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**REPORT ON RUSSIA'S
PRESIDENTIAL ELECTION**

June 16 and July 3, 1996

Ryazan Oblast and Moscow



Prepared by the Staff of the
Commission on Security and Cooperation in Europe

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This report is based on a Helsinki Commission staff delegation to Russia to observe presidential elections on June 16 and July 3, 1996. During the first round of the elections, Commission staff joined the observer delegation of the Organization for the Security and Cooperation in Europe Parliamentary Assembly (OSCEPA). Commission staff observed the election process in the city of Ryazan and the Ryazan Oblast, and followed the reporting process from a territorial election commission in the village of Rybnoe to Moscow. During the second round, Commission staff observed the voting in various precincts in Moscow.

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EXECUTIVE SUMMARY

- In June-July 1996, Russia held its first presidential election since the breakup of the Soviet Union. Two rounds of voting were necessary to determine the winner. The first took place on June 16, among ten candidates. The largest vote-getters in the first round were President Boris Yeltsin (35.28 percent) and Communist Party leader Gennady Zyuganov (32.04 percent). Former General Alexander Lebed came in third, with 14.52 percent. Liberal reformer Grigory Yavlinsky won 7.34 percent, while ultra-nationalist Vladimir Zhirinovskiy received 5.7 percent. None of the other candidates, among them former Soviet President Mikhail Gorbachev, managed to win one percent of the vote.
- As no candidate had received 50 percent, a second round was held on July 3, pitting Yeltsin against Zyuganov. Their head to head contest offered voters starkly different choices between continuation of painful reforms begun by a once charismatic, highly flawed and sickly president, or a regression to communist rule, personified by a stolid apparatchik and his even more hard-line allies. To most Russian voters, Boris Yeltsin seemed the lesser evil. They reelected him by a margin of 53.82 percent to 40.31 percent for Zyuganov.
- For Boris Yeltsin, whose position seemed hopeless last winter, the first place finish in the first round and the convincing victory in the second signified a remarkable political comeback. For Gennady Zyuganov, who in February had seemed the likely victor, the outcome was a bitter defeat. For Alexander Lebed, who has parlayed a third-place finish into one of the most powerful positions in Russia's Government, the election was a stunning success.
- Yeltsin's victory distinguished Russia from other states, such as Poland, Hungary and Lithuania, where former Communists had come to power in elections. This difference may be due to greater fear of communism in Russia, where Bolshevik brutality and misrule was longer and more extreme, and the largely unreconstructed nature of Russian communism, as opposed to reformist, Social Democratic variants in Eastern Europe.
- The election demonstrated that democratization has put down roots in Russia. Predictions that President Yeltsin might cancel the election did not materialize, even though he apparently came close to doing so. Warnings that violence would mar the voting or the announcement of the outcome also proved unfounded, with both rounds being completed peacefully. Moreover, despite forecasts of vote-rigging by all sides, international and domestic observers judged the vote largely free and fair. Finally, in both rounds, turnout figures were impressive: according to the Central Election Commission, about 70 percent of the electorate turned out in the first round, and 67 percent in the second.
- On the other hand, as many commentators observed, in certain important respects the campaign was clearly unfair. The state-run media openly favored Yeltsin, while ignoring or pillorying Zyuganov. Pro-reform independent media, fearful of a Communist victory, took the same tack. Moreover, according to credible published reports, Yeltsin's campaign also exceeded by a wide margin the legal spending limits on campaigning.

- While Yeltsin exploited the broad powers of the Russian presidency, Zyuganov failed to widen his appeal beyond core constituencies and convince voters that he was a “reformed” Communist. To broaden his base, Zyuganov and his allies created a People’s Patriotic Movement, which will emphasize patriotism, as opposed to communism.
- Boris Yeltsin’s victory means that Communist plans to renationalize the economy and roll back privatization will not be implemented in the near term or easily. But Yeltsin’s economic advisors, mindful that some 40 percent of the electorate voted for Zyuganov, have said they will pay more attention to social guarantees in economic policy.
- Pro-Yeltsin and pro-Zyuganov forces will continue their competition this autumn, when the heads of Russia’s administrative units—most of whom Yeltsin had previously appointed—will be elected. The results affect not only local issues, increasingly important as power ebbs from Moscow to the regions, but also the composition of the upper chamber of parliament, the Federation Council. Victories by the Communists and their allies in these elections could give them dominance in both chambers of parliament.
- Despite Yeltsin’s June truce with the Chechens, after his July 3 victory Moscow resumed shelling and blanket bombing of Chechen villages. This policy led to the Chechen rout of Russian forces in August. Alexander Lebed, whom Boris Yeltsin charged with settling the crisis, seems sincere in his efforts to end the war; but his peace plan may fall victim to Kremlin intrigues aimed at him, and part of Russia’s military command wants a decisive victory at all costs. Under these circumstances, cease-fires may be attainable, but the conflict could continue for the foreseeable future. Even if serious negotiations resume and Moscow agrees to a future referendum in Chechnya, Russia could face the prospect of a precedent-setting decision: whether or not to grant independence to one of the Federation’s constituent parts.
- Zyuganov's call for a "voluntary restoration of the USSR" frightened Russia's neighbors, whose leaders backed Yeltsin. Like most Russian voters, they saw him as the lesser evil, despite Moscow’s pressure for “integration” and control of strategic assets. With Yeltsin reelected, neighboring states hope Russia's policy in the “Near Abroad” will eschew support for separatist movements based on self-determination and emphasize commercial over military thinking.
- The Clinton administration placed great hopes in Boris Yeltsin’s reelection. For months before the election, U.S. policymakers avoided difficult issues in U.S.-Russian relations, afraid of damaging Yeltsin’s chances. With Yeltsin’s victory and his second, and last, term secure, this excuse has vanished. The most contentious issue in U.S.-Russian relations is likely to be NATO expansion. Moves to expand NATO might lead Moscow to ignore or reject arms control agreements and pursue more aggressively a military alliance with neighboring states, however reluctant they might be to join.

BACKGROUND

The 1996 presidential election was touted as a landmark in the attempt to answer the seemingly eternal question “whither Russia?” Five years after the downfall of communism, it appeared that popular disappointment with the effects of market reform, such as the impoverishment of millions of people, striking income disparities between winners and losers, and rampant crime and official corruption, had soured voters on President Boris Yeltsin and the democratic process in general. The breakup of the Soviet Union had diminished Russia's traditional status as a world power and had left millions of Russians in newly independent states, where many of them still felt like second-class citizens. In the December 1995 parliamentary election, Communist-nationalist forces had blasted Yeltsin's domestic and foreign policies, arguing for social justice and campaigning for the restoration of Russian power in the world. Their electoral success—Communists won 22.3 percent of the vote for seats in the Duma—gave them effective control of parliament's lower chamber, which meant that a broadly based opposition was in place, waiting for the chance to capitalize on popular discontent and remove Yeltsin from office.

Topping the list of Yeltsin's negatives was the war in Chechnya, a dramatic and literal bleeding wound in the Russian body politic. Launched in December 1994, after attempts at subversion had failed to dissuade or intimidate Chechens determined to gain independence, the war was extremely brutal, killing an estimated 20-30 thousand people (Lebed subsequently stated that the figure was three times as much), mostly civilians and many of them Russian. The failure to win a decisive victory against the outnumbered, outgunned Chechen forces demonstrated the ineffectiveness of Russia's military forces and the incompetence and corruption of the military command.

Finally, for many Russian voters, Boris Yeltsin had become a distant presence when not an embarrassment. His frequent disappearances and aides' unconvincing explanations that the president had “a cold” or a “sore throat” pointed to his deteriorating health. Yeltsin's gaffes on foreign trips, apparently due to drinking bouts, diminished his reputation further.

In short, by the winter of 1995-1996, Boris Yeltsin's poll figures were in the single digits, and his prospects of reelection seemed bleak. Indeed, it was uncertain that he would even try to keep his office. The Communist-nationalist opposition looked forward to the June presidential election, hopeful of victory yet fearful that Yeltsin would not let the election take place.

Once Yeltsin decided to run, however, his advisors crafted a campaign plan based on the assumption that one-third of the electorate was oriented towards communism while 25 percent of voters were pro-reform. The rest were somewhere in between, but feared above all another huge shock, after all the dislocation of the last five years. Yeltsin's strategy, therefore, was to present himself as the sole hope of stability and Zyuganov as the candidate of radical change.¹

In the early part of the campaign, although Yeltsin's decision to run seemed irreversible, there were strong indications that the election might not take place. After the Communist-dominated

¹ Mark Urnov, former Director of the Analytical Division of the Russian Presidency, remarks at the Heritage Foundation, July 25, 1996.

Duma voted on March 15 to renounce the December 1991 Belovezh Accords, which formalized the dissolution of the USSR,² some of Yeltsin's aides saw the resolution as a pretext to dissolve the parliament and cancel the scheduled vote. According to subsequent reports, Yeltsin agreed to these extraordinary measures, armed troops surrounded the Federal Assembly and it seemed as if the parliament would be shut down. Ultimately, however, Yeltsin decided not to dissolve the legislature and cancel the election, apparently fearing for his reputation in history.³

Nevertheless, continuing rumors that the election would not be held gained credence on May 5, when the head of Boris Yeltsin's security, Alexander Korzhakov, widely viewed as the *eminence grise* of the Yeltsin administration, called for postponing the election. Citing the need for stability, he said regardless who won, political unrest would follow, and that Russia was not ready for a civilized election. His suggestion followed the April 26 call by 13 prominent businessmen for a deal between Yeltsin and Zyuganov that would essentially create a coalition government and obviate the need for an election. Yeltsin himself responded with public assurances that the election would take place as scheduled, and reprimanded Korzhakov, warning him to stay out of politics. He repeated his pledge in a telephone call to President Clinton.

Considering his long lassitude and apparent illness, the 65-year old Boris Yeltsin proved a dynamic campaigner, embarking on a cross-country campaign, and however improbably, dancing at a rock concert. He moved to win over various domestic constituencies and to undercut Zyuganov's appeal, generally through the power of the purse. As of late March, Yeltsin had promised \$4 billion to the defense industry, \$2.2 billion in back wages to public sector workers, \$2 billion to miners, \$3.3 billion to the agricultural sector, half a billion to pensioners, and over \$1 billion to officers and soldiers.⁴ He continued his largess into the spring, issuing decrees in April to ensure the timely payment of pension arrears—via a four-trillion-ruble government loan for six months to the state pension fund—and ordering the government to find ways of compensating people whose savings had fallen victim to inflation.⁵ On June 8, he signed an edict giving residents of the Far East a 50 percent discount on air and rail fares to Russia's central regions once every two years.⁶

Meanwhile, Yeltsin openly engaged in negotiations with his likely opponents, some of whom had tried to create a "third force," i.e., an alternative to the Yeltsin-Zyuganov matchup. The three prominent political personalities involved were Grigory Yavlinsky, Svyatoslav Fyodorov and General Alexander Lebed. All members of the Duma, they collectively garnered about 15 percent of the popular vote in the December 1995 elections. The strategy behind the effort focused on the

² A second Duma resolution affirmed the legal validity of the March 1991 referendum on maintaining the USSR.

³ See David Remnick, "The War for the Kremlin: How Boris Yeltsin Really Won the Elections," *New Yorker*, July 22, 1996.

⁴ *Washington Times*, March 28, 1996.

⁵ *Monitor*, April 9, 1996.

⁶ *OMRI Daily Digest*, June 10, 1996. For a more complete catalogue of Presidential handouts—including a promise of a car to a woman in Vorkuta—see Daniel Treisman's "Why Yeltsin Won," *Foreign Affairs*, September-October 1996. The author considers Yeltsin's beneficence the most important factor in his reelection.

likelihood of a runoff: if Yeltsin lost in the first round, one of them might defeat Zyuganov in second. But the three ambitious politicians could not decide who among them should represent them, and the “third force” collapsed. That left Lebed, who enjoyed popularity among nationalist, law-and-order voters, free to deal with a President who needed his support.

Yeltsin also met with liberal reformer Grigory Yavlinsky, who appeared to be bargaining for the post of prime minister as the price of withdrawing his candidacy. *Izvestiya* published a letter from Yavlinsky to Yeltsin, detailing the conditions for his support.⁷ Yavlinsky’s campaign vividly demonstrated the divisions in the democratic camp. Many were deeply disappointed in Yeltsin, citing his retreat from reform, his cabal of hard-line advisors, his removal of reformist advisors, and especially the war in Chechnya. In the months before the election, a pleiad of Russia’s best known reformers and human rights activists, including Sergey Kovalev, Elena Bonner, and Yuri Afanas’ev, publicly broke with the President in whom they had once vested their hopes for Russia’s democratization. For many others, however, the stark, unpalatable choice between Yeltsin and any of the Communist or nationalist candidates facilitated a return to the Yeltsin camp, on the grounds of being able to choose the “lesser evil.” The leading proponents of this line were former Acting Prime Minister Yegor Gaidar and former privatization chief Anatoly Chubais, who backed Yeltsin’s candidacy. Chubais, in fact, despite his earlier unceremonious dismissal from the Yeltsin government, went to work for Yeltsin’s campaign.

On March 31, Yeltsin tried to address what he called “Russia’s biggest problem,” with a peace plan for Chechnya. Earlier that month, Russian forces had launched massive assaults on towns and villages, supposedly intended to create “zones of peace,” which caused heavy civilian casualties. The plan called for an end to further offensive military operations, i.e., a unilateral cease-fire, and a gradual withdrawal of Russian troops from pacified areas of Chechnya. Yeltsin expressed a willingness to negotiate with Chechen leader Jokhar Dudaev through intermediaries on the status of Chechnya, and offered new, democratic elections—as opposed to the December 1995 elections—in which Dudaev’s participation was “possible.” Prime Minister Chernomyrdin was named to head a state commission to monitor compliance with the plan, which also offered the possibility of amnesty for most Chechen fighters. But Yeltsin rejected a full withdrawal of Russian troops and repeated that full independence was not an option. Instead, Chechnya could have more autonomy than any other region, a status “very close to independence.”

However, fighting continued after Yeltsin’s offer. In April after Chechen forces killed over 50 Russian troops in an engagement, Dudaev was killed, reportedly by a rocket that had fixed on his satellite phone signals. But Moscow’s hopes that his death would stop the hostilities or break the Chechens’ will proved illusory, as their forces vowed to continue fighting under the leadership of Dudaev’s successor, Zelimkhan Yandarbiev.

While wooing domestic constituencies, especially Zyuganov supporters who dreamt of a restored Soviet Union, Yeltsin also sought to line up the support of Russia’s neighbors. An original co-signer of the Belovezh Agreement, he denounced the Duma’s March 15 resolution as

⁷ These included ending the war in Chechnya, sacking the prime minister and ministers of defense and internal affairs, “urgent measures” against crime, ending pressure on the media, and economic and social reforms.

“scandalous,” unconstitutional, and without any legal validity. Instead, Yeltsin proceeded with his own “integrationist” agenda. On March 29, Russia, Belarus, Kazakhstan, and Kyrgyzstan signed an agreement on a “Commonwealth of Integrated States,” which created a quadripartite customs union. On April 2, Yeltsin and Belarus President Lukashenko signed a treaty establishing a “Community of Sovereign Republics,” which Lukashenko described as the highest form of community within the CIS, complete with supra-national institutions. On the other hand, unwilling to give Zyuganov more reasons to accuse him of not defending Russia’s interests, Yeltsin canceled—for the sixth time—a scheduled trip to Ukraine. Continuing disagreements with Kiev over the Black Sea Fleet and Russian basing rights in Sevastopol have blocked the signing of an accord that would acknowledge Ukraine’s sovereignty and external borders.

Western governments, fearful of a Communist victory, did what they could to bolster Yeltsin’s chances. The International Monetary Fund (IMF) approved a three-year loan for \$10.2 billion, Germany promised another \$2.7 billion, and France and Japan offered still more. On the other hand, Western governments also emphasized their resolve to expand NATO, which virtually all of Russia’s political elite viewed negatively.

All these efforts by the President’s campaign team appeared to pay off. In the spring, Russian polling agencies published survey results indicating that Boris Yeltsin had cut Zyuganov’s lead; and by the time of the election, the incumbent had surpassed his Communist rival in most polls. Yeltsin was so confident that he publicly predicted a first-round victory.

Shortly before the June 16 first round, violence marred the election. On June 7, an explosion seriously wounded Valery Shantsev, the running mate of Yeltsin ally Yuri Luzhkov, the Mayor of Moscow, who was heavily favored in his reelection bid.⁸ Four days later, an explosion in the Moscow metro killed four people. The mood in Moscow just before the voting was therefore more tense than would otherwise have been the case.

ADMINISTRATION OF THE ELECTION

Election Commissions. Overall administration of the election was the responsibility of the Central Election Commission (CEC). The CEC is a permanent body with 15 members; parliament’s two chambers and the president each appoint five members. Lower on the administrative hierarchy were Election Commissions of the Russian Federation’s 89 subjects, (i.e., republics, krais, oblasts), about 3000 Territorial Election Commissions and some 93,000 polling stations. Registered candidates had the right to have a representative on each commission at every level. Most territorial commissions were connected by computer with both the subject commissions and the CEC, to which totals were reported electronically and conveyed to the media.

Nomination and Registration. Electoral associations, electoral blocs and voter initiative groups of at least 100 people could nominate candidates. Nominating organizations filed documents with the CEC to register the organization’s authorized representatives. The organization could then begin gathering the necessary 1,000,000 signatures for candidates, which had to come from voters

⁸ Had Shantsev died, Luzhkov might have been ineligible to run, as the election rules required a running mate, and it would have been too late to register someone else.

in at least 15 of the Federation's 89 subjects (administrative regions), with no more than seven percent from any one subject. The CEC had 10 days to verify the signatures and register the candidates.

Seventy-eight individuals submitted applications to run, but only 17 completed the process for registration. Of these, the CEC rejected eight for having failed to comply with the law's requirements or having an insufficient number of valid signatures.⁹ Of the eight rejected candidates, two—Martin Shakkum and Vladimir Bryntsalov—filed successful appeals to the Supreme Court, which left 11 candidates. One of them, Zyuganov ally Aman Tuleev, withdrew on June 10, so there were ten contenders on the ballot in the first round.

Campaign Finance. The Central Election Commission received from the state budget 4 billion rubles (about \$820,000), which was divided equally among the candidates. Apart from these funds, candidates could use their own money and solicit contributions. The CEC set the following spending limits: candidates could not spend more than 57,750,000 rubles (1000 times the official minimum salary and a little more than \$11,000) of their own funds. Electoral associations were limited to not more than 50 thousand minimum salaries (\$577,000), legal entities (similar to U.S. corporations) could spend a maximum of 5000 minimum salaries (\$57,700), and individuals could contribute up to 50 minimum salaries (\$577). Candidates could not receive campaign contributions from government or military agencies, foreign governments or non-citizens, legal entities having over 30 percent foreign participation, or charitable or religious organizations.

CANDIDATES' PLATFORMS

Below are brief descriptions of the candidates' platforms, with more emphasis, of course, on President Yeltsin, Gennady Zyuganov and Alexander Lebed.

Boris Yeltsin: The incumbent ran without official party backing, having been nominated by a voter initiative group. Yeltsin advocated devolving more power from Moscow to the regions, the development of local government, encouraging the formation of NGOs, further deregulation of the economy and a fair tax code. His program, published June 1, called for closing the budget deficit and cutting inflation to five percent by the year 2000, thus providing Russia's citizens the highest living standards in Eastern Europe. At the same time, the President pledged to raise wages, index pensions and, in general, to provide more funds for social needs. Following up a March decree, Yeltsin also came out for private ownership of land, including free purchase and sale, which starkly distinguished his approach from that of Zyuganov's.

More important in the campaign than Yeltsin's own platform or record, however, was his portrayal of his opponent. He presented the election as a two-man race between himself—the initiator of tough but necessary reforms—and the only man capable of beating him, Gennady Zyuganov, whom Yeltsin represented as an unreconstructed reactionary who would reimpose all the Communist state's restrictions on society. Yeltsin reminded voters of the queues, shortages, and lack

⁹ Among the failed candidates were prominent reform activist and former Duma member Galina Starovoitova and Sergei Mavrodi, notorious for his "MMM" pyramid scheme which fleeced millions of people but did not keep him from being elected to the Duma.

of freedoms and human rights under communism, warning of the darkest dangers should Zyuganov win.

Gennady Zyuganov: The Communist challenger headed a “Peoples’ Patriotic Bloc” made up of the Communist Party and smaller pro-Communist—often more stridently Communist and nationalist—factions. He stressed the ruinous impact on many Russians of Yeltsin's reforms, such as the 50 percent decline in production, the plight of almost 6 million refugees, and the impoverishment of the population. His platform called for fixed prices, subsidies for industry and monopoly control over almost all land, trade in oil and other strategic goods. Zyuganov promised social guarantees, such as the right to work, increasing wages and pensions, and compensating people whose savings had been eroded by inflation, saying he would fund these programs with the money dishonest entrepreneurs had sent abroad. Zyuganov pledged to end the war in Chechnya and to restore Russia’s military and industrial potential. He also advocated amending the constitution to make the president accountable to society.¹⁰ As for relations with neighboring states, Zyuganov denounced the December 1991 Belovezh Accords, which formalized the end of the Soviet Union, and called for the “voluntary restoration of the USSR,” but vowed not to threaten anyone’s sovereignty.

Alexander Lebed: The well-known former army general and commander of the 14th Army in Moldova had run in the December 1995 parliamentary election as a leader of KRO (Congress of Russian Communities). KRO did not break the required five-percent barrier for parliamentary representation but Lebed won a seat from his home town of Tula. He ran for President without party backing (having dropped his association with KRO). Lebed's reputation was based, however, not on his legislative experience but on his military career, and especially his blunt, no-nonsense approach to issues. For example, he savaged the corruption and inadequacies of his military superiors¹¹ in consistently opposing the war in Chechnya and was even willing to countenance Chechnya’s possible independence. Lebed proposed that Russia annex the northern, ethnic-Russian majority regions and let the Chechens hold a referendum on independence in the remaining central and southern sections. In general, Lebed was the “law and order” candidate, promising a crackdown on crime and corruption, military reform, and strong support for free enterprise.

Grigory Yavlinsky: Leader of the “Yabloko” party and Duma member, Yavlinsky campaigned as the only genuinely free-market advocate in the race and the hope of democrats unable to back Yeltsin in good conscience. He called for scrapping government monopolies and for an end to the war in Chechnya. Yavlinsky criticized President Yeltsin and the government of Prime Minister Chernomyrdin, often giving indications that he would support the former if he could replace the latter. His campaign posters asked voters to vote for a “normal” person.

Vladimir Zhirinovsky: The Leader of the Liberal Democratic Party and *enfant terrible* of Russian politics was making his second run for the presidency, having come in third in the 1991 election. In the December 1995 parliamentary election, Zhirinovsky’s 11.2 percent of the vote surprised observers who had expected his showing to fall drastically after many scandalous

¹⁰ *Monitor*, March 18, 1996.

¹¹ He also criticized his Commander in Chief, calling Boris Yeltsin “a minus.”

escapades at home and abroad. In 1996, he depicted himself as Russia's only protector against the Communists and the democrats, who, he claimed, had handed Russia and its resources over to Western politicians and commercial interests determined to keep Russia weak. Though he campaigned with characteristic aplomb, he conceded in interviews that the race was really between Yeltsin and Zyuganov.

The remaining candidates were marginal and nobody expected them to win any substantial support. These prognoses proved well founded, but the following would-be presidents pushed gamely ahead:

Svyatoslav Fedorov: Leader of the "Party of Self-Government," Duma member, and prominent eye surgeon, Fedorov's economic program was based upon the cooperative labor system practiced at his own institute (where employees are paid according to their own output, as opposed to a wage). He railed against high and progressive taxes, government interference, and parasitical bureaucrats.

Mikhail Gorbachev: Former President of the Soviet Union and chairman of the "Gorbachev Foundation," Gorbachev accused Yeltsin of dissipating the reform efforts he had inherited and dismissed Zyuganov and the Communist Party as "a bunch of reactionaries and *putschists*." He portrayed himself as the only candidate who could unite the disparate factions in Russian politics.

Vladimir Bryntsalov: A millionaire pharmaceutical manufacturer and Duma member (nicknamed "Moonshiner," according to the *Moscow Times*), Bryntsalov promised that if elected, he would disperse the Duma and run Russia like a business.

Martin Shakkum: Director of the "Economic and Social Reform" think tank and head of the Russian Socialist Popular Party, Shakkum claimed to be a man of action instead of words. He called for a national state of emergency and investigating everyone in government.

Yuri Vlasov: A former world champion weightlifter, Vlasov began his political career in the democratic camp but has since adopted strongly nationalistic positions. His best known backer was writer Eduard Limonov, previously a prominent member of Zhirinovskiy's party.

CAMPAIGN

Both Boris Yeltsin and Gennady Zyuganov criss-crossed Russia, but Yeltsin and his team placed great emphasis on the electronic media. Yeltsin's campaign played to the electorate's fears of the past-as-future: on the stump, aided by popular supporters such as rock stars, he insistently warned that a Communist victory would return Russia to repression, poverty and international isolation.

Yeltsin also moved to shore up his base in the provinces and win the support of local officials. In the months leading up to the election, he signed 12 agreements with regional governments on division of powers between them and the Federal government, generally offering them economic benefits as well.

The main idea of Zyuganov's "throw the bums out" campaign was that the present situation is intolerable and criminal. Zyuganov eschewed advertising on television, relying on tried and true Communist methods: rallies, door-to-door agitating, and mail drops by precinct workers. He largely passed over Communist rhetoric or mentions of Marxism-Leninism, stressing instead nationalist themes, Russia's fall from greatness, and the impoverishment of the population at the hands of Yeltsin and his cronies.

President Yeltsin refused Zyuganov's repeated calls to debate, so no head-to-head confrontation between the two leading rivals ever took place. The candidates had the chance to make their case to voters on the airwaves. On May 5, after drawing lots, the CEC distributed free air time to the candidates on state-run television between May 14 and June 14. Registered candidates received 10 minutes in the morning and 10 minutes in the evening. On the St. Petersburg channel, candidates were permitted 30 minutes once in the evening. They also received free air time on central and regional radio stations.

One of the most controversial aspects of the elections was the favoritism shown by the state-run media to President Yeltsin. The CEC's April 5 resolution on granting air time to the candidates stipulated specifically that "the state-run mass media and officials...shall be obliged to provide equal access to the mass media to all candidates for President...and to refrain from preferential treatment of any candidate participating in the events related to election campaigning."

Despite this stricture, the Russian state media virtually ignored Gennady Zyuganov, except to pillory him.¹² For instance, in one broadcast the week before the first round, a state television channel informed viewers that some Zyuganov supporters had gone to Chechnya to confer with Chechen representatives. The announcer reported that it was unclear what had been discussed, but whatever it was, he intoned, "it could hardly have been in the national interest."

Reform-minded independent media took a similar tack, making little attempt to mask their pro-Yeltsin sympathies. Entrepreneur Vladimir Gusinsky, who had fled Russia in 1995 after conflicts with Boris Yeltsin's confidant Alexander Korzhakov, nevertheless saw Yeltsin as obviously preferable to Zyuganov, and Gusinsky's popular NTV independent television station ignored or savaged Zyuganov's campaign. In fact, some of the country's leading journalists and media executives, including the general director of NTV, Igor Malashenko, were on Yeltsin's re-election team. Many journalists who had previously criticized Yeltsin and his government now treated him with kid gloves and defamed his opponent, explaining that Zyuganov's victory would mean the end of their independence, and they could not afford impartiality.

Journalists had reason to fear, apart from the Communists' historic record: announcing his candidacy in February Zyuganov said, "It is necessary to set up effective public control over state TV and radio broadcasting."¹³ In general, though he tried to present himself as a "new" Communist, Zyuganov often played into the reformist media's genuine determination to depict him as an

¹² Lee Hockstader, "Russian Media Stack the Deck for Yeltsin," *Washington Post*, April 3, 1996.

¹³ Ibid.

unregenerate Stalinist by, among other things, praising Stalin. Journalists who needed extra coaxing could count on monetary inducements from a well-funded Yeltsin campaign.¹⁴

Another controversial issue in the campaign was spending by the candidates. As mentioned above, the CEC set limits on the amount candidates could spend. But according to credible reports, the candidates, especially Boris Yeltsin, far exceeded those limits.

According to a report in the *Washington Post*, based on information from members of Yeltsin's campaign team, "at a bare minimum, \$100 million flowed from banks and other financial concerns" to the President's cause. The figures could actually be five times that high or more.¹⁵

Nevertheless, on August 19, the CEC released figures showing that Yeltsin had spent 14.4 billion rubles compared to Zyuganov's 11.3 billion rubles. Yeltsin spent 10.3 billion rubles on TV and radio, while Zyuganov bought only 1.5 billion rubles of air time. According to the CEC, corporate contributions supplied the bulk of both candidates' money, and both observed the legal limit of 14.5 billion rubles.¹⁶

Complaints. Throughout the campaign, Yeltsin and Zyuganov traded accusations. Yeltsin's associates charged Zyuganov and the Communist-nationalist forces with planning to disrupt the election or to contest the results by violent means. Some Yeltsin campaign officials alleged the "patriotic bloc" had created armed paramilitary groups to seize power.

Zyuganov's complaints centered on the refusal of the Russian state media to pay any attention to his campaign, other than to present him, his party, allies and platform in the worst possible light. He decried, for example, the refusal by the official newspaper *Rossiiskaya Gazeta* to publish his election platform (which the pro-Communist *Sovetskaya Rossiya* and similar publications published in full). Zyuganov supporters also claimed that disinformation about the Communists had appeared in the press, including an alleged Communist plan to overturn President Yeltsin's ban on political activity in the workplace. Yeltsin partisans, meanwhile, claimed that pro-Communist factory managers were indeed setting up illegal party operations on the factory floor. Moreover, Zyuganov charged consistently that the Yeltsin campaign was overspending its legal limits and availing itself of public largess in arranging campaign events through municipal authorities. He and his allies also spread rumors that Yeltsin might cancel the election at the last moment.

The CEC rarely upheld Zyuganov's repeated protests, and even when it acknowledged abuses by the Yeltsin campaign, there were few, if any, consequences. In fact, during a meeting with OSCE Parliamentary Assembly parliamentarians, the CEC Chairman, Nikolay Ryabov—a Yeltsin appointee—made a presentation that included an attack on candidate Zyuganov for allegedly making wild threats of taking to the streets if the Communists suspected election fraud.

¹⁴ See Gleb Cherkassov, "Manipulation of the Media in the Russian Presidential Race," *Prism*, August 1996.

¹⁵ Lee Hockstader and David Hoffman, "Yeltsin Campaign Rose from Tears to Triumph," *Washington Post*, July 7, 1996.

¹⁶ *OMRI Daily Digest*, August 20, 1996.

Observers. Candidates, electoral associations, electoral blocs, foreign states and international organizations, and representatives of the mass media had the right to designate observers at polling stations. On April 17, the Communist-led Duma passed a bill that would have strengthened the position of domestic election monitors. The bill envisioned random recounts of two percent of the precincts in a district, with more recounts if errors were found. Other provisions gave ordinary citizens, as opposed to party and candidate representatives, the right to monitor the election, and also authorized the monitoring of the district election committees. The upper chamber of parliament refused to support this bill, however, which was not implemented.

There were numerous foreign observers, including the OSCE Parliamentary Assembly, the Council of Europe, and a long-term observation mission from the OSCE's Office of Democratic Institutions and Human Rights. NGOs from many countries also sent observers.

VOTING

Voting took place from 8 a.m. to 10 p.m. on June 16. Election authorities formed about 93,000 polling stations across Russia for 106.3 million voters. Outside the Russian Federation, there were about 400 more polling stations.

During the first round, Helsinki Commission staff visited the Oblast Election Commission, Territorial Election Commissions and polling stations in Ryazan Oblast—part of the Communist-leaning “red belt,” where Zyuganov was expected to do well. In all polling stations, voting proceeded normally, with numerous observers from the Yeltsin, Zyuganov, Yavlinsky, Lebed, and Zhirinovskiy camps. During the vote count in the village of Rybnoe, two observers, one each from the Communist Party and the pro-Yeltsin Our Home is Russia, were present. There were no violations of standard voting practice or the Russian election law, except for an occasional couple voting in one booth. After the final count—with results posted for public information on a blackboard—Commission staff followed the protocols to the Territorial Commission and watched the results entered into a computer for transmission to the Oblast Commission and directly to Moscow for the preliminary tally. Throughout, election personnel appeared to carry out their duties conscientiously and competently.¹⁷

RESULTS

In the first round, according to the Central Election Commission, turnout was 69.8 percent. President Yeltsin won the most votes, narrowly beating out Gennady Zyuganov by 35 percent to 32 percent. The biggest surprise was the third-place showing of Alexander Lebed, who garnered almost 15 percent of the vote. Grigory Yavlinsky and Vladimir Zhirinovskiy followed with about seven percent and six percent, respectively. None of the other candidates managed to break one percent. As expected, therefore, the election turned out to be a two-man contest.

The failure of any candidate to win 50 percent necessitated a runoff election between the two highest vote-getters. Fearing that a low turnout would hurt him more than Zyuganov, Yeltsin saw

¹⁷ Rybnoe village did not disappoint Zyuganov. Out of 1238 votes cast, Zyuganov received 432 votes, Yeltsin 355, Lebed 252, Yavlinsky 59, and Zhirinovskiy 35. The other candidates were in the single digits.

to it that the runoff took place on July 3, a weekday, rather than a Sunday, when his better-off supporters might be at their dachas.

In a communique after the first round, an observer delegation from the OSCE Parliamentary Assembly concluded that the elections were held in a “generally free and fair manner.” However, the communique mentioned allegations of media bias and charges that “some candidates” had exceeded campaign spending limits. The OSCEPA “trusts that the Central Election Commission will investigate these issues and, if necessary, take appropriate action to prevent them from occurring in the future.”

The Office of Democratic Institutions and Human Rights of the OSCE stated after the first round that “the provisions of the electoral law with regard to free time on television and radio were carried out with scrupulous fairness but the same cannot be said of the news and comment coverage of the different candidates’ campaigns.” The ODIHR communique pointed out “a significant imbalance in candidate Yeltsin’s favor,” while candidate Zyuganov “tended to be shown in negative terms.” The ODIHR report also detailed numerous infringements of the electoral law and regulations of “varying seriousness,” which, however, did not materially affect the outcome of the first round.¹⁸

Second Round. After the first round, Yeltsin immediately moved to win Lebed and his supporters’ votes by offering the former general the post of Secretary of the National Security Council. Many sources subsequently reported that Yeltsin’s team had actually been negotiating with Lebed for some time, and arranged favorable media coverage for him in the late stages of the first round campaign.

Yeltsin next jettisoned ballast that could drag him down. First went Lebed’s hated rival, the highly unpopular Defense Minister Pavel Grachev, who had led the campaign for a military solution in Chechnya and was widely seen as corrupt. Next, in a surprise move, Yeltsin dismissed Alexander Korzhakov, his closest confidant and head of presidential security, Mikhail Barsukov, head of the successor organization to the KGB, and Oleg Soskovets, First Deputy Prime Minister. They were accused of trying to cancel the second round of voting, scheduled for July 3. All the sacrificed bureaucrats were known as hard-liners, who opposed market reforms and pushed a military solution in Chechnya. After sacking the top layer of hard-line advisors, Yeltsin continued his housecleaning by dismissing seven generals close to Grachev. Their purge marked the growing ascendancy of Alexander Lebed and the return to power and influence of at least some reformers, especially Anatoly Chubais, who had themselves been unceremoniously removed in the past.

Between June 17 and July 3, Yeltsin and Zyuganov tried to broaden their electoral bases, while seeking endorsements from the defeated candidates. Svyatoslav Fedorov, for instance, called on his voters to back Yeltsin. After the sacking of Grachev, Korzhakov and others whose removal Yavlinsky had demanded, many assumed that Yavlinsky and his voters would cast their lot with Yeltsin. But at a special Yabloko congress, of 152 delegates, 87 said they would vote for neither Yeltsin nor Zyuganov, 63 chose Yeltsin, and 2 opted for Zyuganov. Yavlinsky himself called for conditional support for Yeltsin but urged regional Yabloko organizations to make their own

¹⁸ The head of the ODIHR Observation Mission also noted that in some regions local officials helped Yeltsin’s campaign stage rallies while refusing the same services to other candidates. *Itogi*, June 25, 1996.

decisions. Yavlinsky, for his part, came up with yet more conditions for unqualified support of Yeltsin, including amending the constitution to diminish presidential power and a plan for ending the war in Chechnya. He indicated, however, he would be willing to accept a good job in a second Yeltsin term.

Despite his acceptance of Yeltsin's offer of a major government post, Lebed said his supporters were not automatons, whose voters could simply be traded or forecast, and he did not explicitly endorse Yeltsin. However, Lebed said he was backing Yeltsin, who represented a new ideology, whereas a "return to the past is the worst that can happen to a country."¹⁹ Vladimir Zhirinovsky, who, despite his broadsides against the government, has generally supported Boris Yeltsin, refused to endorse him. But he specifically urged his voters not to vote for the Communists, who "decided where we lived, where we traveled and how we lived" during the Soviet era.

Before the second round, neither Yeltsin nor Zyuganov displayed much effort or enthusiasm. The President made one trip to Kalinigrad, but otherwise, neither he nor Zyuganov traveled outside of Moscow to campaign. Most headlines, in fact, went to Alexander Lebed.

Between the two rounds of voting, with his chances looking increasingly bleak, Zyuganov proposed a coalition composed of the current government, his own group of allies, and a third bloc representing the other forces in parliament. He suggested, furthermore, that all of Russia's political forces sign a pact of national accord. Yeltsin ignored the proposal, which some of Yeltsin's campaign managers thought had hurt Zyuganov with hard-line voters.

During the campaign for the second round, the CEC drew lots to allocate free time to Yeltsin and Zyuganov on three all-Russian television channels and two radio channels. On June 26, 27, 28 and on July 1, the contenders spoke twice daily, in the morning and evening, for a total of ten minutes a day. Zyuganov received the coveted last spot before the election, on the evening of July 1.²⁰

According to a Communist Party spokesman, Zyuganov also tried to buy air time on the last night of the election campaign. But ORT refused to broadcast his final appeal, claiming that the Communists had failed to pay for the time, and instead reran an earlier Zyuganov address. Zyuganov's campaign showed reporters a receipt to prove the payment had been made on time.²¹ Moreover, the night before the vote—when campaigning should no longer have been allowed—[the state television channel] ORT ran a show on Soviet writer Maxim Gorky, emphasizing the horrors of life under Stalinism. The film ended on the following note: "Now, at the end of the century, Russia is once again in danger of losing its way and turning towards this evil system."²²

¹⁹ Foreign Broadcast Information Service (FBIS-SOV), June 24, 1996, p. 25.

²⁰ FBIS-SOV, June 25, 1996, p. 16.

²¹ *Moscow Times*, July 2, 1996.

²² *Moscow Times*, July 4, 1996.

Second Round Voting. Commission staff observed the voting in various precincts in Moscow. All the voting booths, etc., had already been set up for first round, so the election administrators were ready. They had prepared two sets of voters lists before the June 16 round; one was used at that time, the other was held by the Territorial Election Commission in case of a runoff. The composition of all election commissions remained unaltered.

As on June 16, the conduct of the election was unremarkable, with voters peacefully casting ballots and election commission personnel diligently carrying out the regulations for voting and counting. With only two candidates on the ballot—apart from the option of voting “against all candidates”—the process of voting was easier and quicker than in the first round. Observers representing candidates (or their nominating organizations) who did not make it into the second round could not be monitors on July 3. Still, at every polling station, there were observers, often from the Communist Party, but also for Yeltsin. In talking to voters, the impression soon emerged that those inclined to vote for Zyuganov knew that Yeltsin would carry Moscow and other big cities, but they felt obliged to turn out anyway.

RESULTS

There was no minimum required turnout of 50 percent in the second round. The winning candidate only needed to win more votes than his opponent and the number of “none of the above” ballots. Turnout was higher than Yeltsin supporters had feared; about 67 percent, according to the CEC.

As turnout, in the view of all analysts, was the key factor in the second round, state television once again tried to help Yeltsin's cause by encouraging voters to participate. Concerned that voters might head to their dachas instead of voting, the state television channel ORT broadcast on election day three episodes of a wildly popular Brazilian soap opera, “Tropikanka,” in the hope that people would stay home to watch and then would go to polling stations.²³

Voters reelected Boris Yeltsin by a margin of 53.82 percent (40.2 million ballots) to 40.31 percent for Zyuganov (30.1 million votes); 4.83 percent (3.6 million votes) opted “against both candidates.”²⁴

CONCLUSIONS AND PROJECTIONS

Democratization: International observers gave Russia's first presidential election as an independent state mostly good grades. Yeltsin's margin of victory was higher than his campaign aides had anticipated, averting the call for a recount or charges of a narrow win, which would have undermined his claim to have a mandate. Even more important for domestic stability, although Gennady Zyuganov and the Communist Party had warned that Yeltsin would cancel the election or

²³ Ibid.

²⁴ Two well-known voters who cast ballots against both Yeltsin and Zyuganov were Vladimir Zhirinovsky and Mikhail Gorbachev.

rig the results, the political opposition did not claim wholesale fraud,²⁵ and no protests or disturbances followed the announcement of the outcome. The Communists' restraint signals their acknowledgment that more people voted for Yeltsin than for Zyuganov and an unwillingness to risk creating instability by questioning the legitimacy of the election.

The conduct of the election showed that democracy in Russia has put down roots. A strong opposition contested the incumbent's attempt to win reelection, numerous candidates took part in the campaign, and voter turnout was high in both rounds. Perhaps most important, Yeltsin and his rivals were compelled by the nature and timetable of democracy—namely, a regularly scheduled vote—to win office by appealing to the electorate. Russia has held numerous elections since 1991; choosing government by the ballot, after centuries of autocratic, dynastic rule, followed by revolution and decades of Kremlin cabals, appears to have become a part of Russian political culture.

On the other hand, the election campaign was clearly unfair. Yeltsin manipulated the advantages of incumbency, especially the state's hold on the electronic media, and ignored the laws on campaign finance. Moreover, it is too early to say that the election has assured stability in Russia, considering polarization among the electorate, Yeltsin's poor health, and the fact that constitutional mechanisms for succession are untested. If the future transfer of presidential power takes place according to law, Russia and the rest of the world will be able to breathe much easier. Yeltsin's victory, though welcomed by a majority of Russia's voters and most world capitals—with the possible exception of Havana—meant that the presidency has not yet been transferred peacefully in Russia from one candidate to another. In fact, of the former Soviet republics, only Ukraine has managed this difficult feat, a key milestone of democratization.

One of the most disturbing aspects of the ongoing saga of Yeltsin's health problems is the secrecy surrounding his condition, with aides stubbornly insisting that the president's disappearances are due to "colds" or a "sore throat," knowing full well that none of these claims is credible—paradoxically, even if true. Granted, Boris Yeltsin is not the only head of state to withhold information about his health: a scandal erupted in France in 1995 when former President Mitterand's doctor revealed that Mitterand knew about his cancer years before the public was told and ordered that news of his condition remain a tightly held secret. But Mitterand did not vanish for long periods, and French Government officials did not have to repeat, with a straight face, implausible explanations for his absence to anxious domestic and foreign audiences for his absence. Apart from traditional secretiveness in Russia about the health of leaders, this strained discretion reflects the fact that Yeltsin is not only in poor health, but is also considered old by Russian standards, having already outlived the typical Russian male of his generation. This secretiveness would not be so important if Yeltsin and his administration did not evidently feel too insecure about his own position in the Kremlin or the fate of his policies to sanction the disclosure that the president is unwell, or suffering from more serious ailments that might either require major therapeutic care or could even be life-threatening. Perhaps Yeltsin's successor, who presumably would be younger and in better health, might submit to annual checkups and release the results publicly. Until then, citizens of Russia and the "Near and Far Abroad" will have to endure excessive official secretiveness about the

²⁵ Zyuganov's post-election statement did, however, charge Yeltsin with winning through "gross violations of election legislation."

condition of the leader of a country that still has thousands of nuclear weapons, as well as the lame prevarication of his officials.

Also worrisome are the clearly authoritarian trends and violations of human rights—quite apart from Chechnya—under Boris Yeltsin. Several public reports by Russia’s official human rights commission, formerly headed by Sergey Kovalev, documented wide-ranging abuses. To the extent that these tendencies reflected campaign-related indulgence of the electorate’s meaner instincts, they may wane after Yeltsin’s victory. But the Kovalev reports detailed government efforts to restrict information on grounds of state secrecy and official inaction in the face of discrimination against ethnic and national minorities, for instance, that indicate more deeply-rooted, systemic problems. With a resolution of the Chechnya crisis uncertain, bombs going off in Moscow, and the government’s need to be seen as tough on crime (if not on official corruption), the prospects for adequate protection of civil liberties and the rule of law do not appear promising.

In that connection, the willingness of Russia’s media to resume the Fourth Estate’s traditional watchdog responsibilities and criticize Boris Yeltsin after the campaign-related honeymoon is a key signpost of continuing democratization. Many reformist newspapers changed their tune once Yeltsin was safely elected, openly noting his declining health, for example, and censuring government policies. But others exhibited some apparent residual solicitude for the President. Even *Izvestiya*, probably the most respected newspaper in Russia, refused to publish Sergey Kovalev’s July 18 letter blasting Yeltsin for “lying” to the public about seeking a peaceful resolution of the Chechen war.

Domestic Politics: Boris Yeltsin is clearly Russia’s “Comeback Kid,” but after a long and physically arduous campaign, his health is more questionable than ever. He virtually disappeared between the first and second rounds, and after his victory, even rescheduled a meeting with American Vice President Al Gore. Given the broad powers constitutionally accorded the president, Yeltsin’s ability to carry out his term, and who would come to power—and by what means—after his departure, now become the overriding questions in Russian domestic politics.

Accordingly, two larger dynamics should prevail in the post-election Kremlin maneuvering: Yeltsin’s quest to remain preeminent as his health fails continues to raise concerns; and the struggle for succession among all other contenders.²⁶ Despite his remarks during the campaign favoring Lebed, it is not at all clear that Yeltsin will try to prepare any successor. In fact, he has moved to create an environment in which he can be the ultimate, indispensable arbiter, by appointing ambitious individuals who battle each other for influence and turf: Viktor Chernomyrdin (Prime Minister), Alexander Lebed (National Security Advisor), and, in a bold move, Anatoly Chubais (Chief of Staff). With regard to policy, as opposed to politics, the return to official political life of ex-privatization chief Chubais is a hopeful sign of Yeltsin’s commitment to continued economic reform.

²⁶ Yeltsin brief, staged appearances had caused concern that the Kremlin was retreating to Soviet-era secrecy on the topic of the health of the head of state. However, as this report was going to press, both Yeltsin and chief-of-staff Chubais acknowledged the former’s heart problems, which is a welcome change, perhaps presaging a turn toward greater honesty in disclosure.

Yeltsin's July 17 appointment of General Igor Rodionov as Minister of Defense, for whom Lebed had openly and forcefully lobbied, strengthens Lebed's position in the security apparatus and confirms his clout. On the other hand, Yeltsin also has created a 17-member Defense Council, which he chairs but is under the daily administration of Yuri Baturin, Yeltsin's former National Security Advisor. The Council is a consultative body on military affairs and implementation of Security Council decisions on strategic aspects of defense policy. More important, perhaps, the Defense Council undercuts Lebed's claims to be responsible for all aspects of Russia's national security. By all accounts, Boris Yeltsin consistently plays off his subordinates against each other, cutting down to size anyone who becomes too powerful or ambitious. Lebed, who has openly proclaimed his intention to succeed Yeltsin, certainly fits the description.²⁷ His power grabs have antagonized both Prime Minister Chernomyrdin and Chief of Staff Anatoly Chubais, who may find common cause with Yeltsin in showing him his place.

As many analysts have noted, the election results confirmed a pattern observed in Russian voting over the last five years. In geographic terms, big cities have supported reform, while the "Red Belt"—largely rural areas, particularly in southern Russia—has voted for Communists. Sociologically, the sectors of society that have suffered most from the market reforms since 1992, such as elderly pensioners, have also backed Communists. In an attempt to broaden this base, both demographically and ideologically, Zyuganov and his allies created a "People's Patriotic Movement," which will emphasize patriotism, as opposed to Communism.

For victors and vanquished, the immediate focus of attention is this autumn's vote, in which the heads of Russia's administrative units—most of whom had previously been appointed by Yeltsin—will be elected. The results affect not only local issues, increasingly important as power ebbs from Moscow to the regions, but also the composition of the upper chamber of parliament, the Federation Council. Victories by the Communists and their allies in these elections could give them dominance in both chambers of parliament. To avert this scenario, Chubais, whose contribution in the presidential campaign was critical, will oversee the election campaign. At the same time, Yeltsin may resort to tougher means of dealing with a recalcitrant parliament. Rumors persist that he may yet find some way to dissolve the Duma. Even barring such a radical move, he has created a Political Consultative Council, composed, originally, of parties and groups that did not win parliamentary representation in the December 1995 election, and now joined by parties with representation in the Duma. The Council is supposed to review laws and decrees drawn up by the presidential staff but appears to be essentially an alternate Duma. Its purpose could be to merely intimidate the legislature, or actually to prepare its replacement.

Economy: Boris Yeltsin's victory means that Communist plans to renationalize the economy and roll back privatization will not be implemented in the near term or easily. But Yeltsin must still contend with Communist influence in parliament, which could increase after this fall's local elections. Yeltsin's economic advisors, mindful that some 40 percent of the electorate voted for Zyuganov, have said they expect to pay more attention to social guarantees in economic policy.

²⁷ Before the second round, Lebed said he wanted to be vice president, a post abolished after former Vice President Alexander Rutskoi led the anti-Yeltsin forces, along with Supreme Soviet Speaker Ruslan Khasbulatov in December 1993. Lebed also said he might become president before 2000, when Russia's next presidential election is scheduled.

After Yeltsin's victory was safely assured, the IMF held up the release of the July tranche of its \$10.1 billion loan, because inadequate collecting procedures had caused tax revenues to fall to 62 percent of planned levels. During the campaign, government collection had eased, for fear of antagonizing possible allies; and many companies refused to pay taxes before seeing who would win the election. Moreover, Yeltsin's election campaign promises also contributed to the overall revenue shortfall.

On August 19, Yeltsin signed decrees that cut spending and raised taxes. Many of his pre-election promises were abolished, except for payment of pension arrears, savings compensation for pensioners, and some other programs.²⁸ The IMF on August 21 agreed to release \$340 million, which resolved the immediate problem, and, with inflation reportedly only 16.3 percent since January, pronounced itself more confident about Russia's economic reforms.²⁹

Commercial and government creditors have agreed to reschedule \$72.5 billion of Russia's debt over 25 years, contingent on Moscow's implementation of IMF conditions. Serious problems remain, however, including continuing wage arrears. According to the miner's union, miners alone are owed about \$550 million, and workers in all industries are owed over ten times that amount.³⁰ Some analysts also fear a possible banking crisis this fall. About 450 banks had folded in the months before the end of July, and analysts have voiced concerns that many more, under capitalized and plagued by bad debts, could go under, affecting the entire financial sector. Yet another problem could follow peace in Chechnya: the costs of rebuilding could be a budget-buster.

Foreign investment has remained low, because of concerns about political instability, prohibitively high and ever-changing taxes, official corruption, organized crime and the difficulties of getting information that would be considered basic in developed countries. Moreover, the Duma has opposed opening up all of Russia's oil, gas and other natural resources to outsiders.³¹ Yeltsin's victory was expected to usher in a boom in foreign investment, but the flow may be stemmed because of his questionable health, continued capriciousness about taxes and other unattractive conditions for foreign investors.

Chechnya: Boris Yeltsin acknowledged during the campaign that he could not win the election unless he dealt with Chechnya. After the death of Chechen leader Jokhar Dudaev in April, Yeltsin met with his successor Zelimkhan Yandarbiev, and signed a truce in June. These efforts to negotiate an end to an unpopular war presumably improved Yeltsin's position, as did his alliance after the first round with Lebed, who had publicly criticized the war. When Yeltsin also sacked

²⁸ *OMRI Daily Digest*, August 20.

²⁹ In deciding to release the July tranche, the IMF reportedly agreed to ease the conditions of its \$10 billion loan, raising from four to 5.25 the percentage of gross domestic product the budget deficit may constitute.

³⁰ *Ibid.*

³¹ Even pro-reform newspapers, like *Komsomolskaya Pravda*, publish articles about the predatory or intelligence-related intentions of Western investment. Other impediments to foreign investment include disputes about market access for foreign firms and intellectual property. See "Russia After the Election," a report by the U.S.-Russia Business Council, July 26, 1996.

Defense Minister Grachev, hard-line aides, and other hawkish generals, opponents of the war had reason to believe that Yeltsin had abandoned a military solution to the Chechnya crisis.

Cynics, however, who saw Yeltsin's moves merely as clever election tactics felt vindicated after July 3, when Moscow returned to shelling and blanket bombing of Chechen villages without regard for civilian casualties. On July 17, the government commission on Chechnya called for continued military operations against the "bandit formations" while holding the door open to talks with those Chechen leaders inclined to negotiate.

This policy led to the stunning Chechen rout of Russian forces in August. Alexander Lebed—whom Boris Yeltsin charged with settling the morass in Chechnya on August 14—appears sincere in his efforts to end the war, but he may well fall victim to Kremlin intrigues aimed at clipping his wings, even if his failure would mean the continuation of hostilities. Moreover, part of Russia's military command seems to want nothing short of a decisive victory, regardless of the military and civilian casualties. The Chechens, for their part, have shown no indication of backing down, especially after their military victory and recapture of Grozny. Nor do they have any reason to believe Russian assurances, although they seem willing to give Lebed the benefit of the doubt so far. Under these circumstances, cease-fires may be attainable, but the conflict could well continue for the foreseeable future. Even if serious negotiations resume and Moscow agrees to a referendum in Chechnya several years from now, Russia could face the prospect of a momentous, precedent-setting decision: whether or not to grant independence to one of the Federation's constituent parts.

Russian-CIS Relations: Foreign Minister Evgeniy Primakov has singled out Russia's relations with the "Near Abroad" as his primary focus. Under his stewardship, Russia has continued to push economic "integration," which some economically strapped CIS states, such as Belarus, Kyrgyzstan and Tajikistan, have welcomed; and all CARES states would like to restore mutually profitable economic relations with Russia, disrupted by the breakup of the USSR. At the same time, Moscow has pursued its longstanding pressure on neighboring states for political-military integration: military bases, joint border controls, a joint air defense system, and accession to the CARES Collective Security Treaty. All the leaders of the CARES states, though many have publicly voiced concern about the danger to their sovereignty posed by these Russian demands, backed Boris Yeltsin's reelection bid. While expecting Russian pressure to continue under Yeltsin, they, like Russian voters, saw him as a lesser evil than Gennady Zyuganov, who openly called for the "voluntary restoration of the USSR."³²

Boris Yeltsin's war in Chechnya, however, has worried former Soviet republics and the Baltic states. Concerned to ensure their own territorial integrity, they understand Yeltsin's refusal to allow the Chechens independence. But the indiscriminately brutal conduct of the war has undoubtedly given them pause about Russia's intentions and capabilities. If Russia's military and political

³² Former Soviet republics worried about Russian neo-imperialism cannot be pleased by Yeltsin's August 23 appointment of Aman Tuleev as Minister for CIS Affairs. Tuleev was a close ally of Gennady Zyuganov and has long been tied to pro-Communist movements. Explaining his decision to join Yeltsin's government, Tuleev said that his program "and that of the opposition coincides with the position of the president and government concerning CIS affairs." (FBIS-SOV, August 23, 1996, p. 10) It must be a bit disconcerting for neighboring states to hear their suspicions explicitly confirmed.

command are willing to massacre thousands of civilians—*their own civilians*—how might they treat citizens of neighboring states? From 1985 to December 1994, even during the early 1990s as the Soviet Union was breaking up, the regimes of Mikhail Gorbachev and Boris Yeltsin largely eschewed the use of violence,³³ which substantially helped change Moscow's image after seven decades of communism. Starting in December 1994, however, Russia's leadership showed itself capable of old-style Bolshevik lack of compunction about the human costs of policy implementation. Moreover, the undisciplined, often savage and generally venal performance of Russian soldiers in Chechnya cannot fail to be a factor in decisions by neighboring states to consider Russian demands for military bases.

After Yeltsin's victory, several key issues stand out in Russian-CIS relations:

- Regions claiming the right to self-determination, such as Abkhazia, have long had close ties to Communist and allied forces in Russia, so CIS states facing ethnic-separatist problems were particularly concerned about a possible Zyuganov victory. They now are betting that Russia, burnt by its disastrous experience in Chechnya, will back away from supporting separatist movements in neighboring countries. Leaders of Georgia and Azerbaijan, for example, feared a Zyuganov victory would mean continued or intensified Russian support for Abkhazia and Nagorno-Karabakh, which, in turn, would harden their negotiating positions. Baku now hopes that a reelected Yeltsin will take seriously his statement at the January 1996 CIS Summit that Nagorno-Karabakh could, at most, attain the status of "autonomous republic." Georgia, for its part, wants Moscow to carry out all the sanctions imposed on Abkhazia at the same CIS Summit and to honor its professions of support for Georgia's territorial integrity.
- Russia's resource-rich neighbors, especially Azerbaijan, Kazakstan and Turkmenistan, want to deliver their oil and gas to consumers outside the CIS through pipelines not under Russian control. Each has mollified Moscow by involving Russian energy companies like LUKoil and Gazprom in international energy contracts, while simultaneously pursuing deals to build new pipelines. Their fear that hardliners in Russia would squash energy projects they do not control, rather than allow them to develop and participate in the profits, was one reason for CIS leaders to back Yeltsin and Chernomyrdin—the former head of Gazprom. Moscow's agreement in April on a pipeline for Kazakstan's Tengiz oil fields signalled the growing influence of economic over strategic thinking in Moscow in relations with CIS countries. But if the war in Chechnya continues indefinitely, immobilizing the planned northern (Russian) route through Chechnya to Novorossiisk for Azerbaijani oil exports, will Moscow allow the western route through Georgia to develop or move to incapacitate it?
- Moscow continues to press its neighbors on political-military "integration." Ukraine and Turkmenistan, for example, are not members of the Collective Security Treaty, while Azerbaijan rejects Russian military bases and joint border controls. In general, it cannot be very comforting to non-Russian former Soviet republics that Russia's National Security Advisor Alexander Lebed and recently named Minister of Defense Igor Rodionov—whatever they may say publicly today about the realistic limits of Russian military power—were both involved in military crackdowns on

³³ There were exceptions to this tendency, of course, such as the January 1990 Soviet invasion of Baku, Azerbaijan, and the killings in Lithuania and Latvia in December-January 1991.

nationalist movements in the late 1980s and early 1990s. Given Moscow's anxiety about planned NATO expansion, Russian insistence on access to ports, intelligence-gathering facilities, and other strategic assets in neighboring countries is likely to intensify.

■ Moscow has often protested the treatment of Russians and "Russian speakers" to pressure neighboring countries, though some, such as Kyrgyzstan, Turkmenistan and Azerbaijan, have avoided criticism on this issue, regardless of other troublesome concerns in bilateral ties. But Russia has maintained an especially high level of criticism on Estonia and Latvia. President Yeltsin sent a letter to President Clinton while the three Baltic presidents were in Washington in July, complaining bitterly of alleged discriminatory policies. This pressure is sure to continue as long as the Baltic states persist in trying to join NATO and defend their interests in negotiations with Moscow over carving up spheres of the oil-rich Baltic Sea. Besides, the Yeltsin administration does not want to cede the issue of the "Russian diaspora" to the Communist-nationalist opposition. Yeltsin has ordered the creation of a government body responsible for Russians abroad, while Zyuganov and his "popular patriotic forces" are inviting delegations of Russians from the Baltic and CIS states to the movement's founding congress in September.

One important signpost in Russian-CIS relations will be whether Moscow finalizes a treaty on friendship and cooperation with Ukraine, which would involve mutual recognition of borders. Ukraine rejected proposals tabled in late July for CIS integration in 1996-97 relating to the customs union and monetary policy. Moreover, President Kuchma, though always stressing the importance of Ukrainian-Russian relations, has said that NATO expansion is possible and that Ukraine wants a "special partnership" with NATO, while seeking NATO assurances not to deploy nuclear weapons on the territory of new members.

Unless a new security structure that encompasses Russia is created, a Ukraine associated with NATO, not to speak of full-fledged membership, is a nightmare scenario for Moscow. At a meeting with CIS ambassadors to Russia in late July, ITAR-TASS reported Foreign Minister Primakov said that "work is needed with political circles in CIS countries, with parliamentarians and mass media," to explain the consequences of NATO enlargement, and win "more active support to our approach." In other words, a multi-layered Russian campaign to dissuade former Soviet republics from thinking about joining the Atlantic Alliance is in the offing. Targeted countries will face stepped-up pressure. On the other hand, they will now have another bargaining chip in dealings with Moscow.

U.S.-Russian Relations: For months before the election, U.S. policymakers carefully tiptoed around difficult issues in U.S.-Russian relations, afraid of damaging what seemed like Yeltsin's already poor electoral chances. With Yeltsin's victory and his second, and last, term secure, this excuse has vanished.

In the short term, especially with an American election coming up, Washington hopes that Yeltsin will continue economic reforms and facilitate foreign investment, avoid cracking down on the opposition or curtail press freedom, take a serious attitude towards the negotiations in Chechnya, and be helpful in Bosnia. Moscow may be cooperative on some of these issues. But in general, Foreign Minister Primakov has stressed Russia's determination to remain a superpower with global interests, rather than acknowledge U.S. supremacy and be satisfied with a regional role. Moscow has

also made clear its intention to continue developing relations with countries Washington considers rogue states, like Iran, Iraq, Libya and Cuba.

In the longer term, the most contentious issue in U.S.-Russian relations is likely to be NATO expansion. Russian diplomats occasionally signal reluctant acceptance of the prospect, which they acknowledge they cannot stop, but Moscow's opposition to NATO's inclusion of former Warsaw Pact allies—not to speak of CIS countries or the Baltic states—is unlikely to weaken. Russia has threatened to rethink conventional arms control agreements if NATO admits new members; and prospects for ratification of START II—already poor, considering Communist-nationalist representation in the Duma—would dim. Finally, moves to expand NATO might lead Moscow to pursue more aggressively a military alliance with neighboring states, however reluctant they might be to join.

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