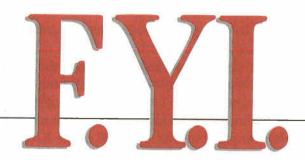
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## AS YELTSIN'S HEALTH FADES, THE SUCCESSION STRUGGLE INTENSIFIES IN RUSSIA

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ussian President Boris Yeltsin's declining health has generated great speculation around the world about whether he can continue to lead Russia effectively. As the world awaits Yeltsin's scheduled open heart surgery, concerns for the future of Russia's fledgling democracy mount. Should he die, it is unclear who would succeed him to lead Russia into the next millennium. In addition, any further deterioration of Russia's economic stability and military position would present serious foreign policy challenges to the United States and the rest of the world.

A fascinating power struggle already is underway in Moscow involving Prime Minister Victor Chernomyrdin; Yeltsin's security aide and National Security Council Secretary, retired General Alexander Lebed; Chief of Staff Anatoly Chubais; and other key political figures. As this power struggle unfolds, three possible scenarios have emerged.

- Scenario #1: President Yeltsin dies in office. Prime Minister Chernomyrdin becomes Acting President, and presidential elections, with Chernomyrdin and Lebed as the foremost contenders, take place within three months. Under Chernomyrdin, the Russian government most likely would follow the policies put in place under Yeltsin. If Lebed were elected President, Russia might assume a more anti-Western, isolationist posture.
- Scenario #2: President Yeltsin rebounds and fully assumes power. Chernomyrdin and Chubais remain important players, and Lebed is put under even tighter control—perhaps even fired—for behavior seen as disloyal to Yeltsin. In this case, Russian foreign policy would remain the same. Friction with the West on NATO expansion eventually might be resolved, but arms control and nuclear proliferation concerns would continue to mar bilateral U.S.-Russia relations.
- Scenario #3: President Yeltsin remains in power but is incapacitated. Chernomyrdin and Chubais assume crucial roles in governing the country. Political turmoil in Moscow would force Russia's leaders to concentrate on the power struggle, and foreign policy would be neglected. Foreign Minister Evgenii Primakov might assume a dominant role in managing Russia's international affairs.

U.S. foreign policy makers have a great deal at stake in any scenario for Russia's post-Yeltsin transition. Potential turmoil in Russia raises serious questions such as control of the Russian nuclear arsenal, civil unrest, and upheaval in the defeated, demoralized, and underpaid Russian military. No matter which scenario unfolds, any future Russian government could be less experienced and less predictable than the current one, and might pursue an adventurous policy of aggression in Russia's "near abroad" to solidify support at home. Like the czars and commissars who ruled before them, whoever gains ultimate control of the Kremlin—whether it is Yeltsin, Lebed, or Chernomyrdin—will have a tremendous ability to shape the very nature of Russian society and the Russian state.

# JOCKEYING FOR POWER: POLITICAL PLAYERS IN THE SUCCESSION STRUGGLE

Two main contenders for the presidential mantle have emerged over the past three months. The most obvious is Victor Chernomyrdin, Yeltsin's Prime Minister since December 1992. Chernomyrdin's primary opponent is General (Ret.) Alexander Lebed, Yeltsin's national security aide.<sup>1</sup>

#### The Predictable Chernomyrdin

According to the Russian constitution, <sup>2</sup> should Yeltsin die in office or become unable to perform his duties, the Prime Minister becomes Acting President for no longer than three months until new elections take place. Chernomyrdin represents the class of Soviet-era managers who weathered the country's turbulent transition to the rough-and-tumble market of the post-Soviet era. He also represents the powerful and rich oil and gas industry of Russia, which controls hydrocarbon reserves comparable to those of Saudi Arabia. A gas industry manager during the Soviet era, Chernomyrdin served as gas industry minister in Mikhail Gorbachev's cabinet. Today he leads the centrist, pro-establishment Our Home Is Russia political movement, which won 10 percent of the popular vote in the Duma elections of December 1995.

Chernomyrdin is a convert to the gospel of market economics and a frequent dinner partner of International Monetary Fund Chairman Michel Camdessus, U.S. Vice President Albert Gore, and other Western political and business leaders. Although lacking charisma, Chernomyrdin is a tested political leader who preaches the virtues of hard work and a businesslike approach to solving problems. He has proven himself loyal to Yeltsin and expects to be rewarded with the status of heir apparent.

### The Unpredictable Lebed

Chernomyrdin's main challenger is a retired two-star paratrooper, General Alexander Lebed. A dark horse candidate in the presidential elections of 1996, Lebed is a charismatic and controversial politician. Before the 1996 elections, the Yeltsin camp gave Lebed generous financing, access to state-controlled television, and a team of savvy and sophisticated image makers and campaign managers. Lebed received 15 percent of the popular vote in the first round of the elections, which served Yeltsin well by siphoning nationalist votes away from the Communist candidate, Gennady Zyuganov. Lebed was rewarded with the highly visible post of Secretary of the Security Council and national security aide to the President.

<sup>1</sup> See Ariel Cohen, "General Alexander Lebed: Russia's Rising Political Star," Heritage Foundation *F.Y.I.* No. 65, September 26, 1995.

<sup>2</sup> Russian Constitution, any edition, Article 92.

Since assuming his duties as part of the administration, General Lebed has become known as a peacemaker in Chechnya. He achieved a truce and accord in Chechnya in the aftermath of the humiliating defeat of the Russian military in Grozny during August 1996. The mantle of peacemaker has made Lebed even more popular with the Russian voters, who oppose the war by a margin of four to one. Lebed has scored two political victories since coming to office as Yeltsin's national security chief. In June 1996, he managed to remove the unpopular Defense Minister Pavel Grachev from the "Russian Pentagon" and to purge Grachev's cronies in the Ministry of Defense. He also succeeded in obtaining the nomination of widely respected three-star general Igor Rodionov for the post of Minister of Defense.

However, Lebed's popular support could disappear quickly. His promises to fight crime and corruption have remained largely unfulfilled. Russia's thorniest problems still await the general's customary no-nonsense, tough approach. Failure to make clear progress in fighting crime could jeopardize Lebed's chances to mount a credible challenge to Chernomyrdin and gain the support of the Russian public, media, and bureaucracy.

Lebed's relationships with many powerful Moscow politicians, including Chernomyrdin, Anatoly Chubais, and many nationalists, have soured significantly. Lebed repeatedly offended Yeltsin by openly questioning his ability to govern and by casting doubt on the state of his health. He also called unsuccessfully for the sacking of the powerful Minister of the Interior, Anatoly Kulikov, thereby making another enemy. Some military officers saw Lebed as too eager to conclude an agreement that came close to granting independence to the Chechen separatists. President Yeltsin, weary of this ambitious, outspoken, and unpredictable general, took action to keep him in check by creating a competing body, the Defense Council, which is chaired by Yeltsin and includes Chernomyrdin (as his deputy) and Chubais. In light of these conflicts, some believe General Lebed's political star "may fade without ever reaching its full luster."

On October 3, Yeltsin announced in a dramatic broadcast to the nation that he had stripped Lebed of a key position as chairman of the committee in charge of top military nominations. Infuriated, Lebed tendered his resignation, which Yeltsin refused to accept. Yeltsin is trying to deprive Lebed of real authority while at the same time keeping him in the government. The drama around Lebed is continuing. Firing the popular general could strengthen his underdog image and further increase his popularity, thereby also increasing his chances to succeed Yeltsin.

Lebed's post-Soviet conversion to free-market enterprise remains incomplete. While flirting with classic liberal ideology before the election, he now works in tandem with Sergei Glazyev, a moderate nationalist politician. As an economist, Glazyev advocates Keynesian-style industrial policy and highly protectionist tariffs to help local producers. Lebed appointed Glazyev as Director of the Economic Security Department at the Security Council, which he heads. Both Lebed and Glazyev predictably have become spokesmen for the ailing Russian military industrial complex, advocating the massive government infusions of cash that the state-run behemoth badly needs in order to survive. This position, which calls for heavier taxation of Russian energy exports, most likely will cause the oil and gas industry to rally behind Chernomyrdin. Should Lebed assume presidential powers, his policies could make foreign investment in the Russian energy sector less profitable. If Glazyev remains his chief economic adviser, Russia will become more protectionist and more isolated from international markets.

Lebed's most recent remarks, in which he called for Yeltsin to step down, were reported on CNN World News at 3:00 p.m., September 28, 1996.

Stanislav Lunev, "Lebed and Rodionov: Views on Russia's Security," Perspective, Vol. VII, No. 1 (September-October 1996), p. 5.

Sources inside the Kremlin have indicated that a broad coalition is forming to check Lebed's efforts in Moscow. One tactical maneuver—removing Lebed as manager of the Chechen crisis and putting him in charge of the explosive issue of Russian relations with Ukraine and Belarus—took place in September. Lebed already has sent tremors through corporate boardrooms in the West by advocating that the dilapidated Russian Black Sea Fleet play a role in securing shipments of oil and gas from the rich Caspian Sea fields. Russian and Western oil interests may be quite wary of the prospect of a President Lebed.

Despite his detractors and a few setbacks in political dogfights, General Lebed is learning the rules of the political game in Moscow. With Glazyev, he has consolidated control over a nationalist movement called the Congress of Russian Communities (KRO). Lebed also is building another support group of hard-line veterans and military retirees called Motherland and Honor. Another political organization supporting Lebed is called Truth and Order. Lebed is interested in forcing presidential elections before Yeltsin's term in office expires in 2000. Yeltsin's failing health may provide him with that opportunity.

Despite his rows with the major Moscow politicians, Lebed remains popular with Russian voters. In fact, he is the most trusted politician in Russia. A recent poll indicates that 34 percent of Russians trust Lebed, compared with Zyuganov (15 percent), Yeltsin (12 percent), and Chernomyrdin (9 percent). If the presidential elections were held today, Lebed would have a good chance of winning.

#### The Dark Horse: Mayor Luzhkov

Another possible presidential contender if Yeltsin dies is Moscow Mayor Yurii Luzhkov. Moscow is undergoing a true renaissance under Luzhkov's leadership. The city leads the rest of Russia in market transformation and is in the midst of an unprecedented construction and real estate boom. Moscow's banks now control 80 percent of Russia's finances. Luzhkov has even repaired the notoriously bad Russian roads and has initiated such high-visibility multimillion-dollar projects as the reconstruction of the Church of Christ the Savior, which was blown up by Communists in the 1930s. The mayor, reelected in 1996 with an unprecedented endorsement of 89 percent of Muscovites, enjoys country-wide popularity. His reputation as a tough, no-nonsense manager and *khoziain* (boss) make him a serious contender for the presidential mantle.

In 1993, Luzhkov initiated a campaign to arrest and deport dark-skinned "persons of Caucasian nationality" from Moscow; tens of thousands of Southerners, many of them Russian citizens, were deported without due process of law. This undertaking, while popular in Moscow, was criticized vigorously by the human rights community. The prospect of Luzhkov's becoming President should raise eyebrows among Russia's 20 million Moslems. Moreover, a campaign by international human rights organizations would taint his image throughout the world.

Luzhkov is trying to build a nationwide image as a "can-do" politician, actively reaching out to governors and regional politicians; an ally, Vladimir Yakovlev, is now mayor of St. Petersburg. Support from such political leaders may be crucial. Luzhkov remains outspoken on a variety of issues, usually taking a nationalist stance. For example, he supports Russian control of the Black Sea port of Sevastopol and adamantly opposes returning the four Kuril Islands, captured

<sup>5</sup> Interviews with Russian government and presidential administration officials who requested anonymity, July-September 1996.

<sup>6</sup> Cohen, "General Alexander Lebed: Russia's Rising Political Star."

Polling by VCIOM, the All-Russia Central Institute of Public Opinion Research, reported in *OMRI Daily Digest*, September 25, 1996.

by Russia in World War II, to Japan. Luzhkov celebrated his 60th birthday with unprecedented pomp, possibly to send a signal that he is healthy and ready to compete for national office.

Like Chernomyrdin, Luzhkov is capable of generating the large amounts of cash needed for a presidential campaign. His close ties to Vladimir Gusinsky's banking and media empire, for example, give him an obvious advantage. Nevertheless, his chances of winning the Russian presidency could be reduced significantly if the corruption that is rampant in his administration were to become a major issue in the campaign. Moreover, the envy and animosity of people in the provinces toward "rich" Muscovites could hinder Luzhkov's chances to win national office. The Russian provincial electorate in the end may refuse to vote for a capital city mayor.

#### The Capable Anatoly Chubais

Chief of Staff Anatoly Chubais, Russia's most capable political manager, has not declared his presidential ambitions. He is often blamed for the many shortcomings in Russia's economic reforms and privatization program because he was one of the chief architects of market reforms and has played a key role in privatization efforts. Ironically, the hardship caused by these reforms is the main reason Chubais is not running at this time.

Chubais is engaged in a low-key rivalry with Chernomyrdin, a conflict over Chubais's placement of supporters in key jobs with access to Boris Yeltsin. Recently, Chubais reinforced his links to Russia's Democratic Choice, the center-right party led by Yegor Gaidar, and created a political power base for an election. Chubais could align himself with Chernomyrdin against Lebed, and such a coalition doubtless would prove formidable. Chubais is not only an outstanding campaign manager, but also an impressive fund raiser, having built an alliance with the rich Russian banking sector. He also is popular in Washington and other Western capitals, a fact that could make him a key liaison to the Western political and business communities for the Chernomyrdin ticket.

#### **Other Possible Candidates**

Should Yeltsin die, the resulting round of presidential elections undoubtedly would include some familiar faces from the 1996 presidential elections. The Communists certainly will field a candidate, either Gennady Zyuganov<sup>8</sup> or his ambitious second in command, Valentin Kuptsov. Though Communist support peaked last summer, Zyuganov is unlikely to get more than 20 percent of the vote. Reformer Grigory Yavlinsky and populist nationalist Vladimir Zhirinovsky also may choose to run, although it is doubtful that either would gain more than single digits at the polls. In addition, there probably will be several third-tier candidates from the fringe parties and small political groups that make the Russian political landscape so colorful.

#### THE SUCCESSION STRUGGLE

President Yeltsin already has signed a decree transferring most of his power to Prime Minister Chernomyrdin. As Yeltsin's operation draws closer, the possible scenarios vary according to whether Yeltsin is able to recover and reassume power.

<sup>8</sup> Evguenii Volk, "Who Are You, Comrade Zyuganov?" Heritage Foundation F.Y.I. No. 108, June 6, 1996.

<sup>9</sup> Ariel Cohen, "Who's Who in the Russian Presidential Elections," Heritage Foundation F.Y.I. No. 107, June 6, 1996.

Scenario #1: Yeltsin dies. Should Boris Yeltsin die in office, the Russian constitution clearly states that new elections must be held within three months. During this intervening period, the President's duties are to be performed by the Chairman of the Government (Prime Minister), who will not have the right to dissolve the State Duma. 10

Lebed would be the principal beneficiary under this scenario. Chernomyrdin might want to delay the elections, fearing Lebed's popularity, but this would violate the constitution and might be politically difficult to achieve. A decree or law delaying the elections would amount to amending the constitution. Such legislation would have to be approved by the Duma with a two-thirds majority, by the Council of the Federation (the upper house) by a three-quarters majority, and by two-thirds of the regional legislatures. If Chernomyrdin were to try to pass such a law, Gennady Seleznev (the Communist Chairman of the Duma) and Yegor Stroyev (Chairman of the Council of the Federation) would find it extremely difficult to accommodate him.

In case of new elections, Chubais's role as Chief of Staff and conduit for Yeltsin's views might lessen, but his importance as a campaign manager and fund raiser would benefit him tremendously. Chubais's successful track record in managing Yeltsin's reelection as President could put him in the key position in a Chernomyrdin campaign.

If the elections were to take place now, Lebed would have a realistic chance of winning. However, he also suffers from two key limitations: insufficient financing and little access to the electronic media. If Lebed maintains his alliance with Boris Berezovsky, a prominent businessman and chairman of the board of Russia's ORT-TV, he might raise enough money to buy the air time required to win. If elections are delayed, however, Chernomyrdin and Chubais could put together a coalition capable of stopping him.

If Chernomyrdin were to win, Russia probably would continue the present government's reforms. Some friction with the West would continue, but so would "business as usual." Investment in oil and gas would receive a higher government priority, and links developed with the International Monetary Fund and the World Bank under Chernomyrdin's tutelage would continue.

If Lebed were to win, the future would be less predictable. Lebed has not been exposed to the West and while not vehemently opposed to NATO expansion, treats all foreigners with suspicion. His power base is the military-industrial complex, veterans of the security services and the army, and the law-and-order constituency. His staff is drawn primarily from the ranks of military veterans who were subjected to intensive anti-Western propaganda while in the service.

Lebed's economic knowledge is somewhat lacking, and he relies on Sergei Glazyev's advice. This could cause a delay in the process of economic reform. Russia would likely increase its military spending and subsidize the military-industrial complex, in addition to erecting tariff barriers and creating additional hurdles to foreign investment. However, Lebed is a pragmatist above all else. If he discovered that such policies were highly unpopular, he would be perfectly willing to reverse them.

Scenario #2: Yeltsin recovers fully. If Yeltsin survives the operation, Prime Minister Chernomyrdin will be de facto President for the duration of a recuperation period of from three to six months. This would enable the Prime Minister to consolidate his power base and patronage in preparation for the inevitable power struggle. Anatoly Chubais also would play an important role as the one who prepares the presidential decrees and controls access to Yeltsin. During Yeltsin's illness, Lebed has called repeatedly for his resignation and questioned his ability to govern. Once

<sup>10</sup> Russian Constitution, any edition, Article 92.

Yeltsin becomes strong enough, Lebed could be fired for these assertions, which many see as demonstrating a lack of loyalty.

During Yeltsin's recuperation, U.S.-Russian relations might be put on hold. Russian politicians would be preoccupied with the power struggle in the Kremlin and with domestic problems, and bureaucratic inertia and anti-Western sentiments could continue to influence Russian policy. There would be little place for bold moves to end the stalemate on such key issues as NATO expansion, ratification of START II by the Duma, or the sale of nuclear reactors to Iran.

Even if President Yeltsin recovers fully, however, his overall health, the heavy workload, and his personal lifestyle might not allow him to complete his term in office. Within a year or two, the U.S. could face a new crisis in the Kremlin and new presidential elections in Russia.

Scenario #3: Yeltsin is disabled. This is the most difficult scenario to forecast. If Yeltsin survives but his health severely limits his capacity to function as head of state, calls for his resignation are likely to grow, with Lebed leading the choir and the Communists following closely behind. Lebed, Zyuganov, and Seleznev already have called for Yeltsin's resignation. This scenario would benefit Chernomyrdin and Chubais, who would be positioned to run the state as did Mrs. Woodrow Wilson when President Wilson was incapacitated in the early part of this century.

Russia's constitution does not provide for official certification of the President's health. Nor is there a tradition of making the results of presidential medical examinations public. It is not clear who, if anyone, has the right to nominate a council of medical doctors to attest to the President's fitness. While the constitution does not specify such a body, it is conceivable that the Communist-controlled Duma could show legislative initiative in this. However, the Constitutional Court would probably do its best to avoid such a difficult and highly politicized issue. <sup>12</sup> In the past, the Court has avoided politically controversial questions, such as the constitutionality of the war in Chechnya. An incapacitated Yeltsin would continue to be the focus of political controversy. A disabled Yeltsin might trigger an even more bitter power struggle which would spill over into the Russian media. In the long term, Yeltsin probably would be forced to resign so that new elections could be held.

### Conclusion: Power Struggles Cloud Russia's Future

Much is riding on Boris Yeltsin's health: the course of Russia's development as a state, Russia's security and economic relations with the world community, and the future of U.S.-Russian relations. The current crisis may take as much as six months to a year to resolve. If Yeltsin were to die, a Chernomyrdin successor government could provide for continuity in relations with the U.S. and the West, while a Lebed or Luzhkov government would take more a confrontational stance toward America. The worst-case scenario—a victory for the Communists—seems unlikely at this time.

Yeltsin's illness is symbolic of Russia's position as a weak and ailing power. The fact that Yeltsin personally is so important is a clear indication that Russian democracy has a long road to travel. A prolonged power struggle will increase internal instability and interfere with Russia's attempts to put its house in order. Nevertheless, the fact that the transition of power may occur in an orderly manner indicates the progress of Russia's body politic. Russian democracy, as imperfect as it is, still has a good chance to survive its founder and current leader.

<sup>11</sup> Laura Beilin, "Seleznev: Yeltsin Should Step Down If Operation Is Canceled," OMRI Daily Report, September 24, 1996.

<sup>12</sup> Interviews with officials of the Constitutional Court who requested anonymity, September 1996.

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