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Could Russia Fall Apart?

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Executive Summary

An analysis of the current situation and recent dynamics in Russia reveals that there are no objective or subjective prospects for the country's disintegration in either the present or the foreseeable future. Russia remains a highly centralized unitary state. Its unity is upheld by the Kremlin's stringent control mechanisms, operating through various departmental verticals. In addition, the lack of consolidation among regional elites, which stems from Kremlin-driven selection processes over the past quarter of a century, and a political-economic model that centralizes the redistribution of resource rents further reinforce Russia's unity. Most of the 83 Russian regions, formally designated as federal subjects, are too weak economically and politically and overly dependent on the centre to sustain an independent existence.

However, this does not mean that Russia will always be able to maintain its current territorial borders, as situations could change significantly in response to internal or external factors. These could lead to disintegration by soft means, such as federalization or confederalization, or even to hard disintegration. Even in the event of disintegration, however, the possibility of later reintegration into a unified state cannot be ruled out. The important thing is that disintegration, were it to take place, would not be along regional lines, but rather along the lines of corporations and chaebols, as their highest stage.

Introduction

Discussion of the potential disintegration of Russia has gained renewed attention in the light of its long-term involvement in the war in Ukraine. While some view this possibility with hope, others express apprehension. Nonetheless, the break-up of the Soviet Union, initiated in the 1980s by its peripheral "republics", may not have reached its final conclusion, particularly in the Caucasus. It is possible that Russian territory could fragment from its edges, albeit without necessarily undergoing complete disintegration. Alternatively, it could expand geopolitically and territorially under the Putin regime.

Reputable experts on Russian regions do not currently foresee an imminent disintegration of the Russian Federation. Nonetheless, it is essential to acknowledge that no country is invincible, and Russia within its present borders is no exception.

Is it possible to draw parallels with the break-up of the Soviet Union in 1991? While there may not be any direct parallels, a detailed analysis of Russia's development in the 2000s and 2010s, as well as the rise of regionalism since the invasion of Ukraine, can provide insights into the potential for regional secession.

Current Situation

Russia is a highly centralized and strongly unitary nation. Speculation about its potential disintegration often stems from the notion that federations can evolve towards soft forms, such as confederation, that eventually fall apart. However, this argument had more validity a quarter of a century ago than it does today, as significant transformations have taken place.

Russia has shifted from being a quasi-federation of regions in the 1990s, especially during the second term of President Yeltsin, to resembling a quasi-federation of corporations at the turn of the millennium. More recently, it has begun to resemble a quasi-federation of chaebols – or large, diversified conglomerates similar to “states within a state” that undertake a wide range of functions beyond their original mandates, led by individuals closely affiliated with Putin. A transformation of the regional landscape has contributed to this shift.

Defederalization and Corporatization in the 2000s

In the 2000s, Putin began his first presidential term by dismantling the influential gubernatorial system, which had posed a challenge to the Kremlin during the 1999 Duma elections. By diminishing the autonomy of regional bureaucracies and reasserting central control, Putin concurrently bolstered federal private sector and state corporations while placing his trusted associates at the helm. These corporations had a unique legal status and controlled vast resources – from financial and administrative, to law enforcement and media assets – and resembled self-contained entities.

One illustrative example is Russian Railways under Vladimir Yakunin (2005–2015). With nearly one million employees, it was the world's largest employer, operating in 77 out of the 83 Russian regions. Russian Railways established special relationships with influential governors and oligarchs, operated its own publishing houses, maintained sizable armed forces and ran healthcare facilities and retail chains.

This shift from influential regions and governors to influential corporations reversed the “region-corporation presence” matrix, where regions had formerly played the dominant role. Now, it was the corporations affiliated with the Kremlin that exercised patronage over regions, rather than regions dictating terms to corporations.

For instance, Russian Railways assumed responsibility for the Irkutsk and Sverdlovsk regions. In Irkutsk, Alexander Tishanin, the former head of the East Siberian Railway, became Governor of Irkutsk region (2005–2008) before moving on to become the vice president of Russian Railways. Similarly, Alexander Misharin, the former head of Sverdlovsk Railway, served as Governor of the Sverdlovsk region in 2009 before being appointed first deputy general director of Russian Railways in 2012.

De-corporatization in the 2010s

Following the annexation of Crimea in 2014, a new phase of centralization emerged, referred to as “de-corporatization”, whereby the Kremlin sought to exert greater control over previously independent corporations that had become increasingly self-reliant. A significant leadership reshuffle affected various corporations, including the Administrative Office of the President (2014),¹ Russian Railways (2015), RusHydro (2015), the United Aircraft Corporation (2015)

¹ The Administrative Office of the President (Управление делами президента) is a huge holding responsible for logistics support and social, medical and sanatorium-resort services for the activities of all federal government bodies. It includes among other things clinics, hospitals, sanatoriums and hotels, transport facilities, publishing house, agro-industrial complex.

and Roskosmos (2015), among others. This transformed these corporations from semi-independent entities with diversified resources into instruments entirely subordinate to the Kremlin's authority. This was extended to law enforcement and power providers, which had developed diverse business and administrative ties, such as the Ministry of Defence (2012), the Presidential Security Service (2013), the Internal Troops (2014), the FSO (2016) and the Federal Drug Control Service (abolished in 2016).

After initial substantial change in 2015–2016, when leadership transitions affected half the power corporations and many economic corporations, the process continued at a slower pace. More recently, leadership changes have taken place in the Prosecutor General's Office (2020), Rosnano (2020), the Ministry for Emergencies (2022) and the Federal Customs Service (2023). Significant leadership changes often entail criminal cases and prison sentences for senior officials, resulting in a near-complete overhaul of the leadership.

In addition to decapitating many corporations, several powerful economic entities were transformed into chaebols. Among these conglomerates were Gazprom, Rostec, Rosneft, VTB, Rosatom, Rossiya Bank, the Kurchatov Institute and, until June 2023, the Wagner Group under Yevgeny Prigozhin. Chaebols engage in various non-core economic and political activities either temporarily or permanently. For example, Rosatom is involved in such activities as Northern Sea Route navigation, including icebreaker construction, decontamination, Sakhalin management and Vladivostok seaport management. Rosneft has provided assistance to Venezuela, established the Zvezda shipbuilding complex in the Far East and invested in genetic research, among other things.

Regional Elites

Regional elites are a crucial aspect of the political landscape. They differ significantly from their counterparts in the 1990s. Administrative elites, in particular, are now more connected vertically to central government than horizontally to their regional counterparts.

Within the regional managerial elite, a distinction can be made between “local” elites, which represent the region itself, and “outsiders” that represent various federal corporations, both security and economic entities. The proportion of outsiders has grown consistently since 2000, and now surpasses that of “locals.” These representatives of the centre include not only the heads of all law enforcement and regulatory agencies, but also the majority of governors and key members of their teams.

Since 2000, Russia has implemented and reinforced a system of horizontal rotation of federal officials in the regions, distancing them from regional elites and integrating them into corporate structures subordinate to Moscow. This has primarily affected the leaders of the Internal Affairs Directorate, prosecutors, chief investigators and many other officials exercising control and supervisory functions, who have been subject to mandatory rotation every three to five years since 2013.²

As the security forces were gradually removed from entrenched regional elites, their relationship with these elites evolved from peaceful coexistence to increasing confrontation.

2 See Федеральный закон “О внесении изменений в отдельные законодательные акты Российской Федерации в связи с введением ротации на государственной гражданской службе” от 06.12.2011 N 395-ФЗ https://www.consultant.ru/document/cons_doc_LAW_122733/

Repression of senior regional elites has escalated. An annual arrest rate of 1.5–2.0% translates to 15–20 arrests among 900 governors, deputy governors and mayors of regional centres each year.³

Governors represent a large segment of the elite subject to a model of constant rotation and “dekorenization”, which involves replacing governors from the local elite with those appointed from Moscow or elsewhere, often with no prior regional ties. In the most extensive series of governor replacements, according to Alexander Kynev’s calculations, 57% of the 47 newly appointed heads between 2016 and 2018 came from outside the region.⁴

When a new governor forms a team, the federal centre appoints a number of key officials to the administration in areas such as finance, state regulation of tariffs, education and healthcare.⁵ Other positions are then filled partly by the governor and partly by the corporation or federal elite group that backs them.

In recent years, local self-government, once an independent branch under the 1993 Constitution, has been incorporated into lower-level state administration. Only six directly elected mayors of regional centres remain, all in Siberia and the Far East. The largest of them, Novosibirsk, abolished direct elections in February 2023. In most regions, mayors are appointed by a competition commission effectively controlled by the governor.

The erosion of regional elites has significant implications. In the event of a sudden weakening of the central government, similar to that in the late 1980s and early 1990s, the regional level might be unable to serve as a safety net to fill the emerging power vacuum. As a result of political engineering during Putin’s rule, aimed at centralizing control, regional elites have become weakened and fragmented. It will take time to restore their capabilities and independence.

Volunteer Battalions

In the summer of 2022, regions were instructed to form “volunteer” battalions for the war in Ukraine, although this initiative faced challenges that required a mobilization announcement in September. By that time, an estimated 40 to 60 volunteer units had been established across 30 to 50 regions, approximately 10,000 personnel in total.⁶

Amendments to the military service law in July 2023 gave regional heads the authority, by presidential order, to create and arm semi-private military companies. In border regions with Ukraine, such as Kursk, Belgorod and Voronezh, voluntary people’s squads and territorial defence units had already been formed of individuals unfit for service but with combat experience.

3 See author’s calculation in Николай Петров. Спираль репрессивности: внутренняя динамика, проблемы входа и выхода. Вестник общественного мнения Данные. Анализ. Дискуссии 1–2(128), с.15–29. <https://www.levada.ru/wp-content/uploads/2019/07/Book-1.pdf>

See “Подписан закон о единой системе публичной власти в субъектах России”, December 21, 2021, <http://www.kremlin.ru/acts/news/67399>

4 <https://cyberleninka.ru/article/n/fenomen-gubernatorov-varyagov-kak-indikator-retsentralizatsii-opyt-1991-2018-gg/viewer>

5 <http://www.kremlin.ru/acts/news/67399>

6 See Nikolai Petrov, Volunteer battalions: From offense to (territorial) defense?, August 19, 2022, <https://russiapost.info/politics/dobrobat>

In an interview, the Governor of Primorye, Oleg Kozhemyako, described a typical scheme for the distribution of duties in the formation of regional battalions in relation to the Tiger battalion in the region. Bulletproof vests and helmets were supplied by the Pacific Fleet. The regional administration imposed duties on the “patriotic businesses” that depend on it to supply clothing and special equipment, described as “various sights, walkie-talkies, quadcopters”, and the Ministry of Defence provided weapons.

In a message during a visit to volunteers undergoing training before being sent to Ukraine, at the training ground of the Ministry of Defence in the Nizhny Novgorod, the Governor of Khabarovsk, Mikhail Degtyarev, told how: “The governor bought useful items with his own money and delivered these useful things to his fellow countrymen: a diesel generator, power tools, office equipment, as well as flags of Khabarovsk krai and chevrons specially made for the ‘Baron Korf’ battalion”.⁷

The established regional battalions resemble medieval feudal militias, which has led some commentators to suggest that the formation of regional armies poses potential risks associated with autonomous local resource bases and political superstructures governed by regional governors and active deputies. These risks, while not significant, are mitigated by the governors’ instructions to provide manpower and equipment, as well as by the ultimate command of the units resting with the military. However, it is important to note that the war initiated by the Kremlin in Ukraine carries serious risks for Russia.

Regions: Potential for Secession

In addition to the current dynamics, which as demonstrated above do not favour regional separation, it is essential to consider the potential risks of disintegration. These risks are influenced by a combination of objective and subjective factors, both necessary and sufficient.

When Joseph Stalin was drafting the first Soviet Constitution in 1936, the granting of union republic status to national-territorial formations relied on three key parameters: (a) the existence of an external border; (b) a minimum population size of not less than one million people; and (c) the presence of an absolute majority among representatives of the titular cultural, as opposed to ethnic, group.

In the context of a cursory assessment of Russia, these factors should still be taken into account, with ethnicity replaced by culture – the “us-them” dichotomy. In addition, economic factors and centres of attraction and repulsion – both gravitational and centrifugal – must also be considered.

Territories and Borders

The experience of regional enlargement initiated by the Central Government from 2003 to 2008 yielded limited success. Despite some bureaucracy reduction, overcoming the resistance of elite groups within the enlarged regions required significant effort and resources. The outcome was a modest decrease in the number of regions, reducing the

⁷ Михаил Дегтярев навестил хабаровских военнослужащих в батальоне «Барон Корф» МК.ру, August 15, 2022, <https://hab.mk.ru/social/2022/08/15/mikhail-degtyarev-navestil-khabarovskikh-voennosluzhashchikh-v-batalone-baron-korf.html>

number of federal subjects in the Russian Federation from 89 to 83. Russia, with over 80 first-level regions, remains the largest federation globally in terms of the number of subjects. With the annexation of Crimea, parts of four additional Ukrainian regions, and later parts of Ukraine, the total count returned to 89.

As of 1 January 2023, 36 regions in the Russian Federation had populations of less than one million, including Chukotka and Nenets Autonomous Okrug which have populations of under 50,000. Among the 24 largest regions, with populations exceeding 2 million, 19 are landlocked and have no external borders. Three of these are national republics. Another is Tatarstan, which did not achieve union republic status in part due to its landlocked nature.

In 2000, Russia established a system of federal districts as artificial administrative structures to act as an intermediate level between the national and regional levels. Initially, there were seven districts, which later expanded to eight and briefly to nine following the annexation of Crimea. Federal districts are not economic communities. Instead, they serve as a means for presidential envoys to exert control over the regions on behalf of the presidential administration. These districts are defined by the boundaries of Internal Troops Districts and initially it was mostly generals who were appointed to lead them. The current plenipotentiaries are predominantly semi-retired federal officials awaiting retirement, with Yuri Trutnev, the plenipotentiary of the far-eastern district and Deputy Prime Minister being a notable exception.

The Economy

In economic discussions, regions are often classified as either “donors” to or “recipients” of the state budget, depending on whether they contribute more in taxes than they receive. The number of donor regions has fluctuated between 13 and 20 over the years, and there is significant differentiation within this category. The top 10 regions account for three-quarters of the funds transferred to the federal budget by regional tax authorities. Among them, the two Tyumen oil and gas districts (Khanty-Mansiysk and Yamalo-Nenets), Moscow and St Petersburg play a significant role. The leaders there owe their position to the raw material dependency of the Russian economy and the tax system, which collects taxes from major national companies at the location of their headquarters, primarily in Moscow or St Petersburg.

An often overlooked but crucial factor when discussing donor regions is ownership structure. The payment of taxes in a specific region by a major corporation does not necessarily mean that the corresponding financial flow is generated within that region or that it has the authority to decide how or where taxes should be paid. The presence of giant all-Russian corporations in numerous regions could strengthen, rather than weaken, the Russian Federation.

A stark disparity in regional development is evident from the comprehensive 2022 rating of the socio-economic situation among Russia’s constituent entities, which factors in economic scale, efficiency, public sector performance and social indicators.⁸ At the top end of the ranking are predominantly the major financial and industrial hubs, including Moscow, the Moscow region, St Petersburg, Leningrad Oblast, Tatarstan, Sverdlovsk Oblast, Krasnodar Krai and Krasnoyarsk Krai. Regions rich in critical raw materials, such as the Khanty-Mansi Autonomous Okrug (KhMAO) and Yamalo-Nenets Autonomous Okrug, also feature prominently. In contrast, regions characterized by limited industrialization, the prevalence of

8 <https://1prime.ru/macroeconomics/20230515/840589615.html>

agriculture and mining industries, such as the Magadan Region, the Kabardino-Balkarian Republic, the Republic of North Ossetia, the Chukotka Autonomous Okrug, the Karachay-Cherkess Republic, Ingushetia, the Republic of Altai, Tuva, Kalmykia and the Jewish Autonomous Region occupy the lower rungs of the ladder.

Looking ahead, as Russia shifts from a rent-redistributing model of political economy towards a more modern one, the situation could evolve, albeit not swiftly.

Cultural Heterogeneity

The vast expanses of Russia largely lack natural boundaries, which contributes to an aspatial characteristic of Russian culture that stretches seamlessly from Kaliningrad to Vladivostok. Furthermore, the mass migrations and forced displacements of the 20th century, driven by accelerated industrialization, urbanization, world wars and Stalinist repressions, led to population mixing and the weakening of ties to specific territories. While differences exist, they are primarily determined by settlement hierarchies, which has resulted in a fine-grained, mosaic-like cultural fabric across the country.

This aspatial nature of Russian culture extends to its political culture, as evidenced by variations in electoral behaviour and protest activity. On Russia's external borders, particularly in the Far East, there is notable support for the Liberal Democratic Party of Russia (LDPR), which is known for its unitarist and isolationist stances. In terms of protest activity, common factors include proximity to borders and concentrations of urban population.

Ethno-cultural Factors

While ethno-cultural differences play a role, Russia as a whole remains predominantly monoethnic by most standards, as Russians comprise over 80% of the population. Russians are the dominant ethnic group in most regions, including the national republics. Only 12 regions do not have Russians as an absolute majority. In the regions of Ingushetia, Chechnya, Dagestan, Tuva, North Ossetia and Kabardino-Balkaria, less than a quarter of the population are Russians. The presence of non-Russian majorities in these regions, particularly in the North Caucasus republics, does not necessarily indicate a higher propensity for secession. These regions are heavily reliant on federal budget subsidies and their fragile inter-ethnic peace is often based on their status within a larger multinational state.

Centres of Attraction and Repulsion

The entire structure of Russia's economy and population, at both the federal and the regional levels, exhibits high levels of centralization. Logistics, communications systems, transport routes and services are all centred around the core. Even if central control over the regions were to weaken, escaping such centripetal forces would be highly challenging. Furthermore, there are no welcoming arms beyond Russia's borders, but rather often cordons and repulsive forces, especially along Russia's eastern front, akin to the situation with China in the Far East.

On a global scale, the era of centrifugal movements has passed and a phase of centripetal forces prevails. Without alternative centres of influence to which Russian regions could gravitate, and amid the strengthening of nation states and increasing polarization, the current situation in Russia could be described as a stable balance.

Chechnya and Tatarstan: Unique Models

It is important to note that the Russian landscape is far more diverse and intricate than the generalized frameworks and aggregated statistical portrayals suggest. Two regions that stand out in this complexity are Chechnya and Tatarstan, along with its neighbour, Bashkortostan.

Chechnya defies being considered an integral part of the Russian Federation, both in legal terms and in practice. Its influential leader, Ramzan Kadyrov, appears to be more of a personal vassal to Putin than the head of a region integrated into the federal power structure. In essence, Russia hosts two distinct authoritarian regimes: the Putin regime and the Kadyrov regime.

Financially and economically, Chechnya relies entirely on subsidies from the federal budget, which it sees as compensation from Moscow for the two devastating wars that ravaged Chechnya in 1994–1996 and 1999–2009. Federal law holds little sway in Chechnya, which instead follows the directives of its leader and adheres to Sharia norms. Territorial representations of federal executive bodies exist but do not report to the standard federal hierarchy; instead, they answer to Kadyrov. Kadyrov wields control over a vast network of Chechen communities and business entities across most regions of Russia, and, with tacit Kremlin consent, has almost boundless authority over all Chechens, even those who reside outside Chechnya. He maintains a personal army, which is formally designated as a division of the Russian Guard, and in practice extends his influence beyond regional leadership. Chechnya serves as a case study of how Russia's soft disintegration could occur through de facto separation from Russia without an official declaration of independence, but a gradual weakening of Moscow's central authority.

Tatarstan, on the other hand, is a robust region with a diversified industrial and post-industrial economy. It achieved significant levels of sovereignty in the 1990s and, despite having gradually ceded some ground, retains its relatively autonomous position. In late 2022, after several years behind other regions, the official title of its leader was altered, and Rustam Minnikhanov – the recognized successor to Tatarstan's first leader in the era of sovereignty, Mintimer Shaimiev – began to be addressed as "rais". In terms of longevity as a regional leader (since 2010), Minnikhanov ranks second only to Chechnya's Ramzan Kadyrov (since 2007) and shares the same length of tenure with Natalia Komarova, Governor of the Khanty-Mansiysk Autonomous Okrug. Minnikhanov predates Vasily Golubev, Governor of the Rostov region, and Moscow's Mayor Sergei Sobyanin, who have both been in office since 2010. Other regional leaders significantly lag behind these top five long-serving figures. The average tenure of a Russian governor today is at four and a half years.

Tatarstan is one of the few regions where a potent local elite retains substantial control over the economy, which remains relatively impervious to external influence. Furthermore, Tatarstan serves as an incubator of talent for the federal level, and functions as an independent corporate entity to a considerable extent.

Conclusion

There are no discernible objective or subjective factors point towards the disintegration of the Russian Federation in the foreseeable future. However, this does not imply total impunity for the Putin regime or mean that the underlying state structure is protected from potential upheaval or significant transformation. While appearing relatively stable, the regime remains susceptible to abrupt change, primarily because it is reliant on the charismatic authority of an authoritarian leader rather than robust institutional foundations.

It is important to note that if disintegration were to occur, it would probably not be along regional lines, but rather follow patterns of corporations and chaebols, reaching the highest stage of their development. In such a scenario, we could expect efforts by these corporate entities to leverage their regional influence in order to assert some form of autonomy and order amid a wider state of chaos.

Any potential system collapse, should it happen, would be likely to exhibit limited territorial fragmentation, if any. This outcome underscores a significant development over a quarter of a century. Regional entities, which were once relatively autonomous and self-contained, have evolved into administrative departments within a unified state management system. Consequently, in the event of a crisis within this centralized system, the gradual transformation of these “regional departments” into relatively autonomous structures is conceivable. Nonetheless, contemporary regional political elites are far less prepared to seize power than their counterparts were in the 1990s, let alone wrest power away from the federal centre, and the economic landscape is far less conducive to such endeavours.

While a complete countrywide collapse into independent entities seems improbable in the short term, a milder form of de facto disintegration akin to the present situation in Chechnya, or even isolated attempts by one or two regions to emulate Chechnya's early 1990s bid for separation, cannot be entirely ruled out. In such cases, potential candidates for secession would be likely to be found in the North Caucasus.

Nonetheless, given all the factors examined above, it is crucial to acknowledge that the current balance, where the overwhelming majority of Russian regions remain part of a unified state, appears stable. Such stability does not leave Russia impervious to disruption, but suggests that any such disruption would be likely to trigger efforts to restore the previous state of unity.



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