the environmental movement In the Name of Life started to collect signatures in order to stop the construction of the power plant in the early 1990s, and then began to work for a referendum according to the provisions laid out in the constitution adopted in 1993. Supporters of Governor Varelii Arbuzov, who has been in favor of the plant's construction for four years, fear that the inclusion of the referendum on the ballot threatens his chance of winning a second term. -- Ritsuko Sasaki

NAMES OF SOVIET-ERA VICTIMS PUBLISHED. The Belgorod Victims of Illegal Repressions Association has published a book that contains the names of approximately 1,000 Belgorod Oblast residents who were executed between 1920 and the end of the 1950s, ITAR-TASS reported on 19 November. The book includes photos and documents such as arrest warrants and quotations from interrogation transcripts. The association, which prepared the book in cooperation with the local branch of the Federal Security Service, points out that more than 45,000 people were killed in Belgorod Oblast during those years. Meanwhile, the Ulyanovsk Oblast Procurator's Office has also prepared such a book for publication, *Nezavisimaya gazeta* reported on 15 November. The book contains more than 11,000 names of victims persecuted by the Soviet regime in the region between 1918 and the end of the 1960s. -- Nikolai Iakoubovski

TAX COMMISSION FEVER IN REGIONS. The creation of the state emergency tax commission (VChK) in October and its influence on persistent tax non-payers has prompted a number of regions, which are plagued by tax arrears, to set up similar bodies. One such commission has recently been formed in Primorski Krai. It is chaired by the local governor, Yevgenii Nazdratenko, and includes representatives of the regional branches of the Federal Tax Service and Tax Police, Treasury, Central Bank, Property Committee, Bankruptcy Committee, Customs Committee, and Federal Security Service, *Kommersant-Daily* reported on 16 November. A Primorski Krai "VChK" official said that the tax arrears of local organizations to the consolidated budget now total 1.46 trillion rubles (\$267 million), and payments are now delayed by about eight to 10 months. Aleksandr Rutskoii, the newly elected governor of Kursk Oblast (where tax arrears to the budget total 1.37 trillion rubles, and 1.32 trillion rubles to the State Pension Fund) followed suit by setting up a regional commission on emergency management. Russian TV (RTR) reported on 15 November that an emergency tax commission was also established in Novosibirsk Oblast, where companies' debts to the budget total 990 billion rubles). Some observers argue, however, that the true reason behind the formation of local emergency tax commissions may be the governors' intentions of further strengthening their influence in their regions. -- Natalia Gurushina

"DONOR" REGIONS DEMAND CHANGES IN ECONOMIC POLICY. The leaders of the so-called "donor" regions (i.e. net contributors to the federal budget, forming some 60% of budgetary revenue) have sent the federal government a letter in which they call for changing policy towards economically advanced regions, Radio Rossii reported on 15 November. The letter echoed and developed suggestions made at the meeting of the "donor" regions' leaders in Nizhnii Novgorod on 7 November. Regional leaders suggested that all regions should get equal treatment by the government, regardless of their status. The government should also discontinue the practice of signing budgetary deals with individual territories. The leaders proposed temporarily freezing mutual debts between fuel and energy companies and regions, tightening tax and payments discipline, and cutting energy and fuel prices. The authors of the letter emphasized the importance of implementing presidential decree no. 292 from February 1996, which stipulates the transfer of federal equity stakes in privatized companies to regions as a way of repaying the budgetary debt to those regions. This eagerness can be explained by the fact that in September the president allowed local governments to keep up to 90% of revenue received from the sale of those shares. In 1996, there were 14 "donor" regions in Russia. However, next year their number is likely to drop to 10 (including Moscow, Bashkortostan, Tatarstan, Krasnoyarsk Krai, Khanty-Mansi and Yamal-Nenets autonomous okrugs, and Lipetsk, Nizhnii Novgorod, Samara, and Sverdlovsk oblasts). -- Natalia Gurushina

VLADIVOSTOK ADMINISTRATION TO CHANGE BANKS. Vladivostok Mayor Viktor Cherepkov said on 13 November that his office intends to hold a competition to determine which banks will handle the city's finances, *Kommersant-Daily* reported on 15 November. Cherepkov first announced the competition in early

October, shortly after he was reinstated as mayor, but his first deputy, Igor Chernyanskii, said subsequently that the administration has no plans to change institutions and would continue to use the Primore Bank, Dalrybbank, the Far Eastern Bank, the First Primorskii Bank, and the Vladivostok branch of Inkombank. Cherepkov's decision to move the city administration's accounts is presumably motivated by a desire to weaken the influence of groups linked with Primorskii Krai Governor Yevgenii Nazdratenko and the former Vladivostok administration head, Konstantin Tolstoshein. According to Cherepkov, the results of the competition will be announced in December. He also reiterated his intention to keep 8% of the city budget in a Moscow bank. -- Penny Morvant

MOSCOW INTENDS TO TIGHTEN CONTROLS ON FOREIGN LABOR. The Moscow authorities intend to restrict the number of foreign workers in the capital and crack down on the illegal use of foreign labor, *Segodnya* reported on 15 November. Deputy Mayor Valerii Shantsev said that regulations governing guest workers should be tightened despite the risk that such a policy would result in an increase in the number of foreigners working in Moscow illegally. Shantsev said that foreign companies involved in the city's construction industry--the sphere where the largest number of foreigners are employed--should allocate at least a quarter of their workplaces to Muscovites. According to the head of the city's migration service, Sergei Smidovich, about 38,000 foreigners are currently registered as working in the capital. But another half a million people--primarily from Belarus, Moldova, Central Asia, and Ukraine--are thought to have worked illegally in Moscow this spring and summer. Unemployment in Moscow has grown in recent months, but it is still very low: the head of the Moscow government's Department for Labor and Employment was quoted by *Delovye lyudi* (no. 71) as saying that 0.7% of the working population are currently registered as unemployed. -- Penny Morvant

HIGH UNEMPLOYMENT IN KARELIYA. About 32,000 people, or more than 6% of the working population, are officially registered as unemployed in the northwestern republic of Kareliya, Radio Rossii reported on 18 November. In an increasing number of families, both breadwinners are out of work. Nationwide, about 3% of the working population are registered as unemployed with the state employment service; unemployment measured on the basis of survey data is considerably higher--about 9%. The employment fund in Kareliya is owed about 30 billion rubles from local enterprises and organizations and is only now paying unemployment benefits for June. The crisis has forced the Labor Ministry to address an open letter to Kareliyan employers asking them to pay their debts to prevent any further increase in social tension. -- Penny Morvant

EBRD TO FINANCE SUPERMARKETS' CONSTRUCTION IN MOSCOW. The EBRD has signed an agreement with the closed joint-stock company Perekrestok, stipulating that the bank will finance the construction of 20 supermarkets in the Moscow suburbs, *Kommersant-Daily* reported on 20 November. The total cost of the project is expected to be \$100 million, of which \$42 million will be provided as a loan from the EBRD and another \$17.5 million as a credit from a consortium of four foreign banks (Nederlandse Financierins-Maatschappij voor Ontwikkelingslanden, Cooperatieve Centrale Raiffeisen-Boerenleenbank, Bank Austria, and Bank Przemyslowo-Handlowy S.A.). According to Perekrestok officials, domestic producers will supply the bulk of goods to new supermarkets. -- Natalia Gurushina

Compiled by Laura Belin

REGIONAL PROFILE: KURGAN OBLAST

Candidates for 24 November Gubernatorial Election

Governor **Anatolii Sobolev** was appointed in August 1995. From 1988 to 1995, he served as first deputy chairman of the Kurgan executive committee and first deputy Governor of Kurgan Oblast. He is supported by the All-Russian Coordinating Council seeking to elect pro-Yeltsin governors.

The main opposition candidate is **Oleg Bogomolov**, the chairman of the Oblast Duma. Bogomolov is backed by the regional branch of Gennadii Zyuganov's Popular Patriotic Union of Russia. Bogomolov chaired the

Oblast Soviet from February 1992 until it was disbanded in October 1993, and was elected chairman of the Oblast Duma in April 1994. In 1993, he won a seat in the Federation Council, placing first with 48.17% of the vote. In the current upper house of parliament he is chairman of the Committee on CIS Affairs.

Another candidate is **Anatolii Koltashev**, manager of a joint-stock company. An opinion poll conducted by local sociologists shows **Bogomolov** leading with 22% followed by **Koltashev** with 14.3% and **Sobolev** with 13.2%, ITAR-TASS reported on 12 November.

Brief Overview

Kurgan Oblast is located in the south of the West Siberian Plain, bordering Kazakstan, in the Tobol basin. Once covered with steppe vegetation, most of the oblast is now used for agriculture. Agriculture and processing of agricultural products dominates the economy of the oblast; the main crop is spring wheat, but rye, oats, and corn are also grown. The oblast's capital Kurgan is linked to Yekaterinburg, Omsk, and Chelyabinsk by railway, as well as to the shipping routes of the Ob-Irtysh system by the navigable Tobol River. Parts of the oblast have suffered from radioactive contamination caused by nuclear accidents in adjacent Chelyabinsk Oblast.

Basic Facts

1995 Population (est.): 1,116,800 (0.75% of Russian total)

Industrial production as percentage of all Russian production (Jan.-Aug. 1995): 0.42%

Agricultural production as percentage of all Russian production (1994): 1.18%

Average personal income index in July 1995: 53 (Russia as a whole: 100)

Price basket index in July 1995: 89 (Russia: 100)

Average back wages owed per person (September 1995): 57,000 rubles (Russian average: 37,100)

Urban population: 54.8% (Russia overall: 73.0%)

Student population (1993): 119 per 10,000 (Russia overall: 171/10,000); pensioner population (1994): 24.66%

Percent of population with higher education (1989 census): 7.2% (Russia overall: 11.3%)

Percent of population working in (1993): Industry: 25.6% (Russian average: 29.9%); Agriculture: 24.0% (12.8%);

Trade: 8.2% (9.1%); Culture: 11.5% (13.6%); Management: 2.4% (2.3%)

Number of telephones per 100 families (1993): in cities: 29.6 (Russian average: 41.5); in villages: 23.5 (17.2)

According to a 1995 survey by Bank Austria, the oblast is 37th among Russia's 89 regions in terms of investment climate.

Electoral History

1996 Presidential Election

Yeltsin: 29.25%/43.41% (first round/second round)

Zyuganov: 37.53%/50.22%

Lebed: 11.14%

Zhirinovskiy: 9.99%

Yavlinskii: 6.61%

Turnout: 74.02%/72.08% (Russia overall: 69.67%/68.79%)

1995 Parliamentary Election

Communist Party of the Russian Federation: 22.20%

Liberal Democratic Party of Russia: 19.59%

Agrarian Party of Russia: 8.14%

Our Home Is Russia: 6.94%

Communists-Workers' Russia: 6.31%

Women of Russia: 3.55%

Party of Workers' Self-Government: 3.49%

Yabloko: 3.16%

In a single-member district: 1 independent

Turnout: 69.6% (Russia overall: 64.37%)

1993 Constitutional Referendum

"Yes" - 56.00% "No" - 41.84%

1993 Parliamentary Election

Liberal Democratic Party of Russia: 23.72%

Women of Russia: 15.53%
Communist Party of the Russian Federation: 12.62%
Russia's Choice: 11.60%
Agrarian Party of Russia: 11.39%
Democratic Party of Russia: 7.35%
Party of Russian Unity and Concord: 5.58%
Yabloko: 4.00%
From electoral associations: 1 Communist Party of the Russian Federation
In single-member districts: 1 New Regional Policy, 1 Russian Way
Turnout: 61.21% (Russia overall: 54.34%)

1991 Presidential Election

Yeltsin: 52.26%
Ryzhkov: 25.07%
Zhirinovskiy: 7.71%
Tuleev: 4.08%
Makashov: 3.26%
Bakatin: 2.38%
Turnout: 81.73% (Russia overall: 76.66%)

Sources: *Goroda Rossii [Cities of Russia]*, Moscow: Bolshaya Rossiiskaya Entsiklopediya, 1994; *Rossiiskie regiony nakanune vyborov-95 [Russian regions on the eve of 1995 elections]*, Moscow: Yuridicheskaya Literatura, 1995; *Itogi vyborov 17 dekabrya 1995 goda po regionam [Results of the 17 December 1995 elections, regional breakdown]*, Moscow: Panorama, 1996; *Vybory deputatov Gosudarstvennoi Dumy 1995 [State Duma elections 1995]*, Moscow: Central Electoral Commission, 1996; S.A. Nagaev and A.Woergoetter: *Regional Risk Rating in Russia*, Vienna: Bank Austria, 1995.
Compiled by **Silja Haas and Anna Paretskaya**.

BRYANSK SPECIAL REPORT

BRYANSK'S CHOICE: TWO FORMER GOVERNORS CHALLENGE INCUMBENT FOR THEIR OLD JOB

Bryansk Oblast will hold a gubernatorial election on 8 December. Although eight candidates have been registered to compete, only three of them, the incumbent Aleksandr Semernev, and two of his predecessors, Yurii Lodkin and Vladimir Barabanov, are considered to have a chance.

Bryansk Oblast has had four governors since the establishment of the institution of regional administrative heads in 1991. Vladimir Barabanov held the position twice. First, he was appointed to the post by President Boris Yeltsin in December 1991. In April 1993, he lost the gubernatorial election to Yurii Lodkin, who was endorsed by the Communists. Although Lodkin had been popularly elected, Yeltsin removed him from his position in October that year for opposing the president in his conflict with the Russian Supreme Soviet. The reliable Vladimir Karpov replaced Lodkin but was sacked for abuse of office in the summer of 1995. Yeltsin then called on Barabanov to take the office for a second time. However, during the 1996 presidential campaign, he was removed, allegedly for the misuse of budgetary funds. However, his dismissal was more likely related to his inability to induce regional voters to support the president's re-election. (Bryansk, after supporting Yeltsin for president in 1991, later became a stronghold for the opposition.) Semernev, who had worked in the oblast administration under then Governor Karpov and been sacked by his boss for disobedience, was appointed to replace Barabanov on 19 June, three days after the first round of the presidential poll.

Lodkin is the only one of the three front-runners who has the official backing of a political party. The Communist Party of the Russian Federation (KPRF) and the regional opposition movement Patrioticheskaya Bryanshchina have thrown their support behind him. The incumbent Semernev and Barabanov were nominated by non-partisan initiative groups. However, the regional administration's press officer, Valerii Krukovskii, told OMRI that Semernev is backed by Rodnaya Bryanshchina-Edinstvo, a political association which consists of regional branches of the pro-reform Our Home Is Russia, Russia's Democratic Choice, and Reforms-New Course.

Additionally, Krukovskii claimed that some local branches of the KPRF and their leaders support Semernev. For example, former Communist Party Oblast First Secretary Anatolii Voistrochenko is touring the oblast, campaigning for the incumbent on the grounds that voters should back those who are honest, trustworthy, and able to fight for and defend the interests of Bryansk Oblast and the fatherland.

Although opinion polls show Lodkin is the favorite, the Bryansk opposition movement is divided. While Communist Party leader Gennadii Zyuganov and the KPRF central leadership support Lodkin, the first secretary of the oblast KPRF organization and Bryansk Duma deputy Oleg Shenkarev has announced his retirement from his party post in protest against the Communists' decision to support Lodkin for governor. Shenkarev argues that Lodkin has always been a demagogue and that despite being the oblast governor for six months, does not have enough managerial experience to rescue the oblast from its dire economic situation. Moreover, Shenkarev believes that Lodkin will not be able to establish good relations with the central government which may reduce the federal government's willingness to provide financial support to the oblast, *Bryanskie izvestiya* reported on 15 November.

However, Lodkin told OMRI the next day that Shenkarev had opposed his bid because he himself wanted to be endorsed for governor and was insulted that only two out of 36 delegates at the regional KPRF organization's conference voted for his nomination, while Lodkin received the support of 31 delegates.

Although he admits that Semernev, as the incumbent, has better financial and organizational resources for the campaign, Lodkin believes he can defeat his main rival in the first round since the Communists are now popular among the local electorate. Zyuganov received almost 50% of vote in the first round of the presidential election and added 9% in the run-off. Additionally, Lodkin believes that Semernev, because of his short term in office, lacks connections in the federal government, while he, after being a Federation Council member in 1993-1995 and a Duma deputy since, has acquired strong ties in both legislative and executive institutions which will not only help him to win the election but also to promote the oblast's interests afterwards.

In the meanwhile, Semernev, using the advantages of incumbency, has signed a plan for the oblast's economic development for the period 1997-2000 with Prime Minister Viktor Chernomyrdin. According to the plan, the oblast will receive additional funds for developing its railways, restructuring military enterprises, and

investing in light industry. The plan is Semernev's main achievement during his short term in office and his main card in the electoral campaign.

In contrast, the chances of Vladimir Barabanov seem to be much weaker. It is likely that many voters remember him as a weak and unsuccessful administrator and connect the time of his rule with a worsening of the oblast's economic situation. Moreover, he has already lost two elections to Lodkin: the gubernatorial election of April 1993 and the Federation Council election in December 1993. – Anna Paretskaya in Moscow

BRYANSK'S EMBATTLED ECONOMY

One of the principal issues in the Bryansk election campaign is the economy. Local industry is in crisis, unemployment and hidden unemployment are high, and wages are low and frequently delayed.

Bryansk Oblast has a high concentration of heavy industry and enterprises serving the defense industry, which, as elsewhere in Russia, have adapted poorly to the collapse of the USSR and the transition to a market economy. The market in Ukraine for diesel engines for ships, for example, one of the key products of the massive Bryansk Machine-building Works, has collapsed. Defense orders have been sharply curtailed, and the government is behind in paying for goods produced. The Bryansk Machine-building Works used to employ 20,000 people, and the Bryansk Auto Works 18,000. Now they and other industrial giants are standing idle, unable to pay their workers or taxes. The oblast is reliant on the federal budget for about half its funds.

Registered unemployment was 5.6% at the end of September, up 20% from the previous year, according to the Bryansk statistical committee. (The equivalent figure for the Russian Federation as a whole was 3.4% in September 1996.) Thousands more workers were on unpaid administrative leave or did not register with the state employment service.

According to Valerii Krukovskii, the oblast administration's press officer, workers in joint-stock companies are owed up to six months wages. Public-sector workers have often had to wait three to four months for their wages, and pensioners in some districts three months. Compensation payments for those affected by the Chernobyl nuclear accident have also been delayed as has the financing of capital investment programs. Bryansk's southwestern districts, which border on Ukraine and Belarus, were badly contaminated by radiation from Chernobyl.

The average wage in Bryansk in August was 466,900 rubles (\$85), considerably lower than in the main cities of neighboring oblasts. The average figure for Russia as a whole was 831,000, according to Goskomstat. But prices are also lower: the basic 19-item consumption basket cost 203,900 rubles in Bryansk at the end of September, compared with 286,700 in Moscow. Nevertheless, in the first eight months of the year, 34% of the oblast's residents were living below the poverty line, while in Russia as a whole, 22% were below the poverty line during the first nine months of the year.

Political instability is another reason for Bryansk Oblast's poor economic situation. Krukovskii argues that the rapid turnover of governors since the collapse of the USSR has made businesses reluctant to invest in Bryansk, despite its relative proximity to Moscow and good road and rail connections.

Attracting investment is one of the mainstays of Aleksandr Semernev's economic policy. In the summer of 1996, shortly after his appointment as governor, he described his main priorities as "Investment--Employment--Stability," the local government organ *Bryanskie izvestiya* reported on 24 August. Semernev's goals also included integrating Bryansk more fully into the Russian banking system in the hopes of securing more credits, encouraging exports, and promoting entrepreneurial activities. Both Semernev and his main rival, Communist candidate Yurii Lodkin, stress the importance of signing an economic power-sharing agreement with the center.

In the industrial sphere, Lodkin gives first priority to food processing, arguing that it is not feasible to support the heavy industrial dinosaurs in current circumstances. He also emphasizes light industry, noting that the sector used to account for about 30% of local tax receipts. Lodkin would also support construction and a gasification program. He told OMRI that in rural areas affected by Chernobyl, gas supplies are needed to prevent further radiation contamination through the burning of radioactive timber. Lodkin's priorities in the social sphere are health care and education. -- Penny Morvant

ETHNIC CONFLICT

SEPARATISM THREATENS KABARDINO-BALKARIYA

On 17 November, a congress of the Balkar people issued the latest in a series of declarations creating a sovereign Balkar Republic, separate from the current Kabardino-Balkariya Republic, within the Russian Federation. It created a ruling State Council under National Council of the Balkar People Chairman Lt. Gen. (ret.) Sufyan Beppaev, formerly the head of the Transcaucasus Military District. That night, Kabardino-Balkariya President Valerii Kokov, running unopposed in the 12 January 1997 election, forcefully denounced the move as violating the republic's constitution and threatening to start a new war in the troubled North Caucasus.

The Balkar separatist leaders were brought in for a discussion with local authorities on 18 November. The sessions had no results since the separatists claimed to be acting in general accordance with the Russian constitution. The republic's parliament then shut down all the organizations involved and sealed their offices. A delegation of Russian State Duma deputies, who arrived a few days later, found the situation calm. But the crisis is unlikely to end quickly or easily.

Many of the current problems arise from Stalin's actions earlier this century. He created the Kabardino-Balkariya Autonomous Oblast in 1922 from the two peoples who speak different languages and represent different cultures. The purpose was to create a system of "checks and balances" that would impose a stability favorable to Moscow's rule. Complicating the situation further was Stalin's 8 March 1944 decision to deport many of the Balkars to Kazakstan and Kyrgyzstan for allegedly cooperating with the Nazi invaders and turn over their territory to the Kabardiyans. When some of them returned in 1956, they were not allowed to rebuild their former homes but were dispersed throughout the republic. In 1989, the Balkars made up only 9.4% of the republic's population of 760,000 (outnumbered by the Kabardiyans and Russians) and believe they have been treated unjustly and are the objects of discrimination.

In December 1991, the Balkars voted in a referendum to set up a separate republic and have renewed their claim in successive years. The Congress of Kabardiyans, in contrast, objected to Balkar demands for the restoration of the pre-1944 territorial-administrative divisions in the republic. The Kabardiyans have pressed for a separate republic along the ethnic borders as defined in 1863, according to *Nezavisimaya gazeta* on 21 November. Between 1863 and 1944, many of the Balkars moved from their traditional mountain habitats to the flat lands where the Kabardiyans live.

The Kremlin and the Kabardino-Balkariyan authorities have taken some steps to ameliorate the situation. On 3 March 1994, Yeltsin signed a decree rehabilitating the Balkar people, reviving Balkar cultural heritage, providing special pensions to deportees, and calling for the repatriation of those still living abroad. On 8 March of that year, President Kokov reinstated the territorial divisions that had existed before the 1944 deportation. The ethnic makeup of the republican government is also set up to avoid conflict. The president is a Kabardiyans, the prime minister is a Balkar. The speaker of one house in the bicameral legislature is Balkar while the other is Kabardiyans.

Back in 1991, when Beppaev was the commander of the Transcaucasus Military District, he is thought to have handed over numerous weapons to the Georgians, and was eventually fired for theft, *Segodnya* reported on 23 November. He then took up the Balkar cause. He had close ties to the late Chechen separatist leader Dzhokhar Dudaev, who in a February 1995 telephone conversation monitored by the security services called on Beppaev to declare a separate Balkariya to start an "anti-imperial" war throughout the North Caucasus, according to *Kommersant-Daily* on 21 November. He has now gone underground and was not available to speak to NTV. The authorities say that he is a puppet controlled by unidentified foreign forces and has little support even among his own people. In a 1994 referendum, about 90% of the Balkars voted to stay in a united republic.

Russian observers argue that the deterioration of the Kabardino-Balkariyan situation could lead to more violence across the region. Russia has a great interest in maintaining the peace so that it can pump Caspian Sea oil through the area to Novorossiisk, reducing the need for alternative pipelines through Georgia. -- Robert Ortung

REGIONAL ELECTIONS UPDATE

NORTHERN OKRUGS, CHUBAIS OPPOSE TYUMEN INCUMBENT; CHERNOMYRDIN BACKS HIM. The governors of oil-rich Khanty-Mansi Autonomous Okrug and gas-rich Yamal-Nenets Autonomous

Okrug oppose the election of Tyumen Governor Leonid Roketskii to another term because he is against their separatist ambitions, according to an analysis by Nataliya Arkhangelskaya in *Kommersant-Daily* on 22 November. The leaders of the okrugs and Roketskii have been unable to agree on a charter for the oblast. After former Fuel and Energy Minister Yurii Shafranik decided not to run, however, experts believe that none of the six other candidates have much chance against the incumbent. Although the governors of the northern okrugs have agreed to support the oblast elections in the okrugs, it would be difficult for the new governor to hold the oblast together if voter turnout in the okrugs is less than 25%.

The dispute in the oblast has widened in part because Moscow politicians stand on different sides, Arkhangelskaya argues. Prime Minister Viktor Chernomyrdin supports Roketskii because he gets along with him well, while Presidential Chief of Staff Anatolii Chubais backs the governors of the two okrugs, she claims. Chernomyrdin gave Roketskii money to pay back wages and pensions just before the oblast elections which, at one point, had been scheduled for 27 October. The money was spent for no effect because Chubais sat on the presidential decree naming the elections for that date until it was too late to get all the sides to agree to it, meaning the elections had to be pushed back two months, after which the voters will have forgotten about Chernomyrdin's generous offer. -- Robert Orttung

KRASNODAR KRAI ELECTORAL LAW CHANGED. The Krasnodar Krai Legislative Assembly has amended the regional electoral law reducing the minimum turnout for gubernatorial elections from 50% to 25%, *Segodnya* reported on 27 November. The results of the 27 October gubernatorial poll were invalid due to a turnout lower than required: 43% instead of 50%. A repeat election is scheduled for 22 December. It is likely that the same candidates, incumbent Nikolai Yegorov, opposition nominee Nikolai Kondratenko, and businessman Viktor Krokhal, will compete. The newspaper suggests that Kondratenko has the best chance to win the election. He finished first in the previous race with 57% of the vote, leading the second place finisher, Yegorov, by more than 30%. Moreover, Presidential Chief of Staff Anatolii Chubais, a well known opponent of his predecessor Yegorov, has backed Kondratenko, *Segodnya* noted. After the unsuccessful election, the administration offered to appoint Kondratenko as the krai governor, but he declined the offer (see *OMRI Russian Regional Report*, 20 November 1996). -- Anna Paretskaya in Moscow

ANALYSIS AND PREDICTIONS

PARTY OF POWER, OPPOSITION WORK TOGETHER FOR MUTUAL BENEFIT. An analysis of the campaign speeches of gubernatorial candidates shows that those backed by the administration often boast of their previous membership in the Communist Party of the Soviet Union, while opposition candidates speak of carrying out "real reforms" and defending democratic values, according to Yevgenii Krasnikov, writing in the 17-24 November issue of *Moskovskie novosti*. In places such as Saratov and Sakhalin oblasts, local branches of the Communist Party have worked to help elect the incumbent governors. In Kamchatka, Birobidzhan, and Khanty-Mansi, the incumbent was supported by Communists at the level of the Central Committee presidium. In the cases of Leningrad, Kaliningrad, Magadan, and possibly Kaluga, the Communists backed candidates who defeated the incumbent, but who do not support Communist ideology. Even new Kursk Governor Aleksandr Rutskoii, one of Yeltsin's staunchest opponents, has announced that he will leave the leadership of the NPSR and Derzhava and that he no longer supports Communist views. Clearly, the Communists are relatively moderate in their views of the administration, making cooperation possible. As a result, the Communists are coming closer to holding real power in the regions. -- Robert Orttung

PROVINCIAL CHRONICLES

NEW KALUGA GOVERNOR TO EXAMINE PRIVATIZATION DEALS. The new governor of Kaluga Oblast, Valerii Sudarenkov, intends to examine all privatization deals made in his oblast and overturn those in which state property was given away for next to nothing, ITAR-TASS reported on 22 November. He claimed that his actions will not constitute a revolution but merely ensure that the authorities act in accord with the law and

common sense. Sudarenkov has already fired the key officials responsible for agriculture, industry, social policy, and health care in the oblast. He hopes to revive the oblast economy without the aid of foreign investors. One of President Yeltsin's key themes in the presidential campaign was that if the Communists returned to power they would redistribute property, provoking a civil war. -- Robert Orttung

BASHKORTOSTAN CRACKS DOWN ON INVESTIGATIVE JOURNALISTS . . . The authorities in Bashkortostan, including republican President Murtaza Rakhimov, are harassing local journalists who write about corruption and nationalism among state officials, *Izvestiya* reported on 22 November. *Evening Neftekamsk* editor Eduard Khusnutdinov has fled fearing that he will be arrested for insulting the president. His paper has reported on alleged deals between Yeltsin and Rakhimov in which Yeltsin didn't investigate local wrong-doing in exchange for electoral support during the presidential campaign, corruption in the oil industry and local trade, and abuses by Rakhimov's relatives. Now the newspaper must be printed in Udmurtiya.

The republican Interior Ministry searched the offices of the local newspaper *Otechestvo* under the pretext of a bomb threat and removed all 9,000 copies of the paper's sixth issue and a list of distributors. The edition contained information about human rights violations in the republic, including the harassment of *Evening Neftekamsk*. When 5,000 copies were printed in Chelyabinsk, they were confiscated at the Bashkortostani border.

The article notes that Bashkortostan is trying to secure special status for itself within Russia so that it will be insulated from democratization pressures. -- Robert Orttung

. . . SEEKS TO EXPAND TRADE WITH GERMANY. On 21 November, Rakhimov asked the Russian Foreign Ministry to approve the opening of a German consulate in the republic's capital, Ufa, ITAR-TASS reported. Rakhimov said that the republic's foreign trade turnover was more than \$2.3 billion in 1995, up 65% from the previous year. Germany is Bashkortostan's main trade partner. There are 20 joint ventures with German involvement and offices for eight German firms registered in the republic. -- Robert Orttung

TATARSTAN EXPANDS FOREIGN RELATIONS. Tatarstan's president, Mintimer Shaimiev, made an official visit to Azerbaijan from 18-21 November, during which he met his Azerbaijani counterpart, Heidar Aliiev, addressed the parliament in Baku, and signed a number of economic agreements, *Segodnya* reported on 22 November. From 15-18 November Shaimiev was in Iran, where he met Iranian President Ali Akbar Hashemi Rafsanjani, ITAR-TASS reported. Iranian Trade Minister Yakhya al Eskhak and First Deputy Prime Minister of Tatarstan Ravil Muratov signed a trade agreement in Tehran. The Iranians are interested in oil equipment, shipbuilding, and the TU-214 plane, which is manufactured in Tatarstan. The text of the trade document was cleared in advance with the Russian Foreign Ministry, *Izvestiya* reported on 22 November. The head of the Foreign Ministry Department for Relations with Federation Subjects, Valentina Matvienko, told the paper that the ministry wants to promote direct ties between the regions and foreign states, and has its own representative offices in almost 20 regions of Russia, although a legal basis for such ties is currently lacking. -- Peter Rutland

KOMI, NENETS ENERGY CRISIS. Many local factories and housing facilities face daily power cuts in the Komi Republic, located above the Arctic Circle, ITAR-TASS reported on 24 November. The Pechora power station had to cut electricity generation by one-third following reductions in gas supplies from Severgazprom, a subsidiary of Gazprom, which is owed 175 billion rubles by the Pechora station. The regional power company Komienergo is in turn owed 1 trillion rubles by its customers. On 26 November, Severgazprom also warned that gas deliveries to the neighboring Nenets Autonomous Okrug would be halved from 28 November because of the region's unpaid debts, ITAR-TASS reported. There is speculation that this move may be designed to influence the outcome of the Nenets gubernatorial election which will take place on 1 December. -- Peter Rutland

IRKUTSK BATTLES ELECTRICITY MONOPOLY. The regional power company Irkutskenergo has successfully challenged the national electricity monopoly Unified Energy Systems of Russia (YeES Rossii) for the right to export electricity to Mongolia, *Kommersant-Daily* reported on 27 November. Irkutskenergo was privatized before the presidential decree in August 1992 which created the national company YeES Rossii. Irkutskenergo owns three large hydroelectric stations producing cheap energy, but YeES has been waging a "war" against its

offspring for the past two years—for example, forbidding it from exporting electricity to Mongolia by refusing it transit across Buryatiya. In 1995, Irkutskenergo took YeES to the State Anti-Monopoly Committee (GKAP) and then to court, and won the right to sell energy to Mongolia. In June 1996, YeES again cut access to the lines across Buryatiya, and Irkutskenergo again appealed to the GKAP. On 26 November, the GKAP ruled that YeES is exploiting its monopoly position and must allow the transit of power through Buryatiya. -- Peter Rutland

NDR TO HELP REGIONAL LEGISLATURES. Our Home Is Russia (NDR) Duma faction leader Sergei Belyaev has announced that the faction plans to cooperate with regional legislative institutions in law-making, *Kommersant-Daily* reported on 27 November. He proposed that Yaroslavl Oblast legislature deputies sign an agreement with the faction and promised assistance in promoting the Oblast Duma's legislative initiatives in both houses of the federal parliament. Additionally, the faction will lobby the oblast's interests in the federal government, Belyaev said. The NDR has signed a similar agreement with the Murmansk Oblast legislature as well. -- Anna Paretskaya in Moscow

GIANT SUPERMARKET IN VLADIVOSTOK YET TO OPEN. After five years of work, the Giant supermarket near Vladivostok (more than 100,000 sq. ft.) has yet to open, the *Vladivostok News* reported on 15 November. The Russian-U.S. joint venture has already sucked up millions of dollars, including \$9 million of U.S. taxpayers' money. The initial idea was to build a chain of 50 U.S.-style supermarkets across the Russian Far East over a 10-year period. A network of farms and food-processing plants was to supply the stores. Now the plan is for the Vladivostok store to open as well as a partially completed facility in Nakhodka. But even that is unlikely anytime soon as there are no funds available. Simply stocking the Vladivostok store will cost \$2 million. -- Robert Orttung

Compiled by Robert Orttung

SCHEDULE FOR DECEMBER REGIONAL ELECTIONS

1 December

Altai Krai Governor (second round)
Murmansk Oblast Governor (second round)
Republic of Khakasiya President
Ivanovo Oblast Governor
Samara Oblast Governor
Nenets Autonomous Okrug Governor
Taimyr (Dolgan-Nenets) Autonomous Okrug Governor
Ivanovo Oblast Legislative Assembly
Nenets Autonomous Okrug Deputy Assembly

6 December

Kaliningrad Oblast Duma

8 December

Kamchatka Oblast Governor (second round)
Kurgan Oblast Governor (second round)
Khabarovsk Krai Governor
Bryansk Oblast Governor
Kostroma Oblast Governor
Perm Oblast Governor
Voronezh Oblast Governor
Komi-Permyak Autonomous Okrug Governor
Bryansk Oblast Duma

15 December

Arkhangelsk Oblast Governor
Chelyabinsk Oblast Governor
Ryazan Oblast Governor

Vladimir Oblast Governor
15 December (continued)
Evenk Autonomous Okrug Governor
Vladimir Oblast Duma
Evenk Autonomous Okrug Legislative Suglan

22 December
Republic Marii El President
Krasnodar Krai Governor (second attempt)
Tyumen Oblast Governor
Volograd Oblast Governor
Chukotka Autonomous Okrug Governor
Chukotka Autonomous Okrug Duma

29 December
Kemerovo Oblast Legislative Assembly

December (date unknown)
Republic of Sakha (Yakutia) President
Astrakhan Oblast Governor
Ulyanovsk Oblast Governor
Republic of Khakasiya Supreme Council
Kostroma Oblast Duma
Magadan Oblast Duma
Nizhnii Novgorod Oblast Legislative Assembly
Orenburg Oblast Legislative Assembly
Penza Oblast Duma
Perm Oblast Legislative Assembly
Pskov Oblast Deputy Assembly
Agin Buryat Autonomous Okrug Governor

REGIONAL PROFILE: SAMARA OBLAST

Candidates for 1 December Gubernatorial Election

President Yeltsin appointed **Konstantin Titov** governor in August 1991. Titov, who is deputy chairman of Our Home Is Russia, is supported by the All-Russian Coordinating Council and is considered likely to win the race. In 1993, Titov was elected to the Federation Council winning 40.27% of the vote. In the current upper house of parliament, he chairs the Committee on Budget, Financial, Currency, and Credit Regulation, Monetary Emission, Tax Policy, and Customs Regulation. Besides, Titov is president of the regional association "Big Volga."

The incumbent's main rival is Communist candidate **Valentin Romanov**, the first secretary of the regional branch of the Communist Party of the Russian Federation. In December 1995, Romanov was elected to the State Duma from a single-member constituency where he joined the Communist faction.

Other Local Leaders

Chairman of Duma - Leon Kovalskii (elected in July 1994)

Brief Overview

Samara Oblast, in the middle Volga River area, covers a largely level plain on the Volga left bank and a small part of the hilly right bank. Natural oak woodlands and steppe have been plowed up since the 18th century, leaving soils severely suffering from erosion. The oblast's economy is dominated by the defense and petrochemicals industries as well as the extracting and processing of the oblast's natural oil resources. Energy is provided by a huge hydroelectric power station at Zhygulyavsk. The administrative center, Samara (named Kuibyshev between 1935 and 1991), is located at the confluence of the Samara and the Volga rivers and has excellent communications with European Russia and Siberia by train and along the Volga navigation system by ship.

Basic Facts

1995 Population (est.): 3,305,000 (2.23% of Russian total)
Industrial production as percentage of all Russian production (Jan.-Aug. 1995): 4.48%
Agricultural production as percentage of all Russian production (1994): 2.72%
Average personal income index in July 1995: 100 (Russia as a whole: 100)
Price basket index in July 1995: 105 (Russia: 100)
Average back wages owed per person (September 1995): 34,800 rubles (Russian average: 37,100)
Urban population: 80.4% (Russia overall: 73.0%)
Student population (1993): 198 per 10,000 (Russia overall: 171/10,000); Pensioner population (1994): 23.9%
Percent of population with higher education (1989 census): 11.2% (Russia overall: 11.3%)
Percent of population working in (1993): Industry: 35.6% (Russian average: 29.9%); Agriculture: 9.6% (12.8%);
Trade: 9.5% (9.1%); Culture: 11.0% (13.6%); Management: 1.8% (2.3%)
Number of telephones per 100 families (1993): in cities: 32 (Russian average: 41.5); in villages: 19.6 (17.2)
According to a 1995 survey by Bank Austria, the oblast is 6th among Russia's 89 regions in terms of investment climate.

Electoral History

1996 Presidential Election

Yeltsin: 36.13%/51.95% (first round/second round)
Zyuganov: 35.17%/42.69%
Lebed: 11.65%
Zhirinovskiy: 5.55%
Yavlinskii: 6.16%
Turnout: 69.85%/71.35% (Russia overall: 69.67%/68.79%)

1995 Parliamentary Election

Communist Party of the Russian Federation: 22.27%
Liberal Democratic Party of Russia: 12.26%
Our Home Is Russia: 11.94%
Yabloko: 5.05%
Congress of Russian Communities: 4.37%
Women of Russia: 3.99%
Communists-Workers' Russia: 3.91%
Party of Workers' Self-Government: 3.61%
Forward, Russia!: 3.24%
In single-member districts: 2 Communist Party,
2 Our Home is Russia, 1 Agrarian Party of Russia
Turnout: 63.57% (Russia overall: 64.37%)

1993 Constitutional Referendum

"Yes" - 54.67% "No" - 41.45%

1993 Parliamentary Election

Liberal Democratic Party of Russia: 19.67%
Communist Party of the Russian Federation: 16.44%
Russia's Choice: 16.29%
Women of Russia: 10.09%
Yabloko: 8.75%
Democratic Party of Russia: 6.74%
Agrarian Party of Russia: 6.33%
Party of Russian Unity and Concord: 5.74%
From electoral associations: 1 Liberal Democratic Party of Russia, 1 Communist Party of the Russian Federation, 1
Russia's Choice, 1 Democratic Party of Russia
In single-member districts: 4 New Regional Policy
Turnout: 53.39% (Russia overall: 54.34%)

1991 Presidential Election

Yeltsin: 67.98%

Ryzhkov: 13.62%

Tuleev: 4.7%

Makashov: 4.49%

Zhirinovskiy: 3.78%

Bakatin: 2.11%

Turnout: 76.3% (Russia overall: 76.66%)

Sources: *Goroda Rossii [Cities of Russia]*, Moscow: Bolshaya Rossiiskaya Entsiklopediya, 1994; *Rossiiskie regiony nakanune vyborov-95 [Russian regions on the eve of 1995 elections]*, Moscow: Yuridicheskaya Literatura, 1995; *Itogi vyborov 17 dekabrya 1995 goda po regionam [Results of the 17 December 1995 elections, regional breakdown]*, Moscow: Panorama, 1996; *Vybory deputatov Gosudarstvennoi Dumy 1995 [State Duma elections 1995]*, Moscow: Central Electoral Commission, 1996; S.A. Nagaev and A.Woergoetter: *Regional Risk Rating in Russia*, Vienna: Bank Austria, 1995. Compiled by Silja Haas and Anna Paretskaya.

ELECTIONS OVERVIEW

1 DECEMBER VOTE BOOSTS ADMINISTRATION SPIRITS

President Boris Yeltsin's administration got better news after the 1 December gubernatorial elections than it has been hearing in past weeks, with three incumbents winning and a fourth in a strong position going into the second round. The Congress of Russian Communities also did well, with one governorship in Murmansk and with former Security Council Secretary Aleksandr Lebed's brother set to win in Khakasiya. The Communists took Altai Krai in a close race, even though the region is traditionally considered strongly pro-opposition.

According to First Deputy Chief of Staff Aleksandr Kazakov, the administration has now won 19 of the 24 gubernatorial elections completed since 1 September, ITAR-TASS reported on 3 December. Kazakov arrived at this figure by counting the victorious incumbents and "strong managers." Only 12 incumbents have won to date, but the administration hopes that at least seven of the new governors will also support its policies. Moreover, according to presidential spokesman Sergei Yastrzhembskii, three of the five opposition governors (Kurgan's Aleksandr Rutskoi, Pskov's Yevgenii Mikhailov and Stavropol's Aleksandr Chernogorov) have already distanced themselves from the Communist bloc. Kazakov argued that the gubernatorial elections will not have any particular impact on the alignment of political forces in Moscow. In contrast, Communist Party leader Gennadii Zyuganov claimed on 3 December that only five candidates from the "party of power" had won so far and that changes in the Federation Council would significantly affect the Russian budget, the government's economic policy, and the fight against crime and corruption, ITAR-TASS reported.

Incumbents won in Samara, Kamchatka, and Ivanovo. Samara Governor Konstantin Titov easily defeated the leader of the Communist Party Obkom, Duma deputy Valentin Romanov, 62% to 31%, with a turnout of 52%. Both candidates were united in their opposition to the federal government's call to bankrupt AvtoVAZ, the large car manufacturer in the oblast that has a debt of 11 trillion rubles (\$2 billion), of which 2.9 trillion rubles is owed in federal taxes. But clearly Titov, with his vast network of connections in Moscow, was in a better position to keep the factory running. Indeed, just two days after the election, AvtoVAZ accepted First Deputy Prime Minister Vladimir Potanin's proposal to try to save the car-maker by selling a 50% share, possibly to BMW, Ford, or Opel. Titov also increased his popularity by paying pensions on time and increasing state employees' salaries 30% in the summer, *Kommersant-Daily* reported on 3 December. The opposition candidate only received two-thirds of the funds he was entitled to from the oblast budget and did not have equal access to the local media, but these infractions are unlikely to provide grounds for canceling the election results, *Segodnya* reported on 3 December.

Kamchatka Governor Vladimir Biryukov scored an easy victory (61%-28% with 34% turnout) after winning 48% in the first round, just short of the 50% necessary to win outright. The local authorities had discussed the idea of not holding a second round since the result was obvious, but they ultimately decided that they could not change the rules between rounds. The 63-year-old governor has had long experience leading his region.

Ivanovo Governor Vladislav Tikhomirov, who was named to the post nine months ago, handily defeated his competitor from Vladimir Zhirinovskiy's Liberal Democratic Party of Russia, Sergei Sirotkin, with a score of 50.12% to 24% and a 47% turnout. Tikhomirov won just enough votes to avoid a second round. Tikhomirov's victory was widely anticipated even though his region is one of the most dependent on federal handouts and its key textile industry is in a deep depression, *Kommersant-Daily* reported on 3 December. The LDPR candidate's second-place finish was a surprise as was the Communist-backed Ivan Pimenov's meager 14% vote share. Tikhomirov's victory is even more unusual since the rural electorate had the heavier turnout, and it usually backs the Communists.

Incumbent Nenets Autonomous Okrug Governor Vladimir Khabrov leads businessman Vladimir Butov 43% to 22%, with a 65% turnout, as they go into a runoff. Former Governor Yurii Komarovskii, fired by Yeltsin in March, ran a highly visible campaign, but did not make it into the runoff. The communist opposition did not even bother nominating a candidate, since the okrug has consistently voted for reform over the last five years, *Segodnya* reported on 29 November.

The poorly developed, sparsely inhabited northern region is important because it boasts extensive oil and gas reserves that are just about to be developed. Although the region is formally part of Arkhangelsk Oblast, in September the Nenets legislature decided that it would not participate in the Arkhangelsk gubernatorial or legislative elections, hoping to gain greater control over the revenue generated by its natural resources, just as the Khanty-Mansii and Yamal-Nenets autonomous okrugs hope to secede from Tyumen Oblast.

In Murmansk, the Congress of Russian Communities' Yurii Yevdokimov overcame an 11 point deficit in the first round to defeat incumbent Yevgenii Komarov in a runoff, 44% to 40%. More than 14% of voters voted against both candidates. Even Prime Minister Viktor Chernomyrdin's visit to the region to sign a power-sharing agreement with Komarov on 22 November did not help. The administration, however, made clear that it would be happy with either candidate, and the communists even threw their support behind the challenger Yevdokimov after their candidate took fifth place in the first round. Following the election, the new governor made it clear that he would work with the administration by announcing that he would cooperate with the North-West association of regions led by St. Petersburg Governor Vladimir Yakovlev, *Izvestiya* reported on 3 December. He also said that he would continue the economic reforms started by his predecessor, but -- in typical Lebed style -- that he would remove those bureaucrats who did not meet his moral and business requirements, ITAR-TASS reported.

The only Communist to win was the chairman of the Altai Krai Legislative Assembly, Aleksandr Surikov, who defeated incumbent Lev Korshunov, 49% to 46% with a 56% turnout (up from 48% two weeks ago), in the runoff. The small margin of victory for the Communist is surprising since Zyuganov had won in the krai by 20% in the presidential election. As in Murmansk, the administration's strategy of signing a power-sharing agreement with struggling governors was not sufficient. On 29 November, Korshunov signed an agreement in Barnaul, while Yeltsin signed a copy of the same text in Moscow, Radio Rossii reported.

Since nearly half the voters backed his opponent, Surikov will be forced to compromise. He vowed to gather a team of "professionals" that would develop a program to lift the krai out of its economic crisis. On 3 December, he even offered the defeated incumbent a position as his deputy, *Kommersant-Daily* reported on 4 December. In addition, Surikov has announced that the Legislative Assembly has approved the creation of a free economic zone in the German national raion. All companies operating in the zone will get a 10-year exemption from VAT and profit tax. This money will be used for the development of social infrastructure and high tech industries in the area, ITAR-TASS reported on 2 December. The purpose of the zone is to raise the standard of living in the raion to stop the outflow of ethnic Germans and to boost Russian and foreign investment in the krai.

Aleksei Lebed, Aleksandr Lebed's younger brother, won 45% of the vote in the first round of polls in the republic of Khakasiya, *Kommersant-Daily* reported on 3 December. In the second round, he will face businessman Yevgenii Reznik, who won 19%. The incumbent Yevgenii Smirnov won only 8% and was eliminated. The turnout, 51%, just barely topped the necessary 50% threshold, RIA Novosti reported.

Lebed formerly led an airborne regiment based in the republic and was elected to the Duma from there in 1995. His victory drew on the support of the Sayansk aluminum factory, the scandal surrounding an attempt to prevent him from registering because he had not lived in the republic for seven years, and his brother's fame. The senior Lebed, however, did not actively campaign for his sibling. The presidential administration intends to work with the likely new governor since Kazakov has already declared that the younger Lebed is not a member of the opposition.

Two days before the voting, local television reported that the local tax police had accused the republic's government of being involved in shady financial deals that had deprived the local budget of \$2 million, NTV reported on 30 November. The government responded by accusing the tax police of getting involved in politics, but the voters clearly believed the tax police. -- Robert Orttung

REGIONAL ELECTIONS UPDATE

SOLE CANDIDATE REMAINS IN KURGAN RUNOFF. Communist-backed Kurgan Oblast Chairman Oleg Bogomolov is the only candidate left in the oblast's 8 December gubernatorial run-off, Russian Public TV (ORT) reported on 2 December. Anatolii Koltashov, who had finished second with 32% support in the 24

November first round, withdrew from the race last week. As a result, incumbent Governor Anatolii Sobolev, who finished last with about 13% of the vote, was to replace Koltashov to challenge Bogomolov in the second round - but Sobolev also quit the race. The regional electoral commission ruled that the election will go ahead as scheduled. Bogomolov, who got 41% of the vote in the first round, will become governor if more people cast votes for him than against him. However, one of the commission members is preparing a court appeal, since it is illegal to stand for election unopposed. -- Anna Paretskaya in Moscow

MORDOVIYA HOLDS LOCAL "ELECTIONS." Mordoviya held mayoral elections on 27 November in the three cities that are directly subordinate to the republican government, Radio Rossii reported. According to the Mordovian constitution, the mayors are elected by the local legislatures from among their members at the recommendation of the republic's president. President Nikolai Merkushkin, who was elected last year, believed at that time that it was necessary to revamp the local leadership. Nevertheless, he retained the mayors of Ruzaevki and Kobylkina and replaced only the mayor of Saransk. In December, Mordoviya will elect raion administrators. Republican leaders, such as those in Udmurtiya, have been trying to appoint their own people to local posts, even though Russian law states that local leaders should be elected. -- Robert Orttung

TOGLIATTI REFERENDUM FAILS TO CHANGE NAME. Some 82% of the voters in Togliatti who participated in a 1 December referendum to change the city's name back to Stavropol-na-Volge opted to keep Togliatti, ITAR-TASS reported. The results are not legally binding since the turnout was 48.6%, just under the required 50%. The city held its original name from its founding as a fortress in 1783 to 1964, when the local communist authorities renamed the city following the death of Italian Communist Party founder Palmiro Togliatti. The city is well-known for its AvtoVAZ auto plant, which was begun in 1967 with the help of the Italian car-maker Fiat. In an unusual twist on the politics of names in Russia, the older generation supported the change but younger people opposed it since there is already a Russian city named Stavropol. -- Ritsuko Sasaki

ST. PETERSBURG LEGISLATIVE ELECTIONS MAY BE HELD THIS SPRING. The St. Petersburg city court has ruled that the deputies of the city's Legislative Assembly acted illegally in March when they extended their term by an additional two years until December 1998, *Kommersant-Daily* reported on 30 November. The deputies' term expires in December 1996, and there may be elections as early as this spring. Governor Vladimir Yakovlev fears the balloting may give former Mayor Anatolii Sobchak a chance to avenge his recent electoral defeat and even have himself elected as the speaker of the city legislature, earning him an automatic seat in the Federation Council. Sobchak has not been named as an ambassador or to any other prestigious post as had been expected after his electoral defeat. An electoral coalition called the Liberal-Patriotic Alliance, uniting nine parties at the local level including the Congress of Russian Communities, Forward, Russia!, the Free Democratic Party of Russia, and the Party of Economic Freedom, is already preparing for the elections, but it has yet to announce whether it will back Yakovlev or Sobchak. Sobchak was the speaker of the Leningrad Soviet from May 1990 to June 1991, when he was elected mayor following numerous disagreements with the other members of the soviet. -- Robert Orttung

ANALYSIS AND PREDICTIONS

'PARTY OF POWER' WINS IN ANY CASE. The "party of power" is the inevitable winner in all the regional elections taking place now, Leonid Ionin of the Higher Economic School wrote in the 3 December edition of *Nezavisimaya gazeta*. Though not everybody endorsed by the "party of power" gets elected in the regional elections, everyone elected governor eventually comes to support it, he wrote. As a result, the federal authorities are gaining strength even though many argue that the regional races are weakening them. Ionin asserted that the losers of the races are generally radicals of all kinds who are unable to achieve a wide consensus; dilettante politicians who feel good leading street rallies but are incapable of day-to-day managerial and organizational work; and ideologues whose opinions are too categorical and lack widespread support in the regions. Moreover, Ionin declared that the main struggle is not between the "party of power" and the opposition, but within the ruling party, to which both the winners and losers of the regional campaigns belong. The "party of power" does not yet have a significant

opponent, he concluded. -- Anna Paretskaya in Moscow

REGIONAL ELITE COUNTERWEIGHT TO CENTER. The main outcome of the gubernatorial elections is the emergence of a new political force, which is only weakly connected to any of the existing political parties, Zakhar Vinogradov wrote in *Nezavisimaya gazeta* on 26 November. The system of center-periphery relations that existed before the gubernatorial elections was similar to the one that had been in effect during the Soviet era: the central authorities appointed and dismissed regional executive leaders depending on how well they were complying with federal policy. Now people with their own, independent views on how to rule their regions, and Russia in general, are coming into power. Moreover, these regional politicians have extraordinary powers: they can independently appoint many lower level officials and, more important, manage financial resources, Vinogradov noted. Thus, they behave independently from the center and become accountable to their electorate and those who financed their electoral campaigns. He cited the new governors of Magadan and Kaliningrad oblasts, Valentin Tsvetkov and Leonid Gorbenko, as leaders who have already started to carry out policies independent from the center. Moreover, governors who were elected previously, for example Nizhnii Novgorod's Boris Nemtsov and Sverdlovsk's Eduard Rossel, may also begin to oppose the center even though they have been cooperating with Moscow to date. -- Anna Paretskaya in Moscow

SEPARATISM OF RICH REGIONS THE MOST DANGEROUS. There are three distinct separatist trends that could lead to the disintegration of the Russian Federation, Duma deputy Aleksandr Arinin from Bashkortostan argued in an interview published by *Kommersant-daily* on 29 November. First, there is a risk that regions located on Russia's periphery -- such as Kaliningrad Oblast, Primorskii Krai, and Sakhalin -- may fall under the influence of powerful international corporations or neighboring states. Second, there is the ethnic factor: republics defined on ethnic lines occupy 53% of the Russian Federation's territory, but the titular nation predominates in only seven of 21 national republics, mostly in the North Caucasus. Third, the threat of separatism looms in national republics that are rich in natural resources, such as Bashkortostan, Tatarstan, and Sakha (Yakutiya). These regions are less likely to be kept in place by the offer of subsidies from the central government and have already gained de facto juridical independence; many provisions of their laws and constitutions contradict those of Russia. Such legal separatism creates the basis for economic separatism. Power-sharing agreements grant these regions huge privileges, as in the case of Yakutiya, which has a monopoly on the mining and sale of diamonds. -- Nikolai Iakoubovski

PROVINCIAL CHRONICLES

BALKAR SEPARATIST LEADER PULLS BACK. The leader of the National Council of the Balkar People (NSBN) Sufiyan Beppaev has distanced himself from the council's 17 November Balkar Republic independence declaration (see *OMRI Daily Digest*, 18 November 1996), *Kommersant-Daily* reported on 29 November. He told the regional television network of Kabardino-Balkariya that the declaration was emotional and not well thought out. Beppaev also announced the dissolution of the NSBN, *Nezavisimaya gazeta* reported the next day. A source close to the NSBN suggested that Beppaev denounced the council's separatist claims after he had been offered a position in the republican government. Meanwhile, the republican branch of the Procurator General's Office is continuing its investigation of NSBN leaders. -- Anna Paretskaya in Moscow

FORMER VOLOGDA GOVERNOR ARRESTED. Former Vologda Oblast Governor Nikolai Podgornov has been imprisoned on charges that he abused his office and took bribes, *Izvestiya* reported on 29 November. A commission sent to the oblast by the Procurator General's Office determined that Podgornov had been misusing budgetary funds and opened a criminal case against him in February. In 1994, Podgornov and his allies illegally deposited in a bank 21.7 billion rubles (about \$4 million) allotted from the federal budget for the purchase of grain for the region. In turn, the bank granted the governor's associates large credits at favorable rates. Podgornov, who was sacked by President Yeltsin in May for violating laws and aggravating the social and economic situation in the region, may be sentenced to as many as 15 years in jail and the confiscation of his property. -- Anna Paretskaya

in Moscow

GOVERNOR TO QUIT COMMUNIST PARTY LEADERSHIP. Aleksandr Chernogorov, who was elected Stavropol Krai Governor in October, has announced his intention to retire from his positions as the krai's Communist Party leader and presidium member of the opposition Popular Patriotic Union of Russia (NPSR) regional branch, *Komsomolskaya pravda* reported on 30 November. However, he is going to remain a KPRF member, he said in an interview with NTV on 26 November. Earlier last month, newly elected Kursk Oblast Governor Aleksandr Rutsloi proclaimed his retirement from the NPSR leadership and Derzhava movement, which he had founded and headed. Chernogorov also told NTV that he is not going to blindly oppose the central government and that he plans to consult with and synthesize the opinions of both Prime Minister Viktor Chernomyrdin and KPRF and NPSR leader Gennadii Zyuganov in his work as a governor. He did not rule out the possibility of inviting former Governor Petr Marchenko, whom he defeated by 15 percentage points, to join the new regional administration. -- Anna Paretskaya in Moscow

TATARSTAN'S CONSTITUTION AMENDED. The State Council, Tatarstan's parliament, on 27 November changed Article 108 of the republic's constitution, which stipulated that a person may be elected republic president for only two five-year terms in a row, Russian media reported. The parliament also canceled the age limit for presidents, which had been set at 65 years, and ruled that a person may not run for the presidency unopposed. The constitutional amendments will allow President Mintimer Shaimiev to stand for reelection once again, in the year 2001, at the age of 64. Shaimiev won the 1991 and 1996 elections unopposed. -- Anna Paretskaya in Moscow

INGUSHETIYA, NORTH OSETIYA SEEK SOLUTION TO ETHNIC CONFLICT. Representatives of the Ingushetian and North Osetian parliaments have signed an agreement on settling the conflict between the two republics, *Nezavisimaya gazeta* reported on 26 November. The two sides agreed to hold a meeting of parliamentary delegations in December. They also announced an intention to protect the human rights of citizens of both republics regardless of ethnic origin and to create conditions in both republics for forced migrants to return to their homes. About 60,000 people were displaced from North Osetiya's Prigorodnyi Raion during the conflict that broke out in October 1992, in which about 600 were killed. The conflict was the latest in a long series of disputes over the raion. It had originally been a part of Ingushetiya but was transferred to North Osetiya after 1944 when the Ingush people, together with several other North Caucasian peoples, were deported to Central Asia for alleged "collaboration with the German army." Last month, the Federation Council declared that efforts to address the conflict's consequences were not satisfactory and recommended that the two republics' parliaments take additional steps to enable the refugees to return home. -- Anna Paretskaya in Moscow

IS ST. PETERSBURG A DONOR REGION? Vyacheslav Karetin, head of the St. Petersburg branch of the federal treasury, argues that the city takes 20% more from the federal budget than it returns, *Kommersant-Daily* reported on 30 November. But the governor's office disagrees. According to the head of the city's financial committee, Igor Artemev, the city now gets back only 27% of what it sends to Moscow. For the first nine months of the year, the city sent 8.5 trillion rubles to the federal coffers, including customs fees. The difference lies in a methodological dispute over whether to count federal financing for the Leningrad Military District. The city administration does not include the several trillion rubles the federal government pours into the military district because, it claims, the money largely goes to military units based outside the city limits. Karetin, in contrast, argues that those funds must be counted as part of the city's take. -- Robert Orttung

BRYANSK OFFICIALS PROTEST CHEMICAL WEAPONS DESTRUCTION PLANS. At a 27 November press conference, Bryansk Deputy Governor Lyudmila Komogortseva complained that the State Duma has refused to consider suggestions from the oblast administration in drafting a bill outlining procedures for destroying Russia's stockpile of chemical weapons, ITAR-TASS reported. Some 19% of the 40,000-ton stockpile, primarily Zarin and Zoman nerve gases, are stored at the Pochep air base in Bryansk oblast. Komogortseva said that Bryansk authorities had proposed several amendments to the bill, now scheduled for its

second reading in the Duma on 6 December, but all had been rejected. She warned that the nerve-gas storage facilities at the Pochep base are in poor condition, adding that 900 families moved from areas of the oblast contaminated by Chernobyl had "for unexplainable reasons" been resettled near the base. She also complained that not a single ruble has yet been appropriated for the destruction of chemical weapons. Local opposition to plans for chemical weapons destruction, failure to adopt legislation addressing the issue, and financial difficulties are among the factors that have hampered Russian compliance with the 1993 Chemical Weapons Convention. -- Scott Parrish

FOREIGN MINISTRY SAYS REGIONS DON'T NEED OWN OVERSEAS MISSIONS.

Representatives of several Russian regions, the Russian Foreign Ministry, and the Council of Europe held a seminar in Novosibirsk to discuss the international and foreign trade links of the 89 regions and republics of the Russian Federation, ITAR-TASS reported on 28 November. After the session, Valentina Matvienko, head of the Foreign Ministry's department for links with federation subjects, said that regions and republics should not rush to establish their own foreign representation offices. Pointing out that regions could send representatives to existing Russian trade missions, she said that only well-established foreign-trade ties could justify the expense of a separate regional or republican mission. She said that currently 18 regions and republics have representation offices in foreign countries. She claimed that while a few years ago the regions' establishment of foreign trade ties had been "chaotic" and without any central coordination, now more than 90% of regional foreign-trade deals are carried out after appropriate consultation with Moscow. -- Scott Parrish

SCIENCE TOWNS SEEK PRIVILEGES.

The Duma is considering a law to improve the situation of *naukogradi* (science towns), the towns created around military-industrial-complex laboratories, *Kommersant-Daily* reported on 29 November. The draft law proposes a number of privileges that may help such towns overcome their one-sided development and adjust to the introduction of a market economy, such as help in forming city budgets, lower taxes and customs fees, low interest credits, special purpose loans, and investment insurance. The Federation Council and Duma finally compromised on the question of who will manage these towns and their property: the central government, regional authorities, and the towns themselves will share responsibility. There are up to 65 towns with more than 3 million inhabitants built around science laboratories throughout the former Soviet Union. More than 10 of these are so-called closed towns. The towns' social support fell victim to last year's extensive budget cuts. The recent suicide of the director of the Federal Nuclear Center in the closed town of Snezhinsk apparently was a result of his depression over budget cuts and his inability to pay his staff members their salaries. (see OMRI Daily Digest, 12 June and 31 October 1996). -- Nikolai Iakoubovski

NOVOSIBIRSK OBLAST PASSES BANK LAW.

The government of Novosibirsk Oblast has passed in the first reading a law on the banks authorized to service budgetary accounts, *Kommersant-Daily* reported on 29 November. The banks will be obliged to provide credits, guaranteed by the local government, to budgetary organizations. In turn, the banks will have a priority right to coordinate and underwrite local municipal bond issues and participate in the implementation of social and economic programs in the oblast. The law stipulates that authorized banks should have at least a three-year life-span and be among the five most stable banks in the region (based on local ratings). Authorized banks are likely to be chosen from among Sibirskii bank, Sibekobank, Aktsept bank, and the Sibirskii branch of the Moscow-based Inkombank. By introducing the institution of authorized banks, local authorities expect to impose stricter control over the use of local finances and prevent commercial banks from using them for their own purposes. In November, the government of St. Petersburg passed a similar law. -- Natalia Gurushina

BRITISH BANKS TO FINANCE AIRPORT RECONSTRUCTION IN SARATOV.

The government of the Saratov Oblast has signed an agreement with a group of British financial institutions to finance the reconstruction of the local airport and convert it into an international terminal, ITAR-TASS reported on 28 November. The \$300 million credit will bear a 8% annual interest and should be repaid in three years. Construction is expected to be completed by summer 1997. The project involves erecting a cargo terminal in

Balakovo and upgrading the runway. -- Natalia Gurushina

BASHKORTOSTAN SIGNS CREDIT AGREEMENT WITH DEUTSCHE BANK Deutsche Bank has agreed to open a credit line to Bashkreditbank in order to finance local companies' long-term export-import operations, *Kommersant-Daily* reported on 30 November. The credit of up to 50 million German marks will be guaranteed by the German state insurance company Hermes. The money will largely be spent on financing the purchases of German-manufactured equipment and technologies by Bashkortostan's enterprises. – Natalia Gurushina

Compiled by Robert Ortung

REGIONAL PROFILE: BRYANSK OBLAST

Candidates for 8 December Gubernatorial Election

The incumbent, Governor **Aleksandr Semernev** was appointed in June 1996. From November 1993 until November 1995, he was first deputy of the administration head; from then until his appointment, he was administration head of the Karachev raion.

Semernev's chief opponent is State Duma deputy **Yurii Lodkin**, who is backed by Gennadii Zyuganov's Popular Patriotic Union of Russia. Lodkin was a deputy of the Russian Congress of People's Deputies from 1990 to 1993 and was elected governor in April 1993. He was dismissed by presidential decree in September of that year when he supported the Supreme Soviet in its confrontation with Yeltsin. He was then elected to the Federation Council with more than 50% of the vote.

A third serious contender is **Vladimir Barabanov**, another former governor. In 1991, Barabanov, previously presidential representative in the region, was appointed governor by Yeltsin. In 1993, he lost the gubernatorial election to Lodkin and failed to win a seat in the Federation Council. In August 1995, he was called to office for a second time to replace Vladimir Karpov, who was dismissed for abuse of power. (See *Russian Regional Report*, 27 November 1996.)

Other Local Leaders

Chairman of Duma -- Stepan Ponasov (elected in October 1995).

Brief Overview

Bryansk Oblast, which shares common borders with Belarus and Ukraine, is located in the broad basin of the Desna river. The oblast's economy is dominated by agriculture, mainly grain and vegetable production and animal husbandry. The capital, Bryansk, first mentioned in 1146, is a machine-building center with a large share of the defense industry. The region's soil has suffered from radioactive contamination as a result of the 1986 accident at the Chernobyl nuclear power station.

Basic Facts

1995 population (est.): 1,479,600 (1.00% of Russian total)

Industrial production as percentage of all Russian production (Jan.-Aug. 1995): 0.44%

Agricultural production as percentage of all Russian production (1994): 1.19%

Average personal income index in July 1995: 65 (Russia as a whole = 100)

Price basket index in July 1995: 86 (Russia = 100)

Average back wages owed per person (September 1995): 53,000 rubles (Russian average = 37,100)

Urban population: 68.3% (Russia overall: 73.0%)

Student population (1993): 106 per 10,000 (Russia overall: 171 per 10,000); Pensioner population (1994): 29.8%

Percent of population with higher education (1989 census): 7.7% (Russia overall: 11.3%)

Percent of population working in (1993): industry: 32.3% (Russian average: 29.9%); agriculture: 17.1% (12.8%); trade: 8.7% (9.1%); culture: 10.6% (13.6%); management: 2.6% (2.3%)

Number of telephones per 100 families (1993): in cities: 29.1 (Russian average: 41.5); in villages: 10.1 (17.2)

According to a 1995 survey by Bank Austria, the oblast is 14th among Russia's 89 regions in terms of investment climate.

Electoral History

1996 Presidential Election

Yeltsin: 26.23%/36.29% (first round/second round)

Zyuganov: 49.58%/59.23%

Lebed: 11.6%

Zhirinovskiy: 5.09%

Yavlinskii: 3.48%

Turnout: 72.2%/70.86% (Russia overall: 69.67%/68.79%)

1995 Parliamentary Election

Communist Party of the Russian Federation: 35.44%

Liberal Democratic Party of Russia: 19.82%

Our Home Is Russia: 5.91%

Communists-Workers' Russia: 4.15%

Forward, Russia!: 3.17%

Women of Russia: 2.66%

Party of Workers' Self-Government: 2.58%

Yabloko: 2.40%

In single-member districts: 2 Communist Party

Turnout: 69.37% (Russia overall: 64.37%)

1993 Constitutional Referendum

"Yes" -- 41.36% "No" -- 56.29%

1993 Parliamentary Elections

Liberal Democratic Party of Russia: 27.23%

Communist Party of the Russian Federation: 20.18%

Russia's Choice: 12.57%

Agrarian Party of Russia: 10.80%

Women of Russia: 7.66%

Democratic Party of Russia: 5.70%

Party of Russian Unity and Concord: 4.86%

Yabloko: 4.46%

From electoral associations: 1 Agrarian Party of Russia

In single-member districts: 1 Agrarian Party of Russia, 1 Communist Party

Turnout: 65.89% (Russia overall: 54.34%)

1991 Presidential Election

Yeltsin: 53.78%

Ryzhkov: 19.31%

Zhirinovskiy: 9.41%

Tuleev: 5.75%

Makashov: 4.53%

Bakatin: 3.72%

Turnout: 81.89% (Russia overall: 76.66%)

Sources: *Goroda Rossii [Cities of Russia]*, Moscow: Bolshaya Rossiiskaya Entsiklopediya, 1994; *Rossiiskie regiony nakanune vyborov-95 [Russian regions on the eve of 1995 elections]*, Moscow: Yuridicheskaya Literatura, 1995; *Itogi vyborov 17 dekabrya 1995 goda po regionam [Results of the 17 December 1995 elections, regional breakdown]*, Moscow: Panorama, 1996; *Vybory deputatov Gosudarstvennoi Dумы 1995 [State Duma elections 1995]*, Moscow: Central Electoral Commission, 1996; S.A. Nagaev and A.Woergoetter: *Regional Risk Rating in Russia*, Vienna: Bank Austria, 1995. Compiled by Silja Haas and Anna Paretskaya.

OPPOSITION SCORES BIG VICTORIES IN 8 DECEMBER VOTING

As the gubernatorial election campaign season heads toward its conclusion on 22 December, four representatives of the opposition have won gubernatorial posts, while two incumbents hung on to their seats, and four races are heading into a second round following the 8 December voting. Incumbents are in trouble in at least two of the oblasts that will have runoffs. Overall, only 14 incumbents have won in the 30 races completed since 1 September.

Despite the defeats, Yeltsin administration officials expressed confidence that they will be able to work with the newly elected leaders. After addressing the Federation Council, the parliament's upper house in which all regional executives automatically gain a seat, Prime Minister Viktor Chernomyrdin on 10 December claimed that his government will have constructive relations with the regional elite. Federation Council Speaker Yegor Stroeve concurred, stressing that there is no conflict between the upper house and the prime minister, ITAR-TASS reported.

The situation looks different in the field, however. Communist Duma member and former Governor Yurii Lodkin easily defeated Bryansk Governor Aleksandr Semernev, by 53% to 26%, while another former Bryansk governor, Vladimir Barabanov, won only 5.5%. Lodkin had been elected governor in April 1993, but Yeltsin removed him from office in October of that year for supporting the Supreme Soviet in its clash with the president. Lodkin is still suing Yeltsin to allow him to finish out his original term, which would have ended in 1998. As a Duma member since December 1995, Lodkin came into conflict with the Communist Party leadership and they did not come to the region to support his candidacy, *Kommersant-Daily* reported. As governor, the combative Lodkin is unlikely to have an easy time winning support from Moscow. Presidential First Deputy Chief of Staff Aleksandr Kazakov, who said he is willing to work with almost all of the new governors, singled out Lodkin as the only one of the six governors elected on 8 December that is a representative of the opposition. He described the rest as "normal, sensible people with solid managerial experience." Lodkin, however, on 10 December stressed that he does want to cooperate with the federal government since there is "no other choice" for a regional leader.

The victory of Communist Party member Nikolai Vinogradov, the former chairman of the Vladimir Legislative Assembly, over Vladimir Oblast Governor Yurii Vlasov by a 62%-21% margin was the consequence of a split in the democratic camp. In the presidential election, Yeltsin won by a 10% margin in the oblast. There were five candidates in the governor's race, four from the democrats and one Communist. Besides Governor Vlasov, the competitors for the pro-Yeltsin vote were Vlasov's former first deputy, Sergei Sokolov, former presidential representative Nikolai Yegorov, and the leader of the local branch of Yabloko, Leonid Shergin, *Kommersant-Daily* reported on 10 December. When Vlasov (born in 1961) took over the oblast in 1991, he was the youngest governor in the country.

In Voronezh, Communist Oblast Duma Chairman Ivan Shabanov defeated the sitting governor, Aleksandr Tsapin, 49%-41%. Tsapin, the popularly elected mayor of Voronezh city, was only appointed to the post on 26 September. His predecessor, Aleksandr Kovalev, was appointed in April 1992 and had originally pursued a policy of holding down agricultural prices and preventing the export of goods out of the oblast. This policy lost favor, however, when declines in production forced the fertile region to begin importing basic foodstuffs, according to Oxford political scientist Helene Roos. Tsapin took a big risk leaving the post of mayor since his political support was based in the oblast's urban areas. The administration tried to help Tsapin as much as possible, with Aeroflot signing an agreement with the local airline factory for 20 Il-96M/Ts at a cost of 7 trillion rubles (\$1.3 billion), supplying jobs until 2001. Moscow Mayor Yurii Luzhkov also signed a cooperation agreement with the oblast on the eve of the vote. Tsapin told Radio Mayak on 6 December that he is preparing a power-sharing agreement with Moscow as well. Communist Party leader Gennadii Zyuganov visited the oblast to support his candidate, backing him as an "honest and orderly man," *Kommersant-Daily* reported.

The Communist chairman of the Kurgan Oblast Duma, Oleg Bogomolov, won his runoff race unopposed, winning support from 67% of the voters. After the second-place finisher, Anatolii Koltashov, dropped out of the race, Governor Anatolii Sobolev, who had finished a distant third in the first round and refused to participate in Koltashov's place, tried to have the election canceled on the grounds that they could not continue with only one candidate. The local electoral law does not explicitly say what should happen in such a situation. Bogomolov may yet have to defend the legitimacy of his victory in the Supreme Court if Sobolev

and his allies protest. The Central Electoral Commission had determined that the election should not go ahead, but the oblast electoral commission overruled that decision and sanctioned the voting with only one contender. Governor Sobolev tried to get the Supreme Court to issue a decision on 6 December, but the court refused to rule until all the documents on the case had been delivered from Kurgan to Moscow, ITAR-TASS reported. On that day, the oblast court ruled that the election should go ahead.

Campaigning under the slogan "My party is Khabarovsk Krai," Governor Viktor Ishaev won a convincing victory over his opponent, State Duma member Valentin Tsoi, 77%-7%. Appointed five years ago, Ishaev has long outlived his neighbors. The governor of Amur has been changed five times and the executive of Chita, three times. His leadership looks particularly successful in comparison to Vladivostok which suffers from persistent power outages and bitter political feuding. The local media hammered this point home to voters, *Kommersant-Daily* noted. In an interview with *Rossiiskaya gazeta* published on 5 December, Ishaev said his main task is to guarantee political stability in order to foster economic growth. The director of the public relations firm Niccolo M., Igor Mintusov, claimed that Ishaev also benefited from a tough stance against making territorial concessions to China, *Segodnya* reported. Both the Yeltsin administration and the Communist Party supported his campaign. On 23 November, Ishaev signed an agreement with the Popular Patriotic Union rejecting the transfer of the Bolshoi Ussuriiskii and Tarabarovii islands to China, envisioning cooperation with the Oblast Duma, and backing a series of economic and social measures, ITAR-TASS reported.

Astrakhan Governor Anatolii Guzhvin defeated Popular Power Duma member Vyacheslav Zvolinskii, 52%-40% to retain his post in the traditionally pro-Communist oblast.

The governor of Kostroma, Valerii Arbuzov, is badly trailing his opponent, Kostroma Legal Department head Viktor Shershunov, by 26%-43%. Shershunov was backed by the local Communists, Aleksandr Rutskoi's Derzhava, the Congress of Russian Communities, and Aleksandr Lebed's Honor and Motherland. The third candidate in the three-way race, Oblast Duma member Nikolai Romanov, did not make it to the second round, even though the environmental organization "In the name of life" backed him. That group initiated the wildly-successful local referendum, held the same day, in which 87% of voters opposed completing the construction of a nuclear power plant in the oblast. However, it could not get its candidate into the run-off for governor.

The acting governor of Ryazan, Igor Ivlev, is also trailing his opponent, Communist Vyacheslav Lyubimov, a member of the Audit Chamber, by 38%-30%. The opposition split in this case since the Agrarian Party supported Ivlev, the head of the agriculture department under his predecessor, Gennadii Merkulov. The presidential administration removed Merkulov on 17 October and named Ivlev in his place as a compromise, assuming that the Ryazan electorate would not support someone ideologically closer to Yeltsin, *Nezavisimaya gazeta* reported on 4 December. Only four days before the vote, the president fired his representative in the region because he was overtly supporting incumbent Ivlev's opponents, a scandal that did not help Ivlev, *Kommersant-Daily* reported.

In Arkhangelsk, Governor Anatolii Yefremov will face Communist Duma member Yurii Guskov after they won 36% and 29% in the first round, respectively. The incumbent has good chances for success since the former presidential representative in the region, Pavel Pozdeev, won 21% of the vote. However, the situation in the oblast is very difficult. The local military, chemical, and forestry industries are in deep depression, fuel is in short supply and the non-payments crisis is valued in the hundreds of billions of rubles. Apartments are cold, teachers in 36 schools are on strike to get their salaries which have been delayed since May, and the September pension payments were only made on the eve of the election, ITAR-TASS reported. Fortunately for the incumbent, there does not seem to have been a strong connection in other elections across the nation between a region's economic situation and the election results.

In Perm, Governor Gennadii Igumnov, named to the post a year ago, leads publisher Sergei Levitan by 41%-30% going into the runoff, with a turnout of 43%. The Communists' official candidate, Yurii Perkhuna, won only 5%, *Segodnya* reported on 10 December. Levitan defeated then Governor Boris Kuznetsov to win a seat in the Federation Council in the 1993 elections. During the gubernatorial campaign, he used his newspapers *Gubernskie vesti* and *Gubcheka* to accuse the incumbent of building apartments and buying BMWs with state money, Russian TV (RTR) reported. The incumbent, Igumnov, used local TV and radio to trumpet his successes

as governor. -- Robert Orttung

ANALYSIS AND PREDICTIONS

REGIONAL ELECTIONS SHOW CHANGES IN RUSSIA'S POLITICAL GEOGRAPHY. The recent gubernatorial elections have altered Russia's political geography and in some regions reversed well-established Russian electoral trends, according to political geographer Leonid Smirnyagin, a member of the Presidential Council. In a commentary published in *Rossiiskie vesti* on 3 December, Smirnyagin noted that in past parliamentary and presidential elections, candidates from the "democratic" and "centrist" camps have done well in large and medium-sized cities, while representatives of the leftist opposition have done better in small cities and rural areas. However, in recent gubernatorial elections in Kaluga Oblast and Stavropol Krai, incumbents backed by the Kremlin did better in rural areas than in major cities, where they were outpolled by Communist-backed rivals.

Smirnyagin argued that unlike past parliamentary and presidential elections, governor's races are not being fought and won on "ideological" concerns, such as whether property should be state-controlled or privately owned, or whether equality is more important than freedom. Both incumbents and opposition candidates have steered clear of such divisive issues, depicting themselves as practical managers.

For that reason, Smirnyagin continued, the harsh anti-Moscow rhetoric that was an important weapon in past regional races, and was expected to play a major role in the current series of campaigns, has been toned down. Candidates seek to show voters not that they will oppose the federal authorities, but that "all doors in Moscow are open to them," and they will consequently be able to obtain financial benefits for their region.

By way of example, Smirnyagin cited an interview with newly elected Altai Krai Governor Aleksandr Surikov, which was published in the local newspaper *Svet Oktyabrya* in September. Surikov was backed by the Communist Party and other opposition groups, but in the interview (published under the headline "I am for a non-partisan administration"), he emphasized and even exaggerated his influence in Moscow. Surikov claimed to have personally persuaded key members of the State Duma to pass a law benefiting teachers. He also described a May meeting of leading Siberian politicians, which was also attended by Yeltsin. Surikov said Yeltsin asked him to make a toast, after which the two warmly embraced. (That anecdote is all the more surprising since Altai Krai supported Gennadii Zyuganov over Yeltsin in the July presidential election by a margin of 55% -39%.)

Smirnyagin concluded that the "deideologization" of the regional elections makes it difficult to argue that either main political camp is winning. On the one hand, more incumbents have lost than the Kremlin had hoped. On the other hand, most new governors have been quick to express their willingness to work with the federal authorities. -- Laura Belin

ZYUGANOV: REGIONAL ELECTIONS MAKE CONSTITUTIONAL AMENDMENTS MORE LIKELY. Communist Party leader Gennadii Zyuganov argued that the recent gubernatorial elections have made the passage of constitutional amendments more likely, since new governors automatically become members of the Federation Council, the upper house of parliament, Reuters reported on 10 December. Constitutional amendments must be passed by two-thirds of the State Duma, or lower house, three-fourths of the Council, and then approved by legislatures in at least two-thirds of Russia's 89 regions. Zyuganov has long advocated altering the balance of powers to make the president and government more accountable to the legislature, and deputies allied with his party already hold a working majority in the Duma, but Yeltsin loyalists have previously dominated the Council. Nevertheless, even given the recent string of opposition victories in governor's races, the Council is unlikely to approve the amendments favored by Zyuganov. -- Laura Belin

PRESIDENTIAL NOMINEES LOSE BECAUSE THEY LACK MONEY. The recent defeat of several incumbents is due to the federal government's shortage of funds, according to *Obshchaya gazeta* commentator Lev Sigal writing in issue no. 49. Saratov Oblast Governor Dmitrii Ayatskov, who swept about 80% of the vote on 1 September, was lucky to start the gubernatorial campaign marathon since the federal government then still had enough money both to pay wages, pensions, and other entitlements prior to the race, and to finance his electoral campaign. Another problem is that the "party of power" lacks unity and so sometimes fails to unite behind a single candidate, as in Ulyanovsk Oblast and Krasnodar Krai. In some cases, Presidential Chief of Staff Anatolii

Chubais and Prime Minister Viktor Chernomyrdin have backed different candidates. In addition, Sigal notes that nine out of the 12 regional executives who lost their electoral bid (not counting the 8 December voting), had been appointed by President Yeltsin in 1991, right after the establishment of the institution of governors. In Sigal's opinion, the losses mean that inappropriate people were initially named governors. Sigal suggests that Chubais's first deputy, Aleksandr Kazakov, who is responsible for regional policy, will be the scapegoat. He is already blamed for choosing the unsuccessful public relations agencies that worked with the defeated governors. He also reportedly irritates regional leaders with disproportionately optimistic reports. -- Anna Paretskaya in Moscow

GOVERNORS PREFER ADMINISTRATION TO GOVERNMENT. Magadan Oblast's new governor, Valentin Tsvetkov, told *Segodnya* on 6 December that it is easier for the regional leaders to deal with the presidential administration than with the government. The government fails to respond to many of the governors' proposals, provoking their anger. Last week, for example, the Federation Council was peeved at Prime Minister Viktor Chernomyrdin, who missed a scheduled appearance, claiming that he was sick. The storm seemed to blow over when Chernomyrdin addressed the upper house on 10 December. -- Anna Paretskaya in Moscow

REGIONAL MEDIA

LOCAL PRESS PRINT RUNS PLUMMETING. Regional and local newspapers are facing difficult times because few people have the money to subscribe to them, according to *Krasnoe znamya*, published in Syktyvkar, Komi Republic, on 17 October. Between 1 January 1986 and 1 January 1996, the number of overall subscriptions in the republic dropped from 2 million to 1 million. The Komi Republic has a population of 1.2 million. The subscription rate of the republican paper, *Krasnoe znamya*, has held steady at about 105,000 copies, but city and raion newspaper subscriptions have dropped from 325,000 (in 1989) to 66,000. Only one in five households now read the local press. The editor of one raion paper complained that local residents generally respect his publication but cannot afford the 51,000 rubles (about \$10) for a six-month subscription. To complicate matters, local officials have very limited funds for media subsidies and postal workers have started delivering the papers a day late. -- Robert Orttung

GOVERNOR'S PREFERENCES DETERMINE YAROSLAVL MEDIA SUBSIDIES. Yaroslavl Oblast is discussing a law on the regional media, but there is little chance the legislation will remove political considerations in the distribution of media subsidies, the Yaroslavl newspaper *Karavan-ros* reported on 14 November. Article 5 of the law made clear it that the oblast government will continue to hand out subsidies, but it did not identify the criteria to be used in the distribution of the funds. However, the very existence of the article gave some hope that the process would be open and that the local Duma might participate. Nevertheless, Governor Anatolii Lisitsyn has called for the removal of the article from the bill. The consequence is, according to the newspaper, that the governor will continue to decide which media to support in secret and hand out money only to those who back him. -- Robert Orttung

PROVINCIAL CHRONICLES

LENINGRAD OBLAST LEGISLATURE'S TERM EXTENSION APPROVED. The Leningrad Oblast Court has ruled that the postponement of the oblast's legislative elections was legal, Radio Rossii reported on 7 December. The oblast legislature was elected in December 1993 for a two-year term. However, complying with a September 1995 presidential decree, the regional Legislative Assembly prolonged its term of office for another two years and scheduled new elections for December 1997. The legislature's decision was challenged in court by the local branch of Grigorii Yavlinskii's Yabloko movement. The court's verdict is subject to the approval of oblast Governor Vadim Gustov. At the same time, a St. Petersburg city court has determined that a similar decision by the city legislature is illegal and ordered the city Legislative Assembly to set a date for new elections, *Segodnya* and *Nezavisimaya gazeta* reported on 4 December. The city deputies, who had postponed the assembly's re-election until December 1998, are going to challenge the city court decision in the Supreme Court. To date, several regional courts have ruled that any extension of regional legislative terms is a violation of the federal constitution despite

the presidential decree. -- Anna Paretskaya in Moscow

MUSLIM LEADER ELECTED TO DUMA. The leader of the Muslim Union of Russia (SMR), Nadir Khachilaev, was elected to the Duma from a constituency in Makhachkala (the capital of Dagestan) on 8 December, according to preliminary results, *Nezavisimaya gazeta* reported on 10 December. Khachilaev, an ex-karate champion turned businessman, scored about 30% of the vote, while his main rival, Khasipat Gazmatov, who was endorsed by the Communist Party of the Russian Federation, received less than 20%. Experts say that Khachilaev's election to the federal parliament will have serious implications for both regional and federal politics. Khachilaev, who is an opponent of republican parliament chairman Magomedali Magomedov, is expected to use his newly-won influence to create a strong opposition movement and place close allies in key positions in Dagestan's government. Although he won the support of most of Dagestan's Chechens and the Muslim Union has consistently backed the Chechen separatist leadership, Khachilaev has never been an advocate of secession and is not a supporter of extremist Islamic movements. Khachilaev's brother is the head of the republican Coordinating Council of National Movements that includes most Dagestani national organizations. -- Anna Paretskaya in Moscow

LENINGRAD NUCLEAR POWER WORKERS END HUNGER STRIKE. A hunger strike by 13 workers at the Leningrad Nuclear Power Station (LAES) at Sosnovyi Bor near St. Petersburg ended on 7 December, the LAES press center reported. The protest was over wage arrears, which totaled 20 billion rubles by late November. Other plant workers also threatened to take strike action in support of their colleagues. The hunger strike ended the day after the power plant received 1 billion rubles from electricity customers and began to pay back wages. Under a schedule agreed by the LAES management and delinquent customers, the plant will receive 27 billion rubles in debt payments by 28 December. On 9 December, it received 1.7 billion rubles. -- Elena Zotova in St. Petersburg

ECOLOGICAL DISASTER IN NIZHNII NOVGOROD OBLAST. The environmental group Greenpeace asked the Russian government on 4 December to declare the city of Dzerzhinsk near Nizhnii Novgorod an ecological disaster zone, ITAR-TASS reported. The town is home to several large chemical plants and has high levels of water and soil pollution. Greenpeace cited researchers from Bayreuth University in Germany as saying that dioxin levels in the soil in some suburban areas are 1,800 times the accepted level. NTV on 6 December noted that all health indicators in the area are far worse than the Russian average. If Dzerzhinsk were declared an environmental disaster zone, it could qualify for state support. -- Penny Morvant

FREE SYRINGES TO BE ISSUED IN YAROSLAVL. Intravenous drug users in Yaroslavl will now receive disposable syringes for free in exchange for used ones, *Izvestiya* reported on 7 December. The scheme--the first of its kind in Russia--is aimed at preventing the spread of HIV and other infectious diseases. It is run by a public organization, Friends Help Friends, and is funded by the Soros Foundation. There has recently been a sharp increase in the number of cases of HIV infection recorded in Russia, many of which are linked to drug use. According to the Health Ministry, Russia has 2,081 HIV-carriers. -- Penny Morvant

SUICIDE RATES DOUBLE IN ALTAI REPUBLIC. The suicide rate in the mountainous Altai Republic in Siberia has almost doubled over the last five years, ITAR-TASS reported on 9 December. The suicide rate was 81 per 100,000 (162 cases) in 1995, up from 40 per 100,000 five years earlier. In the first 10 months of 1996, 148 people took their own lives. Suicide rates are highest in rural areas and among men (four times as high as among women). There has also been a sharp increase in the number of teenagers committing suicide. Local experts cited economic hardships, stress in the home and the workplace, and housing problems as possible reasons for the increase. Wages in the Altai Republic are considerably below the national average, while the cost of basic foodstuffs is slightly above the Russian average, according to Goskomstat data. The suicide rate for Russia as a whole was 45 per 100,000 in 1995. -- Penny Morvant

MOSCOW MAYOR SUPPORTS CITY'S CAR INDUSTRY, OPENS METRO STATIONS. Building on his reputation as a leader who gets things done, Mayor Yurii Luzhkov signed an agreement with six banks on 10

December to support the Moscow ZIL car factory by giving it a 246 billion ruble (\$45 million) credit, Russian Public TV (ORT) reported. Luzhkov has blamed former State Property Committee Chairman Anatolii Chubais's privatization program for ZIL's decline. On the same day, Luzhkov opened three new metro stations, connecting remote southeastern Moscow districts with the underground network. -- Nikolai Iakoubovski

DIFFERENCES IN REGIONAL LABOR MARKETS INCREASING. Regional differences in unemployment rates have grown significantly since the beginning of the year, ITAR-TASS reported on 5 December citing the Labor and Social Development Ministry. Nationally, 3.4% of the workforce were registered as unemployed with branches of the Employment Service at the beginning of October. (The unemployment rate estimated on the basis of survey data was 9.2% at the end of September.) In 13 regions, the unemployment rate is double the national average or higher. Those include Ingushetiya, Dagestan, Kalmykiya, Udmurtiya and Ivanovo, Pskov, Vladimir, and Yaroslavl oblasts. The situation tends to be worse in regions with a high concentration of machine-building, timber, textile, and light industrial enterprises, which have had difficulty adapting to market conditions. Unemployment is lowest in Moscow, Krasnodar Krai, and Smolensk, Lipetsk, and Orenburg oblasts. -- Penny Morvant

LABOR PROTESTS IN PRIMORE. Workers from a number of sectors are again taking strike action in Primorskii Krai, a region that suffered a series of protests by miners and power workers earlier in the year. Employees of the Primoravtotrans transport company went on strike on 10 December, paralyzing most intercity bus services with the exception of school buses, ITAR-TASS reported. The workers, some of whom have not been paid since February, also called for the resignation of regional governor Yevgenii Nazdratenko and his team, whom they blame for the company's financial difficulties. A representative of the oblast branch of the Road Transport Workers' Union, Yurii Petukhov, said that this year the company has received only 29 billion rubles in subsidies for passenger services instead of the 84 billion initially envisaged. Also on 10 December, about 1,000 medical personnel held a warning strike and picketed the regional administration building in Vladivostok to demand the payment of overdue wages and social benefits totaling 350 billion rubles. About 20,000 education workers have also threatened to strike if arrears are not paid, and miners have stopped coal deliveries to local power stations. -- Penny Morvant

MORE REGIONS INTEND TO ISSUE EURO BONDS. Novgorod Oblast has joined the group of regions (including Moscow and St. Petersburg), that intend to float eurobond issues in 1997, *Segodnya* reported on 9 December. The total volume is expected to be \$75-\$100 million. The banks bidding to manage the program include Deutsche Morgan Grenfell, Renaissance-Kapital, Merrill Lynch, Evrofinans, Troika-Dialog, ING Barings, MC-BBL, ABN AMRO Bank, and Paribas. The winner will be announced on 26 December. A major handicap of local eurobond programs is that none of these regions has so far received a credit grade from an international credit rating agency. In an attempt to facilitate this process, the government of St. Petersburg has approved a decree on its investment and financial strategy and external debt policy for 1997-2000, *Kommersant-Daily* reported on 11 December. -- Natalia Gurushina

REGIONAL LEADERS CALL FOR INCREASING MONEY SUPPLY, WEAKENING RUBLE. At a Moscow meeting, the National Economic Council called for the government to increase the money supply in order to resolve the ongoing non-payments crisis, ITAR-TASS reported on 7 December. The council was created in May 1996 in Yekaterinburg by regional business and political elites wishing to gain a greater say over Russia's economic policy and development. The council warned, however, that the monetary emission should be tightly controlled in order not to ruin the government's successful anti-inflation effort. The council also suggested weakening the ruble against the dollar, as the current ruble-dollar exchange rate (which they believe is artificially high) impedes Russian exports. -- Natalia Gurushina

EBRD COMPLETES NETWORK OF REGIONAL VENTURE FUNDS. The EBRD has completed the formation of a network of 11 regional venture funds in Russia, *Kommersant-Daily* reported on 3 December. The program, which began in 1994, is aimed at providing corporate management and financial restructuring assistance

to privatized and newly created private companies in the regions. Under the project, the EBRD will provide \$312 million worth of credits to be spent on the formation of the venture funds' equity capital. Western European countries will grant a further \$280 million for financing the technical aid program. The Voronezh-based fund became the last in a series of regional venture funds. Its equity capital is set at \$30 million, and it is run by a consortium of companies that includes Dutch Rabobank International, the consulting firm EWIC/Lariv, and the investment companies Flemish and Corpeq Ventures (Holland). -- Natalia Gurushina

Compiled by Robert Ortung

REGIONAL PROFILE: CHELYABINSK OBLAST

Candidates for 22 December Gubernatorial Election

Governor **Vadim Solovev** was appointed to his post by President Yeltsin in October 1991. From April 1990, he had served as chairman of the Chelyabinsk city soviet. In the April 1993 gubernatorial elections, Solovev was defeated by Petr Sumin, the head of the oblast soviet, but Sumin's victory was not recognized by Yeltsin and the oblast courts, so Solovev remained in office. Solovev is a member of Our Home Is Russia and his candidacy is supported by the All-Russian Coordinating Council seeking to elect pro-Yeltsin governors.

The incumbent is again challenged by **Petr Sumin**, leader of the Rebirth of the Urals movement. Sumin is a member of the Popular Power faction in the State Duma.

Solovev's main rival is considered to be State Duma deputy **Vladimir Golovlev**, former chairman of the Chelyabinsk State Property Committee regional department, who was nominated by Russia's Democratic Choice. In 1993, Golovlev won a seat in the State Duma running on the Russia's Choice ticket, in the December 1995 elections he was elected for a second term in a single-member district.

Other Local Leaders

Chairman of Duma - Viktor Davydov (elected in 1994)

Brief Overview

Chelyabinsk Oblast is situated in the southern Urals bordering on Kazakhstan in the south and Bashkortostan in the west. The oblast is rich in mineral resources and possesses a highly developed industry, mainly ferrous and non-ferrous metallurgy, ore mining and mechanical engineering. Major industrial centers are Magnitogorsk, with iron and steel plants, and the oblast's administrative center, Chelyabinsk, on the Miass River. Until 1992 the region was closed to foreigners since nuclear weapons were produced at its military industrial cities. The area suffers greatly from radioactive contamination caused by nuclear waste and nuclear accidents in 1949, 1957 and 1967. The oblast boasts a good communication network, including a link of the Trans-Siberian Railroad.

Basic Facts

1995 Population (est.): 3,699,800 (2.49% of Russian total)
Industrial production as percentage of all Russian production (Jan.-Aug. 1995): 3.91%
Agricultural production as percentage of all Russian production (1994): 1.85%
Average personal income index in July 1995: 86 (Russia as a whole: 100)
Price basket index in July 1995: 102 (Russia: 100)
Average back wages owed per person (September 1995): 64,800 rubles (Russian average: 37,100)
Urban population: 81.3% (Russia overall: 73.0%)
Student population (1993): 141 per 10,000 (Russia overall: 171/10,000); Pensioner population (1994): 25.2%
Percent of population with higher education (1989 census): 9.0% (Russia overall: 11.3%)
Percent of population working in (1993): Industry: 38.2% (Russian average: 29.9%); Agriculture: 10.0% (12.8%); Trade: 8.4% (9.1%); Culture: 12.2% (13.6%); Management: 1.9% (2.3%)
Number of telephones per 100 families (1993): in cities: 30.7 (Russian average: 41.5); in villages: 16 (17.2)
According to a 1995 survey by Bank Austria, the oblast is 4th among Russia's 89 regions in terms of investment climate.

Electoral History

1996 Presidential Election

Yeltsin: 36.6%/58.52% (first round/second round)

Zyuganov: 24.73%/34.96%

Lebed: 19.82%

Zhirinovskiy: 5.23%
Yavlinskii: 8.77%
Turnout: 70.29%/69.31% (Russia overall: 69.67%/68.79%)

1995 Parliamentary Election

Communist Party of the Russian Federation: 14.70%
Liberal Democratic Party of Russia: 10.06%
Yabloko: 9.89%
Our Home Is Russia: 7.94%
Congress of Russian Communities: 7.33%
Russia's Democratic Choice: 6.72%
Communists-Workers' Russia: 5.79%
Women of Russia: 5.75%
Party of Workers' Self-Government: 4.80%
In a single-member district: 2 Russia's Democratic Choice-
United Democrats, 3 Congress of Russian Communities
Turnout: 62.8% (Russia overall: 64.37%)

1993 Constitutional Referendum

"Yes" - 75.17% "No" - 22.19%

1993 Parliamentary Election

Russia's Choice: 23.58%
Liberal Democratic Party of Russia: 20.38%
Yabloko: 11.34%
Women of Russia: 8.52%
Communist Party of the Russian Federation: 7.49%
Party of Russian Unity and Concord: 6.77%
Democratic Party of Russia: 4.69%
Agrarian Party of Russia: 4.06%
In single-member districts: 2 Party of Russian Unity and Concord, 3 Russia's Choice
Turnout: 51.43% (Russia overall: 54.34%)

1991 Presidential Election

Yeltsin: 77.2%
Ryzhkov: 8.14%
Zhirinovskiy: 5.77%
Makashov: 2.75%
Tuleev: 2.02%
Bakatin: 1.74%
Turnout: 80.31% (Russia overall: 76.66%)

Sources: *Goroda Rossii [Cities of Russia]*, Moscow: Bolshaya Rossiiskaya Entsiklopediya, 1994; *Rossiiskie regiony nakanune vyborov-95 [Russian regions on the eve of 1995 elections]*, Moscow: Yuridicheskaya Literatura, 1995; *Itogi vyborov 17 dekabrya 1995 goda po regionam [Results of the 17 December 1995 elections, regional breakdown]*, Moscow: Panorama, 1996; *Vybory deputatov Gosudarstvennoi Dумы 1995 [State Duma elections 1995]*, Moscow: Central Electoral Commission, 1996; S.A. Nagaev and A.Woergoetter: *Regional Risk Rating in Russia*, Vienna: Bank Austria, 1995. Compiled by Silja Haas and Anna Paretskaya.

Dear subscribers,

The *Russian Regional Report* will not appear for the next two weeks and will return with a special election issue on 8 January. That issue will include a round-up of all the elections at the end of the year and an analysis of the entire regional electoral season.

Starting on 15 January, the report will adopt a new format. Its articles will concentrate on the following topics:

- Center-periphery relations
- Patterns of political development
- Ethnic conflict and regional separatism
- Social problems
- Economic developments
- Foreign economic ties
- Foreign political ties.

We look forward to your continued readership throughout 1997. Best wishes for a happy holiday season from the staff of the *Russian Regional Report*.

SAKHA ELECTION PREVIEW

SAKHA PRESIDENT RELIES ON MOSCOW TIES AND DIAMOND REVENUES TO SECURE RE-ELECTION

In contrast to the many oblast governors facing elections this fall, Sakha (Yakutiya) President Mikhail Nikolaev has little to worry about. He is leading the polls, with 56% of the voters' support, according to RIA Novosti. His nearest competitor is Artur Alekseev, backed by the Communist Party, at 14%. The secret to Nikolaev's success in a region of Russia where winter temperatures can drop below -50 degrees Celsius is a close relationship with President Boris Yeltsin, allowing the republic extensive control over its diamond wealth.

Sakha's lifeblood is its diamonds. The former state monopoly for mining and processing the valuable stones, now known as Almazy Rossii-Sakha (ARS), generated gross returns of \$721 million in 1995 and its profits reached \$250 million, according to ITAR-TASS of 14 November. It is now a closed joint stock company and its head is the vice president of the republic. Its taxes make up 80% of the republic's budget.

Nikolaev's strong ties to Yeltsin date from 1991, when, as head of the republican Supreme Soviet, he backed Yeltsin's campaign against Mikhail Gorbachev and channeled the republic's diamond revenue to the Russian Federation and not to the Soviet government, *Kommersant-Daily* noted 15 December. In early 1992, Nikolaev advocated Sakha's secession from Russia and wanted to conduct his ties with Moscow on the basis of international treaties. However, after signing an agreement that let the regional authorities keep 20% of all diamonds mined, Nikolaev became a firm advocate of allowing Sakha to develop as a part of the Russian Federation. Sakha leads virtually all the other Russian republics in the pursuit of sovereignty, and even has the right to its own military. In October 1993, Sakha signed a treaty with the federal government in which it was allowed to keep all federal taxes raised on its territory during

1994, though it had to pay for all federal and local programs from its budget. Yeltsin signed an additional power-sharing agreement giving the republic very favorable terms on 29 June 1995. Nikolaev's supporters tout these treaties as among his greatest accomplishments.

In addition to his connections in Moscow, large majorities see Nikolaev as a guarantor of political stability, the individual most likely to solve the republic's socio-economic problems, and a shield against the aggravation of inter-ethnic relations. The pro-Yeltsin Russian Public TV (ORT) noted on 14 December that there had been some instances of ethnic conflict in the republic during Soviet times, but now there is none because of Nikolaev's strong program of social support.

The opposition has tried to use the central government's recent attack on the diamond company ARS to diminish Nikolaev's luster and suggest that his ties in Moscow were not as good as advertised. In November, the Temporary Extraordinary Commission accused ARS of concealing profits and therefore not paying \$8.2 million in taxes, and of conducting illegal foreign operations with currency and precious stones from which it received nearly \$87 million. The procurator-general opened a criminal investigation, and the incident scuttled the company's hopes for quickly signing a long-negotiated agreement with South Africa's De Beers, the largest wholesaler of diamonds on the world market. On 17 December, Deputy Prime Minister and Finance Minister Aleksandr Livshits said that Russia would renegotiate the agreement, while De Beers reacted cautiously.

The conflict has left Sakha's leadership with a bitter taste. In a 7 December *Komsomolskaya pravda* interview Nikolaev complained that he doesn't like a small group of people in Moscow making decisions for the republic. He bitterly noted that he often finds out what is going on in Moscow from the central newspapers. While perhaps increasing his support among anti-Moscow voters, these sorts of complaints have lent credibility to the opposition claims about Nikolaev's connections in Moscow. Sakha Vice President and head of ARS Vyacheslav Shtyrov said the problems arose because certain "political and financial circles in Moscow" want to get hold of the diamond company, RIA Novosti reported.

Although he is running as one of five candidates for the republic's highest office, Nikolaev has weak democratic credentials -- although in comparison to the leader of Kabardino-Balkariya, running unopposed, he looks good. However, last November he collected more than 200,000 signatures in favor of a referendum to extend his term to 2001, and only decided not to at the last minute, *Kommersant-Daily* reported. His economic views also tend toward the authoritarian -- he backs state regulation of the economy, arguing that it creates conditions that stimulate business and entrepreneurial activity. -- Robert Orttung

REGIONAL ELECTIONS UPDATE

CHITA RESULT CONTESTED IN COURT. A losing candidate is suing to annul the results of the 27 October gubernatorial election in Chita Oblast, Radio Rossii reported on 14 December. Governor Ravil Geniatulin was re-elected on 27 October with just 31% of the vote; under the oblast electoral law passed in 1995, no second round was necessary, as long as the top candidate gained at least 25% of the vote. State Duma deputy Vladimir Bogatov, leader of the local branch of Vladimir Zhirinovskiy's Liberal Democratic Party of Russia, filed the court appeal. Bogatov, who finished third in the race, argued that under oblast and federal law dating from 1991, the winning candidate must gain the support of at least 25% of all registered voters. Since turnout on 27 October was about 46%, Geniatulin would fall short using that standard. A Chita court rejected the suit, but Bogatov has vowed to appeal to the Supreme Court. So far, an Amur Oblast court annulled the result of the 22 September election, in which an opposition candidate won by a very slim margin. The losing candidate has also contested the 29 September election in Rostov Oblast, which the incumbent won by a large margin, but his suit is unlikely to be upheld in court. -- Laura Belin

YEGOROV SEEKS SOFT LANDING IN KRASNODAR. Krasnodar Krai Governor Nikolai Yegorov gained an extra two months in office when his defeat by a two-to-one margin on 27 October was canceled because turnout did not meet the 50% required by the regional electoral law. However, he appears to have no illusions about his prospects for surviving the next election, set for 22 December, and he is using his last weeks in office to secure a new job. Yegorov gained just 26% of the vote in October to about 57% for his Communist challenger, Nikolai Kondratenko. In November, the krai legislature lowered the minimum turnout to 25% (as is the case in most Russian regions), making Kondratenko's eventual victory virtually inevitable.

According to the 16 December *Kommersant-Daily*, Yegorov is now aiming to be appointed presidential representative in Krasnodar. That post is currently held by a Yegorov protege, whom the outgoing governor has reportedly persuaded to retire. Yegorov's backers hope that the power of presidential representatives will be enhanced, since the Kremlin will need reliable eyes and ears in the regions to keep tabs on the newly elected governors. They argue that a strong and loyal Yeltsin ally will be needed in Krasnodar to balance the "red" governor Kondratenko. However, *Kommersant-Daily* cast doubt on Yegorov's prospects, noting that some in the presidential administration might even prefer Kondratenko to the "unpredictable" Yegorov. Sources in the administration denied rumors that a new job is being prepared for Yegorov, who served as presidential chief of staff from January until July, when he was replaced by Anatolii Chubais. -- Laura Belin

ANALYSIS AND PREDICTIONS

"PRAGMATISTS" MAY CAUSE KREMLIN MORE TROUBLE THAN OPPOSITION GOVERNORS. Seeking to portray the gubernatorial election results in an optimistic light, Kremlin officials have often noted that even where Yeltsin

appointees have lost, the successful challengers have been not oppositionist figures, but "pragmatists" or "strong managers" who are committed to economic reform. Consequently, the argument goes, they will carry out presidential policies in the regions and will support the Yeltsin administration in the Federation Council. However, some observers believe that dealing with the "pragmatists" will present a major challenge for the administration.

Writing in *Segodnya* on 16 December, Vladimir Shpak noted that the new governors with closest ties to the opposition have for the most part been elected in very poor regions. Since they are forced to seek financial assistance from Moscow, they are unlikely to attack current economic policies as a whole. (Kursk Governor Aleksandr Rutskoi's friendly meeting with Anatolii Chubais illustrated this trend.) Similarly, Yevgenii Krasnikov argued in *Moskovskie novosti's* 8-15 December edition that a region's poverty is practically a guarantee of its governor's loyalty to the Kremlin.

By contrast, "strong managers" elected in comparatively wealthy regions are more likely to stand up for local interests. On purely political questions, they may remain loyal to Yeltsin, but they may band together to try to alter economic policies. Moscow appears to be nervous about this prospect already, Shpak argued: members of the government and presidential administration have recently begun to criticize what they call "egoistic interests of donor regions," the wealthiest parts of the Russian Federation. -- Laura Belin

PROVINCIAL CHRONICLES

REGIONAL NEWSPAPERS GO ON-LINE. A wide variety of regional newspapers in Russia have started seeking readers on the Internet. By making their contents available electronically, the papers can reach an international audience, while readers in Moscow and abroad can find out what is happening outside the capital quickly and easily. The official *Sankt Peterburgskie vedomosti* (<http://www.dux.ru/enpp/newspapers/spbved/>) appears about two days after publication and contains local and national news and commentary. The independent, but pro-reform, *Bryanskoe vremya* (<http://www.btime.bryansk.ru/>) is available weekly. In the Far East, *Sovetskii Sakhalin* (<http://vladivostok.com/sovsakhalin/index.htm>) appears about 1-2 weeks after publication. There is a growing and wide variety of other newspapers available as well. A major problem with the local press for Internet readers is that it assumes that its audience is intimately familiar with the local situation and does not provide context for outsiders. -- Robert Orttung

SON OF VLADIVOSTOK MAYOR RELEASED. Vladimir Cherepkov, son of Vladivostok Mayor Viktor Cherepkov, has been released after spending nearly three years in a pre-trial detention center, ORT and *Izvestiya* reported on 17 December. Vladimir Cherepkov, a student at a naval school, was arrested in 1994 on charges of stealing computer equipment and sentenced to seven years imprisonment. His sentence was subsequently reduced to four years, and now, after another reexamination by a

military tribunal lasting three months, he has been released upon his own recognizance. The court noted that the police officers assigned to the case committed numerous legal violations during the investigation and turned the whole affair over to the General Procurator's Office for further examination. Many observers have argued that the case against Vladimir Cherepkov was fabricated, just as his father was the victim of trumped-up corruption charges. -- Penny Morvant

GUSINSKII IN TATARSTAN FOR SYNAGOGUE REOPENING. Leaders of the Russian Jewish Congress met in Kazan to celebrate the reopening of a synagogue that was closed by Soviet authorities in 1929, *Izvestiya* reported on 11 December. The president of the congress, Most Bank head Vladimir Gusinskii, was received by high-level politicians including Tatarstan President Mintimer Shaimiev. Gusinskii was upbeat about the prospects for Moscow banks to open branches in Tatarstan; previously they have not been able to do so. Shaimiev noted that his republic is also seeking foreign investment, from Israel in particular. Israel's ambassador to Russia, Aliza Shenar, came to Kazan for the synagogue reopening, her second visit to Tatarstan during the last four months.

Gusinskii's visit may have had another motive as well. *Vechernyaya Kazan* reported on 27 November that Kazan residents may soon be unable to watch NTV, the popular television network financed by Gusinskii's Most group. The Tatarstan authorities recently fined the head of a television transmission center and prohibited it from using the channel currently used to broadcast NTV. The paper expressed hope that a compromise could soon be reached to allow the residents of Tatarstan's capital to watch. -- Laura Belin

TATARSTAN MOST ATTRACTIVE REGION FOR INVESTMENT. A study prepared by the journal *Ekspert* and the Russian-American financial group Pioneer First found Tatarstan to be the most attractive of Russia's 89 regions for investment, ITAR-TASS reported 17 November. The other regions at the top of the list are Moscow, St. Petersburg, Samara, Saratov, Krasnodar, Rostov, Sverlovsk, and Chelyabinsk. The survey was based on statistical data for the regions from 1994-1996 and an analysis of federal and regional legislation. The study noted the relative dearth of legislation on investment: only 12 regions have laws regulating Russian investors and just five have legislation regulating foreign investors. The authors recommended that regions pursue greater integration or unification to increase their attractiveness to investors. -- Robert Orttung

NEW LAW IN ALTAI KRAI A MIXED BLESSING FOR MEDIA. Local newspapers in Russia frequently face the problem that revenue from subscriptions and advertising cannot keep pace with rising production costs, making subsidies crucial for a paper's survival. However, aid is not distributed evenly among all newspapers, and money from the authorities comes with political strings attached. A new law "On economic support for district and city newspapers of Altai Krai," published in the official newspaper *Altaiskaya pravda* on 28 November, illustrates how new subsidies can increase the authorities' leverage over journalists.

The law stipulates that money from the krai budget will be allocated to help defray costs for newsprint, publication, and distribution of newspapers. But in order to qualify for aid, newspapers must be listed in a special register, compiled by the krai administration and confirmed by the Legislative Assembly. Only newspapers that have a district or city administration or an organ of local government as a "founder" are eligible for the subsidies. Therefore papers established by entirely independent sources are automatically excluded.

Furthermore, the law does not guarantee that all eligible newspapers will receive aid; rather, the register of recipients will be updated annually by a commission appointed by the administration and legislature. So a newspaper that publishes politically inconvenient articles could find itself poorer the following year.

In addition, the law grants the press committee of the Altai administration the authority to compile materials used to determine whether a paper should be included in the register. The administration could easily exclude a paper from the list on the basis of a misleading selection of articles, and the law offers many potential justifications for exclusion. For instance, subsidies will not be given to newspapers published by a political party or papers devoted primarily to entertainment, advertising, or subjects "of an erotic nature." These understandable restrictions could be used against papers that deviate from the political line set by the authorities. Although the new law states that "unlawful interference" by the authorities into the "professional activities" of journalists will not be tolerated, in practice the subsidies are likely to curtail the already limited independence of cash-strapped newspapers in the krai. -- Laura Belin

NEW PENSION SCHEME IN NIZHNII NOVGOROD OBLAST. Nizhnii Novgorod Oblast Governor Boris Nemtsov has proposed a new method of paying pensioners in his region in an attempt to alleviate the problem of delayed pensions. About a third of the oblast's population are pensioners, and they, like retirees in many other parts of Russia, have not always received their pensions on time because of the indebtedness of the Pension Fund. Under the scheme, pensions would not be paid out in cash but would be credited to a bank account. Pensioners would receive bank cards that they could use in retail outlets participating in the scheme and to pay bills. According to *Kommersant-Daily* of 16 December, a working group under the local administration is currently considering the introduction of the program in a pilot area. The paper was critical of the concept, arguing that transfers from the Pension Fund would inevitably be delayed, forcing the banks and shops to give credit to pensioners. Many regions are arranging for pensioners to be paid in kind or allowing them to open credit lines at local shops. -- Penny Morvant

SIBERIAN LEADERS MEET WITH ILYUSHIN. Members of the Siberian Agreement regional association meet with First Deputy Prime Minister Viktor Ilyushin on 14 December. Krasnoyarsk Krai Governor Valerii Zubov, who serves as deputy chairman of the association, told the meeting that

production has dropped by a factor of three in the area since 1991, ITAR-TASS reported. Moreover, the amount of unpaid wages has doubled over the course of 1996 and 40% of the population are living below the poverty line. Many of the speakers demanded that the federal government turn on its printing presses to solve the region's problems. Ilyushin commented that he had not expected such extreme criticism of the government's work. -- Robert Orttung

EBRD AND FAR EASTERN BANKS TO FINANCE SMALL BUSINESS. Five commercial banks operating in the Far East (Dalrybbank, Dalnevostochnyi bank, Primsotsbank and the Primorskii branches of Sberbank and Mosbiznesbank) are likely to participate in a \$300 million program to finance small businesses coordinated by the EBRD, ITAR-TASS reported on 14 December. Participating banks will provide to local companies credits of up to \$30,000 (for the period of up to six months), bearing a 30% annual interest, and up to \$75,000 (for the period of up to one year), bearing 17-19% annual interest. -- Natalia Gurushina

SBERBANK SIGNS COOPERATION AGREEMENT WITH BELGOROD OBLAST. Sberbank (Savings bank) has signed a cooperation agreement with the administration of Belgorod Oblast, *Kommersant-Daily* reported on 15 December. Under the deal, the bank will be responsible for attracting investment to the region. Sberbank will also act as a coordinator of municipal bond issues in the region and will participate in the development of a mechanism for bills of exchange (*vekselya*) issuance in the oblast. The Sberbank-Belgorod deal is not the first agreement of this type (See *OMRI Russian Regional Digest*, 11 September 1996). Sberbank, in which the state holds a 51% share, is Russia's largest holder of personal ruble and foreign currency savings. It is likely that the cooperation agreement with Belgorod Oblast will be followed by similar deals with other regions, since the bank has the largest network of regional branches in the country. -- Natalia Gurushina

BASHKORTOSTAN COMPANIES TO REPAY DEBTS WITH ADDITIONAL SHARE ISSUES. Bashkortostan President Murtazy Rakhimov has signed a decree which allows local companies to use additional share issues to repay their debts to the local budget. The debts now total 1.18 trillion rubles (\$213 million), *Segodnya* and *Kommersant-Daily* reported on 11 and 16 December, respectively. The regional branch of the Tax Agency will have to accept these shares (at their nominal value) as part of the companies' tax payments and subsequently pass them to the Bashkortostan State Property Committee. As a result of this transaction (which has to be completed by January 1997), the government will increase its stakes in companies' equity capital. The first group of companies which will be allowed to float additional share issues include the Ufimskii oil-processing plant, Novo-Ufimskii oil-processing plant, Ufaneftekhim, and Ufaorgsintez. They are parts of Russia's largest oil-processing firm, Bashneftekhim. -- Natalia Gurushina

Compiled by Robert Orttung

Preliminary Regional Executive Elections Results for Fall 1996

Results for Major Candidates

Key

*** - incumbent**

Incumbent - incumbent won

Pragmatist - non-incumbent winner who supports Yeltsin

Opposition - staunch member of the opposition

1 September

Saratov Oblast

*Dmitrii Ayatskov 81%

Anatolii Gordeev 16%

turnout 60%

Incumbent

22 September

Amur Oblast

*Yurii Lyashko 42%

Anatolii Belonogov 42%

turnout 36%

Overtaken - new election

29 September

Leningrad Oblast

Aleksandr Belyakov 32%

*Vadim Gustov 53%

turnout 34%

Pragmatist

Rostov Oblast

*Vladimir Chub 62%

Leonid Ivanchenko 32%

turnout 42%

Incumbent

6 October

Vologda Oblast

*Vyacheslav Pozgalev 80%

turnout 45%

incumbent

13 October

Yamal-Nenets Autonomous Okrug

*Yurii Neelov 69%
Vladimir Goman 23%
turnout 49%
incumbent

20 October

Kursk Oblast
*Vasilii Shuteev 18%
Aleksandr Rutskoi 79%
turnout 57%
Opposition

Sakhalin Oblast
*Igor Farkhutdinov 40%
Leonid Chernii 25%
turnout 33%
Incumbent

Jewish Autonomous Oblast
*Nikolai Volkov 72%
Sergei Leskov 16%
turnout 42%
Incumbent

Kaliningrad Oblast runoff
*Yurii Matochkin 40%
Leonid Gobenko 50%;
turnout 43%
Pragmatist

Kirov Oblast runoff
Sergeenkov 50%
Nikolai Stin 45%
turnout 54%
Opposition

27 October

Krasnodar Krai
*Nikolai Yegorov 25%
Nikolai Kondratenko 57%
turnout 43%
Turnout too low; race to be repeated

Chita Oblast
*Ravil Geniatulin 31%
Yaroslav Shvyryaev 23%
turnout 46%
Incumbent

Agin Buryat Autonomous Okrug
Bolot Ayushev 49%
Yurii Donkov 48%

turnout 58%
neither won 50%; race to be repeated

Khanty-Mansi Autonomous Okrug

*Aleksandr Filippenko 72%

turnout 47%

Incumbent

3 November

Magadan Oblast

*Viktor Mikhailov 41%

Valentin Tsvetkov 46%

Pragmatist

Pskov Oblast (second round)

Vladislav Tumanov 37%

*Yevgenii Mikhailov (LDPR) 56%

turnout (more than 60%)

Opposition

10 November

Kaluga (second round)

Oleg Savchenko 31%

*Valerii Sudarenkov 63%

turnout 41%

Opposition

17 November

Stavropol (second round)

*Petr Marchenko 40%

Aleksandr Chernogorov 55%

turnout 65%

Opposition

Ust-Orda Buryat Autonomous Okrug

*Aleksei Batagaev 23%

Valerii Maleev 39%

turnout 59%

Pragmatist

Komi-Permyak AO

*Nikolai Polyanov 70%

turnout 57%

Incumbent

Koryak Autonomous Okrug

*Sergei Leushkin 21%

Valentina Bronievich 46%

turnout 58%

pragmatist

1 December

Ivanovo Oblast

*Vladislav Tikhomirov 50.12%

Sergei Sirotkin 24%

47% turnout

incumbent

Samara Oblast

*Konstantin Titov 62%

Valentin Romanov 31%

turnout 52%

incumbent

Altai Krai (runoff)

*Lev Korshunov 46%

Aleksandr Surikov 49%

turnout 56%

opposition

Murmansk (runoff)

*Yevgenii Komarov 40%

Yurii Yevdokimov (KRO) 44%

turnout ???

pragmatist

8 December

Kurgan Oblast runoff

Oleg Bogomolov 67%

ran unopposed after other two candidates dropped out

opposition

Khabarovsk Krai

Viktor Ishaev 77%

Viktor Tsoi 7%

incumbent

Bryansk Oblast

*Aleksandr Semernev 26%

Yurii Lodkin 53%

turnout 50.25%

opposition

Voronezh Oblast

*Aleksandr Tsapin 41%

Ivan Shabanov 49%

opposition

Astrakhan Oblast

*Anatolii Guzhvin 52%

Vyacheslav Zvolinskii 40%

incumbent

Vladimir Oblast
*Yurii Vlasov 21%
Nikolai Vinogradov 62%
Opposition

13 December

Nenets Autonomous Okrug
*Vladimir Khabarov 39%
Vladimir Butov 49%
pragmatist

REGIONAL PROFILE: SAKHA (YAKUTIYA)

Candidates for 22 December Presidential Election

President **Mikhail Nikolaev**, endorsed by the pro-Yeltsin All-Russian Coordinating Council, was popularly elected to this office in December 1991. Previously, he was chairman of the Yakut Supreme Soviet. In 1993 he was elected to the Federation Council gaining 67.19% of the vote. His main opponent is **Artur Alekseev**, the leader of the regional branch of the Communist Party. His candidacy is supported by Gennadii Zyuganov's Popular Patriotic Union of Russia. The prospects of the other three candidates contesting the presidency are considered marginal.

Other Local Leaders

Chairman of the Chamber of Republic of the State Assembly - Yegor Larinov (elected in January 1994)

Brief Overview

Sakha Republic, in area the largest republic of the Russian Federation (approximately the size of India), lies in northern Siberia occupying the eastern half of the Central Siberian Plateau on the west and the East Siberian Mountains, including the Kolyma Valley in the east, stretching from the Arctic Ocean with the New Siberian Islands in the north to the Patom and Stanovo Mountains in the south. Although gold production has declined (gold fields round Aldan and in the Kolyma and Indigirka Valleys were mainly depleted in the 50s), Sakha still remains Russia's main source of natural diamonds. Gas deposits, linked to the republic's capital Yakutsk by a pipeline, are exploited in the Vilyui Basin and coal is mined along the lower Lena River.

Sakha was established as an ASSR, named Yakutiya in 1922. It claimed independence under the name Sakha, the self description of the indigenous Yakut people, in 1990. The first Russian settlers penetrated the territory along the Lena River in the 17th century where they met the indigenous Yakuts, a cattle and horse breeding nomadic people with a Turkic language. Beside the Yakuts and the predominant Russian population, some Tungusic Even and Evenk and a small number of Tundra Yukagirs, a Paleosiberian people, inhabit the territory.

Basic Facts

1995 Population (est.): 1,035,800 (0.7% of Russian total)

Industrial production as percentage of all Russian production (Jan.-Aug. 1995): 1.32%
Agricultural production as percentage of all Russian production (1994): 1.53%
Average personal income index in July 1995: 208 (Russia as a whole = 100)
Price basket index in July 1995: 195 (Russia = 100)
Average back wages owed per person (September 1995): 333,700 rubles (Russian average = 37,100)
Urban population: 64.5% (Russia overall: 73.0%)
Student population (1993): 82 per 10,000 (Russia overall: 171/10,000);
Pensioner population (1994): 16.4%
Percent of population with higher education (1989 census): 11.3% (Russia overall: 11.3%)
Percent of population working in (1993): Industry: 16.5% (Russian average: 29.9%); Agriculture: 64.1% (12.8%); Trade: 9.0% (9.1%); Culture: 16.8% (13.6%); Management: 2.8% (2.3%)
Number of telephones per 100 families (1993): in cities: 39.5 (Russian average: 41.5); in villages: 30.4 (17.2)
According to a 1995 survey by Bank Austria, the oblast is 75th among Russia's 89 regions in terms of investment climate.

Electoral History

1996 Presidential Election

Yeltsin: 51.85%/64.65% (first round/second round)
Zyuganov: 20.55%/29.89%
Lebed: 12.61%
Zhirinovskiy: 3.65%
Yavlinskii: 4.68%
Turnout: 71.94%/70.64% (Russia overall: 69.67%/68.79%)

1995 Parliamentary Election

Communist Party of the Russian Federation: 17.61%
Our Home Is Russia: 13.75%
Power to the People: 7.48%
Women of Russia: 7.46%
Liberal Democratic Party of Russia: 6.80%
Congress of Russian Communities: 4.43%
Communists-Workers' Russia: 4.34%
Party of Workers' Self-Government: 3.84%
Yabloko: 3.63%
In a single-member district: 1 Power to the People
Turnout: 65.9% (Russia overall: 64.37%)

1993 Constitutional Referendum

"Yes" - 52.07% "No" - 42.59%

1993 Parliamentary Election

Liberal Democratic Party of Russia: 15.45%
Russia's Choice: 13.36%
Party of Russian Unity and Concord: 13.01%
Women of Russia: 11.44%
Agrarian Party of Russia: 10.51%

Communist Party of the Russian Federation: 10.19%
Yabloko: 7.04%
Democratic Party of Russia: 5.23%
In a single-member district: 1 New Regional Policy
Turnout: 59.41% (Russia overall: 54.34%)

1991 Presidential Election

Yeltsin: 44.9%
Ryzhkov: 24.73%
Tuleev: 12.82%
Zhirinovskiy: 6.68%
Bakatin: 3.72%
Makashov: 3.33%
Turnout: 76.65% (Russia overall: 76.66%)

Sources: *Goroda Rossii [Cities of Russia]*, Moscow: Bolshaya Rossiiskaya Entsiklopediya, 1994; *Rossiiskie regiony nakanune vyborov-95 [Russian regions on the eve of 1995 elections]*, Moscow: Yuridicheskaya Literatura, 1995; *Itogi vyborov 17 dekabrya 1995 goda po regionam [Results of the 17 December 1995 elections, regional breakdown]*, Moscow: Panorama, 1996; *Vybory deputatov Gosudarstvennoi Dumy 1995 [State Duma elections 1995]*, Moscow: Central Electoral Commission, 1996; S.A. Nagaev and A. Woergoetter: *Regional Risk Rating in Russia*, Vienna: Bank Austria, 1995. Compiled by Silja Haas and Anna Paretskaya.