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The Crane-Rogers Foundation
Four West Wheelock Street
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*Gregory Feifer is an Institute Donors' Fellow studying the current political and cultural reshaping of Russia.*

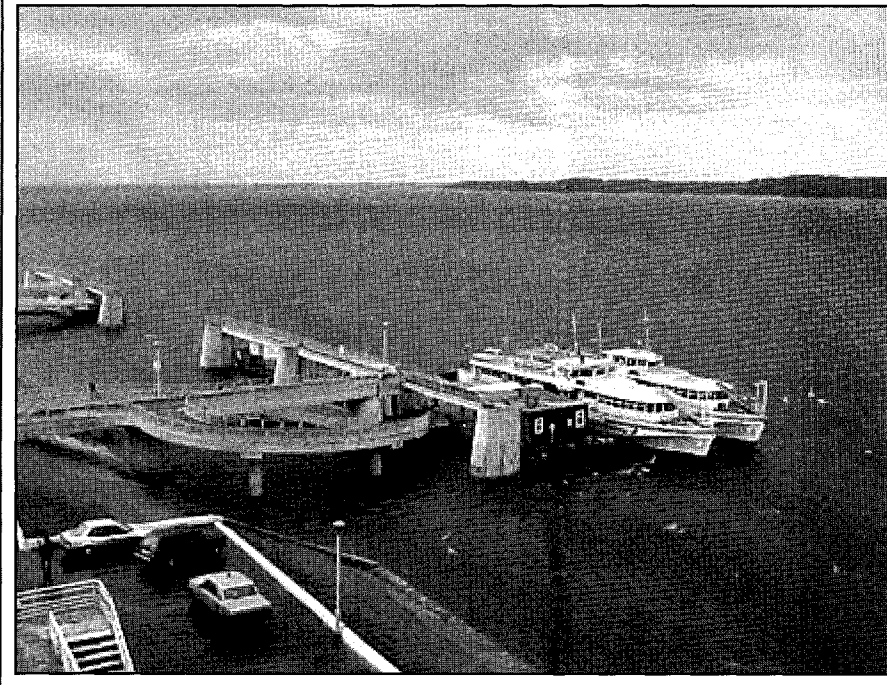
# Samara's Hope for Reform

**By Gregory Feifer**

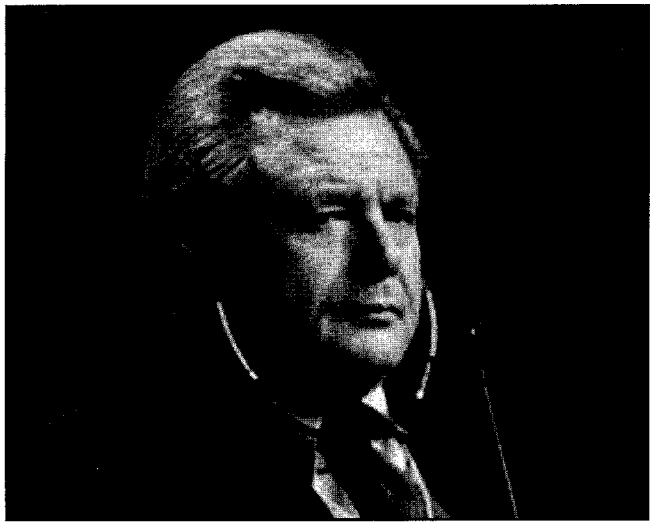
SAMARA, Volga River Region — Vladimir Nenashev, the head of Samara's Social-Political Center, identifies himself, no doubt correctly, as the central Russian region's sole human-rights advocate. Sitting in his dilapidated office, downtown in the Samara region's capital of the same name, he lets fly a litany of criticisms of what appears to be virtually every local official. Even he, however, grudgingly admits Samara is less corrupt than other regions.

If outward appearance is any guide, he seems to be right. It is immediately clear even to the most casual visitor that this industrial city — located about 100 miles north of Russia's border with Kazakhstan on the Volga, Europe's largest river — is different from others in provincial Russia. Its streets are relatively bustling and clean. Its streetcars look like they're in good repair. Its residents also seem to have a measure of *savoir faire* lacking in other regional capitals.

Nenashev, like the vast majority here, attributes the difference to liberal reformist Governor Konstantin Titov. The governor is praised for actively encouraging investment and entrepreneurship. Coca-Cola, Pepsi and Nestlé own factories in the region, having been enticed with tax breaks. Titov has also combined social-welfare policies with economic reform. Samara's wages are higher than those of other regions, and pensions and salaries are paid regularly. Titov has even allowed some private property for farmers, putting him light-years ahead



*The Volga River, flowing past Samara, served as a trade route for the region's agriculture — mainly wheat. The river, together with the city's railroad nexus, helped build it into a commercial center in the 19th century.*



*The Samara governor has emerged recently as one of Russia's top dissenting voices within the political mainstream*

of most politicians who favor state ownership and the collective farms that continue leading the countryside to corruption and ruin.

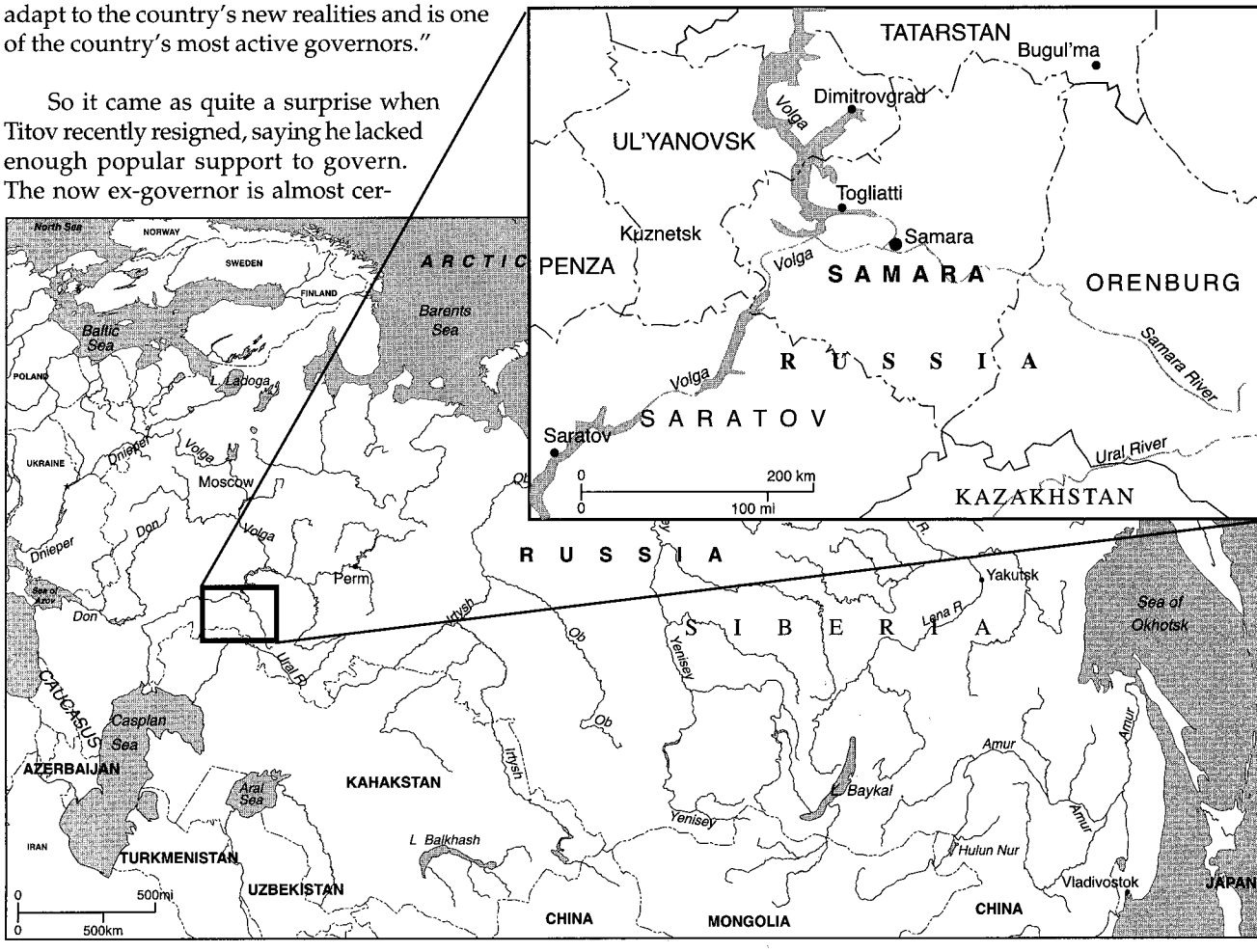
Even usually critical political analysts agree. "Titov must be given his due for improving the region's situation," Yuri Korgunyuk, a political analyst at Moscow's Indem think-tank, told me later. "He's been able to adapt to the country's new realities and is one of the country's most active governors."

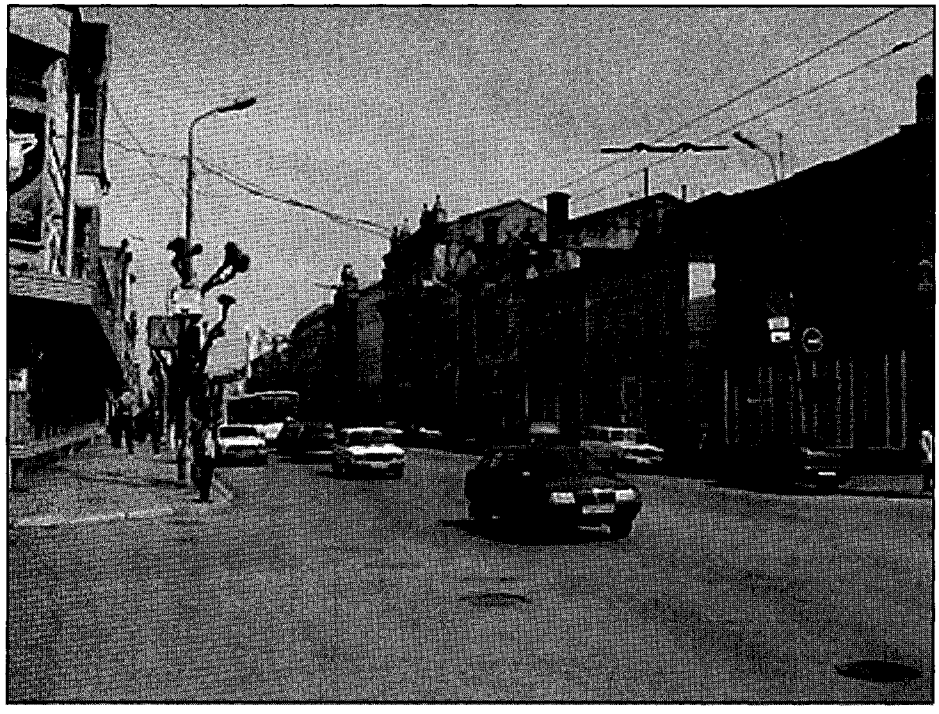
So it came as quite a surprise when Titov recently resigned, saying he lacked enough popular support to govern. The now ex-governor is almost certain to win in a landslide when he runs for his old position in early elections on July 2. Still, his resignation came after a pitiful showing in presidential elections last March, during which he collected only 1.5 percent of the vote, and 20.5 percent in his own region. That was to be expected. Titov was up against the wildly popular victor, Vladimir Putin. More than that, he even had the temerity to criticize some of the then-acting president's policies, something few national politicians have dared to do.

Most politicians scrambled to curry favor with Putin as the presidential elections approached last spring. They did so, notably, by backing the government's brutal campaign in Chechnya. Titov, however, spoke out against the popular war, advocating talks to end the conflict. He also opposed Moscow's decision to freeze relations with NATO over its bombing in Yugoslavia last year. He even went so far as to say Putin threatened democratic reform in Russia.

That stance cost Titov the support of a number of former allies. The Union of Right Forces, or SPS, a national political bloc of reformers Titov helps lead — and which came out in strong support of the war in Chechnya — refused to support his candidacy, backing Putin instead.

"When you've got the support of 20 percent, you have to behave as any honorable and decent citizen — you must





*Under the Soviet Union, Samara city was re-named Kuyibishev, after Valerian Kuyibishev, a Stalin henchman.*

resign," Titov said on television after he stepped down. But critics say Titov actually left office to give himself a better chance in the upcoming elections, originally scheduled for December. "He quarreled with the central authorities, and realized it was important for him to have time on his side," said Indem's Korgunyuk. "Now he has an even better chance against his opponents, who don't have enough time to prepare."

That gladdens supporters of democratic and market reform. Titov's chief rival in the elections is none other than Communist Albert Makashov, a notorious anti-Semite who incited Moscow crowds to rebel against President Boris Yeltsin in 1993 during his bloody standoff with a hard-line parliament.

**Relative Prosperity**

Samara's relative prosperity does not extend to easy checking into hotels. Although I'd made a reservation in advance, a receptionist, after she'd been roused from a back room, looked at me in wonderment when I said I wanted a room. My fax could not be found. Then I was told I couldn't check in because I did not have a tourist visa. I needed documents from a company that should have invited me to the region. All that was against the law, of course. Still, I might have had to embark on the 17-hour train trip back to Moscow had I not proceeded to yell rather loudly. Soon afterward, I had my seedy room.

The hotel stands on the banks of the mighty Volga, along which stretches Samara's wide boardwalk beneath a long slope leading from quiet downtown. Even on weekday evenings, families and couples stroll beside the river, stopping for a drink or a pork kebab at numerous stands. They outnumber the crew-cutted young toughs, a fair number of whom are the foot soldiers of local criminal gangs.

Away from the river, simple wooden houses and neoclassical stone buildings make a pleasant ensemble dotted by signs of commerce taking over residential and government buildings: a cell-phone shop, tire repair, cafés. In the center, several wide parks make even the requisite Stalin-era Party buildings look benign. What a difference from dilapidated and anarchic Irkutsk, which I'd recently visited! Samara in its present state would make a model Soviet city.

With a population of around 3.3 million, the Samara region ranks fourth among 13 of the country's 89 regions that actually contribute to the federal budget. That is thanks in large part to the region's history as an agricultural and industrial center and location as a crossroads on the Volga.

*One of Samara's wooden structures still housing many of the city's over one million residents*

Sprawling *AvtoVAZ*, working at near-full capacity to generate a whopping 6 percent to 7 percent of the entire country's gross national product — according to company officials — builds the astoundingly outdated but cheap and therefore popular Lada car in the region's second city of Togliatti. Among other companies is the capital's Aviakor, which assembles Tupolev aircraft.

*A rare sight in Russia: The neo-Gothic spires of a Catholic cathedral built early this century by some of the region's Volga Germans, mostly farmers who settled here in the 18th and 19th centuries and whose numbers thinned dramatically after the Revolution.*

**Energy Politics**

The firm that interested me the most, however, was the local power company, Samaraenergo, because it illustrates the beginnings of change in Samara's atmosphere. The "energo," as power companies are called in Russia, is headed by one of the region's top local business "oligarchs," the influential Vladimir Avetisyan.

Avetisyan attracted national headlines last February, when Samaraenergo gave local aluminum producer Sibirsky Aluminum Group a 50-percent discount on energy costs. The deal was seen as an attempt on the part of Anatoly Chubais — the powerful boss of national-energy-grid-operator Unified Energy Systems, or UES — to help counteract a buy-out of the country's aluminum industry by Boris Berezovsky, one of the country's most notorious tycoons.

Many see Berezovsky as the chief villain among Russia's so-called financial and industrial "oligarchs," who enjoy huge influence and many favors in the corridors of power. The billionaire and former mathematics professor — whom financier George Soros, himself, after trying to make a few or few score million dollars in Russia over the course of years, has called an egotistical maniac — embarked on his business career after the Soviet Union's collapse in 1991.

*The two-kilometer-long* AvtoVAZ *plant near Samara city requires around 30 times the man-hours to build a car than is needed in the West. This car, the Lada 2106, happens to have been the Fiat 124, European car of the year in... 1966, before the Soviet Union bought an entire Fiat factory and shipped it to Togliatti, duly named after the Italian communist.*

He founded the country's first private car dealership, then quickly constructed a media and oil-business empire, capitalizing on the government's virtual giveaway of state assets to a handful of insiders during one of its phases of privatization during the 1990s. Along the way, Berezovsky held various political appointments. His present one is as a deputy in the State Duma (lower house of parliament) from the Caucasus republic of Karachay-Cherkessia.

Using his media outlets to out-

*New building: Samara boasts much new construction reflecting its economic status, including this office building.*

smear his political allies' rivals, Berezovsky is generally said to have helped the besieged Kremlin to its previously unexpected victory in parliamentary elections last December. That happened when its infant pro-government party, Unity, snapped up a large percentage of the vote. Berezovsky then helped engineer Putin's tapping as Yeltsin's heir.

Last February, Berezovsky and fellow businessman Roman Abramovich seemed to have been rewarded when they were permitted to buy 60 percent of the country's aluminum industry. That decision was remarkable, even if, as some argue, it actually reflected Putin's mandate that Berezovsky repatriate some of the billions of dollars he had spirited abroad over the years.

Berezovsky's chief rival in the Kremlin is UES chief Chubais, no stranger to controversy himself. Reviled by many as Russia's chief privatization architect last decade, he has been much criticized for, among other things, allowing insiders like Berezovsky to take over state assets at negligible prices. Nevertheless, western economists have praised Chubais as a visionary reformer. The earlier phases of economic reform he oversaw, including the mass privatization program, put a great deal of property into the hands of small shopkeepers and distributed at least a nominal amount of enterprise shares into workers' hands.

Chubais later held various positions in the government and presidential administration and has remained a top Kremlin strategist. At the same time, he helps lead the Union of Right-Wing Forces, the political alliance of ex-reformers that refused to support Titov in the presidential elections, currying favor instead with Putin in the hope of slipping its way into the government.

Chubais is reputed to detest Berezovsky. When companies controlled by Berezovsky took over the bulk of the aluminum industry, the move struck a major blow to rival industrial oligarch Oleg Deripaska, head of Sibirsky Aluminum — previously the country's largest aluminum producer — and his ally Chubais. In turn, Samaraenergo's price cut was seen as Chubais's way of helping Deripaska gain a competitive advantage by allowing the company to increase output by as much as 40 percent, since electricity makes up 15 percent of over-all aluminum production costs.


*Downtown-Samara headquarters of Samaraenergo*

Not so, says Samaraenergo chief Avetisyan, a friend and ally of Deripaska's in his own right. "Chubais was very surprised when journalists in the know asked him about it during a news conference," Avetisyan told me. "The discount had nothing to do with Chubais and nothing to do with politics."

Rather, Avetisyan said, the deal to cut rates to Sibirsky Aluminum was a shrewd business decision because it involved the aluminum maker's purchase and restructuring of the power company's debts to the national gas monopoly Gazprom. Samaraenergo has not disclosed the amount of the sum, but Interfax news agency put the company's debts to the gas provider at 1.79 billion rubles (U.S.$279

million). "The deal meant 100 percent profit for us," Avetisyan said.

The claim appears to check out. In May, Samaraenergo ended its discount and threatened to cut all power supplies to Sibirsky Aluminum by the end of the month because the company had failed to carry out its end of the bargain. The news not only shows that Samaraenergo is serious about reform and playing by market rules, but attests to the ability of regional industrial groups — such as the one including Samaraenergo — to form their own power bases. Avetisyan is also director of regional gas company Volgapromgaz, and is closely connected to powerful Gazbank, run by Alexei Titov, ex-governor Titov's son.

**National Intrigues**

Avetisyan's testimony is interesting because it speaks to the fact that Samaraenergo made the decision to give a discount during such a politically charged moment while acting independently of central authority. Moreover, it was done for market reasons, not solely political ones. That may speak volumes about Samara's development in this unsettled moment when so much of the future remains uncertain.

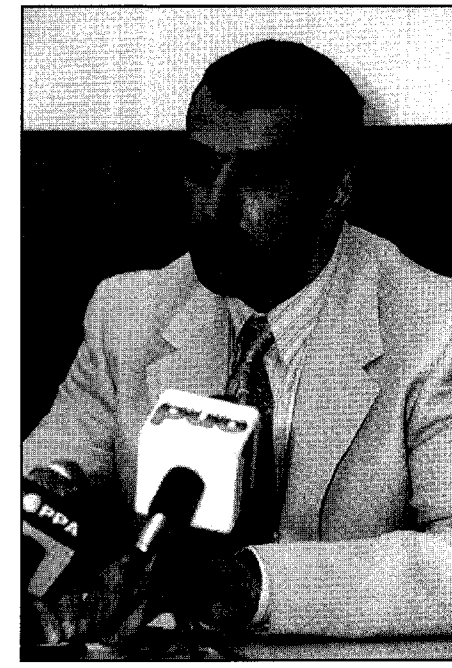
Indeed, months after Russian President Boris Yeltsin's surprise resignation on New Year's Eve last year — giving former secret service chief Putin the acting presidency and almost certain victory in early presidential elections — journalists, analysts and academics in Russia and abroad continue asking the same questions. Who is Putin, they want to know? Will he be able and willing to carry out policy changes the country desperately needs?

After his formal election as Russia's president this spring, Putin gave mixed signals to those hoping for westernizing reform. His main goal, he declared, would be to work toward strengthening the state in order to crack down on the country's endemic crime and corruption and create a "dictatorship of the law." While acknowledging the need for change, the new president did so in rhetoric smacking of authoritarianism, leaving his intentions obscure.

Observers immediately established a litmus test for positive (institution-building, rule-of-law-instilling) change. Would the new president be able to decommission Russia's reviled "oligarchs?" That was, and remains, the central question, and it bears directly on Berezovsky's power and influence. So far, little evidence has appeared that either is declining.

How could they have? Putin was an unknown bureaucrat when Yeltsin picked him to be his prime minister last August. Without Berezovsky's help, his chances of coming to power as the country's hugely popular chief executive would have been far slimmer.

Actually, Putin's appearance "from nowhere" served the country's ruling elite very well. By issuing broad statements about resurrecting Russia's might abroad and imposing order at home, he appealed to a vast majority, while silencing opponents to the Kremlin group that put him in the limelight, and who might have been foolish to argue with his demagogic rhetoric.



*Vladimir Avetisyan is among a new breed of regional "oligarchs" wielding significant clout in their own right.*

In fact, Putin himself is largely a consensus-builder, thus fulfilling a vital political role. Russia has often been ruled by nominal leaders posing as authoritarians who have shielded the country's ruling political oligarchs — as opposed simply to the industrial robber barons — from rivals and outside observers. That pattern has existed — with exceptions, of course — for centuries. Its chief goal was and is to create political stability among the elites — as opposed (to take two other possible goals as examples) to building the structure and nourishing the institutions for an efficient economy or genuine rule of law.

What to make, then, of Putin's latest move? In May, he announced an awe-inspiring plan to crack down on the country's regions, many ruled by provincial governors as private fiefdoms. The president introduced legislation to the Duma that would divide Russia into seven vast administrative districts overseen by presidential appointees. Moreover, if ratified, the bill would expel governors from the Federation Council (the upper house of parliament), where they represent their regions I. It would also allow the President to fire governors.

If that was not a stab at Berezovsky and his ilk, it did pose a threat to another type of political oligarch, the powerful regional leader. Would the plan truly centralize power, pundits asked? Would it eliminate the favors many regions enjoyed thanks to bilateral treaties with Moscow signed during the tumult of the early 1990s? Or was it evidence of the rise of yet another form of bureaucracy that would contribute to the corrupt Byzantine system that is already choking the rule of law, using behind-the-scenes schemes and

deals as the chief economic modus operandi?

I'd come to the Volga River region of Samara to see how politics work in central Russia and try to discover whether Putin's plan might actually change the fragmented state of affairs in which the elites operate and prosper. What I found, to summarize in advance, was that no simple answer can be made, largely because local matters reflect national politics to an uncanny degree. That, of course, is at least part of the answer. To some extent, it speaks to the circumstance that local power is still acting — and will continue to act — independently of the center, whatever Putin pronounces or proposes. But regional elites are also inevitably connected to allies in Moscow. That means the center cannot simply decree changes in the provinces because central authority stems in part from those very regions.

At the same time, matters are not black-and-white in other ways. A local political and business elite does exist and, as expected, seeks to perpetuate its own power. But it is also trying to change the constraints of the system in which it works. In turn, that may help to achieve policy changes at the top — thanks not to Putin's efforts, but, at least in the case of Samara, to politicians tied to Chubais, Berezovsky's old foe.

**Restructuring Plans**

Samaraenergo chief Avetisyan's chrome-and-leather Volgapromgaz office is super high-tech and tightly guarded. Sitting there, he spoke in a way that would bring joy to any market reformer. He lauded President Putin's decision to appoint sometimes — radically — liberal economist Andrei Illarianov as an adviser.

"The market's the only way out," Avetisyan said of Samara's economic problems. No further criticism was needed of the old-guard bureaucrats who want to continue the energy sector's politically expedient Soviet-era policy of subsidies and absurdly low, reform-crippling power rates. Nevertheless, Avetisyan made his implication explicit.

It was no mistake, then, and no accident, that the dapper Volgapromgaz chief was appointed Samaraenergo director last year. That, he said, came as part of a move by Chubais's UES to push forward the local company's restructuring along with that of a number of other regional power companies. It was part of a World Bank-advocated plan announced last year that envisioned the splitting of local power companies into subsidiaries in which investors would be able to buy shares.

The chief goal is to raise funds to invest in physical rebuilding. "Energy companies don't have money for investment in rebuilding and maintenance," Avetisyan said. The main problem, Avetisyan added, is opposition to restructuring on the part of the energy sector's old cadres. "People are either completely for or against it," he said. "Those who think along the old lines say someone will come into the government and wave a magic wand and things will change. But we tried that over the last ten years with no success."

Avetisyan said that in addition to the need for restructuring, low tariffs, seen by many Russians as a privilege to be duly protected by the state, are also creating a massive burden on the sector. "The tariff policy is fatal," he said. "Prices don't reflect expenses."

The country's average rate is about 1 cent per kilowatt hour, an eighth of rates in the United States. Samaraenergo has already taken its own initiative in pushing for hikes, recently raising tariffs this year to 1.2 cents per kilowatt-hour.

But many companies simply don't pay, even for their cheap electricity, creating massive cash shortages in the power industry, which, in turn, cannot afford to pay gas, oil and coal companies for fuel.

Samaraenergo has tried to counteract that by following a strict policy of making their customers pay. "That's exactly what's needed," said Marina Oganesyan, a power analyst at Moscow's Aton brokerage. "Companies won't pay until someone bangs a fist and demands payment. And then payments are made the next day, because the companies do have the money," she added. "The idea that energy should be free is left over from Soviet psychology."

Avetisyan said Samaraenergo has already cut supplies to companies, including Sibirsky Aluminum. That, despite the fact that the aluminum producer — which recently and paradoxically joined forces with Berezovsky's aluminum holdings after its initial protests — denied the claim.

Samaraenergo has also used regional courts to press its claims. The company has initiated bankruptcy lawsuits against local companies Kuznetsov Research Complex and Strommashina, among others. The policy has apparently achieved results. According to Oganesyan, industrial customers have paid Samaraenergo 95 percent of the amount they owe so far this year. Moreover, the company said 70 percent of that amount has been in cash, as opposed to promissory notes and barter arrangements. That puts it well above the national average (if the figures are reliable) of 58 percent of transactions that are paid in cash.

That is important because Russia's post-Soviet economy has been crippled in part by cash-strapped companies' rampant bartering. The resulting entanglement, a kind of national payment gridlock, is retarding the establishment of a transparent money-based market.

**Local Power Base**

Improvements at Samaraenergo have boosted Avetisyan's status in the region and ratcheted up the importance of his links to UES chief Chubais. In addition, Avetisyan's support for the regional administration may become even more important for local development if and

when President Putin actually cracks down on regional power, following his pledge to diminish the authority of the country's governors. The decision to give — and then withdraw — discounts to Sibirsky Aluminum testifies to Avetisyan's ability to act independently from central mandates.

"Avetisyan is very influential as a director and an authority in the region," Oganesyan said. Despite the obvious benefit to the local elite, that is also key for helping market reform work. For one thing, Avetisyan's additional role as head of Volgapromgaz means he can use his position to make the region's chemical companies connected to the gas provider pay their electricity bills.

Although Avetisyan previously supported Titov, he has thus far avoided any public backing. "Titov has a lot of experience," Avetisyan said. "People understand his resignation. They know he wants to test his voters' trust."

Stronger support may be forthcoming, in part because of the regional economic structure's incestuous nature. Meanwhile, even critics of the regional administration such as human-rights watcher Nenashev say they are eagerly awaiting Titov's reinstatement as governor.

"As soon as Titov left office last month, the situation [in the regional administration] became significantly worse," Nenashev said. "If he's not re-elected, the region's Red bureaucrats will start to choke us."

**The Other Side**

Samara is significantly better off than most other regions, thanks to its Soviet-era but still workable industries and to initiative on the part of Titov and others such as Avetisyan, self-serving as it may be. Nevertheless, the region is still mired in much of the same poverty and corruption that plagues the rest of the country.

Nikolai Lakomyi, a welder who worked at a Samara city public-transportation agency fixing trams, says nothing has changed since the Soviet days. Lakomyi founded his own local union of tram workers in 1991 because, he says, he had no faith in the region's existing union.

Last April, Lakomyi and five fellow union members were fired after organizing a boycott to protest unsafe working conditions. Their complaints included a claim that trams were being spray-painted too close to other workers and that welding was being carried out in areas lacking ventilation. To me, Lakomyi also cited a number of other violations he did not include in his official complaints, such as tram workers toiling in high water and slush in mid-winter. "That's not worth the $45 a month we're paid," he said, dryly.

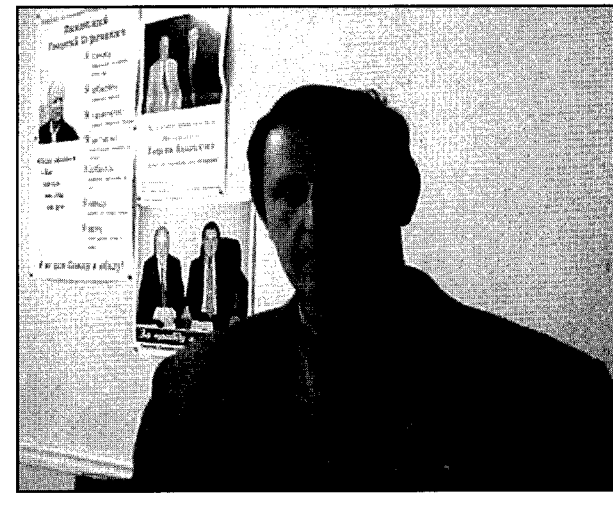
What was the boycott worth, if anything? That answer, too, might cast light on regional change, or the lack of it. Lakomyi said bureaucrats running the tram agency sought help — surprise, surprise — from their allies in the city administration. And that the latter were only too glad to oblige by quashing the complaints. "The city administration called us foreign spies," Lakomyi said. "They tried anything that would keep us out of our workplaces because we insisted we must live according to the law. In fact, we're supposed to live like slaves." That's the bad news. So far, there's been little more than hope of good.

Lakomyi's union, Solidarity, filed five cases in local courts and have yet to hear whether the cases will be heard. "The prosecutors are just as corrupt as the administration," Lakomyi said. "The only result of our actions has been that people on the street are afraid to talk to us. That's a tendency left over from Stalinism."

Why the harsh reaction to Lakomyi's relatively modest demands? Lakomyi said the region's "official" unions felt threatened from the day he set up Solidarity. That was to be expected. Russia's large nationwide unions are known for their meek role as holdovers from the Soviet era, when they were little more than tools of the Party.

After a decade of *ad hoc* reforms, Russia's large state-supported labor unions continue to adapt to their new situation. One of Russia's chief union organizations is the FNPR (Federation of Independent Russian Trade Unions). Founded in 1990 as a successor to Soviet trade unions, it originally had almost nothing in common with organized labor in the West.

As a result, dozens of smaller, genuinely independent unions such as Lakomyi's have sprung up in Russia. Their members are mostly workers, not managers, and they've begun to sue employers — even winning in some cases. Another glimmer of good news. The new trade unions are also generally more aggressive than the FNPR and more successful in collective bargaining. Today, the official unions that make up the FNPR include not only rank-and-file workers but also factory managers. If unions were



*Lakomyi says local authorities had him fired because they felt threatened by his Solidarity union.*

*Vladimir Nenashev says the country will take many years to grow out of its current problems of rampant corruption.*

once seen as an appendage of the state, today most believe they are run by enterprise directors and managers.

"The FNPR was created to pretend that we have democracy," Lakomyi said. "But until communism is officially denounced, we will continue to live in a criminal state similar to the Soviet Union," he added. "Meanwhile, organizations meant to protect the population, such as the police, only think of where they can steal next."

Human-rights advocate Nenashev has taken up Lakomyi's case, but has made little headway in either publicizing it or making local authorities restore Lakomyi and his co-workers to their jobs.

"We're living in a period of nomenklatura capitalism," Nenashev said. "Former communists who took over most official positions and businesses don't know how to use them, and so exploit them for their own benefit as they did under communism. The rest of society is afraid to complain. They're afraid to lose what little they still have."

Nenashev says "nomenklatura capitalism," a term also used by liberal politicians in Moscow, will persist for the next 10 to 15 years. "Perhaps it's a necessary stage in our development," he said. "And during that time, the authorities will oppress us."

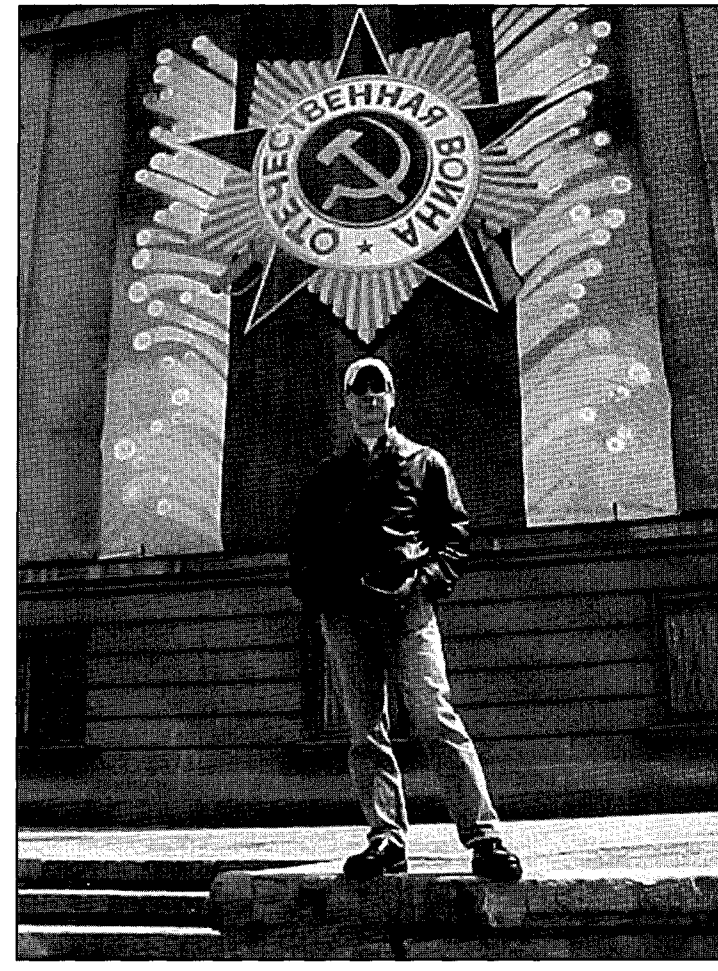
**Hope for Improvement**

It may be significant that Nenashev had no direct criticism of Samaraenergo chief Avetisyan. When I pressed him, he said Avetisyan was a monopolist who has worked to concentrate as much of the region's capital as possible in the hands of his allies. He also added that that was to be expected. His statements reinforced the impression that even though Samara remains plagued by the problems affecting all of Russia, its successes have bred elites who see reform as in their interests.

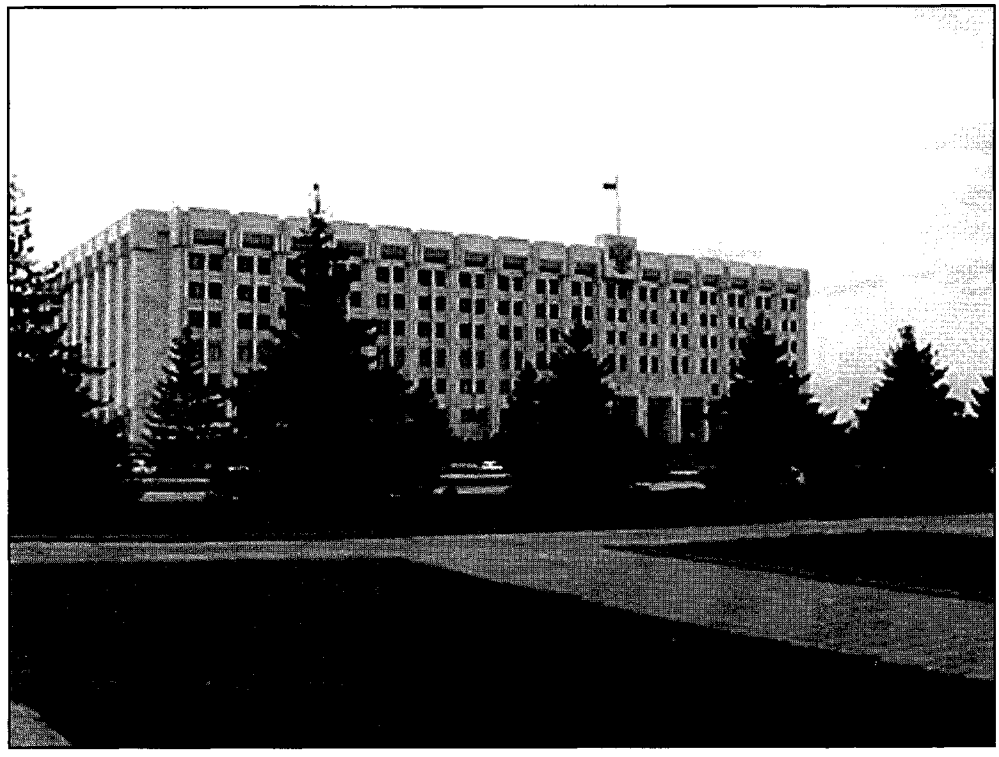
At the same time, the region's local sources of economic and political power, which mirror and intertwine with national affairs, will give President Putin no easy time when and if he actually begins imposing more direct control in the regions. Titov's governorship certainly seems entrenched, giving little hope to his opponents.

Those opponents include Viktor Tarkhov, a former deputy chairman of the regional Soviet-era parliament, who was dismissed from the post by a Yeltsin decree in 1991. Tarkhov has ties to local Yukos oil company, of which he is a former vice president. Several local businessmen whose chances are seen as negligible comprise the other candidates.

But it is a Communist who is on everyone's lips. The average showing for Communist candidates around the country is about 25 percent. Analysts estimate that Communist Albert Makashov has about the same chances — and, more interestingly — that he is running because he wants revenge. The former general was head of the local Volga military district until he was fired in 1991 by a Yeltsin




*The author under a Soviet banner saying "Patriotic War," as the Second World War is called in Russia. It was unfurled for 55th-year end-of-war celebrations, a time in which nostalgia for the past is on the rise.*



*The seat of the Samara regional government, which Titov looks set to occupy once again in July*

decree. "He sees Samara as his homeland," Indem's Korgunyuk said. "At the same time, he's a public politician whose career depends on staying in the public eye," he added.

A former deputy in the State Duma (lower house of parliament) whose candidacy in parliamentary elections for one of Samara's seats was annulled by a regional court last year, Makashov has made a name for himself by for calling for the expulsion of "all Yids" from Russia.

"He has absolutely no chance," said taxi-driver Vladimir Pavlov, 23, of Makashov. "I don't know why he's running."

Vera Polyakova, 59, a street vendor, agreed. "I don't trust him," she said. "But I don't trust any of our politicians," she added.

Indeed, not one person to whom I spoke supported Makashov. According to human rights watcher Nenashev, that too is no accident or coincidence. "The [local] administration loves him," Nenashev explained. "He's a scarecrow" — exactly the role played, in the end, by national Communist Party chief Gennady Zyuganov when he ran for the presidency against Yeltsin in 1996. During that campaign, the country's major media outlets rallied around the physically ailing incumbent, who told the public it had a choice between him and going back to the dark days of communism.

Just as in Samara today, there were no other real candidates in 1996 — save Alexander Lebed, a gruff general who dropped out of the second round of voting to back Yeltsin. Most of Samara's industrial chiefs, including carmaker AvtoVAZ's chairman Vladimir Kadannikov, who considered running himself, have backed Titov. The ex-governor also mimicked Yeltsin by resigning to give himself a greater chance of winning in new elections by catching his opponents off-guard.

Although Titov can sound like an autocrat engineering his own victory in the polls, he is genuinely popular and has done relatively much to make the region significantly more prosperous than others. That, in turn, has lead to new ways of thinking and acting.

Samara is clearly not Berezovsky country. If the region continues to improve its economy, it will boost the efforts of other political oligarchs such as the old reformer Chubais, whose interests at least in part lie in further reform. That — not Putin decrees mandating the strengthening of the state — offers Russia its best hope today.

While in Samara, I thought I caught glimpses of a region just turning the corner to the give and take of open conflict, as opposed to dividing the spoils by hidden arrangements; of a genuine civil society possibly taking root; of legitimate interests that recognize one of their higher ones is the establishment of a stable system in which they can fairly compete. Those are no small beginnings in contemporary Russia. To cite Samara, as Vladmir Nenashev does, as less corrupt than other regions is of course negative praise. But another way to say it is that that advantage is inextricably connected to positive developments, limited as they still are. What relief to feel a shiver of optimism! ❑

ICWA Letters **(ISSN 1083-4273)** are published by the Institute of Current World Affairs Inc., a 501(c)(3) exempt operating foundation incorporated in New York State with offices located at 4 West Wheelock Street, Hanover, NH 03755. The letters are provided free of charge to members of ICWA and are available to libraries and professional researchers by subscription.

Phone: (603) 643-5548 E-Mail: ICWA@valley.net
Fax: (603) 643-9599 Web Site: www.icwa.org

Executive Director: Peter Bird Martin
Program Administrator: Gary L. Hansen
Publications Manager: Ellen Kozak

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Author: Feifer, Gregory
Title: ICWA Letters - Europe/Russia
ISSN: 1083-4273
Imprint: Institute of Current World Affairs, Hanover, NH
Material Type: Serial
Language: English
Frequency: Monthly
Other Regions: East Asia; South Asia; Mideast/North Africa; The Americas; Sub-Saharan Africa

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Hanover, New Hampshire 03755 USA