The Clash of Perspectives?
The EU and Russian Views on Federalism

LE CHOC DES PERSPECTIVES?
L'UE ET LES PERSPECTIVES RUSSES SUR LE FÉDÉRALISME

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Abstract: This article examines a conspicuous disconnect between the prevalent Russian and European narratives on the costs and benefits of federalism. The observed variation in dominant discursive frameworks can be attributed to distinct historical experiences, especially in the area of centralization and power-sharing. Attitudes toward federalism have also been affected by the trajectory of institutional development. In the EU case, federalism implies a qualitative institutional transformation, entailing political unification and the surrender of national sovereignty to an external, supra-national formation. To individual member-states, federalism is a challenge from above, which may make the government less responsive and exacerbate the already existing democratic deficit. In contrast, Russian federalism has been a question of dividing power and autonomy between the central and regional governments, rather than an external challenge to national sovereignty. Correspondingly, post-communist federalization has become associated with ad hoc bargaining, fragmentation, abuse of power, and encroachments on the national jurisdiction – all emanating from below.

The contrasting nature of prior and ongoing federalist projects in the EU and Russia matters: the Western perspective is less sympathetic to the priorities of Russia’s centralization reforms, because they are viewed as amplifying democratic deficit in the regions without enhancing democracy at the national level.

Key words: federalism; decentralization; democracy; Russia; European Union

Résumé: Cet article examine un décalage apparent entre les récits répandus russes et européens sur les coûts et les avantages du fédéralisme. La variation observée dans les cadres discursifs dominants peut être attribuée à des expériences historiques distinctes,
en particulier dans le domaine de la centralisation et du partage du pouvoir. Les attitudes à l'égard du fédéralisme ont également été affectées par la trajectoire du développement institutionnel. Dans le cas de l'UE, le fédéralisme implique une transformation institutionnelle qualitative, en imposant l'unification politique et l'abandon de la souveraineté nationale à un organisme supra-national extérieur. Pour chaque état membre, le fédéralisme est une défi venant du haut, qui pourrait rendre le gouvernement moins réactif et exacerbe le déficit démocratique qui existe déjà. En revanche, le fédéralisme russe a été une question du partage de pouvoir et d'autonomie entre les gouvernements centraux et régionaux, plutôt qu'un défi externe à l'égard de la souveraineté nationale. De même, la fédéralisation post-communiste est devenue associée à la négociation ad hoc, à la fragmentation, à l'abus de pouvoir, ainsi qu'aux empiètements sur la juridiction nationale - tout émanant de dessous.

La nature contrastée des projets fédéralistes antérieurs et actuels dans l'UE et en Russie contraste: les perspectives occidentales sont moins sensibles aux priorités des réformes de la centralisation de la Russie, parce qu'elles sont considérées comme une ampliation du déficit démocratique dans les régions sans renforcer la démocratie au niveau national.

Mots-clés : fédéralisme; décentralisation; démocratie; Russie; Union européenne

1. INTRODUCTION

The desirability and shortcomings of a federal institutional structure have been subject to intense debate in the European Union and post-communist Russia. The Europeans are yet to agree on the prospects and ramifications of their common political institutions being “upgraded” to a full-blown federal state. Russian federalism, too, is still a project – as attested by more than a decade of roller-coaster center-periphery bargaining and renegotiating – that has so far failed to settle down into a stable political arrangement. Across the board, the critics of federalization have brought up a familiar list of grievances against the surrender of national (in the case of Europe) or central (in the case of Russia) authority. Their concerns encompass the erosion of national power and sovereignty, the weakening of state integrity, and the undermining of governmental responsiveness and accountability. In all of these accounts, traditional, hierarchically-organized national governments are maintained to offer an optimal organizational format for good governance and democracy. Correspondingly, the perceived need to protect the prerogatives of centralized national authority has fueled anti-federalist sentiments in Russia and the EU.

The degree of opposition to federalization varies from mere acknowledgements of federalism’s side-effects to blanket dismissals of the entire federalist alternative. Of course, federalism has its vocal advocates too, but, overall, the reservations regarding the effects and utility of federalism are significant both in Europe (Majone 2006; Schmidt 2006) and Russia (Smirnyagin 2004). In light of these widespread and seemingly similar objections to federalism, a remarkable disconnect emerges between the Russian and European perspectives. While the Europeans are understandably sensitive to the

2 Throughout this chapter, I use the word “European” and its derivatives in a reference to Western Europe and the European Union. Such usage here is motivated by matters of convenience and the need to differentiate Russia from the European Union; it does not intend to suggest that Russia is non-European. The question of whether and in what sense Russia is a part of Europe is irrelevant to this paper. But, since this entire volume is dedicated to issues of discourse, meanings, and intersubjective (dis)connections, I would like to briefly acknowledge that a common practice of using “Europe” to denote the European states other than Turkey and the non-Baltic republics of the former Soviet Union is indicative of the underlying identity fault lines.

3 Acquired value and stability as symptoms of institutionalization are discussed in Huntington (1968).
problem of federalism as applied to the European Union, they are less accepting of anti-federalist arguments and the policies of centralization taking place in Russia. To be more specific, whereas Europe’s aversion to federalism is treated as a manifestation of natural growing pains stemming from rapid integration, Russia’s anti-federalist and centralizing tendencies invite harsh criticism and invoke the specter of authoritarianism (Kuvaldin 2007: 67). How to explain this attitudinal inconsistency? How do the Europeans reconcile their ambivalence about the appropriateness of federalism in the EU with their lingering uneasiness with anti-federalism in Russia?

This essay suggests that the observed divergence in the Russian and European viewpoints is rooted in the different frames of prevalent domestic narratives about federalism, role of the state, and the imperative of centralization. In the EU case, federalism implies a qualitative institutional transformation, entailing political unification and the surrender of national sovereignty to an external, supra-national formation. To individual member-states, federalism is a challenge from above, which, as the critics complain, may make the government less responsive and exacerbate the already existing democratic deficit. Restricting further political integration is a remedy advocated by the European anti-federalists. Russian federalism, on the other hand, has been a question of dividing power and autonomy between the central and regional governments, rather than an external challenge to national sovereignty. In a clear departure from the European experiences, post-communist federalization has become associated with ad hoc bargaining, fragmentation, abuse of power, and significant encroachments on the national jurisdiction—all emanating from below. From the standpoint of Russia’s central elite, spontaneous decentralization and federalism were destabilizing and therefore had to be reversed.

Following Tversky and Kahneman’s (1986) work on the framing effect, my underlying assumption here is that political actors operate within specific discursive frameworks (see also Schmidt 2006; Statham and Gray 2005; Magnette 2003: 146). Such frames determine the angle from which we approach particular issues, and function as sort of an analytical lens coloring the perception of a problem. The variation in discursive frameworks may be attributed to distinct historical experiences (Jo 2006; Schmidt 2006), especially in the area of centralization and power-sharing. Additionally, attitudes toward federalism may be affected by the dominant political institutions and the trajectory of their development. The earlier experiences shape up political expectations about the future that, through the process of internalization, fossilize into political cultures and frame up the course of the current debate. This paper argues that the contrasting nature of prior and ongoing federalist projects in the EU and Russia matters: the Western perspective is less sympathetic to the priorities of Russia’s centralization reforms, because they are viewed as amplifying democratic deficit in the regions without enhancing democracy at the national level.

The rest of the article develops the above themes by outlining the divergent interpretations of federalism and its impact on governance and democracy in the European Union and Russia. I start by comparing these two federative projects and then discuss the problem of democratic deficit.

2. THE CONTRASTING NATURE OF THE FEDERALIST PROJECTS IN THE E.U. AND RUSSIA

A federal bargain involves the division of authority among several autonomous segments of the government. Invariably, this implies restructuring power and authority of the state, particularly its center. But there are substantive distinctions between the Russian and EU cases, the most noticeable of which are the opposing vectors of the reform. In terms of the direction and magnitude of institutional change, federalization may take on two distinct forms: it either requires a partitioning of national sovereignty for its subsequent redistribution from the national center to the periphery, or it entails a partial surrender of sovereignty to a newly devised center. The former is federalization by devolution, and the latter is

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4 Marquand (2006: 179) even brands the British attitude as “neurotic aversion”.
federalization by aggregation (Trechsel 2005: 404). The two are differentiated by the starting point, the ultimate objective of political reorganization, and the bargaining power of the involved actors. The difference is not trivial. The Russian and EU federalisms are dissimilar projects; different reform agendas, in turn, translate into contrasting assessments of federalism, its challenges, effects, and utility.

Undoubtedly, the Europeans have grown accustomed to the idea of incremental economic and political integration those chips away at the vestiges of the Westphalian international system in Europe replacing it with a supranational order. Even the rejection of the Constitutional Treaty in 2005 referendums – a definite setback in that process – is unlikely to arrest the integrationist impetus, generated by the earlier rounds of unification and the evolutionary logic of the EU institutions. But while the borders within Europe are gradually withering away, federalization remains a fundamental and yet unprecedented challenge. A federal union can only be achieved through discontinuous institutional change, altering the very essence of the European system of governance and involving nothing less than the creation of a genuine common government with a unique, compulsory, and overarching jurisdiction. It is thus a state-building venture that inevitably evokes comparisons to the founding of the United States of America out of a political compact between the original thirteen colonies.

The Russian federal reforms of the past two decades were, too, aimed at state-building. But the difference between the two cases is crucial. Despite a high degree of intra-European unity, federalism for the EU originates as an issue of international politics. First of all, the primary participants in negotiating any deal will be the member states. Granted, Europe already possesses a post-national, proto-federal center consisting of the common EU institutions that act in their own right and influence further integration. Nevertheless, the states remain the formal source of authority (Hallstrom 2003: 54), and various national level actors retain the power to veto the process (Trechsel 2006: 407-409; Benz 2004).5 Secondly, the debate on EU federalism is inevitably related to international affairs, because at its core is the question of sovereignty, a central concern in international, rather than domestic context. From the standpoint of individual EU member-states, federalization requires creating a government above them and irreversibly relinquishing to that purpose a degree of their sovereignty.6 As a matter of fact, under a federal arrangement it would make no sense to describe the residual competencies of the member-states in terms of sovereignty. Sovereign discretion will be sacrificed to be replaced with bounded, albeit possibly quite extensive, territorial autonomy.

The earlier rounds of integration were also premised on an explicit surrender of sovereignty (Hallstrom 2003: 65), but never in its entirety. The irrevocable finality of abandoning the comfort zone of sovereign statehood provokes the antifederalist reaction, particularly in Great Britain (Marquand 2006; Schmidt 2006; Statham and Gray 2005). Even under a decentralized arrangement, the currently sovereign states will become autonomous territories, national executives will, in effect, be demoted to the rank of governors, and, likewise, the national parliaments will turn into regional legislatures. Such modifications clash with the resilient tradition of independent national executive power, based on the Hobbesian conceptualization of sovereignty or, in the case of the UK, in the deep-seated notions of parliamentary supremacy (Marquand 2006, 179-181; Schmidt 2006: 28).

While in Europe federalism emerges as an external challenge to statehood and national identity, Russian federalism has been a question of redistributing power and authority through devolution. Under this scenario, the principal actors are different. A clearly defined and authoritative federal center already exists and features prominently in the bargaining. On the other side of the table are the regions, which may boast some administrative discretion or even partial autonomy, but not sovereignty in the sense

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5 As observed by Trechsel (2006: 407-409), the unanimity requirement in the EU decision-making and the growing number of the veto players attributed to the recent rounds of European enlargement have only increased the likelihood of future deadlocks.

6 The proposed EU Constitution allowed for unilateral secession, but, as Trechsel (2005: 405-406) observes, leaving the union would be extremely difficult. The experience of the USA and the Russian Federation further suggests that, as the federal states coalesce and mature, they tend to discard the right to secession. There are, of course, notable examples of quasi-federal multinational states falling apart under the weight of a systemic crisis and setting their component units free. But save for such extreme circumstances, unilateral withdrawals from a relatively stable state appear to be prohibitively costly. Once you are in, getting out is likely to be problematic. Therefore the surrender of sovereignty should better be treated as permanent.
applied to the current EU members. The stakes in this game are different too: it is a question of internally reshuffling the jurisdictions, rather than aggregating the existing independent competencies into a new state. With the exception of instances of attempted secession, national sovereignty is not at issue: the object of bargaining is the distribution of power and authority. Russian federalism thus is best conceptualized as a tug-of-war between the center and the periphery (with the center pulling more forcefully in the recent years) that is a matter of domestic politics outside the purview of international affairs.

Typically, only some of the regional players take the initiative in asserting their rights and pressuring the center for concessions, whereas the rest tend to adopt a wait-and-see strategy, ready to jump on the bandwagon of decentralization when the center relents, but reluctant to be confrontational from the onset or if the center regains its strength. When federalism is driven by devolution, the bargaining power of a regional player that translates into a larger share of spoils from the redistribution of authority depends on its ability to issue credible separatist threats (Mitin 2003).7 But even when the openly defiant regions are few and the silent, yet opportunistic, majority predominates, the combined regional demands can significantly distress the center and, if left unchecked, threaten the integrity of the state. To the national center, federalism thus represents a serious challenge from below. It is notable that some of the Russian regions brought up the slogan of independence, triggering the so-called parade of sovereignties in 1990-1991.8 Such declarations simultaneously reflected an erroneous understanding of the concept of sovereignty (an autonomy declaration would have been more appropriate9 and the determination of the select regions to push for a privileged status. The language of sovereignty also skewed the tracks of the center-periphery debate in Russia in a more conflictual direction, setting the two sides on a collision course.

Federalization by aggregation and federalization through devolution represent two distinct projects, characterized by contrasting reform agendas and, as particularly germane to this article, different versions of myths, norms and identities regarding the value of federalism, the importance of the center, the role of the state, and the preferred degree of centralization. In the situations of aggregation, as with the USA, Switzerland, and the EU, the greatest hurdle, at least initially, is reaching the consensus on the need for a common center and then agreeing on its scope. When power and authority are devolved, especially under duress, the issue of legitimacy and extent of devolution may remain unresolved, while the longing for the centralized state and the myths of the center’s prominence persist.10

The above discussion already hints at a possible explanation for the divergence between the EU and Russian perspectives. From the standpoint of Russia’s national elites, post-communist federalization proceeded as an opportunistic dismantling of the hierarchy of power and authority, facilitated by Moscow’s temporary weakness and driven mainly by threats of separatism from below. Such concerns are outside the frame of the European federal debate. Being the opposite of fragmentation, political unification of Europe jeopardizes the sovereignty of the participating states, but not their internal integrity. As a result, federalization by devolution, so alarming to the Russian center, is not recognized in the European capitals to be a serious problem. Even the Euro-skeptics, who dispute the appropriateness of federalism for Europe, may easily be supportive of devolution at home. The experience of Britain is instructive here. Formally unitary, the United Kingdom operates basically as a federal state, especially following the 1998 concessions to Scotland (Marquand 2006: 180).11 Symptomatically, the British elites are little bothered by internal decentralization, but they remain wary

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7 Quebec in Canada or the ethnic republics in Russia come to mind. Incidentally, support for federalism in the EU case has been reported to be partly a function of the state’s size with the smaller actors, in a sort of a balancing act, favoring political integration to compensate for their relative weakness vis-à-vis the larger, more powerful states (Hallstrom 2003: 65-69).
9 The “Euro-skeptics” likewise cling on to the notion of sovereignty, which at times results in illogical propositions, like Chirac’s description of Europe in terms of a “federation of nation states” (as reported in Schmidt 2006: 27) – “states” apparently in the traditional sense, rather than as mere American or India-style provinces.
10 See Pipes (2004) on the continuity of Russia’s political culture.
11 Ironically, in Russia the opposite is true: formally federal, the state has recently become not simply centralized, but, for all intents and purposes, unitary.
3. CENTRALIZATION, ACCOUNTABILITY, AND DEMOCRACY

The dissimilarity in the nature of the federalist projects, discussed in the previous section, translates into different perceptions of the effects and utility of federalism. An obvious disconnect between the dominant Russian and EU perspectives has emerged in such issue areas as the impact of federalization on governmental efficacy, accountability, the level of centralization, and the state of democracy.

Centralization is an inescapable ramification of European federalism. A federal bargain for the EU necessitates a transformation of the presently state-centered system into a political union that will be more bounded and possess a clearly defined center. At this point one can only speculate how centralized Europe may eventually become. It can start just as the United States did – a polity with a relatively constrained center and broad regional discretion. But like the American federation before it, Europe may eventually undergo rapid centralization culminating in an overbearing core and subordinated provinces. The prospects of an incremental, yet unstoppable slide towards overcentralization have become a mobilizing issue for the critics of federalism. The British political elites, especially, have been insistent on painting the image of a distant, inflexible, and imposing superstate materializing from federalization. Such negative assessments are grounded in the general neoliberal distrust of the regulatory state, the uncertainties of post-sovereign existence, and, partly, in legitimate concerns over the excessive concentration of power in a supranational entity (Marquand 2006; Schmidt 2006). The advocates of political integration attempt to deflate the fear of consolidation by highlighting the decentralizing essence of federalism (see Marquand 2006: 176-177). Such rebuttals, however, miss the point. Federalism may not necessarily lead to a superstate, so alarming to the British politicians. But, by its very nature, aggregation entails centralization. Regardless of how nonhierarchical Europe remains at first, power and authority will still be more tightly packed, compared to the current arrangement, and there will always remain a potential for the expansion of the center’s scope.

Russian federalism, of course, has generated the opposite concern. If an increase in the degree of centralization is the price that the Europeans have to pay for a union, Russia’s post-communist federalization could only be predicated on the introduction of partial but, with any luck, controlled disunity. Given the overcentralized nature of the Soviet Union, that was the only direction in which institutional change could proceed. While a contraction of the center was all but inevitable, its extent could vary. As we now know, the center-periphery balance in Russia swung madly from one extreme – that of a streamlined, domineering hierarchy – to another, spawning threats of separatism and secession in the process and jeopardizing the very integrity of the state. Ironically, the outcome of Russia’s devolution in the 1990s was the mirror image of what the British critics of federalism predict to be the worst case scenario for the EU: instead of an absolutist superstate, runaway decentralization in Russia resulted in what Vladimir Shlapentokh (2003) has aptly called feudalization, the dynamics of political fragmentation and the dismantling of the Hobbesian order (see also Muller 2003).

To Yeltsin’s credit, it may be argued that his brand of federalism functioned as sort of an elastic band that allowed the regions and the center to pull in the opposite directions, while holding them all together. With the exception of Chechnya, Yeltsin’s spontaneous and asymmetric concessions proved effective at allowing the steam to escape, preventing the worst kinds of inter-jurisdictional confrontations. But even from that angle, the profound devolution of power and authority that took place after the Soviet collapse appears to have been a temporary solution, rather than a deliberate recalibration of the system of governance. The Putin administration made the retightening of the center’s grip on power one of its top

12 The neoliberal bias was succinctly expressed in Margaret Thatcher’s 1988 reference to deregulation: “We have not successfully rolled back the frontiers of the state in Britain only to see them re-imposed at a European level” (as quoted in Schmidt 2006: 23).
priorities. Reimposing the Moscow-dominated vertical hierarchy of authority was hailed as a solution to such problems as political instability, governmental ineffectiveness, abuse of power, and corruption. Once the center had stabilized, the anti-federalist reaction, aimed at rectifying the perceived excesses of uncontrolled decentralization, immediately followed.

The consecutive reversals of federalization under president Putin reflect a significant separation between the Russian and EU perspectives on federalism. In Russia, disintegration and state failure were blamed on the ad hoc concessions to the regions and the weakness of the center. The imperative of building a strong and effective national state, influenced by the traditionally monocentric model of governance, translated into the unwillingness to share discretionary power and authority and the ultimate rejection of devolution. In a striking contrast, Europe’s relatively weak center, asymmetric implementation schemes, and a tradition of polycentric governance (Trechsel 2005: 205; Hallstrom 2003: 56), means that federalization there would enhance the unity and accomplish greater harmony. Furthermore, the failings at the level of a nation state produced the reaction opposite to Russia’s and generated greater support for federalism as a viable state-building alternative (Schmidt 2006: 29-30). Notably, the position of the incumbent Russian elites is at variance not only with the advocates of European federalism, but also with its antagonists, since the latter are wary of integration through centralization, particularly in the absence of clear accountability lines.13

Further setting the Russian and EU positions apart is the issue of democracy as a function of federalism. The common perception in Russia is that, overall, federalization had little positive effect on the state of democracy. As observed by many commentators, the devolution of power from the center to the periphery failed to facilitate democratic governance and, paradoxically, recreated the familiar patterns of arbitrariness and authoritarianism at the lower levels (e.g., Lapina 1998). What has been dubbed as local totalitarianism became a pervasive feature of the Russian political landscape. Oftentimes, the incumbents treated the regions as their personal fiefdoms. A symptom of that was the emergence of the hierarchical patterns of power distribution within the regions very similar to those in the overcentralized Soviet system. The sad irony of Russia’s federalism consisted in the fact that the local leaders proved as unwilling to compromise and share power with anybody else as their counterparts in the center. In effect, by pursuing a centralized system of subordination and control for the governments below them, the regions became the center in miniature. That, in turn, gave rise to the widespread allegations of local tyranny and abuse of power. Thus the experience with federalism appears to have only strengthened the general disenchantment with democracy in the Russian Federation. When, following its antifederalist agenda, the center reverted to appointing the regional executives, the Russian public turned out to be largely indifferent to that fundamental reversal of regional democracy.

The issue of democracy is probably the most contentious point in the Russian-European dialogue. The problem of democratic deficit arising from integration continues to worry the national elites in many EU member states (Crum 2005; Magnette 2003; Marquand 2006). Once again, the Russian position is incompatible with the viewpoints of both the Euro-skeptics and the advocates of federalization. The antifederalists believe the nation state to be an optimal vessel for representative democracy. They are therefore concerned that political integration, an essential component of federalism, will only exacerbate the existing democratic deficit by making the government more distant and less responsive to the people. Opposing the aggrandizement of the European Leviathan and concomitant centralization is the prescription they advocate. In response, the supporters of federalism argue that establishing an elective federal government will immediately resolve the problem of insufficient democracy at the European level. To them, federalism is the most effective instrument for promoting democracy. In an interesting twist, Majone (2006) suggests that the opposition to the supranational federal state in Europe is a reflection of robust democratic politics in the member states, and that democratic deficit at the EU level may be offset by reducing the scope of the European institutions (607-608). Whatever side in the intra-European debate we take, democracy is treated as a goal in and of itself, while unwarranted and opaque centralization schemes are universally opposed.

13 See Majone 2006 (213) on the dangers of “cryptofederalism” or “integration by stealth”.

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4. THE CLASH OF PERSPECTIVES?

Freedom is an element of the “common space” to be established between the EU and Russia. And yet liberty has been increasingly perceived to be in decline in Russia. If Yeltsin’s regime appeared weakened, destabilized, and unpredictable, Putin’s Russia is viewed as internally illiberal, externally assertive, and, in a way, more distant. The dismantling of Russia’s asymmetric federalism – a most visible aspect of Putin’s reform – has come to symbolize the reversal of Russia’s earlier democratic achievements. When it comes to the evaluation of recent political reforms, the scholars and practitioners on both sides of the Atlantic emphasize Russia’s transformation into the so-called hybrid regime – quasi-democratic in form, but increasingly authoritarian in terms of its contents and modus operandi. The outside observers of Russian politics have been particularly suspicious of the real intentions and long-term consequences of Putin’s federal reforms, focusing much of their analytic rigor on the discussion of the deleterious effects of de-federalization and recentralization.

Russia’s concerns over the negative effects of devolution are quite legitimate and definitely not unique. But, as the current findings indicate, there is a substantial divergence in the discourse over comparative advantages and disadvantages of federalism, rooted in the distinct and path-dependent trajectories of Russia’s and EU’s institutional development. The bottom line is this: the Europeans are less sympathetic to the idea of dismantling federalism as an integrationist tool, because their experience with federalism is fundamentally different. Federalism in Europe has not gained a reputation of an internal threat. Hence, Europe’s rather critical attitude toward the purported imperatives of Russia’s centralization.

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14 Russia has even been categorized as “unfree” in the recent Freedom House rankings – a decline from the earlier status of “partially free”.


