

Comparing German and Russian Federalism - Challenges to reform Center-Region relations in a globalized world

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As late nation states, Germany and Russia have different traditions in state building. While Germany was dominated by regional leaders over centuries, Russia was for a long period a central organized state headed by a Czar. The German attempts to build a nation state under one king or leader led to the catastrophes' of WW I and WW II. After WW II with support from outside Western Germany built up a federal state with regard to its strong regional tradition. The main goal of the state founders was to prevent a strong German central state which is a threat to Europe. As a result, Germany has today a weak president and a chancellor dependent on parties and regional leaders. But this structure is not feasible to a world with global competition because it inhibits necessary reforms.

The Soviet Union (SU) was more or less a federal state on paper. The control of the state through the Communist Party was the real power center behind the federal structure. After the fall of the SU, Russia was founded as a federal state. The weakness of the institutions of the central state brought regional leaders more leeway for their policy in the 1990s, but it never led to a well functioning federal state. The situation has changed with the federal reforms of President Vladimir Putin since 2000. Even if strengthening of the central state at this time was important to manage the economic, political and social transformation or prevent the disruption of the state it limited the democratization of Russia and the responsibility of regional leaders.

What both, Russia and Germany have in common with regard to their federal structure is that they are not prepared to the challenges of globalization. Influence of globalization on nearly all policy areas (education, labor, migration, social welfare) demands as well as local solutions for global challenges as a functioning institutional and a legal environment which gives the nation state the opportunity to support competition and social welfare. German politicians fail to reform the federal system with regard to global demands since many years. For instance in the education system every federal state has its own exams and university courses. They are neither comparable inside Germany nor in Europe. The Bologna process made the situation even worse. The federal government would like to invest more money in the German education system, but because of the jurisdiction of the Länder and their fear to lose influence in this sector they prevent the necessary change of the law. In other areas where it would make more sense to have regional or local solution the Länder lost their power to the federal and European level.

In Russia we have the opposite development. Regional leaders are not responsible towards their citizens but towards the president. The establishment of the power vertical hinders regional responsibility and competition. At the same time the federal government in Moscow tries to control its regional leaders through special representatives and an evaluation system. In a political system, where personal loyalty and corruption is a feature of the system, this

policy cannot work. The change of the law may change this situation to some extent, but not fundamentally. As a result, we can observe a weak public service which is not oriented on the demand of the people but on the interests of specific elites. For a huge country like Russia only a well functioning federal system is sustainable especially in a globalized world. Competition between regions and personal responsibility to local and regional demands for elected representatives is the prerequisite for the modernization of Russia.

Germany and Russia need to find the right balance between the influence of the nation state and responsibility of its local and regional elites. While the nation state has to guarantee common standards, regional or local solutions to problems would increase the global competitiveness and living standard of citizens. Further prerequisites for a well functioning federal state are political competition on all levels of the state and rule of law.