External Relations of Tatarstan: Neither Inside, Nor Outside, But Alongside Russia

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Foreword

Tatarstan has been one of the most rebellious of the Russian republics and has, as a result, been at the center of debates about Russian sovereignty and territorial integrity. In this paper, Andrei S. Makarychev, Professor of International Relations at Nizhnii Novgorod State Linguistic University, and Vasilii N. Valuev, graduate student at Nizhnii Novgorod State University, examine the republic's strategy for greater integration into a globalizing world and assess its future prospects. Special attention is paid to the way in which Tatarstan demonstrates the profound effect that Russia's constituent parts can have on the stability of the federation as a whole and, therefore, the influence that they can exert within it. By examining Tatarstan's quest for independence and its bargaining tactics with the federal center, the authors help to reveal the limits of President Valdimir Putin's re-centralization policies and show that there is hope of a new understanding of sovereignty emerging in Russia.

The study illustrates how Tatarstan's virtual declaration of independence in the early 1990s was in large part a tactical move on the part of the republic, aimed at restructuring its relationship with Moscow. As the authors point out, Tatarstan's political maneuvering proved rather successful. Moscow agreed to a number of concessions and eventually concluded a power-sharing treaty with Kazan in 1994. Tatarstan has since enjoyed a much greater degree of freedom, particularly in the areas of foreign economic relations.

The subsequent vagueness of Tatarstani sovereignty appears to have suited both governments. While the federal center had no desire to sharpen differences between Moscow and Tatarstan, given the republic's Islamic leanings and usefulness of President Mintimer Shaimiev as a potential barrier to religious extremism and political destabilization, the political elite in Kazan was more interested in strengthening its bargaining positions *vis-à-vis* Moscow than in achieving absolute sovereignty.

Despite efforts at re-centralization under President Vladimir Putin, Kazan continues to take a very pragmatic approach to its sovereignty. After initial indignation at Putin's reforms, Shaimiev is now seeking political compromises to the differences between the Tatarstani and Moscow authorities, based on changes to the constitutions of republics being complemented with revisions of the federal constitution. While the outcome of negotiations between Moscow and Kazan has yet to be seen, the Tatarstani strategy for greater autonomy within the Russian Federation represents an interesting test case for limited federal and republican sovereignties in Russia.

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Introduction

No Russian state has been closer to the epicenter of heated debates and controversies than Tatarstan. The polemics around Tatarstan are focused on issues that are core for Russia as a whole: those of its integrity, cohesiveness, and the ability to speak with a single voice internationally. This region might also provide useful insights on the limits of President Vladimir Putin's re-centralization project.

The case of Tatarstan clearly demonstrates the narrow line dividing Russia's domestic and foreign policies. Indeed, one of the major challenges facing Russia is to learn to live with the revitalized world of Islam, both on Russia's southern periphery and within its own boundaries.[1] Tatarstan is a good illustration of the way in which the boundary between domestic and international spheres is becoming increasingly blurred.

The aim of this paper is to clarify the peculiar features of the Tatarstani strategy for integration into global political and economic structures, the main advantages and impediments of the republic's internationalization, and the future prospects of Tatarstan. We begin with an appraisal the nature of the Tatarstan political regime as seen from the viewpoint of globalization. We then turn to the issue of sovereignty as viewed from different angles, which leads us to the problem of Tatarstan's identity. Finally, the paper offers an analysis of Tatarstan's economic performance in the international arena.

1 Trenin, Dmitri. *The End of Eurasia: Russia on the Border Between Geopolitics and Globalization*. Moscow: Moscow Carnegie Center, 2001, p. 288.

chapter 1

The Tatarstani political regime: authoritarianism "going global"?

We consider that an analysis of Tatarstan's international standing should begin with domestic political institutions, since they reveal much about who are the most important political actors in the regions and what their interests are.

1.1 Regime assessment: "the winner takes all"

Assessments of the Tatarstan political regime vary significantly. Some experts treat it as a model for all Russia since it provides badly needed stability since, for example, there are no open intra-elite conflicts in the republic.[2] Those praising Tatarstan authorities for their independent stance deem that the more insistently this republic deals with the federal center, the more chance there is of constraining the federal bureaucracy and removing the legacy of empire. Rafael Khakim, the leading historian and political counselor to President Mintimer Shaimiev of Tatarstan, argues that, "Tatarstan has always regarded the decentralization and federalization of Russia as a way to eliminate the imperial structures and progress to a genuinely democratic society."[3]

Others argue that an old-fashioned, Soviet-style conservative elite rules Tatarstan, which is overtly non-democratic.[4] Sergei Markov, director of the Moscow-based Insti-

2 Gel'man, Vladimir. "Regional Regime Transitions in Russia: Actors, Institutions, and Uncertainty." Available at http://geog.arizona.edu/~web/rrwg/democracy.html.

3 "Future of Federalism in Russia" research project web site, at http://federalism.soros.ksu.ru/publications/khakimov4.htm.

4 *Osobaia zona: vybory v Tatarstane (Special Zone: Elections in Tatarstan)*. Ulyanovsk: International Human Rights Assembly, Kazan branch, 2000, pp. 3–5.

tute for Political Studies, calls the Tatarstan political regime "authoritarian" and "ethnocratic,"[5] since political careers in the republic are predetermined by personal loyalties. Mary McAuley describes the Tatarstan ruling elite in terms of "patronage politics" and "clan-thinking." Tatarstani authorities, in her view, are "almost entirely concerned with gaining resources for themselves," controlling prices, distributing the profits from regional enterprises, and deciding on the ownership of major industrial units.[6] Oleg Belgorodskii, the head of the local office of the "We Are the Citizens" coalition describes the electoral process in Tatarstan as a competition between Shaimiev's subordinates to artificially inflate his vote results.[7]

Journalists have uncovered that Shaimiev's closest relatives hold the most profitable jobs in the region, controlling up to 70% of the republic's economic potential.[8] The overwhelming majority of public offices are occupied by Tatars, even though 43.3% of the republic's population is Russian. The regional media is dependent on the government in Kazan and reports official viewpoints exclusively.[9] Much has been written about the powers of Shaimiev going unchecked because there is no political opposition, and that the parliament is overwhelmingly composed of administrators dependent on Shaimiev's benevolence.[10] Thus, the principle of separation of powers – the cornerstone of democracy – does not work in Tatarstan. Corruption is therefore presumably also a significant regional problem.

In clear conflict with Russian federal legislation, the president appoints municipal authorities in Tatarstan. Tatarstani legislation does not forbid non-alternative elections, does not limit the number of terms in office for its chief executive,[11] and does not require inclusion of party representatives in the local electoral committees that supervise the elections and count the votes.[12] As a result, there have been many testimonies of electoral fraud and other forms of falsification of the vote.[13] The Russian Supreme Court confirmed in 2001 that the boundaries of electoral districts were manipulated during the December 1999 elections to the State Council of Tatarstan, which unleashed discussions concerning the legitimacy of this body.[14] All these facts

5 Strana online information agency, at http://www.strana.ru/print/989579151.html.

6 MacAuley, Mary. *Russia's Politics of Uncertainty*. Cambridge: Cambridge University Press, 1997, p. 83.

7 "We Are the Citizens" online project, at http://www.citizens.ru/news/archive/2000349-1.html.

8 *Regiony Rossii*, no. 7 (27), 2001, p. 9.

9 Vasiliev, Alexandr. "Tatarstan: tretii srok dlia Shaimieva" (Tatarstan: The Third Term for Shaimiev). *Rossia i musul'manskii mir (Russia and the Muslim World)*. Moscow: INION. Bulletin, no. 1 (103), 2001, pp. 15–18.

10 Lenta online information agency, at http://www.lenta.ru (23 March 2001).

11 "Elections in Russia" web site, at http://www.vybory.ru/journal/journ9/j9arta5.html.

12 Moscow Public Science Foundation web site, at http://www.mpsf.org/Pub/Sbornik2/Zaznaev.html.

13 "Elections in Russia" web site, at http://www.vybory.ru/journal/journ9/j9arta7.html.

14 Free Lance Bureau web site, at. http://www.flb.ru/pfo/dj24040102.html.

lead Professor Valentin Bazhanov, the head of the Political Science Department at Ulyanovsk State University, to describe Tatarstan as a contributor to political instability in Russia that would generate separatist trends in the future.[15]

Despite this divergence in appraisals, it is hard to disagree that Shaimiev is one of the most authoritative of all regional leaders in Russia. He was the main lobbyist of the all-Russia legislation of 2001 to allow the regional chief executives to run for reelection after two terms in office.[16]

1.2 Globalization paradigm as seen from Tatarstan

On the one hand, Shaimiev repeatedly underlines that the federal authorities ought to be primarily busy with taking strategic positions and defending Russian national interests globally, presuming that stronger international engagements by the central authorities will diminish their involvement in the plethora of regional issues. On the other hand, Shaimiev himself strongly adheres to globalization approaches and is not inclined to give up the sphere of international relations to the Kremlin. In his view, the world consists not of governments but primarily of nations and ethnic groups whose interests ought to outweigh the interests of states. The concepts of "nations beyond states" and "global federalism" are rather popular in Tatarstani ruling circles. Some local scholars deem that "national sovereignty of Tatars is more important than the state sovereignty of the republic," since the territory of Tatarstan was fixed arbitrarily whereas the Tatar nation is a well-integrated phenomenon (which is not the case given that 75% of Tatars reside outside Tatarstan).[17]

The Tatarstani view is that globalization gives it direct access to international cultural and social milieus. Global norms and institutions are important for Tatarstan since they might provide international justification for its strategic aspirations for autonomy and self-rule.[18] The international community, in Shaimiev's view, is committed to preserving the cultural diversity of humankind and defending the rights of individual ethnic groups. As Khakim admits, without such internationally accepted values as human rights, peaceful resolution of conflicts, and democratic governance, the very survival of Tatarstan could have been under question.[19]

15 Samara State University web site, at http://www.ssu.samara.ru/research/philosophy/journal2/8.html.

16 *Obshchaia gazeta*, no. 7 (393) (15–21 February 2001), p. 3.

17 Amirkhanov, Rashad. "Tatarskaia natsional'naia ideologia: istoria i sovremennost" (Tatar National Ideology: History and Modernity). *Panorama Forum*, no. 1 (4), 1996, p. 37.

18 Tuzmukhamedov, Bakhtiar. "Territorial'naia avtonomia i prava natsional'nykh men'shinstv: mezhdunarodno-pravovye parametry" (Territorial Autonomy and National Minorities Rights as Seen From International Law Perspectives). *Panorama Forum*, no. 4, 1996, p. 32–37.

19 "Future of Federalism in Russia" research project web site, at http://federalism.soros.ksu.ru/publications/khakimov3.htm.

Yet the current state of international law does not completely satisfy Tatarstani leaders. Thus, according to Khakim, "pleading the principle of non-interference in internal affairs, the international community prefers to leave the solution of self-determination problems to the discretion of the states involved (…). The most radical step towards a renewal of international relations would be to establish a second chamber in the United Nations, one which would represent people and not states. This would change the structure of many international organizations, including the International Court of Justice."[20]

In his foreign policy Shaimiev tries to maintain a balance between West and East. The Tatarstani authorities maintain "special relations" with Muslim countries that focus mainly on cultural and political issues, while relations with non-Muslim countries are mainly aimed at improving economic ties. A good continuation of Tatarstan's policy of balance was the project of restoring the "great Volga road," that historically has proven its efficacy in connecting the northern and western parts of Russia with Caspian and Black Sea ports.[21]

Shaimiev has pointed out that "Western Europe is the landmark for Tatarstan." Tatarstani leaders have expressed their dissatisfaction with incremental anti-Western attitudes among Russian policymakers. At the same time, political and intellectual leaders in Tatarstan have repeatedly expressed their disappointment with the policies of Western countries. Thus, Western-style reforms as implemented by the government of former Russian prime minister Yegor Gaidar in the early 1990s and the shock therapy modeled on American advice were rebuffed in Kazan. Local experts consider that the West adheres to selective support of human rights by ignoring the bloodshed in Chechnya and refusing to politically recognize the separatists.[22] In direct conflict with the Western policy of economic sanctions against Saddam Hussein's regime, Tatarstan is cooperating intensively with Iraq in oil extraction and processing.[23]

Opinion polls in Naberezhnye Chelny had shown that only 10.9% of its population would support fostering market reforms on the basis of political rapprochement with the West. In the minds of many (Muslim) Tatars, pro-Western policy attitudes might lead to the strengthening of Christian influence in the republic.[24]

Inside Tatarstan there are even more radical foreign policy attitudes (of course, we should not exaggerate the political importance of those radical viewpoints for

20 "Future of Federalism in Russia" research project web site, at http://federalism.soros.ksu.ru/publications/khakimov2.htm.

21 Nezavisimaia gazeta web site, at http://regions.ng.ru/printed/far/2000-06-16/2_volga_way.html.

22 Amirkhanov, *Op. cit.*, p. 32.

23 Pershin, Viktor. "Vitse-prezident Iraka posetil Tatarstan" (Iraqi Vice President Has Visited Tatarstan). *EWI Russian Regional Report*, vol. 3, no. 9 (2001).

24 Makarychev, Andrei, ed. *Hard and Soft Security Challenges in the Volga Federal District*. Nizhnii Novgorod: Nizhnii Novgorod Linguistic University and IREX/Professionals for Cooperation. Analytical Report, 2001.

Tatarstan, since the governing elite is much more moderate and pragmatic). For example, activists of the "Tatar Public Center" (one of the nationalist groups) describe the call for boycotting the federal ministries in Tatarstan as "institutions of [a] foreign state."[25] Local nationalists commemorate 15 October, the day when the army of Ivan the Terrible militarily subdued Kazan in 1552, as one of national mourning. The Kurultai (Convention) of the Tatar People appealed to the international community, claiming that Tatarstan is Russia's colony and has to be allowed full-fledged international participation. Among the most radical proposals of the Kurultai delegates was stigmatizing inter-ethnic marriages, establishing contacts with national liberation movements worldwide, and applying for Tatarstan's membership to NATO.[26] Some radical extremists (frequently called "non-traditional Islamic groups," backed by like-minded sponsors from Pakistan, Algeria, Saudi Arabia, Yemen, Lebanon, and other Islamic countries) are implementing some of these theories by recruiting volunteers for Chechen rebels and preparing terrorist attacks.[27]

25 Provintsiia online information agency, at http://www.province.ru/news1.html?454.

26 Zaznaev, Oleg. "Dinamika politicheskogo protsessa v Respublike Tatarstan" (Dynamics of Political Process in Republic of Tatarstan). *Vostochnoevropeiskoe konstitutsionnoe obozrenie*, no. 1 (22), 1998, p. 81.

27 Nezavisimaia gazeta web site, at http://regions.ng.ru/printed/gubern/2000-06-27/1_guerillas.html.

Table 1 illustrates some of these divergent assessments.

Table 1. Divergent assessments from three viewpoints

Issue	Radical nationalists	Tatarstani government	Russian federal authorities
Sovereignty	Transition from "colonial dependency" to full-fledged independence which was interrupted by Russia's military interference in 1552	Sovereignty is flexible and divisible (it might be shared between Tatarstan and Russia)	Sovereignty belongs to Russia as a whole
Territorial integrity of Russia	The principle of territorial integrity might strain ethnic and regional development	Tatarstan does not seek full separation from Russia	Territorial integrity is an unconditional political principle
Foreign policy	Completely independent foreign policy (including applying for NATO membership)	Tatarstan is a state associated with Russia (and is equal to Russia), and in this capacity is a subject of international law	Tatarstan's "foreign connections" (as different from the "foreign relations" of the federal center) are based on the treaty of the division of powers between the regional and the federal authorities
Legal collisions	Tatarstan ought to have its own legal system	Tatarstani laws have priority over Russian federal legislation (as ruled by Tatarstan's Constitutional Court)	Coherence and indivisibility of the legal foundations of Russia
Citizenship	Independent of Russia citizenship	Gradual acceptance of dual (Russian and Tatarstani) citizenship	Single Russian citizenship (Tatarstan is allowed to issue an additional rubric for its residents)
War in Chechnya	Tatarstan ought to follow the Chechen drive for independence, yet be better prepared	Appeal to stop the violence and military actions in the Caucasus, and start negotiations with the Chechen leaders	Use of massive military force to suppress rebels and terrorists
Identity	Islamic identity	Dual identity (European and Islamic): Tatarstan as a bridge between West and East	Common multinational identity of all Russian people
Diaspora	Forming a global Tatar community	A factor legitimizing Tatarstan's global bid	Diaspora is basically a cultural phenomenon
Methods of settling center-periphery disputes	All possible methods up to military insurgence	Negotiations	Negotiations
Ethnicity and democracy	Defending ethnic interests is more important than democracy	Strengthening the ethnic factor is a precondition for democratic development	Democracy has to be built on a non-ethnic basis

chapter 2

Constructing and interpreting the meanings of sovereignty

Sovereignty is the core issue for understanding how the foreign relations of Tatarstan are organized. This chapter begins with a chronological account of the legal relations between Tatarstan and the federal center. The second part of the chapter is more issue-oriented, and will compare basic approaches to sovereignty from both sides involved.

2.1 History of Tatarstan's relations with the federal center

From the very beginning of the demise of the USSR, Tatarstan insisted on a special status within Russia. In these sections we examine how Moscow and Kazan attempted to find ways out of the debacle that resulted from striking gaps that divided them on a plethora of issues related to sovereignty and independence.

Tatarstan's moves

The Supreme Soviet of the Tatar Autonomous Soviet Social Republic had declared state sovereignty for the republic as early as August 1990, without mentioning its association with Russia.[28] Yet the first attempt to take advantage of this failed: on 26 December 1991 the Supreme Soviet of the republic issued a statement declaring the entry of Tatarstan into the Commonwealth of Independent States (CIS) as one of its cofounders, yet this act did not provoke any political consequences.[29]

28 Tatarstan government web site, at http://www.tatar.ru/append47.html.

29 "Belaia kniga Tatarstana. Put' k suverenitetu, 1990–1995" (The White Book of Tatarstan. The Road to Sovereignty, 1990–1995). *Panorama Forum*, no. 5 (8), special issue, 1996, p. 12.

The referendum held in the republic on 21 March 1992 confirmed Tatarstan's sovereignty and its intention to build relations with Russia and other countries on the basis of equality and reciprocity. However, the Supreme Soviet of Tatarstan had officially stated beforehand that the results of the referendum should not be interpreted in terms of secession or non-secession, since Tatarstan does not encroach upon the national integrity of Russia and wishes to stay within the Russian "economic and geopolitical space."[30] The core issue of the referendum, according to this declaration, was to restructure the relationship with Russia. In a separate statement on 16 March 1992, the Supreme Soviet of Tatarstan had ruled that the republic is supposed to provide "dual citizenship" for its residents.[31]

According to the Constitution of Tatarstan adopted in 1992 (prior to the current Russian Constitution), it is the subject of international law and a sovereign state, associated with Russia, and has fully-fledged powers to conduct foreign policy. The laws of Tatarstan are superior on its territory, and Tatarstan is able to suspend Russian federal laws. Its constitution allows Tatarstan to have diplomatic and consular missions in foreign countries.[32] It is also important to remember that Tatarstan – along with Chechnya – refused to sign the Federal Treaty of 1992.

Responses from the federal center

The initial reactions of the federal center to these ambitions were rather muted and compromise-driven. The agreement between the Russian and Tatarstani governments of January 1992 stated the people of Tatarstan possess the land and the natural resources of the republic. The document states that the two parties conduct their own foreign economic activities, except for production, which requires licensing and quoting.[33] For example, the agreement between the Russian and Tatarstani governments of 5 June 1993 stated that the volumes of oil extraction and oil delivery have to be specified each year in bilateral negotiations. This document gives the Tatarstani government the right to conclude separate treaties with foreign countries on the transportation of locally extracted oil.[34] Another agreement, signed on 22 June 1993, confirmed that Russia and Tatarstan form an integrated customs area.[35]

The communiqué of 2 July 1992 signed between the Russian and Tatarstani governments stated that their relationship is based on Tatarstan's sovereignty and international position.[36] Yet the most important document shaping their bilateral relations

30 *Ibid.*, p. 15.

31 *Ibid.*, p. 19.

32 *Ibid.*, p. 23.

33 *Ibid.*, p. 36.

34 *Ibid.*, p. 61.

35 *Ibid.*, p. 72.

36 *Ibid.*, p. 39.

was the "Treaty on Power Sharing" signed on 15 February 1994, which Tatarstan views as regulating relations between two states. It invokes that "as a state, Tatarstan is united with the Russian Federation,"[37] and therefore has a number of associated rights (e.g., to establish its citizenship, to conduct foreign economic activities, and to set up the rules of alternative military service for Tatarstani residents). Joint jurisdiction issues include defense of sovereignty and territorial integrity (supposedly of each other), implementation of mobilization plans in emergency situations, coordination of international contacts, conduct of monetary policy, management of transportation networks, ecological monitoring in accordance with international norms and procedures, the courts system, and land use. It was stipulated that Russia has under its jurisdiction such issues as human rights and minorities policy, state property, legal foundation of the common market, federal budget, energy systems, communication infrastructure, war and peace issues, defense and security, and border control.[38] As a result of compromise, the power-sharing treaty included no mention of "sovereignty" and "international law." Tatarstan sent its representatives to Russia's Federal Assembly only after this treaty was signed.

A number of intergovernmental agreements were based on the power-sharing treaty. It was officially stated on 15 February 1994 that the National Bank of Tatarstan was a part of the Central Bank of Russia.[39] Yet another document – signed the same day – allowed excise charges related to alcohol, oil and gas, land rent, and revenues from privatization to be included in Tatarstan's budget.[40] A power-sharing agreement related to the economy, that was concluded on 15 February 1994, left several at Tatarstan's own discretion, including signing economic cooperation agreements with foreign regions and states, taking state and commercial credits, forming its own monetary fund, participating in international organizations, crediting foreign partners, and creating free economic zones in Tatarstan.[41]

A special agreement regulates military industry issues. The federal center has delegated to the Tatarstani government the right to control and oversee the defense industry within the framework of special programs, provided that they comply with Russian standards. No special provisions concerning arms sales were agreed upon, and the appointment of directors of military enterprises fell into a joint sphere of jurisdiction.[42]

The two governments have agreed that it is the prerogative of Russian authorities to regulate military personnel training. In exchange, the Tatarstani government

37 The Constitution of Tatarstan (Article 61) identifies this republic as "associated with the Russian Federation" (i.e., no mention of being "united").

38 *Ibid.*, pp. 86–90.

39 *Ibid.*, p. 76.

40 *Ibid.*, p. 78.

41 *Ibid.*, p. 74.

42 *Ibid.*, p. 68.

received concurrent powers related to defense mobilization matters in its territory, as well as recruitment of servicemen from the republic to the armed forces. Military service by Tatarstani residents beyond Russian territory became possible only with their consent. With the approval of the Tatarstani government, parts of Tatarstani territories might be made available to the Russian Defense Ministry, provided that no tests of mass destruction weapons are carried out. The Russian military command has to notify the government of Tatarstan about all planned military exercises, as well it has to request approval for relocation of military bases and military equipment, and transportation through the republic of nuclear and chemical weapons. The agreement stipulates that all the ecological and industrial damage incurred as the result of actions of military installations in Tatarstan will be compensated for by the Russian budget.[43]

The above agreements show that Tatarstan's sovereignty is limited, and during the 1990s Moscow was generally satisfied with this state of affairs; the federal center had no intention to sharpen the differences and widen the gaps. Hypothetically, both parties could apply different strategies to each other. The federal center could theoretically opt for blocking the participation of Tatarstan in Russia's missions abroad, applying economic pressure (e.g., trade embargoes, and implementing tariffs and border controls), banning or complicating transport communication with Tatarstan, and creating a business-unfriendly climate in Tatarstan. In turn, Tatarstan could slow down production of much needed military equipment for the Russian armed forces, and play the "ethnic card" so as to provoke tensions between Russians and Tatars.[44] Fortunately, these options were discarded both by the federal center and by Tatarstan, as leading to growing confrontation and a dangerous destabilization of mutual relations.

2.2 The verbal battle for sovereignty: ambiguity as political strength

The notion of sovereignty – as used by Tatarstan leaders – is rather vague. Adjectives such as "contradictory," "complicated," "clouded," "unsettled," "murky," "amorphous," and "confused" could be applied to Tatarstani-Russian legal collisions, which can be divided into three types. First, according to the Tatar Constitution, Tatarstan is a sovereign state and a subject of international law associated with Russia. By contrast, the Russian Constitution asserts that Tatarstan is a subject of the federation and a part of its territory. Secondly, although Tatarstan claims the independent right to determine its legal status, Russia contends that the republic's status is defined according to a joint reading of both federal and republican constitutions. Thirdly, each constitution provides for the supremacy of its own provisions.[45]

43 *Ibid*., pp. 82–84.

44 Walker, Edward. "Sobaka kotoraia ne laiala: Tatarstan i asymmetrichnii federalism v Rossii" (The Dog Which Never Barked: Tatarstan and Asymmetrical Federalism in Russia). *Panorama Forum*, no. 18, 1997–98, p. 85–88.

45 Nikravesh, Babak. "Quebec and Tatarstan in International Law." *The Fletcher Forum of World Affairs*, vol. 23, no. 1 (winter–spring 1999), p. 237.

It was President Boris Yeltsin who first offered self-rule and self-management to Tatarstan. Since that time, different interpretations of sovereignty have appeared, including "taxation sovereignty," "economic sovereignty," "dual sovereignty," "shared sovereignty," "distributed sovereignty," and "divided sovereignty." Most of these intellectual inventions are subject to different interpretations and open for further discussion. None of them should be taken for granted, because these are essentially political – rather than legal – issues.

Tatarstani approaches

From the very beginning there was a great deal of uncertainty with regard to Tatarstani sovereignty. Mikhail Stoliarov, the first deputy of the representative of Tatarstan in Russia, assumes that in the federal state there is no single and indivisible sovereignty in the traditional sense, since under federalism there might be "cohabitation" of multiple sovereignties, as determined by the voluntary transferring of powers between the central and regional governments.[46] Farid Mukhametshin, the chairman of the State Council of Tatarstan, insists that the relations between Tatarstan and Russia are equivalent to those between two states.[47] Shaimiev himself interprets sovereignty as "the right to act autonomously within the framework of proper prerogatives."[48] In his view, since "it would be too short-sighted to claim for full independence," Tatarstan is ready to accept that it voluntarily becomes a member of Russia and transfers to the federal center the right to decide on such issues as federal foreign policy, war and peace issues, and Russian international treaties.[49] This is what is described by Shaimiev himself as "moderate sovereignty," which has neither an anti-Russian nor secessionist background, and which even recognizes the functions of the federal authorities in "strategic planning."[50]

What we see here is a clear mix of legal and political approaches. Legal purity had never been the highest priority for Tatarstan.[51] What was most important was to maintain a certain level of controversy and even conflict with the federal center in order to strengthen its bargaining power and find excuses for eventual failures in its own policies.

46 "Future of Federalism in Russia" research project web site, at http://federalism.soros.ksu.ru/conference/konfer1/stoljarov.htm.

47 Nezavisimaia gazeta web site, at http://ng.ru/regions/2000–02–15/4_kazan-bral.html.

48 *NG-Osobaia papka*, no. 1, 27 February 2001, p. 2.

49 Http://www.nns.ru/interv/int1002.html.

50 Nezavisimaia gazeta web site, at http://ng.ru/printed/specfile/2001-02-27/10_suverenitet.html.

51 Mukhariamov, Nayl. "Respublika Tatarstan. Khronika politicheskogo protsessa" (Republic of Tatarstan: Chronicle of Political Process). *Occasional Papers on the Elite of the Mid-Volga Ethnic Republics*, no. 3. Japan: Slavic Research Center, Hokkaido University, 2000, p. 49.

All the legal irregularities and imperfections described above might have remained durable because neither the federal center nor Tatarstan was interested in establishing clear and transparent relationship mechanisms. Both parties were wishing to leave as much room for "under-the-carpet" bargaining and personal deals as possible.[52]

It is true that Tatarstan succeeded in informally lobbying its interests using a variety of political arguments. However, not all of them were consistent, and almost all are open to multiple interpretations. Thus, the chairman of the Law Department in the Tatarstani State Council, Shakir Yagudin, interprets the legal uncertainties so as to make Tatarstan "the state within the state."[53] Describing its nature, Shaimiev defines it as "the state of all peoples living in our territory," and simultaneously as "the state of Tatars."[54] He wants independent powers but pledges not to undermine the unity of Russia. Presenting himself as a federalist, Shaimiev opts in fact for the "union state with the elements of confederation."[55] He is in favor of raising the status of Russian oblasts within the federation, but opposes granting the oblasts the same rights as those enjoyed by the republics.[56] In our view, all these statements are based on political symbolism rather than on targeting the real issues that Tatarstan has to face.

Federal policies

No less controversial is the standpoint of the federal center. The Constitutional Court of Russia had ruled that the recognition of Tatarstani statehood does not necessarily imply the recognition of its sovereignty. The statehood, in the Constitutional Court interpretation, only reflects certain peculiarities of Tatartan's legal status, as related to historical, ethnic, and other legacies. In reference to the 1992 referendum, the Constitutional Court argued that it was not legitimate to state that Tatarstan was the subject of international law.

Sergei Shakhrai, one of Yeltsin's top political advisers, uses different explanatory markers, by assuming that having elected their representatives to the Duma and voted in all-Russian presidential elections, the people of Tatarstan *de facto* recognize the sovereignty of Russia over the territory of Tatarstan.[57] Shakhrai, one of the key political figures in charge of drafting the Moscow-Kazan agreement of 1994, reinterpreted the "associated status" of Tatarstan not in terms of state-to-state relations (as authorities in Kazan did) but rather as a kind of "natural association" going back to the Middle Ages.

52 Human Rights Association web site, at http://www.hrights.ru/text/b12/Chapter9.htm.

53 "Future of Federalism in Russia" research project web site, at http://federalism.soros.ksu.ru/conference/seminar1/jagudin.htm.

54 Spiritual Heritage think tank web site, at http://www.nasledie.ru/oboz/N23_93/23_01.htm.

55 *Ibid*.

56 *Ibid*.

57 Shakhrai, Sergei. "Federalism po-kazanski" (Federalism, Kazan's Way). *NG-Osobaia papka*, no. 1, 27 February 2001, p. 12.

Associated relations are treated as those of the historical alliance of Tatars and Russians, united organically by the very nature of vicinity and multiple communications.[58]

As for the legal aspects, according to the federal law of January 1999 "on coordination of international and foreign economic activity of Russian Federation's constituent parts," Russian regions cannot sign agreements with foreign central authorities unless the Russian government approves them. This provision formally runs against the power-sharing treaty between Russia and Tatarstan. The Constitutional Court of Russia has issued two statements on Tatarstan (on 13 March 1992 and 17 June 2000) that indicated – in defiance of multiple documents signed between Moscow and Kazan – that laws proclaiming Tatarstan's sovereign status were unconstitutional.

Despite all these inconsistencies from both parties involved, it is important that from the beginning of the 1990s, sovereignty was seen in Kazan as a process to be developed on an *ad hoc* basis. In Shaimiev's words, "we don't think the sovereignty is an absolute, neither we push it forcefully in those directions where there is no way to go – for example, in defense or financial matters. Should the circumstances change, we shall react."[59] Again, this is a good example of a purely political approach to solving the legal controversy. Khakim has explicitly acknowledged that "we were independent only one day [when] we have proclaimed the sovereignty, yet next morning we have started the process of self-restriction."[60] Here is the core difference between Tatarstan and Chechnya: the former is eager to achieve the "free-hands policy" within the federation, while the latter was aimed at "running away" from Russia.

Tatarstan's strategy might be called a piecemeal sovereignty. What Tatarstan proposes – and the federal center might easily accept – is the following set of key points:

- Recognition of its partial (limited) sovereignty
- Further delineation of responsibilities between the republic and the federal center
- In case of legal conflicts between the republic and the federal center, priority should be given to the legal norms of the party in charge of the question under consideration[61]

This is exactly the agenda for negotiations between Tatarstan and the federal center under Putin's presidency. We now turn to this issue in the next section.

58 *Ibid.*

59 *Ibid.*

60 "Ot konfrontatsii k navedeniu mostov" (From Confrontation to Bridging the Gaps). *Panorama Forum*, no. 15, special issue, 1997, p. 83.

61 This is determined in accordance with the Constitution or the power-sharing bilateral agreements. Stoliarov, Mikhail. "Mezhdunarodnaia deiatel'nost sub"ektov federatsii: interesy, prava, vozmozhnosti" (International Activities of the Subjects of Federation: Interests, Rights, Opportunities). Panorama Forum, summer 1997, p. 79.

2.3 Sovereignty in question: Tatarstan within the context of Putin's reforms

Putin's centralization policy had directly affected Tatarstan in many ways. On 27 June 2000, the Russian Constitutional Court questioned the sovereign status of the republic. In June 2001, the Supreme Qualification College of Russian judges issued a warning statement to the chairman of the Tatarstani Supreme Court, Gennadii Baranov, regarding his failure to comply with Russian legislation.[62] Sergei Kirienko, the presidential envoy in the Volga Federal District (VFD), questioned Shaimiev's ambition to represent the interests of all Russian Tatars (alluding to the fact that the majority of Tatars live beyond the republic).[63] The Customs Board of Tatarstan was rearranged and subordinated to the Volga customs authorities.[64] Vladimir Zorin, deputy presidential representative in the VFD, challenged the Tatarstani ethnic policies by positing that "there are a number of problems that the confessions are unable to solve by themselves"[65] without interference of the central government.

With the start of the territorial reform in May 2000, Putin announced that the first task of presidential envoys in the federal districts would be to bring local laws into line with federal ones. The commission on revising the Tatarstani legislation began working on this on 11 September 2000. Initially the deadline was set for 31 December 2000, but for Tatarstan and Bashkortostan – the two republics with the greatest number of laws, which did not conform to federal ones – this period was prolonged to 9 March 2001.

The process of legal equalizing turned out to be an uneasy enterprise. Thus, both the Constitutional Court and the Supreme Court of Tatarstan had harshly criticized the appeal of the deputy prosecutor general in VFD, Alexander Zviagintsev, who urged canceling 40 articles of the Constitution of Tatarstan which, in his opinion, contradict the Russian legislation. Yet the Russian Supreme Court insists that its Tatarstani counterpart had to decide on this issue.[66] Moreover, the Russian Constitutional Court had stated that violations of the national laws occurred during the most recent election to the State Council of Tatarstan, which in fact questions the legitimacy of the Tatarstani parliament.[67]

62 *Vremia MN*, 6 June 2001.

63 Volga Federal District web site, at http://www.pfo.ru/main/news.phtml?id=2743.

64 Strana online information agency, at http://volga.strana.ru/print/979550319.html.

65 *NG-Religii*, 28 March 2001, pp. 1, 3.

66 Nizhnii Novgorod online information agency, at http://www.infonet.nnov.ru, 25 May 2001.

67 Strana online information agency, at http://volga.strana.ru/print/991240845.html.

Tatarstani leaders issued a number of statements to counteract this. The first reaction to Putin's initiatives was indignation: Marat Galeev, the chairman of the permanent commission on economic development and reforms of the State Council of Tatarstan, called the whole federal reform unfeasible and conducive to violations of current legislation.[68]

Yet, Shaimiev showed more moderation. He expressed his strong support for keeping the power-sharing agreement intact, alluding that there are no other documents that legally frame Tatarstan's association with Russia. His thesis is that Russia would be a unitary state without the treaties between the federal center and the regions.[69]

Later, Shaimiev came up with a proposal to amend the Russian Constitution by changing the rules regulating the formation of electoral districts. The item that Tatarstani authorities are most eager to do away with is the clause prohibiting a population difference of greater than 10% between the electoral districts. Farid Mukhametshin looks for support from other ethnic republics (in particular, Adygeya and Dagestan) that are not satisfied with the "10% clause" because it makes it impossible to form electoral districts based on ethnicity.[70] As many in Tatarstan deem, determining electoral districts on the basis of ethnicity might avoid turning political campaigning into inter-ethnic clashes, and keep the voters' choice within the framework of one ethnic group. Understanding that this arrangement is a clear departure from democratic procedures, Tatarstani political experts concede that this is a precondition for ethnic peace in the republic.[71] In exchange for acceptance of its legislative proposal, Tatarstan is ready to negotiate the further removal of articles related to the republic's sovereignty from its constitution.

A number of other concessions to the federal center have also been made. Shaimiev has agreed to introduce a bicameral model into the State Council, and give opposition forces seats in its lower house.[72] In autumn of 2000, he also supported Putin in reintroducing the Soviet national anthem. Regarding the economy, for the first time in a decade, the 2001 Tartarstani budget was drafted in accordance with national tax legislation, abolishing certain local taxes and channeling 60% of its revenues to the federal budget, as do all other regions of Russia. In exchange, the federal

68 Galeev, Marat. "Sovremennie tendentsii razvitia federalizma i reformy gosudarstvennoi vlasti v Rossii" (Current Trends in Development of Federalism and State Power Reform in Russia). Available at http://federalmcart.ksu.ru/conference/konfer2/galeev.htm.

69 Yagudin, Shakir. "Problemy subsidiarnosti rossiiskogo federalisma na primere Respubliki Tatarstan" (The Problems of Subsidiarity of the Russian Federalism: the Case of Tatarstan), at http://federalmcart.ksu.ru/conference/konfer3/jagudin.htm.

70 Strana online information agency,at http://volga.strana.ru/print/990817539.html.

71 Abdrakhmanov, Rafik and Gulsum Pugachova. "Perspektivy federalisma v Rossii" (Perspectives on Federalism in Russia). Available at http://federalmcart.ksu.ru/publications/pugach1.htm.

72 Strana online information agency, at http://volga.strana.ru/print/976774156.html.

government agreed to jointly fund some projects that were previously funded exclusively from republican budgets.[73]

These facts clearly indicate that the political elite shows a great deal of soberness and moderation, and strategically looks for political settlement of their disagreements with the federal center. Since autumn 2000 Shaimiev has spoken of a "self-sufficient" (and not "sovereign") Tatarstan: "The offices of federal agencies have begun to open in Kazan, and Moscow has re-imposed control over tax collection and spending. The introduction of teaching using the Latin alphabet has been postponed, with existing projects labeled experimental."[74] The Communication Board of Tatarstan was integrated into the federal unit.[75] Some local experts have started discussing the conditions for Tatarstan's entry into an enlarged region, should the federal center take this decision.[76] Shaimiev's view was that there was sufficient space for bargaining with the federal authorities. This strategy of compromise was reinforced by political messages he was receiving from Moscow, basically signalizing that Putin is not intending to unseat Shaimiev.

Tatarstani authorities are looking for political compromises based on changes to the constitutions of republics (including Tatarstan) being complemented by adequate revisions of the federal constitution.[77] Yet, Tatarstan seems to be unwilling to give up its conviction that Russia has to remain an asymmetrical federation and needs the Chamber of Nationalities as a part of its parliament.[78] Shaimiev strongly supports keeping the heads of the subjects of federations popularly-elected, whilst appointing the heads of the municipal units.[79]

Tatarstan still has reservations regarding territorial reforms. Shaimiev is one of the most vociferous critics of the withdrawal of regional leaders from the Federation Council.[80] In an attempt to start a public debate on the effectiveness of a new regional division of Russia, Shaimiev proposed dividing each of the federal districts into several territorial entities each comprising two or three subjects of federation. In his opinion, 15 "small regions" within one federal district (as in the case of the VDF) is too many. To develop these ideas further, in April 2001 Farid Mukhametshin came up with the proposal to officially allow the "donor" regions (those contributing more to the

73 Strana online information agency, at http://volga.strana.ru/print/976303610.html.

74 Jack, Andrew. "Republic Brought back into Line with Moscow." *Financial Times*, 9 April 2001, p. VI.

75 Strana online information agency, at http://www.strana.ru/print/989352492.html.

76 Iskhakov, Damir. "Perspektivy federalizma v Rossii: vzgliad iz Tatarstana" (Perspectives for Federalism in Russia: An Outlook from Tatarstan). Available at http://federalmcart.ksu.ru/conference/konfer2/iskhakov.htm.

77 Tatarstan government web site, at http://www.tatar.ru/00001080_c.html.

78 Tatarstan government web site, at http://www.tatar.ru/append114.html.

79 Strana online information agency, at http://volga.strana.ru/print/976356253.html.

80 *Regiony Rossii*, no. 5 (25), 12 February 2001, p. 24.

federal budget that they receive from it) to have a number of adjacent weaker provinces under their financial patronage. These regional groupings centered on several leaders (including Tatarstan itself) could be the nuclei of future new regional agglomerations in Russia.[81]

Shaimiev is still the political figure that the federal authorities have to take more seriously than most other regional chieftains (Putin has publicly confessed that it was Shaimiev to whom he first offered the post of the head of the VFD).[82] In the opinion of Professor Vladimir Razuvaev, "in the light of Taliban successes in Afghanistan and possible 'domino reaction' all across Central Asia, Moscow treats Shaimiev as a much needed leader who could have been used as a barrier to religious extremism and political destabilization."[83] Shaimiev was appointed to the seven-governor presidency of the newly-created State Council as a symbol of easing tensions between Tatarstan and Russia.[84] In the State Council, Shaimiev chaired the *ad hoc* group responsible for elaborating power sharing in the joint-jurisdiction issues of Russia and the regions. The main aim of his project was to further redistribute concurrent powers between federal and regional authorities. Yet the Kremlin's reaction to Shaimiev's report to the State Council was quite revealing: it was withdrawn from the agenda at short notice,[85] which indicates that the federal center is not yet ready to discuss these issues in depth.

The good news for Tatarstan was that the federal center found out that there were regional laws (like Tatarstan's Land Code)[86] that were either better than the federal ones or unique. Kirienko has conceded that it is necessary to use regional experience and make amendments or adopt new laws at the federal level. This is a good example of the regions' ability to influence federal policy- and law-making.

Kirienko has highly praised Tatarstani authorities on several occasions. In his words, "one day there will be a monument to Shaimiev built."[87] In a conciliatory manner he admitted that the tax privileges obtained by Tatarstan from the federal center were properly used to help the republic's economy.[88] Kirienko praised Tatarstani

81 *EWI Russian Regional Report*, vol. 3, no. 10 (2001).

82 Nezavisimaia gazeta web site, at http://regions.ng.ru/printed/gubern/2001-04-24/1_governor.html.

83 Nezavisimaia gazeta web site, at http://regions.ng.ru/printed/far/2000-10-17/1_tatarstan.html.

84 Shaimiev was one of the leading members of "Fatherland-All Russia," the political alliance shaped in summer 1999 prior to Russia's parliamentary elections. This grouping consisted of other powerful politicians including former prime minister Yevgeny Primakov, mayor of Moscow Yurii Luzhkov, governor of St Petersburg Alexandr Yakovlev. "Fatherland-All Russia," in distinctive opposition to the Kremlin, had been in the lead until the pro-Putin "Unity" party was formed. Yet the anti-Kremlin opposition of Mintimer Shaimiev was left with no repercussions from the federal center.

85 Political Comments web site, at http://www.politcom.ru/p_pr.html.

86 Commission on Spatial Development of the Volga Federal District web site, at http://okrug.metod.ru/books/ppp/Arhiv/1year/Kir28.02.2001/getindex.

87 Volga Federal District web site, at http://www.pfo.ru/main/news.phtml?id=2749.

88 *Regiony Rossii*, no. 11 (31), 26 March 2001, p. 37.

authorities for their understanding of the need to build up "integration chains" with other regions in order to be competitive abroad.[89] He compared Tatarstan with a vertically structured corporation, but competing rather effectively with other political and economic actors using a variety of legitimate means: "I am not saying this was the right thing to do; what I am saying is that it worked."[90] At the same time, Kirienko termed the Tatarstani demand for introducing a "nationality" rubric in new passports as a "violation of human rights:"[91] in his view, in a democratic society it is not mandatory for people to indicate their ethnic affiliation.

Nevertheless, the intellectuals in Tatarstan expressed great concerns regarding Putin's intentions to subdue the regions.[92] The very establishment of the federal districts was put under question, since local experts argued that the federal government already possessed adequate instruments for overseeing the regions (e.g., courts, and ministries of justice), and there was no guarantee that Putin's system would work any better.

2.4 Sovereignty and foreign policy issues

Tatarstan uses a number of arguments in its aspirations for a free and autonomous foreign policy. First, the power-sharing agreement signed with the federal center stipulates that Tatarstan is an associated state. This provision distinguishes Tatarstan from all other Russian subjects.

Secondly, international trans-regionalism practices are a strong source of international self-assertion. Thus, Vladimir Pustogarov (a senior scholar at the Institute of the State and Law, Russian Academy of Sciences) assumes that it is very hard to legally define what is meant by a "subject of international law." In his opinion, no additional recognition or confirmation is needed if the member of the federation should wish to participate in international exchanges. What is most important is that the powers of the region in international issues ought to correspond to the national constitution and international obligations of Russia.[93] These are the most customary limitations imposed on the sovereignty of the federal units in other federations.

Tatarstan aspires to conduct foreign policy in its capacity as a state rather than one of the Russian regions. It develops external relations with a wide range of different international actors with different weights and statuses. Among them are not only nation-states, but also other regions such as Quebec (Canada), Saxony (Germany), Bukhara (Uzbekistan), Madrid (Spain), and South Australia, and organizations such

89 *Regiony Rossii*, no. 8 (28), 5 March 2001, p. 30.

90 *Regiony Rossii*, no. 12 (32), 2 April 2001, p. 28.

91 Volga Federal District official web site, at http://www.pfo.ru/main/news.phtml?id=2605.

92 "Regions.ru" online information agency, at http://www.regions.ru/news/176552.html.

93 Pustogarov, Vladimir. "Gosudarstvennii suverenitet i mezhdunarodnoe pravo" (State Sovereignty and International Law). *Panorama Forum*, no. 1 (14), 1996, pp. 45–47.

as the Carroll Foundation (United Kingdom), the Open Society Institute (part of the Soros Foundation), and the Export-Import Bank of the US.

Debates about Tatarstani international participation were symptomatically extended to citizenship issues. Agreements between Russia and several republics (including Tatarstan) had formally stipulated that citizenship issues ought to be tackled by those republics themselves. The conflict unfolded as soon as the implementation of those provisions began. The federal center is fearful that introduction of Tatarstani citizenship would signify the appearance of the dual citizenship that is unacceptable to Moscow. The head of the Legal Department of the administration of the president of Tatarstan, Raisa Sakhieva, has assured nevertheless that her government still adheres to the principle of common citizenship, but reserves the right to set special rules related to citizenship, as well as grant Tatarstani citizenship to those individuals who do not hold Russian citizenship.[94]

Shaimiev emphasizes that Tatarstan will not encroach upon federal powers in defense issues, border demarcation, and customs and economic policies. Yet in 1994, Tatarstan had signed the Treaty on Friendship and Cooperation with Abkhazia, an autonomous territory in northwestern Georgia seeking full independence. This act provoked protest from both Georgia and Russia, since it was interpreted as an encroachment upon the territorial integrity of Georgia.[95]

Tatarstan has demonstrated that its approaches to foreign and security policies are very different from those of Russia. Table 2 outlines these differences.

94 "Future of Federalism in Russia" research project web site, at http://federalism.soros.ksu.ru/conference/seminar1/sakhieva.htm.

95 "Dogovor o druzhbe i sotrudnichestve mezhdu Respublikoi Tatarstan i Respublikoi Abkhazia" (Treaty on Friendship and Cooperation between Tatarstan and Abkhazia). *Panorama Forum*, no. 1 (4), 1996, pp. 116–119.

Table 2. Russian-Tatarstani differences on foreign policy issues

Issue	Russian standpoint	Tatarstani official standpoint[96]
1. Balkans	Yugoslavia is the victim of NATO aggression	Serbs are responsible for ethnic cleansings and should not be supported
2. Chechnya	Conflict in Chechnya is a Russian domestic issue	War in the Northern Caucasus has global consequences since Chechnya was *de facto* independent
3. Belarus	Unification with Belarus is a top-priority issue to be solved by Moscow and Minsk	Unification with Belarus is a top-priority issue to be solved by Moscow and Minsk
4. CIS integration	Alliance with former Soviet republics is the highest long-term priority	CIS integration is the pretext for restoring the imperial ambitions of Russia[97]
5. NATO	NATO is a threat to Russian national interests	No threat is expected from NATO in the foreseeable future
6. China	Strategic partnership with China based on military cooperation is of utmost importance	Sino-Russian relations will remain strained and chilly
7. Western religious missions	"Non-traditional" religions should have limited rights in Russia	All Christian religions (e.g., Orthodox, Catholic, and Protestant) should have equal status and opportunities in Russia[98]
8. Ministry of Foreign Affairs (MID) functions	MID is the chief coordinator of international activities of the subjects of federation	MID fails to fulfill its coordination function because of lack of political power

The first four issues in Table 2 can be identified as the most pronounced and thus the fuel for much of the debate between Moscow and Kazan:

1. Military conflict in Kosovo in the spring of 1999 has drawn a line between federal and Tatarstani security policies. In the aftermath of NATO military action the State Council of Tatarstan issued a special statement pledging to defend the rights of ethnic minorities worldwide and thus contribute to halting "aggressive nationalism." Tatarstani legislators condemned the ideas of "ethnic linkages" and "confessional solidarity" with the Serbs, as well as attempts to form voluntary military brigades in Russia for direct participation

96 Khakim, Rafael. "Rossiia i Tatarstan u istoricheskogo perekriostka" (Russia and Tatarstan at a Historical Crossroads). *Panorama Forum*, no. 1, 1997, p. 43.

97 *Ibid*.

98 Iskhakov, Damir. "Model' Tatarstana: za i protiv" (Tatarstan's Model: Pros and Cons). *Panorama-Forum*, no. 2, 1995, p. 66.

in the Kosovo fighting. Those projects were said to divide Russia along ethnic lines and leave the volunteers without adequate legal and social protection.[99] In another statement on the Balkans crisis, the State Council of Tatarstan called the decision to send Russian peacekeeping troops to Kosovo as "senseless," "immoral," and "unacceptable," since it diverted scarce financial resources from domestic needs.[100] Later Shaimiev stated that federal politicians should give up the illusion that "Europe would not survive without Russia," backing Russia's hands-off policy in Kosovo and Chechnya instead. Shaimiev argued that "Europe will undoubtedly survive, while [it] is Russia who is to suffer from the isolation from the civilized world."[101]

2. Tatarstan provoked a harsh reaction from Moscow in 1997 by concluding the Treaty on Friendship and Cooperation with Chechnya. This was the first document signed by the Chechen government after the end of the first Chechen war. Moscow interpreted this treaty as indirect support of Chechnya's search for full independence. Furthermore, the former president of Chechnya, Dzhokhar Dudaev, was willing to have Shaimiev as a mediator between the breakaway republic and the federal center. When the Supreme Soviet of Tatarstan had passed a law forbidding participation of its residents in Russia's military campaign in Chechnya, it was again interpreted as another manifestation of defiance towards the federal government.

3. Officially, Kazan is also unhappy with Russian-Belorussian integration. In Russia there were debates on whether this would be a compound of two states or whether Belorussian constituent entities would become Russian units. The second option was perceived as decreasing the status of Russian regions. Shaimiev has been criticizing Russia-Belarus rapprochement since 1997, indicating that it might enhance the asymmetry of Russian federalism. Tatarstan and some other republics stated that they would insist on having powers similar to those of Belarus in the new entity. Experts predict that implementation of Russia-Belarus unification might be used by Tatarstan as a pretext for increasing its own autonomy within the new federation (or what would then be the Russia-Belarus confederation).

4. Kazan views CIS integration with suspicion, and treats it as a continuation of a century-long "big brother" policy. As well as stemming from political factors, skeptical attitudes to deepening partnership with newly independent states might also be explained by the small amount of trade and commerce with them: data from 2000 shows that CIS countries account for only US$308 million of the US$3'165 million foreign economic trade.[102]

99 Tatarstan government web site, at http://www.tatar.ru/00001062.html.

100 Tatarstan government web site, at http://www.tatar.ru/00001071.html.

101 *Regiony Rossii*, no. 23 (3), 29 January 2001, p. 35.

102 Tatarstan government web site, at http://www.tatar.ru/00000058.html.

The last four issues in Table 2 were of less importance, but they still provoked a good deal of discussion between Moscow and Kazan. It was of prime importance that theoretical discussions gave rise to some practical moves from Tatarstan's side. In 1995, Shaimiev temporarily introduced the post of Tatarstan's representative on humanitarian issues in Ingushetia to coordinate establishing and maintaining relations with the Tatar communities in the Northern Caucasus, providing the refuges with medical assistance and food, and assisting the families from Tatarstan in search of hostages and prisoners.[103] Tatarstan officials tried to mediate between the Russians and the Chechens, proposing the principle of "delayed solution" which was partly implemented in the " Khasaviurt agreements" of 1996 and subsequent negotiations with the guerillas. In 1999, the State Council of Tatarstan banned the practice of sending conscripts from Tatarstan to the North Caucasus, ordering that Tatarstani residents could be recruited as soldiers only on a voluntary basis.[104] It is also known that Tatar delegations joined UN representatives to negotiate with the leaders of the Taliban over the release of a captured airliner crew, and discussed prospects for Russian policy in the Afghan civil war.[105]

The Russian government, however, ignored Tatarstan's international potential, including for example an interesting and unusual attempt to convene an international forum to discuss ethno-political conflicts in post-Soviet republics. This idea was implemented in the form of the "Hague Initiative" to bring together leaders from Tatarstan, Georgia, Moldova, and Ukraine, as well as a group of eminent international experts in conflict resolution.[106]

103 Bulatov, Rashid. "Gumanitarnaia deiatel'nost Respubliki Tatarstan v Severo-Kavkazskom regione" (Humanitarian Activities of Tatarstan in the Northern Caucasus). *Panorama Forum*, summer 1997, pp. 116–120.

104 Tatarstan government web site, at http://www.tatar.ru/00001075.html.

105 Nikravesh, *Op. cit.*, p. 247.

106 *Mezhdunarodnyi opyt uregulirovania etno-politicheskikh konfliktov (International Experience of Resolving Ethno-Political Conflicts)*. Kazan, 1996.

chapter 3

Gaps in identity

The issue of identity has special importance in the analysis of Tatarstan's international involvement, since cultural factors – in conjunction with interests and institutions – are a power resource for group creation, political mobilization, and setting political agendas.[107] In Arbakhan Magomedov's description, regional elites in Tatarstan should be treated not only as policy-makers but also as generators and communicators of political ideas. In trying to find the deep meanings underlying regional political discourses in the marketplace of ideas, one has to refer to the cultural and civil foundations of regional identity policies.[108]

3.1 Identity through the prism of globalization

Ethnic and religious identities might provide a focus for the affiliation and allegiance of people, and give them a stronger sense of belonging to a specific cultural and territorial environment.[109] It is widely presumed that culture and identity are varied, flexible, and fluid. The case of Tatarstan demonstrates that identities can be reconstructed as social and political opportunities change: Tatarstan quite successfully asserted its cultural specificity and autonomy. In fact, it is one of the few Russian regions that has a consistent and coherent vision of its identity, as distinct from that of Russia. The construction and maintenance of Tatarstan's identity is, to a significant extent, fueled by

107 Petro, Nicolai and Lawrence Robertson. "Issues of Culture and Identity: 'Cultural Entrepreneurship' in Russia's Regions." Available at http://climate.geor.arizona.edu/~web/rrwg/culture.html.

108 Magomedov, Arbakhan. "Regional Ideologies in the Context of International Relations." Paper presented at the Conference on "Russian Regions in International Security Environment." Zurich: Center for Security Studies and Conflict Research, 6–7 July 2001.

109 Kassianova, Alla. "Identity in International Relations." Available at http://www.ir-online.org.

the very strong and influential intellectual elite in that republic, especially when compared to other republics.[110] It is the intellectuals (e.g., scholars, journalists, and writers) who generate ideas and circulate them among the top policy makers.

Seemingly, we find a peculiar mix of myths, symbols, slogans, and rituals (which are often irrational) – sometimes under the guise of "regional ideologies," "doctrines," or "models" – that are born either as the instrument of a region's self-assertion *vis-à-vis* the federal center, or as a reaction to a presumed loss of ethnic or religious distinctiveness in the era of globalization. In a globalizing world, Tatarstan is concerned about preserving its ethnic identity, wrapped in religious colors.[111] That is why some seemingly technical issues – such as the introduction of new Russian passports with no mention of "nationality" of the holder – provoke harsh reactions in this region. The Tatarstani State Council ordered that new passports not mentioning the bearer's nationality should not be issued, and stated that it felt aggrieved that they were printed only in Russian. The Tatarstani elite felt that these omissions robbed Tatarstan of its status as an ethnic republic with two official languages.[112] To a certain extent, this reaction showed that for Tatarstan an ethnic identity is a sort of "collective therapy for social trauma of Soviet totalitarianism."[113]

The decision to switch from the Cyrillic to the Latin alphabet was one of the most telling examples of Tatarstan's policy towards identity in the era of globalization. The idea was articulated in the World Congress of Tatars convened in 1997. In the view of Tatarstani elite, the transition to the Latin alphabet was modeled after the experience of Turkey, Azerbaijan, Turkmenistan, Uzbekistan, Kazakhstan, and Kyrgyzstan.[114] The main argument of the proponents of Latin lettering is that the use of the Cyrillic alphabet is less convenient in global information networks. However, the supporters of the Cyrillic alphabet claim that its use will help Tatarstan to become one of the leaders in information technologies for the community of Turkish nations.[115] Computer programs that transform Cyrillic text into Latin text have already been created in Kazan.

110 Drobizheva, Leokadia. "Comparison of Elite Groups in Tatarstan, Sakha, Magadan and Orenburg." *Post-Soviet Affairs*, vol. 15 (1999), p. 393.

111 According to 2001 data, there are 804 mosques but only 144 Orthodox churches in Tatarstan.

112 Orttung, Robert W., ed. T*he Republics and Regions of the Russian Federation: A Guide to Politics, Policies, and Leaders*. Armonk, New York, and London, UK: M. E. Sharpe, 2000, p. 541.

113 Omsk State University web site, at http://www.ic.omskreg.ru/~cultsib/reg/tishkov.htm.

114 Akhmirova, Rimma. "Tvoya moya ne ponimay" (I Don't Understand You). *Komsomol'skaia pravda*, 19 October 2000, p. 7.

115 Khasanova, Gulnara. "Latinskii alfavit – tataram" (Latin Alphabet for Tatars). *NG – Osobaia papka*, no. 1, 27 February 2001, p. 6.

The forthcoming latinization of the Tatar alphabet (which has had a transition period of 12 years), is interpreted in Moscow as another effort by Tatarstan to leave the Russian cultural sphere and move closer to the Euro-Atlantic civilization. Valerii Tishkov (director of the Institute of Ethnology and Anthropology, Russian Academy of Sciences) forecasts that the shift to Latin letters will provoke social and political alienation in the regional society, widen cultural gaps, and sharpen the latent societal conflicts.[116]

3.2 History as discourse

Tatarstan's identity policy is very much centered around symbolically constructing and reinventing the historical peculiarities and specific mentality of Tatarstan. Professor Mikhail Guboglo (deputy director of the Institute of Ethnology and Anthropology, Russian Academy of Sciences) considers that Tatarstani identity policy ascribes ethnic meanings to political events and phenomena, and imposes ethnically overloaded markers on the regional society.[117]

Historical arguments are of tremendous importance in Tatarstan's struggle for autonomy and self-rule. The majority of local historians tend to treat Tatarstan's history as being opposed to Russian history. It is widely assumed that the Tatars' tradition of statehood is as rich as those of Georgia, Ukraine, Azerbaijan, and other newly-independent states. Khakim assumes that the legacy of Russian statehood ought to be derived from the times of the Golden Horde whose successor was Muscovite Russia. He argues that the Mongol system was an advantage for Russian states since they received political and military protection *vis-à-vis* the West.[118] Indus Tagirov assesses that the 10% taxation practiced by the Golden Horde is miniscule in comparison to what the federal center takes from the regions nowadays. Moreover, the Russian Orthodox Church under Golden Horde domination was the only social institution that enjoyed meaningful privileges, including financial ones.[119]

It is quite symptomatic that Tatarstan tried to persuade the federal authorities to cancel the official celebration of the anniversary of the famous Kulikovo Pole battle, in which the Russian prince Dmitrii Donskoi had defeated the army of Mamai, which marked the beginning of Russia's liberation from the Tatar-Mongol yoke. Two letters – one from Shaimiev and another one from the Vatan party – were addressed to the administration of the Russian president in 2001, that argued that honoring this

116 Commission on Spatial Development of the Volga Federal District web site, at http://ekg.metod.ru/pub/inoe-2001-tishkov-prn.html.

117 Commission on Spatial Development of the Volga Federal District web site, at http://ekg.metod.ru/pub/inoe-2001-gub-prn.html.

118 Khakim, Rafael. "Istoria tatar i Tatarstana" (The History of Tatars and Tatarstan). *Panorama Forum*, no. 19, special issue, 1999.

119 Nezavisimaia gazeta web site, at http://ng.ru/printed/specfile/2001-02-27/9_people.html.

historical event might offend the feelings of the bulk of soldiers and officers of Tatar origin.[120]

Yet this is only part of the story. The second group of indigenous historians reinterpret the history of Tatars and Russians in basically mutually complimentary terms, avoiding counter-positioning the two peoples: Tatars are treated as an organic, integral part of the Russian nation. Certain times – such as during the reign of Katherine II, who allowed mosques to be built, and the first years of the Soviet regime, where the Tatar's autonomy first appeared and new opportunities for cultural revival were opened – are praised in Tatarstan more than others (such as the seizure of Kazan by Ivan the Terrible), but even the hard times in the history are usually referred to in a rather conciliatory way.

3.3 Islam rediscovered

Tatarstan was the northern outpost of Islam from 922 – more than half a century earlier than Russia accepted Orthodox Christianity. Over the centuries Tatarstani Islam evolved into "Euroislam" (also referred to as "Jadidism"), a religious ideology adaptable to modernization and economic innovations. The Turkish secularized model is probably the best representative of the Euroislam political ideal. Euroislam is one of the most influential – both politically and intellectually – school of thought in Tatarstan, whose importance might be compared with Eurasianism in Russia, which is on the rise.

Euroislam attempted to integrate – as does Eurasian ideology in Russia – the adherence to the Asian historical legacy with acceptance of modern European thinking, yet it challenges basic assumptions of Eurasianism in many ways. Many in Tatarstan think that the Eurasian model was formed under a strong influence of Orthodox religion and hence leaves no space for a characteristic Tatarstani identity. Orthodox culture, as interpreted in Tatarstan, is anti-democratic, illiberal, and impractical, and hence unable to meet the challenges of modernity, and therefore is unsuitable for Tatarstan.[121] Russia, according to these views, is unable to efficiently play the role of a bridge between Europe and Asia: being dominated by Orthodoxy it is opposed by the East, and being ostensibly illiberal it is also not welcome in the West.[122] In trying to rebuff the vision of Russia as the Orthodox nation built up exclusively by an ethnically Russian population, Shaimiev sided with the heads of two other republics – Murtaza Rakhimov of Bashkortostan and Mikhail Nikolaev of Yakutia – to issue in 1995 a joint open letter to Yeltsin, demanding more rights for ethnic regions.[123]

120 Http://www.gazeta.ru/print/2001/06/05/tatarytrebuu.shtml.

121 Magomedov, Arbakhan. *Misteria regionalizma (Mystery of Regionalism)*. Moscow: MONF. Scholarly Papers, no. 114, 2000.

122 Khakim, Rafael. "Rossia i Tatarstan: u istoricheskogo perekriostka" (Russia and Tatarstan at the Historical Crossroads). *Panorama Forum*, spring 1997, no. 11, p. 35.

123 "Future of Federalism in Russia" research project web site, at http://federalism.soros.ksu.ru/conference/seminar3/drobizheva.htm.

The core differences between the two approaches are illustrated in Table 3.

Table 3 "Euroislam" and Eurasianism compared

Eurasianism	"Euroislam"
Russia is overwhelmingly an Orthodox nation	Tatarstan is a part of the non-Orthodox world
The Russian civilization incarnates a single, indivisible destiny for all peoples of the country	There is no civil uniformity in Russia; the Russian state is able to unite different people only by force
Historically Europe was a threat to Russia	Europe does not represent any menace to Tatarstan
Collectivity and communitarian solidarity are dominant factors in Russian society	Individualism and entrepreneurship would open up Tatarstan to the world
Military force is a prerequisite for national pride and glory	Russia is over-militarized and prone to solve conflicts by force, which might turn into catastrophe (like that one in Chechnya)
Wishes to assimilate non-Russian ethnic groups	Region-specific approaches and the survival of Tatar ethnicity are important
"The Russian world" embeds all countries of the former Soviet Union	Russia has to recognize the independence of its former satellites and let them live their own lives
Russia can be a strong country only on the basis of centralization	Russia's decentralization would help to solve the most acute issues, such as crime and border security

Local activists for a Tatar revival traditionally view Islam as a means of keeping the cultural autonomy of local residents suppressed by Russians. At the same time, thanks to Islam, Tatars are able to expect deeper participation and involvement in the world community of nations. This is why Euroislam is very supportive of intensive contacts between religious groups of Tatarstan and the West.

Shaimiev endeavors to unite all Muslims in Tatarstan, and eventually to turn Kazan into Russia's Islamic capital.[124] This concept is based upon the dubious presumption of the internal coherence of the Tatar ethnic community, and its ability to act as a single political actor. However, this ambitious strategy encounters critical obstacles that stem from the multi-confessional nature of Tatarstani sociopolitical space.

124 Safronov, Sergei. "Islam: poiski organizatsionnykh form i mesta v politicheskoi zhizni" (Islam in Search of Organizational Forms and Its Place in Political Life). In *Russian Regions in 1998: An Annual Supplement to Russia's Political Almanac*. Carnegie Endowment for International Peace, 1999, p. 131.

First of all, the Tatarstani religious elite is very fragmented and lacks cohesion.[125] it is divided among adherents of different versions of Islam (e.g., Turkish, Iranian, and Saudi Arabian). Competition and tensions between different Islamic groups are not rare. Experts testify that the alumni of foreign Islamic institutions (including ethnic Tatars) that come to Tatarstan for missionary activities are politically indoctrinated with anti-Russian feelings, and because of this face opposition from local Muslims.[126]

Secondly, 75% of all Tatars reside outside Tatarstan (across Russia and the CIS countries, as well as in Turkey, China, Poland, Finland, the US, Afghanistan, Canada, and Australia). John Coakley characterizes Tatars as the locally weak, territorially dispersed group.[127] Moreover, they constitute only 47.7% of the population in Tatarstan.

Moreover, Tatars – as shown in Susan Goodrich Lehmann's study – along with Bashkirs display the lowest level of both religious belief and practice among all Russian Muslims.[128] Rafik Mukhametshin, deputy director of the Tatar Encyclopedia Institute, admits that "the return of Islamic values to Tatarstani society is neither steady nor stable."[129] Shaimiev himself admits that he is not a Muslim,[130] and Farid Mukhametshin had just recently started learning Tatar language.[131]

Thirdly, there is a widespread feeling among Tatarstani political and intellectual elites that an excessive influence of religious institutions might endanger the internal stability and the drive for modernization.[132] The government is not among the most lavish sponsors of restoring mosques – the funds for this purpose basically come from abroad.

Fourthly, living for centuries with the closest ties to Russia, makes Tatarstani Islam adjusted to Russian culture and nationhood. In fact, Tatarstani Islam is a "border phenomenon" in the sense that it unfolds at the edges of two civilizations: Orthodox and Islamic.

125 Carnegie Endowment web site, at http://pubs.carnegie.ru/books/1999/08np/11.asp.

126 "Islamskii faktor" (Islamic Factor). *Vmeste*, no. 1, 2000, p. 10.

127 Coakley, John, ed. *The Territorial Management of Ethnic Conflict*. London: Frank Cass, 1993, p. 8

128 Goodrich Lehmann, Susan. "Islam and Ethnicity in the Republics of Russia." *Post-Soviet Affairs*, vol. 13, no. 1 (1997), p. 100.

129 Mukhametshin, Rafik. "Islam v obshchestvenno-politicheskoi zhizni Tatarstana" (Islam in Social and Political Life of Tatarstan). In *Etnichnost' i konfessional'naia traditsia v Volgo-Ural'skom regione Rossii (Ethnicity and Confessional Tradition in Volga and Urals Region of Russia)*. Moscow: Moscow Carnegie Center, 1998, p. 26.

130 NG – Osobaia papka, no. 1, 27 February 2001, p. 10.

131 Nezavisimaia gazeta web site, at http://www.ng.ru/printed/specfile/2001-01-27/10_fenomen.html.

132 Druzhba narodov journal web site, at http://my.infoart.ru/magazine/druzhba/n8-98/voron.htm.

Together, these facts offer a plausible explanation as to why the Tatarstani elite had opted for a relatively liberal and civilized form of nationalism. Tatarstani authorities are not eager to open the doors to radicalism, as occurred in Chechnya.[133] Shaimiev's intentional policy is to marginalize – in one way or another – extremist religious groups. On numerous occasions officials in Kazan have explicitly stated that there is no room for vahhabism in Tatarstan.[134] One of the strongest arguments against pan-Islamism is that it rejects the ethnic and cultural specificity of each individual ethnic group.

Tatarstan's search for an identity begs another important question – the extent to which ethnic nationalism is compatible with the liberal values. It is still under discussion whether Tatarstan is heading for the establishment of a civil or ethnic national identity.[135] Up to now, religious issues in Tatarstan represented deep cleavages between the Russians and Tatars. There are some sociological grounds for expecting that the concept of a civil identity will prevail in the long run, such as the psychological proximity of the Russians and the Tatars, and inter-ethnic loyalty.[136]

133 Sharafutdinova, Gulnaz. "Chechnya Versus Tatarstan. Understanding Ethnopolitics in Post-Communist Russia." *Problems of Post-Communism*, vol. 47, no. 2 (2000), p. 13–22.

134 *Socio-Economic Background of Ethno-Political Processes in the Russian Federation. Conflict-Dialogue-Cooperation*. Moscow: International Center for Strategic and Political Studies. Bulletin, no. 5, 2000, p. 66.

135 Carnegie Endowment web site, at http://pubs.carnegie.ru/books/2000/10am/04ld.asp.

136 "Future of Federalism in Russia" research project web site, at http://federalism.soros.ksu.ru/conference/seminar3/musina.htm.

chapter 4

Foreign economic relations: authoritarian entry into capitalism?

After having analyzed Tatarstan's identity policies, which have been heavily biased towards symbolic interpretations, we have to turn to economic aspects of Tatarstan's search for its place in the world.

4.1 The general picture

The federal legislation makes a distinction between "foreign economic relations" (the function of the federal government) and "foreign economic contacts" (the function of the Tatarstani authorities). Whatever it is called officially, the foreign economic policy of Tatarstan is one of the most important elements in its bid for worldwide recognition.

Tatarstan is one of the key economic regions in the VFD, taking the lead in car manufacturing, aircraft and petrochemical industries. Tatarstan is considered attractive for foreign investors; in 1998 it was ranked second in foreign investments per capita among all Russian regions.[137] It is acknowledged by foreign experts as a region with a medium level of investment potential and a low level of risk.[138] It was one of the first Russian regions to start developing a local legal base for foreign economic activities. Its legislation on investment stipulates various incentives and preferences for companies that were created in cooperation with foreign partners.[139]

137 Karush, Sarah. "The Road Less Traveled." *The Russia Business Review*, November 1999.

138 *Expert*, no. 39, 19 October 1998.

139 Tatarstan government web site, at http://www.tatar.ru/append24.html.

A law related to investment activities in Tatarstan came into force in January 1999. According to this, enterprises receive a temporary exemption from taxation on profit during their first year of operation. Moreover, property is levied with only 50% tax. A law on the status of approved investment projects with foreign investor participation, which came into force in March 1996, extends the period of benefits for investors. Such projects receive exemptions on various taxes for 1–5 years, with possible subsequent prolongation. A decree by the president of Tatarstan on October 1994, to encourage foreign investment into Tatarstan, grants additional tax privileges to enterprises where the participation of foreign investors is not less than either 30% or US$1 million. The Tatarstani parliament created two free economic zones in 1998, "Alabuga" and "Kamskie Poliany," with a lifetime of 25 years.[140]

Tatarstan introduced a "land code" in 1998, which provided foreigners with access to the region's land market. Sales to foreigners, however, were restricted to purchases from the state, and therefore foreigners were unable to buy land held in common by rural residents. In January 2001, Shaimiev became the chief proponent of introducing the concept of private property on land throughout Russia, referring to the need to improve the general investment climate.

Tatarstan is one of the regions that established working contacts with the Foreign Investment Promotion Center (FIPC) of Russia. This institution was set up in 1995 under the auspices of the Economy Ministry, and has established the network of offices abroad. The FIPC facilitates the shaping of relationships between Russian regions and foreign investors. This enables Tatarstan to utilize the services of the FIPC when searching for investment project proposals. Simultaneously, like most of Russia's regions, Tatarstan develops its own business promotion centers. Thus, the Tatarstan Center for Investments Promotion coordinates the activities of governmental, financial, and non-financial institutions in the investment process, and facilitates the adoption and realization of investment projects.

According to the Committee on Statistics of Tatarstan, the 1997–1998 period was the most successful in attracting foreign investment. Only by 2000 had the republic managed to smooth out the negative consequences of the August 1998 financial crash. The inflow of foreign investments in the first half of 2000 totaled US$46 million.

Tatarstan has developed its contacts beyond its national borders. In January 1999, the Tatarstan Chamber of Commerce concluded an agreement with the Swiss Organization for Facilitating Investment to pave the way for investment cooperation, information exchange, and marketing research.

140 Tatarstan government web site, at http://www.tatar.ru/append110.html.

Approximately 90% of Tatarstan's exports are related to the oil industry.[141] The region's leading oil company, "Tatneft," was among the first Russian firms to start trading its shares on the New York Stock Exchange. In the 2001 "Financial Times" market capitalization rating of Eastern European companies, Tafneft received the highest rating among all VFD enterprises.[142] In March 2001 the "Fitch" international rating agency raised Tatneft's rating from CC to B, which is indicative of the company's stability.[143] Tatneft has also rather ambitious international plans, mainly related to Iraq. The contract signed an agreement with Iraqi authorities (and approved by the UN in spring 2001) that stipulates delivery to Iraq of oil processing equipment and joint exploitation of oil deposits.[144] Similar negotiations with Iran, Jordan, Mongolia, Libya, and Vietnam are also underway.[145]

One cannot expect intensive contact with the Iraqi regime to be applauded in the West, especially since other local economic actors – the "KamAZ" car manufacturer, the "Kazan Helicopter Factory," and the "Nizhnekamskshina" tire manufacturer – are also cooperating with Bagdad.[146] However, what is in tune with Western policies is the associated reduction in the importance of military production, to which many regional policy-makers in Tatarstan are very much in favor. In Galeev's view, excessive military build up impedes economic restructuring.[147]

4.2 Economic protectionism and its critics

At first glance, Tatarstan seems to be one of few islands of relative stability and prosperity in the sea of a shaky Russian economy. Yet, the "Tatarstani economic miracle" has still a long way to go. In spite of significant privileges for developing its own external relations, Tatarstan *de facto* is far from being called a "gate region" to the international economy.

Even in the late 1990s, 65% of all sales transactions in the republic were barter operations. Tatarstan has one of the worst records for wage and pension arrears in the country. The Tatarstani authorities imposed price control on food in 1998, and in November of that year Tatarstan became the first Russian region to default on its foreign financial obligations.[148]

141 "Respublika Tatarstan glazami zarubezhnogo investora" (Republic of Tatarstan as Viewed by Foreign Investor). *Panorama Forum*, no. 2 (50), 1996, p. 53.

142 Birzha weekly web site, at http://www.birzhaplus.sandy.ru/birzha/2.htm.

143 Strana online information agency, at http://volga.strana.ru/print/985090520.html.

144 Strana online information agency, at http://volga.strana.ru/print/984997290.html.

145 Strana online information agency, http://volga.strana.ru/print/993625932.html.

146 Strana online information agency, at http://volga.strana.ru/print/990517733.html.

147 Galeev, Marat. "K osnovam razvitiia vneshneekonomicheskikh i vneshnepoliticheskikh sviazei Tatarstana" (On the Foundations of Foreign Economic and Political Relations of Tatarstan). *Panorama Forum*, no. 2, 1996, p. 19.

148 Orttung, *Op. cit.*, pp. 540–546.

According to Galeev, one of the basic challenges for the Tatarstani economy is that "agriculture is the unconditional priority in Tatarstan."[149] Yet, others think that the agrarian sector as it exists nowadays is doomed to disappear.[150] Criticism is also being heard in other areas. Viktor Mal'guin, professor of the Kazan Institute for Finances and Economy, describes the export structure of Tatarstan as irrational, since it is dominated by crude oil sales (Tatarstan lacks its own refineries). In his assessment, two-thirds of Tatarstan's industry should be either closed or radically upgraded.[151] Furthermore, specialists doubt whether the defense industry might be considered as the engine of Tatarstani economic progress,[152] since none of the region's defense enterprises is licensed to sell abroad.

Rinas Kashbraziev, a professor at the Kazan State University, claims that the investment process in Tatarstan is in crisis, since the bulk of enterprises are either economically weak or insolvent.[153] In 1997, this region received US$700 million in foreign investment, but foreign direct investment (FDI) made up only US$17 million, or 2.5% of this total. Absorbing 0.44 % of FDI inflow in Russia that year, Tatarstan ranks only sixth among Russian regions in terms of cumulative FDI.[154] According to an FIPC review, based on Goskomstat data of July 1999, Tatarstan received US$1'135 million, whereas FDI totaled only $88 million. By the late 1990s, the leading car manufacturer FamAZ had not only accumulated an enormous debt, but also failed to take advantage of the partnership with the American company Kohlberg, Kravis & Roberts.[155]

Tatarstan is known for a unique combination of liberal and protectionist economic policies. For example, Shaimiev has an official policy of stimulating the development of small businesses, which undoubtedly is an important part of the liberal economic agenda; but at the same time, small- and medium-sized Tatarstani enterprises are forced to sell an agreed share of their production to local economic operators, regardless of better offers from outside the republic.[156]

149 "Future of Federalism in Russia" research project web site, at http://federalism.soros.ksu.ru/conference/seminar1/galeev.htm.

150 Iskhakov, Damir. "Model' Tatarstana: za i protiv" (Tatarstan's Model: Pros and Cons). *Panorama-Forum*, no. 2, 1995, p. 62.

151 "Future of Federalism in Russia" research project web site, athttp://federalism.soros.ksu.ru/conference/seminar2/malgin.htm.

152 "Respublika Tatarstan glazami zarubezhnogo investora" (Republic of Tatarstan in the Eyes of Foreign Investor). *Panorama Forum*, summer 1997, p. 91.

153 "Future of Federalism in Russia" research project web site, at http://federalism.soros.ksu.ru/conference/seminar2/kashbraziev.htm.

154 *Ibid*.

155 Orttung, *Op. cit*.

156 Strana online information agency, at http://www.volga.strana.ru/print/991907994.html.

There are also several examples of Tatarstani economic protectionism. Shaimiev was one of the most ardent opponents of the "shock therapy" and the liberal reforms exemplified by the Gaidar federal government during 1991–1992. In Shaimiev's words, "we have chosen the soft-entry path onto the market,"[157] which brought palpable results for regional authorities. Privatization did not allow the most viable industries (e.g., Tatneft and KamAZ) to free themselves of the control of Tatarstani authorities. Regional elites defend local enterprises from competitors in other regions, and apply a variety of administrative measures to oversee the activities of export-oriented enterprises.

State control is especially tight in the oil and gas industry. For example, all oil exports from Tatarstan go through the "Suvar" company, which is empowered to conduct a single economic policy in foreign markets. The government of Tatarstan is empowered to create the "republic's fund for oil and gas reserves."[158] According to the Presidential Decree of 4 March 2000, all oil companies registered in Tatarstan are supposed to sell 25% of their shares to the state, which is considered necessary to secure the economic interests of the republic. In exchange, the Tatarstani government pledged to render support to the regional oil and gas companies and defend their interests.[159]

Local economist Ilias Ilaldinov argues that the economic policies of Tatarstani leaders are modeled after old-style apparatchiks, and are motivated merely by the instinct for survival. Should the economic reforms proceed more successfully in Russia, Tatarstan would be economically marginalized due to a lack of demarcation between property and power, and a heavy reliance on "regional finances." In fact, Ilaldinov assumes that Tatarstan is building and Asian-style economy prone to stagnation.[160]

Observers have also extensively commented on the failure of Tatneft to service its foreign debts, which are attributed to the excessive dependence of this oil company on government policies.[161] Foreign investors claimed that the government of Tatarstan misused Tatneft funds.[162] In 1998, Tatarstan failed to return US$100 million to ING Barings, the Dutch bank that had credited Tatarstan's Eurobonds project. The Round Table of Tatarstan, an association of different political blocks and movements (from communists and social democrats to the pro-liberal "Democratic Choice of Russia"), has accused "the clan of Shaimiev" of economic inefficiency and personal enrichment.[163] The on-line Free Lance Bureau agency accuses the "Shaimiev clan" – which includes

157 Shchedrin, Vladimir. "Tatarstan Waits for Real Federalism." *Business in Russia*, no. 81 (September 1997), p. 18.

158 Tatarstan government web site, at http://www.tatar.ru/append26.html.

159 Tatarstan government web site, at http://www.tatar.ru/append140_i.html.

160 Ilildinov, Ilias. "Ekonomicheskaia reforma v Tatarstane: tretii put?" (Economic Reform in Tatarstan: The Third Way?). *Panorama Forum*, summer 1997, pp. 102–108.

161 Carnegie Endowment web site, at http://pubs.cargegie.ru/books/1999/08np/21.asp.

162 Susarov, Andrei. "Tatarstan v 1998." In *Russian Regions in 1998: An Annual Supplement to Russia's Political Almanac*. Moscow Carnegie Center, 1999, p. 253.

163 Political Information Agency web site, at http://www.apn.ru/documents/2000/02/15/20000215191132.htm.

numerous relatives of the head of the republic – of practicing shadowy business operations, mainly associated with oil exportation.[164] It also has reported numerous cases of mismanagement of public funds and economic paternalism in the region.[165]

Another example of economic protectionism is that the economic strategy of Tatarstan is aimed at reliance upon its indigenous resources. Thus, building its own oil refinery was considered as the foremost economic priority.[166] Some experts propose that Tatarstan invest resources in producing peculiar types of goods (e.g., "Muslim-style" accessories), creating "Tatar-oriented" economic institutions (e.g., a Tatar national bank to accumulate the funds of Diaspora), and a "Muslim infrastructure" (including special food stores and medical institutions).[167] The Presidential Decree of 20 March 2001 ruled that the Tatartani Ministry of Mass Communications should run a public relations campaign to advertise local products and stimulate positive public perceptions of local producers.[168] Some experts deem that Tatarstan's economic strategy is one of differentiating from its Russian competitors (e.g., Nizhnii Novgorod and Ekaterinburg),[169] and basically corresponds to the global "Islam finances" concept.[170]

Tatarstani economic policy also involves lobbying Moscow for tax privileges for those companies that trade in foreign markets.[171] The economic sovereignty of Tatarstan was very much based upon the preferential treatment it received from the central government. As long ago as 1994, Tatarstan received the right to have at its disposal all excises for alcoholic beverages, 50% of all VAT collected in the republic, and the revenues from oil export to "far abroad" countries (5 million tons per year).[172]

Despite widely publicized "economic openness," Tatarstani legislation contains a number of rather restrictive clauses. Thus, the January 1999 Law on Foreign Investments in the Republic of Tatarstan does not guarantee protection of private investors from nationalization of their property. The law does not secure investors' interests in cases of changing the legislation in such areas as defense and national security, public

164 Free Lance Bureau web site, at http://www.flb.ru/rs0053.html.

165 Free Lance Bureau web site, at http://www.flb.ru/pfo/dj240440104.html.

166 Akhmadulina, Alena. "Zheleznyi Babai" (Babai the Iron). *Profil*, 19 March 2001, pp. 58–61.

167 Iskhakov, Damir. "Model' Tatarstana: za i protiv" (Tatarstan's Model: Pros and Cons). *Panorama-Forum*, no. 2, 1995, p. 62.

168 Tatarstan government web site, at http://www.tatar.ru/append140_c.html.

169 "Respublika Tatarstan glazami zarubezhnogo investora," p. 62.

170 Commission on the Spatial Development of the Volga Federal District web site, at http://okrug.metod.ru/books/islam/IslFin/getindex.

171 National News Service web site, at http://www.nns.ru/regiony/tatarst2.html.

172 Akhmetov, R. G. "KamAZ, uzel protivorechii mezhdu Moskvoi i Kazaniu" (KamAZ, the Knot of Controversies between Moscow and Kazanb). In *Asimmetrichnaia federatsia: vzgliad iz tsentra, respublik i oblastei (Asymmetrical Federation: Outlook from the Center, Republics and Oblasts)*, ed. L. M. Drobizheva, p. 91. Moscow: Institute of Sociology, 1998.

173 Tatarstan government web site, at http://www.tatar.ru/append22.html.

order, export and import of strategically important items, ecology, and antitrust measures. The State Council is empowered to establish restrictions for foreign capital "in those industries having vital interest for the republic."[173]

Yet, some good changes are nevertheless underway. The first year of Tatarstan's inclusion in the VFD gave rise to more liberal approaches to economy policies. In an address to the State Council in 2001, Shaimiev acknowledged that the state regulation of economic activities – with the exception of some monopolies – became obsolete, and in Tatarstan the conditions are ripe for reducing state control over the economy.[174] Tatarstan was home to the first "single window" center for business registration – one that integrates numerous agencies in charge of issuing business licenses. This "right-on-the-spot" unit is aimed at diminishing corruption, and relieving entrepreneurs from having to make multiple applications to different bureaucratic entities in order to start a business.[175]

174 Koval'skaia, Galina. "Slabost' sil'noi vlasti" (The Weakness of Strong Power). *Itogi*, 27 March 2001, pp. 18, 19.

175 Center for Strategic Research web site, at http://www.csr.ru/about-publications/14.04.2001-segg.html.

Conclusion

Summarizing our research findings, four conclusions have to be drawn. First, Tatarstani aspirations for sovereignty are developed in three basic directions: *(1)* sovereignty is perceived in cultural and spiritual terms, with ethnic identity as a core factor; *(2)* the bid for sovereignty has a clear economic background; *(3)* sovereignty is a political strategy based on historical legacies of medieval nationhood of Tatars; *(4)* the aspirations of Tatarstan to build up relations with the federal center are based on reciprocity and the balance of interests.

Secondly, the example of Tatarstan shows that there is a positive correlation between internal autonomy and the external capacities of a region. Simultaneously it might be assumed that the extent to which an entity is a subject of international political and legal relations is a matter of degree, and a function of the totality of a region's international rights, responsibilities, resources, and abilities.[176]

Thirdly, Tatarstani policies may lead to a new understanding of sovereignty in Russia, one that recognizes that each sovereignty – be it that of the republics or the federations – has its limitations. Unfortunately, the federal policy toward Tatarstan was, and still is, rather indistinct and ambivalent. Basically what is called "policy" is a set of improvisations and random measures lacking a systemic vision of the problem. However, if the federal center refuses to maintain a self-constraining approach, republics such as Tatarstan will be forced in the long run to look for greater independence.[177]

Fourthly, we may conclude that globalization brings not only new opportunities, but also new challenges for Tatarstan. In political terms, Russia's integration into the international legal system (joining the Council of Europe, for example) will make a

176 Nikravesh, *Op. cit.*, pp. 250, 251.

177 "Ot konfrontatsii k navedeniu mostov" (From Confrontation to Bridging the Gaps). *Panorama Forum*, no. 15, special issue, 1997, pp. 21–22.

variety of procedural norms that exist in the republic obsolete. Thus, the widely used practice of restricting open political discussions under the guise of "defending the honor and dignity of the president" is in clear conflict with the most recent European Court regulations aimed at preventing any kind of political censorship. Registration restrictions applied to non-Tatarstani media wishing to operate in the republic also contradict the European Convention on Human Rights and Basic Liberties.[178]

In cultural terms, globalization – with its unification of basic social practices, norms, and rules – is also a challenge to ethnic and religious identities, which always claim their own exclusive rights, specific needs, and peculiar statuses. This is a contradiction that many other multiethnic countries have already experienced.[179] Now it is Russia's – and its republics' – turn to rediscover and react adequately to these challenges.

178 Faculty of Journalism, Moscow State University, web site, at http://www.medialaw.ru/publications/books/voinov/03.html.

179 Dakhin, Andrei. "Regional'naia stratifikatsia i territorial'naia tselostnost: poisk formuly novogo mirovogo poriadka" (Regional Stratification and Territorial Integrity: In Search of the Formula for the New World Order). In *Comparative Regionalism: Russia-CIS-the West*, ed. Andrei Makarychev. Nizhnii Novgorod: INTAS, Nizhnii Novgorod State University. Proceedings of International Research Project 1997, pp. 209–225.

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