

# STRUCTURE OF PUTIN'S ELITE IN 2020



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Alexander Morozov



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In January 2020, Vladimir Putin closed the books on the political development of the Russian Federation not only for 2019, but also for the next 15 years. He set forth a series of amendments to the Constitution and made a change in the Cabinet of Ministers. What is the rationale behind V. Putin's doings? There are numerous interpretations and speculations on the motives. However, one should take a cue from the fact that between 2003 to 2019 V. Putin has created such a system of governing Russia, which he, as well as by the wider circles of civil and government law enforcement and security bureaucracy, considered to be totally adequate for the post-Soviet development of the Russian Federation. Putin has brought forward 11 amendments, which provide additional clarification detailed to fix to the individual central nodes of that governing system, which is providing so-called "stability." It is an anti-republican, highly centralized, system of power with a wide array of mandated authority powers given to the president. In this system the representative authority agencies are acting in a pattern of "consulting bodies," an addendum to the executive branch. The political representation of a party stipulates a high level of qualifications in order to cut off the opposition from being nominated to the Parliament, and those parties, that are represented in the Parliament create a "coalition" of some sort. The governors in this system are designated official appointees from the center. All in all, the system is in compliance with its international obligations. Nonetheless, it refuses to implement the decisions of international bodies in some instances when they deviate drastically from the political goals of the Kremlin.

Putin's amendments do not contain anything radically new. They are being introduced in order to institutionally cement the existing system by strictly determining the authoritative powers of the upper and lower houses of the Duma, the State Council, the Cabinet of Ministers, governors, prosecutors, and higher courts of the Russian Federation.

Upon his departure in 2024, Putin wants to leave behind a system that, from his point of view, is efficient and uniquely correlates to the

particular characteristics of Russia and ought to be reproduced in the future.

The resignation of the Cabinet is also meant to demonstrate the fashion in which the “rotation of the elites” should happen in this system. In this respect, Putin consolidates his style of personnel managerial decision making and the balance of the entire elite.

Despite the fact that there is an active renewal of the managerial personnel underway in Russia, and people, whose careers have already been launched under Putin are being actively recruited to senior positions, it is clear that the main circle of key stakeholders remains unalterable.

**“The Varangians.”** The main trend is the frequent, horizontal, reshuffling of personnel. And, at times it gets rather intense. In September 2018, a Kremlin protégé lost the election in the first round in Khakassia, a small territory in Siberia. So, for the second round of the elections the Kremlin nominated a different candidate, a bureaucrat, Mikhail Razvozzhayev (born in 1980), who, before his nomination, was the Deputy Minister for the Caucasus Affairs. Razvozzhayev lost the election. Notwithstanding the foregoing, that did not affect his career in any way. He was still appointed head of the Executive Committee of a large Kremlin organization—“All-Russia People’s Front”—and as early as July 2019, the Kremlin sent him to become the governor of Sevastopol, as a replacement for the previous governor, who had suddenly resigned in conjunction with his accusations in corruption.

More or less the same horizontal reshuffling took place this year with Lyubov Sovershaeva. This famous official from St. Petersburg was the vice-governor in the late '90s, then she was a deputy presidential envoy to the Northwestern Federal District (NWFD). Following the resignation of the mayor of St. Petersburg, Poltavchenko, she was transferred to the mayor’s office to oversee the election of the Kremlin protégé, Beglov. After Beglov’s victory in the elections, Sovershaeva was appointed vice-governor. Nonetheless, just one month after that, she left this post and was re-assigned yet again to the post of deputy plenipotentiary envoy of the NWFD.

These, as well as many other numerous examples of personnel transfers in 2018-2019, illustrate that, in this day and age, the Kremlin moves personnel around supremely fast.

**This trend of personnel policy transfers is widely discussed. The meme—"The Varangians"—**has been affixed to this phenomenon. This word describes such types of leaders who have never been previously associated with the territory, or the agency to which they are being appointed.

**Technocrats.** The meme "technocrats" has become steadily established. In a departure from the previous generation of leaders who had a lengthy political background, the new generation of large scale bureaucrats act vigilantly in the corridor of technical standards, carrying out the so-called "May decrees of Putin," which are the major tools in the Kremlin's managerial leadership over the territories and bureaucratic establishment.



*Sergey Kiriyenko. Photo by UNIAN*

Sergey Kiriyenko is consistently erecting a system of formal assessment of performance for the managers (KPI) in accordance with

the corporate governance model. The new cohort of bureaucrats cannot demonstrate any political ambitions of any kind. The level of their autonomic independence is significantly lower than that of the previous generation of leaders of the same rank.

The role of state corporations and the FSB continue to sprawl. This third fundamental factor is embedded in the fact that for a long time the real leverage of managing large financial flows have been centralized around the heads of state corporations and the leadership of the FSB. The result is that in 2018-2019 a final stratification of stakeholders in the political regime has taken place.

At the very top, there are the heads of state corporations along with the chiefs of FSB departments. As for the various prominent political managers, heads of large companies, governors—they have moved one floor down in terms of their power to impact the current processes. This largely has to do with the consequences of the annexation of Crimea and the policy of sanctions. Domestic investments began to play a big role, under the conditions of sanctions the Kremlin has to develop infrastructure projects, and this practice continues to strengthen the state corporations. Against the backdrop of isolation and conflict with the West, the part played by the FSB is growing as well.

The discussion in E. Minchenko's report (Political Bureau 2.0) confirmed this. Analysts at Minchenko Consulting point to the fact that the rotation of personnel in Putin's inner circle is associated with the strengthening role of law enforcement agencies in the face of "deteriorating relations with the West."

# Events Discussed in 2019

An attempt to overcome the recession, stimulate economic growth, and a public discussion of this problem

Public criticism by **Kudrin** of the implementation of the new program of national projects, which has provoked resistance from Medvedev, has become a noticeable event.

There is clearly a conflict within the government apparatus between the Executive Office of the President and the Central Office of the Government of the Russian Federation: the national projects in the Executive Office of the President are supervised by **Harichev**, who is organizing State Council meetings on specific national projects, and as far as the Government is concerned, there are specific national projects, which are the recorded responsibilities of the first deputy ministers. ***The coordination between these two entities in the state apparatus in 2019 has been noticeably difficult.***

Anti-corruption arrests of the senior bureaucrats

The most high-profile arrests were of former Minister **Mikhail Abyzov**, of the **Magomedov** brothers, and **Senator Arashukov**. Lower down the hierarchy, there have been numerous arrests of regional leaders—vice-governors, mayors, and heads of departments in regional administrative offices. In October 2019 the regional departments of the Investigative Committee reported that the number of anti-corruption cases has increased by 20% compared to last year.

The reparation and implementation of a single voting day and changes in the governor's corps

In September 2019, governors were elected through direct elec-

tions in 16 regions, and in 3 regions they were elected by the regional parliaments. New constituencies of the regional parliaments in the 21 regions were elected. In a number of big cities mayors were elected.

That was the second campaign for the new composition of political managers of the Presidential Administration, and it has demonstrated that control over the elections has been largely transferred from the Office of Internal Policy (Yarin) to the Office for Supporting the Activities of the State Council (Harichev).

**Boris Rappoport** oversaw the most problem ridden campaigns, involving PR campaigns, and organizing groups of political strategists. The Kremlin ran up against major problems in the elections that were held in St. Petersburg and Ulan-Ude. And the elections to the Moscow City Duma have been transformed into a political crisis with long-ranging consequences. Evaluation of the actions law enforcement agencies took during the protest rallies in Moscow has shown a divide in the opinions of high ranking and loyal politicians. **Sergei Sobyanin** has publicly endorsed the actions of special law enforcement agencies. **Sergey Chemezov** has assessed these actions as excessive.

## The results of the Moscow elections

The results of the Moscow elections are of crucial importance for the upcoming elections to the State Duma. In spite of the fact that Navalny was an interned person for 30 days, his headquarters have demonstrated that they are capable of mobilizing voters in favor of Navalny's proposed strategy, which can cause a certain amount of damage to the results that the ruling party was planning and rooting for.

## Sergey Kiriyenko's creation of a new system for getting the new bureaucracy ready

2019 is the first year the model proposed by Kiriyenko has reached its full design capacity. The replacement of government personnel previously used to happen "organically." Young careerists from the regions

had to enroll in the Russian Presidential Academy of National Economy and Public Administration (RANEPA) on their own accord, which served as an indicator of their intention to work in the civil service sector. Each of them should have been independently trying to identify a “Patron” for himself—a benefactor, who would promote the careerist. Some large Kremlin public organizations *Molodaya Gvardiya* (Young Guards) and *Obshcherossiyskiy narodnyy front* (All-Russia People’s Front), as well as four systemized mainstream parties, served as personnel career elevators. Vyacheslav Volodin, during the period when he was in charge of the development of “United Russia,” introduced a system of primaries for those who wished to be nominated on behalf of this party, which served as a way for young careerists to declare their intention to move up the civil service ladder.

During this cadence of Putin, Kiriienko emphasized the transfer of young the managers from state corporations (Rosatom, Russian Railways, Rostec, etc.) to governmental agencies. At the same time, he created a new personnel vetting system. This involves a competition in which in 2019 more than 230 thousand applications were submitted. This system is overseen by Alexey Komissarov, who is wearing two hats at the same time: he is the Vice-Rector of RANEPA, and he also is the head of the personnel system—“Russia is a country of opportunities.”

It is evident that Kiriienko is creating an analogue of a corporate personnel service for the Kremlin, which would make it possible to replenish the bureaucracy in an autonomous regime, in other words, by reducing the dependence of personnel on the “patronage” emanating from the regional clans and the “Kremlin towers”.



*Dmitry Kozak (in the middle) in Crimea. Photo by UNIAN*

## Altering the atmosphere of the policy towards Ukraine (activation of the Donbass settlement)

Putin's game with Macron and the "mandate for the policy of peace," which was received by Zelensky, influenced the alignment of elite distribution. Many people have noted that the positions of **Vladislav Surkov** have been weakening in 2019, and **Dmitry Kozak** plays an increasingly serious part in the Ukrainian direction. On October 9, 2019 **Sergey Glazyev** lost the post of Adviser to the President and was transferred to focus solely on Eurasian cooperation. As a result, he was removed entirely from having any influence on the Ukrainian settlement. In January 2020, Vladislav Surkov resigned.

## The African project of the Kremlin

The African project commenced as a personal project of Yevgeny Prigozhin. However as of 2019, there has been a large alliance that has gathered around the Kremlin's advance into Africa. That resulted in a summit in Sochi, in which the representatives of 45 African states took part. In the preparation period for this forum all the structures of Vyacheslav Volodin, Slutsky, Konstantin Malofeev, as well as Yevgeny Prigozhin took part. Lukoil, Rosatom, Russian Railways, as well as all large state corporations are interested in the long-term expansion into Africa.

# The Institutional decisions of 2019

The creation of two large state-owned corporations—*Rosexport-center* (Russian Export Center) and the *Military Construction Company*—and a proposal to create a state-owned corporation operating at the Arctic shelf.

The creation of a military construction company and a state-owned corporation on the Arctic shelf is strengthening Sergei Shoigu's position. Intensive development of the Northern sea route is further strengthening G. Timchenko's position, Nord Stream-2 secures the position of A. Miller, and the development of terminals and means of delivery of liquid natural gas (LNG) solidifies the position of Michelson.

The large-scale program for the new system of waste management stipulates the construction of waste incineration plants in the majority of the regions of the Russian Federation by Rostec. And, despite the fact that it has caused public protests, it has not caused any substantial damage to the positions of S. Ivanov and S. Chemezov, who are in charge of the program.

The only governor who could not block the development of "garbage protests," Igor Orlov (from Arkhangelsk region), will be replaced in 2020, as predicted by many experts.

# The Stakeholders

The inner circle closest to Putin. First of all, one should emphasize that although in general the scheme of the Political Bureau, which is being proposed by the political scientist Evgeny Minchenko, provides an idea about the circle of stakeholders. Nonetheless, one should take into account its conditionality.

In the real world, it is essential to distinguish between those who have the ability to communicate with Putin on an almost daily basis, and those who hold key positions, but communicate with Putin in a different fashion.

The first circle includes Vaino (Executive Office of the President), Bortnikov (FSB), Peskov (media), Patrushev (Security Council), Mishustin (government), Lavrov (Ministry of Foreign Affairs), Ushakov (International Affairs), Kiriyyenko (domestic policy), Kochnev (FSO).



*Andrey Kostin and Alexey Kudrin. Photo by UNIAN*

The second circle is comprised of “heavyweights” of Putin’s inner circle—Sechin, Chemezov, Kovalchuk, Rotenberg, Kostin, Kudrin,

Gref, Nabiullina, Shuvalov, Shoigu, and others. Each of them presides over a large resource center, and, as Chemezov has rightly noted, none of them is included in a “political bureau” of any kind, since there are no hearings of the “political bureau” or any other forms for their ongoing systematic collective communication. At the same time, each of these individuals has his own large clientele and seeks to expand it further and promote his staffers to the various positions of leadership.

However, one should keep in mind the fact that in the first group—where there is immediate communication—Vaino interacts with Chemezov and is a part of his clientele, meanwhile Patrushev and Kiriyenko are old “heavyweights,” who conduct their own personnel policy, while supporting and expanding their own clientele.

Often, there are two large elite groups that are identified, which divide the stakeholders into the “**globalists**” and “**isolationists.**” This is a fairly arbitrary division in terms of the real politics. Shuvalov, Gref, Kudrin, Nabiullina, Usmanov, Mamut, Voloshin, Mikhelson, and Medvedev comprise the “liberal wing” of the Putinists.

The second group can conditionally be associated with the board of trustees of the Military Historical Society. But one cannot qualify this group as merely conservative since its members are striving to introduce modernization practices into their sectors. Notwithstanding, according to their political views, these are the isolationists. This group includes: Chemezov, Naryshkin, Patrushev, Bortnikov, Medinsky, Volodin, Rotenberg, Kovalchuk. Gromov, and Vaino.

Tactically, the alliances of the governmental apparatus or, on the contrary, the short-term conflicts are not connected with these ideological differences.

The reason stems from the fact that crediting state corporations and banking investments in individual enterprises leads systematically to the failure to repay the loans and filing of the criminal cases. The PR services of the corporations still use a few resources available to them, such as publications, to discredit their adversaries. They are: *The Moscow Post*, *Infox*, *Century*, sometimes *Interlocutor*, as well as the telegram channels.

**The key factor of the plausible changes lies in the fight surrounding the post of the Prime Minister.** For Putin's entire elite, the change of prime minister is a clear signal of who is going to become the successor in 2024. It is well understood in the bureaucratic community, that Vladimir Putin was discussing with Kudrin the possibility of appointing him, because before the 2018 elections, Kudrin was drafting the economic program for the next term for Putin. Kudrin turned down the premiership, upon not having received from Putin the authority powers that would have enabled him to carry out the program in real life. On the other hand, Chemezov's candidacy is being publicly discussed. Indeed, he possesses all of the qualifications, merits and possibilities to get the post of head of government. It is common belief, that Putin has made him such an offer, but Chemezov refused.

In January 2020, the government resigned. It was expected that the new prime minister would be presented to the elite as a possible successor as well. However, Putin has not appointed a heavyweight hitter to become the head of the government. It is possible that the Cabinet in its current composition will work until the next elections to the State Duma in 2021, that is, for a year and a half, after which, in accordance with the designed framework proposed by Putin in the amendments to the Constitution, it will resign, and will be re-formed one more time in a regime that includes considerably more significant participation of the State Duma.

# The most prominent conflicts of 2019

**Rosgeology / JSC Rusgeology.** The arrest of Gorring, the deputy head of Rosgeology, was interpreted as a fight between Sechin and Patrushev. Gorring's arrest was carried out by the FSB's administrative unit "K," namely by the group of Sechin-Tkachev, while Gorring was a part of Patrushev's clientele. As it has been reported Roman Panov, the head of Rosgeology, had met with Patrushev and Ivanov attempting to free up Gorring, but he did not succeed. Rosgeology / JSC Rusgeology is located in the sphere of interests of several major groups—both Rostec (Chemezov) and Rosneft (Sechin).

It is not known, who exactly is the beneficiary of this arrest, however it is commonly agreed, that it was a strike against Patrushev. And his position has been constantly solidified alongside the growing role of the Security Council apparatus.

It is possible that Patrushev is in a state of conflict with Sechin, Kovalchuk, Kiriyyenko, and Medvedev. In the IT industry, a lot of people are saying that Patrushev wants to expand his influence over this field.

**FSB.** By the same token, the arrest of the FSB colonel Kirill Chekalin from the administration unit "K" is the most scandalous case of 2019 in the special intelligence services. It was perceived as an attack on Sechin and his clientele.

**Yandex.** The conflict surrounding the control over the national search engine Yandex, which has resulted in the publication of correspondence between Voloshin and Kiriyyenko, about who tried to stop the expansion of FSB control over Yandex, ended in with the defeat of Voloshin.

# The Prospects

The internal conflicts among the elites in Putin's entourage do not lead to any significant defeats of the key clientele. The partnerships between major stakeholders are preserved. The "veterans" in Putin's entourage, when they do not head for a direct conflict with Putin (as was the case with Yakunin) remain in their cushy positions, even if they have committed certain deeds that have caused damages.

He is likely to get a good placement even after his resignation along with the Medvedev government. Upon having left the post of Minister of Culture, Vladimir Medinsky was transferred to the influential position of Assistant to the President.

Despite the fact that there is a perpetual discussion going on in Kremlin-loyal circles about the need for judicial reform, the danger of continued "governmentalization" of the economy and the "privatization" of the defense and law enforcement agencies, it becomes obvious that it is not possible to expect that certain reforms would take place, especially in the climate of sanctions and the ongoing conflict with the West.

In the setting of autarky, Putin's elite is oriented towards investments in mining of the extractable resources, oil refining, chemical production, LNG, electricity, and infrastructure transportation projects (bridges, construction of roads and railways).

**Generational change underway in the political management:** the Executive Office of the President, governmental apparatus, agencies and departments, deputy corps. Young “technocrats,” whose careers were launched in 2003-2005 are being recruited from state corporations to the state apparatus.

The global situation is playing in favor of Vladimir Putin and his steering group. The United States and the European Union cannot exercise pressure on the Kremlin. Under these conditions, the stakeholders of Putinism continue to proactively operate across the board in all directions—in Asia (China, Qatar), Africa, and while at that, and despite the fact there are certain restrictive sanctions, the real presence of the Russian oligarchic infrastructure in Europe is not on the decline.

Putin’s elderly influential partners, such as, for instance, Viktor Zubkov (born in 1941), or those of his peers like Vladimir Churov (born in 1953), continue to stay in demand upon their departure from their politically significant positions. Zubkov is the head of the Organizing Committee of the St. Petersburg Economic Forum, and Churov is the special envoy and academic director of the Military Historical Society. The main age group of Putin’s peers (Patrushev, Chemezov, etc.), and even more so, Sechin (born in 1961) and Medvedev (born in 1965) have yet another 10-15 years of active life in stock before transferring to the highly coveted honorary “retirement” position.

# Recommendations

The Kremlin conducts a rejuvenating campaign for the senior cadres, cements through the changes the Constitution to balance the power of institutions, which has been developed throughout the last 15 years and, having vast reserves at its disposal, counts on the fact that the system currently in place is successful in securing stability and it enables Vladimir Putin to actively operate in various spheres of international politics. There are no grounds to expect a strong reformist movement to emerge on the horizon in the Putin system in the next decade. Such widely renowned Russian experts as V. Inozemtsev and G. Pavlovsky consider one should not be expecting any process, which would be similar to that of “perestroika.” In what direction should one be building relations with the Russian elites in the years of 2020-2030?

## 1

### **The Bridge of Communication With Young Bureaucrats**

The upper echelon of the old elite, those who have been working with Putin since the '90s and have been by his side for the entire period of 20 years throughout his rule, are being sanctioned. However, it is the young generation of the bureaucracy, those officials whose careers were launched in 2005-2020 that are of interest. A lot of them are in charge of digitalization, urban development projects, cultural film production industries (cinema, charity), and major educational programs. These people should be offered some new communication channels in the USA and Europe. There are some big foundations that do not have any party structure affiliations in the USA and Europe but are linked to some large corporations. They are the ones that should initiate the creation of new “bridges” of communication between young Russian

red tape representatives and their foreign peers of the same age. Such type of communication would support the wishes for “Westernization” among the young bureaucracy, in spite of the general deterioration of the political atmosphere in Russia.

## 2

### **White Book of Those Responsible for the Ideological Dictatorship**

Even if today, there is already a conflict between some of the young Russian leaders-technocrats and the widely spawned apparatus in charge of the production of ideology and propaganda in Russia, the attitude towards the “propagandists” is getting worse. The degree of militarism and anti-Westernism is way too high even for the patriotically tuned up portion of the leaders. Those who are engaged in the industrial modernization are skeptical of the “ideologists.” There are certain ideology and propaganda activists that have made it onto the US list of personal sanctions.

Nonetheless, it would be advantageous to provide a more clear-cut definition of the entire circle of those who bear political responsibility for the creation of the militaristic, isolationist policy in Russia. One should prepare a white paper or a handbook, which would enumerate in a concise way the activities of the top 50 decision makers who are in charge of each trend of the mainstream fields of propaganda. As for these trends we can identify five such directions:

- militarization
- orchestration and implementation of the informational attacks against neighboring countries
- discrediting the opposition, civic organizations, and provision of informational support to back up repressions
- ideologize academic activity

- suppression of academic freedom

In each of these areas, 50 of the most actively involved and responsible leaders, who are in charge of ideological production and supply should be named.

## 3

### **The Dead End of Regional Development**

The Kremlin is vigorously appointing young governors in the regions. Their executive apparatus is also comprised of young professionals. They are inclined to operate within the extremely centralized state system.

They come face to face with the severe imbalances whenever they try to draw their regions out of recession. In our point of view, it is crucial to pay attention to those regions that are headed by young governors. It is also important to illustrate through some series of analytical reports the fact that the “technocratic” modern management methods conflict with the centralist policies of the Kremlin. Regional development is not possible against the backdrop of this administrative system, which is carried out by Putin. Kaliningrad, Tula, Perm, and other regions are examples that could demonstrate this.

# 4

## **“United Russia” as an Authoritarian Platform**

As it has been justifiably pointed out by quite a few experts of democratic transition, the institutional balance created by amendments to the Constitution is simply insufficient for Vladimir Putin to transfer power to the next generation of leaders in confidence. The transition is not possible without the party of the masses. This means that in the next 10 years the Kremlin would be paying a great deal of attention to “United Russia.” Without “United Russia”, which would forcibly permeate all of the institutions of state power, it would not be possible to preserve “Putinism” for a long period of time. It means, that the pivotal issue in the fight to advance towards the rule of law, democracy, and human rights would be the issue of the strength or weakness of “United Russia”. The conflict between technocrats and party functionaries of “United Russia” could escalate intensely and one should pay closer attention to this than today. The inferior quality characteristics along with the archaic nature of the “United Russia” must be exposed in the period of 2020-2024.

# About the Author



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Between 2008 and 2017, he worked as a contributing columnist for Forbes.ru , Snob.ru , Colta.ru , Republic. From 2011 to 2014, he served as Editor in Chief of the oldest Russian intellectual magazine 'The Russian Journal' (russ.ru). Mr. Morozov is the founder of the Moscow Bloggers Club which he ran from 2008-2011. From 2014 to 2015, he was a Guest Lecturer at the Ruhr University in Bochum, Germany. In 2015-2016 he worked on staff of the German media outlet Deutsche Welle.



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1. Advancing the vision of a democratic, prosperous and peaceful Russia governed by the rule of law by educating the next generation of Russian leaders committed to these ideals;
2. Strengthening civil society in Russia and defending human rights activists persecuted by the Russian government; and
3. Supporting formulation of an effective and sustainable Russia policy in the United States and Europe by educating policy makers and informing public debate.

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