

Chapter 2

A Russian Model of Development: What Novgorod Can Teach the West

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Discussions about civil society and the search for justice cannot remain couched only in the abstract and the theoretical. We must resist the temptation to view Russia simplistically; rejecting both the hopeless despair displayed by the Marquis de Custine in his *Voyage en Russie*, and the naïve romanticism voiced in poet Fedor Tiutchev's famous epigram: "Not by the mind alone is Russia to be understood, nor by a common yardstick measured. She has her own particular essence; in Russia one can only believe." Instead, by looking at tangible results, achieved in one particular region of Russia, we can begin to appreciate how the ideas of civil society and justice that we are addressing here can be realized.

For the last ten years, the not-very-subtle message of the West has been this: Russia lags far behind the West in establishing a just, democratic, and prosperous society. The Russians should therefore swallow their pride, acknowledge how much they have to learn from us, and meekly restructure their culture, society, politics, and economy along the norms provided to them from the West. In a recent article in the *Washington Post*, Robert G. Kaiser, himself a former Moscow-based correspondent, dutifully propounds the common wisdom:

The Russians are in a mess at home, their secret policemen are in the ascendancy, and so is anti-Americanism. Russia, the biggest nation in Europe, is not integrated with its neighbors politically, nor does it participate fully in the global economy. All those [nuclear weapons], all that oil and gas, all those talented people remain, at best, on the edge of the international community. The Russians are scared, and resentful. . . . We foolishly over-flattered the garrulous first president of post-communist Russia, encouraging him and his countrymen to pretend they had a much bigger place in the world than they had earned . . . Americans will advance their own interests, and Russia's, too, if they confront the Russian problem forcefully and magnanimously. *We can try to persuade the*

Russians they are welcome at the high table, though only if they behave appropriately. We can show them the path to get there (emphasis added).¹

It seems to me that our relationship may not be quite as one-sided as it appears. Indeed, what has befallen Russia may have lessons to impart not only for the way we approach issues of development overseas, but also for economic and political development in the West.²

Not since the end of World War II has Europe seen such a massive disruption of governmental institutions, or such a protracted economic collapse.³ Moreover, as former National Security Advisor Zbigniew Brzezinski commented, far too often, Western proponents of particular plans for reform in Russia have failed to take into account "the cumulative consequences of seventy years of communism, two world wars, and the destruction of the Russian intelligentsia by the communists."⁴ And, as if this were not enough, no other region in recent memory has faced the task of rebuilding its cultural identity and its social, political, and economic institutions from scratch without at least the benefit of paternalistic occupiers or colonial authorities to oversee the task.⁵ As Vagit Alekperov, president of LUKoil, one of Russia's major corporations, noted: "We have already experienced abdication twice. The public abdication of Nicholas II marked the end of the Russian Empire. Gorbachev's public abdication marked the collapse of the USSR."⁶

Yet it is worth recalling that when this transition began in the late 1980s, Western scholars typically regarded the USSR as a model of rapid and, generally effective, modernization, whose highly educated workforce would help her to recover more rapidly than other, "tradition-bound" (read Third World) societies.⁷ It might therefore behoove other modern societies with highly educated workforces not to become too complacent. As Americans struggle to adapt to globalization, multiculturalism, and the redefinition of the "national" interest, it may even be helpful to learn from Russia, which is undergoing this same transition in a highly compressed time frame, with some glaring failures and some notable successes.

The media have focused almost exclusively on the failures. So much so that a worrisome gap has emerged between media portrayals of Russia as a collapsing and humiliated power, and the rather striking economic and political consolidation that is currently taking place there.⁸ If asked to name the country that was among the ten fastest-growing economies in the world last year, where the federal budget deficit was slashed by two-thirds; unemployment fell by 18 percent, and Internet usage grew six times faster than in Western Europe, few would daresay Russia.⁹ That is because, as Oxford economist Carol Scott Leonard has aptly quipped, what is actually happening in Russia is, of course, less important than what Western observers think is happening.

Grounding ourselves in reality rather than perception, however, requires moving beyond the media's traditional obsession with Kremlin intrigues. Even more importantly, it means getting out of Moscow and into Russia's provinces. At this level Russia shows tremendous diversity and dynamism. It is here that

Russia's future is being forged and, in regions like Novgorod, already yielding some impressive results.

Novgorod: Exception or Model?

My interest in Novgorod came about quite fortuitously. In 1996 I received a Fulbright Lectureship to Russia, and as a family we decided to go someplace off the beaten track. My father was born in a small town in the Pskov region, but we found that Pskov has no state university and so could not be our sponsor. The neighboring region of Novgorod, however, had just received approval to set up a state university, and after a few e-mail exchanges with the vice president there, we were on our way. I went without preconceived notions, without any research agenda. Cognizant of Gogol's admonition that "great is the ignorance of Russia among Russians," I sought to follow his advice to the newly appointed governor Aleksei Tolstoy to "go out and see the land." For me therefore this was very much a voyage of personal discovery.

Within a few weeks of our arrival it became readily apparent that the "Russia" I had been reading about in the Western press was very different from Novgorod. While the country's GDP was declining, Novgorod's gross regional product had been rising steadily by more than 4 percent a year since 1995.¹⁰ While pension arrears plagued the country, the Novgorod region was able to implement a system that ensured pension payments to local recipients within 36 hours of local deposit.¹¹ While barter constituted 60 percent of economic transactions nationally, locally it was less than half that, and while FDI accounted for less than 5 percent of total investment nationwide, in Novgorod it exceeded 50 percent of regional investment.¹² Levels of civic activism and private entrepreneurship in the region rivaled that of the southern regions of Western Europe.¹³ Small, private enterprises now provide more than 20 percent of the region's tax income.¹⁴ In business surveys assessing the impact of political and financial risk for investors, Novgorod ranks second after Moscow as having the lowest risk rating among Russia's 89 regions.¹⁵

In social and political matters, Novgorod has also proven to be a trailblazer. In 1995, the regional Duma began to pass legislation regulating local self-government within the region; by September 1996, Novgorod had become the first region in Russia to successfully conduct open elections for every level of government.¹⁶ People expect that their elected representatives will be responsive to their needs and concerns; over nine hundred people sought redress of grievances by appealing to their representatives in the Novgorod City Duma in 1997–1998. Contact between government and governed is further facilitated by a series of monthly "open house" meetings hosted by government officials, open to the public, and advertised in the local media.¹⁷ One of the most tangible aspects of the increased trust in government is the existence of the "Social Chamber" (*Obshchestvennaya palata*), where representatives of registered social organizations, including political parties, charitable organizations, civic groups, and business interests, review pending legislation and offer their comments and al-

ternatives. The Social Chamber meets the last Thursday of each month and is chaired, either by the governor of the region, or the chairperson of the Duma. The proceedings of the Chamber must be conveyed to the media, along with all minority opinions expressed during its proceedings that enjoy the support of at least one-fifth of the participants present. The Social Chamber has thus proven to be a durable and effective forum for developing and accelerating "social partnerships" between local government and civic groups.¹⁸ In turn, the trust that has been built up in local government rests upon an active and involved citizenry, as reflected in a thriving network of civic organizations. Between 1991 and 1996, the number of civic associations in Novgorod increased sixteenfold, with over a thousand NGOs registered by 2000.¹⁹ Novgorod now ranks among the top quarter of Russian regions in the number of organizations, clubs, and associations per capita.²⁰ Responsive, democratic government is thus buttressed by a vibrant associational life.

In a nutshell, in contravention of every theory governing democratization and economic development, a small, resource poor region, unnoticed by either the central authorities in Moscow or Western aid agencies, was succeeding despite the economic and political collapse around it. Moreover, there was a thriving civic culture, with mechanisms in place for conveying the grievances of the governed and for producing consensus around legislation and policies. In contrast to other regions, there was no pronounced or exacerbated conflict between the regional governor and the mayor of the capital metropolis; moreover, a broad political coalition, ranging from the Communist Party of the Russian Federation (KPRF) to the Union of Rightist Forces (SPS), was supportive of local institutions of self-government and rallied behind the efforts of the regional governor to maintain and defend "the Novgorod model."²¹ This is the paradox I encountered and that demanded an explanation. The key to the region's success, I have since come to believe, can be traced to the creative use of cultural capital by local elites. By systematically contrasting Novgorod's heritage as a medieval trade center (once the fourth largest in the Hanseatic League), and the cradle of Russian democracy,²² to Moscow's heritage of political and economic centralization, local elites, including the governor, Mikhail Prusak, have redefined reform as a return to the values of a more prosperous Russian tradition, rather than an abandonment of the past.²³ By embracing a positive political myth rooted in Russia's past, they have eased the shock of cultural discontinuity, broadened the social constituency in favor of reforms, and contributed to dramatically higher levels of confidence in local government.

Wildavsky and Cultural Theory

Just as puzzling to me, however, was the failure of Western analysts to notice this success, until it struck me that the dominant approaches to development focus on building institutional and economic incentives, often overlooking the issue of how local culture interprets these institutions and incentives. One of the

few exceptions to this trend was the late Berkeley political scientist, and founder of the nation's first school of public policy, Aaron Wildavsky. Late in life Wildavsky critically re-examined the work in public administration for which he became famous, and embraced an approach to politics that he called "cultural theory." Writing with Michael Thompson and Richard Ellis, Wildavsky noted:

The viability of a way of life . . . depends on a mutually supportive relationship between a particular cultural bias and a particular pattern of social relations. . . . A way of life will remain viable only if it inculcates in its constituent individuals the cultural basis that justifies it. Conversely . . . individuals, if they wish to make a way of life for themselves, must negotiate a set of values and beliefs capable of supporting that way of life.²⁴

Cultural theory makes three important points that help us to understand rapid social change. First, people choose their preferences as part of constructing, modifying, and rejecting institutions. Culture thus has a visible manifestation and tangible social impact that can be analyzed. Second, while it is commonly assumed that needs and resources constrain behavior because people need to make ends meet, Wildavsky argued that "Above the level of survival needs and resources are socially constructed. . . . Constraints on development are thus located in the ways of life, not in the needs and resources themselves."²⁵ This suggests that cultural attributes can be powerful tools in shaping expectations about what constitutes the "proper" way of life for a community. Third, Wildavsky reminds us that cultures are not coextensive with countries. Even though "a single culture is central to the achievement of science, democracy, and development" it must always coexist with other subcultures. He suggests that a "cultural audit" should therefore be used to ascertain which of the elements a culture needs to adapt to new circumstances are overstocked and which are in short supply.²⁶

Wildavsky's work sharpens our focus on the central issues of social justice; namely, which ways of life are best, and who is to decide. His answers, however, show that we still have far to go in understanding the complex role that culture plays in economic and political development. By defining rapid socioeconomic modernization as the quintessential virtue, Wildavsky conveniently avoids the troubling question of whether, as analysts or practitioners, we have the right to intervene in the balance of other cultures so that they become optimal from a social science perspective. Moreover, he does not question whether competitive individualism should be deemed the optimal measure for socioeconomic development. Why not the values of a monastery or a kibbutz? Each, while eschewing pluralism, competitiveness, and individualism, in their own way manage to resolve what Wildavsky calls the "crucial cultural question" of how to reconcile "the creative and expansionist tendencies of individualism to the stabilizing forces of hierarchy."²⁷

Not only does Wildavsky's approach seem excessively culture-bound, his prescriptions are sure to provoke resentment. If a society contains a high proportion of people he calls "fatalists"—those who favor tradition over modernity and

adhere to a religious worldview—Wildavsky suggests that “people-changing,” not new economic institutions, must become the first priority.²⁸ Surely, he does not mean to suggest that wherever religious beliefs and traditions dominate society, the priority of development should be to undermine them? Such a notion would engender hostility not just around the world, but even in many regions of the United States! This would especially be problematic in Novgorod, where the legacy of the medieval republic, centered around the historic Cathedral of St. Sophia, restored and returned to use as an active house of worship in 1993, is part of the process of building up support for reform initiatives.²⁹

Despite these flaws, Wildavsky’s basic point seems sound—ignoring culture and social meaning has led analysts to misread the motivations of people in other societies. This is indirectly borne out by the disastrous effects of Western foreign assistance in the region.³⁰ My experience in Novgorod, however, suggests that there is a far less confrontational approach to development. Novgorod’s success in an environment that many analysts view as hostile to democracy and markets not only challenges the conventional wisdom about development in transition societies, but offers intriguing alternatives.

First, economic and political reforms seem to be closely tied to a revitalized sense of identity. Finding the appropriate historical reference point can help create a framework receptive to change. Both Western and Russian analysts, however, have paid scant attention to Russian culture as a possible source of support for economic and political reforms. In the late 1980s and early 1990s, the prevailing attitude was that Russian culture was deficient, incapable of generating the values needed to support the transition to democratic systems of governance and free markets. The over-idealization of the West, and especially of America, during this period, is one of the reasons for the current backlash against American culture one observes in contemporary Russia. One hopes that, given the success of the Novgorod model, it will begin to attract greater attention, both within the highest echelons of the Russian government, as well as among international development analysts, as a successful alternative to development that enjoys success precisely because it is grounded in the culture and traditions of the region.³¹

Secondly, even in the absence of a national consensus, local governments and elites can forge common values and priorities to lead their communities. The late Harry Eckstein has noted:

Accomplishing transition is almost exclusively a matter for “elites,” especially their choices in regard to constitutional design. However, it seems doubtful that transition could be successfully accomplished without at least some level of support by the general public, or at least its acquiescence, and unless there is at least a modicum of success concerning maintaining public safety and well-being. Elite choices are not made, or elite goals accomplished, in a vacuum.³²

This has been especially true of Novgorod. Aleksandr Korsunov, mayor of Novgorod-the-Great, feels that the governor’s ability to work by consensus is a principal reason for the success their region has enjoyed:

The governor's wisdom lies in the fact that he has managed to unite a team and direct its work down a constructive channel. Moreover, decisions are always developed collectively. Prusak is undoubtedly a democratic leader; he knows how to listen. . . . It is important for people that they do not see petty intrigues between levels of power and understand that they are working jointly in order to solve the oblast's social problems.³³

The key to success is minimizing the disruption of old institutions where they continue to serve public needs, while simultaneously embracing new institutions and values. This can be done by placing them within the context of traditional cultural values. This was explicitly done by Governor Mikhail Prusak in the Novgorod region; in his 1999 book *Reform in the Provinces*, he declared:

If we refer to our own past, we know that in Russian history there was a city that was able to combine democracy, free market relations, and other accomplishments of civilization with national traditions. That city was Lord Novgorod-the-Great. . . . The Novgorod model has demonstrated its viability by giving the world a unique culture that created enormous material and spiritual wealth. . . . Today this model has a new historical opportunity. Our generation can return to the principles of our ancestors, but on a new basis. Self-government, elections, public accountability of authority, private property, individual liberty—the very cornerstones of the Novgorod Republic—are regaining their former significance.³⁴

Another source of stability in the region which is grounded in the historic inheritance of Novgorod is the concept of democratic consensus. Although, in Novgorod's history, consensus was sometimes achieved through violent means (the medieval chronicles depict how recalcitrant minorities within the assembly, or *veche*, might face physical assault, including being hurled off the principal bridge of the city into the river Volkhov), the idea that elected representatives have an obligation, once in power, to seek consensus for the good of society beyond narrow partisan, ethnic, or geographic interests has been critical in helping to achieve stability. This forms the basis of the regional stabilization fund by which wealthier regions in Novgorod contribute funds from their tax revenues to support economically strapped areas of the region. As former First Deputy Governor Valery Trofimov put it, "all of civil society"—elected officials, academics, entrepreneurs—worked together to forge a policy commonly referred to as "politics of the round table."³⁵

Third, the proper sequencing of foreign assistance is vital to its success. Instead of pushing quick structural and economic reforms in the hopes that these will yield rapid benefits and transform public attitudes, Novgorod created a receptive cultural environment *before* pursuing institutional changes. By "changing the culture," including the creation of the necessary legal framework, the Novgorod regional authorities demonstrated their receptiveness to both foreign direct investment and aid. In turn, foreign assistance, whether in the form of investment or grant, has been more effectively utilized. The region has been able

to raise additional capital for development, and has used loans obtained from the European Bank for Reconstruction and Development (EBRD) to purchase new city buses and to pursue pilot programs in collecting taxes. In addition, in 1997 Novgorod became one of the first regions in Russia to receive special program assistance from the State Department's (USAID) Russian Regional Investment Initiative. With the benefits of foreign aid, "social peace" in the region has been maintained, even during the worst period of economic downturn following the August 1998 economic crisis.

Finally, just as working within the context of local culture can promote democratization, ignoring local culture can undermine the prospect for democratic consolidation. Efforts to introduce democratic institutions and new economic incentives without first encouraging a receptive cultural framework can increase social tensions and undermine political stability. It is not accidental that the first report prepared by the agency tasked with promoting housing reform in the Novgorod region was an analysis of economic patterns in the Novgorod Republic during the Middle Ages. This was but one example of the ways in which policy planners sought to bolster legitimacy for reform proposals by linking them to the region's historic inheritance.

A Russian Model of Development

Novgorod illustrates the first fruits of an indigenous, Russian model of development whose significance could extend beyond Russia, and even beyond transition societies.³⁶ It suggests that there are practical mechanisms that can affect political changes even when traditional institutions have collapsed. Finally, it challenges us to think about the way in which programs to assist development are designed, and for whom they are designed.

Novgorod's success shows that it is high time to reject the condescending notion that certain cultures can be dismissed as "pathological." This idea is still all too common in writings about the Third World, to which Russia and the countries of the former Soviet Union have been conveniently added, now that the World Bank and IMF have "assisted" them. I submit that it is both counterproductive and unscientific to posit that there is something wrong with the values of any civilization that has lasted hundreds, perhaps thousands of years. It is not people's choices that need to change with the times, but the ability of their institutions to represent those choices. A key task of development should therefore be to promote more effective institutional representation (both economic and political) of core cultural values. A "cultural audit" can be a helpful tool in identifying such core values, but not if it is used only to highlight the deficiency of other cultures compared to the West. Instead, it should identify the imbalances within a society that lead to suboptimal performance, as defined by the cultural traditions of that society.

The experience of Novgorod further suggests that a receptive cultural environment is a key prerequisite for development. This does *not* mean the imposi-

tion of a particular set of cultural values in whose absence a vast reconstruction of the culture must be undertaken. Development specialists should be trained to understand how development has historically occurred within the context of the local culture. A proper cultural audit should first define the core components of local culture and how they shape overall attitudes toward socioeconomic well-being. Then, it should identify the mechanisms by which these values enter the public arena and are translated into policy priorities. Lastly, it should look at how to improve that translation so that both government legitimacy and social consensus are strengthened.

Finally, if there were ever any doubt, Novgorod shows that there is no universal measure of development. Wildavsky himself acknowledges that it is unlikely that the answer to fundamental questions of value will be the same for all societies. If this is true then *ipso facto* there can be no single measure of success in development. A cultural audit must therefore be as concerned with identifying how much economic development is too much for a society, as it is with how much is enough. It should also be as careful to identify how much democracy is too much for a society as it is with how much is not enough.³⁷

What I propose here is a two-fold shift in our approach to development issues. First, shift the focus of attention from the center to the regions, where changes can take place more quickly and have a more immediate impact on people's lives. Second, start with a regional cultural audit: an assessment of the priorities and values of a local community. It is here that we will find the operational characteristics that constrain or enable behavior by groups and individuals, rooted in history and symbols and manifested in people's daily lives; symbols that, as Clifford Geertz reminds us, are "as public as marriage and as observable as agriculture." Symbols are important, for, as Geertz pointed out, they help to shape the world by inducing in the individual "a certain distinct set of dispositions (tendencies, capacities, propensities, skills, habits, liabilities, pronenesses) which lend a chronic character to the flow of his activity and the quality of his experience."³⁸ Once identified, they can be tapped to build public support for development, without which the entire endeavor has little hope of promoting civil society or social justice.

One can begin to detect echoes of "the Novgorod model" in other parts of Russia, both in government and nongovernmental institutions. The Saratov region is attempting to harness the legacy of tsarist statesman Pyotr Stolypin, architect of a series of political and economic reforms in early twentieth-century Russia which, among other things, sought to create a large middle class of prosperous peasant farmers; Nizhnii Novgorod has begun looking to its historic role as a center for Russian trade and development; and St. Petersburg is rediscovering its role as Russia's "window on the West." The study of a single region of Russia can thus yield much broader implications than originally anticipated, and brings us back to my original point: Russia can certainly use our help in setting her house in order, but she also has a lot to teach us about promoting civil society and social justice more effectively.

Notes

1. Robert G. Kaiser, "Don't Let This Russia Spook You," *Washington Post*, February 25, 2001, B1.

2. This opinion is also shared by Russian academician Sergei Karaganov, the deputy director of the Russian Academy of Sciences Europe Institute and chairman of the Foreign Policy and Defense Council. He notes that globalization caught not only Russia, but "most countries in the world" off guard. He points out that "economic globalization entails radical transformation of existing system of international relations, which is becoming less and less controllable and predicable. . . . Globalization processes lessen the power of national governments in the domestic and international arena. . . . The loss of power by national governments means crisis of democracy in its traditional interpretation." "Expert Advises Russia 'Subdue Its Pride,' Bank on Foreign Investments," *Rossiiskaya Gazeta*, February 20, 2001, in World News Connection, *Daily Report: China* (February 21, 2001).

3. A report issued by the "Reforma International Fund" in 1995 bluntly summed up the results: "The standard of living of more than half of the population has fallen significantly over the last few years. . . . For the bulk of the population, . . . *perestroika* and transformations of 1992-1994 have produced nothing good in the social sense." Quoted in Erik P. Hoffmann, "Democratic Theories and Authority Patterns in Contemporary Russian Politics," in *Can Democracy Take Root in Post-Soviet Russia?* Harry Eckstein, et al., eds. (Lanham, Md.: Rowman and Littlefield, 1998), 147.

4. Matt Frost, "Zbigniew Brzezinski Skeptical on Primakov Appointment," *Radio Free Europe/Radio Liberty*, September 15, 1998.

5. Russians themselves are aware of the challenges of reconstructing their cultural identity, but what is striking is the reversal during the 1990s. Whereas, at the beginning of the decade, the West was clearly the model for many, and Western advisors the guides, by the close of the 1990s there emerged a strong reaction against following the advice provided by foreigners. A good summary of the attitudes of some Russian elites toward the reconstruction of Russian culture and attitudes vis-à-vis the West is the speech of Saratov Governor Dmitrii Ayatskov to the Sixth Congress of the "Our Home Is Russia" movement on April 24, 1999, reproduced in World News Connection, *Daily Report: Central Eurasia* (May 4, 1999).

6. Vladimir Kuznechevskii, "Russia and the World, First-Hand," *Rossiiskaya Gazeta*, November 4, 1998, 3, 7.

7. Karaganov commented in this vein: "You see, by its educational-cultural parameters, in light of its possession of thermonuclear weapons, and taking into account the directions of Russia's economic ties, our country, naturally, occupies a certain place in the First World. However, the countries that belong to this very world do not regard us [Russia] as being 'one of their kind.' . . . Whereas in political terms Russia is on the borderline between the First and Second Worlds, in economic terms it inclines to the lower margin of the Second World." "Expert Advises Russia," *Rossiiskaya Gazeta*, February 20, 2001.

8. Russia is almost always described these days as being in a state of collapse or turmoil. These attitudes are often reflected not only in the popular press but even in the higher circles of academia and public policy. Cf., for example, Anders Aslund, "Russia's Collapse," *Foreign Affairs* 78 (1999): 64-77; or Jack F. Matlock, Jr., "Dealing with a Russia in Turmoil," *Foreign Affairs* 75 (1996): 38-51.

9. For a summary of Russia's economic performance over the past two years, see the chronology of events section of the Centre for Russian Studies of the Norwegian Institute for International Affairs (NUPI), especially: "Russia's key economic indicators improve in 1999," 26.01.2000; "More positive economic data," 31.08.2000; "Industrial growth picks up speed again," 18.09.2000; "Russia reports sky-high economic growth," 27.07.2000; and "Industrial production maintains steady growth," 15.08.2000, all archived at <http://www.nupi.no>. The Russian Internet market nearly tripled in value in 2000, to \$16 million ("Communications and Electronics Report," *Interfax*, 14-20 February 2001, 224. Georgy Bovt discusses the Internet as an outlet for the media in Russia in chapter 5 of this volume, and for an interesting discussion of Russian Internet usage in general, see Iuliia Kislyak and Aleksei Sokolov, "The Influence of the Processes of the Development of Internet Technologies on the Geopolitical Developments of the State," *Iadernii Kontrol*, 23 November 2000, 30-41.

10. W. W. Lewis, "Russia's Survival of the Weakest," *Asian Wall Street Journal*, November 5, 1999.

11. Nicolai Petro, "The Novgorod Region: A Russian Success Story," *Post-Soviet Affairs*, 15 (1999): 237.

12. See L. Alieva and M. Omarov, "Nekotorye aspekty vneshneekonomicheskoi deyatel'nosti Novgorodskogo regiona," *Upravlencheskoe konsultirovanie* 1 (1999): 10-12; "O sotsial'no-ekonomicheskoi situatsii v Novgorodskoi oblasti," (2000), January-April (issued by the Regional Administration of Novgorod and available at <http://www.niac.telecom.nov.ru>); Schmidt, M. (1998), *Integrating Russia into the Global economy: Multinational corporations and regional government in Novgorod Oblast* (unpublished M. A. dissertation, University of Warwick), 29; Podoprigora, V. N., et al., *Lider s severatkhinologiya uspekhi* (Novgorod: Dialog, 2000), 9; Petro, 236.

13. Blair Ruble and Nancy Popson, "The Westernization of a Russian Province: The Case of Novgorod," *Post-Soviet Geography and Economics* 39(1998): 437.

14. Konstantin Katanyan, "When There is Agreement Among Comrades," *Vremya*, January 12, 2001, 3, cited in WNC:SOV (January 16, 2001).

15. Table 2 "Investitsionnyi risk v rossiiskikh regionakh v 1999-2000gg," *Ekspert*, #41, vol. 53 (October 30, 2000), Internet edition. Available online at <www.expert.ru>. "Increasing investment activity outside of Russia," *Chronology of Events* (NUPI), 21.10.1999. The ratings were provided by the "Ekspert Rating Agency" and the consulting group, "Ekspert-Geografiya."

16. Petro, 239.

17. Ibid., 240.

18. See "Ob obrazovanii oblastnoi obshchestvennoi palaty," Decree 61-OD/236 of the Novgorod Regional Duma and the Administration of the Novgorod Oblast' (Region), August 29, 1994.

19. S. Petrova, "Tendentsii razvitiia 'tret'ego sektora' v regione (na primere Novgorodskoi oblasti)," *Upravlencheskoe konsultirovanie* 2(3) (1999): 19-20.

20. O. Alekseyeva, "Tendentsii razvitiya nekommercheskogo sektora i budushchee resursnykh tsentrov," paper presented at a national meeting of NGOs in Moscow, October 29, 1998; Petrova, "Tendentsii razvitiia," 18; Christopher Marsh, *Making Russian Democracy Work: Social Capital, Economic Development, and Democratization* (Ph.D. diss., University of Connecticut, 1998), 152-154.

21. See especially Katanyan, 3.

22. For an excellent summary of the role of Novgorod in Russian history and its evolution as a mercantile republic, see the introduction by C. Raymond Beazley to *The*

Chronicle of Novgorod, 1016-1471, trans. Robert Mitchell and Nevil Forbes (Hattiesburg, Miss.: Academic International, 1970). See also; G. P. Fedotov, "The Republic of St. Sophia," in *The Russian Religious Mind*, Volume II, *The Middle Ages* (Belmont, Mass.: Nordland, 1975), 186-194.

23. Prusak has declared that the roots of Rus', from which modern Russia evolved, are to be found in Novgorod, rather than in Kiev or Moscow, and contrasts the Novgorodian legacy of freedom and liberty against the centralizing and absolutist tendencies of Muscovy. This is the core argument found in his *Reformy v Provintsi* (Moscow: Veche, 1999).

24. Michael Thompson, Richard Ellis, and Aaron Wildavsky, *Cultural Theory* (Boulder, Colo.: Westview Press, 1990), 2.

25. Aaron Wildavsky, "How Cultural Theory Can Contribute to Understanding and Promoting Democracy, Science, and Development," in *Culture and Development in Africa*, Ismail Serageldin and June Taboroff, eds., (Washington, D.C.: The International Bank for Reconstruction and Development, 1994), 156.

26. *Ibid.*, 154.

27. *Ibid.*, 148.

28. *Ibid.*

29. Governor Prusak does not neglect the role of the Orthodox Church in the medieval republic of Novgorod, noting that the archbishop, elected by the entire people via the assembly (*veche*), functioned as the "leading figure" in the city. Prusak, 94.

30. Chalmers Johnson and E. B. Keehn, "A Disaster in the Making: Rational Choice and Asian Studies," *The National Interest* 36 (Summer 1994): 19. Much the same argument is made by Janine Wedel, *Collusion and Collusion: The Strange Case of Western Aid to Eastern Europe, 1989-1998* (New York: St. Martin's Press, 1998); and by Peter Reddaway and Dmitri Glinski, *The Tragedy of Russia's Reforms: Market Bolshevism Against Democracy* (Washington, D.C.: United States Institute of Peace, 2001).

31. There are some indications that Vladimir Putin has an interest in the progress of economic and political reform as it has occurred in Novgorod. A Russian news report in January 2001 commented, "It is rumored in the oblast that their governor could soon be offered an elevated post in Moscow. . . we can presume that the circulating rumors are justified if only by the unofficial relations that have formed between the Novgorod governor and the Russian president. . . . The president has a sympathetic attitude towards Prusak too. Not only did he take him with him to Paris but also, when he manages to organize a free day, he calls on Novgorod oblast himself without any pomp. It is not only the countryside of the Valdai Hills that attracts him here (you can hunt in Zavidovo too), but a good conversation partner in the guise of the young governor." Katanyan, 3.

32. Harry Eckstein, "Russia and the Conditions of Democracy," in *Can Democracy Take Root*, 353.

33. *Ibid.*

34. Prusak, 94-96.

35. Vladimir Zhovannik, "Nenuzhnyi progress: Unikal'nyi opyt Novgoroda federal'naya vlast' ne interesuyet." *Ekspert*, 29, #22 (December 25, 2000). Available online at <http://archive.expert.ru/sever/00/00-49-61/stoll.htm> (accessed 1/9/01).

36. There are indications that the "Novgorod" model is already having an impact in other parts of Russia itself. In April 1997, a conference held in Novgorod brought regional and local lawmakers from all over northwestern Russia to discuss the forms of local governance that had developed in Novgorod. "Novgorod develops its own form of self-government," *Chronology of Events* (NUPI), 07.05.1997. The pattern of local gov-

ernment relations (between governor and mayor) was also the subject of a recent, approving article in *Vremya*. Katanyan, 3.

37. A similar concern for how too much emphasis on democracy can wind up undermining the prospects for pluralism is voiced by former Deputy Assistant Secretary of State for Democracy, Human Rights and Labor Catharin E. Dalpino in her book *Deferring Democracy: Promoting Openness in Authoritarian Regimes* (Washington, D.C.: Brookings Institution, 2000).

38. Clifford Geertz, *The Interpretation of Cultures* (New York: Basic Book Publishers, 1973), 95.