

# Who is driving Russian climate policy? Applying and adjusting veto players theory to a non-democracy

Anna Korppoo<sup>1,2</sup>

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**Abstract** What is driving Russian climate policy? This article focuses on the veto player approach developed by George Tsebelis and its applicability for examining the power relations in climate change policy-making in Russia. It makes two original contributions: veto players analysis on Russian climate policy and proposals how to adjust to theory to be applied to non-democracies for comparison with democracies. After identifying the veto players and their preferences, and determining their equivalence in the decision-making process, two case studies are examined: the ratification of the Kyoto Protocol and the establishment of one of the Kyoto flexible mechanisms, Joint Implementation, in Russia. Regarding the power play between actors, the latter emerges as far more accessible than the former, where scholars can generally observe only the domestic debate—which, due to the absorption of democratic decision-making institutions by the president, is detached from the actual decision-making process. Three proposals are made for adjusting the veto players approach to facilitate qualitative analysis of Russian decision-making: (1) select cases which involve also lower-level actors in charge of policy implementation; (2) due to implementation problems, changes in the status quo must be sought deeper than in statute-level changes; and (3) note that motivations of actors beyond the actual policy substance can facilitate explanations of puzzling outcomes in the process.

**Keywords** Russia · Veto players · Climate policy · Tsebelis

## 1 Introduction

Since the demise of the Soviet Union, Russia has experienced a rollercoaster of political and systemic developments. Additionally, the country has emerged as a major player in international climate politics due to its decisive role in the entry into force of the Kyoto

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✉ Anna Korppoo  
anna.korppoo@fni.no

<sup>1</sup> Fridtjof Nansen Institute, P.O. Box 326, 1326 Lysaker, Norway

<sup>2</sup> University of Turku, 20014 Turun yliopisto, Finland

Protocol (KP), its position as a major global fossil fuel supplier and its significant share of global emissions (fourth-largest, with a share of some 5 %).<sup>1</sup> However, it remains challenging for foreign observers to grasp the logic of Russia's climate-related policy-making (Korppoo and Spencer 2009), a matter highly relevant for cooperation in the international climate negotiations scheduled to culminate in a global agreement by 2015.

A few studies have examined the process surrounding Russia's domestic politics on climate change (Wilson-Rowe 2009; Henry and McIntosh-Sundstrom 2007; Tynkkynen, 2010; Korppoo et al. 2006, 2015). In-depth work on Russia's approach to international climate negotiations can be found, but not in abundance (Antonova and Alexieva 2012; Henry and McIntosh-Sundstrom 2012). Further, some non-peer reviewed materials on Russia's climate negotiation strategies have been published for the needs of policy-makers (Korppoo and Spencer 2009; Korppoo and Vatanev 2012; Kokorin and Korppoo 2013). This article makes new contributions by applying the veto player (VP) framework to Russian climate policy and by proposing methodological developments to VP theory to make it applicable for studying non-democracies. The VP framework has been applied to the international climate negotiation process itself (see for instance Ward et al. 2001) but is more commonly used in various qualitative formats to analyse the politics behind country-level policies and positions (see Schreurs and Tiberghien 2010; Skodvin et al. 2010). Only the European Bank for Reconstruction and Development (2011, 66–69) has included a brief VP analysis of Russian climate policy.

Tsebelis' (2002) VP framework provides a tool for comparing policy-making processes and the power games they entail between political systems regardless of differences in institutional arrangements. Tsebelis defines policy change as a change in the status quo at the statute-making level—a new law, regulation, or similar. A *veto player* is an individual or a collective actor whose agreement is necessary for a change in the status quo in a political system. Institutional VPs are defined by the country's constitution and partisan VPs by the political system. VPs which are institutionally established to present 'take it or leave it' proposals to other VPs are called 'agenda-setters'. Finally, if some VPs are expected to follow the views of another VP, they can be eliminated from the analysis as 'absorbed' VPs. (Tsebelis 2002, 17–20, 26.) This approach is useful for evaluating the chances of policy change in countries negotiating the UN climate agreement.<sup>2</sup>

Tsebelis and Rizova (2007, 1156) argue that abiding by constitutions is a prerequisite for a VP analysis to hold, whereas in post-socialist countries constitutions may be overridden to achieve politically set aims (see for instance Sakwa 2010). This would indicate that the VP framework was developed for analysing democratic decision-making systems. Quantitative VP analysis examines official decision-making processes which provide the stage for policy process in these countries. Qualitative analysis was chosen in order to uncover and explain 'informal' dynamics comparable to VP analysis in non-democracies. Vatanev's (2009) analysis of the Russian oil industry, and Dimitrova and Dragneva's (2013) of the influence of the EU in the Ukrainian politics provide previous examples here.

No obvious alternatives to Tsebelis' VP framework could be identified. To facilitate qualitative analysis, we follow three steps of VP studies, as outlined by Ganghof (2003): (1) *Distinguish real VPs* from other influential actors. (2) *Determine their preferences*. Ganghof divides preferences into outcome preferences (actual policy outcome) and

<sup>1</sup> Data from UN Millennium Goal Indicators website. <http://mdgs.un.org/unsd/mdg/SeriesDetail.aspx?srid=749&crid=>. Accessed 26 May 2014.

<sup>2</sup> This analysis is used for a country comparison under the CICEP Project involving CICERO of the University of Oslo and the Fridtjof Nansen Institute, funded by the Research Council of Norway.

positional preferences (e.g. being re-elected). (3) *Determine the equivalence of VPs*. Are all VPs similar in all respects, or should one differentiate among types of VPs? Ganghof argues that in qualitative studies these three problems are closely intertwined and should be the main focus, rather than telling the ‘VP story’—which can almost always be developed. The problem with the ‘story’ is that it usually provides little evidence of power games behind the scenes. This may reflect the public debate without being defined, or even directed, by it.

Another crucial element is choosing the correct context of decision-making. We follow Vatanev (2009), ‘assuming that the VPs are always the same for any given policy area or period will be misleading. Hence, an analysis that adopts the VP approach needs to be based on a thorough account of the decision-making context for the given policy area’. A case study was chosen from the constitutional decision-making level (Kyoto ratification), and the three steps of analysis were attempted—but, due to the absorption of the other constitutional VPs by the President, conducting Steps 2 and 3 proved problematic. The second case on decision-making and implementation in ministerial-level preparatory processes (Kyoto Joint Implementation) was chosen to address these problems. The three steps worked better because of greater transparency in the second case. Proposals were then developed for adjusting the VP approach to make it more applicable for analyses of Russian contexts.

The analysis builds on newspaper articles, official documents and 25 semi-structured interviews conducted in connection with the UN climate negotiations in Durban in 2011 and during a field visit to Moscow in March/April 2012. A typical interview lasted between 60 and 90 min. Interviewees were chosen based on their experience on the Russian policy-making system, both in general and in policy cases relevant to climate mitigation, including the cases discussed here. Interviewees came from the involved ministries and agencies, the Duma, business, academia and NGOs.

## 2 Case I: Ratification of the Kyoto Protocol

### 2.1 The decision-making context

The Kyoto Protocol (KP, ‘Kyoto’) to the UN Framework Convention on Climate Change (UNFCCC) established the first internationally legally binding greenhouse gas (GHG) emissions reduction targets for a group of industrialised countries (Annex I) from 2008. Entry into force required ratification by 55 countries, accounting for 55 % of Annex I GHG emissions in 1990. As the US Senate rejected the KP, thereby excluding 25 % of these emissions, it could not enter into force without Russia’s 17 %. Russia ratified the KP in 2004, after lengthy domestic debate and bargaining process with other pro-Kyoto parties.

In October 2003, President Putin ordered the relevant ministries and agencies to report on the pros and cons of Kyoto ratification by May 2004. Hearings and round tables were held in the Duma, and considerable public discussion took place. Main arguments against ratification included the potential constraints on Russia’s economic growth through emissions limitations, and the perceived ineffectiveness of the pact due to its limited global participation. Pro-ratification arguments cited evidence that Russia’s emissions would not exceed its allowance during the first KP commitment period (2008–2012), and that investments in modern technologies through KP could support economic growth. The benefits to Russia’s international image were also mentioned. (See Appendix 1.)

The international media followed the Russian ratification debate closely, especially the fierce opposition of presidential economic advisor Andrey Illarionov. While claiming that Russia's emissions would exceed 1990 levels during 2008–2012 and ratifying the KP would slow down economic growth, he provided little credible evidence to support his views, which were disregarded. Also the climate-sceptical voices of several leading scientists were heard. Lobbying by the EU mounted pressure, culminating in a promise to support Russian WTO membership in return for Kyoto ratification. Putin then initiated the ratification process conducted by the Federal Assembly. The draft decision proceeded swiftly through the government, the Ecological Committee of the Duma, and finally the Duma itself, which voted for ratification.

## 2.2 VP analysis

Russia's political system is built around a strong *President*, elected for a 6-year term. The President appoints the Prime Minister, approves the members of the government proposed by the Prime Minister, and directs the activities of the government. He also signs all acts. The Constitution provides the President with important legislative and nomination powers—in Tsebelis' terms, he is an individual institutional VP.

Constitutionally, legislative power belongs mainly to the *Federal Assembly*. Federal laws (including ratification of an international treaty) are presented to the *State Duma* (the lower chamber) and the *Federation Council* (the upper chamber), for approval by simple majority, one after the other. The Constitution establishes mutual veto power between the legislative bodies: in the case of federal laws, the Duma can override the simple majority of the Federation Council by a 2/3 majority; and should the President refuse to sign an act, the Federal Assembly can override his veto by a qualified majority of 2/3 in both chambers.

Tsebelis' absorption rule is relevant here. Since the turn of the millennium, the partisan power of President/Prime Minister Putin<sup>3</sup> has been strengthened<sup>4</sup>—initially through coalition-building, then by passing laws to limit the powers of minorities and control agenda-setting of the Duma. The party in power, United Russia, has been a vehicle for these dynamics<sup>5</sup> (Chaisty 2008). 'Managed' election practices have further contributed to the dynamics of Duma elections (Fish 2005). The Federation Council originally consisted of popularly elected regional governors, but Putin replaced them with his appointees in 2004 (Chebankova 2006). Both chambers of the Federation Council have now been 'absorbed' by the Russian President.

The ratification process itself illustrates the President's dominant position as the sole VP. Although almost all government ministers were against ratification, fearing that KP might harm the economy, they were basically unanimous in recommending ratification, and the opposing Prime Minister Fradkov was absent from the meeting (Lyubarskaya

<sup>3</sup> Vladimir Putin was President of Russia from May 2000 until May 2008, and returned to this position in May 2012. In between, he served as Prime Minister. During this time, it was commonly assumed that de facto power remained with Putin, with President Dmitry Medvedev seen as basically subordinate to Putin. In this analysis, we do not consider the rotation of formal positions as a change of leadership: our assumption is that Putin has been the VP whose word counted the most in terms of supporting or rejecting JI.

<sup>4</sup> The contrast with the Duma in the 1990s is striking. In 1996–99, 42 % of the bills approved by the Duma were vetoed by the President and then overridden by the Duma, as against only 0.6 % in 2008 (Dresen and Pomeranz 2011).

<sup>5</sup> In the 2007 elections, the party won 64.5 % majority of the vote and 70 % of the seats, ensuring a constitutional majority. The 49.3 % share gained in the 2011 elections was still sufficient for a legislative majority in the Duma, as it yielded 52.9 % of the seats.

2004). The majority in the Duma supported ratification, presumably as a result of its absorption by the President's party: however, several negative arguments were presented during the ratification debate, especially by the Communists, who saw KP as a 'foreign capitalist' plot to limit Russia's economic growth (interview with a member of the Duma). For instance, some deputies requested that academician Yuri Izrael, a known climate sceptic and KP opponent, be given the floor as an external expert.<sup>6</sup> Further, Minister of Foreign Affairs Lavrov, in charge of implementing the President's request to accelerate the process, advised PM Fradkov to take the issue to one of the next government meetings, without following the common practice of consensus between the preparatory agencies (Kommersant, 23 September 2004). Here the VP made it clear that the preparatory process would not determine the decision. Also the interviewed member of the Duma stated, 'The decision was of course the president's, no doubt'. The entire preparatory process could be seen as simply providing Putin with arguments both for and against ratification.

It might be argued that the Federal Service of Russia for Hydrometeorology and Environmental Monitoring (Roshydromet), as the leading agency of the preparatory process, or the ministries involved in the preparatory process had some power over the decision—but the above shows that they had been absorbed. Climate-sceptical scientists and Illarionov are often mentioned as influential actors in the domestic decision-making process. However, according to the interview with the representative of the leading agency, neither Illarionov nor the senior scientists opposed to ratification had any official role in the process, so their views were 'not taken into account by the preparatory agencies'. None of these actors fulfils Tsebelis' definition of a VP as an actor whose agreement is required for changing the status quo.

Further, those who openly opposed ratification (Illarionov, PM Fradkov, some other ministers, scientists) were quick to label the President's decision as 'political': a decision driven by foreign policy, regardless of the domestic arguments against ratification. The preparatory agencies brought out both the positive and the negative sides of participation, rather than taking a straightforwardly supportive or opposing view—so as to be ready for Putin's unpredictable decision.<sup>7</sup> One interviewee from a participating agency called this 'a "precautionary principle" way—neither strongly for nor against'.

However, it is difficult to believe that the President was truly the one and only VP on the domestic level, especially in view of the widely reported unofficial layer of powerful individuals around the executive (see for instance Godzimirski 2010; Sakwa 2010). But as such negotiation processes are not public, analysis of the domestic debate cannot identify potential *hidden VPs* in the inner circle who may have influenced the decisions eventually announced by the President. It can only be speculated that the Russian industries that Putin would be likely to consult behind closed doors either had little say as to the related foreign-policy interests, or did not consider KP, with its loose target and mechanisms, as either a threat or an opportunity. According to one interviewee who held a key role in the administration, 'JI was just a small factor' and a member of the Duma considered JI as 'a very small benefit in Russia's scale'. A private-sector interviewee held that the Kyoto

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<sup>6</sup> Only the speeches by Bedritsky and Grachev were positive; most of the questioning and discussion was negative in tone (State Duma 2004).

<sup>7</sup> Expert views unambiguous, difficult to draw final conclusion on the effectiveness of KP. The Ministry of Energy and Industry stated that it was impossible to draw firm conclusions as to the effects of KP ratification for Russia, and the MID, Roshydromet and RAN supported this view (see for instance Kommersant 23 September 2004; Utro.ru 24 September 2004).

mechanisms were too complicated for the Russian private sector to understand at that point, since ‘there were easier ways of making money’.

The VP approach does not provide sufficiently deep insights for analysis of this level of decision-making, and fails to facilitate analysis of the preferences of the VPs, as we cannot identify them all (Step 2) or the equivalence between the only VP and any potential hidden VPs (Step 3). Foreign-policy interests appear to have been the main driver in Putin’s decision-making, perhaps after he had become convinced that ratification would not threaten the economy.<sup>8</sup> Beyond Putin, the most influential actor in the decision-making process seems to have been the EU, which applied political pressure to push for a positive decision, and, more importantly, offered a political benefit—support to Russian WTO membership—in return for ratification. Thus, the domestic game did not seem to matter much.

### 3 Case II: Joint Implementation

#### 3.1 The decision-making context

Under the Kyoto Protocol, Russia was entitled to participate in Joint Implementation (JI) mechanism during the first commitment period, 2008–2012. JI permits linking emissions trading to concrete projects that generate the amount of emission reductions equivalent to the one sold. This was important because much of the Russian emissions allowances were considered windfalls, due to the post-Soviet decline in emissions in tandem with the economy. The process of establishing an administrative framework for approval of JI projects proved to take so long that Russia ended up adopting far fewer JI projects than its true potential. The process involved the government but also various layers in individual ministries, as well as the major state-owned bank Sberbank.

Leadership of the preparatory process was allocated to the Ministry of Economic Development (MED). The first set of rules proved dysfunctional: no projects were approved by the established inter-ministerial commission, and meetings were repeatedly cancelled (PointCarbon, 27 January 2009). Procedures also required the projects to provide self-evaluations based on ‘efficiency criteria’—which were never defined sufficiently.<sup>9</sup> The second set of rules changed the allocation of responsibilities between agencies: Sberbank was appointed operator of project selection process, while MED remained the lead agency. Further, project selection was to be based on tenders, which allocated some projects (33 altogether)—however, only half-way through the first Kyoto commitment period. The main reform in the third set of rules discontinued the tenders-based system in favour of a rolling approval process—which proved more successful, with some 75 projects approved. The Ministry of Natural Resources (MNR) was allocated a role in the administration of the investment declarations<sup>10</sup> required from projects (For further details see Appendix 1).

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<sup>8</sup> For details, see Korppoo et al. (2015).

<sup>9</sup> Lacking an official definition or methodology, project developers had to develop their own ways of demonstrating project ‘efficiency’.

<sup>10</sup> Under the second and third sets of rules, companies that received financing through JI were required to provide evidence that they had re-invested the revenues into environmentally friendly projects.

### 3.2 VP analysis

In strict terms of Tsebelis' approach, this case study may seem unsuitable for VP analysis. Since the Inter-Agency Commission allocated the task of preparing JI to MED and the government passed a law establishing an approval system in 2007, JI may seem like a *fait accompli* to a political scientist who expects statutes, once passed, to be translated into action. However, that is not necessarily the case in Russia, where it can be a struggle to get a law implemented after it has been passed. The context of decision-making here also differs from the original concept of VP analysis, as it focuses on the process between the preparatory agencies, which fall outside Tsebelis' VP categories. However, the rationale of the present study is to analyse the level of actors who in practice generate the outcome of JI, that is, the change of status quo. We argue that this level should be examined—together with VP-level support to the process—and we refer to these decisive lower-level actors de facto VPs.

As the Russian President appoints the Prime Minister and approves government ministers, the government cannot be considered as a constitutional VP, since it is unlikely to do anything against the President's will. The President used power through the government in launching the preparatory process on JI as a VP.<sup>11</sup> What is more problematic is to define the role of the preparatory agencies from the perspective of the VP approach.

Establishing JI in Russia was initiated by key individuals originally working for MED. Sberbank was brought into the official process by the second set of rules, which strengthened the power of the JI leadership significantly. Also other agencies showed interest, and the MNR achieved a practical role under the third set of rules. These three agencies could be termed de facto VPs in this process, even though Putin would have had a veto over them.

The preparatory-level process is heavily dependent on the contacts of the leading agencies to the top-level policy-makers. Under the first set of rules, MED's attempts failed to gain sufficient high-level support to transfer to foreign project-funders' emissions allowances (which are considered state property), and to counter the power-grabbing attempts of the other agencies involved. To solve this, MED established a coalition with Sberbank. The previous MED minister, German Gref, had been appointed Sberbank CEO in 2007; moreover, another key MED figure followed him to the bank. Gref's previous involvement in high politics gave him access to the top political leadership. He was allocated a weightier mandate on JI than MED alone, which previously had no interested high-level persons in their team. This gave the coalition enough de facto veto power to introduce the second set of JI rules that excluded serious involvement by other agencies in the process.

Descriptions of the preparatory process by the JI-specific interviewees clearly reflected low leadership by the Russian president and his team. Medvedev interfered only towards the end of the process, when he set a tight deadline for approving the final set of rules (Ria Novosti 27 June 2011). This absence of top-level political signals created a power vacuum where key agencies fought over power and built coalitions. The preparatory-level process,

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<sup>11</sup> However, Putin's position as prime minister between his second and third presidential terms distorted this constitutional division of power. Thus, this constitutional analysis of the VPs would not apply fully to the period beyond 2008. However, the same assumption of the inner circle of the president (Medvedev) being influential basically applies to this period.

with its approach of positive consensus<sup>12</sup> decision-making between involved agencies, tested their relative power relations.

Especially MNR and the Ministry of Industry sought roles in the approval system early on, for instance by introducing project efficiency criteria. Under the third rules, MNR challenged the MED/Sberbank coalition by demanding a role as administrator of investment declarations. MED saw this as an additional barrier to a smooth project cycle; however, at such a late stage (only 15 months before the end of the first commitment period), priority was apparently accorded to getting the final JI rules passed, even though Gref and Trutnev (Minister, MNR) disagreed on the latter's role in the process. The MNR had no official mandate on JI, but Trutnev had enough personal political weight when the temporal context—the lack of time—was used for leverage. Finally, large industrial companies, including some key state companies, were allocated projects in the tenders. The fact that many of these project types were not prioritised in the official Russian guidelines for JI indicates these companies may have influenced allocation decisions under individual tenders.

To conclude on Step 1, *de facto* veto power is not clearly defined unquestioned power, like that of VPs, but is more momentous and context dependent. Beyond the VP and his inner circle with constitutional veto power, several *de facto* VPs can be identified. The positions and actions of MED, Sberbank and the MNR were decisive in generating JI projects—changing the status quo. The absence of VP-level involvement created more space for inter-agency fighting and coalition-building, probably slowing down the process of establishing JI in Russia.

As to preferences of the VPs and *de facto* VPs (Step 2), all actors apparently saw establishing an approval system for JI projects as desirable. However, two different preference foci emerged: control over the process in terms of rules, and of administration. The VP level wanted rules to control JI participants, to ensure that JI revenues would not go to tax havens outside Russia but would be used for environmental purposes. As experts, the preparatory-level *de facto* VPs were concerned about the functionality of the JI approval process and the practical problems the rules set by the non-expert VP level might cause. There was also competition between agencies as to which ones would gain decisive roles in the JI approval process through a winning coalition.

Some traces of positional preferences linked to seeking for organisational or personal revenue flows from the approval process were also evident (Korppoo and Gassan-zade 2014). The standstill of the process 2007–2009 may be explained partly by disagreements on roles between the agencies involved. Many had a reviewer role in the process and probably had rent-seeking-related ambitions. The vague efficiency criteria under the first set of rules could have facilitated the generation of unofficial revenue streams, because determining whether these undefined rules were fulfilled could only be arbitrary. Expert council review under the second set of procedures fits a similar pattern: companies keen to get their projects approved may have been prepared to pay extra for approvals. The idea of tenders originated

<sup>12</sup> Basically this refers to no objection from any contracting party to the decision. However, practice varies to some extent, presumably depending on the strength and interests of the leading agency, and the agencies cannot be considered as VPs based on this because the government determines how the consensus rule is applied any particular time. For instance, one interviewee explained that in the case of another climate-related decision process (Climate Doctrine), the leading agency Roshydromet had attempted to ignore MED opposition by presenting a decision to the government as a consensus, but the government consulted the Ministry to check, and returned the case to Roshydromet for further negotiations. There have also been cases of 'forced' consensus in terms of the top leadership establishing a strict timeframe for finalising an inter-agency negotiation—allegedly by reaching consensus. Under such circumstances, the opposing agencies can demand a larger role in the administrative process of the issue to be agreed against joining consensus; this can add to the seemingly excessive bureaucracy. An example of this is the Ministry of Natural Resources insisting on introducing investment declarations to JI projects in order to manage such a process.

from Sberbank, which wanted a decisive position in the project allocation process. Also this fits the pattern of seeking to generate revenue flows based on decision-making power; moreover, there were rumours of unofficial fees (Korppoo and Gassan-zade 2014). There were also hints that Sberbank was misusing its position to retrieve funds loaned to a large debtor by allocating a generously large JI project to that company (Shishlov 2011; Reuters 9 August 2011). Finally, MNR's keenness to become manager of investment declarations would fit the pattern of identifying benefit flows for the ministry's own networks. However, key interviewees held that JI never provided much rents—or what Ledeneva (2013, 96) has called 'grazing fields'—to any of the agencies involved. International oversight over the mechanism could have made the top leadership reluctant to allow obvious rent-seeking activities otherwise so common in the Russian public governance system.

The JI case shows how the VP—the President, probably with his closest circle—had views on how JI should be run in order to control it. However, the VP lacked interest in the success of the mechanism, and thus did not provide much support. JI was not seen as crucial—any income it promised was overshadowed by the massive revenues from the oil and gas sector. Instead of employing much of his VP power, he let the preparatory-level agencies to fight over de facto power. Putin's personal dislike of JI was often noted during the first set of dysfunctional rules; the reason was said to be that JI was part of KP, which had disappointed him when EU support to Russian WTO membership proved weaker than expected. Lower-level agencies had to take this into account: pushing for the mechanism too strongly could have been interpreted as contradicting the VP's interest. This left the mechanism to the mercy of inter-agency infighting over the potential rents available through decisive positions in the approval process.

Use of power by the MED/Sberbank coalition and their links to the top level introduced a new order in the preparatory process. Several interviewees said that Sberbank had the strongest de facto powers (Step 3—Equivalence of VPs). Presumably, Gref had cleared with the VP level the acceptability of pushing JI to practical implementation. Or perhaps he had gained sufficient VP-level trust to tackle important control issues. Still, the coalition was not completely shielded against attacks by other powerful agencies, as can be seen from the MNR's involvement in the third set of rules.

From what these cases have shown, we can now propose three adjustments to the VP approach.

## 4 Discussion: Strategic choices and adjustments to VP approach

### 4.1 Select cases which involve also lower-level policy processes and implementation

According to Tsebelis, bargaining process where multiple actors are VPs may exist behind closed doors even if only one individual communicates the actual decision (Tsebelis 2002). This appears to be the case in Russia, according to several analysts (Kryshtanovskaya 2008; Sakwa 2010; Godzimirski 2010).<sup>13</sup> When Putin cut the power of the oligarchs early in his first term, that eliminated actors who could have gained a VP position (White and

<sup>13</sup> Khrystanovskaya (2008, 586) provides a good description: 'Formally speaking, there was a separation of powers, but it was not a check on the power of the Kremlin, just a division of responsibilities. Above the executive, legislative and judicial powers, there was another—a supreme power, the Kremlin. In this system a parliament is needed to legitimate the decisions of the supreme power. A government is needed to direct the economy on a day-to-day basis under the management of the Kremlin. There are courts, which also serve the interests of the state, and so forth'.

Kryshtanovskaya 2011), but state-owned companies remained a powerful group in decision-making. They are typically led by individuals who have gained political power by holding important posts or economic power and who enjoy direct access to the top leadership, while remaining hidden from external observers. Under such non-transparent circumstances, Tseblis' VP approach can contribute little to understanding the power play around decision-making—as with KP ratification. However, the process can become more observable if the analysis is extended to the preparatory level, as shown by the JI case.

Experts and expert agencies, like ministries, tasked with preparing policy decisions can gain de facto VP position in terms of changing the status quo if the VP himself is not interested in leading the policy process; JI provides an example of this. This power is based on the expert knowledge of the agencies in question: the VP and his closest circle are unable to judge independently whether agency advice provides the most rational choices for achieving the established policy goals. That gives the expert agencies significant freedom to include also interests external to the original agenda, and act as a channel for other actors to introduce similar elements. However, such de facto VP mandates become very limited if the higher political level should dislike the advices or have other interests—perhaps related to foreign policy, as in the case of KP ratification. The relevant point concerning the applicability of the VP approach is that these actors are more accessible to scholars than are higher-level actors, due to their more public role in policy processes.

We propose that the analysis should include, when relevant, lower-level actors who are easier to observe than are top-level policy-makers. Here it might be objected that such lower-level agencies have questionable veto power. However, if these actors cannot reach agreement, it is difficult for the VP level to force them to put genuine effort into preparing or implementing a policy—changing the status quo.

#### **4.2 Study the implementation phase, not merely the passing of a statute, to determine change in the status quo**

Tsebelis (2002, 18) defines *change of status quo* in terms of policy changes on the statute level, as he uses decisions of the official decision-making rules as his main material. Stepan (2004) and Vatansver (2009) have argued that compliance with legislation should be included as a condition of altering the status quo, because bureaucracy may not comply with its own decisions. Indeed, in Russia, statute-level changes do not necessarily translate into changes in behaviour. This is shown by the JI case, as we interpret a 'change of status quo' as a change in polluting activity. Interpreting it as merely passing legislation that established JI would have missed most of the power play between veto-holding agencies, including the implementation level. This proposed extension of the VP approach also facilitates comparable analysis between Western market democracies and Russia: in Western democracies, seeing statute-level change as a change of status quo is much closer to reality, because implementation of policy decisions is routinely launched by the bureaucracies, admittedly with varying levels of success.

The process of policy-making in practice extends beyond the statute-level decision in the format of passing improvements and additions to the adopted statute and establishing practical processes for implementation. We propose analysing the implementation process beyond the statute-level decision, to capture details of the power play and change of status quo.

### 4.3 Take into account that motivations often extend beyond the substance matter

Tsebelis (2002) assumes that the policy outcome is the main focus of the VPs and does not allow for the side-interests (beyond re-election) that a policy process may in fact serve. In Russia, policy-making processes are seldom driven solely by competing policy goals and their advocates. To distinguish among types of motivations, we applied the concepts of *outcome preferences* and *positional preferences*. As seen in the case of JI, decision-making process often focuses on the division of benefits between actor networks. Further, delays may be caused by disagreement on the division of roles in the process, linked to the sharing of the expected benefit flows. Identifying the mechanisms possibly caused by rent-seeking and corruption-related considerations remains a challenge. However, even though direct evidence of such activities is scarce, patterns that would fit can be detected to explain the behaviour of the actors involved. We hold that including such elements can facilitate better understanding of Russian policy processes.

## 5 Conclusions

This article has shown that in the case of Russia's Kyoto Protocol ratification, there either was no game, or that such consultations took place between closed Kremlin doors, by *hidden Veto Players*. After making sure that ratification would entail no serious threats, President Putin was free to play a veto game with the other actors of the Kyoto regime. The ratification case is an example of a legislative-level decision where the original VP approach is inadequate: analysing the Duma voting on the issue would be meaningless, as the Duma has been absorbed by the sole VP, the Russian President. He can be analysed in terms of his interests, but may seem to act in a vacuum—or rather, influenced by international games, not domestic ones.

Applying the substantive findings to the making of international climate policy, we have shown that President Putin is the only obvious VP as regards Russia's participation in international climate agreements. This is relevant to the future UN climate agreement, set to be finalised in 2015; lower-level contacts can be useful for understanding Russia's international climate position, but any attempts to influence it would have to involve the top political level. Nevertheless, Russia is unlikely to achieve any special role similar to that it had in bringing the Kyoto Protocol into force. Moscow will have far less leverage for demanding gains in exchange for its participation. The 2015 Paris climate summit is likely to focus on matching the interests of the leading developing and industrialised countries.

On the other hand, the case of JI with its lower-level process beyond the statute-making level opened a door to an observable game between actors who were using *de facto* veto powers: influence over the change of status quo although not necessarily on the statute-making level. This lower-level game revealed various motivations unrelated to the policy issue itself. The JI policy process can be seen as a game 'nested' in these deeper-rooted games of dividing rent-seeking opportunities between actors; some VP-level interests can be detected as well.

We may conclude that the VP approach can deliver better-quality analysis of Russia if the cases are selected on the basis of their accessibility. This would generally mean including the policy preparatory and implementation level of actors, and sometimes abandoning a case altogether, to avoid generating a VP story that fails to base its argument

on power relations—which, after all, is the main goal of the VP approach. Interpreting the change of status quo through change in activity rather than in statute level should facilitate a deeper and more reliable analysis. Finally, the researcher should be aware of possible side-motivations of the actors involved, beyond the actual policy goal.

The adjustments proposed by this study for qualitatively applying the VP framework in a non-democracy are likely to prove useful also for analysing power relations and policy change in other non-democratic systems. While no general rules applicable to all such systems can be developed, the approach might give some ideas or directions to test. Some of the approaches presented may also be applicable to other post-socialistic political systems, regardless of their current democratic features, as a result of their shared systemic past. The merit of this approach is that it enables comparisons with democratic systems under the VP theory. Although developed on the basis of environmental policy cases, the findings presented here are by no means specific to this field and could facilitate analysis of other similar level policy fields. That said, analysing high politics, for instance foreign policy, would probably encounter problems like those described with the ratification of the Kyoto Protocol.

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## Appendix 1

See Tables 1 and 2.

**Table 1** Policy process of KP ratification in Russia

Time	Document/development	Contents
Dec 1997	KP adopted by UNFCCC	Binding commitment to most industrialised countries to cut or limit GHG emissions 2008–2012
Mar 1999	Russia signs KP	
Mar 2001	USA withdraws from KP	KP cannot enter into force without Russian support
Jun 2001	First Parliamentary hearings on KP	Support to starting preparations for ratification
Apr 2002	Russian government launches background work for ratification	Roshydromet appointed to lead preparatory process
2002	Canada, EU, Japan, New Zealand and Norway ratify KP	International focus shifts to Russia
Mar 2003	EU troika visits Moscow	Russia under political pressure to ratify KP
Jun 2003	Duma Ecological Committee round table	Recommendation that preparatory work be finalised fast and forwarded to the Duma for ratification
Oct 2003	Putin orders ministries to report on ratification by 20 May, 2004	

**Table 1** continued

Time	Document/development	Contents
Oct 2003	World Climate Conference in Moscow	Many observers expect Russia to ratify KP. Kyoto opponents dominate the event
Apr 2004	Duma hearings hosted by the Ecological Committee	Working group established to prepare ratification
Apr 2004	250 Russian Academy of Sciences scientists send Putin a letter in support of ratification	
May 2004	EU and Russia agree on Russian WTO membership	Putin states that this will support Russia's KP ratification
Jul 2004	RAN seminar on ratification initiated by Putin, with UK delegation	Negative views on ratification dominate
Aug 2004	PM Fradkov's letter to Putin	'KP is ineffective, unfair and not beneficial for Russia'
Sep 2004	Meeting of Russia's Security Council	Minister of Foreign Affairs Lavrov to 'accelerate the introduction of the ratification of KP'
Sep 2004	Government approves draft law on KP ratification	PM Fradkov is travelling, his deputy Zukov chairs the meeting
Oct 2004	Ecological Committee of the Duma recommends ratification	
Oct 2004	Duma discusses and votes to adopt KP	81.3 % for, 13.4 % against, 5.2 % abstaining—KP adopted

**Table 2** Policy process of JI in Russia

Time	Document/development	Contents
Jul 2005	Integrated plan of action	MED to lead preparation of JI approval system; other interested agencies can participate
May 2007	Domestic JI approval system (1st)	MED in charge of coordination centre, other ministries and agencies to approve projects. An inter-ministerial commission to recommend projects quarterly to government. In practice, no projects approved
Jan 2008	First Kyoto commitment period begins	Window for JI project approvals opens
Jun 2009	Government appoints Sberbank to operate carbon projects	Sberbank to operate approval system, MED the focal point to officially approve projects with government
Oct 2009	Government regulation to revise JI approval procedures (2nd)	Sberbank as carbon operator, Sberbank's expert council to advise MED on project approval
Nov 2009	MED order to pass JI rules	Tenders as project selection procedure, investment declaration
July 2010	First tender	15 projects approved
Dec 2010	Second tender	18 projects approved
	Third tender launched	Tender launched, but projects never approved due to revision of rules

**Table 2** continued

Time	Document/development	Contents
Sep 2011	Government revises JI regulations (3rd)	Tender system discontinued, Sberbank third party to JI projects, MNR in charge of monitoring investment declarations. MED the focal point
Sep 2011–Dec 2012	Several orders by MED First Kyoto commitment period ends	At least 76 more projects approved Window for JI projects closes as Russia withdraws from the second Kyoto commitment period

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