Elite Management in Electoral Authoritarian Regimes: A View From Bashkortostan and Tatarstan

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Abstract

Contributing to the literature on authoritarian elite management, this study explores a puzzle concerned with the elite evolution in Russia's two ethnic republics, Tatarstan and Bashkortostan. The variation of political legacies left by these two republics' first presidents cannot be addressed using mainstream explanations that are usually considered principal for the Kremlin's decisionmaking on gubernatorial cadres in Russia. Both Rakhimov and Shaimiev were very successful as political bosses who could effectively deliver electoral votes to the Kremlin and maintain relative social and economic stability within their republics. Yet, toward the end of their political careers, they faced different degrees of freedom in their negotiations with federal elites and had varying degrees of success in ensuring political and economic continuity within their republics. The study instead focuses on the legacies of republican privatization and the institutional dynamics of patronal presidentialism as two alternative explanations for their divergent political outcomes.

Keywords

Tatarstan – Bashkortostan – gubernatorial cadres – privatization – presidentialism

Managing national political elites is one of the most important tasks faced by any authoritarian regime. After all, in electoral authoritarian systems, the very political stability of the regime depends on the elite's loyalty, competence, and ability to deliver public goods, popular votes, and support for the regime.

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The growing literature on the internal mechanisms of authoritarian regime governance has highlighted several avenues through which autocrats manage their elites. As in democratic regimes, autocrats have control over political appointments and tend to privilege loyalty over competence.[1] Elections, for example, provide information about who can and cannot deliver votes in electoral authoritarian regimes[2] and signal to potential challengers that opposition is hopeless.[3] Political parties serve as a mechanism for elite cooptation and integration.[4] Graft and corruption are used as an informal mechanism of elite control, helping to keep them loyal—or even hostage—to the regime.[5] Where and when cooptation institutions and informal mechanisms do not work or are not sufficient, leaders may resort to repression and coercion.[6]

Contributing to the literature on authoritarian elite management, this study explores a puzzle that emerged in the Russian political soil in the last decade. The puzzle concerns elite evolution in two ethnic republics, Tatarstan and Bashkortostan. These two Muslim republics followed a similar political trajectory in the 1990s and 2000s but then confronted radically different political realities resulting from the Kremlin's personnel decisions in 2010. Specifically,

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1 See Georgy Egorov and Konstantin Sonin, "Dictators and Their Viziers: Endogenizing the Loyalty–Competence Trade-off," *Journal of European Economic Association*, 9, no. 5 (2011): 903–930. On subnational political appointments in Russia, see Ora John Reuter and Graeme B. Robertson, 'Subnational Appointments in Authoritarian Regimes: Evidence from Russian Gubernatorial Appointments," *Journal of Politics*, 74, no. 4 (2012): 1023–1037 and William Reisinger and Bryon J. Moraski, "Governance or Deference? A Survival Analysis of Russia's Governors under Presidential Control," in William Reisinger (ed.) *Russia Beyond the Kremlin*: *Comparative Subnational Politics* (New York: Routledge, 2013), 40–62.

2 Lisa Blaydes, "Authoritarian Elections and Elite Management: Theory and Evidence from Egypt," Princeton, nj, Princeton University Conference on Dictatorships, April 25, 2008; Jennifer Gandhi and Ellen Lust-Okar, "Elections Under Authoritarianism," *Annual Review of Political Science*, 12 (2009): 403–422.

3 Beatriz Magaloni, *Voting for Autocracy: Hegemonic Party Survival and its Demise in Mexico* (New York: Cambridge University Press, 2008); Alberto Simpser, *Why Governments and Parties Manipulate Elections: Theory, Practice, and Implications* (New York: Cambridge University Press, 2013).

4 Ellen Lust-Okar, "Competitive Clientelism in Jordanian Elections," in Ellen Lust-Okar and Saloua Zerhouni (eds), *Political Participation in the Middle East and North Africa* (Boulder, co: Lynn Rienner, 2008), 75–94; Ora John Reuter, "The Politics of Dominant Party Formation: United Russia and Russia's Governors," *Europe-Asia Studies*, 62, no. 2 (2010): 293–327.

5 Keith Darden, "The Integrity of Corrupt States: Graft as Informal State Institution," *Politics and Society*, 36, no. 1 (2008): 35–59.

6 Steven Levitsky and Lucan A. Way, *Competitive Authoritarianism*: *Hybrid Regimes after the Cold War* (New York: Cambridge University Press, 2010).

at the moment of gubernatorial replacement in Tatarstan, the Kremlin compromised with the outgoing president, Mintimer Shaimiev, and appointed his close associate as his successor. In Bashkortostan, on the other hand, the Kremlin appointed a republican leader who was not closely tied to the republican political system and was brought from outside the republic. Such appointees are frequently referred to in Russia as *varyags*.7 They became increasingly common between 2008 and 2012.8 These personnel decisions had far-reaching consequences for the evolution of political systems and economies in these two republics. Tatarstan maintained the political and economic status quo, with Shaimiev's clan maintaining its assets and dominant position in the republican economy.9 Bashkortostan entered a more turbulent political era characterized by a conflict between the ex-president, Murtaza Rakhimov, and the new president, Rustem Khamitov, political scandals related to Khamitov's attempts to consolidate his position within the republic and Rakhimov's attempts to undermine him. This situation was made even more complex in the second half of 2014, as Russia's law-enforcement agencies started proceedings against the owners of Bashneft, the republic's oil giant, placing the issue of the questionable privatization of Bashkortostan's fuel and energy enterprises back on the agenda.10

Given the drastic differences in the political and economic trajectories of these two republics despite the many similarities they have shared over the last two decades (as elaborated below), the exploration of the origins of this divergence and the Kremlin's decisionmaking rationale appears warranted. At mini- mum, it should illuminate the additional nuances in the Kremlin's practices of "elite management" with regard to regional governors, and, potentially, even demonstrate the nature of *limits* the Kremlin imposes upon regional elites in Russia.

The rest of the article is organized in five parts. The next section reviews the central findings from the research on gubernatorial appointments and elections in Russia and posits their insufficiency for addressing the question central to this study. The following section provides an overview of the general

7 Varyagi (Varangians or Vikings in English) is the historical reference to the ancestors of the Rus'.

8 Helge Blakkisrud, "Medvedev's New Governors," *Europe-Asia Studies*, 63, no. 3 (2011): 367–395.

9 *Forbes* magazine listed the Shaimiev brothers (the two sons of Mintimer Shaimiev) as the fifth-richest family in Russia in 2014. http://www.forbes.ru/rating/200-bogateishikh-biznesmenov-rossii-2014/2014.

10 Alec Luhn, "Moscow Court Orders Seizure of Russian Oligarch's Stake in Bashneft Oil," *Guardian*, September 26, 2014.

characteristics of Tatarstan and Bashkortostan to illustrate the economic, political, and social similarities between the two republics. The third section explores the circumstances and the consequences of the political shifts they have experienced since 2010. The remaining two sections explore two arguments explaining the different political fate of the republican political machines. The first one focuses on the legacy of different privatization strategies, and the second considers the logic of patronal presidentialism, focusing on the contrasting circumstances of republican elections in Tatarstan and Bashkortostan in the early 2000s.

What Does Russia's President Expect From Regional Governors?

Setting the informal rules and boundaries for the Russian elite was, arguably, among Vladimir Putin's most important political priorities when he was first elected president in 2000. Among his first initiatives was a set of federal reforms that reshaped the Kremlin's relations with regional elites.11 Simultaneously, Putin began reforming state–business relations, setting new limits on oligarchs, institutionalizing regular meetings with big business representatives, and purging oligarchs who could not be disciplined.12 The circumstances of imposing the new implicit rules for the oligarchs and the nature of these rules have been widely discussed by various observers.13 The Kremlin's relations with regional governors have also been studied extensively. One of the important findings in the literature on gubernatorial elections and appointments in Russia concerns the importance of political

11 On federal reforms, see, for example, Peter Reddaway and Robert Orttung, *Dynamics of Russian Politics*: *Putin's Reform of Federal-Regional Relations*, vol. 1 (Lanham, md: Rowman and Littlefield, 2003); ibid, *Dynamics of Russian Politics*: *Putin's Reform of Federal-Regional Relations*, vol. 2 (Lanham, md: Rowman and Littlefield, 2005); Cameron Ross, *Russian Politics Under Putin* (Manchester, uk: Manchester University Press, 2004); Gordon M. Hahn, "The Impact of Putin's Federative Reforms on Democratization in Russia," *Post- Soviet Affairs*, 19, no. 2 (2003): 114–153; Paul J. Goode, *The Decline of Regionalism in Putin's Russia*: *Boundary Issues* (New York: Routledge, 2011).

12 As the cases of Boris Berezovsky and Vladimir Gusinsky demonstrated.

13 Richard Sakwa, "Putin and the Oligarchs," *New Political Economy*, 13, no. 2 (2008): 185–191; Peter Rutland, "The Oligarchs and Economic Development," in Stephen K. Wegren and Dale R. Herspring (eds), *After Putin's Russia*: *Past Imperfect*, *Future Uncertain* (Lanham, md: Rowman and Littlefield, 2009), 159–182; Philip Hanson and Elizabeth Teague, "Big Business and the State in Russia," *Europe-Asia Studies*, 57, no. 5 (2005): 657–680.

loyalty as reflected in vote delivery for the regime.14 It has been shown both anecdotally and statistically that the ability to "round up the vote" for the party of power is one of central criteria the Kremlin uses in its cadre policy. Both Putin and Prime Minister Dmitry Medvedev have used elections to gather information on gubernatorial loyalty and have tended to reappoint those governors that could mobilize a strong vote for the regime (usually demonstrated in the vote for United Russia), replacing those who failed to do so.

The centrality of vote delivery in Russia is not surprising. Elections in electoral authoritarian regimes play multiple functions, including: (1) signaling to the elites and the population where the dominant power lies and sustaining credible commitments to supporters;15 (2) signaling to the population that the incumbent leaders are *capable* of winning;16 (3) gathering information about the opposition and public attitudes to help devise policy concessions;17 (4) garnering electoral legitimacy for the regime, both domestically and internationally;18 and even (5) distributing patronage to elites and citizens.19 Even if only some of these functions apply in Russia, the centrality of vote delivery for the Kremlin's regional cadre management is understandable.

What else does Russia's president expect from the regional governors? Some scholars, noting the importance of social and economic stability in the regions, have argued that regional economic performance was an important predictor of gubernatorial reelection in the period when the governors were selected through elections.20 Indeed, certain governance indicators (i.e., the effectiveness of communal services expenditures) were found to be

14 William M. Reisinger and Bryon J. Moraski, "Deference or Governance? A Survival Analysis of Russia's Governors Under Presidential Control," in William M. Reisinger (ed.), *Russia's Regions and Comparative Subnational Politics* (New York: Routledge, 2013), 40–62; Reuter and Robertson, "Subnational Appointments in Authoritarian Regimes."

15 Magaloni, *Voting for Autocracy*; Simpser, *Why Governments and Parties Manipulate Elections*.

16 Ivan Krastev, "Putinism Under Siege: Autopsy of Managed Democracy," *Journal of Democracy*, 23, no. 3 (2012): 33–45.

17 Jennifer Gandhi and Adam Przeworski, "Authoritarian Institutions and the Survival of Autocrats," *Comparative Political Studies*, 40, no. 11 (2007): 1279–1301.

18 Andreas Schedler, "The Menu of Manipulation," *Journal of Democracy*, 13, no. 2 (2002): 36–50.

19 Lust-Okar, "Competitive Clientelism in Jordanian Elections."

20 Andrew Konitzer, *Voting for Russia's Governors*: *Regional Elections and Accountability under Yeltsin and Putin* (Baltimore, md and Washington, DC: Johns Hopkins University Press and Woodrow Wilson Center Press, 2005).

statistically important for gubernatorial replacement in the appointment period as well.21 Overall, however, the data show that since 2005 loyalty (i.e., vote mobilization) has trumped economic performance indicators.22

How do these findings apply to Tatarstan and Bashkortostan? It appears that the Kremlin's cadre decisions with regard to these two republics are not easily understood by looking at vote mobilization figures or economic and governance indicators. Along with a few other ethnic republics in the Caucasus, both republics have been among the leaders of vote mobilization and delivery in Russia. In the 2007 parliamentary elections, the party of power received 82% support in Bashkortostan and 87% in Tatarstan. In terms of economic dynamics, both republics are also relatively similar, with the industrial sector propped up by the energy sector and oil production. These similarities suggest the presence and significance of other factors behind different cadre decisions taken by the Kremlin with regard to the republican elites. Prior to suggesting what these factors might be, the next two sections provide more descriptive data on the two republics and their political trajectories in the last few years.

Tatarstan and Bashkortostan: The Siamese Twins

Scholars of Russian federalism and regionalism in the 1990s have always placed these two republics side-by-side. Both are large, predominantly Muslim regions, home to closely related ethnic groups that speak very similar languages and share many customs and traditions.23 Both are industrialized and both depend on oil and petrochemical production.24 Bashkortostan is more complex ethnically, with a population of 4 million divided among Bashkirs (30%), Tatars (25%), and Russians (36%). Tatarstan, on the other hand, is almost evenly divided between Tatar and Russian ethnic groups, with around
3.8 million people altogether. The two ethnic groups were almost brought together in an Idel-Ural Republic uniting Tatars, Bashkirs, and Chuvash in 1917–1918, but these plans were never realized.25

21 Reuter and Robertson, "Subnational Appointments in Authoritarian Regimes."

22 Ibid.

23 In fact, just a century ago, Bashkirs and Tatars were often thought of as being virtually the same ethnic group. See Robert P. Geraci, *Window On The East*: *National and Imperial Identities in Late Tsarist Russia* (Ithaca, NY: Cornell University Press, 2001), 31.

24 For more information, see Europa Publications, *The Territories of the Russian Federation*, *2004* (New York: Routledge, 2004).

25 See, for example, Richard Pipes, "The First Experiment in Soviet Nationalities Policy: The Bashkir Republic, 1917–1920," *Slavic Review*, 9, no. 4 (1950): 308–309.

The post-Soviet political trajectories of Tatarstan and Bashkortostan were fairly similar, with both republics taking advantage of the "parade of sovereign- ties" in the early 1990s, gaining a high degree of economic and political autonomy and establishing strikingly similar political regimes based on centralizedadministrative resources and machine-based politics.26 Both republics featured very strong first presidents—Mintimer Shaimiev (Tatarstan) and Murtaza Rakhimov (Bashkortostan)—the frontrunners in the "sovereignization" process in Russia that turned into regional "heavyweights" by the secondhalf of the 1990s.27 Both leaders developed good relationships with then-President Boris Yeltsin and were particularly crucial during the 1996 presidential elections, when they "organized" the electoral results during the second round in favor of Yeltsin's reelection.28 Some observers have suggested that Bashkortostan followed in Tatarstan's footsteps,29 noting that Tatarstan adopted its Declaration of Sovereignty a little earlier30 and was first to sign a bilateral treaty with Moscow.31 Others note that Bashkortostan attained more autonomy as a result of learning from Tatarstan's efforts.32 Indeed, it would be more accurate to suggest that Russia's ethnic republics, especially in the early1990s, collaborated and learned from each other's policies and decisions, withTatarstan being first on some issues, Bashkortostan on others, and still other ethnic republics on yet additional matters.33

The two republics differed in terms of the tactics adopted vis-à-vis Moscow in the early 1990s. Bashkortostan, along with most other ethnic republics,

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26 On Bashkortostan, see, for example, J. Alexander and J. Grävingholt, "Evaluating Democratic Progress Inside Russia: The Komi Republic and the Republic of Bashkortostan," *Democratization*, 9, no. 4 (2002), 77–105; on Tatarstan, see Kimitaka Matsuzato, "From Ethno-Bonapartism to Centralized Caciquismo: Characteristics and Origins of the Tatarstan Political Regime, 1990–2000, *Journal of Communist Studies and Transition Politics*, 17, no. 4 (2001), 43–77 and Gulnaz Sharafutdinova, "Getting the 'Dough' and Saving the Machine: Lessons from Tatarstan," *Demokratizatsiya* 21, no.4 (2013).

27 A reference used with regard to governors who developed nationwide reputation and maintained their positions for a long term.

28 For analysis of 1996 presidential election, Vladimir Gel'man, Grigorii Golosov, and Elena Meleshkina, *Pervyi elektoral'nyi tsikl v Rossii 1993–1996 gg*. (Moscow: Ves mir, 2000).

29 http://www.tol.org/client/article/3089-central-asia-bashkortostan-seeks-sovereignty-step-by-step.html.

30 August 31 vs. October 11 of 1990.

31 February vs. August 1994.

32 Matthew Crosston, *Shadow Separatism: Implications for Democratic Consolidation* (Aldershot, UK: Ashgate, 2004).

33 Thus, Kareliia was first to adopt a declaration of sovereignty, while Tatarstan was only third; Bashkortostan stood out in terms of republican legislative activity.

signed a Federal Treaty in March 1992, after negotiating additional economic privileges for the republic.34 Tatarstan, along with Chechnya, which had earlier declared its independence from the Russian Federation and the USSR, refused to sign a federal treaty, instead negotiating a bilateral treaty with Moscow. The fact that Bashkortostan (and many other regions) signed a similar bilateral treaty just a few months later muted the significance of these different strategies.

Given all the structural and political characteristics shared by the two republics in the 1990s and 2000s, it did come as a surprise that the political trajectories of these two regions diverged considerably, after the Kremlin replaced republican leaders in 2010. While in Bashkortostan the Kremlin appointed a person from outside the republic, in Tatarstan it appointed an insider, a very close member of Shaimiev's team. The Kremlin's choices had far-reaching repercussions for the republican political systems. Tatarstan maintained its political machine intact, while Bashkortostan underwent a transition from a centralized political system to a more pluralist and conflict-ridden political environment in which the ex-president and the new president clashed publicly. In the following section I review the changes in the two republics political systems since 2010, including a discussion of how the leaders of these two republics left their offices.

The Fate of Two Political Machines in The 2000s

The King is Dead, Long Live the King!

The positions of the two republican presidents—Mintimer Shaimiev of Tatarstan and Murtaza Rakhimov of Bashkortostan—were relatively stable during Putin's first two presidential terms. Putin's cautious cadre policy privileged incumbents, especially if the incumbents could be credited with maintaining political and social stability within their regions.35 Dmitri Medvedev's presidency, on the other hand, called for modernization, especially cadre rejuvenation. Therefore, starting in 2008, the positions of Shaimiev and Rakhimov, both of whom had spent almost two decades at the helm of their republics,

34 Moscow tried this tactic vis-à-vis the more recalcitrant Tatarstan, Bashkortostan and Sakha (Yakutiia); it worked in cases of Bashkortostan and Sakha.

35 See Reuter and Robertson, "Subnational Appointments in Authoritarian Regimes," 1027. On the Kremlin's relations with governors, see also Blakkisrud, "Medvedev's New Governors" and Paul J. Goode, "The Puzzle of Putin's Gubernatorial Appointments," *Europe-Asia Studies*, 59, no. 3 (2007): 365–399.

were not very secure. In the rating of gubernatorial political longevity prepared by the think tank Peterburgskaya Politika in 2008, Shamiev scored 4 out of 5 (moderately secure), while Rakhimov scored 3 out 5 (somewhat insecure). The experts cited Rakhimov's conflicts with the federal center over Radii Khabirov (the chief of the republican presidential administration in 2003–2008) who Rakhimov sacked amid media rumors that the Kremlin was grooming him to replace the republican president.36 In the fall of 2008 Medvedev made some cadre changes in Bashkortostan, replacing the republican interior minister, Rafail Divayev,37 considered Rakhimov's ally, and triggering rumors about Rakhimov's imminent departure. These rumors continued in 2009, after AFK Sistema purchased controlling shares in major Bashkir oil and petrochemical companies from the foundations where these shares were invested.38 Commentators interpreted this deal as a "payoff" to the Kremlin for keeping Rakhimov in office.39

A pr attack on Rakhimov began in June 2010. Channel 1 and NTY broadcast scandalous and compromising materials directed against the republican authorities; later, *Rossiiskaia gazeta* published an article about Rakhimov family's machinations regarding republican property. Following these revelations in July 2010 Rakhimov held a series of meetings with the Kremlin and finally announced that he would step down from his post of a president of Bashkortostan. Medvedev accepted his resignation on July 15, 2013, and immediately appointed Rustem Khamitov, the deputy chairman of a federal hydroelectricity company RusGydro, as acting president. Khamitov was later appointed president of the republic and confirmed unanimously by the republican parliament. An ethnic Bashkir, Khamitov had started his career in Bashkortostan and in the 1990s worked in republican ministries on environmental security and emergency situations, but he was not part of the political regime constructed by Rakhimov in the 1990s. From 1999 his career developed under Kremlin patronage and his loyalty subsequently rested in Moscow. Khamitov's candidacy revealed that Rakhimov was not able to successfully lobby for one of his political clients as his replacement and that the federal authorities decided to dismantle the Rakhimov-centered patronage system

36 A skillful political apparatchik, Khabirov developed good relationships with Vladislav Surkov and, after his removal, quickly moved to Moscow, to fill the newly created positionof a deputy head of the internal politics section of the presidential apparatus.

37 Ministry of Interior is part of the federal bureaucratic structure controlled from Moscow.

38 http://svpressa.ru/economy/article/6613/.

39 Although now it appears to be an attempt to launder the money from illegal privatization.

and install a more predictable and loyal official to implement federal policies in Bashkortostan.

Shaimiev had stepped down from his post in Tatarstan a few months earlier than Rakhimov, but the circumstances of his departure differed significantly. First of all, Shaimiev's term in office was due to end by March 2010, so the succession issue emerged "naturally" rather than in a "forced" manner, as was the case with Rakhimov, whose term was due to expire only in 2013. Furthermore, no scandalous materials about Shaimiev or his family were published in the newspapers or broadcast on tv in order to pressure him to resign. All negotiations were held behind closed doors. Important symbolically was the fact that Shaimiev was included in the list of presidential candidates prepared by United Russia in December 2009 for the presidential decision to be taken later. It is evident that the list was prepared by the republican authorities; besides Shamiev, it included two other key members of Shaimiev's team— Farid Mukhametshin, speaker of the republican State Council and Shaimiev's loyal associate, and Rustem Minnikhanov, the prime minister who also was tightly integrated into the republican political machine. Shaimiev then withdrew his candidacy in January 2010, asking President Medvedev not to consider his candidacy for the appointment. It was later reported that Shaimiev had learned that Medvedev planned to appoint Rustem Minnikhanov as his successor when the two presidents met.

The Aftermath

Given the degree to which Minnikhanov was an essential part of the republican political system, his appointment to the presidency meant that the federal center wanted "more of the same" in Tatarstan and did not intend to dismantle the existing political system there. The continuity in republican politics was further ensured by the new post of state advisor (*GosSovetnik*) of the Republic of Tatarstan created for Mintimer Shaimiev personally.40 He maintained his old quarters in the presidential palace and dedicated himself to projects of a symbolic nature, working toward the reconstruction of two important historical sites in Sviyazhsk and Bulgar.41 Essentially, Shaimiev wanted to use his political capital for fundraising activities through the newly created Tatarstan Historical and Cultural Monument Revival Fund (*Vozrozhdenie*) and lobbying UNESCO to include these two sites in the World Heritage List.42 Rustem Minnikhanov, for his part, announced the "politics of continuity" in

40 http://expert.ru/2010/03/5/gossovetnik/.

41 http://www.regnum.ru/news/polit/1349605.html.

42 http://www.regnum.ru/news/polit/1349605.html.

the republic. Major policies and strategic priorities identified by the republic earlier—in petrochemicals, oil processing, agriculture, and construction—were all maintained. Minnikhanov was also rather cautious in his cadre politics, keeping key figures of the previous presidency in place.43 The result was that the republican elite remained relatively consolidated, and Minnikhanov could rely on the continuity of the political machine constructed in the 1990s. It could even be suggested that he reenergized the political machine with his personal dynamism and promotion of effectiveness and innovation in eco- nomic governance.

The political situation in Bashkortostan after Rakhimov's departure differed dramatically. The new president, Rustem Khamitov, started by making threats against the old elites, promising court investigations and prison terms.44 Indeed, a case was opened against republican ex-prime minister, Rail Sarbaev, who was accused of embezzling 1.6 million rubles from the republican budget to pay for a flight to Vienna on a chartered plane.45 Given that Sarbaev was the logical candidate to lead the opposition of old elites against the new president, this court case was evidently politically motivated.46 Khamitov's other first steps were populist in nature and involved raising salaries for daycare workers, buying school buses, and expanding medical services.47 He also announced the intensification of administrative reform in Bashkortostan, as the republic was lagging in this regard.48 Criticizing the duplication in the work of the presidential administration and republican government in 2012, Khamitov fired his prime minister, concentrated prime ministerial duties in his own hands, and announced plans to reduce the number of republican bureaucrats by one- third. Khamitov, of course, could not fire all the old republican guard and, although he brought some of his own people to leading posts in the republican government, many former mid-level officials retained their positions and were reintegrated into the new power vertical.

Khamitov has already demonstrated to the center that he can deliver votes effectively (United Russia won 76% of the vote in the republican legislative elections in October 2013). At the same time, however, Bashkortostan has been marred with public scandals. Two of Khamitov's deputies were caught on

43 On Minnikhanov's cadre policy, see Arslan Minvaleev and Timur Latypov, "Rustam Minnikhanov i kazni," *Biznes-Online*, September 13, 2001, http://www.business-gazeta .ru/article/46376/.

44 *Kommersant*, July 14, 2010.

45 Aigul Kamaeva, "Eks prem'era Sarbaeva opravdali," *Rossiiskaia gazeta*, October 6, 2013.

46 Sarbaevwasacquittedintheend.http://www.kommersant.ru/doc/2280997?isSearch=True.

47 http://gazeta.aif.ru/_/online/ufa/812/2_1.

48 http://www.bashinform.ru/news/362694/.

camera speaking to the opposition about trading seats in United Russia in exchange for insider information.49 Even more recently, several public activists tried to file a lawsuit accusing Khamitov of various wrongdoings that, according to them, should result in Khamitov's dismissal from his post.50 Although the appeal was rejected by the republican Supreme Court outright, it did generate much publicity discrediting Khamitov.51 Given that former president Rakhimov has stayed in the republic and continued his public service as chairman of the board of the charity foundation Ural, created in 2006, it would not be surprising if such activism is originating from political forces associated with him. Rakhimov has maintained a public presence and criticized the new president for failing to keep up with Bashkortostan's previous achievements. Expert opinions on Khamitov's three years in power are somewhat contradictory: some commentators note that he has failed to create his own team and micromanaged various issues; others note his achievements in lobbying for several projects financed by the center.52

To summarize the above discussion, the system of power and governance created in Tatarstan has remained intact, as the republican elites were able to negotiate leadership succession on their terms. The political system created in Bashkortostan was destroyed after the Kremlin appointed a system outsider to head the republic. Next, I review two alternative arguments for such divergent political processes in these two republics.

Argument 1: The Legacies of Republican Privatization

The system destroyed in Bashkortostan and preserved in Tatarstan is not merely political in nature. The economic aspect of governance and the structure of ownership that has evolved in these two republics since the 1990s are the central aspects of their political economies. The republican elites in both regions created political-economic arrangements in which political resources were tightly intertwined with economic assets in the process of privatization.

49 Natalia Pavlova, "Rustem Khamitov sdelal vyvody po itogam vyborov," *Kommersant*, September 17, 2013, http://www.kommersant.ru/doc/2280996.

50 Ivan Belyaev, "Piat' obvinenii k Rustemu Khamitovu," November 5, 2013, http://www.svoboda.org/content/article/25139520.html.

51 See, for example, an interview with Azamat Galin and Stanislav Shkel" (Oct 17th, 2013, bashmedia.info).

52 Natalia Fedorova, Ramil Rakhmatov, Gulnazira Biisheva, "Tri goda na postu prezidenta. Dostizheniia i promakhi Rustema Khamitova," July 18, 2013. http://www.proufu.ru/obcestvo/item/27770-tri-goda-na-postu-prezidenta.html.

The destruction of the governance system in Bashkortostan involved not only appointing an outsider as a republican president but also the restructuring of property relations in the republic. In fact, such restructuring started prior to political reshuffling. Therefore, it seems plausible to start the search for potential explanations for political divergence in the two republics in their different strategies of privatization, which might have given impetus for different dynamics in their relations with Moscow.

The seizure of economic assets represented an important element of the "parade of sovereignties" that spread across the Soviet Union in the late 1980s. The declarations of sovereignty that were adopted first by Union republics and later by Russia's ethnic republics included clauses about control over their eco- nomic resources, land, and natural resources. Both Tatarstan and Bashkortostan followed Russia's own example in adopting a declaration of sovereignty and asserting control over their economic resources. Tatarstan's declaration stated that, "the land, natural and other resources belong to the people of Tatarstan."53 Bashkortostan negotiated the addition of a special appendix to the 1992 Federal Treaty that declared the land and all natural and other resources on the republic's territory to be the property of the people of Bashkortostan. These assertions were quite radical given the state of affairs prior to these declarations. By the end of the 1980s the government of Tatarstan possessed only 2 percent of the industrial enterprises located on its territory,54 while 80% of the republican industry was controlled by the Union ministries and 18% by the Russian Federation (RSFSR) ministries.55 To bring the 1990 declaration into reality, in August 1991, the newly elected president of Tatarstan signed a decree according to which all the enterprises located on the republican territory were transferred to the jurisdiction of the Republic of Tatarstan.56 All enterprises were required to reregister.57 The government also decided to license all the

53 "Deklaratsiya o gosudarstvennom suverenitete Tatarskoi Sovetskoi Sotsialisticheskoi Respubliki" [Declaration of state sovereignty of the Tatar Soviet Socialist Republic], August 30, 1990. Reprinted in a special collection of Tatarstan-related documents: *Belaia kniga Tatarstana: Put k suverenitetu*,(Kazan, 1996).

54 Midkhat Farukshin, "Politcheskaia elita v Tatarstane: vyzovy vremeni i trudnosti adaptat- sii," *polis*, no. 6 (1994): 67–79.

55 Ibid.

56 Kimitaka Matsuzato, Nail Mukharyamov, *Regiony Rossii*: *Khronika i rukovoditeli*/7/*Respublika Tatarstan*, *Udmurtskaia respublika*, *Respublika Mordovia*. (Ekaterinburg, 2000), 33.

57 Not everybody complied; Nikolai Bekh—a very well-connected director of KamAZ (the truck-making plant)—refused to reregister and considered the company to be under Moscow's jurisdiction. The Tatarstani government was able to obtain control over KamAZ only in 1997, when the company faced bankruptcy.

activities related to the exploitation of natural resources.58 According to some local estimates, by 1994 the government of Tatarstan had obtained control ofabout 65% of the enterprises located within the region.59 Similar processes unfolded in the neighboring Bashkortostan.

Oil and petrochemical industries constitute the cornerstone of both Tatarstan's and Bashkortstan's economies. Tatarstan still extracts a significant amount of oil through the republican-controlled flagship company Tatneft, which provided about 40% of the republican budget in the early 2000s and played an important role in supporting government investment initiatives as well as maintaining significant social obligations.60 Besides oil production, Tatarstan's economy depends heavily on the petrochemical industry. Nizhnekamskneftekhim and Kazanorgsintez are the two main conglomerates, the former producing the largest amount of synthetic rubber in Russia and the latter leading in polyethylene production. There are other large companies such as KamAZ (a truck-making plant in Naberezhnye Chelny), KAPO (Kazan Aviation Production Combine), KVZ (Kazan helicopter plant), and a shipbuild- ing plant in Zelenodolsk. Tatneft, Nizhnekamskneftekhim, and Kazanorgsintez, however, are Tatarstan's most lucrative enterprises.

Bashkortostan is also an oil-rich republic. However, most of the republican oil (around 84%, according to some estimates) has already been extracted. Oil production in Bashkortostan started in the 1930s and peaked in the 1960s, with almost 50 million tons of oil extracted in 1967.61 More significant economically and politically currently is the petrochemical industry. Two large petrochemical industrial complexes were built in the Soviet period. One of the complexes includes four oil-processing plants located in the capital city Ufa (Ufaneftekhim, Ufaorgsintez, Ufimskii, and Novoufimskii). The core of the other complex is Salavatnefteorgsintez, which operates in the oil-processing, petrochemicals, and mineral fertilizer sectors.

The republic has a sizeable chemical industry concentrated in Sterlitamak with such plants as Kaustik, Soda, and Sintez-Kauchuk. Another direction still pursued in the republic is machine-building; the motor-building plant UMPO (Ufa motor-building production combine) produces plane engines, while three other plants produce parts for aviation. There is a Kumertau aviation

58 Matsuzato and Mukharyamov, 33.

59 Farukshin, "Politcheskaia elita v Tatarstane."

60 Shamil Idiatullin, "Tatarstan. Sam sebe kreditor," *Kommersant-Vlast'*, February 20, 2001, 55; Sof'ia Garifullina, "Tatneft vozrozhdaet rodinu predkov," *Rossiskaia gazeta*, April 28, 2000.

61 By 2005–2007 Bashneft, the republican oil company, produced around 11–12 mln tons ofoil annually.

plant producing Kanov helicopters and the Neftekamsk automobile plant that produces buses, trucks, auto parts, and agricultural equipment.

To sum up, heavily industrialized, economically diversified, and rich in natural resources, both republics hold significant economic potential. The political opening and high degree of autonomy obtained by these republics in the early 1990s created extensive opportunities for republican elites to devise their own strategies to privatize and manage these resources. Below, I highlight some revealing similarities and subtle differences in these strategies that might hold some explanatory power for the political divergence experienced by the two republics recently.

"Creeping" Privatization in Tatarstan

Tatarstan conducted a privatization program of its own, issuing republican vouchers that were based on republican property and that supplemented the Russian privatization vouchers. The most important republican assets, how- ever, were handled in Tatarstan differently from the rest of Russia. Although most enterprises were corporatized (turned into joint-stock companies), the government did not rush to sell-off the shares into private hands and, instead, introduced a three-year moratorium on the sales of privatized enterprises stocks to avoid the quick sales of underpriced enterprises. Furthermore, even when the moratorium ended, the government introduced a "golden share" for its most strategic assets that gave it veto power over any decisions and direct control over the appointments of the chief managers of these enterprises. By 1999 around 1,100 republican enterprises had been privatized, with the government controlling the "golden share" in over 390 joint-stock companies.

Perhaps the most important privatization decision concerned Tatneft—Tatarstan's "crown jewel." Arguably, this decision was consequential for the republican elites' relations with the center as well as with the local residents. Tatneft became a joint-stock company in 1994 but, along with other big corporate enterprises in the republic, remained under firm governmental control. The government owns 34% of the shares and has veto power through the golden share.62 The company's board of directors has always included top government officials and, more generally, Tatneft is always perceived as a government-controlled firm (despite keeping a large percentage of its shares in private hands).63 Government shares of the company are invested in Svyazinvestneftekhim, a republican joint-stock company created in 2003 that

62 2005 annual report (www.tatneft.ru).

63 www.tatneft.ru.

controls shares in Tatneft and other republican enterprises.64 Svyazinvestneftekhim is entirely controlled by the government.

Tatarstan's key petrochemical enterprises—Nizhnekamskneftekhim and Kazanorgsintez—also remained under republican control throughout the 1990s. During the 2000s the government gave up its control over these firms, deciding instead to retain large stakes in them.65 This decision paralleled theexpansion of a privately owned business group, TAIF, a development that has highlighted the peculiarities of the privatization process in a republic with centralized power structures.

A public joint stock company, TAIF was created in 1995 on the basis of the "Kazan" trading company and involving private, state, and foreign capital.66 Over the next few years, TAIF expanded at an unprecedented rate and became a diversified holding structure composed of over 40 subsidiary firms. Investment became one of the most important aspects of TAIF's activities, and the subsidiary TAIF-invest was created in 1997 to work with big corporate clients as well as with individual portfolios. TAIF acquired large shares of majorTatarstan enterprises including Tatneft, Kazanorgsintez, Nizhnekamsknef-tekhim, and such national entities as Sberbank and Lukoil.67 By 2005–2006, taif had secured controlling shares of Kazanorgsintez and Nizhnekam- skneftekhim.68 Besides oil and petrochemicals, the company also expanded into other sectors, including telecommunications, construction, trade, and insurance.69

TAIF's unprecedented expansion has occurred with the government's blessing to an extent that no other company in the republic has enjoyed. Arguably the most important reason for governmental support for this firm and an explanation for its expansion is the fact that it is closely associated with Tatarstan's first president and his family. Mintimer Shaimiev's son, Radik, co-owns the company and has occupied key positions in it.70 The company has,

64 http://www.sin-x.ru.

65 Through Svyazinvestneftekhim, the government controls 27% of Kazanorgsintez and25% of Nizhnekamskneftekhim.

66 "Vnedrenie vysokikh tekhnologii—osnova dinamichnogo razvitiia ekonomiki Tatarstana," 2001.

67 Ibid.

68 www.taif.ru.

69 Their telecommunication company was later sold to afk Sistema. See Aleksandra Terent'eva, "Interview—Albert Shigabutdinov, gendirektor gruppy taif," *Vedomosti*, February 14, 2103, http://www.vedomosti.ru/library/news/9070311/v_chuzhom_ogorode_vsegda_ogurec_bolshe_albert_shigabutdinov.

70 In 1998, for example, Radik Shaimiev was the chief of company's board of directors.

therefore, operated under direct presidential endorsement and enjoyed direct entitlements and favorable policies from the government.

The story of TAIF's expansion in Tatarstan illuminates one aspect of the political-economic system that emerged in the republic during the post-Soviet years. In the early 1990s, most important economic assets were placed under state control as the republican elites delayed the privatization of major enterprises, but the transfer of resources into selected private hands (those in and close to the president's family) started in mid-1990s and continued gradually through the 2000s. This process unfolded rather quietly without big scandals or publicity. It was not very visible to the public although many people in the republic are aware of it.

This strategy of gradual privatization, combined with a more principled, government-oriented, position over the fate of Tatneft, allowed the government to accomplish several tasks. On the one hand, the republican leadership proceeded slowly but systematically with privatization, trying not to lose republican property to outsiders and privileging a selected few with close connections to the top leadership. On the other hand, the maintenance of control over Tatneft allowed the government to maintain its influence in the economy and permitted the resources needed to maintain some degree of autonomy from private actors that were becoming powerful in the process of expansion. Such autonomy allowed for greater legitimacy vis-à-vis the public since the government had a chance to use Tatneft for political purposes thereby bolstering its legitimacy. Tatarstan's strategy of privatization also looked more favor-able to the central authorities, especially when compared to the actions undertaken in neighboring Bashkortostan.

"Grabbing" Privatization in Bashkortostan

The privatization of key republican enterprises in Bashkortostan occurred in a more open and brazen way than in Tatarstan, although the ultimate beneficiaries were the same—the family members of the republican president. In 1993 the republican government created a state holding company, Bashneftekhim, that included several oil-processing and petrochemical plants. Later, in 1998, the government created another state holding, BTK (Bashkir Fuel Company), that included Bashneftekhim along with an oil major, Bashneft, and an energy company, Bashkirenergo. The president's son, Ural Rakhimov, who earlier headed Bashneft, was installed as chair of BTK's board of directors. The company remained state-controlled until August 2002, when President Rakhimov issued a decree allowing for BTK's privatization. Then in April 2003, in a chain of exchange transactions, the state-controlled shares of the companies making up BTK were gathered into a new, privately owned company, Bashkir Capital,

controlled by Ural Rakhimov. This transfer occurred several months prior to presidential elections in Bashkortostan and, arguably, reflected the political uncertainty Rakhimov himself felt regarding his future (see below).

Unexpectedly, in March 2005, President Rakhimov annulled the decree that allowed for privatizing the republic's strategic assets and filed a suit in Bashkortostan's Arbitration Court to return the main assets (now controlled by his son) to BTK. Analysts tried to decipher the reasons behind this father–son conflict, with some observers skeptical of the sincerity of these actions and others pointing to the political challenge springing from the group of people around Ural. President Rakhimov, in turn, responded with tough actions vis-à- vis Bashkir Capital. In May 2005 the Arbitration Court ordered the return of Bashneft and Bashkirenergo shares to BTK. The order was not carried out, however, as the republican authorities withdrew their court suit the following month. The conflict was quickly resolved after Bashkir Capital promised to pay an additional 13 billion rubles (approximately $450 mln) into the republican budget. Meanwhile, presumably to make such payment possible, in 2005 Bashkir Capital sold a large stake in the holding to AFK Sistema.

The above "father–son" incident makes clear that some of Ural Rakhimov's actions have been censured even by his own father. One can plausibly infer that the central authorities were not pleased with the "grab" of the energy sec- tor that has occurred in Bashkortostan. Indeed, already in 2003 the Audit Chamber had called the privatization of Bashkortostan's energy assets an "unprecedented theft of assets from federal ownership."[71] Feeling the pressure, in 2006, Ural Rakhimov divided his stock package into four equal parts and transferred them, first, into four charity foundations and then into the charter capital of four investment funds named after these charity foundations. Subsequently, the Federal Tax Service filed several lawsuits challenging the transfer of the Bashkir energy companies' stocks to the aforementioned funds. The tax authorities claimed that this deal had been done without the payment of capital gains taxes in the amount of 42 billion rubles (approximately $1.4 bln.). It also declared the transfers invalid and claimed the shares for the federal budget.[72] The Moscow Arbitration Court supported these claims and ordered the shares to be seized for the federal budget. However, in January 2008, unexpectedly, the Ninth Arbitration Appellate Court cancelled the decision of the Moscow Arbitration court with regard to one of the four lawsuits. Meanwhile, in January 2008, the tax authorities withdrew their claims, after,

71 https://meduza.io/news/2014/10/23/kto-prishel-za-bashneftyu.

72 "Spisanie Bashkirskogo TEKa otlozhili do vyborov," *Kommersant*, January 9, 2008, http://www.kommersant.ru/doc/841354 (accessed December 31, 2014).

apparently, AFK Sistema obtained a right for a three-year entrusted management (*doveritel'noe upravlenie*) of all the shares accumulated in the four investment funds. Finally, in March 2009 Sistema purchased the remaining shares in these funds in a $2.5 billion deal, thus stripping the Rakhimov family of its control over Bashkortostan's energy assets.

To summarize, in both republics some of the most attractive enterprises have over time been transferred into private hands closely associated with the families of the republican presidents. While the style of privatization was quite different in the two republics, the end results were quite similar. Both Ural Rakhimov and Radik Shaimiev have been ranked by *Forbes* among the 100 richest men in Russia. In Tatarstan, TAIF crept slowly but surely to the "commanding heights" of the republican economy, combining market-based actions with government support. In Bashkortostan, privatization looked more like an outright "grab" backed by a one-time administrative decision made by the government. Furthermore, Tatarstan's government demonstrated a certain degree of political wisdom by keeping Tatneft under governmental control, thus observing certain limits to cronyism in the republic.

Arguably, these different privatization styles had much to do with the subsequent political fate of the republican political regimes. Rakhimov's political demise and public discrediting started with the 2003 declarations of the Audit Chamber about the illegality of privatization in Bashkortostan. The processes and actions that unfolded afterward were characterized by increasing pressure from Moscow over privatization results and the defensive actions taken by the republican authorities in response. Once the fate of privatized assets was resolved, with Sistema acquiring the shares of Bashkortostan's energy companies, many experts predicted that Rakhimov's political demise and replacement were inevitable. Defending his power and property, Rakhimov started a war with the center that he ended up losing and, being on the losing side, he could not negotiate any conditions. Shaimiev, on the other hand, was never involved in anything that looked like a war with Moscow. The absence of blatant actions with regard to republican property on the part of the government allowed relatively smooth and favorable relations with the federal authorities to be maintained. The republican government showcased the developmental projects undertaken in the republic (such as the TANECO project) and methodically lobbied the federal government for support, always keeping Moscow engaged and supportive of the republican economic projects. Therefore, by the time Shaimiev faced term limits in 2010, he was in a much better position to negotiate with Moscow about his successor.

Argument 2: The Logic of Patronal Presidentialism and Political Uncertainty

The alternative argument for explaining the divergent political trajectories of two republics is institutionalist. It focuses on the political dynamics of patronal presidentialism, a political system characterized by very strong presidential power that combines formal and informal mechanisms of influence and relies on the elite consolidating behind a strong president.73 Henry Hale argues that such systems exhibit a cyclical pattern of political consolidation and con-testation driven usually by electoral cycles. Once a politician wins the elections and gets control of all the resources associated with the presidency, the elite tends to consolidate around him, fighting for a better position in the patronage network established by the patronal president. The stakes in this patronage chain are very high and the whole arrangement is specific to the particular person on the top of the pyramid. If the position of the patronal president is shaky—for example, around election times or for other reasons such as health or age—the elite solidarity centered around the president begins to fragment, and elites start jostling each other in an attempt to promote their "own" candidate for the leadership position. Such political dynamics are very damaging for the incumbent leader who is interested in maintaining a consolidated and loyal elite.

The political uncertainty was introduced by the federal center that under President Putin was determined to rein-in the regional elites, gain new levers of influence, and ensure their acquiescence. Putin's determination to strengthen the vertical of power was reflected, among other things, in federal interference in some regional elections. In the cases when the Kremlin sup- ported the opposition to the incumbent elites, such federal interference increased political contestation in the region.74 Tatarstan and Bashkortostan differed in that Bashkortostan experienced such open political contestation, while Tatarstan was able to deal with political uncertainty and resolve the emerging challenges in a quiet manner, through negotiations and backdoor lobbying. These differences conditioned the subsequent political environment and opportunity structure available to the two leaders.

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73 Henry Hale, "Regime Cycles: Democracy, Autocracy, and Revolution in Post-Soviet Eurasia," *World Politics*, 58, no. 1 (2005): 133–165.

74 Ildar Gabdrafikov and Henry Hale,"Bashkortostan's Democratic Moment? Patronal Presidentialism, Regional Regime Change, and Identity in Russia," in Osamu Ieda and Tomohiko Uyama (eds), *Reconstruction and Interaction of Slavic Eurasia and Its Neighboring Worlds* (Sapporo, Japan: Slavic-Eurasian Research Center, 2006).

The main challenge that Tatarstan's elites confronted in the changing political environment under Putin was related to the possibility of a third term in office for President Shaimiev. The presidential elections in Tatarstan were due in March 2001; however, with the legal harmonization process in progress, the republican elites had to abide by the federal law that instituted a two-term limit in office. If Tatarstan were to follow the law, Shaimiev, who was elected in 1991 and 1995, could not run for another term. Such uncertainty combined with the overall national discourse of strengthening the state and establishing the dictatorship of law threatened the leaders of noncompetitive regional regimes such as the one built in Tatarstan in the 1990s. Indeed, Tatarstan witnessed some activation of opposition forces, reflected, for example, in the Republican Party of Tatarstan's attempt to promote Rafgat Altynbaev as an alternative candidate in the presidential elections. Altynbaev, previously part of the regime himself and supported by some elites, could have posed a considerable political challenge to Shaimiev. The authorities, however, were able to successfully deal with all the challenges. First, through lobbying the State Duma and, possibly, the president, the republican elites obtained a so-called Shaimiev concession—an amendment to the law "About the General Principles of Organization of the Legislative and Executive Organs of Power in the Subjects of the Russian Federation" that postulated that all terms in office are counted from the date of the law's adoption (i.e., October 16, 1999).75 The terms served before that date did not count against regional leaders. Second, the republican elites coopted and demobilized a potential challenger, Altynbaev, by promising him a seat in the Federal Council. As a result of these actions, Shaimiev ran and easily won the 2001 elections with almost 80% of the vote.76 Neither of these uncertainties produced any public spillovers or open contestation. Shaimiev's reputation as a skillful negotiator and irreplaceable leader of Tatarstan only grew further.

Bashkortostan confronted a separate set of challenges and dealt with them differently. The presidential election there was due in December 2003, and preparations for these elections started as early as 2002, when Rakhimov issued a decree allowing for the privatization of BTK, with the subsequent accumulation of the shares of the main republican oil-producing and oil-processing enterprises in Bashkir Capital controlled by Ural Rakhimov. This decision, arguably, reflected the political uncertainty surrounding President Rakhimov's chances for reelection. Indeed, Rakhimov was not able to ensure that the elections would be held without outside interference and that his victory would

75 Crosston, Shadow Separatism.

76 In fact, 68 regional leaders were able to stand for a third consecutive term in power following this amendment.

be predetermined. He had to face two strong outsiders running against him—Ralif Safin (one of the top-managers in Lukoil) and Sergei Veremeenko (managing director of Mezhprombank), who had close links to the *siloviki* (security services) group in the Kremlin. Both candidates could rely on considerable financial resources. Veremeenko, additionally, benefitted from his links to the Kremlin and was presumably an instigator of the administrative pressure on Bashkortostan's authorities from federal tax services and the Audit Chamber. Unable to win in the first round, Rakhimov had to face Veremeenko in the second and sought support from the Kremlin, presumably, giving something in return.77 Rakhimov won, in the end, after the federal center signaled unambiguous sup- port for his candidacy and Veremeenko quit his electoral campaign.

The 2003 presidential election in Bashkortostan was arguably a pivotal moment in Bashkortostan's political history that conditioned the subsequent flow of events. The elections demonstrated Rakhimov's political weakness as the majority of the republican electorate voted against him in the first round. The Kremlin, on the other hand, played the role of kingmaker, taming Rakhimov and extracting significant concessions in return.78 Additionally, the information warfare surrounding the elections also revealed the precariousness of the privatization undertaken in the republican energy sector. One could plausibly suggest that Veremeenko's run for the presidency was, in fact, motivated by business interests rather than political aspirations only.79

In short, open public contestation and the information warfare unleashed during the 2003 elections weakened Rakhimov and shattered his reputation in the republic. Even if the Kremlin were to support him for another term in power, Rakhimov's position was revealed to be shaky and his degree of influence in Moscow questionable, given the outcomes of privatization of republican resources. Such circumstances did not allow Rakhimov to sustain the degree of influence with the federal authorities that would have allowed him to suggest who his replacement would be.

Conclusion

The differing political legacies left by the first presidents of Tatarstan and Bashkortostan cannot be addressed using mainstream explanations and

77 Allegedly, Salavatnefteorgsintzes was promised to Gazprom.

78 Gabdrafikov and Hale, "Bashkortostan's Democratic Moment?", 94.

79 Mezhprombank, his bank, participated in struggle for Slavneft; the republican authoritiesalso claimed that Veremeenko was after the energy enterprises in Bashkortostan.

factors that are usually considered principal for the Kremlin's decisionmaking on gubernatorial cadres in Russia. Both Rakhimov and Shaimiev were very successful as political bosses who could effectively deliver electoral votes to the Kremlin and maintain relative social and economic stability within their republics. Yet toward the end of their political careers they faced different degrees of freedom in their negotiations with the federal elites and had varying degrees of success in ensuring political and economic continuity within their republics. This study has focused on the legacies of republican privatization and the institutional dynamics of patronal presidentialism as two alternative explanations for such divergent political outcomes. In fact, these two explanations could arguably be seen as complementary. Early in his presidency Putin demonstrated a lack of tolerance for overly audacious political and economic actors and Rakhimov's daring actions vis-à-vis republican property in 2002 were likely to have created a desire in the Kremlin to show the republican leader "his place." These actions could have provoked strong, outside political actors to join the republican presidential race in 2003, thereby creating a degree of political uncertainty that shook Rakhimov's previously unchallenged reputation. Thus, particular decisions in the sphere of property relations might have triggered the institutional logic that started Rakhimov's political and eco- nomic downfall. The ongoing relevance of Bashkortostan's privatization deals seems to support this line of argumentation.

In short, this argument highlights the existence of unspoken, informal rules of the game structuring Russian political economy and governing the Kremlin's decisions in the sphere of elite management. The comparison of privatization schemes in two republics reveals that regional elites have been allowed much latitude in structuring property relations in their regions, as long as they avoided very blatant and visible, "once-and-for-all" type privatization schemes as the one carried out in Bashkortostan. An important implication of this analysis is that, in the conditions of informal institutionalization, political agency and leadership skills might play a decisive role in determining power out- comes. Mintimer Shaimiev, a very cautious politician, went through years of political training in Tatarstan's republican communist party organization, renowned for its Byzantine politics and intricate rules necessary for survival. Murtaza Rakhimov, on the other hand, made his career in a refinery plan, arguably a less politically demanding job. Their different careers, therefore, likely produced varying leadership styles and skill sets that have, in turn, played a crucial role in shaping their decisions on privatization schemes and ultimately determined their contrasting political legacies.