

Building a True Russian Federation:

How to Democratise, Decentralise and Therefore Federalise the Russia of the Future

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Garmazhapova was declared a foreign agent by the Russian Ministry of Justice. On November 10, 2023, a Russian court sentenced her in absentia to 7 years in prison for spreading "fake news" about the Russian army, namely for condemning Russia's military aggression in Ukraine. The Free Buryatia Foundation has been declared an undesirable organization by the Russian Prosecutor General's Office.

Garmazhapova is the first journalist who wrote about Yevgeny Prigozhin's "troll factory". She is the winner of several prestigious journalistic awards, including "Zolotoe Pero". She covered the North

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Executive Summary:

A Federation Based on the Lessons Learned from History

Only a democratic Russia will become an asset, instead of a threat, to global security. And only a truly federal Russia will be sustainably democratic. This would be a Russia that respects itself and its neighbours. A Russia that does not ignore other people's experiences but learns from them. A Russia that is focused on solving its own problems rather than creating problems for other states.

Russia has made several attempts to become a federation. However, they failed because either the element of democracy was lacking or a fake federalism was imposed from above without any buy-in from the regions.

The fact that it did not work out in the past does not mean it will never work out. In the Buryat language, there is an idiom "Зурхэ бу алда" that translates to "don't give up." I write this in Buryat because ethnic minorities, who often become hostages of decisions taken by the majority, such as the invasion of Ukraine, must take an active part in building a future federation.

The brutal experience of the 1990s and 2000s has taught us that citizens have a responsibility to participate in the democratic governance of the country on a daily basis, including at the regional and local levels; otherwise, autocrats will come to power and deprive them of this opportunity. Without citizens' active, everyday participation, the newborn Russian democracy will again become a toy in the hands of politicians and bureaucrats trying to build a system of governance "for themselves."

Currently, Russia is the aggressor. It is waging an imperial war of aggression against Ukraine. The lessons from West Germany, which managed to evolve from a dictatorship committing crimes against humanity into a constructive democracy, are of utmost importance for Russia.

In addition, Russia is currently learning, and will continue to learn in the future, a significant lesson from Ukraine, which today is selflessly fighting for its freedom as well as universal democratic values. It was Ukraine that began its process of decentralisation several years ago.

The reformers of the new Russia will need to de facto reestablish Russia as a federation and, for the first time, try to build it "from below" - according to the principle of the United States of America.

It is important to achieve economic autonomy for the regions, which currently pay almost 65% of their tax revenue to the national level and are subsequently forced to demonstrate loyalty to the Kremlin, whose decision determines how much money the region will receive.

The powers of the national government should be strongly and very explicitly limited. The foundation of the new Russia should be formed on a broad mandate of popular representation from municipalities and regions.

Regions and municipalities must have clearly defined, inalienable, large-scale powers and their own financial base. Parliament and political parties should strongly influence the formation of the executive branch.

The basis of the future federal Russia should be municipalities, regions and a well-developed historical memory. Until today, insufficient attention has been given to working with historical memory in Russia, whereas post-Hitler Germany utilised the learned lessons from history as a foundation

In popular memory, the true heroes of Russia should not be figures such as the head of the Wagner Group, Yevgeny Prigozhin, to whom Putin presented the state award of Hero of Russia, but fighters for democracy - for example, human rights defender Andrei Sakharov, Soviet dissident Natalya Gorbanevskaya, Russian oppositionists Boris Nemtsov and Galina Starovoitova, and many others. Such a shift will require massive efforts in the education system, but without this, neither Russian democracy nor a truly federal Russia will be possible.

Russia must become a federation of the lessons learned from history. Otherwise, it will have to continue the vicious circle of mistakes, causing damage to other countries and, of course, to itself.

Introduction:

Will Russia fall apart? Should it?

The tragic war in Ukraine has made it apparent that lasting peace and security in Europe is unlikely, with Russia remaining as it is today. A complete overhaul of Russia as an authoritarian centralised state is required to ensure the safety of the world and the well-being of the Russian people themselves.

A scenario where Russia disintegrates and splinters into several states, while discussed at several notable forums, is extremely unlikely. It is not based on current trends and has no significant forces behind it. The federalisation of Russia, as advanced by most prominent figures within the Russian democratic opposition, including Alexey Navalny, Natalia Arno, Mikhail Khodorkovsky and Vladimir Milov, is a more likely and effective remedy.

Western readers might wonder, "Isn't Russia already a federation?" While Chapter 3 of the Russian Constitution indeed describes a federal structure, Russia today is centrally administered, a reality that manifests itself in all aspects of life in Russia.

The June 2023 Wagner mutiny is a poignant example. Wagner's chief, Yevgeny Prigozhin, embroiled in a conflict with the Ministry of Defense, led his units on a "march on Moscow." His forces travelled a remarkable distance, with regional authorities wholly paralysed and unable to slow their advance, awaiting instructions from the Kremlin.

State languages present another example. The constitution's article 68 stipulates that "republics shall have the right to establish their state languages, and in state authorities, local self-government bodies, and state institutions of the republics they shall be used along with the state language of the Russian Federation." However, using state languages even in government proceedings and institutions is problematic. In a 2021 case¹ publicised by the media, a judge declined to engage with activist Alexei Ivanov in the Komi language despite the constitutional provision.

The Russian Constitution also guarantees all ethnic groups the right to preserve their native languages and establishes an obligation to create an environment conducive to the study and development of these languages. However, in 2018, a significant legal shift² made all languages besides Russian optional.

This has brought many languages to the brink of extinction, including the Siberian Buryat³ and the Nenets⁴ languages.

These examples highlight Russia's path away from a genuine federation, prompting us to explore the reasons behind this shift and propose measures to reintroduce federalisation, which this paper aims to address.

We will collaboratively explore these inquiries alongside experts Andrius Kubilius, Member of the European Parliament and former chairman of the Lithuanian Cabinet of Ministers; Sergey Lagodinsky, Member of the European Parliament from Germany; Yuriy Yekhanurov, former Prime Minister of Ukraine; Vladimir Milov, former Russian Deputy Energy Minister; Georges Dallemagne, Belgian Member of Parliament; political scientists Vladimir Gelman and Fyodor Krasheninnikov; former Mongolian President Tsakhiagiin Elbegdorj; and Member of the St. Petersburg Parliament, Boris Vishnevsky.

1. The History of Russian **Federalism**

1.1. The Aftermath of the Civil War

The first attempt to create a federal state in Russia occurred at the beginning of the 20th century. The second part of Chapter 1 of the inaugural Soviet Constitution, ratified in 1918, delineated that the Russian Soviet Republic was to be formed through the voluntary association of free nations, functioning as a federation of Soviet national republics. The official designation of the state was the Russian Socialist Federative Soviet Republic.

Article 11 of the Soviet Constitution stipulated: "The Councils of regions distinguished by their distinct way of life and national composition could consolidate into autonomous regional unions, led by the regional Congresses of Soviets and their executive bodies, similar to any regional unions formed in general. These autonomous regional unions are integrated on the basis of federal principles into the Russian Socialist Federative Soviet Republic."

The Bolsheviks' commitment to territorial autonomies may have been primarily motivated by an attempt to secure the allegiance of ethnic elites during the Civil War. "When a shift in power occurs, it becomes imperative to establish an extensive cohort of individuals who reap benefits from the new regime. These groups included peasants and indigenous populations. The Bolsheviks effectively achieved this," observes Russian political scientist Fyodor Krasheninnikov. "Furthermore, there was a strategic rationale in dismantling the preexisting ruling elite and substituting it with individuals you have nurtured yourself."

Following their triumph in the Civil War, the Bolshevik government embarked on the creation of autonomous republics.

Stalin, who was at the helm then, approached autonomies with a distinct perspective diverging from Lenin's. Stalin believed that "since it is a necessary evil, it must be done in such a way as to pit everyone against each other". This

agenda explains the mangling of the Kabardians and Balkars into a single republic despite their historically intricate and uneasy relationship.5

Krasheninnikov characterises the initial wave of federalism from 1917 to 1920 as compelling. "There was an attempt to buy the trust of local elites. There was no idea to create a stable working federation. On the contrary, Stalin wanted the Federation to be unstable so it could be controlled," he believes.

By 1922, six republics had emerged within the confines of the former Russian Empire: the Russian Soviet Federative Socialist Republic, the Ukrainian SSR, the Belorussian SSR, the Azerbaijani SSR, the Armenian SSR, and the Georgian SSR. In March 1922, the Azerbaijani, Armenian, and Georgian SSRs joined forces, culminating in the establishment of the Transcaucasian Soviet Federative Socialist Republic. Subsequently, in December 1922, the First Transcaucasian Congress of Soviets forwarded a proposal to the Presidium of the All-Russian Central Executive Committee, advocating for the convocation of a comprehensive Congress of Soviets. The aim was to engage in deliberations regarding the creation of a union comprising Soviet republics. Parallel decisions were taken by the All-Ukrainian and All-Belarusian Congresses of

The path to these decisions had been paved by a vigorous debate concerning how the republics would unite within the encompassing union state. Advocates of Stalin's vision for automatisation emphasised a robust centralisation of power under the condition that the national-cultural autonomy of the republics remained intact. Conversely, Lenin's proposition, endorsed by most participants in the unification process, envisioned the establishment of a federal state framework while upholding the sovereign rights of the individual republics. It was this latter plan that garnered the foundational support.6

Buryatia Case Study

On May 30, 1923, the Presidium of the All-Russian Central Executive Committee issued a resolution outlining the creation of the Buryat-Mongol Autonomous Soviet Socialist Republic (BMASSR). By July 30, 1930, the Buryat-Mongol ASSR was incorporated into the East Siberian region. Subsequently, on September 26, 1937, the East Siberian region underwent a division into the Irkutsk and Chita regions.

Through a decree by the Central Executive Committee of the USSR, the Buryat-Mongol ASSR underwent fragmentation. This decision was rationalised by the need "to facilitate proximity between the leadership of regional Soviet bodies and the districts, enterprises, collective and state farms." However, in practice, this move resulted in the division of the republic into five distinct segments. In addition to the two districts mentioned earlier, another pair

of districts were excised from the republic: Olkhonsky was reassigned to the Irkutsk region, while Ulan-Ononsky was incorporated into the Chita region.

Prior to 1937, over 90% of all Soviet Buryats were residents of the BMASSR. In the aftermath of these changes, this number dwindled to approximately 50%, as highlighted by anthropologist Ayur Zhanaev. Consequently, the Buryat people now find themselves fragmented, splintered among three distinct subjects of the Russian Federation.

Despite Stalin's repressions that intensified in the 1930s and wiped out regional elites, a semblance of a formal structure persisted. Republics continued to exist nominally, complete with allocated quotas. Newspapers in national languages persisted, theatres remained operational, and cinematic productions continued.

1.2. The Yeltsin Era

The second attempt at a federal state occurred following the disintegration of the Soviet Union. In August 1990, Boris Yeltsin, the head of the Supreme Soviet of the Russian Soviet Federative Socialist Republic, embarked on his first major trip across the country, visiting the then-Tatar ASSR. It was in those days, listening to the opinions of the regional leadership on the need to expand the powers of the autonomous republics in order to develop them, that Yeltsin uttered his famous phrase: "Take as much sovereignty as you can swallow!"7

Yeltsin may have made this statement to pacify regional elites and make them loyal beneficiaries of future reforms. In 1990, Yeltsin did not have the resources to subjugate the territories, unlike Putin, for example, in 2020.

Yeltsin's task in 1990 was to preserve the political space he inherited from the Soviet elites. For the old elites, the decisions regarding the regions looked simpler: they built the country's management in the same way - with the help of forceful control. The technology was simple: if a regional chief did not fulfil the decisions of the Central Committee of the Communist Party of the Soviet Union and Joseph Stalin, he was immediately sent to a Kolyma

In 1992, the Treaty of Federation was struck. For the first time, regions became legal states instead of administrative units of centralised management.8

In 1993, the constitution of the Russian Federation was ratified, with Article 1 explicitly stating: "The Russian Federation, Russia, is a democratic federative legal state with a republican form of government." Furthermore, the constitution underscores that "the names Russian Federation and Russia are interchangeable."

Under Yeltsin, an attempt was made at more equitable participation of regions in state affairs. For example, from 1996 to 2001, the upper chamber of the Federal Assembly - the Federation Council - consisted of regional governors and chairmen of regional legislative assemblies. They met in Moscow for regular sessions.9 In 1999, the consolidated governors were the most significant opposition to Yeltsin.

Federal officials who worked at that time claimed that they were prohibited from interfering in the affairs of the regions. In 1999-2000, the ratio of revenues of the centre and regions in the consolidated budget was 50 to 50.

A resident of Yakutia, Sargylana Kondakova, remembers the 90s: "We had our own constitution, our own president who developed the region. Then, we studied the Yakut language in schools. International activities bypassed Moscow: Austrians came to us to build a medical centre, and Canadians came to build a music school. English was the third official language; the republic paid for the education of Yakuts in Russian universities."

In the 1990s, the regional leaders set conditions for the centre —the desired results in the presidential elections for Boris Yeltsin in exchange for money. Mintimer Shaimiev, President of the Republic of Tatarstan; Murtaza Rakhimov, President of Bashkortostan; Eduard Rossel, Governor of the Sverdlovsk region, and others were considered heavyweight governors with a say in Moscow.

But federalism in the Yeltsin era did not take root — the period itself was rather short, no formal mechanisms were introduced for their institutionalisation, and there was a general lack of federalist culture in Russian politics.

Under Vladimir Putin, all timid steps towards the federalisation of Russia have been destroyed. Once in power, Putin began building his 'power vertical', which included the destruction of independent media, a significant change in the ratio of revenues of the centre and regions, and the abolition of elections of governors, as well as a change in the system of formation of the Federation Council.

1.3. Putin's "Federalism"

Putin began undermining federal principles early in his rule. In 2002, he altered the formation of the Federation Council, filling it with regional representatives lacking political influence. This move weakened regional voices in federal decision-making.

Exploiting the tragic terrorist attack in Beslan, North Ossetia, in September 2004, which resulted in the loss of 334 lives, Putin proposed the abolition of regional head elections as a response measure, citing the need for unified state power and 'consistent federalism'. However, this proposal was only a follow-up to significant amendments to the State Budget Code, enacted three

weeks prior, that reshaped intergovernmental fiscal relations, diverting funds from the regions. Consequently, as of 2023, Russian regions receive only around 30% of the tax revenue collected within their borders.

Also during the 2000s, the Kremlin set out to abolish the presidency within the national republics. This centralisation effort was publicly endorsed by the leaders of these regions, with Ramzan Kadyrov, the head of the Chechen Republic, notably stating that "only one statesman in Russia has the right to be called president."10 Kadyrov advocated for an end to what he referred to as the "parade of regional presidents." As a result, strong executive posts have been eliminated from all but one entity within the Russian Federation—the position held by President Putin.

The 2020 constitutional amendments further centralised power in Russia and reset Vladimir Putin's presidential term counts. The most important revision concerned Part 3 of Article 81 of the Constitution, which previously stipulated that an individual may not serve as president for more than two terms. The revised provision now disregards the number of terms an individual may have served in that capacity prior to the amendment's implementation and does not preclude such individuals from potentially holding the presidency in the future.11

1.3.1. The Kremlin's Control over Regional Executives

The Kremlin controls the regions by financial instruments. This mechanism functions informally as there is no legal provision within Russian legislation stipulating that a region deemed "uncooperative" will be denied financial assistance. Instead, candidates' amicable relations with the centre ostensibly quarantee future regional funding.

Let's consider the 2023 gubernatorial elections in the Republic of Khakassia. The race featured a candidate supported by the central power, Sergei Sokol—a State Duma deputy representing the United Russia party and a veteran of the Russian invasion of Ukraine. He competed against the incumbent Communist, Valentin Konovalov, who secured his position in 2018 through a protest vote. When the Kremlin realised that Sokol's rating was not growing due to "unsuccessful positioning" (voters did not like the image of a "veteran" of the war with Ukraine), they began promoting Sokol primarily as an "effective lobbyist" who would get preferential treatment for the region from the federal centre.¹² In other words, the Kremlin does not hide the fact that the quality of the governor's personal relations with the federal centre affects the level of financing of the region.

In addition to this carrot, there is also a stick that the Kremlin very actively uses to control regional executives — the ability of the President of the Russian Federation to remove an elected regional governor.

A particularly notable case highlighting the subjective nature of this provision was the resignation of Sergei Furgal, the Governor of Khabarovsk Krai (region). Furgal was elected governor of Khabarovsk Krai by the Liberal Democratic Party of Russia in 2018, defeating the incumbent head of the region, the candidate of the ruling United Russia party, Vyacheslav Shport.

As governor, Furgal lowered his salary and banned officials from flying business class. In November 2019, a recording of Furgal's conversation with the Presidential Plenipotentiary Envoy to the Far Eastern District, Yury Trutnev, was made public, who criticised the governor for the fact that Vladimir Putin's rating in the region was falling while Furgal's was rising.¹³

Furgal was almost as popular in Khabarovsk as Vladimir Putin.14

Moscow moved to punish Furgal for this popularity and for making the region virtually the only one where United Russia did not win a majority in the regional parliament.¹⁵ On July 20, 2020, Vladimir Putin removed Furgal from office, citing a "loss of confidence."

Generally, the legislation regarding "loss of confidence" is used in the Russian Federation as a tool of political struggle. For example, in 2010, Moscow Mayor Yuri Luzhkov was one of the first to be dismissed for "loss of confidence," having governed the capital for 18 years. He was considered one of the group of heavyweight governors.

Curiously, commenting on the decision of Russian President Dmitry Medvedev, Vladimir Putin, who was Russia's Prime Minister at the time, said the following: "The mayor is a subordinate of the president, not the other way around, so it was necessary to take the necessary steps to normalise this situation in a timely manner."16

1.3.2. The Current Structure of the Russian Federation

The Constitution of the Russian Federation does not explicitly specify whether the country follows a parliamentary or presidential governance model. However, the constitutional elements that define the president's role indicate a leaning towards a presidential system. The unique aspect of presidential authority in Russia lies in its prominence within the separation of powers, holding a certain primacy over the legislative, executive, and judicial branches. Therefore, it is reasonable to infer that Russia operates as a presidential republic, albeit with distinct nuances.

Article 5 of the Constitution underscores the equal standing of all Russian Federation subjects when dealing with federal bodies of state power. This principle gained prominence when Eduard Rossel, the governor of the Sverdlovsk region, declared the Ural Republic in 1993, advocating for regions to have powers equivalent to national republics. Rossel argued that the issue emerged in 1992 after the Federal Treaty's conclusion when it became evident that regions endorsing the treaty had disparate statuses.

In May 2000, the framework for federal districts was established, totalling 8: Central, North-Western, Southern, Volga, Urals, Siberian, Far Eastern, and North Caucasus.

Article 10 of the Constitution defines the structure of state power in Russia based on the division into legislative, executive, and judicial branches. State power in Russia is exercised through key entities, including the President, the Federal Assembly (comprising the Federation Council and the State Duma), the Government, and the courts. Concurrently, within individual constituent entities of Russia, governing bodies established by those entities wield state power.

1.3.3. The Municipal Level of Government

Local self-governing entities are not included in the roster of state power bodies. Article 12 of the Constitution explicitly affirms the recognition and protection of local self-government in Russia. Local self-government enjoys autonomy within its defined competencies.

In practice, municipal authorities in Russia often lack substantial authority. For instance, consider the situation in the Republic of Karelia in 2015. Moscow's decision to "optimise" schools in Karelia translated to budget cuts, requiring the republic to allocate one and a half billion rubles to the federal treasury, with the promise of a three

billion ruble loan in return. This optimisation plan affected 91 schools, with 65 in rural areas. In response, regional authorities proposed that municipal entities independently fund support staff for schools, resulting in single teachers juggling English lessons for fifth-, sixth-, and ninth-graders simultaneously.

Articles 71 and 72 of the Russian Constitution detail the subjects of jurisdiction of the Russian Federation, including all major issues, as well as the subjects of "joint jurisdiction" of the Russian Federation and the regions. However, in "joint jurisdiction" matters, the Russian Federation holds a clear advantage, possessing a large apparatus and ample resources. This arrangement does not depict two equal entities but rather a dominant federal centre alongside regions with limited resources.

Following this detailed enumeration of the Russian Federation's powers, Article 73 declares that "outside the jurisdiction of the Russian Federation and the powers of the Russian Federation on subjects of joint jurisdiction of the Russian Federation and the constituent entities of the Russian Federation, the constituent entities of the Russian Federation have full state power." In essence, regions must prove their authority to address specific issues, while the federal centre has its powers explicitly outlined in the Constitution.

2. Relevant Decentralisation Models

2.1. The Lithuanian and Ukrainian **Perspective**

2.1.1. Lithuania: Overcoming the Soviet Legacy

Andrius Kubilius, former head of the Lithuanian cabinet and now a member of the European Parliament, sheds light on Lithuania's challenges in the wake of its independence, citing a 15-year struggle with electoral issues, including vote-buying by unscrupulous candidates.

"In the 1990s, we attained independence and embarked on new parliamentary elections with optimism, believing people would endorse us as champions of democracy. However, former communists secured votes amid economic challenges. The hope for a swift improvement in our quality of life, akin to Sweden's, did not materialise," reminisced Kubilius.

Even after 14 years of independence in 2004, with Lithuania in the European Union and NATO, a survey conducted by Kubilius' party revealed that 54% of respondents favoured life during the Soviet era. However, in contrast to the grim memories of Soviet occupation and deportation, the European Union offered Lithuania a vision of a more commonplace existence.

Kubilius underscores Lithuania's successful devolution of authority to municipalities as a key factor. Lithuania's geography does not feature expansive regions, so it initially cultivated local communities. "A territorial community signifies residents bound by permanent habitation within a village, township, or an optional coalition of residents from multiple villages or townships sharing a central administration. Within a province, villages amalgamate into a community - approximately ten communities are typically found in a district," explains Kubilius. This approach led to the abolition of regions in Lithuania.

In contrast, Russia faces tension between regaining imperial status and providing an everyday life for its citizens. Kubilius suggests promoting the idea of a 'nonauthoritarian' life in Russia. He sees Ukraine's potential membership in the European Union and NATO as a positive influence on Russia's democratic progress and abandonment of imperial aspirations, invoking Zbigniew Brzezinski's quote: "Russia can be either an empire or a democracy, but it cannot be both."

Kubilius believes the European Union could offer a beacon to young democratic Russia through avenues like free trade and visa-free arrangements, contingent on Russia becoming a stable democracy.

In authoritarian regimes with a history of totalitarianism, intellectuals such as writers and philosophers need to create new rationales and a value basis for the future, including a Constitution devoid of imperial ambitions and advocating for federalism and responsible government.

"Our journey in Lithuania was relatively straightforward - we aimed to distance ourselves from Russia, and the gates of the West opened before us," Kubilius asserts. "For Russia, the path is more intricate and requires intellectual

2.1.2. Ukraine's Experience: From the "Orange Revolution" to Decentralisation

The discourse on decentralisation and the necessity to amalgamate rural councils and local authorities had been looming since the late 1990s. During that period, Ukraine boasted over 11,000 local councils, encompassing entities of very different sizes, from small villages to large cities. It was understood that powers needed to be decentralised and entrusted to local authorities. Conversely, the challenge arose from the fact that these smaller structures lacked the capacity to effectively exercise these powers.

Ukraine made significant progress toward decentralisation in 2005, following the Orange Revolution. This process encountered significant opposition from agrarian oligarchs. The process of decentralisation began with the Kyiv region of Ukraine. Local agrarian oligarchs staunchly opposed the establishment of more expansive territorial communities on the local level. Moreover, it is evident that during a reform, those who stand to benefit will realise these advantages within three to four years, whereas those who stand to lose experience their losses immediately. This prompts them to coalesce against the changes. Additionally, the leaders and staff of village councils were facing the prospect of losing their jobs. This factor contributed to the initial setback.

The next resurgence of the decentralisation issue came after the Euromaidan protests of 2013-2014. It was during this period that a resolution was adopted to initiate the process of consolidating smaller councils. This process is still ongoing, with the present count of united territorial communities standing at 1,439, with an ideal target estimated at around 900. Failure to meet this threshold risks rendering a territorial community economically unsustainable. The reformers, in their pursuit, encountered substantial resistance from the districts.

Former head of the Ukrainian cabinet, Yuriy Yekhanurov, mirroring Kubilius' perspective, underscores the limitations of districts or oblasts.

"Following the establishment of communities, districts as an intermediary link between oblasts and territorial communities remain in a state of uncertainty", - the former head of the cabinet highlights the initial flaws of the reform's first steps. – "They have minimal financial resources, as the substantial funds are within the territorial communities. The intent was that under decentralisation, only representatives of the central government - known as prefects - would continue to exist in the districts. These prefects would be authorised to oversee how territorial communities uphold the constitution and laws of Ukraine without engaging in economic matters. Unfortunately, due to the war, this process was interrupted. As an expert within the Verkhovna Rada committee overseeing administrative and territorial reform, we thoroughly discussed the prospect of assigning districts solely supervisory and control functions. Evidently, this direction will prevail in the future."

In 2020, the Verkhovna Rada enacted the draft law "On Amendments to the Budget Code of Ukraine regarding the Harmonization of Budget Legislation in Connection with the Completion of Administrative and Territorial Reform," declaring that territorial communities enjoy independence, as district-level authorities will wield neither administrative nor financial influence over them.

In 2021, all territorial communities transitioned to direct inter-budget relations with the state budget, vesting exclusive financial management authority within the communities. "Entire tax revenues derived from citizens' salaries remain wholly within local authorities," Yekhanurov elaborates.

The procedure for the formation of territorial communities in Ukraine is voluntary and contingent on the decision of the general assembly. An instance that exemplifies this process is the Kamenny Brod settlement, which requested to join the Dovbysh settlement (in the Zhytomyr region of Ukraine). The response from Dovbysh was, "You are economically disadvantaged." During negotiations, the residents of Kamenny Brod assured that they would generate substantial revenue, asserting that unification would bring mutual benefits. In essence, one must demonstrate one's prospect of a successful integration into a prosperous community.

▶ Toward Regional Enlargement. Following the initial stages of the reform, Ukrainian authorities are contemplating the prospect of enlarging regions. Proposals have been floated on reestablishing the Greater Volyn, encompassing Zhytomyr, Rivne, and Volyn regions, in addition to Podolia, Halychyna, and Sloboda. This proposal envisions the formation of 8-10 distinct regions within Ukraine's territory. However, the idea is not yet sufficiently developed.

The administrative-territorial reforms in Ukraine have already yielded notable outcomes. In the Transcarpathian region, where Hungarians once inhabited several districts, these communities have been consolidated into

one district. Consequently, signposts within this district predominantly feature Hungarian, complemented by partial duplication in Ukrainian.

Challenges in the Establishment of Territorial
Communities. It would be overly simplistic
to anticipate a uniform development among
communities—disparities between successful
(often urban) and lagging communities are evident.
The northern regions of Ukraine, encompassing
Chernihiv, Kyiv, Zhytomyr, Rivne, and Volyn oblasts,
face unique circumstances due to their sparsely
populated status attributed to the Chornobyl
exclusion zone.

Consequently, a single territorial community may encompass an extensive area, prompting the reconsideration of maintaining numerous schools in the face of a small population. Identifying viable revenue sources for these northern regions is crucial, possibly involving industries such as timber and amber. Rivne region, for instance, has effectively adapted due to its abundant amber resources.

"Dealing with impoverished communities is a tough challenge. I have publicly advocated for expanding the Kyiv district and creating the Kryvyi Rih district with its industrial area, where communities from three districts could join voluntarily. We need to use common sense. The so-called poverty in the northern regions is relative, as they have valuable forest resources. By starting the timber and furniture industries, we can address this issue. Larger communities are more flexible and capable. We should showcase the region's attractiveness and explain why it is a good place for investment, which will naturally spark healthy competition," says Yekhanurov.

There is an ongoing debate about how community funds are used in Ukraine. For instance, in western Ukraine, there was criticism when a community allocated a significant sum to build a stadium during a conflict. People argue that such spending does not align with the nation's priorities. Community leaders who give themselves high salaries also face scrutiny.

While this may slow down reform, it also makes citizens more aware of how taxes are spent, fostering greater accountability. Ultimately, this is good for the growth of civil society.

War as a Factor of Decentralisation. The 2022 full-scale Russian invasion of Ukraine has served as an unexpected catalysis of further decentralisation. One such example is the establishment of territorial defence forces within the Ukrainian Armed Forces. In response to the invasion, citizens swiftly began forming territorial brigades. Local logistics links emerged around such brigades, relieving some of the pressure from Kyiv.

For many years, the Kremlin has intentionally sowed division between eastern and western Ukrainians, but the war has also quashed all insinuations of the potential disintegration of Ukraine.

"The Ukrainian language is now ubiquitous across the nation. Since February 24, 2022, young people have fully transitioned to Ukrainian. The Lenin monument has been taken down, and it seems we might eventually have to erect a monument to Putin, facetiously dubbed the 'founder of the Ukrainian nation,'" Yekhanurov ironises.

Current public opinion polls underscore a clear preference among the populace for empowering local authorities. This sentiment resonated so strongly that political parties found themselves compelled to incorporate these ideas into their agendas. Thus, the voters' sentiments exerted a tangible influence on the course of political decision-making. According to Yekhanurov, "The average Ukrainian aspires to establish his own domain, free from unwarranted interference. He is ready to fulfil his tax obligations with minimal interference from the central government".

Yekhanurov also emphasises the pivotal role of the European Union and NATO, which have emerged as guiding lights for Ukraine. "Poland serves as a particularly instructive example for us. They have traversed a similar path, and it is important to note the missteps they encountered. It is not only about presenting an ideal scenario; learning from their errors can help us steer clear of them," the expert summarises.

Hence, the insights from both experts, former prime ministers of Lithuania and Ukraine, converge on the significance of bolstering local self-governance and the European Union serving as a pivotal benchmark.

It is also crucial to acknowledge that the reforms undertaken in both instances facilitated essential democratisation. During the tenure of the corrupt Ukrainian president Viktor Yanukovych, administrative and territorial reforms were continually postponed. They were only revisited following the upheaval of the 2013-2014 revolution. This highlights a fundamental truth: decentralisation cannot be achieved without concurrent democratisation.

2.2. Germany and the USA as **Examples of Successful Federations**

2.2.1. Germany: From Aggressor to Leader of the Free World

German federalism has deep cultural and historical roots. Despite the preponderance of Prussia, there were always, especially before 1871, strong national identities, such as in Bavaria, Saxony, Baden, Hesse, and Holstein, that shaped the regional ones after unification. This historical diversity is a central part of German federalism.

The defeat in World War II resulted in the occupation of Germany, with the anti-Hitler coalition dividing it into separate zones of occupation and administration. West Germany (the Federal Republic of Germany) was administered by the United States, France, and Great Britain, while East Germany (the German Democratic Republic) came under the control of the Soviet Union. In effect, this arrangement allowed the world to witness in



real-time which plan – Western or Soviet – would prove more successful.

"Germany was actually lucky to be able to exist as a state. And Germany was actually lucky that due to America, Great Britain and France, they were allowed to form a western state and be allowed to form democracy," a representative of the German political establishment states on condition of anonymity.

On July 13, 1947, the foreign ministers of 16 European states approved the American project – the European Recovery Program, better known as the Marshall Plan. The West German Länder (federal states; 10 at that time) was integral to it.¹⁷

The Soviet Union built the *German Democratic Republic* in its own image and likeness – without freedom or resources. Like other Central European countries occupied by the USSR, it was forbidden from participating in the Marshall Plan. In 1961, the authorities erected a wall around West Berlin, which became the border of the *German Democratic Republic*. There are many stories of families being separated one morning due to the actions of the Soviet regime; often, residents of the *German Democratic Republic* attempted to escape to the Federal Republic of Germany. As absurd as it may sound, democratic reforms and federalism in Germany received a boost thanks to the Soviet Union, which demonstrated what not to do. At the end of 1990, German unity was restored.

Today, Germany is a successful state with a stable democracy that has abandoned imperial ambitions for good. The German government is divided into three levels – federal, state (Land) and municipal. The structure of federal power includes the Chancellor, the President, the Bundestag and the Bundesrat. The Bundestag consists of directly elected members.

In contrast, the Bundesrat operates differently. It does not have elected members; instead, it comprises state governors and state ministers. State governors are also elected, but the state's residents determine their election.

States constitute the second chamber – the Bundesrat. Every state governor has to decide also upon federal law, and in every state there is always discussion about federal law. There is a strong connection between the federal level and the state level. The governors are often political figures with a nationwide reputation; they play a political role on the federal level.

Germany exhibits considerable diversity in terms of population density, with some federal states being quite large while others have populations of less than a million. Notably, states like North Rhine-Westphalia boast a strong presence, with a population size (17 out of a German total of 82 million) comparable to their share of national GDP, whereas others, such as Bremen, a city-state, have populations below the million mark.

How did Germany address the issue of potential dominance by a few strong Länder? In the second chamber, large and influential states like North Rhine-Westphalia or Bavaria possess only six votes, while smaller states like Bremen and Hamburg, with populations around or below one million, hold three votes each. This equates to half the voting power of a larger state. Consequently, it necessitates cooperation between larger and smaller states, preventing the domination of voting in the second chamber by the more populous ones.

Areas of responsibility are delineated between state governments and the federal government. For example, for foreign affairs and defense there is competence at the federal level. For internal security, culture, and education there is responsibility at the state level. German cities and municipalities have certain rights which cannot be taken away from them, neither by the state level nor by the federal level.

All of this highlights the significance of the state level. "If we talk about bad schools, then the outrage automatically does not go towards Berlin. Yes, there are populists who will say that everything is terrible in our schools because of migrants, but most people will answer: "Why are you indignant? We [in our state] have our own minister ofeducation, and we need to turn to her"," explains member of the European Parliament from Germany Sergey Lagodinsky.

German states have only very small revenue, but most of the taxes are so-called "co taxes", these taxes go to the state and the federal level at the same time. There is a federal law which says the revenue of the state's tax is divided between state and federal level in the following measure. This federal law can only be changed by a consent of the Bundestag and the Bundesrat.

In addition, in Germany, there is the so-called Länderausgleich – a compensation mechanism for the inequality of different states. Currently, the northern states are much poorer than the southern ones, there are compensations that the northern states share with each other. However, one can hear the dissatisfaction of the southerners who no longer want to pay.

The West also helps the East (the 5 Länder of the former GDR which joined in 1990). Until 2021, every citizen in the West paid the so-called "solidarity contribution with the new federal states" (Solidaritätszuschlag). The "solidarity tax" was introduced after the reunification of Germany to finance projects for the restoration and modernisation of the new federal states (the territory of the former GDR).

Germany has a clear system of checks and balances. For example, in Germany, the judges cannot be removed unless they have been convicted of crimes. Governors are elected by the states— that is state residents choose the parliament, and the parliament elects the governor. And the governor can be removed only by the parliament of a state, never by the federal government.

When asked how Germany became a federal and democratic state, S.Lagodinsky highlights two factors: the occupation (which left no other option) and a shift in mentality brought about by the occupation (leading to the introduction of a new political culture by the occupying authorities).

Federalism has its proponents on both the political left and right. Conservatives argue for political federalism as a means to ensure that rural communities receive proper attention, not just major cities.

On the other hand, the left also finds merit in federalism. They believe that federalism allows individuals to embrace multiple identities, recognising that a person can be North Rhine-Westphalian, European, and German simultaneously. Another key argument from the center-left is that federalism prevents the concentration of power, safeguarding against arbitrary rule.

Germany can serve as a model for Russia's future, showcasing the transformation from a state with a troubled history to a democracy. Achieving this requires an honest evaluation of historical errors and a commitment to the path of legality. Federalism and democracy contribute to citizens' well-being, exemplified by the fact that throughout the postwar era, many residents from the Soviet GDR sought refuge in West Germany (and never the other way around), highlighting the positive impact of these principles on people's lives.

2.2.2. United States: the Grassroots Federation

The United States is a federal presidential republic comprising 50 states and the District of Columbia. Similar to Russia, the President wields considerable influence over domestic and foreign policies. However, unlike Russia, the U.S. boasts well-established democratic institutions that prevent the concentration of absolute power, making the likelihood of a forceful power seizure practically non-existent.

An illustrative example of this is the failed attempt by supporters of former U.S. President Donald Trump to seize the Capitol in January 2021. During this event, a violent mob loyal to Trump stormed the U.S. Capitol, aiming to overturn the presidential election, disrupt the democratic process, and prevent Joe Biden from succeeding Trump in the White House. This episode underscored the resilience of U.S. democratic institutions, as lawmakers were forced into hiding, but ultimately the certification of Joe Biden's election victory proceeded. Trump himself faces multiple criminal charges in various states, including New York, Florida, Washington, D.C., and Georgia, which further emphasises the legal safeguards and accountability mechanisms in place within the American system.

An important distinction lies in the origin of the United States of America's government, which evolved from the bottom up, in contrast to the top-down approach in the Russian Federation. In 1776, the 13 American states initially favored a decentralised approach, with states handling

most matters and the federal level primarily focused on war-related issues. However, within a year or two, they recognised the need for federal budgeting and created a treasury department, followed by the establishment of civil servants. Over time, the states gradually realised the importance of a federal government.

In 1787, the current U.S. Constitution was adopted, delineating three distinct branches of government: the legislative branch (responsible for making laws), the executive branch (charged with enforcing laws), and the judicial branch (tasked with interpreting laws). These powers were allocated to Congress, the President, and the Federal courts, respectively, by the Constitution. The framers intentionally structured the government in this manner to prevent any one branch from accumulating excessive power and to establish a system of checks and balances. During the Constitutional Convention of 1787, the framers debated the idea of a two-house Congress, with one house representing the democratic principle and another, the Senate, serving as a smaller, deliberative, and more independent body to counterbalance the democratic influence.

The U.S. Constitution establishes a system of dual sovereignty, sharing power between the states and the federal government. While federal law is supreme according to the Supremacy Clause, the Constitution also sets limits on federal authority, preventing the national government from overstepping its bounds or infringing on state sovereignty—a concept referred to as "federalism." The Bill of Rights, a crucial addition to the Constitution, played a pivotal role in securing its ratification by many states.

The Tenth Amendment ensures that any powers not explicitly granted to the Federal Government are reserved for the states and the people. All state governments mirror the federal model, with executive, legislative, and judicial branches, although the three-branch structure is not mandated by the U.S. Constitution. Federal congressional elections, which happen every two years (presidential ones every four years), are held on the first Tuesday after the first Monday in November. State and local governments administer these elections, and the specifics of how they are conducted vary from state to state. In the contemporary political landscape, the Republican and Democratic parties, which have their roots in earlier parties from the 18th and 19th centuries, are the dominant forces in the U.S. political process.

In the United States, senators and members of the House of Representatives are both elected directly by the people. Governors do not have a direct role in the selection of senators. Some experts argue that this lack of direct connection weakens the ties between the federal and state levels of government, as state governors tend to focus primarily on state-level matters.

Additionally, states in the U.S. possess significant taxing authority, allowing them to collect various state taxes, such as income tax. This means that each state generates its own revenue and has the autonomy to decide how to allocate and utilise these funds.

The U.S. operates as a classic federation, where states unite based on shared values while retaining distinct legislative authority. This results in a system where both the federal and state governments hold vital roles in governing the nation. For instance, states have considerable autonomy in determining various policies, such as abortion laws. Following the Supreme Court's decision to overturn Roe v. Wade in June 2022, many states have taken steps to restrict or even ban abortion services. States like Alabama, Arkansas, Idaho, Kentucky, Louisiana, Mississippi, Missouri, Oklahoma, South Dakota, Tennessee, Texas, and West Virginia have implemented comprehensive abortion bans. In contrast, in other states such as New York, California, New Jersey and many mid-Western states, abortion is freely available, highlighting how individual states independently decide their stance on this issue.

Similarly, the legalisation of recreational cannabis use provides another illustration of state-level decision-making. Currently, 23 states, along with the District of Columbia, Guam, and the Northern Mariana Islands, have legalised the recreational use of marijuana. These states include Minnesota, Virginia, Maryland, Delaware, Missouri, Connecticut, New York, Rhode Island, Vermont, Washington, New Jersey, New Mexico, Montana, Arizona, Maine, Illinois, Michigan, Massachusetts, California, Nevada, Alaska, Oregon, and Colorado, which showcases the diverse policy approaches across different states.

While both the U.S. and the Russian Federation grapple with sensitive racial issues, it is crucial to acknowledge that the U.S. has made notable progress in this area. However, due to distinct colonial histories, comparing these two countries on this matter may not be entirely appropriate. In the U.S., there exists an academic discourse on decolonisation. In contrast, in the Russian Federation, this issue is marginalised and not seen as a crucial topic for serious discussions about the future. Nevertheless, some argue that ethnic issues are less about federalism and more about rights and discrimination, emphasising that the nature of the problem differs from the federalism question.

3. Three Pillars: Democratisation, **Decentralisation and** Refederalisation of The Russian **Federation**

Political scientist Vladimir Gelman underscores the need for potential architects for the forthcoming reforms to adopt a sequenced approach, cautioning against placing the "carriage" ahead of the "horse." He emphasises that the initial phase must centre around democratisation. Two profoundly crucial elements demand attention:

Firstly, a bona fide democratisation process is imperative. "It is not solely legislative reforms that are necessary; foremost, political reforms are essential," Gelman asserts. Without genuine democratisation, there looms a substantial risk of fragmenting the nation into numerous small authoritarian regimes within distinct regions rather than fostering a single national power structure.

Secondly, a comprehensive decentralisation effort is called for. Gelman advocates for substituting the prevailing vertical power mechanism, both in practice and legality, with entirely different mechanisms oriented towards securing authentic autonomy for regions and municipalities. This autonomy would encompass both political and economic facets.

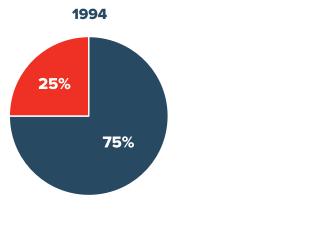
3.1. Budget Federalism

The economic component, that is, fiscal federalism, is the basis of the Federation. This matter carries immense significance within the framework of the economic and political system, an aspect that often receives inadequate This is why, in 2004, Vladimir Putin, while strengthening his central authority, made significant changes to the Budget Code. In Russia, over the past 30 years, there has been a significant change in how tax revenue is divided between regions and the central government.

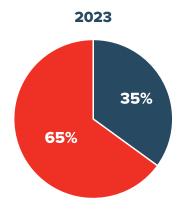
In 1994, approximately three-quarters of collected taxes remained within the regions, with a quarter going to the central government. Presently, the ratio hovers at around 65% for the centre and 35% for the regions. Municipalities are generally deprived of their own sources of income. Today, in the consolidated budget of Russia, the share of municipalities' own revenues is less than 5%.

At the same time, the regions' obligations and responsibilities have not diminished. In other words, the regions have half as much money to respond to the same challenges.

Boris Vishnevsky, a member of the Yabloko party and a representative in the Legislative Assembly of Saint Petersburg, suggests focusing on changes to the budget and tax code. Currently, a significant part of the income generated by Russia's regions goes to the central government, which then redistributes it through subsidies and grants - according to entirely arbitrary criteria not agreed by the constituent entities of the Federation. This lack of fiscal independence leads to political dependency, as most regions rely on central government funding. In return, the central government expects political loyalty



Regions



Central Government

and specific election outcomes. This dynamic, often referred to as the "power vertical," creates a hierarchy where higher levels of authority exert control over lower levels. In Russia's fiscal system, each level of government manages the finances of the level beneath it, with the federal government determining funding for regions and regions deciding funding for municipalities. This pattern mirrors the relationship between regional and municipal governments, as well as that between the federal and regional levels.

Gelman agrees with Vishnevsky about the need to reform Russia's tax system. Right now, municipalities have limited income sources and mostly rely on regional funds. Gelman believes that regions with strong self-generated income should handle their responsibilities without asking for subsidies from the federal budget.

An ideal tax distribution structure could be around 30% to the federal government, 30% to the region, and 30% to local municipalities. This should be guaranteed in the Russian Federation's Constitution to prevent interference from the federal centre through federal laws. However, it is important to note that income distribution is uneven among regions, with some being more prosperous than others.

To address this, a potential reform could ensure that regions keep more of their money (for example, three quarters) while a compensation process is agreed upon among regions to maintain stability. If a poor region cannot find support from other regions, it could seek financial help from the Federation, but this might limit its independence.

Regions should also have control over subsoil resources, except for two federal centre exceptions: rent revenues allocated for purposes like the military and central administration and central government oversight to ensure adherence to federal laws regarding subsoil use.

3.2. Vertical Redistribution of Powers

The Russian Constitution gives too much power to the federal government, leaving regional powers unclear. We propose reversing this by giving regions exclusive powers and letting the federal government focus on national tasks like defence and security. Instead of regions proving their rights, the federal centre should justify its powers.

Currently, the federal government has control over everything unless specified otherwise. It should be the opposite, with municipalities and regions delegating a limited set of powers to the central government in areas like defence and state policy. The federal government should not exceed these powers. This shift towards fiscal federalism and clearer power distribution can create a true federation, not just a quasi-unitary state.

The matters relating to ethnic or religious affiliations could be reassigned to the jurisdiction of municipalities with enhanced autonomy. For instance, individual municipalities



Heroes of the New Russia - Andrei Sakharov Source: RIA Novosti archive, image #25981 / Vladimir Fedorenko / CC-BY-SA 3.0, CC BY-SA 3.0, https://commons.wikimedia.org/w/index.php?curid=16787252

could independently decide to align with Orthodoxy, Islam, Buddhism, and other such identities. Furthermore, whichever language the municipality decides to speak would be respected. This is not a federal or regional issue.

Above the municipalities should be the Constitution of the Russian Federation, which is obliged to guarantee the rights of every citizen. If a resident of a Baptist village, for example, does not want to perform Baptist rituals, no one has the right to force him.

Gelman draws attention to the currently minimal powers of municipalities. The existing package of laws on local self-government needs to return to the legislative framework that was formed in 2003, entitled "On General Principles of Organization of Local Self-Government in the Russian Federation".18

The region of the Federation must be a territorialeconomic conglomerate of municipalities.

Municipalities and regions delegate a limited set of powers to the federal government. The federal government cannot go beyond these powers.

It is the Federation's duty to uphold and protect human rights: there should be a vertical system of courts, local police, i.e. municipal police, and federal police that investigates criminal offences.

What Russia needs is a decentralised system with a large number of checks and balances, with thousands of independent decision-making centres, so that a centralised seizure of power would be as difficult as possible.

Finally, Russia needs the reduction of federal government powers in favour of regional and municipal authorities – a stance rooted in the prevailing discourse surrounding decentralisation.

3.3. Checks and Balances

When thinking about power sharing between the central and regional governments, it is essential to have both a

strong central authority and regions with power, all while maintaining a balance.

Vladimir Milov, former Russian Deputy Energy Minister, suggests a "carrot and stick" approach that includes both rewards and penalties. The "stick" part refers to having a system to watch and make sure regions follow democratic rules. He talks about something similar to the Venice Commission, which is an outside group that advises on legal and constitutional issues to protect democracy within the institutional framework of the Council of Europe. This adds ways to ensure governments are transparent and follow democratic values.

Milov suggests having several of these oversight groups that the main government does not control. These groups would represent various parts of government and the public, checking on any actions that might limit people's rights and freedoms. Let us suppose, for example, that the head of a region has decided to change the election system of the regional parliament in his own interests. This decision is reviewed by a "Venice Commission", and a conclusion is made as to whether it complies with the basic standards of democracy, the fundamentals of the constitution, and more. If it does not, then the federally authorised body files a lawsuit to repeal this legal act.

As such, the "Russian Venice Commission" is obliged to analyse any legislative or regulatory act at the regional or local level.

As a "stick", regions in which there will be an attempt to usurp power will face problems in attracting investors. The federal government should do everything to support investment competition and progress, including in terms of political institutions – which will be the "carrot" in this context

The presence of working democratic institutions will be one of the crucial components. If the head of the region were to organise a dictatorship, the money would not go to the region. Directing economic policy towards Europeanization, however, results in rewards – whoever makes progress faster will win financially.

Indeed, Milov's propositions encompass the following key points:

- A delegation of powers from below de facto establishment of Russia from below;
- A compact federal government whose powers are clearly delineated;
- A system of monitoring and rapid response to antidemocratic trends at the bottom;
- The maintenance of competition between regions.

Gelman offers a note of caution. He points out that during the 1990s, Russia already experienced instances where potent regional leaders wielded substantial influence, effectively pressuring Moscow by demanding fiscal

transfers and resource control. The central authorities had to make concessions in response to this kind of pressure.

"Regional leaders became 'appanage princes' and did what they wanted. It was counterproductive," Gelman recalls.

The described concept leads to the actual blocking of work. Therefore, Gelman sees a danger, in the event of a new decentralisation, the Russian Federation may return to the same rake on which it has already walked in the 1990s.

"In the United States, not accepting the outcome of a democratic, competitive contest is an attack on democratic institutions. Everyone must develop a political culture and learn to accept defeat. There needs to be a detailed characterisation of actions that are anti-democratic. For example, trying to subordinate the process of appointment of judges – one of the branches of government – is an attack on democracy. This should become a public taboo," Milov believes. "In the 1990s, the struggle in Russia was based on the principle of 'winner takes all'."

However, in the 2000s, there was a turn in the opposite direction – the central authorities, feeling their strength, began to impose their rules on the subjects.

Thus, we can talk about the cyclical nature of Russian history, characterised by the swing of the pendulum.

It can be argued that such difficulties with mutual blackmail could be avoided in a working democracy that excludes mafia methods. However, the Russian Federation has yet to reach this stage – the attempt in the 1990s was unsuccessful.

"The federal government should have tools to influence regional authorities if they violate laws. Letting entities go entirely to their own devices is not the best option. What specific measures should be taken to avoid going to extremes is a question for the future parties and politicians who will implement decentralisation," Gelman argues.

Gelman sees political parties - not the current ones, but those that will be created in the future – as the main actors capable of truly refederalizing Russia. According to his idea, it is the parties that can "hold the pendulum and prevent it from swinging". And these actors can only emerge as a result of democratisation on the scale of the Russian Federation.

"The established parties will participate in federal elections, join government coalitions and create a new government. It will be extremely important for these parties to ensure their participation in political life at the level of the country and regions," Gelman is certain.

One of the key problems in Russia is the problem of subnational authoritarianism (authoritarianism at the regional and municipal level). The strengthening of political parties and their struggle for the exercise of power is an important mechanism. If a region has a coalition government that includes representatives of different parties and has central offices to answer to on the national level, this is a safeguard against the most prominent manifestations of subnational authoritarianism.

At the same time, Gelman sees potential in federal districts, which can become units of decentralisation. An option would be to give macro-regions the decisive role as the basis for electoral lists in State Duma elections. For example, in order to appeal to Yakutian voters (and show that their interests will be represented), a party could include Yakutian candidates on its list for the whole Far Eastern macro-region.

Macro-regions, which roughly correspond to the current federal districts (Northwest, Volga, Urals, Far East etc.), can be used to better engage municipalities that are on the "margins" of politics.

However, Gelman repeats that the first necessary condition for decentralisation is democratisation.

3.4. The Creation of Super-Regions

The Russian Federation is a centralised state with egregious disparities in the distribution of financial and social resources between Moscow, Saint Petersburg and other regions.

Moscow's 2023 revenue is projected to reach 3.746 trillion rubles, while the total expenditure is anticipated to be 4.183 trillion rubles. In comparison, in Buryatia, the projected 2023 revenues stand at 100.8 billion rubles and estimated expenditures of 108.1 billion rubles. The population of Moscow stands at approximately 13 million individuals, while Buryatia is home to around 1 million residents. Nevertheless, even when multiplying 100 billion by 13, the sum does not reach 4 trillion rubles.

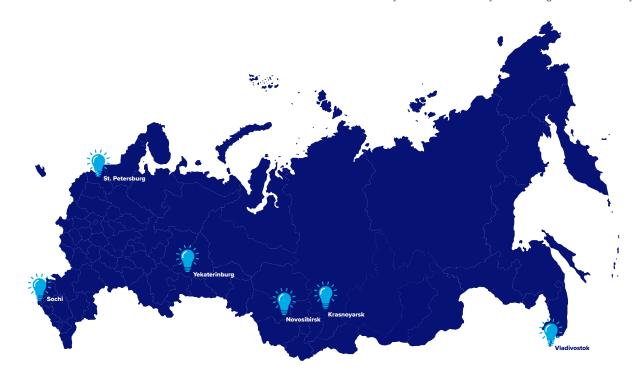
Moreover, the population density across the constituent regions of the Russian Federation varies significantly: while Saint Petersburg boasts around 5 million residents, the Jewish Autonomous Region has a population of 147,458, and the Chukotka Autonomous District is home to 47,840 individuals.

There is a debate on how to manage these regions better. Dr. Vladimir Pastukhov suggests a new plan in which Russia is divided into larger areas centred around big cities. His proposal can be characterised as a "federation within a federation." In Pastukhov's reconfiguration of Russia, it would be preferable to streamline the structure of the Russian Federation into 25-30 entities, each encompassing sizable territories centred around developmental hubs. Within these entities, a hub-and-spoke structure would be established, featuring a major city with a population of a million or more. These urban centres would serve as hubs for education and innovation, surrounded by the periphery.²⁰ Pastukhov's critics raise a valid point: where would the local leaders fit in this plan?

Vishnevsky reminded us that federal districts were created in 2000 (in fact, this is the model of super regions), but they were not developed. According to him, federal districts were needed only to delegate a viceroy (plenipotentiary representative of the Russian president) from the centre that would oversee the governors of a whole group of regions at once. He asserts that creating super regions would entail establishing distinct legislative powers, separate budgets, and differing tax systems.

Krasheninnikov offers a word of caution: the super region tier would inevitably reintroduce a hierarchy of major and minor regions.

"All these proposals seem to stick to a pattern. What is required are transformative solutions. The entirety of authority should not merely shift to regions but directly to



municipalities. The concept of regions remains puzzling - why they emerged within these specific boundaries is unclear."

Pastukhov's proposal to consolidate regions can be criticised. However, it is important to take into account that it is economically cheaper to maintain a city than a village. Here, we can draw an analogy with buying goods at retail and wholesale. Wholesale is always cheaper. However, this approach can perhaps be called cynical, given the sensitivity of the issue.

3.5. New Centers of Gravity

The Russian Federation may be decentralised to create several centres of gravity – for example, Moscow, Saint Petersburg, Yekaterinburg, Novosibirsk and Vladivostok —with each of these centres being attractive to certain specialists. This can be fashioned after the U.S., where Washington D.C. is the political capital, New York is the business capital, Los Angeles is attractive for show business figures, San Francisco and Seattle are attractive for IT specialists, and Boston is renowned for its connection to education clusters.

Localised precedents can be found in Russia's past. For example, back in the Soviet years, Novosibirsk was made an educational cluster, and in Saint Petersburg there were many ground-breaking universities and all film production can be moved there, relieving Moscow. Scientists can be encouraged to move, for example, to Novosibirsk, guaranteeing additional bonuses and career growth. There will also be benefits for businessmen who are ready to invest in new clusters.

3.6. The Parliamentary Model

Vladimir Putin's tenure has blurred the lines between the roles of a president and a czar in Russia. Media outlets have drawn parallels between Putin and historical czars, highlighting the centralisation of power.

Opposition leader Alexei Navalny, among others, argues that Russia must transition to a parliamentary republic to break free from the cycle of imperial authoritarianism. Navalny contends that Russia's ongoing struggle with self-generated imperial authoritarianism is the root cause of its challenges. He points to the pivotal juncture after the U.S.S.R.'s dissolution when the nation adopted the model of a presidential republic with extensive powers vested in the leader, a choice that ultimately proved detrimental.

Navalny's perspective is rooted in a pattern observed over the past 31 years. Countries that embraced the parliamentary republic model, such as the Baltic states, have thrived and integrated successfully into Europe. Conversely, those adopting the presidential-parliamentary model, like Ukraine, Moldova, and Georgia, have faced persistent instability and limited progress. Nations favouring strong presidential power, including Russia, Belarus, and Central Asian republics, have veered

toward authoritarianism, often embroiled in conflicts with neighbours and nurturing dreams of small empires.

While Navalny acknowledges that a parliamentary republic is not a universal solution, he emphasises its advantages. These include a substantial reduction in power concentration, government formation by parliamentary majorities, an independent judiciary system, and greater authority for local governments—critical institutions hitherto absent in Russia's political landscape yet desperately needed.

Vladimir Gelman reminds us that the Soviet Union officially operated as a parliamentary republic, as articulated in Article 2 of the USSR Constitution, stating that "All power in the USSR belongs to the people. The people exercised state power through the Soviets of People's Deputies, which constituted the political basis of the USSR. All other state bodies are controlled by and accountable to the Soviets of People's Deputies." However, this formal structure did not prevent the Soviet Union from being an authoritarian state.

Gelman emphasises that a parliamentary republic is not an inherent guarantee of democracy, as there are authoritarian regimes worldwide that operate within parliamentary systems. Transitioning to a parliamentary system is a component of political democratisation but should not be seen as the sole solution. It necessitates substantial effort beyond merely rewriting the constitution, as a rewritten constitution could potentially be exploited by emerging autocracies.

Tsakhiagiin Elbegdori, the former president of Mongolia - a democratic country that is "sandwiched" between Russia and China believes that after Ukraine's victory, a unique moment will come to change the political structure of Russia. "I meet a lot with Russian oppositionists. They say that the future of Russia lies in federalism and parliamentarianism," he notes.

In conclusion, the three primary components of refederalization include implementing fiscal federalism, granting extensive powers to municipalities to rebuild Russia from the grassroots, and creating macro-regions while relying on political parties as drivers of decentralisation. A comprehensive political democratisation is essential for the success of any transitional process.

3.7. The Integration of Ethnic Minorities Into the New Russia's **Political Life**

The integration of ethnic minorities into the political life of the new Russia is a complex and sensitive issue that must be addressed within the framework of the evolving state structure. Russia is a multi-ethnic federation with a multitude of ethnic groups, making it crucial to respect the interests of all these diverse communities.

One of the key challenges in this context is the potential expansion of regions, which may include national republics. However, these territorial divisions, established during the Soviet era, have remained largely unchanged. There is a reluctance to revise these boundaries due to concerns that it could inadvertently exclude certain ethnic groups.

To effectively harmonise these diverse ethnic communities within the Russian state, the upcoming governing authorities must strategise ways to ensure equitable representation of various nationalities within regions. It is essential to integrate members of indigenous communities into the political landscape of Russia.

One proposed approach by Milov is to institutionalise ethnic minorities of the Russian Federation as participants in the Russian establishment, potentially reserving a certain number of seats for them in the federal parliament. This would guarantee political representation and empower ethnic minorities.

A legal term, "territories of compact residence of ethnic minorities," may be introduced to redefine territorial boundaries more equitably. This shift aims to configure regions based on the actual places where ethnic groups reside rather than relying on Soviet-era administrative maps.

The overarching goal is to create a legal, political, social, and cultural space that allows indigenous peoples to maximise their self-realisation within Russia. It acknowledges the importance of respecting and valuing the unique identities and contributions of ethnic minorities. Indeed,

Gelman underscores the historically unfair treatment of ethnic minorities in Russia and the need to address this issue.

The political challenge lies in finding a balance that respects the rights and aspirations of ethnic minorities while maintaining national unity. Federal political parties can play a crucial role in reducing potential conflicts by integrating ethnic minorities into Russian politics through macro-regional party lists.

Milov emphasises the importance of involving citizens in the reform process, offering different options and allowing for regional variations. This includes considering various parliamentary systems and tax distribution mechanisms to cater to the diverse needs of different regions.

Crucially, the reformers must be clear on the issue of selfdetermination of peoples, ensuring that ethnic minorities have a say in shaping their future. Collaboration and addressing risks collectively are essential to prevent conflicts and instability.

As noted in the historical part of the paper, the current administrative boundaries between the subjects of the



Heroes of the New Russia - Timur Kacharava Source: неизвестен. http://stop-it.narod.ru/life.htm, Добросовестное использование, https://ru.wikipedia.org/w/index.php?curid=545682

Federation are very artificial since they were determined arbitrarily by the Soviet authorities.

The lessons of history remind us that premature independence, based on slogans rather than a well-structured state strategy, can lead to substantial risks. Therefore, a careful and inclusive approach is essential to navigate the complex terrain of ethnic integration in the new Russia.

3.8. Two Categories of Administrative Structure

In the context of administrative restructuring in the Russian Federation, two distinct categories of administrative structure are being considered. The current landscape comprises over 80 subjects, marked by extreme variations in population size. One proposal is to reduce the number of subjects to a more manageable 30-40 regions. As an experimental approach, this would involve the consolidation of ethnic Russian regions, such as Vologda, Kaluga, and Tula.

Simultaneously, the Russian Federation is home to a diverse array of over 190 ethnic groups and 21 national republics. In some of these national republics, indigenous peoples constitute a minority of the population. For instance, in the Republic of Karelia, ethnic Karelians make up only 5-10% of the subject's population, while in the Udmurt Republic, Udmurts account for just 28%, and in the Komi Republic, Komi people make up approximately 30%. To address this complexity, a two-level legislative system is being considered:

Territorial Legislature: Responsible for regional governance, excluding matters related to culture, language, and ethnic identity.

Ethnic Parliament: Focused on cultural, linguistic, and ethnic identity issues, ensuring representation and protection of the interests of various ethnic groups.

This proposed model draws inspiration from Belgium, which employs a similar division of legislative authority into administrative-territorial and national-ethnic domains. Belgian Member of Parliament Georges Dallemagne emphasises the importance of shared values and cultural commonalities, in addition to territorial considerations, for shaping the future.

The adoption of this model is expected to provide a resolution for ethnic minorities who find themselves in the minority within their respective national republics. It offers a means to address the situation of divided ethnic groups, like the Buryats, who are dispersed across the Irkutsk region, the Republic of Buryatia, and the Trans-Baikal Territory. Under this model, a «Buryat Parliament» would advocate for the interests of Buryat residents across these three subjects.

Prominent human rights defender Andrei Sakharov supports a similar approach in his draft Constitution. In his proposal for the Constitution of the «Union of Soviet Republics of Europe and Asia» (as he proposed to rename the Soviet Union), Sakharov outlines a dual-chamber system for the Congress of People's Deputies. The first chamber, the Chamber of Republics, is elected territorially, with one deputy per electoral territorial district. The second chamber, the Chamber of Nationalities, is elected on a national basis, with representation for each nationality based on population size and language. This dualchamber system aims to ensure balanced representation for both territorial and ethnic considerations.

Ultimately, these proposed administrative and legislative models seek to address the intricate dynamics of ethnic diversity within the Russian Federation while providing equitable governance and representation for all its diverse constituents.

3.9. Name Change

The current name of the state, the Russian Federation, is closely associated with one ethnic group, the Russians, despite the country being home to nearly 200 different nationalities. This nomenclature reflects a historical link to the colonial past, particularly the era of the Russian Empire, during which it expanded and subjugated regions like Siberia and the Caucasus.

To foster a more inclusive and harmonious national identity, it might be worth exploring the idea of changing the state's name. This change would symbolise a break from the colonial legacy and emphasise a more collective and diverse identity for the nation.

A potential name change could take inspiration from the United States of America, which intentionally avoids an ethnic component in its name. Two options that align with this principle are: «United States of Europe and Asia» and «Union of Eurasian States«.

These options underscore a broader geographical and regional identity rather than emphasising a single ethnic group. The selection of a new name should be a matter of national discussion and consensus. One way to approach this could be through a referendum, where citizens have the opportunity to voice their preferences and collectively decide on a new name that better represents the diverse tapestry of the nation.

4. Re-Federalisation Paths

The re-federalisation of the Russian Federation can be achieved through various paths, drawing inspiration from the experiences of federations like the USA and Germany, as well as former Soviet republics such as Ukraine and Lithuania, which have successfully decentralised power and strengthened municipal authorities. One viable approach is to transition towards a national-territorial federation for Russia.

4.1. Three Paths to a Federation

Here are three potential routes to reestablishing the Russian Federation as a federation:

- Disintegration and Refoundation: This method involves the deliberate disintegration of the Russian Federation, followed by a bottom-uprefoundation. It would require regions to voluntarily choose to be part of the reconstituted Federation. Sakharov proposed a similar concept in the Constitution of the "Union of Soviet Republics of Europe and Asia", where regions would declare independence and then decide through referendums whether to merge with others.
- 2. Municipal Elections and Deputies' Role: Advocated by political scientist Fyodor Krasheninnikov, this approach emphasises municipal elections throughout Russia. Elected municipal deputies would then play a pivotal role in reestablishing the Federation from the grassroots. The process would involve developing a new Russian Constitution in conjunction with municipal elections, granting municipalities significant powers, and fostering a territorial-economic alliance of municipalities.
- 3. Preservation and Democratisation: In this milder scenario, the existing framework of the Federation is preserved, but efforts are made to democratise it. This approach allows for self-determination of peoples, and the Federation would consist of those who choose to remain after democratic reforms.

Krasheninnikov's framework focuses on initiating democratic reforms through municipal elections, allowing locally elected representatives to take charge of the revival of regions, ultimately contributing to the reconstruction of the Federation. This method aims to establish a strong foundation for progress by involving a significant number of municipal deputies nationwide.

Gelman, a political scientist, raises concerns about the feasibility of assembling a congress of thousands of municipal heads to re-authorise Russia. He emphasises that these officials are primarily focused on local affairs and may not be inclined to participate in a broader reconstruction process.

In summary, these proposed approaches offer different avenues for re-federalisation, with varying levels of complexity and potential challenges. The choice of method would require careful consideration and a national consensus-building process.

4.2. The First Steps to Build a New Russia

The initial stages of Russia's transition towards federalisation involve several critical steps:

- A new Constitution: A fundamental shift from a presidential to a parliamentary system is essential. This transformation necessitates the drafting and approval of a new constitution.
- The new constitution of the Russian Federation should be based on the philosophy of democracy and federalism. For example, the U.S. was not formed on the basis of feudal rights or oligarchical needs. It was based on the theories of democratic values dating back to Ancient Greece. It provided the substance that was easily understood as building blocks for a successful form of governance. Russia has never done this philosophical exercise to determine a form of government. This exercise should not be avoided in the next attempt.
- A referendum on the Constitution: The populace should have the opportunity to vote on the new Constitution through a referendum, ensuring broad public participation in shaping the nation's governance.
- Judicial Reform: The establishment of a new judicial system is crucial to uphold the rule of law and quarantee citizens' rights.
- Checks and Balances: A robust system of checks and balances must be created. This involves empowering municipal and regional authorities while maintaining a strong central government. Dispersing power among diverse groups helps prevent undue concentration of authority.
- Elections: Competitive parliamentary and municipal elections play a pivotal role in the transition. Strengthening political parties and promoting their active involvement in governance is paramount.
- Economic Reforms: Implementing a comprehensive package of economic reforms is imperative to swiftly enhance the quality of life for citizens. This includes facilitating conditions for small and medium-sized businesses, attracting private investors, and reallocating resources from state corporations to social funds.



Heroes of the New Russia - Galina Starovoitova Source: By Duma.gov.ru, CC BY 4.0, https://commons.wikimedia. org/w/index.php?curid=116457613

- Freedom of Speech: Safeguarding freedom of speech is essential to fostering an open and informed society.
- Privatisation: Consideration should bze given to voucher privatisation of companies, akin to the approach proposed²¹ by Mikhail Khodorkovsky.
- Lustration: While lustration can be a valuable tool for accountability, it should only be pursued when the state is stable and able to manage the process effectively.
- Education Reform: Reforms in the education system, including addressing historical memory and acknowledging past mistakes, are essential to shaping a new national identity.

To prevent the recurrence of past errors, there is a need for comprehensive reforms that significantly improve citizens' lives. This entails swift economic growth, easing conditions for businesses, and a reallocation of resources towards societal needs. Effective communication of reform necessity is key to garnering public support.

During the transition phase, an emergency democratic government, uninterested in building political careers, should take responsibility for unpopular but vital measures. Economic sovereignty of regions should be pursued, with a focus on gradually evolving within the existing administrative boundaries rather than rushing towards independence.

Emulating Germany's model, which features three equal levels of government—federal, state, and municipal can guide the Russian Federation's path towards decentralisation. Granting more powers and economic

autonomy to municipalities, as seen in Ukraine's experience, is a crucial aspect of this transformation.

Moreover, Russia should abandon the search for a single leader and instead prioritise empowering every citizen.

Future Russian reformers will have to create a federation that has never existed in Russia. They should create a federation that has probably never existed anywhere else in this form because nowhere were the conditions for the formation of statehood so inherently bad. That is why the project of creating a truly federal Russia seems like pure fantasy today. Nevertheless, it is as necessary as it is difficult. In its boldness, it reminds us of the project to revolutionise Russia along Bolshevik lines. In its humanity, it surpasses Bolshevism by an order of magnitude.

Endnotes

- Despite the fact that the republics of the Russian Federation officially have two languages Russian and local one, often state institutions refuse to ensure the human right to interact in their native language. Such a case happened in the Komi Republic in 2021 https://novayagazeta.ru/articles/2021/02/12/167816-v-syktyvkare-ne-smogli-provesti-sud-nad-aktivistom-kotoryy-govoril-tolko-na-komi-yazyke-zasedanie-perenesli-chtoby-nayti-perevodchika
- In 2018, the study of native languages in Russia was transferred to the category of optional, which caused great damage to the languages of the indigenous peoples of Russia https://www.dw.com/ru/не-в-ущерб-русскому-что-не-так-сзаконом-рф-об-изучении-национальных-языков/а-44297566
- UNESCO has included the Buryat language in the Red Book of Endangered Languages https://www.culturalsurvival.org/ publications/cultural-survival-quarterly/troubled-state-buryat-language-today
- The Nenets language is classified as endangered according to the UNESCO Viability Scale https://goarctic.ru/news/sdobrym-nutrom-ili-kak-spasti-nenetskiy-yazyk/
- In 2017, Balkar elders demanded that the authorities of Kabardino-Balkaria revise the Constitution of the Republic in order to divide the region into two equal territorial subjects of the Russian Federation – Kabarda and Balkaria https:// www.kavkazr.com/a/kabarda-i-balkariya-otdelno/28249940.html
- 6 On December 30, 1922, the Declaration and Treaty on the Formation of the Union of Soviet Socialist Republics was signed https://www.prlib.ru/history/619858
- On August 6, 1990, Boris Yeltsin, the head of the RSFSR Supreme Soviet, uttered his famous phrase: "Take as much sovereignty as you can swallow!" https://yeltsin.ru/news/boris-elcin-berite-stolko-suverineteta-skolko-smozhete-proglotit/
- The Treaty of Federation dated March 31, 1992 https://www.consultant.ru/document/cons_doc_LAW_120324/ 8
- On the procedure for forming two chambers of the Parliament of the Russian Federation https://www.pnp.ru/politics/ sovfed-i-gosduma-prorabotali-chetvert-veka
- 10 The head of Russia's Chechen Republic Ramzan Kadyrov is convinced that in Russia only one statesman has the right to be called president https://www.grozny-inform.ru/news/politic/20251/
- 11 Text of amendments to the Constitution of the Russian Federation in 2020 http://duma.gov.ru/news/48045/
- 12 The Kremlin wanted State Duma deputy Sergei Sokol, who spent six months in the war in Ukraine, to become the governor of Khakassia https://meduza.io/feature/2023/08/21/kreml-o-vyborah-gubernatora-hakasii-poltora-mesyatsa-nazad-veteran-svo-ne-mozhet-proigrat-kreml-seychas-proigrat-mozhet-no-togda-rezultaty-annuliruyut
- 13 The recording of Furgal's conversation with Presidential Plenipotentiary Envoy to the Far Eastern District Yury Trutnev https://www.youtube.com/watch?v=_akZZn2hUYk
- The arrest of Sergei Furgal, the Governor of Khabarovsk Krai, in 2020 sparked mass protests in the region https://www. bbc.com/news/world-europe-53441687
- 15 Moscow moved to punish Furgal for his popularity https://www.washingtonpost.com/world/europe/russia-protests-fareast-putin-khabarovsk/2020/08/04/84567d0a-d261-11ea-826b-cc394d824e35_story.html
- 16 Moscow Mayor Yuri Luzhkov was fired by Russian President Dmitry Medvedev due to a "loss of confidence" https://rg. ru/2010/09/29/lujkov.html
- The American project European Recovery Program https://www.archives.gov/milestone-documents/marshall-plan#:~:text=On%20April%203%2C%201948%2C%20President,economic%20infrastructure%20of%20postwar%20Europe
- Federal Law of October 6, 2003 "On General Principles of Organization of Local Self-Government in the Russian Federation" https://www.consultant.ru/document/cons_doc_LAW_44571/
- 19 Buryatia's draft budget for 2023 https://tass.ru/ekonomika/16270911
- 20 Interview with Dr. Vladimir Pastukhov about federalism https://youtu.be/TJimhNnNuBk
- 21 Mikhail Khodorkovsky, How Do You Slay a Dragon? A Manual for Start-Up Revolutionaries, London 2023 https:// khodorkovsky.com/resources/mikhail-khodorkovsky-how-do-you-slay-a-dragon/





