

CRS Report for Congress

Received through the CRS Web

Russian Presidential Election: 2000

(name redacted)

Specialist in Russian Affairs

Foreign Affairs, Defense, and Trade Division

Summary

Russian President Boris Yeltsin's resignation at the end of 1999 elevated his little-known Premier, Vladimir Putin, to Acting President and set the scene for a presidential election on March 26, 2000 that Putin is considered certain to win. There is uncertainty in Russia and the West as to what sort of leader Putin might be. Some view him as an authoritarian, others as a pragmatic reformer. There is evidence to support either view. The character and policies of post-Yeltsin Russia affect a variety of important U.S. political, military, and economic interests.

Introduction

On December 31, 1999, Russian President Boris Yeltsin abruptly resigned, six months before the scheduled end of his second term. Vladimir Putin, whom Yeltsin had elevated from relative obscurity only five months earlier to become Russia's fifth premier in 18 months, automatically became Acting President. An election was scheduled for March 26, 2000. Putin's political popularity soared soon after he became premier, based largely on his tough policy toward the secessionist republic of Chechnya and his image as a vigorous, effective, and stable leader. Putin was almost universally expected to win the election by a wide margin, the main question being whether he would get over 50% of the vote, thus avoiding a second-round run-off election.

The post-Yeltsin succession is an historic and momentous event. Russia faces grave challenges to political, economic, and social stability at home and questions about its role in the world. Putin, who is 47 years old and a former KGB foreign intelligence officer, has very little of what could be called a political track record. Many consider him a political enigma. The policies he adopts in dealing with Russia's political and economic ills could profoundly influence the country's future course of development, a matter of serious U.S. interest. Also, Putin's future national security policies are likely to affect vital U.S. and congressional interests on such issues as containing the proliferation of weapons of mass destruction, national missile defense, the future of NATO, geo-strategic stability in Eurasia, and U.S. defense requirements.

Yeltsin's Resignation

Yeltsin's second term was due to end in June 2000. A presidential election was scheduled for June 4. In late 1999, he was the lamest of lame ducks, with a public approval rating in the low single digits. Most Russians blamed him for the country's economic and social distress: contraction of the GDP by one-third to one-half; wages and pensions chronically in arrears; rising unemployment; a large percentage of the population reduced to poverty; a high mortality rate and shrinking population; and rampant official corruption and criminality. Yeltsin's political problems were compounded by recurrent health crises, increasingly erratic leadership, burgeoning financial scandals involving his inner circle, and association with a group of highly visible and unpopular oligarchs.¹

In the early 1990s, Yeltsin won a reputation as a forceful, albeit erratic, leader with an ambitious reform agenda. Later, as his political liabilities increased, his popularity waned, and his physical (and according to many observers, his mental) health declined, Yeltsin's political maneuvering appeared to be reduced to little more than personal will to power. His abrupt resignation on New Years Eve surprised most observers. He gave little explanation and quickly disappeared from public view.

The most likely explanation for Yeltsin's resignation is that he and/or his inner circle concluded that there was no realistic possibility of extending his rule beyond June 2000 and that their best chance for a soft landing² was to assure a politically reliable successor. In late 1999, Putin was the obvious, and virtually the only, choice for that role. He had been plucked by Yeltsin from complete obscurity to head the Federal Security Service (the domestic branch of the former KGB) in 1998 and then, to widespread astonishment, as Premier a year later. Putin had no power base of his own and owed his meteoric rise solely to his Kremlin sponsor(s). Putin's popular support was demonstrated convincingly in the Duma election in December 1999. Parties whose only distinguishing characteristic were association with Putin, scored impressive victories, the first time pro-Kremlin parties had done well in a Duma election.³

Having decided that Putin was the preferred successor, the Yeltsin team manipulated the political process one last time. Yeltsin's resignation advanced the election date from June to March, reducing the period during which Putin might suffer a damaging battlefield reversal in Chechnya or some other political embarrassment. It also threw Putin's rivals off balance, reducing their time to organize effective campaigns and forcing them to run against an acting president seen as successfully prosecuting a popular war.

¹ The oligarchs are immensely rich tycoons accused of using political connections and corrupt practices to win control and ownership of vast previously state-owned assets.

² I.e., to avoid criminal prosecution for such acts as violently suppressing parliament in 1993, launching the disastrous 1994-1996 war in Chechnya, and profiting from "crony capitalism," and to retain their privileges and riches. Putin's first official act on December 31, 1999 was to sign a decree exempting all presidents of Russia from criminal prosecution after leaving office.

³ See CRS Report RS20437, *Russia's December 1999 Legislative Election: Outcome and Implications for U.S. interests*, by James Nichol, January 18, 2000.

The Election Campaign

The Russian Central Electoral Commission (CEC) eventually certified 12 candidates for the election. Three politicians who were viewed in mid-1999 as strong contenders, however, decided not to run. Two of these, former Premier Yevgenni Primakov and Moscow Mayor Yuri Luzhkov, formed a political alliance in opposition to the Yeltsin regime. Primakov became the presumed frontrunner to succeed Yeltsin. During the Duma election campaign, they were relentlessly attacked in the state-controlled mass media and their coalition was decisively defeated. Both men decided that running against Putin was futile. Primakov eventually endorsed Putin. Aleksandr Lebed, the charismatic retired army general, now Governor of Krasnoyarsk, also decided not to run. That left Gennady Zyuganov, head of the Communist Party and a lack-luster campaigner, as Putin's main rival. Some say that Zyuganov conceded defeat in advance and was more interested in maintaining a working relationship with Putin and holding his party together than trying to win the election.⁴ With Putin's victory seemingly inevitable, he was endorsed by a large number of national and regional political leaders, including all former premiers. Even the head of the Agrarian Party endorsed him, despite Putin's advocacy of agrarian land reform, which is anathema to the Agrarian Party.

When the campaign period officially opened in February, Putin, with a huge lead in the polls and the advantages of incumbency and the enthusiastic support of state-controlled media,⁵ adopted an above-politics strategy. He declined the free television spots reserved for candidates' ads, refused to debate his opponents, and offered no formal political platform.⁶ Putin has not had to run a traditional campaign. Broadcast news coverage of the Acting President has been so extensive and fawning that some call it "all Putin, all the time." The great majority of print and broadcast media have also cast the war in Chechnya in the most favorable light for Putin, heralding military victories, minimizing or ignoring military and civilian casualties, and denouncing opponents of the war as traitors. Although Putin is taciturn and uncharismatic, he has managed to turn this to his advantage, in contrast to discredited flamboyant politicians and their excessive promises. Also, although Putin is Yeltsin's chosen successor, he benefits from contrasts with the unpopular former president. Putin's youth and physical vigor (he has a black belt in judo and flies in jet fighter planes) and his modest, sober, no-nonsense style boost his popularity partly because he seems so unlike Yeltsin.

According to the election law, if a presidential candidate receives an outright majority of the total votes cast, and over 50% of the eligible voters participate, then that candidate is the winner. If no candidate wins a simple majority in the first round, the two top vote-getters compete in a run off election three weeks later (April 16). If fewer than 50% of

⁴ Foreign Broadcast Information Service (FBIS), *Russian Election Monitor*, "Zyuganov Runs Tepid Campaign," March 22, 2000.

⁵ Two of Russia's three nationwide television networks are state-owned. The third, while nominally independent, is hostile to Zyuganov.

⁶ Putin's February 25 "Open Letter to the Russian Voters," consisting mainly of general goals and platitudes, can be found in English on the Putin web site, <http://www.putin2000.ru/07>. The full text of the book, *In the First Person*, based on six long interviews with Putin, published on March 14, 2000, can be found on the same web site in Russian but not (yet) in English.

eligible voters participate, then a new election is held four months later. With Putin's refusal to campaign as a candidate, and the outcome considered all but inevitable, some critics referred to a "virtual election." Some of the oligarchs and Yeltsin-loyalists, however, reportedly tried to deprive Putin of an outright majority in the first round. Their strategy presumably was that if Putin were forced into a run off, he would emerge with a weaker mandate and be more dependent on them.⁷

Who Is Vladimir Putin?

Putin was born in Leningrad (now St. Petersburg) on October 7, 1952. He graduated from the Law Department of Leningrad State University in 1975 and entered the foreign intelligence branch of the KGB, specializing in German-speaking countries. He is fluent in German and speaks some English. He served in East Germany from 1985-1990. After returning to Leningrad, he became associated with one of his former law professors, Anatoly Sobchak, who was elected head of the Leningrad City Council (mayor) in 1990. Sobchak became a leading liberal democratic politician and Putin rose in the Sobchak administration to the position of First Deputy Head of the St. Petersburg government in 1994. He was known as a tough, pragmatic administrator who could get things done. One of his responsibilities was attracting and facilitating foreign investment in the city. In 1995, Putin moved to Moscow, sponsored by Anatoly Chubais, another former Leningrader and one of the leading Kremlin "young reformers" favored by the West. Putin initially worked in the Kremlin under Pavel Borodin.⁸ In two years he rose to the position of Deputy Head of the Presidential Administration. In July 1998, Yeltsin appointed Putin Head of the Federal Security Service (FSB, Russia's domestic security agency), and in March 1999 also made him head of the presidential Security Council. Despite his rapid advancement, up to this point Putin maintained a very low public profile. That changed dramatically in August 1999, when Yeltsin dismissed Premier Sergei Stepashin and named Putin in his place, adding that the little-known Putin was his choice to succeed him as president. Initially, many viewed Putin as a hapless puppet, subject to Yeltsin's whims. But within weeks, Putin's forceful response to incursions into the Russian Republic of Dagestan by radical Islamic fighters from Chechnya and to terrorist apartment house bombings that killed hundreds in Moscow and other cities established Putin as Russia's rising political star, radically transforming the political landscape and setting the stage for his election as Russia's next president.

In word and deed, Putin's record since Yeltsin's resignation is ambiguous, perhaps intentionally so, since he is engaged in an election campaign. There is something in Putin's record to appeal to all parts of the political spectrum. Some, who see him as authoritarian, cite such factors as these:

He spent most of his career in security agencies, the KGB and FSB, and appointed many colleagues from those agencies to key posts since becoming Acting President.

⁷ FBIS, "Elites' Fears Growing That Putin Mandate Will Make New President Too Strong," February 15, 2000.

⁸ Borodin is one of the key Kremlin insiders named by Swiss prosecutors as a target for criminal investigation in the Kremlin's financial scandals.

His political rise rests on the war in Chechnya and the decision to accept high Chechen civilian casualties in order to avoid high Russian military casualties.

He has pledged to increase spending on weapons procurement by 50% this year.

He has increased government control over the mass media, which ruthlessly smeared his opponents in the Duma and presidential elections, and constantly refers to the need to strengthen the state and impose order.

He opposes amending the Russian Constitution, which concentrates enormous power in the president's hands and, if wielded by a more authoritarian and disciplined man than Yeltsin, could provide the means to move Russia away from democratization.

Those who believe that Putin seeks a western oriented, democratic, capitalist Russia cite the following:

He was a protégé of the liberal reformers Sobchak and Chubais and worked effectively in St Petersburg to promote foreign investment in a market economy.

He refers constantly to the need to strengthen the protection of private property and investors' rights in order to attract vitally needed foreign investment.

He lived abroad for five years, understands capitalism and international finance, and realizes that Russia is so economically weak and dependent on the West that a confrontational posture toward NATO would be disastrous for Russia.

He overruled his generals and ended Russia's year-long confrontation with NATO (resulting from Moscow's strenuous objections to NATO's military intervention in Kosovo), and revived regular operation of the NATO-Russia Permanent Joint Council, declaring that Russia does not see NATO as an enemy.

Some analysts assert that these contradictory indications tend to balance each other, with the result that Putin should be viewed as a pragmatic statist. Others argue that: 1) Putin's background and history prior to 1999 provide an altogether inadequate basis to predict what sort of president he might be, and; 2) everything he has said and done since December 31 has to be discounted as part of a short, intense election campaign. Therefore, they conclude, Putin should be considered essentially unknown and unpredictable until after the election, when he will begin to establish a record on which he can be judged.

Putin's Challenges and their Implications for the United States

Putin, as President of Russia, faces a number of major challenges requiring decisions that could shape the course of Russia's future evolution, its role in the world, and its relations with the United States. In the realm of foreign and defense policy, those include:

U.S. pressure to modify the ABM Treaty to permit the United States to pursue a program of national missile defense (NMD). This is viewed with alarm in Moscow, which lacks the financial and technical means to match such a program at this time, and is cited by Duma leaders as a reason for their continued delay in ratifying the START II Treaty. The Missile

Defense Act of 1999 (P.L. 106-38) calls for a U.S. decision on NMD in 2000. Putin faces the same deadline.

Congress and the Administration have been pressing Moscow to halt its transfer of nuclear reactor and ballistic missile technology to Iran, including through the Iran Nonproliferation Act of 2000 (P.L. 106-178). Putin must choose between further antagonizing the United States (and risking the sanctions in the new law) or halting the technology transfers to Iran and risking loss of a cooperative relationship with that key regional player as well as billions of dollars from reactor and weapons sales.

Putin has said he will increase Russian spending on weapons procurement by 50% this year. The defense industrial sector is in desperate condition because of huge cuts in defense spending imposed by the Yeltsin regime. It is not clear whether Russia has the financial means to fund this increase in defense spending – nor what the response of the United States and its allies might be, possibly expressed through their dominance of international financial institutions (IFIs) such as the IMF, World Bank, and London and Paris clubs of creditors, on which Russia is highly dependent.

Some of Putin's most daunting challenges involve political economy. He has described Russia's economic misery in grimly realistic terms, saying that these tasks are his top priority and amount to nothing less than saving the Russian state from collapse.

In order to achieve his stated economic goals, Putin must build a political consensus for moving ahead with specific economic reforms and persuade the Duma to enact legislation reforming taxation, land-owning, and commercial law. There is entrenched institutional and political opposition to all of these. The outcome will be crucial for determining whether the investment climate in Russia is transformed, an issue of great commercial importance to the United States, which is admirably suited to participate on a large scale in key sectors of the Russian economy, such as energy, telecommunications, transportation, and food processing.

The Putin government must try to negotiate debt-relief with foreign government creditors (the Paris club). Russia's foreign debt burden, much of it inherited from the Soviet period, is presently unsustainable by Moscow – and uncollectable by its creditors. The United States is not among the most heavily exposed creditors. Germany is. Nevertheless, the U.S. voice in IFIs such as the Paris club is influential, and its interests – economic and political – in the outcome are substantial.

Another challenge facing Putin is to define his policy toward and relations with the oligarchs who dominate so much of the Russian economy and mass media. Some analysts believe that this will be crucial in determining the prospects for Russia's transition toward democracy and a functioning market economy.⁹

Moscow has declared victory in phase one of its military campaign in Chechnya and largely ignored U.S. and other criticism of the high human costs. After the election, will Putin modify his uncompromisingly tough policy toward Chechnya? Should the United States and the West define the Putin regime in terms of its Chechen policy?

⁹ Lee S. Wolosky, "Putin's Plutocrat Problem," *Foreign Affairs*, March/April 2000.

EveryCRSReport.com

The Congressional Research Service (CRS) is a federal legislative branch agency, housed inside the Library of Congress, charged with providing the United States Congress non-partisan advice on issues that may come before Congress.

EveryCRSReport.com republishes CRS reports that are available to all Congressional staff. The reports are not classified, and Members of Congress routinely make individual reports available to the public.

Prior to our republication, we redacted names, phone numbers and email addresses of analysts who produced the reports. We also added this page to the report. We have not intentionally made any other changes to any report published on EveryCRSReport.com.

CRS reports, as a work of the United States government, are not subject to copyright protection in the United States. Any CRS report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS report may include copyrighted images or material from a third party, you may need to obtain permission of the copyright holder if you wish to copy or otherwise use copyrighted material.

Information in a CRS report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to members of Congress in connection with CRS' institutional role.

EveryCRSReport.com is not a government website and is not affiliated with CRS. We do not claim copyright on any CRS report we have republished.