

WHO IS PROTECTING RUSSIA'S NATURAL RESOURCES?

Why Should We Care?

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While it's unlikely that the American public is fretting over Russia's natural environment, it should. As the largest country on Earth, Russia accounts for more than 10% of the world's total land area, and is richly endowed with energy, mineral, water, and forest resources. Given such resources, the question of who's protecting them is a vital one.

It's a safe bet that the average American pays scant attention to the natural environment in Russia, or to the institutions that watch over it. The country has remained "a riddle, wrapped in a mystery, inside an enigma" long after Winston Churchill characterized it as such at the outbreak of World War II. Even though time has pulled back the Iron Curtain, Russia remains largely out of mind. Western press coverage typically focuses on more newsy items than the environment, such as the recent tit-for-tat trade battle over American chickens and Russian steel and Russia's dissatisfaction with its performance in the Winter 2002 Olympics.

However, the state of the environment in Russia matters a great deal. Russia is the largest country on earth, accounting for more than 10% of the world's total land area, and is richly endowed with energy, mineral, water, and forest resources. Consequently, it attracts attention from both those hoping to exploit this bonanza and those wanting to conserve nature. On the climate change front, Russia is the second or third largest emitter of greenhouse gases, although it also is a large potential long-term carbon sink because of its vast forest reserves. Add to this the legacy of cross-border contamination from the Chernobyl accident in the

Ukraine, plans to earn hard currency by importing nuclear waste from other countries (which will add to wastes from the military complex and the country's own 30 operating commercial reactors), and an abundance of pollution from what are now outdated industrial enterprises that lack funds to clean up, and it's clear that there is much to worry about.

How to eliminate existing messes and prevent future ones has roused the environmental community. Since the early 1990s, western institutions have provided more than \$1 billion of environmental assistance for equipment, training, development of nongovernmental organizations (NGOs), and technical analyses. Russia's own environmental institutions, although frequently marginalized, buffeted by restructuring, and starved for funding, have managed to mitigate some of the worst environmental excesses. And Russia, without hyperbole, continues to be a world leader in many scientific and technical areas. Even with the ongoing "brain drain," it remains chock-full of experts who can design methods to remediate contamination, devise technologies to reduce emissions, and create clever economic instruments to encourage more environment-friendly behavior.

COMPLICATING FACTORS

All of these virtues, however, are not enough to make environmental protection all that easy; several factors complicate matters.

First, the vastness of Russia makes the monitoring of polluting enterprises difficult. The sophisticated network of the national hydrometeorological and environmental monitoring system, which is set up primarily to monitor ambient environmental conditions and to forecast trends, is not well-suited for detecting site-specific discharge violations. Moreover, it is stretched thin—across the country as a whole, each station in the water quality monitoring network

covers, on average, a 10,000-square-kilometer area, one and a half times the size of Delaware.

Second, dwindling public funding has decimated environmental protection activities. The Russian economy was in a nosedive through most of the 1990s, with real gross domestic consumption per capita falling by 40%, and federal outlays for environmental protection plummeted. Reports from the field suggest that fewer than 40% of the laboratories that analyze water quality chemistry remain certified, for example, and all are suffering from inadequate staff training, obsolete equipment, and poor maintenance.

Third, a quick glance at a map highlights the extreme natural conditions that complicate environmental protection efforts. In the vast oil and gas region of western Siberia, for example, oil pipelines regularly spring leaks due to the cold weather and insufficient maintenance. More than 90% of the volume of liquids extracted from many oil wells in the Nizhnevartovsk area along the Ob River is water, contributing to the frequency of pipeline freezing. Roughly 25% of the area's 11,000 kilometers of field pipelines need to be replaced annually, yet many smaller local producers lack the revenues to maintain their pipeline structure.

RUSSIA'S 'VIRTUAL ECONOMY'

Two economists, Cliff Gaddy and Barry Ickes, argue that much of Russia has a virtual economy rather than a real one; many enterprises don't behave according to our conventional models of economic behavior and, rather than seek to maximize efficiency and profit, they invest in relationships. They barter with other enterprises, negotiate with or bribe authorities to get favorable tax treatment, and provide services to local communities where they still have tight social obligations. In such a setting, corruption is rampant.

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This “virtual economy” is not merely an abstract picture of a past reality. In March, the governor of the Kursk region in western Russia signed an agreement with one of Russia’s largest private oil companies that will allow the company an 80% share of the region’s gasoline market. The government will provide land for the company to construct oil storage facilities, gas stations, employee housing, and social centers, while the company promises to participate in local agricultural, industrial, housing, and social programs, as well as help develop the local energy industry.

But there are equally deep problems outside the well-known failures of competitive markets and corruption. The limited rule of law in Russia hampers the implementation and enforcement of all laws, including environmental ones. The country has a history of writing laws for their “aspirational” value rather than with the expectation that the laws will be observed. Given this history, it is not surprising that nearly 60% of Russian, central and eastern European, and international economic experts informally polled during the 2000 presidential campaign in Russia ranked “establishing a rule of law” as the most important area that the new president should focus on.

More specific to the environment, a survey of NGOs at the 1999 All-Russia Congress on Nature Protection revealed that two thirds of respondents believe that improving legislation is one of the three top priorities for improving environmental policies (see Table 1). Yet, only one third identified actual enforcement of legislation and regulations as a top three priority, an example of the “aspirational” character of the legislative agenda.

NEED FOR CIVIL SOCIETY

With a widely recognized breakdown in the rule of law and limited forces to resist the power of the state

and quasi-state interests, there is a clearly acknowledged need for the development of a “civil society” in Russia. In broad terms, this concept refers to a web of self-organized, pluralistic independent institutions that can serve as a counterpoint to the traditional power of the state. Decisions would be based on a rule of law and rest on a respect for and protection of individual rights and freedoms and participation in civic affairs. This sounds all well and good but is it realistic? Can processes be developed to promote a civil society, with a web of individuals and institutions working to bring disparate values and ideas into public discourse?

First, the pessimistic view. For starters, it appears that much of the Russian public is reluctant to help further a civil society. A poll last summer of 1,500 residents indicates that only 5% of Russians currently participate in public organizations, and nearly 75% say they have no interest in doing so. This may result from a legacy of distrusting institutional agendas for change.

TABLE 1

PRIORITIES FOR IMPROVING ENVIRONMENTAL POLICIES

Percentage of Respondents Who Rank Factor As One of the Three Top Priorities	
improved legislation	66
increased education	52
increased public involvement	41
increased use of market incentives	34
improved enforcement	34
increased penalties	24
increased use of science	22
higher funding	7

Source: Original data collected by author in 1999. For further details, see RFF Discussion Paper 02-04, listed in “For More Information.”

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In addition, although citizens have the right to participate in public decisionmaking—a right that is embedded in the Russia constitution as well as specific environmental legislation such as the Law on Environmental Protection—opportunities for genuine exchange of ideas in the public sphere with businesses, local governments, and other interested parties are still very limited in many regions of the country.

Moreover, many of the environmental NGOs in Russia appear to work only intermittently with local stakeholders. Forty percent of respondents to the 1999 NGO survey reported they only “occasionally or never” work with the public (see Table 2), for example. More striking, more than 40% of respondents also only “occasionally or never” work with local elected officials and local governments. Russian sociologist Maria Tysiachniouk and ecologist Alexander Karpov have written of the low value many NGOs place on experiential evidence contributed by local citizens in NGO decisionmaking, and the heavy emphasis placed on and the necessity for professionalism and scientific approval.

But one can also find grounds for hope for a Russian civil society. Numerous grassroots efforts in Russia have taught the public about environmental policy and protection in the last decade. Many of these efforts have focused on problems that stir local passions, including protection of rural land, children’s health, and economic livelihoods. Notwithstanding the apparently limited experiences with involving the public, Table 1 shows that increasing public involvement is one of the top priorities for improving environmental policies for many NGOs. Russian environmental NGOs also have stressed education in their activities—as witnessed by the high proportion of NGOs that work with educators—and this has helped to improve the public’s understanding of environmental problems.

Furthermore, when asked what factors are important to consider when taking an action to protect the

environment, many NGOs, not surprisingly, highly value legal requirements and scientific justification, but involving the public also warrants considerable support (see Table 3). Including a broad group of stakeholders in decisionmaking is viewed as being more legitimate than in the past. RFF hosted a workshop on just this topic two years ago (see the *Resources* listing in “For More Information.”). This workshop included government representatives, elected officials, scientists, and business people from Russia. It would be a stretch to say that our Russian partners fully embraced a broad, participatory model. However, the movement over the last 10 years away from an expert-driven process focusing on scientifically credible but impractical ideas toward a more inclusive process emphasizing ideas that can be implemented was significant.

Still, what many NGO efforts continue to lack is a broader connection to local government and business interests that may make or break an effective environmental coalition. Mutual self-interest is an essential

TABLE 2

FREQUENCY WITH WHICH NGO WORKS WITH DIFFERENT STAKEHOLDERS

	always	usually	occasionally or never
scientists	70	22	8
other Russian NGOs	42	23	35
educators	40	28	32
international NGOs	38	19	43
local public	30	30	41
local elected officials	15	42	43
local govt. institutions	15	41	45
business/industry	0	8	92

Source: Original data collected by author in 1999.
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motivation in a weak legal setting with underfunded regulatory oversight. How can this be encouraged or, more broadly, how can the efforts of both local and national NGOs be furthered and strengthened?

Placing Russian NGOs on solid legal and tax footing would greatly enhance their contribution. At present, the tax policies toward NGOs and all other non-state entities are vague and uncertain, lack clearly outlined legal grounds, and are ad hoc. Signals are mixed about whether the current Russian administration favors such changes, and how they will play out over the next several years is a matter of internal Russian politics. However, international pressure, coupled with Russia's desire to join or become a full-fledged member of the World Trade Organization and the Group of 8 countries may provide incentives for legal and fiscal reform that strengthens the legitimacy and stability of NGOs.

Improved coalition building also is essential. NGO partnerships with local businesses, local citizens, religious groups, elected officials, and government bureaucrats will be critical in an environment where relational capital is a key driver of decisions and where courts of law lack the independence or standing to guarantee basic protections. As such, long-term assistance from western governments, foundations, and multilateral development banks to Russian NGOs and their partners to improve outreach, public relations, and coalition-building skills may yield high payoffs.

Finally, support for independent assessments of policies affecting Russian environmental planning and management is sorely needed. These assessments must not only rest on solid science and policy analysis, but also be grounded in the realities of Russian institutional failures. To achieve this goal would take full participation in a coalition of policy analysts, business representatives, government officials, and NGO representatives, where the focus would be on problems that are realistically open to intervention. This model, while still drawing on the common Russian respect afforded to scientific and technical experts, could expand the decisionmaking process to include all sides.

To neglect the problems that pollution in Russia poses to its 140 million residents would be imprudent. Moreover, the country is too big a player in climate change, natural resource supplies, nuclear safety, and other global concerns to be ignored by the world community and too important in geopolitical terms to risk environmental instability. Yet, Russia will continue to have structural issues that impede environmental progress in the foreseeable future—its large size, limited public funding, and tough natural conditions—and these must be accepted. It's tempting to promote broad sweeping changes to get at what appear to be more amenable institutional problems,

TABLE 3

IMPORTANCE OF FACTORS TO CONSIDER WHEN TAKING AN ACTION TO PROTECT A NATURAL RESOURCE OR TO CONTROL POLLUTION

Percentage of Respondents Who Rank Factor As One of the Three Most Important	
legal requirements	89
scientific justification	68
views of local public	43
implementability	24
views of local government	19
fairness to other groups	4
views of local industry	4
cost of action	4

Source: Original data collected by author in 1999.
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such as placing higher values on nature or establishing competitive market relationships and eliminating corruption. While these are, of course, worthy goals, they involve seismic institutional shifts that are unlikely to appear in the short run. Instead, a more pragmatic approach supported by assistance from the West to solidify the legal and tax base of NGOs, their coalition-building skills, and their capability to conduct independent, pragmatic policy analyses could more quickly push Russian environmental policy and management decisions in a more desirable and less enigmatic direction. ■

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For More Information

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