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INVESTIGATION ON THE RELATIONSHIP BETWEEN POLITICAL SYSTEM AND NATURAL RESOURCE USE

(Based on the Russian experience after the dissolution)

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Overview:

Investigation on the relationship between different political systems and natural resource use is one of the most important issues in the recent political economics studies. Comparing how countries with different political systems use their natural resources suggest that systems of governance have important effects on resource use. Russia is one of the countries that are endowed with the enormous resources of oil and gas and a transitional political system. The process of the transition and the viewpoint of the government to the oil and gas production have been altered during the transition and after the dissolution of the former Soviet Union. This difference can be very practical and helpful for the other countries that are trying to privatize their petroleum industry such as Iran.

In this paper it has been tried to look at the Yeltsin presidency period and the privatization of the Russia and then it has been concentrated on the Putin's viewpoint about the relationship between political system and oil and gas production. And in the last part, the ways that Putin makes it's thoughts into practice has been discussed.

Method:

In this paper a comparative and historical method has been applied. The history of Russia after the dissolution of the former Soviet Union has been divided into two periods:

- 1- Yeltsin Presidency Period
- 2- Putin Presidency Period

Then the viewpoints of each president about the relationship between the political system and natural resource use have been discussed and their outcomes are shown.

Conclusion:

This paper shows that the Neoliberal viewpoints that are used in the Yeltsin presidency period weren't successful and it leads the Russian government to lose it's governance and ownership to the natural resources while the Putin's idea that the government must have control on the oil and gas resources ownership with the aid of financial- industrial firms and leading the investments to the ways that protect the public interest is going to make Russia a new superpower. In fact this research shows that Neoliberal ideas about the reduction of the state role and prevention of the intervention by the government in the natural resource use is not practical and don't lead the Russian government to protect the public interest and security.

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