Article

State capacity and regime resilience in Putin's Russia

International Political Science Review
2018, Vol. 39(1) 130–143

DOI: 10.1177/0192512117694481
journals.sagepub.com/home/ips

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Abstract
Vladimir Putin's state-building project, which has included a 'war on the oligarchs', the reining in of regional power, the co-optation or marginalization of civil society and political opposition, and the establishment of a 'power vertical', has not been based on state strengthening but has had much more to do with regime consolidation. It is argued that, in the Russian case, the building of state capacity may not be a crucial factor in determining the medium or even the long-term survival of the authoritarian system. Although Russia has relatively weak state capacity, the Putin regime has remained stable. The regime's resilience is built on the distribution of rents among political and economic elites, the provision of social welfare, the coercion or co-opting of civil society and political opposition, and the mobilization of public support through the provision of economic benefits and national-patriotic appeal.

Keywords
State capacity, electoral authoritarianism, neo-patrimonialism, Russia, regime

Introduction

On the eve of Boris Yeltsin's tearful resignation as president of the Russian Federation, Vladimir Putin emphasized that the strengthening of state power was central to Russia's recovery and growth. Putin explicitly highlighted state weakness as a key problem and announced that the building of state capacity would be the centrepiece of his presidency. However, what we have witnessed in Russia since the turn of the century has not been so much the building of state capacity but the creation of a 'regime of repression' in which the coercive element of state capacity has been used to nullify threats to the regime (Taylor, 2011: 286).

This article tackles the myth of the strong Russian state and argues that Putin's project, which has included a 'war on the oligarchs', the reining in of regional power, the co-optation or marginalization of civil society and political opposition, and the establishment of a 'power vertical', has not

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been based on strengthening state capacity but has instead served to consolidate the regime. Moreover, whilst much of the state capacity literature emphasizes.that an authoritarian system lacking in state capacity is unsustainable, the argument here is that an electoral authoritarian system with relatively weak state capacity is sustainable in the long term provided that the regime itself is stable and consolidated. The emphasis on 'relative' should be noted. It would be foolish to argue that the Russian state is weak. As will be seen, it possesses sufficient capacity to maintain a large coercive apparatus and to extract resources from the gas and oil sector, although the limitations in these two areas will also be highlighted. Russia's state capacity is undoubtedly strong in comparison with many authoritarian states but that does not mean that it is sufficient for what the Russian state has to do. It has to provide welfare as a legacy of the Soviet Union; its people expect economic growth, and it has massive security requirements. Moreover, as a federal state it has 85 distinct and diverse regions and republics to maintain.

The stability of the Russian regime has been built on a neo-patrimonial system involving the distribution of rents among political and economic elites. It has also been reliant on the coercion or co-opting of civil society and political opposition, and it has successfully shaped public perceptions of the regime's performance. During Putin's first two terms (2000–2008) the provision of economic benefits, the result of steadily increasing oil prices, mobilized public support for the regime. With the decline in oil prices during Putin's third term in office (2012 to date), support has been maintained through an overtly national-patriotic appeal. Measured simply in terms of Putin's consistently high approval ratings, this strategy has clearly been successful. The long-term sustainability of this strategy, however, can be questioned, at which juncture the Putin regime will eventually be faced with the task of developing its state capacity or identifying an alternative form of mobilizing support.

State capacity and the regime

Whilst state capacity may be a 'quality conspicuous both in its absence and presence' (Hendrix, 2010: 273), it remains a slippery concept to define. A brief analysis of scholarly works on the topic (Andersen et al., 2014; Darden, 2008; Fortin, 2010; Melville and Stukal, 2012) reveals only one commonly agreed indicator of state capacity, that of the state's ability to raise taxes. As Fortin (2010: 656) notes, a significant obstacle to effective comparative analysis of state capacity is the expansiveness of the concept to include wider elements such as social stability, the existence of secessionist tendencies, and incidences of conflict and legitimacy. For the sake of comparative clarity therefore, I utilize a parsimonious definition based on three dimensions of state capacity: extractive, coercive, and administrative capacity. These provide the basis of a functioning modern state and accord with what Skocpol (1985: 16) argues are the components of state capacity: plentiful resources, administrative-military control of a territory, and loyal and skilled officials.

As Hanson notes in his contribution to this special issue, disentangling state and regime is problematic in the case of authoritarian systems due to the blurring of institutional arrangements. The task is made even harder in post-communist transitional systems where regime- and state-building have been simultaneous processes and where there is a lack of the kind of constitutional development that would help to make such a distinction clear (Robinson, 2008: 3). Yet state- and regime-building in Russia should not be seen as simultaneous or identical processes. A state may be seen as consolidated when officials have the capacity to perform key state functions of maintaining order and security, functions which in a post-communist context are complicated by the need to resolve issues around borders, citizenship, and the establishment and regulation of new forms of economic exchange to replace the old command system. In contrast, a regime may become consolidated independently of state consolidation if the regime is able to manage the problems of

post-communist reconstruction and maintain social order and national security to the extent that it can maintain itself despite a relatively weak state (Robinson, 2008: 6). More succinctly, Busygina (2016) sees the state as a machine and the regime as an operator: while the operator may come and go, the machine is permanent. In the Russian case, operator and machine are intimately connected; the operator created and runs the machinery but cannot repair (or reform) it. Furthermore, 'this machinery can be run solely by this operator' (Busygina, 2016: 74, 94).

Conceptualizing the Russian political system

The understandable tendency in the scholarly literature has been to focus on the role of state capacity in consolidating democratization. Without a state, modern democracy is not possible (Linz and Stepan, 1996: 17). In an ideal democratic state, a distinction between the private interests of the ruler and officials would be largely institutionalized, an independent judiciary would enjoy the confidence of citizens, and the state would be served by disciplined and honest police forces. Moreover, in the democratic state, taxes would be collected 'according to laws that treated categories of citizens more or less equally and for public purposes' (Linz, 1997: 118). Russia, however, is no democracy. Since the turn of the century few scholars would refer to the Russia system as democratic, even in its diminished forms. It has become commonplace for the Russian system to be conceptualized as 'electoral authoritarian' (Ross, 2011; White, 2013). Whilst an electoral authoritarian regime may hold multi-party elections, democratic principles of freedom and fairness are violated to such an extent as to negate the democratic nature of electoral politics, making elections instruments of authoritarian rule. Such a regime aims to 'reap the fruits of electoral legitimacy without running the risk of democratic uncertainty' (Schedler, 2002: 37).

However, while electoral authoritarianism provides a useful shorthand description of the Russian system, it does not explain how that system works in practice or fully consider the complexities of the factors that underpin it. Russia may well be an electoral authoritarian system, but the regime itself is established on and sustained by wider foundations than simply the management of elections. As Robinson (2014: 6–7) argues, the concept of neo-patrimonialism provides a more nuanced and sophisticated means of understanding the Russian political system than simply labelling it 'electoral authoritarian'. Scholars using electoral authoritarianism as a concept tend to focus solely on the tensions between gaining power through elections and ruling through authoritarian practices and are, at least implicitly, concerned with regime change and the possibility of such systems being replaced by electoral or liberal democracy. Neo-patrimonialism recognizes the existence of multiple tensions within a polity at both regime and state levels. The autocratic system is unsustainable if it simply satisfies the needs of the ruling group, ensuring its survival through the suppression of political opposition. It also has to satisfy the wider population through the provision of welfare through redistributive methods or by securing reasonable levels of economic growth (Robinson, 2014: 9). Such a strategy can clearly be seen in the Russian case. Suppression of civil society and political opposition has insulated the Russian ruling elite, and the consistently high levels of support for the Putin regime are in no small measure the result of economic growth coupled with an effective level of resource redistribution.

The main challenge for a neo-patrimonial system is to produce an effective relationship between regime and state. Its long-term stability is largely governed by its ability to consolidate the regime through elite agreement and to develop sufficient capacity to act as a substitute for the state in order to be able to deliver on security and welfare (Robinson, 2014: 11). What state capacity has been developed under Putin has essentially been used to consolidate the regime through highly personalized presidential rule. Increasing regime strength has substituted for state development in Russia. The provision of social welfare has been the result of the benefits of oil-fuelled economic

development rather than being attributable to effective state policy and better management of the economy (Robinson, 2014: 17–20). Despite Putin's expressed commitment to strengthening the Russian state, it can be argued that the regime has been primarily motivated by the desire to extract rents from the oil and gas industry. As Taylor (2011: 310–311) argues, the ruling elite has been 'more interested in looting the state than building it'. Moreover, elite unity is crucial in the consolidation of authoritarian rule (Way, 2005). The personalized nature of the regime, in which the president is essentially the guarantor of regime legitimacy and social peace, has therefore provided a powerful incentive for elites to stay on board rather than risk challenging the leader (Smyth, 2014: 574). The link between neo-patrimonialism and the nature of the Russian political regime is clear. As Gel'man argues, the Russian 'power vertical', a hierarchical model of maintaining territorial control, is a key tool of patrimonial governance. Economic growth, particularly during Putin's first term, has allowed the regime to reward its agents and ensure their loyalty through access to rents (Gel'man, 2016: 460–461).

It also should be noted that the strength of the Putin regime is, in part, a legacy of the turbulent years immediately following the collapse of the Soviet Union, which saw a struggle for power between the executive and legislature. Following his victory, Yeltsin introduced a new constitution which, although it enshrined democratic values such as individual and human rights, only established a basic system of checks and balances between the executive, legislative, and judicial branches. However, by eschewing party politics Yeltsin lacked an institutional base, and despite the crude imbalance in power, the Russian State Duma (parliament) was occasionally able to flex its muscles and challenge the president. Learning valuable lessons from his predecessor's mistakes, Putin prioritized the establishment of an institutionalized party base in the 'party of power', United Russia, which, since 2004, has enjoyed an overwhelming parliamentary majority. The Duma, where United Russia is joined by Kremlin-loyal and 'pseudo-opposition' parties, is now little more than a rubber-stamping chamber, loyally assenting to presidential initiatives.

Measuring state capacity in Russia

Whilst the state–democracy link remains prevalent in scholarly research, some have sought to identify ways in which state capacity stabilizes authoritarian systems both in the former Soviet Union (Way, 2005) and the Middle East (Bellin, 2004). As Andersen et al. note, although the mechanisms may differ (administrative capacity being more significant for democratic stability and coercive capacity more important in the case of autocratic systems), state capacity has the potential to sustain authoritarian systems just as much as it stabilizes democracies (2014: 1305). Where this paper diverges from some of the literature on the relationship between state capacity and authoritarian stability is in its rejection of the argument that an authoritarian state lacking strong state capacity is unsustainable.

As noted above, for the purposes of clarity, this paper takes a minimalist approach in terms of its analytical framework, focusing on the extractive, coercive, and administrative components of state capacity in order both to assess the strength of Russian state capacity and to examine the ways in which this is used to consolidate the strength and resilience of the Putin regime.

Extractive capacity

The extent of the state's ability to collect tax revenue is a key component underpinning state capacity. States in which governments lack the resources to finance their activities are unlikely to exhibit strong state capacity. The development of effective levels of extractive capacity has been recognized as a particular challenge in the post-communist world (Fortin, 2010), the complexities of the

post-communist economic transition from command to market economies tending to result in low levels of fiscal capacity.

The economic crisis in Russia in 1998, leading to the devaluation of the rouble and default on foreign loans, may have been, in part, due to the decline in world oil prices just as economic growth from 1999 was undoubtedly, in no small part, the result of rapidly increasing oil prices. However, it was also the outcome of a hugely inefficient tax system coupled with ingrained resistance to paying taxes on the part of powerful regions and corporations (Taylor, 2011: 100). Russia's weak fiscal capacity towards the end of the 1990s was largely the outcome of its choice of revenue extraction (Easter, 2002). Other post-communist states (Easter's study focuses on Poland) adopted strategies based on a social pact between state and society, allowing the state to escape the structural constraints of the old regime and to increase its revenue base by shifting a substantial share of the tax burden from industry to households. Whilst such a strategy was initially met with social resistance, the Polish government's social pact, involving concessions and compromises, headed off potential protest. In the longer term the Polish state, in stark contrast to the Russian case, was able to rely on a revenue stream that meant the state was not dependent on short-term credit or devaluation. In Russia, where the redistribution of resources after the collapse of communism was an elite phenomenon, a strategy of elite bargaining was at the centre of the state's revenue extraction. The 1990s was a period of brinkmanship in which the more powerful Russian regions negotiated beneficial tax deals with a weakened centre. The state was also unable to rely on tax revenues from the corporate sector, as business elites cut deals with central government to lower their tax burdens in return for significantly decreasing the cost of supplying goods and services to the public sector. By 1997, this arrangement alone was costing the Russian state 30 billion dollars a year (Easter, 2002: 617).

Whilst extractive capacity has improved under Putin following the introduction of simplified tax laws early in his first term, the major problem remaining is that, like many Middle Eastern states, revenue is derived almost entirely from natural resources. Not only does this have serious implications for Russia's continued economic development, as evidenced by the slump in world oil prices in recent years, it also significantly affects its state capacity. A state with a more inclusive and diversified model of tax collection is more likely to exhibit greater state capacity. It takes a much greater degree of administrative capacity to tax millions of citizens than a few oil giants. Moreover, extraction of rents is only half the picture. The way in which rents are redistributed has been a key factor in contributing to the resilience of the Putin regime.

In their 'rent addiction' model, Gaddy and Ickes (2005) suggest that the Russian economy consists of two main sectors: the rent-producing and the rent-dependent sectors. The former mainly comprises oil, gas, and mineral extraction enterprises that are globally competitive, not dependent on state subsidies, and generate significant profit, or rents. The latter consists of industries that are not usually globally competitive, require state subsidies, and exhibit low levels of profitability. Rents are channelled from the producing sector to maintain output and employment in the largely unprofitable dependent sector, thereby keeping demands on the regime low. In order to ensure the smooth working of this process, the Russian state has increased its control over the oil and gas sector. This, more than any concern over its CEO Mikhail Khodorkovsky's dabbling in opposition politics, helps to explain, for example, the Russian state's grab of the Yukos corporation in 2003 and its incorporation into the state-owned Rosneft. It was feared that Yukos was keen to seek partnerships outside Russia and the regime could not countenance any degree of autonomy within this vital sector.

Oil and gas rents are used to maintain the loyalty of the political elite, as noted above. They also play a key role in sustaining the neo-patrimonial system, securing support for the regime among the wider population such as pensioners, *budgetniki* (those whose salaries are paid by the state

including doctors, nurses, and teachers), civil servants, and the security services. All of these groups have enjoyed increases in salaries, pensions, and benefits during the Putin years as a direct result of the redistribution of rents. The long-term sustainability of this model and, by extension, the long-term stability of the regime, can however, be questioned. As Connolly (2015: 15) notes, enterprises in the over taxed rent-producing sector have little incentive to invest or develop infrastructure, leading inevitably to declining production (exacerbated currently by depressed oil prices) and a concomitant decline in the amount of rent available to prop up the dependent sector and maintain the neo-patrimonial system.

The Russian model of rent extraction and redistribution also hinders effective economic development and modernization. In his study of the 'politics of partial reform' in the post-communist world, Hellman considers the challenge facing political elites of initiating unpopular economic reforms that are likely to cause pain in the short term but contain the promise of future gains. In an established democratic system politicians are likely to be deterred from undertaking radical economic reforms for fear of the likely response of being defeated at the ballot box. Hellman finds that in many post-communist countries, of which Russia is a prime example, resistance comes not from the electorate but from the new political and economic elites who enjoy the privileges of partial economic reform and have no incentives to further such reform. The short-term winners have, in effect, pulled up the drawbridge on further reform; stalling the economy in a 'partial reform equilibrium', generating considerable rents for themselves but placing high costs on the rest of the population (Hellman, 1998: 203–204). In their 'King of the Hill' model, Melville and Stukal (2012: 14–15) add a political dimension to Hellman's economic argument. Monopolistic control over political competition provides autocratic winners with guaranteed access to economic rent. They have no incentive to develop state capacity, as the increased competition, transparency, control of corruption, regulatory quality, and governmental efficiency that would accompany an increase in state capacity would seriously jeopardize their own privileged positions. As Gel'man notes, this has led to an 'institutional trap' in Russia in which political elites have deliberately created inefficient but stable state institutions with few, if any, checks and balances on executive power, and which are designed specifically to maximize the ruling elites' advantages and help maintain their monopoly of rents and political benefits, thereby sustaining the regime (Gel'man, 2011: 215).

Russia's extractive capacity has therefore served throughout the Putin era to stabilize and consolidate the regime rather than develop state capacity. By utilizing rent from the gas and oil sector to keep political elites on board and to protect the dependent sector, thereby maintaining acceptable levels of employment and adequate levels of welfare, the Putin regime has been able to insulate itself from outside pressure. However, a state with such a narrow model of tax collection cannot be said to have strong and sustainable extractive capacity. Moreover, the declining price of oil not only undermines the Russian state's extractive capacity, but also threatens the regime's hitherto successful strategy of rent distribution.

Coercive capacity

In Mann's typology of state power, coercive, or to use Mann's terminology, 'despotic' power, refers to the 'range of actions which the elite is empowered to undertake without routine, institutionalized negotiation with civil society groups', whereas infrastructural power highlights the state's capacity to 'penetrate civil society and to implement logistically political decisions throughout the realm' (Mann, 1984: 188–189). For Mann, the typical capitalist democracy is likely to be 'despotically weak' but infrastructurally strong. In Russia's case, however, Mann's equation is reversed: the state exhibits rather more in the way of coercive capacity than in infrastructural or administrative capacity. For a classic example of a state exhibiting strong coercive yet weak

administrative capacity we need not delve too far back into Russian history. The Soviet state had exceptional repressive and coercive capacity yet was administratively dysfunctional, particularly in its latter years as the Soviet economy collapsed (Fortin, 2010: 658). Russia has effectively perpetuated this legacy, its political elite yielding to the temptation of resorting to coercion and repression to resolve conflict with political opponents (Melville and Stukal, 2012: 12).

The size and influence of Russia's coercive institutions appears self-evident. Not only are an enormous amount of resources allocated to supporting its vast military, evidenced by its capacity to intervene militarily in neighbouring sovereign states, but under Putin we have witnessed an increasing concentration of power and resources in the *siloviki*, those in the 'power ministries', representing the armed and security forces, the Federal Security Service (FSB), the Interior Ministry, and the police. Not only does this coercive power provide the state with the capacity for military intervention in what it regards as its 'near abroad', it also insulates the regime from potential social pressures, particularly through the routine harassment of civil society and political opposition activists and the disruption of peaceful protests and demonstrations.

However, while Russian military capacity may appear formidable, there are significant cracks under the surface. At face value, Russia's intervention in Georgia in 2008 exemplified the military might of the state, and yet the conflict also pointed to a certain amount of overreach on Russia's part. Within days of the invasion, reports highlighted a lack of discipline and drunkenness among the largely conscripted forces (Blank, 2008: 45). Although a military victory, Russia's intervention in Georgia was a diplomatic failure. Whilst some in the West were prepared to lend tacit support after the Georgian shelling of South Ossetia, Russia's international credibility was greatly undermined when it failed to implement an international ceasefire plan. Significantly, Russia failed to win any significant international support for its actions, only Cuba endorsing the intervention during the period of hostilities. Even Russia's loyal ally, Belarus, only lent its support after pressure from the Kremlin.

Galeotti (2016) warns against viewing the Russian intervention in Ukraine and Syria as exemplifying the strength of Russia's military power. Such actions simply show us the best of the Russian military, hiding what has become an increasingly overstretched military largely dependent on poorly trained conscript forces. Assessing Russia's military capability through these actions is 'like assuming you can judge all of US education by visiting Harvard' (Galeotti, 2016). Moreover, the increased international costs to Russia, in terms of short-term sanctions and having to respond to a more hostile and suspicious West, have implications for the maintenance of Russian coercive capacity. As Blank (2008: 45) argues, Russia cannot 'afford intense geo-political competition with the West while maintaining a petro economy based on an inherently sub-optimal economic model of Muscovite Tsardom'. Similarly, Lo (2015: 57) argues that Russian 'successes' have, paradoxically, exposed the shortcomings of using force. The strategic action of Russia in Ukraine has ensured that the administration in Kievwill remain hostile for the foreseeable future, friendly neighbours such as Belarus and Kazakhstan will be more protective of their sovereignty, and the USA and EU will have a closer interest in Ukrainian affairs.

Domestically, the Russian regime has sufficient administrative capacity to ensure 'supermajority' electoral victories in both parliamentary and presidential competition and enough coercive capacity to convince citizens not to protest against electoral fraud (Seeberg, 2014: 1269). Just occasionally, however, the regime miscalculates. The unprecedented street protests in Moscow during the winter of 2011–2012, when tens of thousands took to the streets, were triggered by some of the most blatant electoral fraud seen in Russia since the collapse of communism. The costs of suppressing such large-scale protests, both in terms of domestic and international reaction, were simply too high for the authorities. As Stepan (1990: 46) notes, when facing a potential challenge to its legitimacy, a regime previously content to use coercive measures against small-scale protest

may instead opt for tolerance. The regime's recognition of this dynamic highlights the limits of Russian coercive capacity.

Throughout the Putin presidencies, coercion has been used both to strengthen the legitimacy of the regime through assertive military action in what it perceives as its 'near abroad' and to marginalize domestic dissent. There are, however, clear limits to the use of coercive tactics, both in terms of foreign and domestic policy. Interventions in Georgia, Ukraine, and Syria have come with high economic and reputational costs, whilst domestically, the costs of coercion in the face of widespread protest can be prohibitively high.

Fortin-Rittberger's (2014) findings point to a positive correlation between coercive and infrastructural capacity. Those countries with the most efficient bureaucracies tend to be those which also spend the most on the military. Russia, however, remains an outlier, with high military spending despite low infrastructural capacity (Fortin-Rittberger, 2014: 1253). As Robinson (2014: 18) notes, whilst Putin has developed the state's capacity through the reassertion of its monopoly rights on violence, the regime has been unable (or as will be argued below, has been unwilling) to increase its infrastructural capacity. It is to the question of infrastructural or administrative capacity that we now turn.

Administrative capacity

Administrative capacity is a broader dimension than both coercive and extractive capacity, encompassing a range of state tasks such as developing policy, producing and delivering public goods and services, and regulating commercial activity. In a state with strong administrative capacity we would expect these tasks to be carried out effectively and competently by professional and trusted state officials. The regulation of property rights and the control of corruption are two important measures of the administrative effectiveness of the state and serve as indicators of the relative weakness of Russian state capacity.

Improvements in state capacity in the realm of property rights can be identified during the Putin era. However, as with revenue extraction, there are important caveats. During the 'bandit capitalism' years of the first half of the 1990s, the Russian state's role in regulating the economic sphere was minimal. Russia's private economy was effectively ruled by organized criminal groups, private security agencies, and 'moonlighting' state police and security officers. Extortion rackets and contract killings were not uncommon (Gans-Morse, 2012: 262; Volkov, 2002: 1). On coming to power, Vladimir Putin emphasized that the protection of property rights was to be a key task of Russian law enforcement (Taylor, 2011: 102). However, whilst Russian business people now no longer necessarily fear the knock on the door from the local Mafia boss, they have every right to worry about a visit from a state official. As Gans-Morse (2012: 278) argues:

> If the 1990s were a period of lawlessness during which the state was too weak to protect honest business people from criminals and unscrupulous competitors, then the threat in recent years often has emanated from within the state itself.

Similarly, Volkov notes that since 2000, corrupt state organizations wielding judicial and coercive power have been the major instruments of aggressive enterprise takeovers. A step towards reconstructing the state may have been taken, but essentially the bandit had effectively been replaced by the state official (2002: 1). Gans-Morse points to the routinized harassment of businesses by low-paid, low-level state officials acting autonomously and often on behalf of competitors in disputes (2012: 279–280). Putin's reassertion of state power in the sphere of property rights effectively provided greater opportunities for state officials to use arbitrary coercion and did not enhance

either the rule of law or greater regulative capacity. The dividing up of gas and oil rents among the political-business elite and the tacit provision of informal rent-seeking opportunities for lower-ranking officials is a key characteristic of the neo-patrimonial state outlined earlier.

Any investigation into a state's capacity cannot ignore the issue of corruption and the steps taken by the state to counter it. Corruption damages state capacity by leeching state resources, and serves to weaken the state by undermining public support for state institutions. Corruption is a key indicator of the state's capability to regulate transactions and is at the heart of any definition of state capacity (Fortin, 2010: 664).

Both Presidents Putin and Medvedev have highlighted the threat posed to the Russian state by the pervasive nature of corruption. In 2006, Putin bemoaned the lawlessness of the 1990s, admitting that his administration had not managed to remove the scourge of corruption (Putin, 2006). During his four years in office (2008–2012), Dmitrii Medvedev made fighting corruption one of the cornerstones of his presidency, unveiling a National Anti-Corruption plan in 2010 aimed at mobilizing the state and civil society in the war on corruption. Six years after his previous announcement, Putin returned to the topic, referring to governmental inefficiency and corruption as 'major problems which everyone can see', factors that were not compatible with the type of 'modern public administration' he wished to see develop in Russia (Putin, 2012). That the same criticisms were emanating from the Kremlin after 12 years of the Putin and Medvedev presidencies was either a damning indictment of the lack of political will to tackle the problem or recognition of the sheer size of the task. Or, quite possibly, both.

Corruption is endemic in Russia and operates at all levels of society, from the traffic cop subsidizing his basic salary with bribes through to private entrepreneurs evading taxation by squirreling their capital to off-shore accounts and ruling political elites tapping into state funds. A Transparency International report in 2008 identified Russia as the most corrupt country among the top 22 most economically developed nations in the world. The report identified state officials responsible for order, security, and licences as responsible for taking the lion's share of bribes. After eight years of the Putin presidency corruption levels were at an all-time high, accounting for $120 billion annually, about one-third of Russia's overall budget. Russia was ranked joint 147th in the watchdog's corruption survey alongside Bangladesh, Kenya, and Syria (RFE/RL, 2008; Tsygankov, 2014: 183). By 2014 little had changed, the Transparency International Corruption Perception survey placing Russia in 136th place (out of 174) alongside Iran, Kyrgyzstan, Cameroon, and Lebanon.

In contemporary studies of the state it is widely accepted that corruption, particularly among state officials, can only serve to undermine state capacity (Fortin, 2010). Evidence of pervasive corruption indicates that state institutions responsible for the oversight of state officials are weak and that the administrative hierarchy is dysfunctional. However, as Darden (2008) contends, such an approach only has appeal if we take a Weberian view of the state as a formal, law-based institution. Whilst corruption may indicate the lack of a Weberian bureaucracy, it does not necessarily mean that the administrative hierarchy has collapsed. Instead of corruption undermining the administrative hierarchy, Darden (2008) posits the notion of 'hierarchy-reinforcing' graft, in which administrative compliance is based on an informal contract between political elites and state officials. Graft may therefore serve as an alternative form of payment – a second salary – and it also creates opportunities for leaders to exert informal pressure on subordinates, who in turn are likely to become dependent on the goodwill of those leaders (2008: 41–43). Practices regarded as corrupt in Western democracies are embedded in the Russian system, and are indeed necessary for that system to function (Tsygankov, 2014: 180).

Corruption, therefore, whilst undermining state capacity, has served to stabilize and strengthen the Russian regime and is, as Gel'man notes, not just a side effect of bad governance but, more importantly, 'an indispensable part of the mechanism of neopatrimonial governance' (2016: 461).

Darden's argument, however, is that a state built on 'graft-based informal institutions' can be effective administratively but whilst informal corrupt practices may substitute for genuine loyalty, they do not substitute for regime stability. The 'Achilles heel' of graft-based states, argues Darden, is that they 'tend to be utterly lacking in popular support or legitimacy' (2008: 53). As noted above, the provision of employment, welfare, and pensions through the redistribution of gas and oil rents has, in the past, mobilized support for the regime. The final section explores how the Russian regime has invoked a national-patriotic appeal to replace economic growth as a means of compensating for any potential loss in legitimacy.

State capacity: The regional dimension

An analysis of Russian state capacity cannot ignore the regional dynamic. As Gel'man and Ross (2010: xv) note, whilst most studies of Russian politics focus on the way in which institutions, political parties, and elections operate at the national level, the picture is incomplete without considering sub-national institutions and practices and the way in which they may vary in scope and dimension across the regions of the Russian Federation.

Such variations were particularly evident during the 1990s, when a weakened centre often found itself under pressure from powerful regional political and business elites. The collapse of the Soviet Union led to significant weakening of the Russian state's coercive and distributive capacities. As a result, the 1990s were typified by increasingly independent and decentralized sub-national authoritarian regimes demonstrating trends of patrimonial rule, monopolist control and a propensity to use coercive measures to nullify political opposition (Gel'man, 2010: 9–11). By the end of the 1990s, consolidated and mainly authoritarian sub-national regimes had been established in most of Russia's regions. On coming to power in 2000, Putin inherited a decentralized authoritarian system in which the federal centre operated as a weak national superstructure built on a variety of sub-national regimes. This was a system that epitomized the failure of state-building under Yeltsin and led Putin to prioritize the state-building process (Golosov, 2011: 625–626).

Putin's first two terms saw an increasing centralization of power and strengthening of the regime's grip over the regions achieved through the establishment of the 'power vertical'. This has involved: the hierarchical subordination of regional governors and city mayors; the prohibition of open political competition between local elites; and the co-optation of regional elites into the 'party of power', United Russia, less of a political party and more of a machine extending the regime's dominance throughout the federation. The power vertical offers carrots as well as sticks, however, with incentives provided to local actors in return for loyalty to the federal regime (Gel'man and Ryzhenkov, 2011: 451–454). Putin's recentralization project has not eradicated varying levels of sub-national authoritarianism, and regional elites retain substantial coercive and redistributive capacity. The Kadyrov regime in the Chechen Republic is one extreme example of a regional leader with apparently extensive capacity and yet Ramzan Kadyrov, just like his fellow Republican leaders and regional governors, can only continue to exercise that capacity as long as he continues to show loyalty to the federal regime, largely by turning elections into demonstrations of loyalty and securing supermajority victories for United Russia. Any regional leaders incapable of fulfilling this task have failed to win appointment to a new term (Golosov, 2011: 636).

De-mobilizing opposition and mobilizing regime support: The nationalist turn

Vladimir Putin's return to the presidency in March 2012 saw a return to coercive means of suppressing street protest, resulting in a sharp decline in the number of opposition demonstrations and

the number of people participating in such actions. We do not have to search hard for repressive measures during Putin's third term: the clampdown on non-governmental organizations, the hounding of key individuals such as the anti-corruption campaigner, Alexei Navalny, and the Left Front leader, Sergei Udaltsov, the continued imprisonment of protesters, and the portrayal of opposition as fifth columnists. Moreover, Russia's annexation of Crimea and subsequent support for separatists in eastern Ukraine in 2014 created a hostile political environment for political opposition. The Ukraine crisis was accompanied by a distinct nationalist, anti-Western turn in Russian politics fostered by the Kremlin's rhetoric and which was clearly not conducive to an opposition largely comprising pro-democracy, pro-European, pro-Western forces.

Even at its height, however, the protest movement only attracted a comparatively small section of society, and the larger-scale protests were primarily limited to Moscow. The fact remains that the majority of Russian citizens, either supporters or opponents of the regime, remain passive. Putin's approval ratings, always comparatively high, have been enhanced by the regime's stance on Ukraine. As noted above, the regime has successfully insulated itself from widespread societal demands through the redistribution of rents in order to maintain employment and welfare levels. However, whilst the regime's capacity to maintain autocratic rule has to date been based largely on economic growth linked to rising oil prices, explaining Putin's popularity simply by economic factors is overly determinist. As Busygina and Filippov argue, the Kremlin has successfully shaped citizens' perceptions of political reforms. The potential of a coalition forming in support of institutional reform and democratization has been countered by the regime's strategy of casting itself as providing the 'true version of democracy', contrasting this with the chaos and turmoil of the previous attempt to instigate Western liberal democracy in the immediate post-communist years. Through a compliant media, the regime has highlighted the economic risks of further democratization to the Russian people, who predominantly have come to see a further round of democratic political reform as too costly (Busygina and Filippov, 2015: 217–220).

Support for the regime was, therefore, mobilized on the basis of continued economic growth and through instilling a fear of the dangers of putting economic growth and the benefits associated with it at risk. However, with the slowdown of the Russian economy since 2009 and the strain on the regime's capacity to use rents to maintain support, an alternative means of mobilization was required. The nationalist or 'cultural' turn in Russian politics during Putin's third term appears, in the short term, to have successfully replaced the benefits of economic growth in providing effective means of mobilizing regime support.

Conclusion

From a comparative perspective, the Russian case has much to contribute and provides fertile soil for the study of state capacity. One valuable lesson from the post-Soviet experience might be to focus less on simply labelling non-democratic systems as competitive or electoral authoritarian and rather concern ourselves more with the degree of government and the state's capacity to govern. The Russian case also alerts us to the dangers of viewing the building of state capacity as crucial in determining the long-term survival of an authoritarian system. As Andersen et al. note, for an autocratic ruler with sufficient support and resources to resist external challenges, the building of state capacity may be unnecessary (2014: 1317).

Writing in 2011, Taylor identified two potential ideological projects which could form the basis of increasing state capacity in Russia. The first would be for Russia's leaders to build a civil state with high capacity and quality on the basic foundations of Medvedev's stalled modernization project. Such a development, however, would involve greater liberalism and democracy, and therefore remains a minority project. The alternative would be a revival of the 'Russian idea', entailing the

further consolidation of a traditional service state, 'moving Russia forward to the police state category' (Taylor, 2011: 321). During Putin's third term, it has become increasingly evident that this second alternative has been chosen. The lack of political will to support Medvedev's modernization project meant that the only option for the regime was to unequivocally restore Putin's dominance of the political system and develop a 'cultural turn' in which conservative Russian traditionalism would be promoted in order to mobilize support for the regime, thereby stabilizing the neo-patrimonial system (Robinson, 2014: 26–27). Aided by events in Ukraine and the promotion of anti-Western sentiment in response to sanctions, the cultural turn has indeed stabilized Russia, but at a cost. Russian governance seems destined to stagnate, evoking notions of the phenomenon of *zastoi* (stagnation) associated with the late Brezhnev period.

It has been argued here that Russian state capacity is *relatively* weak. The regime, however, remains resilient. For all its state-building rhetoric, the Putin administration has always been more concerned with strengthening the regime. Central to this project has been the extraction and redistribution of rents from the oil and gas sector, the tolerance of high levels of corruption, the marginalization of political and civil opposition, and the mobilizing of regime support through economic and nationalist appeals. With such firm foundations for regime stability there is little incentive to increase state capacity. As Gel'man (2011) notes, preservation of regime stability in Russia has become the overriding goal for the ruling elite. Even if a constituency within the elite sought changes aimed at increasing state capacity by improving the quality of governance, such 'good intentions' would make little headway. Political actors have no real incentives to undertake reforms, and in any event would swiftly realize the impossibility of implementing changes without also risking their own positions (225–226).

Initially as a result of the benefits of economic growth and latterly through an effective national-patriotic appeal, the Putin regime has appeared impregnable. However, by the spring of 2016, many were prepared to herald its impending collapse (Motyl, 2016; Petrov, 2016), citing the regime's unsustainability, its lack of capacity to reform, and its inability to deal effectively with its worsening economic plight and creaking infrastructure. Whilst these predictions may be premature, there is no doubt that the Russian regime will, at some point in the not-too-distant future, either have to find alternative means of mobilizing sufficient support to maintain its dominance or rely increasingly on repressive measures to deal with growing social protest. A third option for the regime would be to seriously attempt to develop Russia's state capacity, a move that would involve major political and economic reform, leading effectively to regime change. For the reasons outlined above, the appetite among the political elite for this option is likely to remain low.

Acknowledgements

The author would like to thank Richard Connolly (University of Birmingham) and Neil Robinson (University of Limerick) for their helpful feedback in the early stages of the writing of this article.

Funding

This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

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