

Chapter 2.

## **POLITICAL SITUATION IN RUSSIA**

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## 2.1. Continuity of Power

Political life in Russia throughout 2005 was determined by the struggle inside the political elite for the opportunity of receiving the plenitude of power in the country after Vladimir Putin steps down as President. In the first 5 years of his tenure as President active measures were taken to oust the „old” elite. Eventually, the President under pressure of his entourage at the federal level almost entirely got rid of the „Yeltsin’s team”. In the final analysis, the **„new” elite proved to be configured by the principle of an „administrative two-party system”**.

The design of the political field is such that the fate of 2008 will be decided in the confrontation of the two „parties” – the „liberals” and „siloviki”. Another thing is that unlike in Western Europe or the US the activity of these parties is largely non-public. At the same time either party – is not just a clan of conspirers longing to make it to the throne – they offer their own way of the country’s development and their own project of Russia’s future. From this point of view, ***it is safe to say that each party has developed its own protoideology. Whereas the role of the electorate is performed by Vladimir Putin*** – it is he who will have to make the choice as to which of the two political forces will clinch the victory and take over the country on a „turn key” basis. By and large, this choice for the incumbent head of state is quite dramatic – for „liberals” and „siloviki” form his closest entourage, and it is still very difficult for him to make the choice in favor of one of the NGPs.

The Russian model of an administrative two-party system differs from western standards not only in that they campaign for one voter who is to name the successor. Moreover, it is not the surname but the camp, which Putin will prefer, that matters; but also in that the loser will not be able to go into opposition and try to take revenge.

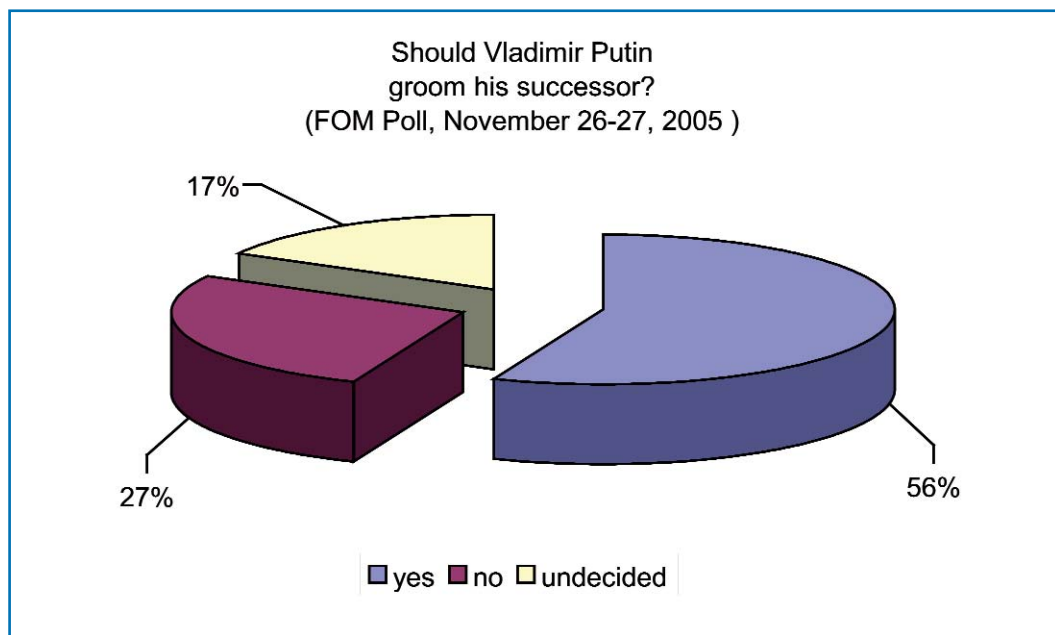
Therefore the stakes in the struggle are rather high. ***The two elites are trying to implement their project of obtaining power and of the country’s development after 2008.*** And to win they need certain resources – financial, administrative, media. ***He will be the victor who will accumulate the most serious resource base and capitalize on these resources with maximum efficiency.***

Moreover, there is a qualitative difference between the approaches of the „siloviki” and „liberals” to the problem of power transfer. ***The security part of the elite is oriented towards the implementation of the „successor” project, while the „liberals” are offering a strategy of „continuity”***.

The first model provides for an active expansion and a war among the major political figures for the possibility of control over the main institutions of power in 2007-

2008. That nomenclature-political group which will possess the greatest resources will be able to implement its variant of the „successor” project.

***This project is a product of administrative technologies and provides for a change of power in any ideological field.*** For the ruling elite of Russia such a development of the power transfer processes is quite natural. It is worth noting that the „successor” project, as a matter of fact, does not presuppose the actual continuity and security for its authors – for the elite carrying it out. It can be seen from the example of the coming to power of Vladimir Putin when the political players who had brought him to power were pushed aside by the new team of the President. ***Absence of a clearly defined ideology allows the new head of state to fully abandon the legacy of his predecessor and start the process of forming a new elite which will be entirely dependent on him.*** What’s more, it is even in the President’s interest to get rid of those forces that will bring him to power since the obligations to the „sponsors” at any rate substantially limit his activity.



***The „successor” project mostly benefits the security part of the elite.*** It has to do with the fact that at the moment only the „siloviki” can lay claim to leadership in the administrative field and ensure the „successor’s” dependence on the group. Most members of the siloviki’s nomenclature-political group are bonded with one another by long-standing and stable relations and have a vast experience of interaction within

the implementation of joint projects. Besides, the „siloviki” have a very similar circle of interest and social communication, which makes it possible to say that the „siloviki’s” successor will not give up on the people who brought him to power. ***Notwithstanding the fact that the level of conflicts inside the „siloviki’s” group is rather high, there is corporate between of current and former state security officers.*** Thus there are grounds to believe that the risk of the new President’s giving up on the services of the people who brought him to power is somewhat lower than in the case of the other groups. Importantly, the successor must have more room for maneuver as compared to his predecessor which is supposed to enable the „siloviki”, if they win, to faster get rid of their administrative rivals who will no longer be under the protection of the former president.

***The second model of ensuring the transfer of power from Vladimir Putin to the new president in 2008 is the „Continuity” project*** which is currently under construction in the ideological field. Such a vision of the power change processes essentially boils down to this: Vladimir Putin makes a transition to a new state policy and his successor continues his course in its entirety. Putin becomes a Russian Deng Xiaoping symbolizing the consistency and stability of power.

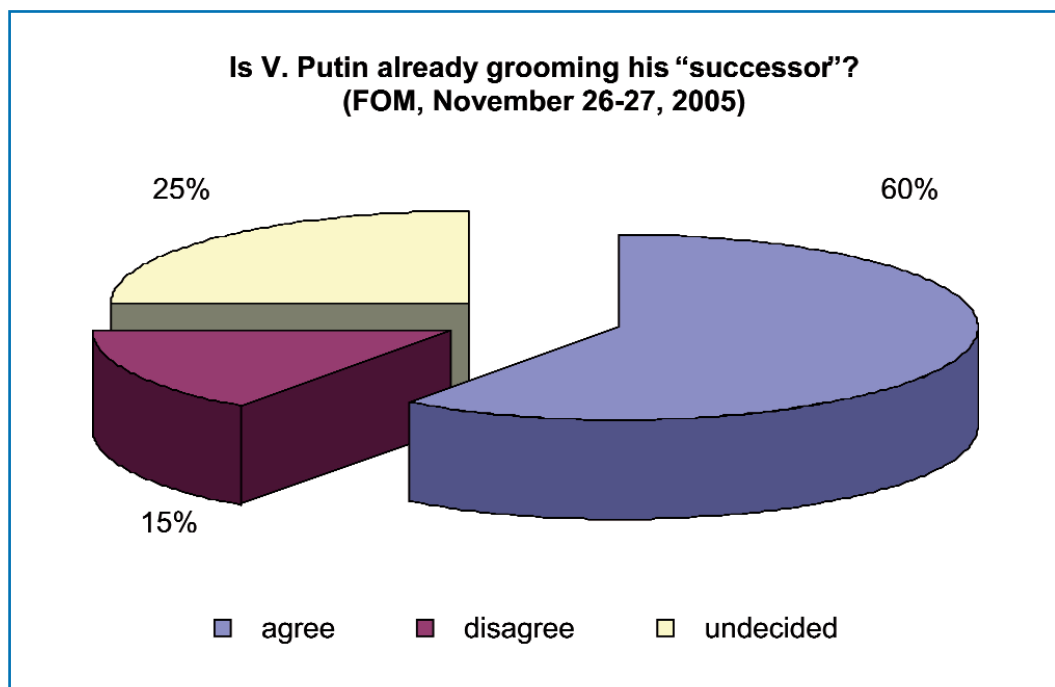
The new state policy within the „Continuity” project must be built on the basis of ***liberal-conservative synthesis***, that is on a combination of the ideas of economic freedom and public order, market competition and political stability. Moreover, the project may be deemed already launched which is evidenced by the 2005 „liberal-conservative” address of the President to the Federal assembly. Thereby the ideological limits of the power transfer are delineated. For the elite which can implement the „continuity” project the major benefit lies in the fact that the new President won’t be able to easily give up on its services. He will be „bonded” by the ideology within which he worked himself and was elected President. In this case the process of power transfer can be relatively conflict-free.

***The authors and main popularizers of the „Continuity” project are spin doctors of the „non-security” part of the Presidential administration.*** The interview of the Head of the Presidential administration Dmitry Medvedev to the Expert magazine in March 2005 marked the beginning of the introduction to the general public of complete ideological schemes expressing the position of the „non-security „part of the elite. Later liberal-conservative synthesis became the principal ideological base of the right wing of *United Russia*.

The ideological field is the sphere of professional interests of the „old Moscow” part of the „liberal” NPG – the only surviving „fragment” of Boris Yeltsin’s administrative legacy in the executive power. They are purposefully developing the

idea of liberal-conservative synthesis as the basic program of the power for the next presidential cycle.

There were quite a few examples of this in 2005. *One of the most striking and important for the understanding of the design of the „non-security” elite is the publication of a large-scale sociological study in May 2005 in the Expert magazine.* It consists of the sociological part proper, which was prepared by specialists of the ROMIR-monitoring company, and the analytical part where, based on the sociological data, conclusions are drawn favorable for the „liberals”.



As a result of the original way of formulating the questions of the sociological study, data were received that roughly 60% of the population have benefited from the reforms in the country and live better than during the USSR. *Such a conclusion is supposed to show that the reforms should be continued without reverting to the experience of the Soviet Union.* Members of the „security” part of the elite, on the contrary, are oftentimes proponents of the Soviet system of economy and centralization. Thus, drawing the conclusion that the living standards have improved and especially emphasizing this point in the study, the ideologists of the „continuity” project show that the previous course must be continued.

***Another important conclusion made by the authors of the analytical portion of the sociological study is that the greater part of the „active” population of the country supports the right values.*** A rather detailed article was dedicated to the analysis of the „right-wing ideological tendency” in the Russian Federation. Moreover, the authors make a direct conclusion that *United Russia* will manage to get maximum votes in the event of the crystallization of the liberal-conservative ideology which is declared by the „non-security” part of the Presidential Administration as the basis for the „Continuity” project.

While the overwhelming part of Russia’s population has not yet discarded paternalistic views, spin doctors of the Presidential Administration are actively working on the creation of a virtual picture of „a new Russia”. The publication of a large-scale sociological study serves the purposes of scientific substantiation of the need for the formation of an official ideology based on the liberal-conservative synthesis.

Apart from attempting to substantiate their ideology, in 2005 the „liberals” performed actions designed to fix their ideas in the minds of the public. Among the most striking of them: the ***reburial of the ashes of white general Anton Denikin and Russian conservative philosopher Ivan Ilyin.*** The reburial action performed on October 3, 2005 was to show the continuity of the traditions of the „former” Russian empire and today’s Russia. This subject became one of the most important in the mass media in the late summer – early autumn of 2005. Reports were accompanied by disputes as to how expedient such actions were. One could observe ***how information space managers were creating political hype around the reburial.*** Such a strategy is caused by the fact that in order to achieve maximum public exposure the most efficient is a conflict-based presentation of information. The mass consumer of news products is mostly interested in the scandalous details of an event and not its essential part. Having said that, we should keep in mind that the desired ideologies can be implanted under the disguise of a scandal or a conflict of interests.

***The most ideologically significant event is the return to Russia of the ashes of Ivan Ilyin.*** Ilyin is among the Russian philosophers who spoke in favor of strong Russian statehood. He also paid considerable attention to the idea of Russian spiritual patriotism. Besides, among the key „notions” which he operated with are „legal state” and „legal consciousness”, which in his vision are closely related to patriotism. All this allows one to speak of the social „reanimation” of Ilyin as a hallmark event, and it will be widely used to popularize the need for liberal-conservative synthesis.

The reburial of the immigrants’ ashes took place against the background of several information projects. ***Thus they began showing TV-series „Ataman,” [Cossack***

*chieftain] telling the story of the activities of modern Cossacks in the context of the military action in the Northern Caucasus and combating terrorism.* Its main positive characters were Cossacks who once were a reliable pillar of the Russian pre-revolutionary sovereignty.

*The „liberal” part of the elite gravitates more towards the virtualization of space.* Such a difference is accounted for by the fields of activity that are the most comfortable for each of the nomenclature-political group. Many representatives of the „Petersburg siloviki” went through the school of the state security structures where they planned different operative measures aimed at achieving a set goal. As a result they are almost incapable of working towards the virtualization of reality. Spin doctors of the „non-security” part of the elite, on the contrary, prefer struggle at the virtual level.

If the „old Moscow” part of the Presidential Administration (PA) tries to make their projects as ideology-based as possible, the „siloviki” at the moment are not only devoid of efficient instruments of transmission, but also the very ideological schemes are only in the pipeline. Intuitively, the „siloviki” feel their ideological unity but the question arises of lack of human resources that would be capable of transforming this inward feeling into clear ideological forms.

*At the heart of the inward feeling of unity of the security elite lie several principles – „power patriotism”, „power Orthodoxy”, „state economy”.* The „siloviki’s” patriotism is based on the feeling that Boris Yeltsin and his entourage betrayed their country. In the early 1990s many officers of security agencies had to retire from service. Part of them left for ideological reasons and part simply capitalized on the opportunity and went into business. But anyway there remained an informal unity of all former and acting officers of the security agencies who hoped for the restoration of their former positions. It should be noted that at the time of the Soviet Union the security agencies were among the pivotal elements in the system of supporting the existing regime. The break-up of the USSR drastically reduced the status of the state security agencies. All this lay at the basis of the „it hurts for the great country” feeling where the „siloviki” associate themselves with the state. It is where the ideology of modern „patriotism” comes from.

The existence under the conditions of ideological vacuum compels the „siloviki” to seek new allies or restore their former ties. *One of the directions of this process is the expansion of interaction with the Russian Orthodox Church.* At the time of the USSR many members of the church hierarchy directly cooperated with the state security agencies. The former ties were maintained and actively used by the Church for achieving its goals throughout the existence of modern Russia. As Vladimir Putin



came to power, the interaction between the authorities and the Church intensified. Putin proved to be a believer, what's more – keeping regular contacts with his confessor father Tikhon. According to the mass media, leaders of the „siloviki” group also take pains to participate in the cult rituals of faith. The Church can provide to the „siloviki” its ideological schemes. And the „security” part of the elite has a possibility of involving the ROC in its business projects. Thus, a mutually beneficial ideological and organizational „consensus” can be achieved.

The „siloviki” rarely perform any ideological actions. *At the same time, the greater part of their activity is ideology-based. For example the opening of a bust of the founder of the state security agencies in the USSR Felix Dzerzhinsky in the yard of the building at Petrovka, 38, was dedicated to the Militia Day, which is celebrated on November 10.* For a long time there has been a very intense debate over the need to return the monument to Dzerzhinsky to the building of the Federal security service in Moscow. But so far, despite all the efforts, the „siloviki” can't make it. So, as for now, they have settled for establishing a bust at the building of the Moscow militia, no wonder – the MVD is headed by Rashid Nurgaliev – a creation of the FSB director Nikolai Patrushev.

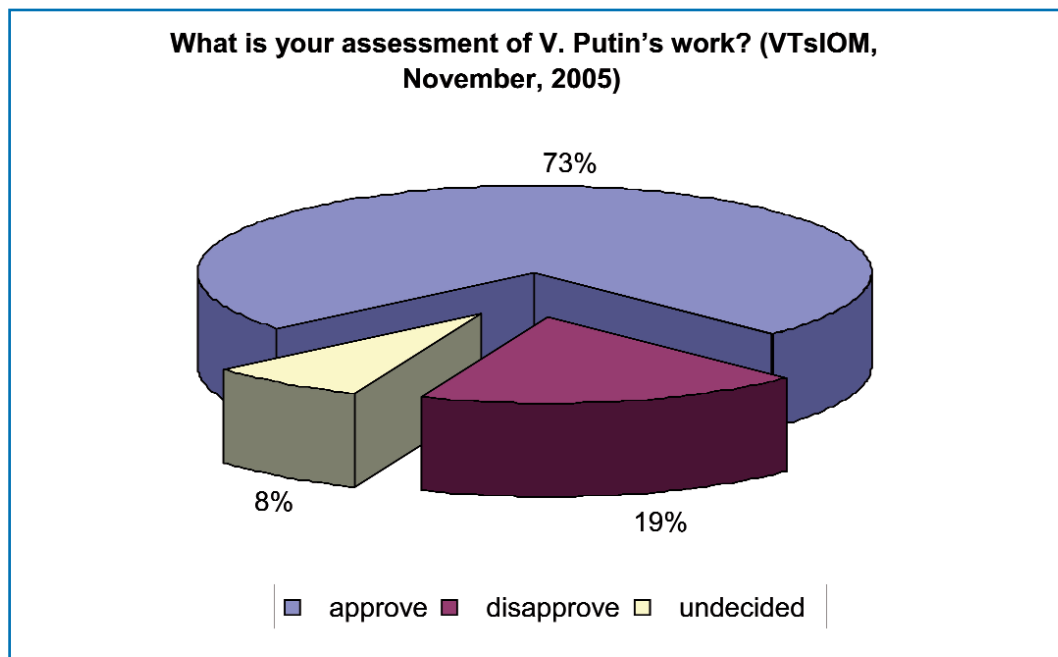
*An important direction of the „siloviki” ideological work in 2005 came to be film making.* ROSPO-film, controlled by the power elite, released a movie: „Men's Season: Velvet Revolution” sponsored primarily by the Federal drugs control service. The film features quite a number of ideological clichés creating for security officers an image of „fighters for the truth”. The movie became a logical continuation of another Russian „blockbuster” of 2004 – „Personal Number” – about the struggle of secret services against a runaway „oligarch” maintaining contacts with the Chechen separatists. Another movie hit of 2005 in the fashion of a military patriotic action film – „Mirror Wars: Reflection One” – is focused on the latest developments of the Soviet aircraft manufacturers hunted after by the leading intelligence services of the world.

## 2.2 „Soviet Authoritarianism” vs „Power Dictate”

An important element of the victory in the struggle for the presidential office for the nomenclature-political groups is their ability to offer Vladimir Putin the best terms in the new political system. *From this point of view the project of the liberal NGP for a transition to the „neo-Soviet” political system is worthy of particular attention.* The essence of the suggested model consists in the „power party” becoming the „guiding force” and controlling the bulk of the political processes in the country with almost all the elite becoming part of this party. At the same time it is proposed to



partially restore the political system of the USSR when real power and control over the country belonged to one party. In the modern Russian Federation the role of the CPSU can be performed by United Russia. Accordingly, *Vladimir Putin receives in this case the post of the party leader and becomes „a Russian Deng Xiaoping”*. With the party ministers, governors, President, the party leader becomes the „first among equals” who can control the political and economic situation in the country.



The *control and management of the party field on the party of power is implemented by the „old Moscow” part of the Presidential Administration*. In the event of making a transition to the neo-Soviet system control over the power party becomes the central administrative resource. Therefore spin doctors of the Presidential Administration become the main players in the political field. Whereas the „siloviki” will have to obey the decisions of the „secretariat of the power party”, that is they can actually lose their independence.

The party field – is the only part of the political system where the „old Moscow” men can fully implement their projects being relatively protected from the „siloviki’s” counter-play. First and foremost, it is true for the United Russia which is the central party player. Implementation of this project includes the *initiation of early parliamentary elections*. It is important to hold parliamentary elections under the conditions of high ratings of the President which minimizes risks.

***As a matter of fact, the election campaign was launched as early as the summer of 2005.*** Vladimir Putin went about performing a whole series of essentially election actions. He again was in charge of large-scale military exercises, flew a jet bomber. In the early autumn the National projects were made public which were at the heart of a powerful positive information campaign with respect to the President. All this shows that the President and his „non-security” entourage are very seriously concerned with the rating problems and are prepared to go for the use of various PR actions to maintain and boost it.

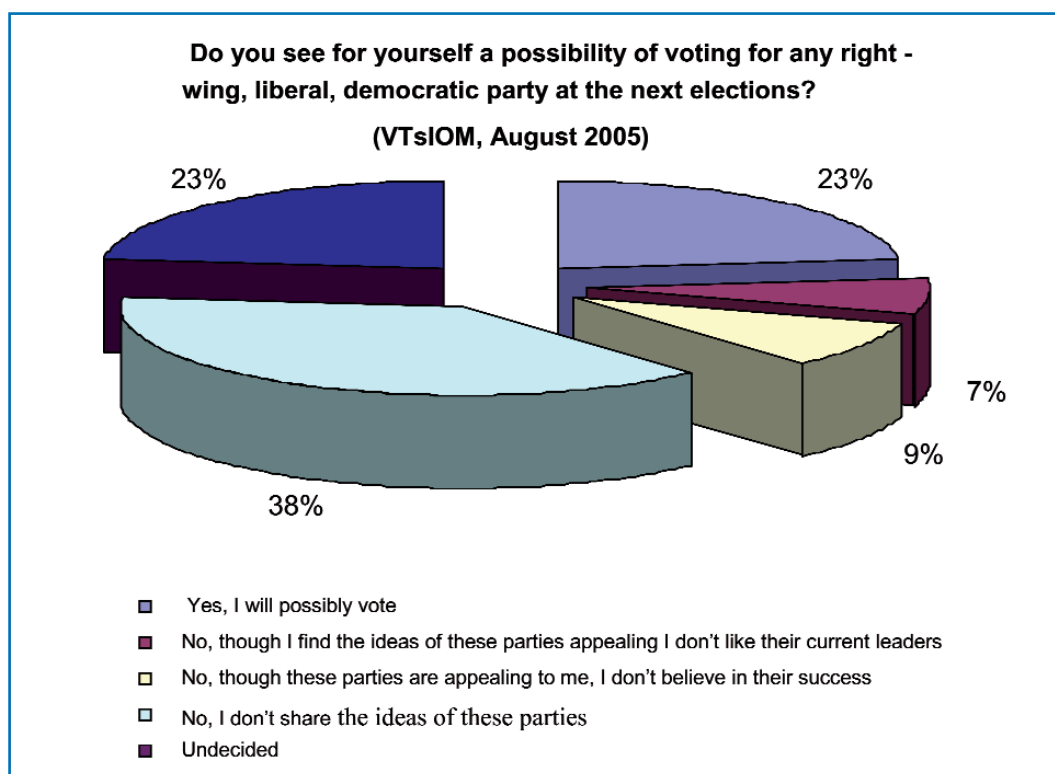
Along with raising the level of confidence in the head of state, spin doctors of the Presidential administration are very busy with the preparation of the „power party” for the forthcoming early parliamentary elections. ***In the „neo-Soviet” system Vladimir Putin is expected to be proposed to become the leader of the „power part” which will become the guiding and ruling force in the country.*** But it is possible only if United Russia (UR) wins at the elections at least 60% of the votes. Otherwise, the personal ratings of the President will be an order higher than those of the party, and Putin may reconsider going for this plan of the „Petersburg liberals”.

***The task of fast modernization of United Russia is one of the most difficult for the PA spin doctors. On the one hand, all control tools over the „power party” are in the hands of the „old Moscow” men. On the other, United Russia is too heterogeneous a structure.*** On top of that, the bulk of deputies prefer playing the role of „gray mass” which enables them to minimize some risks. That’s why many party members try not to be involved in large projects of the „old Moscow” group, being reasonably aware that it may not sit well with the „siloviki” while they have no less chance of winning the contest of the „Successor” projects.

But notwithstanding all the difficulties, the „old Moscow” men are still trying to prepare their main party project for the elections. They are attempting to create a party after a Western fashion featuring the „catch-all” technology aimed at covering a maximally broad electorate. In order to transform United Russia into such a party, two ideological schemes were selected formally competing with each other. The „right wing” of the party received as its ideology liberal conservatism, the „left wing” – populist-social left centrism. In spite of the assurances that the best ideology for Russia is liberal-conservative synthesis and that it is this ideological scheme that is supported by most of the population, the „old Moscow” men understand that the elections cannot be won without using the paternalistic slogans of the „left wing” of United Russia.

An important event in the preparation of the project of the „neo-Soviet” political system was to become the ***congress of the United Russia held in November 2005 in***

**Krasnoyarsk.** Given that the preparation is underway for the early parliamentary elections the past forum is strategically important since its decisions are actually election ones. Therefore the results of the congress can be analyzed in terms of the main strategy to be selected for promoting UR. The congress showed that the main stakes at the coming elections would still be placed on making use of the administrative resource. There occurred no renewal of the party for a successful participation in the election campaign.



*The legislative groundwork of the future system is taking shape against the backdrop of the preparation of the power party for the early parliamentary elections.* In particular, the President introduced to the State Duma the amendments to the laws „On the General Principles of the Organization of the State Legislative and Executive Authorities of the Constituent Entities of the Russian Federation” and „On Political Parties” which give the parties that won elections to regional parliaments the right to nominate their governor candidates. Earlier legislative amendments were already adopted stipulating that top state officials are allowed to be members of political parties. So far the process of officials” joining party ranks has not become a mass one.

However after establishing the possibility for parties to nominate their governor candidates the process of politization of local authorities will gain speed. The adoption of these amendments is calculated, first of all, to have almost exclusively the „power party” winning elections for regional legislative assemblies. By the way, the 2005 results confirm it – in 2005 United Russia came up with its party lists in all the 18 regions where elections were held for the regional parliaments. In 16 cases it took the first place, in two (Amur region and Nenets Autonomous District) – it came second. (This statistics does not include the results of the elections held in the Chukotka district and Chelyabinsk region on December 25).

***The „siloviki” see Putin’s future as the possible head of the united state oil-and-gas corporation.*** It will enable Putin to implement his international ambitions – such a company would become an absolute leader among the oil producing concerns of the planet, a peculiar „Russian Standard Oil” only with adjustment for the state property of the concern.

***However, if they see that they are losing the struggle for the Successor, the „siloviki” may try the option of „power dictate”.*** The gist of it is in the sharp intensification of negative processes in the country leading to destabilization of the situation. The rocking of the political system will force Vladimir Putin to transfer part of the control levers to the heads of security agencies which can most efficiently fight the opposition under emergency conditions.

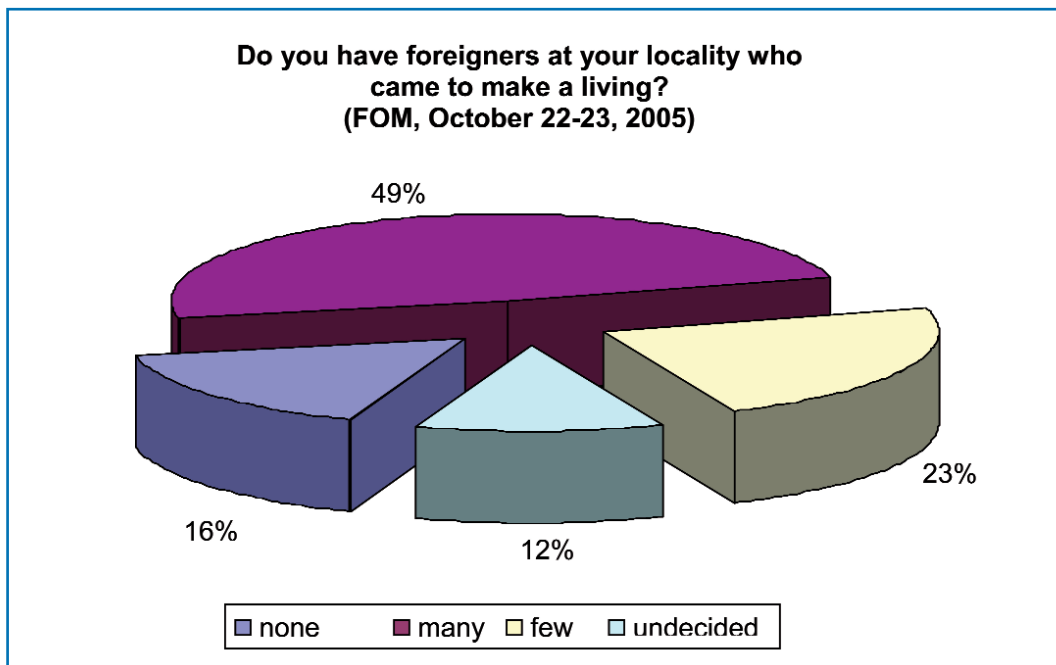
The variant of the „siloviki” proceeds from the fact that there are quite a few acute problems in the country. ***Some of which are the situation in the Northern Caucasus and interethnic conflicts, these two problems are closely interrelated.*** Escalating the situation in the Northern Caucasus and contributing to a transition of interethnic conflicts from latent to manifest form may trigger the processes of ethnic confrontation. The „siloviki” benefit most from such a turn of events, since only representatives of the law enforcement agencies will be able to stop the warring parties. As a result conditions will be created for a seizure of power by force.

All throughout 2005 the growth of instability was observed in the Northern Caucasus. ***This being the case, the security agencies have the capabilities for neutralizing these processes as was evidenced by the attack on the buildings of the secret services in Nalchik quickly foiled in the autumn of 2005.*** Symptomatically, the „security” part of the elite actually gave up on the struggle for control over the situation in Chechnya. This step is accounted for by the danger of the Kadyrov clan getting out of hand and going into opposition to the federal authorities which will trigger the destabilization of the situation all over the Caucasus, which the „liberals” will not be able to handle with their „therapeutical” means. Therefore an exacerbation

of the Chechnya problem which is in every way possible „looked after” by spin doctors of the Presidential administration may become one of the principal arguments in favor of the „siloviki”. They can expressly demonstrate to the population that the „mild” policy has resulted in a considerable deterioration of the situation and intensification of direct threats to the integrity and stability of the country.

***The problem of interethnic conflicts is one of the potentially explosive for Russian society.*** The events in France demonstrated that ethnic issues – are a nutrient medium for mass disorders. Similar „delayed-action mines” are planted in Russia, too.

At present in the territory of Russia there is a great deal of workforce that came from the countries of the former USSR, with a substantial part of these guest workers having no legal status. ***Recently there has been an increase in the incidence of attacks on migrants on the part of radical nationalistic organizations.*** The growth of the number of conflicts is occurring simultaneously with the emergence of new nationalistic structures which are acquiring the status of an active political force. A case in point may be the „Right march” which took place on November 4 and in which, by different estimates, up to 7 thousand participants were involved. Furthermore, the march was very carefully protected by law enforcement officers.



One can trace how the „siloviki” are fueling the attitude to the problem of illegal migrants and representatives of other cultures that are citizens of Russia. ***It can be seen from the rhetoric of Rodina [Motherland] Party, close to the „siloviki”.*** It ran for the elections to the Moscow city Duma in tandem with the Movement Against Illegal Migration which does not disguise its nationalistic slogans. It shows that the „siloviki”, that presently have extensive relations with Rodina, opted for a deliberate exacerbation of the existing ethnic contradictions.

***Anohter evidence of the interest of the „silvoiki” in fueling the situation became the reaction of the Russian authorities to the events in France where an „Arab riot” of migrants took place.*** The Federal Migration Service declared that in the near future citizenship would be granted to over a million illegal migrants. In essence, the Federal migration service is going to create conditions for a recurrence of the French events in Russia. As long as people have the status of illegal migrants they will not take active actions against the official authorities, since they have no formal cause for it. The status of a Russian citizen will allow many of them to demand equal conditions for [getting] a job with the native population and the right to social protection. It can be said that one is preparing the ground for „migrant riots” which give cause for tough retaliatory action.

The project of increasing the level of conflicts in interethnic relations is handled by **one of the best managers of the „security” nomenclature-political group – Konstantin Romodanovsky**, who is the head of the Federal migration service. It can be traced that it was after the appointment of Romodonovsky to the FMS that the subject of interethnic relations has come to be raised increasingly often and nationalists have begun gaining political „weight”.

## **2.3 Changes in the Executive Power**

The year 2005 saw an intensive adjustment of the elite design of the executive power structures. The „great rearrangement” of the administrative field occurred in 2004, when the administrative reform of the RF Government and the Administration of the RF President was launched. Therefore 2005 saw only a refinement of the balance of the power forces, though rumors were regularly floated that the Cabinet of Ministers may be dissolved which would trigger the beginning of a new stage of the administrative reform in keeping with the plan of one of the camps of the political elite.

### **2.3.1 Medvedev and Ivanov: Successor Candidates According to Putin's Version. An Attempt to Consolidate the „Nomenclature Parties”**

*The main appointments of the year were made by Vladimir Putin on November 15 when he approved the head of his administration, Dmitry Medvedev, as the first vice-premier of the Government, and Defense Minister Sergei Ivanov – as „just” a deputy premier who, though, retained his previous position.* Within the „nomenclature two-party system” these appointments meant that the President had conducted the first round of „primaries” – a kind of primary elections of successor hopefuls which were won by Dmitry Medvedev from the „liberals” and Sergei Ivanov from the „siloviki”. This moment marked the beginning of a very tough struggle of the potential successors for survival. At the same time, it would be wrong to think that the list of candidates cannot be extended by new names over time, particularly in the event that Medvedev and Ivanov fail to arouse the required enthusiasm of the Russian population or happen to be disavowed as a result of intra-elite wars.

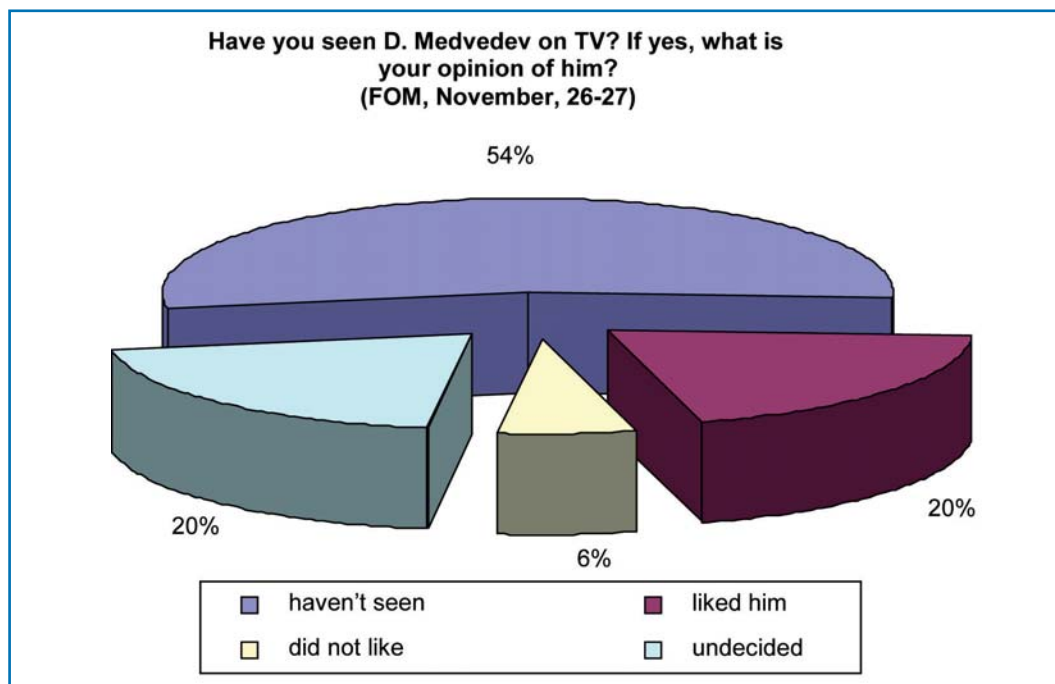
*Thus earlier Sergei Ivanov was rejected by most of his „security” NGP* and then engaged in an independent administrative game aimed at achieving complete control over the Ministry of Defense where so far he is the formal boss. However these attempts revealed his weak administrative efficiency: up to now he still can't resolve many problems of the MOD manageability. Here it should be noted that he has held the post of defense minister for over 4 years already. Furthermore, Sergei Ivanov has never managed to make good on the President's long-standing commission – to prepare and launch a military reform.

First vice-premier Dmitry Medvedev, just as Sergei Ivanov, does not make the impression of an overly effective political manager. However the struggle for Gazprom, which was underway throughout the year, revealed his ability to get mobilized in extreme conditions and to adequately meet the existing political and economic challenges.

*The appointments of Dmitry Medvedev and Sergei Ivanov are in line with the logic of the compromise model which is widely used by the head of state.* The President tried to impose on the elites his „successors”, but without offending thereby any of the „shadow parties”. Each of the NPGs received a new vice-premier and Mikhail Fradkov – a compromise premier appointed to this position largely thanks to the fact that for a long time he had worked abroad and not participated in the struggle of the leading nomenclature-political groups – has so far retained his position symbolizing thus the final choice never made by Vladimir Putin as to who will be his successor.



*The election campaign favorites immediately ran into fairly serious problems.* Initially, Dmitry Medvedev's role in the Government was to consolidate the „liberal” group as well as to be in charge of the implementation of the national projects initiated by Vladimir Putin. However, not having the required knowledge, the former head of the PA will hardly be able to act as an effective manager in the Government. He is not familiar with the subtleties of the bureaucratic work of the Cabinet of Ministers. Yet he became the first vice-premier who by virtue of his office must adjust the economic side of the Government's work. It will take Medvedev at least several months of intensive work only to get into the swing of things, and he may happen to be short of this time due to tough administrative competition. That's why Dmitry Medvedev will hardly be able to accomplish his mission single-handedly.

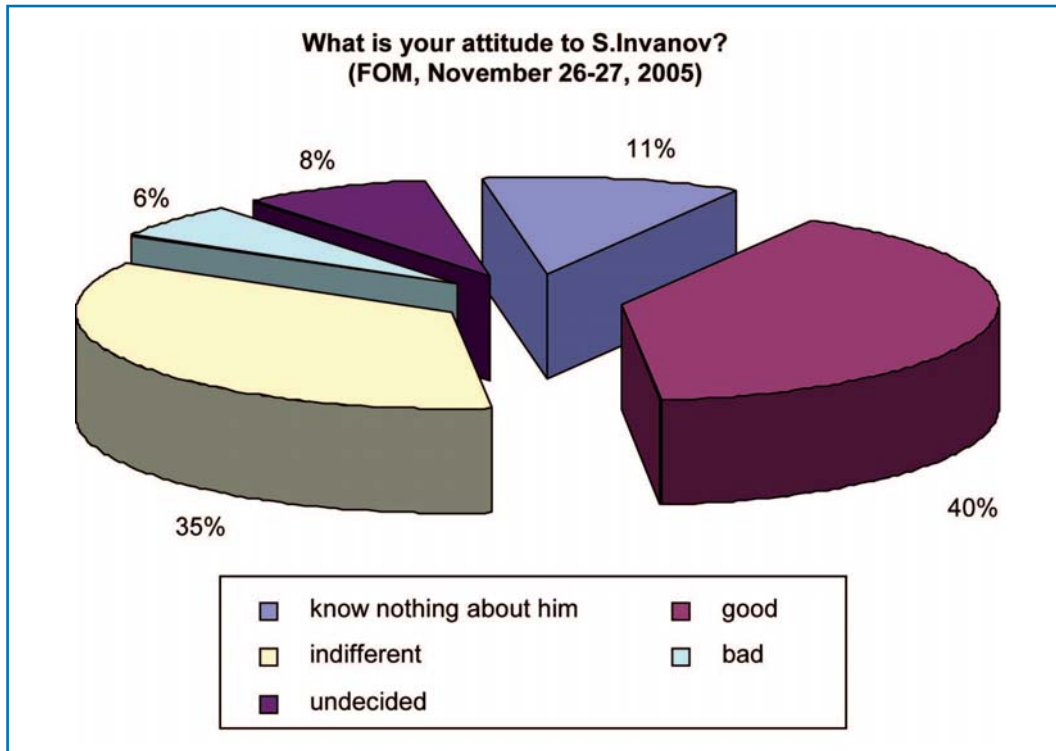


But in point of fact, it is exactly in the administrative „games” that Medvedev's new capabilities and prospects are hidden. *The thing is that in the Government it will be much easier for him to consolidate the nomenclature-political group of the „Petersburg liberals”.* It falls into a political part composed of the „lawyers” and „Old Moscow” group most of whom work at the Presidential Administration, and an economic wing at the core of which are the leaders of the financial and economic block of the Cabinet Alexei Kudrin and German Gref. And Dmitry Medvedev now can easily enough create stable communications between the two parts of this NPG.

*The long time he spent working at the PA and the well-established mechanisms of interaction with all the representatives of the „non-security” alliance enable Medvedev to become an effective negotiator for establishing contacts with the „Petersburg economists”.* Moreover, Medvedev will also have to reconcile with each other the „liberal” ministers themselves. Thus every now and then the public learn about facts of the standoff between head of the Ministry of Economic Development and Trade (MEDT) German Gref and head of the Ministry of Finance Alexei Kudrin. For example, recently they were to prepare a joint anti-inflation program following the relevant commission of Vladimir Putin in November 2005. But as soon as the document was made public, the ministers engaged in a public dispute over the advisability and balance of the program, though they should have settled all their problems yet at the preparation stage.

German Gref for the „liberals” is one of the internal threats. He enjoys the resource of Vladimir Putin’s confidence allowing him to maintain his office. At the same time, Gref is distinguished by an extremely non-system behavior. He more often than other „liberals” comes into open conflicts with different administrative players. On top of that, the head of the Ministry of Economic Development and Trade makes the least administrative and financial contribution to the group’s „money-box”. Therefore among Dmitry Medvedev’s tasks is the pushing of German Gref to the administrative periphery. To Alexei Kudrin, on the contrary, he may offer the office of the head of Government in the event that the former supports him as a future candidate for the President of Russia. Based on such arrangements Medvedev is capable of achieving success in the operation „successor”.

Alexei Kudrin’s initial reaction to the appointment of Dmitry Medvedev to the position of the first vice-premier was wary. Kudrin supervises the budget, the Stabilization Fund, the Central Bank and a number of other assets including diamond company ALROSA. ***Prior to Medvedev’s appointment Kudrin had not had any real supervisors but Putin.*** „Technical” premier Mikhail Fradkov could not give him binding instructions, the same situation was in place with vice-premier Alexander Zhukov. The coming of Medvedev changed the situation since, just as Kudrin, he is part of the President’s closest entourage. Kudrin got a „real” boss who is capable of dictating to him his terms. But much as it is true, Kudrin understands that he will not be the President – he is an absolutely non-public politician. For this reason the leader of the „Petersburg economists” can be interested in a union with Medvedev and the „Petersburg lawyers”. Tellingly, at the distribution of powers in the Cabinet of Ministers Kudrin supported the head of the Government Office, Sergei Naryshkin who is a creature of Dmitry Kozak, close to Medvedev.



The role of Sergei Ivanov with regard to the „siloviki’s „group is similar to the tasks of Dmitry Medvedev. *The „security” NPG, as distinct from the „liberals”, is more monolithic at subgroup level and may act as a united front when solving common tasks.* If the „liberal” subgroups consist of individual powerful players who are constantly at variance with their teammates, the „siloviki” subgroups are more coherent and with relative discipline obey their leaders. Therefore Sergei Ivanov’s mission appears to be the one of fastening the group at subgroup level which could make substantially easier his run for the presidential office.

*Proposing Sergei Ivanov as a successor candidate from the „siloviki” Vladimir Putin expected to impose his rules of the game on this group, the more so that recently it began getting out of the RF President’s control and showing too much of independence.* By the logic of Ivanov’s promotion, the other representatives of the security elite were to recognize him as the leader” and support him in every possible way hereafter. To this end, it was required to agree the „siloviki’s” positions on the key issues and most importantly – on the distribution of the resources to be received. This is where the main problem for Ivanov lies.

*The „siloviki” at the moment are represented by several subgroups.* The most powerful of them is „radicals”. Their leader – the deputy Head of the Presidential

Administration, Igor Sechin, – lays claim to the role of the shadow leader of the „security” NPG. The „radical siloviki” are disposed towards a tougher redistribution of assets in the economy. Among them can be named Prosecutor General Vladimir Ustinov, President of Rosneft Sergei Bogdanchikov (who received control over a considerable part of YUKOS” assets, head of the Federal energy agency, Sergei Oganessian, FSB director Nikolai Patrushev controlling not only the FSB but also the MVD headed by his creature Rashid Nurgaliev.

The second center of influence is President’s aide Victor Ivanov responsible for the personnel policy of the executive power. Ivanov has interests both in the oil-and-gas industry (for example, he is quite close to new CEO of Sibneft Alexander Ryazanov) and in other industries – first of all in the military-industrial complex and aircraft building industry. Ivanov is the Chairman of the Board of Directors of Aeroflot. His close supporters can be tentatively called „*personnel men*”. Patrushev and Nurgaliev are quite seriously at variance with Victor Ivanov over the problem of control over the MVD, but this is a tactical rather than strategic confrontation.

*The „security businessmen”* are represented by influential members of the „security „elite, managing serious economic assets. It is, first of all, Minister of Information Technologies and Communications Leonid Reiman, President of OAO Russian Railroads Vladimir Yakunin, Minister of Transport Igor Levitin, head of the Federal Agency of Nuclear Energy Alexander Rumyantsev. The role of this group’s leader can be attributed to the head of the Federal Drugs Control Service (Gosnarcocontrol), Victor Cherkasov.

Sergei Ivanov, in his turn, is in charge of the so-called „*liberal siloviki*” who are part of his entourage. He does not support the overly tough expansionist ambitions of the security elite. *Sergei Ivanov easily makes contacts with the „Petersburg liberals” and is actively involved with self-promotion, placing his own interests above those of the group.* At the same time, Sergei Ivanov won’t become President without the support of the „security” coalition – for this reason he will have to make agreements with the other parts of the NGP.

Quite instructive is the story of redistribution of money on arms production. The defense minister tried to take the initiative into his own hands from the first days upon his appointment as vice-premier. He declared his intention to gain control over the „arms budgets”. His first trip as vice-premier included visits to defense enterprises where he tried to secure the support of the MIC directors.

However Sergei Ivanov’s initiatives from the time of his appointment as vice-premier came into direct conflict with the interests of the head of Rosoboronexport, Sergei Chemezov, and Director of the Federal Defense Order Service Andrei

Belyaninov, both close to the „radicals”, as well as President’s aide Victor Ivanov who recently has been quite interested in the MIC enterprises and involved with the construction of a united aircraft production complex. The total annual budget controlled by the „Chemezov-Belyaminov” linkage is around 11 billion dollars. By the way, an important feature of „arms budgets” is their closed and non-transparent nature.

*Sergei Ivanov sought to become head of the Commission for Military and Technical Issues and to create a new federal agency, „tailored to his needs”, which would concentrate all the authority on control over the financial flows within the „arms budgets”. But he failed to put into practice any of these priority items.* Sergei Chemezov took Mikhail Fradkov’s side in his confrontation with the vice-premier and the prime-minister retained his position of the head of the Commission for Military and Technical Issues. Yet Sergei Ivanov chose not to escalate the situation, which may speak of his understanding of the need to maintain the consolidation of the „security” nomenclature-political group.

### 2.3.2. PA – Balance of the Deputies Found

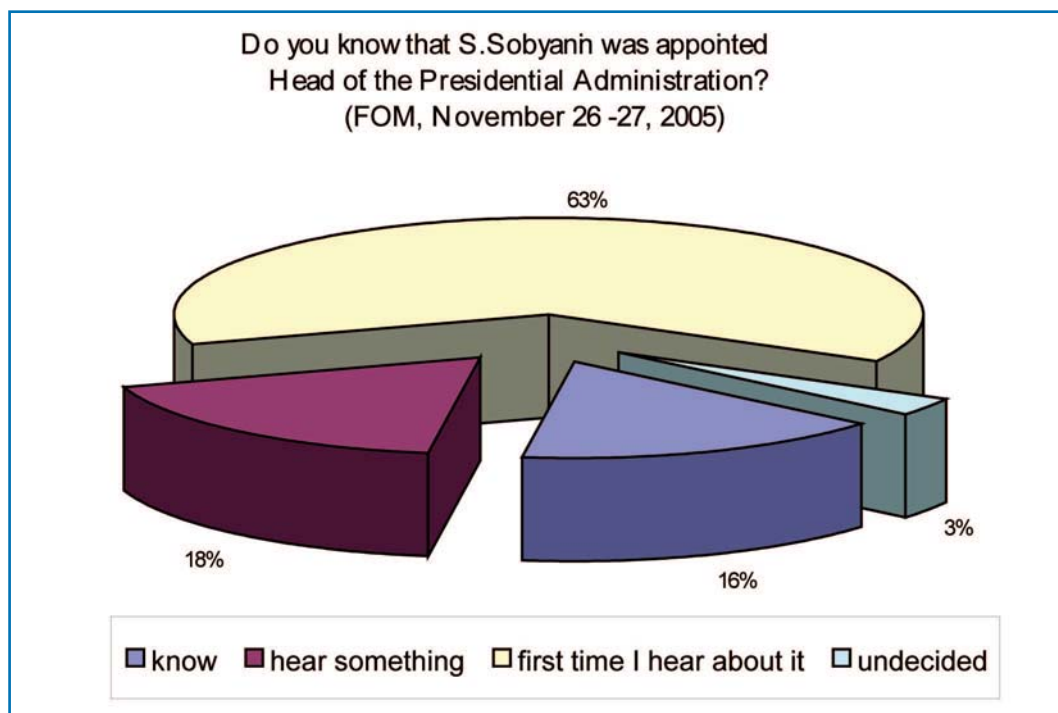
Some adjustments to the design of the administrative space were made by the appointment of Tumen’s Governor Sergei Sobyenin as head of the Presidential Administration. *The office of the head of the PA under the current conditions is one of the central ones.* The PA has become the true headquarters of the President where main political decisions are made. It is here that many reforms of the recent years were prepared (in particular, administrative and that of election legislation) as well as „status” personnel appointments were determined. Therefore winning the office of the head of the PA is among the strategic tasks of both parts of the elite.

*Sergei Sobyenin was appointed to establish at the Presidential Administration a direct „balance of forces” between his formal deputies – Vladislav Surkov and Igor Sechin.* His appointment came as a surprise to most of the federal level political players. Sobyenin’s new position in the Russian power structure is one of the central. That’s why strong federal level apparatchiks were expected to be able to lay claim to it.

Vladimir Putin acted the same as over a year ago when appointing head of the government – he appointed a solely „technical” man who is not directly related to any of the power groups and won’t upset the balance of elites. *Mikhail Fradkov became such a man for the Cabinet of Ministers, for the PA was picked Sergei Sobyenin.* He had built his carrier in the regions and at the federal level, until he was exposed. On the one hand, Sobyenin acted rather successfully as a regional lobbyist, but it did not allow him to make stable enough connections with any nomenclature-political group.

Every time as governor Sobyenin had to seek approaches to different members of the federal elite who oftentimes were in conflict with each other.

Sobyenin's appointment suits the interests of the two key players of the Presidential Administration: deputy head of the PA Vladislav Surkov and Igor Sechin. ***When the head of the PA was Dmitry Medvedev Sechin had as his formal boss a man who, though inferior to him in terms of the administrative weight, could not be simply ignored because he was a personal friend of Vladimir Putin.*** Whereas now Sechin got a boss who can't order him anything and whose instructions he can leave unheeded. From this time on the head of the „radical siloviki”, without much to worry about, may busy himself with his own projects paying no attention to his new boss. Psychologically, it is a very important moment for him. Besides, now it will be his word against Surkov's opinion, while previously he had to struggle also with Medvedev. On top of that, Sechin, as occasion offers, has the opportunity to turn the „independent” Sobyenin into his man.



Vladislav Surkov after Medvedev's departure became the central representative of the „non-security” elite at the Presidential Administration. ***He, as it were, was left to take care of „business” for two: himself and his former boss.*** Therefore Surkov may pursue a more independent policy, since previously Medvedev limited in some



way his deputy's initiative. But having said that, now Surkov must stand up to Sechin actually all by himself. And this is quite a dangerous thing to do which may result in serious problems for the main political spin doctor of the Presidential Administration.

The adjustments in the work of the Presidential Administration associated with Medvedev's departure put some employees of this institution up against the choice of the group which they will stake on in the future. *For example, President's aide Igor Shuvalov now has to unequivocally determine who he will be in alliance with during the „successor” project.* Previously Shuvalov (while working at the PA) showed „dual loyalty”. He was quite good at it as long as there were no strong players in the government, above the ministerial level, who could have a decisive influence on the decision-making process. At the PA Shuvalov supervises the work of the Cabinet of Ministers and the national projects. Both tasks are now commissioned to Dmitry Medvedev. This being in spite of the fact that Shuvalov is the author of the national projects. Whereas now, after his appointment as first vice-premier, Medvedev will inevitably take the national projects under his „jurisdiction” and will hardly share with Shuvalov the relevant preferences unless the aide joins the „liberal” group. Shuvalov may refuse to work with the „liberals” and go to the „siloviki” but they don't rush to accept the deflector and he will have to settle for the role of a „regular” member of the NPG. From this point of view, as more likely appears to be the variant when Shuvalov becomes a fully-fledged member of the „liberal” group.

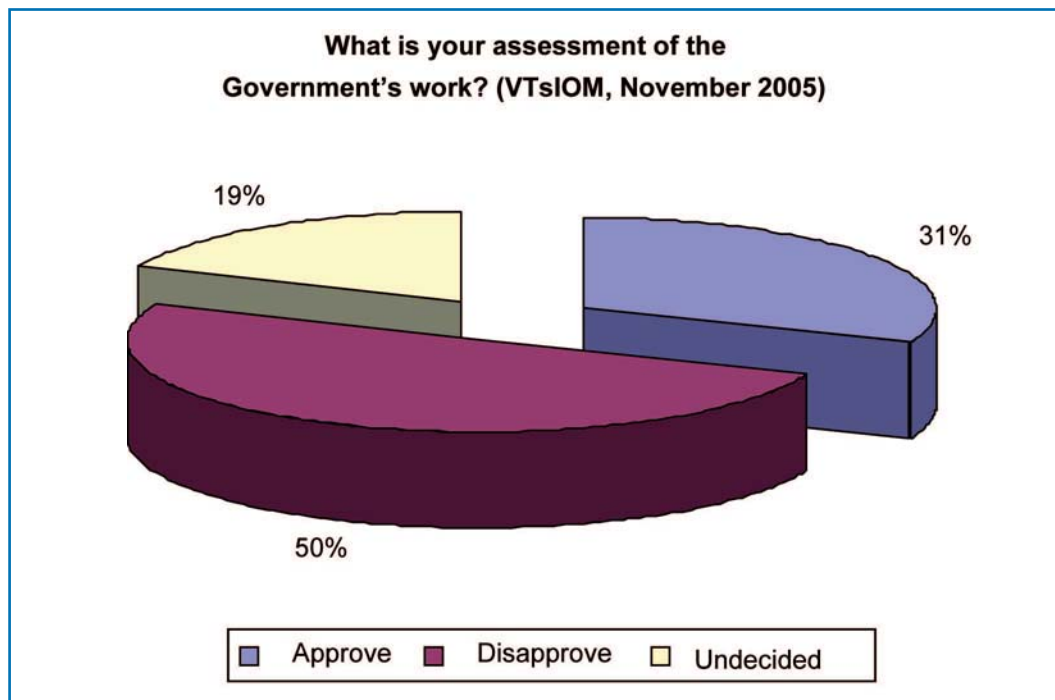
### 2.3.3. Changes at the „Lower” Levels of the Power Structures

*The „lower” levels of the executive and other branches of power during 2005 saw the process of refinement of the groups’ administrative positions. Absence of substantial changes is accounted for by the fact that the political elite now has already consolidated its positions,* and replacement of members of the leading NPGs from strategic positions is possible only in exceptional cases. All things considered, in terms of the 2005 appointments at the „lower” levels of the government, advantage is held by the „siloviki”. They lost only one federal agency. But in its stead they received two new ones and one federal service.

Among the successes of the „liberals” can be named the winning of one federal agency and creation within the structure of the Presidential Administration of the Department for Interregional and Cultural Relations with Foreign Countries. Its formation was preceded by a number of failures of the Russian Federation in the post-Soviet territory. After the „poppy revolution” in Kyrgyzia, the need arose to improve the mechanisms of implementing the state's interests in the foreign policy. It enabled



the „liberals” to lobby the creation of a new structure which came to be headed by spin doctor Modest Kolerov. Apart from that, they managed to strengthen their positions in the judicial system.



#### **Kirienko and Pulikovsky: Struggle for the „Atom”**

*Among the core changes in the administrative field can be named the replacement of Alexander Rumyantsev as director of the Federal Nuclear Energy Agency by former Plenipotentiary of the President in the Privolzhsky federal district Sergei Kirienko.* This reshuffling has an important political meaning. Alexander Rumyantsev is one of the „security businessmen”. He is directly linked to one of Putin’s authorized financiers, head of „Center of Strategic Developments North-West” Yuri Kovalchuk.

*While in office Alexander Rumayntsev managed to build for the „siloviki” a profitably operating „nuclear business”.* He was considered a man whose administrative positions were particularly strong. A distinctive feature of the „nuclear business” – is that it is extremely closed to strangers and patronized by the state as a strategic sphere. Moreover, the annual turnover of this industry is around 3 billion dollars which is even less transparent than the „arms budgets”.

Appointment of Sergei Kirienko to the office of the director of the Federal Nuclear Energy Agency (FNEA) could create problems for the „siloviki” so long as he is close to the „liberals” and the latter will hardly miss out on any opportunity to take off their rivals’ resource support. By the way the fact that the „nuclear ministry” for the first time is headed by a non-professional is unprecedented in its way. Now prospects open up for appointment to „specialized” positions of other „universal managers”.

The response of the security elite to Kirienko’s appointment became the approval of Konstantin Pulikovsky as head of the Federal Service for Ecological, Technological and Nuclear Oversight. Pulikovsky, just as Kirinko, came to the new office from the position of the President’s Plenipotentiary, he is not a professional in the sphere which he is entrusted with. The new head of the Federal Service for Ecological, Technological and Nuclear Oversight is close to the „siloviki” but, much as the new director of the FNEA, is at the group’s periphery. ***Konstantin Pulikovsky, in accordance with the distribution of functions among the power levels, will have to control the work of Sergei Kirienko who happens to be under dual control.*** The FNEA – is the only dual jurisdiction department (it is under the authority of the RF Government and Ministry of Defense). Pulikovsky’s role now will be to prevent Kirienko from intervening with the well-oiled „nuclear business” of the siloviki. Alexander Rumyantsev already accomplished his role and can either „retire with honors” or take part in the implementation of other projects of the „security „NPG.

### **Ministry of Communications and MEDT: the „Siloviki” Strengthen their Positions**

In the nuclear sphere the appointments were of a compromise nature: one man from each of the groups. The other reshufflings in the Government either were not directly associated with the strengthening or weakening of the power groups’ roles or played into the hands of the „security” part of the elite. For example, ***at the Ministry of Transport there were substantial changes at the „lower” level but they had the character of transfer of professionals not related to the power groups and were aimed at enhancing the efficiency of the department’s work.*** Similar processes could also be observed at other state structures.

Among the achievements of the „siloviki” in 2005 can be named the appointment of Andrei Beskorovainy as head of the Federal Communications Agency (forms part of the Ministry of Communications and Information Technologies) and Yuri Zhdanov as head of the recently established Federal Agency for the Management of Special Economic Zones (as part of the Ministry of Economic Development and Trade).

***Changes in the Ministry of Communications and Information Technologies are related to the ambition of the head of this department, „power businessman” Leonid Reiman, to establish maximum control over all the processes in the sphere under his management.*** The only department at the Ministry headed by a „non-silovik” was the Federal Communications Agency. This Agency is of strategic character for the industry, since it is through this Agency that main decisions in the sphere of communications are developed. Therefore Leonid Reiman decided to plant a reliable man in charge of it. Beskorovainy has military roots and for a long time he worked for the company North-Western GSM (Megafon) which confirms his close ties with Reiman. Now the minister of communications has full control over his industry and has developed the most effective management structure as compared to other ministers.

***Important for the administrative balance of forces became the appointment of Yuri Zhdanov as head of the Federal Agency for the Management of Special Economic Zones (SEZ).*** The appearance of such an agency was dictated by the fact of the creation of innovative special economic zones for which funds of the Investment Fund are allocated. Besides they are anticipated to be granted serious tax benefits. The head of the Ministry of Economic Development and Trade had promoted the idea of creating SEZ for quite a while. It was his personal project towards which he intended to receive budget money. Upon adoption of the relevant legislative framework for SEZ it had to be decided who would manage them, and hence, manage the budget money allocated towards their creation, and the distribution of tax and other benefits.

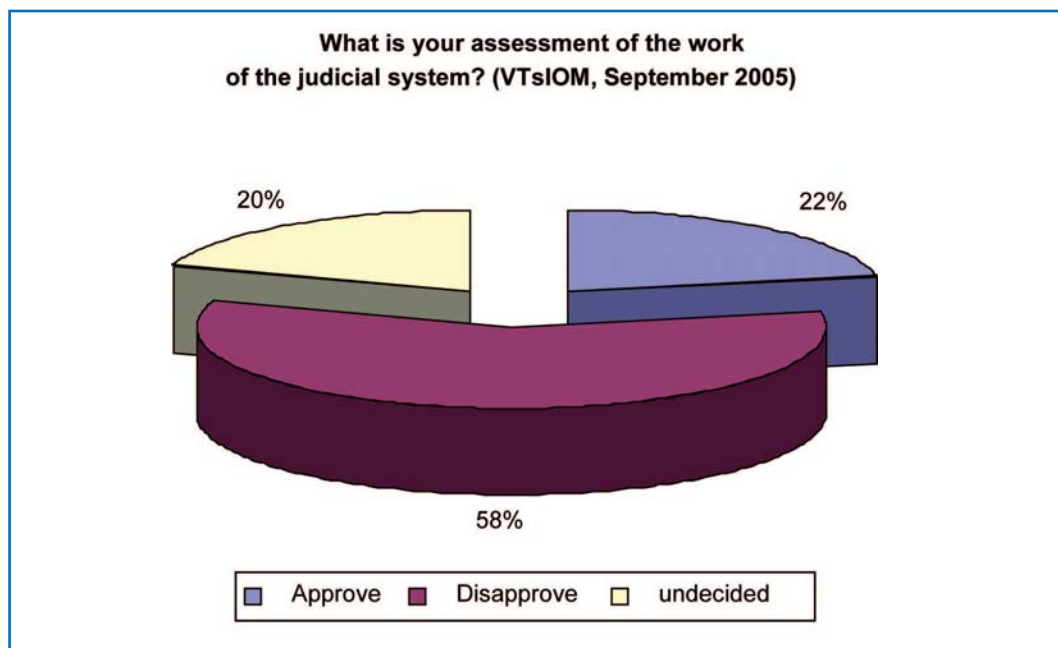
It was only logical that the fledgling Federal Agency for the Management of Special Economic Zones was to form part of the MEDT, just as it happened. ***But the battle for control over this department was lost by German Gref.*** After long consultations it was decided to appoint as head of the Agency Yuri Zhdanov, a police Lieutenant General, whose career was for the most part associated with the security agencies. Zhdanov got a reputation of a rather effective manager both when working at the security agencies and in civil offices. All told, he can be viewed as belonging to the subgroup of the „security businessmen”.

The appointment of Yuri Zhdanov dealt a serious blow to German Gref. ***Zhdanov – is an experienced apparatchik and a good administrator, therefore he can pursue a line of personal benefit at the Agency entrusted to him.*** Whereas Gref has so far failed to establish complete control even over his own Ministry. Many heads of the MEDT „second level” departments don’t make a secret out of actually playing an independent „game” and not obeying their boss. This being the case, Gref is extremely hard up for real resources which can be quickly converted to „ready” cash. Economic

zones were to have become the principal resource of this kind for the head of the MEDT, but he never managed to do anything to prevent the „siloviki” from wresting from him control over SEZ.

### **The „Liberals” Take Courts under their Control. Appointment of „Lawyers” to Higher Judicial Offices**

*As an important achievement of the „liberals” in 2005 can be named an improvement of the control system over courts.* At the beginning of the year as head of the Supreme Arbitration Court (SAC) was appointed deputy director general of Gazprom-media Anton Ivanov. In October Mikhail Krotov, who replaced Anton Ivanov as deputy deputy director of Gazprom-media, was appointed as the President’s authorized representative in the Constitutional Court. Both appointments raised a host of questions from specialists.



Anton Ivanov, in the opinion of the judicial community, proved to be too young for the office of the head of the Supreme Arbitration Court. Furthermore, he did not have sufficient court experience for it. *It showed that the „liberals” tried to use any opportunity to expand their influence on the processes in the country.* The SAC is a strategic resource for the „non-security” elite since it is here that all property and

economic disputes are decided. As a result the „liberals” control the right of „final decision” in many cases on property redistribution.

Mikhail Krotov until appointed to the position of the President’s authorized representative in the Constitutional Court was not directly involved with the issues of constitutional law. He – is a specialist in civil law, in particular, in matrimonial legislation. Therefore his appointment immediately raised the question of the compliance of Krotov’s qualifications with the requirements of the Constitutional Court. ***But the logic of his appointment lies not in his high professionalism but in the possibility for the „liberal” NPG to control the work of the CC.*** The more so that in the case of transition to the „neo-Soviet” political system sought by the „liberals”, control over the work of the Constitutional Court becomes an important administrative resource.

Apart from courts, the „lawyers” attempted to begin an expansion to the Presidential Administration. Thus Sergei Dubik was appointed as head of the Department of State Service. Though linked, by his „genesis”, to the security agencies, recently he has very actively worked with the „Petersburg lawyers”. His appointment was supposed to weaken the positions of Victor Ivanov. But Ivanov and Dubik were quick to find a common language and the President’s aide maintained his previous administrative weight. While Dubik has found himself in a predicament when at the same time he has to show allegiance both to his immediate boss Victor Ivanov and the „Petersburg lawyers”.

## **2.4. Struggle of the Power Groups for the Mass Media**

In 2005 the process of further limitation of the independence of the mass media was actively unfolding. ***The mass media – are one of the main resources which will be used and is already actively employed by the political elite to achieve its political and economic goals.*** Therefore attempts were made to maximally reduce the possibility for the mass media to demonstrate an independent point of view. This fact is extremely important for the development of civil society and political parties in Russia.

For the „liberals” control over the information field is one of the prerequisites for implementing their plan of transition to the „neo-Soviet” political system. ***They are staking on early elections, which implies a quick promotion of the „power party” as well as a limitation of the media activity of the opposition.*** The „siloviki” need the mass media as a tool of replicating their ideological schemes as well as to explain away their actions on seizing the administrative and economic fields.

*Most of the information space at the federal level is controlled now by the „liberals”.* The „Old Moscow” part of the Presidential Administration by virtue of their official duties runs practically all the state mass media. The PA spin doctors are occupied with information support of the work of the government bodies as well as „look after” the ratings of the President and the „power party”. It enables them to dictate to the state mass media an information policy benefiting the „liberals”. The assets run by the „Old Moscow” group include both Channel 1 and the All-Russian State TV and Radio Broadcasting Company (VGTRK). Thus, most of the country’s audience happens to be under the propaganda influence of the „liberals”.

Apart from the media assets which are directly controlled by the „Old Moscow” group, the „liberals” have a number of important facilities belonging to them through commercial assets. It first of all implies Gazprom–Media incorporating a pool of the press media as well as the NTV TV-channel. *At Gazprom-Media the dominant positions are held by the „lawyers”. They pursue a milder information policy than the „Old Moscow” group.* But the bent of their information activities is for the most part the same. Truth to tell, however, the „lawyers” got a more „liberal” TV-channel with a tinge of opposition stance which presupposes certain flexibility.

But when it comes to issues concerning the interests of its own NPG the TV-channel „does not hesitate” and engages in explicit propaganda indoctrination of the population. It could be observed immediately after the appointment of Dmitry Medvedev as first vice-premier. NTV aired „window dressed” reports about his trips around the country, and the very interpretation of the vice-premier’s actions proved quite apologetic.

It is important to note that *after the transfer of Vladimir Kulistikov from RTR to NTV these channels synchronize their information policy.* At *Rossia* Kulistikov held the office of the director of information programs – deputy head of VGTRK. His appointment as the general director of NTV lead to an adjustment of the channel’s broadcasting and, first of all, brought certain changes to the information policy which began increasingly acquiring „Russian” features.

**During 2005 the „liberals” did not substantially expand their assets in the media sphere.** Among their acquisitions can be named perhaps only the *Izvestia* newspaper bought by Gazprom-Media from the structures affiliated with Vladimir Potanin. Control over the *Izvestia* which is considered a newspaper for the intelligentsia enabled the „liberals” to somewhat expand the target audience of their agitation.

The main stake placed by the „non-security” part of the PA in the information field consists in the „promotion” of the ideas of liberal-conservative synthesis as the basis of the state policy of the Russian Federation. Currently the main press organ



engaged in popularizing the liberal-conservative ideology is the Expert magazine. However it has a circulation of only 80 000 copies, whereas the Izvestia – around 200 000. On top of that, the publication of the Izvestia on a daily basis allows a more effective promotion of the required ideas than in the case of Expert.

For a long time the „siloviki” were practically not involved with media assets. Until recently they were predominantly engaged in the projects of political and economic redistribution which took the bulk of their resources. ***Information support issues were handled for each individual project and not viewed comprehensively.*** For the „siloviki” the shaping of public opinion and ideological support of their actions was not part of their priority interests. The next reason making the playing in the media field problematic for the „siloviki” was that the „siloviki” were traditionally short of professional personnel for media field management. By their pattern of conduct many members of the „silovik” group reject the engagement of people who were not officers of the state security agencies for projects which can have potential strategic consequences. As a result the NPG found itself in a situation where vacuum in the information support of its activity is clearly felt.

But already from early 2005 the „siloviki” have very acutely felt the shortage of information resources. ***The appearance of a single ideology which is very actively declared by the „non-security” part of the Presidential Administration compelled the „siloviki” to get more thoroughly involved with information support issues.*** The problems with ideology are solved by means of including the NPG in the implementation of party projects. Thus the security part of the elite expanded its cooperation with the Rodina party which is gradually beginning to shake off the patronage of the spin doctors of the Presidential Administration. Parallel to it the „siloviki” are very actively developing cooperation with the Russian Orthodox Church since its teaching may be incorporated in the ideology of the security elite.

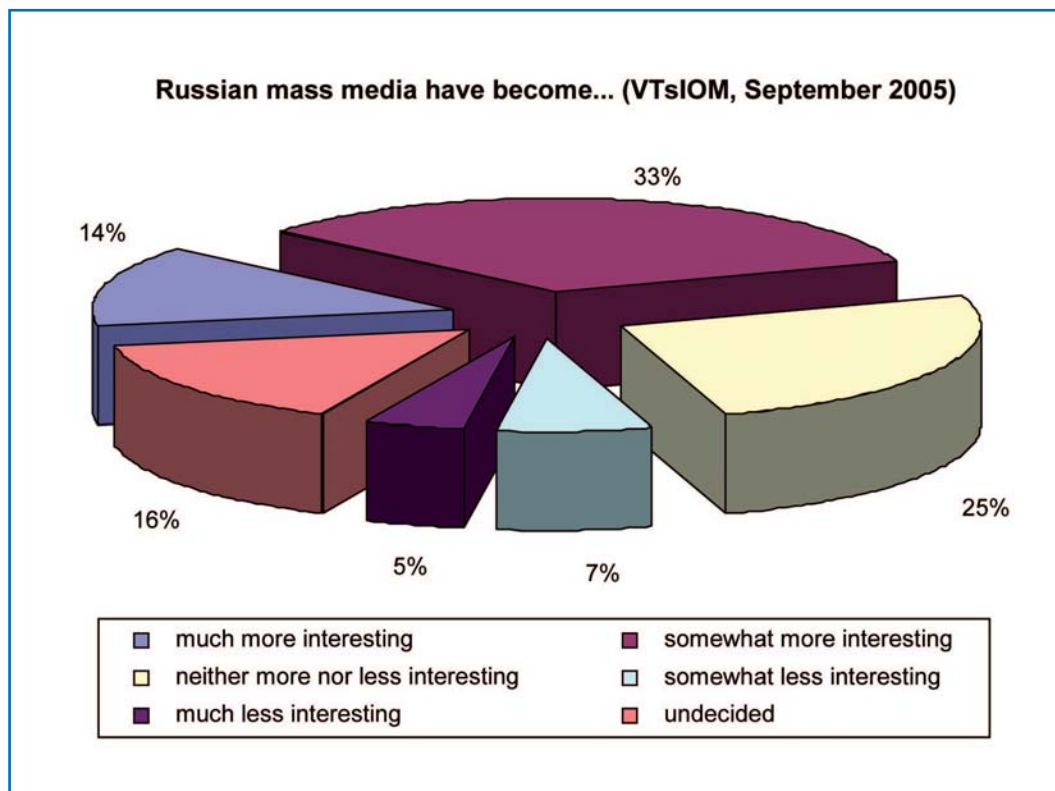
Ideological search and the need to find universal tools in order to be present in the media field determined the main directions of the „siloviki’s” activities. ***The partners of the security elite in the development of a common ideology has embarked on an active formation of their own media base which is largely done on the money of structures affiliated with the „siloviki”.*** Rodina is holding talks over the purchase of the Zavtra newspaper which is to become one of the party’s press organs and is also engaged in the search for other mass media which in the future can form part of the general system of information support of this organization’s activity and replication of its ideology. The ROC has come to acquire its own TV-Channel *Spas (the Savior)* whose presentation took place in July 2005. Among the dedicated, ideologized media resources of the „siloviki” are the departmental publications of the



security agencies as well as newspapers and magazines close to them on ideological grounds.

**The specialized mass media close to the „siloviki” have limited means of influence and cannot be regarded as a highly effective ideological tool.** The main task of such structures is the development and pilot testing of common-with-the-siloviki ideological schemes. But to solve a wide range of tasks which the „siloviki” will face already in the near future – given that their difficulty will only increase – more „mass” and universal tools are required. The purchase by Severstal of the controlling stock of the Ren-TV TV channel can be viewed as the acquisition of one of such tools.

From the very beginning Severstal, forming part of the „security” business pool, was involved in the transaction for the purchase of Ren-TV. Later it was joined by Surgutneftegaz. It took the two „security” companies quite a while to agree on the format of cooperation. For long Severstal would not sell half of its 70% block. But under the pressures of Surgut’s political supervisors it had to give way. Now Ren-TV has two strategic investors that are ready to invest hefty amounts in the channel’s development.



Yet, at first the „siloviki” failed to resolve a number of personnel issues. ***Both investors have a wide experience of working as large raw material companies but media asset management until the purchase of the channel was not in the sphere of their interests.*** In the political part of the „siloviki” group there are also very few effective personnel suitable for the role of information field managers. In the end, Ren-TV was headed by Alexander Ordzhonikidze having some work experience in the media market.

Ordzhonikidze came to the media market only as late as 2003. Previously he had worked for a while with Gazprom. ***Ordzhonikidze – is a hired manager.*** He is not directly related to any of the power groups. While working with Gazprom and NTV-plus Ordzhonikidze got a reputation of a man ready to implement any instructions, a system of interaction with him was established, including by the „siloviki”. He has been in the media market for two years already and managed to learn its rules well enough. The „siloviki” need just such a man. Now the security elite may count on creating a full-fledged system of transmitting its ideological schemes and working with potential electorate.

**The next issue to be handled became the concept of the information policy of the channel which will be the „siloviki’s” mouthpiece.** Until recently Ren-TV was the most liberal of the Russian TV-channels. Here moved part of the NTV journalists of Eugeny Kiselev’s era. The protection of Anatoly Chubais enabled the channel to obtain sufficient funds for development and to maintain liberal rhetoric which was used by the head of RAO UES of Russia as a bargaining chip in administrative games. Many news footages as well as interpretations of ongoing events on the channel were of an extreme opposition nature.

The main „security” TV-channel could not exist within the old liberal concept. ***But Alexander Ordzhonikidze preferred first to go about the issues of creating a relatively efficient management vertical, to hold informal talks with the major Ren-TV „personalities”.*** It took him some time, and „by inertia” the channel continued to be ideologically liberal. Besides, Ordzhonikidze so far does not have his own fully-developed vision of the broadcasting information policy. But the time came when the head of Ren-TV made the decision to launch a mechanism of personnel changes. It was caused by his conflict with the top-rated anchor of the channel – Olga Romanova who was removed from the air. The official cause for her dismissal became Ordzhonikidze’s desire to reform the broadcasting. But more realistic is still the version that a mechanism of promoting a new information and personnel policy was launched.

***Confirmation of the opinion that Alexander Ordzhonikidze began a qualitative reform of the channel became the introduction of new positions*** – of the chief editor

for the mass media and his deputy which were taken by Ilya Kuzmenkov and Nikolai Popov respectively. Both appointees don't have a wealth of work experience in the media sphere. But the „siloviki” did not happen to find other information managers, which once again demonstrated the limited character of their „staff bench”.

In 2005 two more channels were created under the auspices of the „siloviki” – Zvezda and Spas. The first is under the jurisdiction of the Ministry of Defense. The second is sponsored by „Orthodox businessmen” part of whom belongs to the „security” cohort or to be more exact – to businessmen that came from the KGB-FSB system. But these two channels don't have a very sizeable audience and their potential is limited by the ideological bent. However Zvezda and Spas may well come in handy for creating a larger information project of the „security” NPG as well as for „rearing” suitable personnel.

Possibilities for the continuation of the „siloviki's” expansion in the media sphere can be traced by the example of creating an All-Russian network of the *Petersburg* TV-and-radio company (TRC). To this end a tender was held in early 2006 with broadcasting licenses for as many as 40 regions of the country put up for sale. According to the mass media, among the owners of *Petersburg* are named Severstal and Vladimir Putin's personal financier Yuri Kovalchuk belonging to „security businessmen”. The winning of the tender by the „*Petersburg television*” demonstrated once again that the „security” NPG is seeking to enhance its success in the area of media support of its activities on the eve of the final showdown over the „successor” project.

## **2.5. State of the Party Field**

### **United Russia**

At the moment United Russia is the most powerful party structure in Russia. First of all, it is accounted for by the wide support of its activity by the Presidential Administration. UR was initially the main project of the authorities in the party field. ***In light of the fact that the „non-security” part of the elite launched the implementation of the project of the „neo-Soviet political system”, control over United Russia and its ideological bent is of strategic importance for the country's political life.*** According to the design of the „old Moscow” part of the PA the „power party”, which is exactly what UR claims to be, is obliged to perform the „leading and

guiding” role in Russia. And it means that its ideology must become the official ideology of the state, and all significant political and socioeconomic decisions should be made in compliance with it. Therefore, in 2005 the Presidential Administration sought to modernize UR so that the party would prove ready for the participation in the parliamentary race. This being the case, the main task at hand was the ideological renewal of the „power party”.

If in 2004 United Russia had no clearly defined ideology at all, in 2005 the „bears” were offered a choice of two models at once, which, regardless of their bent, presupposed an unambiguous orientation towards the figure of the RF President. By the way, in 2004 before the UR congress Putin met with the party’s leadership and set the task of developing its position on major issues. But by the spring of 2005 United Russia had not managed to meet the demands of the head of state, since *a fierce battle of the „siloviki” and an „old Moscow” group for control over UR ruled out the possibility for developing clearly defined ideological positions*. After the victory of the „old Moscow” group the process of developing the ideology proceeded at an accelerated pace. In the late spring of 2005 United Russia was declared to have two ideological wings within its structure, whose representatives then also held a „self-presentation”, even though they failed to outline any intelligible program.

It took the supervisors of United Russia three more months to „divide” the party representatives into the „wings” as well as to identify those who would ever remain „grey idealess extras”. *In September-October 2005 comprehensive programs of the „right” and „left” trends within United Russia were made public.*

Accordingly, the right became proponents of the ideas of „liberal-conservative synthesis”, and the left – of „social conservatism”. At the same time, the UR supervisors from the Presidential Administration give priority to the liberal conservatives. This direction is being developed particularly carefully for already today it lays claim to the role of the state ideology. It is evidenced by the 2005 President’s Address to the Federal Assembly containing liberal-conservative passages as well as by the intensive actions of the PA on promoting similar ideas both among the general public and expert community. Vladimir Putin’s communication with journalists at an extended press-conference on January 31, 2006 was, by and large, built within this ideological scheme as well.

*The UR „left” wing is also needed by* the authorities. It is its ideas that were at the heart of the election rhetoric of the „power party”. A substantial part of the country’s population shares paternalistic values which form part of the concept of „social conservatism”. The authorities have to work with the left-centrist electorate; therefore, UR came up with „socialists” of its own. The ideas of this part of the „power

party”, populist by their nature, may be widely replicated among the population through the help of the state mass media. Besides, they require no additional financial support. It has become the reason why UR’s „left” wing receives less attention of the authorities. On top of that, it consists predominantly of representatives of the regional lobby trying to get the maximum funds for their territories, including for the social sphere.

*For politicians active participation in the work of United Russia’s right wing is more dangerous (in terms of winning public sympathy), on the other hand though, potential profit here is heftier than for the „left” wingers.* It is accounted for by the fact that the right wing has a smaller electoral potential but at the same time it opens up possibilities for participation in making political decisions in the future. *The UR left wing is a prototype of the party of the present whereas the right wing is the party of the future.* Today, social-paternalistic ideas are more popular in Russia since the middle class so far does not account for half of the population. But even now there is demand for right ideas and values. Gradually there become more and more „new managers”, representatives of the generation which went through a formative process within modern Russia and adopted the ideas of individualism and the rules of the game of capitalist society. The greater part of the most dynamic youth supports right ideas, but not as presented by the „old right” parties. There is demand for a party of a new type. The main difference between the proponents of the right and left ideas is the issue of receiving material benefits as well as other benefits. If the left insist that the state must give them all they need, the right want to receive an opportunity to earn money to satisfy all their needs.

The „old right” in their agitation used very actively the ideas of „human rights protection” which were vital for them. *At the same time the new generation of managers has other things to care about than liberties and human rights since from their point of view time is money and wasting it on the protection of ideals is not rational.* The „new managers” are ready to sacrifice part of rights and freedoms if it helps them earn more money and, hence, meet their needs at a new level. It is precisely one of the main mistakes of the right parties in Russia: the so far fledgling middle class is interested in creating institutions of keeping safe the property received and maintaining the stability of earnings.

*The right wing of United Russia is focused only on the new generation which must become the middle class so „liberal conservatives” represent the party of the future.* The program of UR’s right wing presupposes a modernization break-through which will be made in the future on completion of Vladimir Putin’s tenure as President. The incumbent head of state, in the context of this logic, has achieved the

stabilization of the situation in the country in all aspects of life, and has created the basis for an economic and political break-through. Therefore the main task of UR's right wing is to develop a detailed plan for carrying out modernization which will lead to a substantial expansion of the middle class. The orientation towards the future is explained also by the fact that Vladimir Putin at the moment cannot start large-scale reforms, since they will trigger destabilization in the country, and hence, will increase the chances for the left opposition forces to come to power in 2008.

There is a long-felt need for conducting reforms in the country but because of rivalry inside the political elite and the strategy of compromise pursued by Putin the modernization process has never been started. *The UR left wing cannot come up with a plan of reforms which will give a new impetus to the economic development. Whereas the right part of the „power party” can put up for public judgment a variant of reforms which, after an open discussion, will be adjusted and taken as the basis for the state policy.* The building of the „neo-Soviet” system must necessarily be accompanied by the implementation of reforms. Unless the existing problems are resolved, any project of the „non-security” elite will be buried under the ruins of the country's economic and political system. Therefore, the „right” wing of United Russia must become the central guiding force in the country after the parliamentary elections.

The congress of United Russia which was held on November 26, 2005 in Krasnoyarsk was supposed to resolve many internal problems of the party. The PA spin doctors set the task of an official presentation of UR's new program. The reports delivered at the congress sent a message that UR would be the carrier of these two ideologemes at the same time. *Now the main task is to teach UR members, particularly the deputies, who are constantly „featured” in the mass media, to correctly substantiate the new ideological state of the party.* This being the case, it must be taken into account that many UR members for a number of reasons cannot be effective propagandists of any ideological schemes, since they are no experts at the ideological stratagems and oriented solely towards the demonstration of loyalty to the RF President. Therefore, after the congress the need will inevitably arise, on the one hand, to pursue a single information policy, and, on the other – to renew and improve the personnel policy of the „power party”.



## Left Wing

### CPRF

*Exacerbation of social problems and growth of general discontent with the work of the government bodies make it possible to speak of the left wing as becoming arguably the most electorally promising.* This fact forces the left to seek ways of modernizing their parties in order to gain access to the uncovered electoral groups and to add them to their electoral base. However, the traditional „left forces” cannot quite make it so far. Serious problems in this respect can be traced by the example of the long-standing leader of the left wing – the Communist party of Russia.

For long the CPRF was considered the main opposition to the authorities that has a wide support among the population. *But at the 2003 parliamentary elections communists received half of their 1999 result which demonstrated significant problems of the party.* Throughout the 1990s the CPRF underwent almost no reform and high election results were achieved at the expense of a great many people who remembered the USSR and were nostalgic for those times. But by means of simple political technologies the CPRF lost part of its votes and, thus far has failed to restore its former positions.

*The problems confronted by the CPRF compelled the party leaders to start more thorough work on developing a new strategy.* It is important to note that several attempts have been made already to present a renewed party program but eventually it would end up just with emotional speeches of the leaders and never came to the actual bringing of ideas into practice. The last congress, at which the party’s new strategy was presented, took place on October 29, 2005. Gennady Zyuganov gave an inspiring speech in which he announced the transformation of the CPRF into a party of „social offensive” in place of the concept of „social protection” which had been there before. However in reality the communist party leadership preferred to build into the „system”.

*Just over a year ago the leader of the CPRF nearly lost control over the party as a result of the scuffle with Gennady Semigin, and one of the conditions for returning to him all the powers and authority and the party’s brand on the part of the PA spin doctors was relative loyalty to the authorities.* At the last congress Zyuganov demonstrated such loyalty, if only in the disguised form. He declared that the party’s goal was a „red bloodless revolution”, which, in essence, must be bourgeois-democratic. Zyuganov also stated that it was required to intensify the party’s work at the grass root level, that is to attract supporters by immediate work



with every single person. And most importantly – the CPRF intends to take on the organization of a protest movement in the country. Having said that, it should be noted the earlier the party leadership failed to become leaders of any spontaneous protests over the replacement of benefits with monetary compensation in early 2005 whereas this time they expect to take revenge. But it is important that the CPRF has taken the course for rapprochement with the authorities which makes it possible to speak of the CPRF as laying claim to the role of the structure by means of which the protest movement will as a matter of fact be controlled from the Presidential Administration.

***Gennady Zyuganov at the moment has very few capabilities for running the party without outside help.*** The scuffle against Semigin showed that there is powerful internal opposition within the party and discontent with the actions of the leaders. Furthermore, objectively, the CPRF is losing ground, one of the reasons for which is the caste principle of this structure organization and the unwillingness of its leaders to reform the party. Personally for Zyuganov the central task is to ensure the presence of the CPRF in the next State Duma. He benefits more from staying in perpetual opposition than from going for a real escalation of relations with the authorities, the more so that it was demonstrated to him that should he be „stubborn” the election results could be adjusted, and not in his favor. At this moment only the PA management can guarantee Zyuganov his place in the political field, which is just what he wants. Therefore, the recent statements of the CRPF leader (including those at the party’s congress) can well be viewed as a proposal for cooperation to the party field supervisors from the PA.

### **Rodina (Motherland)**

In December 2005 the elections to the Moscow City Duma were held. They became perhaps the central event for the entire Russian party field. It can be said that the parties’ results in this election campaign were regarded as „trial” in respect of the coming federal parliamentary elections. Therefore, in the course of the electoral battle for the MCD seats ***we could witness a tough struggle of all the core party field players for their own political survival and promotion of their status in the future.*** Yet from the sociological point of view, the elections to the MCD are not representative, since the capital is a very specific region where the electoral picture has a number of considerable deviations as compared to the rest of Russia’s territory. One of the peculiarities of Moscow as an RF constituent entity is its strategic character for implementing practically all scenarios of power change after Vladimir Putin’s retirement, as well as the location in the capital of the country’s political elite. As

a result, the election processes in the capital also became a reflection of the controversies within the political elite.

*The central issue of this electoral campaign, just as at the federal level, became the confrontation of the two powerful camps of the political elite – „liberals” and „siloviki”.* Within the elections the security part of the elite decided to seriously „try out” its party project. Since as early as the spring of 2005 the „siloviki” has begun supporting the political party Rodina, which until then had been under control of the „old Moscow” part of the Presidential Administration. For this reason in the course of the MCD elections it was important for the PA spin doctors to show Rodina’s inability to fully participate in large-scale political events without their support.

Initially, the Rodina bloc was created as one of the projects of the Presidential Administration at the 2003 parliamentary elections. *As a result of active promotion its high results became the main sensation of the elections.* But immediately on completion of the electoral campaign, serious disagreements emerged between the two leaders of Rodina – Sergei Glaziev and Dmitry Rogozin, the catalyst for which became Glaziev’s desire to participate in the presidential elections. Later, all throughout 2004, Rogozin and Glaziev fought for the influence within the RF State Duma and tried to build their „personal” structures. However at the end of 2004 they reached a truce.

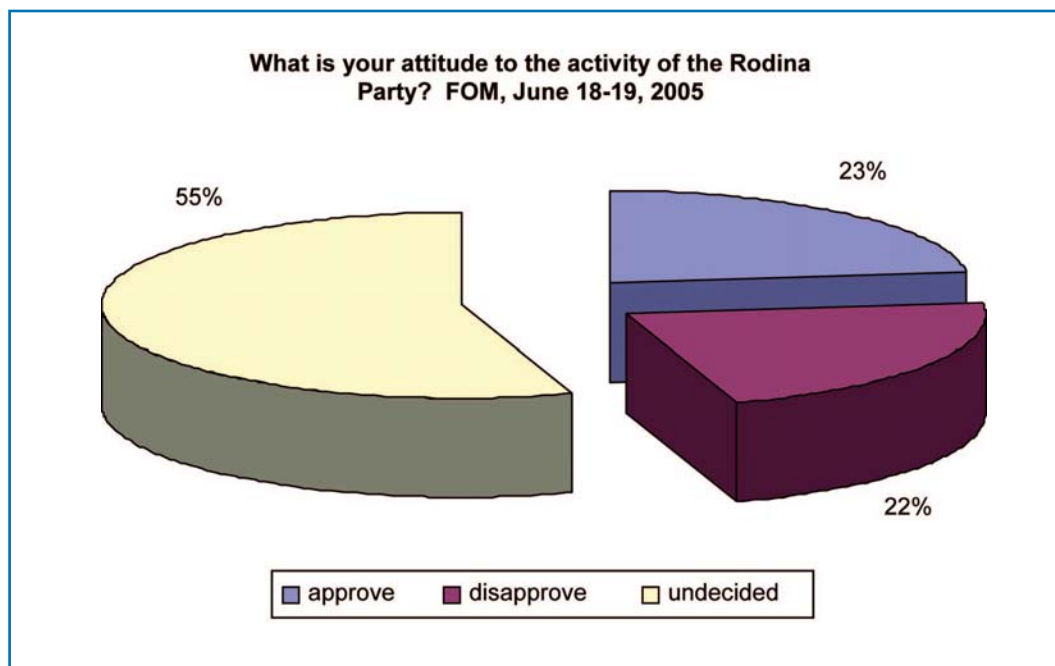
And by the spring of 2005 Dmitry Rogozin and Sergei Glaziev were political partners again. It is explained by Glaziev’s stable contacts with the „siloviki” through the head of the Federal Defense Order Service, Andrei Belyaninov. *Eventually, Dmitry Rogozin got out of the PA’s control already in the spring of 2005 and started to look for new opportunities to satisfy his political ambitions.* At the same time, for the PA spin doctors Rodina it was a „one-off” project and they had no plan for the bloc’s further development and transformation into a political party. Rogozin was aware of it which led him to his political and financial reorientation to the „siloviki”.

For a long time the „siloviki” had not had their own party project. They had fought with the „old Moscow” group for control over United Russia but ended up losing the battle. *Dmitry Rogozin turned out to come just at the right time with the offering of his services.* The ideological scheme used by Rodina appeals to the „siloviki” which made their rapprochement with the party easier. The presentation of „security Rodina” was supposed to take place at the elections to the Moscow City Duma. Right for the elections a number of powerful projects were launched at once, helping the party to promote its ideas.

The cornerstone of Rodina’s aggressive and flamboyant campaign was national-patriotic ideas. Yet there happened to be a certain slant towards quite radical

nationalistic preferences. Thus, Rodina at the elections to the MCD cooperated very closely with the right-wing radical Movement against Illegal Immigration (MAII). ***The subject of illegal immigration and interethnic relations became one of the focal topics for the entire canvassing campaign.*** All this was taking place against the backdrop of a sharp growth in the popularity of nationalistic ideas in Russian society, including Moscow.

***In the second half of 2005 all over Russia and particularly in Moscow there began intensive activities of nationalists who had turned from a marginal force into a phenomenon of federal magnitude.*** Thus the „Right March” which was held in Moscow on November 4 showed that nationalists and „proto-Nazi” had a powerful potential. The federal channels controlled by the „old Moscow” group brushed aside the idea of broadcasting full-scale footages from this event. This example showed concerns of the „old Moscow” group that nationalistic ideas could still become more popular even as a result of a „negative” information campaign and that Rodina would get even better results at the elections.



***Rodina is among the main elements of one of the „siloviki’s” projects for receiving the plenitude of power – the scenario of „power dictate”.*** This project presupposes a drastic increase in the level of conflicts in the realm of interethnic relations, radicalization of national patriots and the emergence of mass disorders at the

early elections to the State Duma planned by the „non-security” elite. Under such conditions Rodina is supposed to act as one of the contending forces that will take people to the streets and create a pre-Revolutionary situation, this resulting in the intervention in the politics of the security agencies and actual seizure by them of power in the country.

***The elections to the Moscow City Duma and Rodina’s successful participation in them would create a threat to the projects of the „non-security” elite.*** The danger lies in that the regional division of the „power party”, United Russia, is controlled not by the PA spin doctors but Moscow elite, therefore the MCD is also controlled by Yuri Luzhkov and his entourage. The Moscow Mayor is distinguished by high conflict proneness and recently has often argued with the federal authorities, and that means there are doubts as to the loyalty of his Moscow UR as well. Against this backdrop, the successful promotion of Rodina created additional threats.

The positions of Yuri Luzhkov are very shaky, and in a certain while he can easily lose his post. In this case the MCD deputies from United Russia will seek contacts with different representatives of the elite. ***It is important to note that at the MCD of all conventions there were many deputies indirectly related to the „security” agencies.*** Thus, for instance, number three in the UR list at the MCD elections, Andrey Metelsky, is one of the members of the Moscow Association of the Organizations of Veterans of the Local Wars and Military Conflicts. (MAOV of LW MC), whose head Alexander Kovalev also took part in the MCD elections and earlier was a deputy of the capital’s legislative assembly. And number one on Rodina’s list, retired Major General Yuri Popov, is one of active members of several veteran organizations. ***In the event of Yuri Luzhkov’s leaving his post, former security agency officers will find it much easier to agree with each other.*** Therefore the PA spin doctors set for themselves the task of minimizing Rodina’s capabilities for making its way into the MCD.

The massive campaign against Dmitry Rogozin’s party included several elements. ***The LDPR and Baburin’s party Narodnaya Volya (People’s Will), which in 2003 was part of Rogozin’s election bloc, were very actively promoted as a counterbalance to Rodina.*** LDPR’s leader Vladimir Zhirinovskiy just as other members of this party gained wide access to the mass media. For example, on the NTV TV-channel LDPR members participated in almost all the most popular programs. The Narodnaya Volya was less promoted in the federal mass media but at the Moscow level received powerful support. But all this could not make an adequate response to Rodina’s activity. One scandalous video of the party about „cleaning Moscow of trash”, which had at once several „implied meanings” including those of a xenophobic nature, alone gave the

party very powerful information support. In full or in part the video was broadcast on almost all TV-channels, its criticism making headlines in the news programs for several days. It only resulted in an increase in the election ratings of the party.

*Eventually, a week before the elections the situation became extremely unfavorable for the „non-security” elite. Therefore on November 26 its representatives managed to get the Moscow City Court to return a decision on disqualifying Rodina from the elections for the scandalous video (by the way, as the formal cause for it served a motion by an LDPR member accusing it of „fueling ethnic discord”).* This step showed that the „old Moscow” group was seriously apprehensive of Rodina which had a real chance of coming at least second in the MCD party list elections. However by their clumsy actions the PA spin doctors, in point of fact, helped Dmitry Rogozin. Rodina received evidence that the authorities were afraid of it and for this reason it can act as one of the leading opposition parties.

*The decision of the Moscow City Court to disqualify Rodina from the elections showed that the spin doctors of the Presidential Administration were not a picture of confidence.* They initially had several action strategies. The most advantageous for them could become the participation of Rodina in the elections, but then by means of required information indoctrination of the Moscow audience Rogozin’s structure was to have a „disastrous” campaign and receive an insignificant result. In this case, Rodina would have fewer chances to earn the confidence of the „siloviki” since they need a truly effective structure. But to implement such a scenario the PA spin doctors would have to act more delicately. Nevertheless, shortcomings in the activity of the „old Moscow” group propelled Rodina to one of the leading roles in the MCD elections. As a result an emotional decision was made to take the line of least resistance and simply keep Rodina from the elections so that its votes passed to the ideology-related LDPR controlled by the PA.

*The moment of truth – whether the PA spin doctors believed in themselves or not – was supposed to become the consideration of Rodina’s cassation against the decision of the Moscow City Court to the Supreme Court which took place on December 2.* Upon deliberation the „federal” judges returned a verdict upholding the decision of the Moscow City Court, and Rodina was still disqualified from the elections. However from this moment the party ultimately lost the image of a PA project which had been sought by its leaders for a long time. Dmitry Rogozin became the leader of the only real opposition party which plays a significant role at the federal level and enjoys wide support among the population.

From the early autumn of 2005 the spin doctors of the Presidential Administration took the route of least resistance for a second time. At first they

prevented Mikhail Khodorkovsky from running in the elections to the State Duma in Moscow constituency #201, postponing the solution of his „problem” for 2007-2008. Then they did the same to Rodina. ***Instead of efficient actions on neutralizing the opposition’s activity, the authorities took a „non-creative” decision to disqualify Dmitry Rogozin’s party from the elections.*** This decision is very dangerous for the „non-security” elite. The more so that earlier they themselves had legitimized Rodina as the leader of the left opposition. Rodina after the Moscow events is ready for an early campaign since it went through the required information „promotion” and has the image of a party „persecuted by the authorities”.

### Right Wing

***The ambition of the political spin doctors of the Presidential Administration to implement the plan of transition to the „neo-Soviet political system” opens wide opportunities for federal parties.*** The PA has staked on achieving success both during the All-Russian parliamentary campaign and in the elections to the regional legislative assemblies. This being the case, they set the goal of achieving maximum representation at the legislative level of the „power party” which at the moment is the United Russia. Such great importance attached to the elections by the PA enables the parties to show their activity in this area, bother the authorities with its initiatives, and seek mutually beneficial agreements with the „team of spin doctors”. An example of effective use of such a favorable situation is the Russian Party of Pensioners which at the last regional elections managed to perform on a par with UR in a number of regions, and in Tomsk even beat the „power party”. Truth to tell, however, the RPP leader, Valery Gartung, made a serious mistake by declaring independence of his party from the PA. In the end, a very powerful administrative and information „war” was started against him, which ended up with Gartung’s crushing defeat and losing control over his structure.

The right parties under current conditions may also pose a threat to UR. Within the process of its modernization United Russia created in its ranks a „liberal conservative” faction exploiting right-wing values. ***Therefore, the activity of other players in this segment of the ideology-party field can be much of a hindrance to the „two wings” project being implemented by the PA and force its management to go for a number of agreements and political compromises.*** Furthermore, at the State Duma, along with the „power party”, there must be other party structures represented as required by law. Therefore, the right stand every chance of playing a significant role in the country’s political life. But at the moment they have not reached the required „competitive” level to pose a serious threat to the UR.



The failure at the last parliamentary elections dealt a very mighty blow to the right. In principle, such a „failure” was to compel the liberals to go for modernization of their organizational and ideological activity. But so far it has not happened. All positive designs were brought to naught by conflicts among the leaders of the right-wing parties. Another serious problem for the liberals is the discrediting of the brands of their political structures.

***After the parliamentary elections it became clear that the „old right” parties had exhausted the resource of their brands and they should embark on rebranding or simply create their organizations anew.*** But the leaders and owners of the „old structures” still took the road of maintaining the existing potential. Moreover, they did not even manage to establish a united democratic party though such an approach would have settled all the issues with the „tarnished” brands and given an impetus to their new organizational „reloading”. However the leaders of the right-wing parties failed to find consensus on this issue and preferred to maintain their independence.

The creation of a united party presupposes a change in the system of redistribution of financial and political resources. And it is exactly what became one of the most significant moot points. The leaders of the „old right” are not used to sharing the sponsors’ money. ***Thus, one may speak of the leaders of the right parties as the main problem.*** It is they who created internal structures, which minimized the possibilities for vertical mobility of parties’ members. Thereby the leaders were driving themselves into a personnel trap. But even now they cannot make a decision on rebuilding the parties in keeping with the requirements of the time.

***An attempt to resolve the problem of the absence of effective leaders was made in the Union of the Right Forces*** when in May 2005 at the party’s congress Nikita Belykh, a representative of the regional elite, was elected the new leader. By all formal parameters he was to get the party out of the crisis. ***But as practice has shown Belykh does not have what it takes for it.*** On the one hand, he is a young active representative of the URF’s „regional wolves” who in the spring of 2005 demonstrated high activity. But at the same time he proved to be absolutely unprepared for public activity. Nikita Belykh either dismissed the services of professional image-makers or their efforts turned out to be incapable of having a radical impact on the promotion of the new party leader. Besides, Belykh failed to carry out an internal reform in the party which could have helped prepare the URF for regional elections and first of all those to the Moscow City Duma. As a result of Belykh’s inefficient actions the URF party was compelled to run in the MCD elections under the Yabloko brand which can be regarded as its political defeat.

***More effective and forward-looking are the actions of the URF’s youth.*** And, though, the party so far does not have a full-fledged youth branch, the Union of the



Right Forces has actually taken the route of supporting the already existing youth structures. Thus, for instance, the Da! (Yes!) movement receives comprehensive support of the URF. It can be seen from the example of the party's support to its informal leader, the daughter of the initiator of the radical reforms of the early 1990s, Maria Gaidar, who ran for the State Duma in the by-elections in the Universitetsky constituency of Moscow. The election headquarters of Gaidar junior was composed of URF employees who were engaged in collecting signatures and preparing them for her registration as a candidate for deputy. But after the successful registration Maria Gaidar waived her participation in the elections in favor of „an older comrade”, satirist Victor Shenderovich.

***Maria Gaidar's actions proclaimed her as a cautious and forward-looking young politician.*** Yet before the collection of signatures Da!'s leader stated that she would not run in the elections in the event that Shenderovich got registered as a candidate for deputy. Therefore her waiver of the elections looked quite logical. In doing so, Gaidar showed that she was ready (even after spending certain financial resources on her promotion) to keep her word. It creates a positive reputation of a person who can be dealt with, which can't always be boasted by leaders of the „adult parties”. On top of that, Maria Gaidar demonstrated that she is a cautious young politician. While the leaders of other youth movements seek to use any possibilities for the participation in the elections at any levels, she waives it for a second time already. She is less aggressive in respect of her older colleagues which also contributes to the formation of her positive reputation.

Despite the competent headquarters Maria Gaidar stood very little chance of election. Besides, in the case of Shenderovich's running in parallel the liberal electorate would have been spread thin. ***In the final analysis, Gaidar not only actively „promoted” herself on the eve of the electoral campaign but also minimized possible risks related to loss.*** Her opponents could have used the election results as an indicator that Gaidar was no good as a full-fledged politician. Whereas now she showed that she could collect the required number of signatures and get registered but at the same time she remained undefeated. The inevitable defeat of Shenderovich yet further raised her political „standings” as well as demonstrated the absence of political prospects for the „older” right-wing politicians.

***Against the background of the effective actions of the representatives of the democratic youth, very many „adult” politicians leave much to be desired. The former head of Government Mikhail Kasyanov is no exception.*** Yet in February 2005 he announced his political ambitions, including presidential. But as yet Kasyanov has never managed to launch a normal campaign in his support. All his actions look too

cautious and not too effective. And this is despite the authorities giving him a huge information cause for personal promotion by starting a „summer cottage (dacha)” case against Kasyanov. But the former premier failed to make use of such convenient variants for arousing public opinion. Yet, this being the case, he lays claim to leadership in the democratic opposition and is going to run for presidency.

Moreover, Mikhail Kasyanov has already made an attempt to work with regions and made a large-scale trip around large Russian cities. *But within this voyage the former prime-minister made a political „step” back by speaking quite „constructively” about Vladimir Putin’s regime.* Thus, for instance, Kasyanov stated that he, by and large, supports the authorities and is not an „oppositionist” but a politician just acting as opponent to them. Thus, the ex-premier again confirmed his reputation of an overly cautious official who only in extreme cases goes for fueling his relations with the superiors. It will be very difficult for him to earn the image of a true oppositionist without which he will not be able to lay claim to leadership on the right wing. On top of that, Mikhail Kasyanov failed to win the battle for the Democratic Party of Russia and was left without a party structure of his own.

## 2.6. Sharp Intensification of Youth Movements

**In 2005 youth movements became the fastest developing subject of the political field.** Before, for a long period of time youth organizations had been at the periphery of political life. By the early 2005 youth movements of the federal level were primarily on the left wing: Nationalist-Bolshevik Party (NBP), Youth Left Front (YLF), Red Youth Vanguard (RYV), Union of Communist Youth (RF UCY), Revolutionary Union of Communist Youth (RUCY), Russian Young Communist League (RYCL), Youth Union ‘For the Motherland!’, Youth Russian Public Movement (YRPM). The reason for such „fruitfulness” on the left wing lies in the fact that these ideas are close to the Russian mentality and can be quickly adopted by the population. The more so that the majority of left movements have a revolutionary bent and cultivate romantic images of young rebels of the XX century which adds to their popularity and ideological pathos.

During 2005 youth movements went through several stages in their development. The first stage – from the beginning of the year to the mid spring of last year. The second – from the mid spring to late July 2005. The third is still in progress. *At the first stage the most active were opposition youth structures.* Mass actions over the replacement of benefits by a monetary compensation allowed the then existing youth

structures to join the general protest movement and show their mobilization potential. From that time on different opposition forces began intensively encouraging the activity of young politicians. ***It is important to note that the leaders of youth branches of some parties even „ousted” from the mass media members of „adult” parties.*** Such a situation is true for Yabloko where Ilya Yashin (leader of the party's youth branch) became a more quotable figure than Grigory Yavlinsky.

At the first stage the majority of the right youth organizations were created: Youth Yabloko (All-Russian organization), Defense, Youth Union of Right Forces (YURF), Yes!, We, I Think, Going without Putin, It is Time!, New Rights, StopCran (Emergency Brake), Youth Human Rights Movement (YHRM).

The rapid development of right-wing youth movements at the first stage shows that domestic and foreign opponents of Vladimir Putin's regime are trying to create conditions for implementing the scenario of „color revolutions” in Russia. ***All democratic youth movements can be divided into two groups by the form of creation and existence: movements created on the funds of political players and used by them for their purposes, and self-organizing structures.*** To the first type belong: Youth Yabloko, YURF, Defense. These movements directly execute the order of their sponsors. The most important for them – is to expand protest sentiments among the youth and to form mobilization systems in order to, if required, take them to the streets against Putin's regime. A variety of this type is the Da! movement which is created for the promotion of its informal leader Maria Gaidar.

***The second type of right movements is the most dangerous for the authorities.*** Among the youth there has been a long-felt discontent with the political reality. For a long time this protest did not go beyond informal meetings and discussion of the situating in the country at the level of small intellectual groups. From the beginning of the „parade of youth movements” in January 2005 these small spontaneous groups started the process of creating official structures. To this type belong movements We, I Think. The membership of such movements is small (up to 200 activists in each) but most of them have a high mobilization potential. They can act as organizers of large-scale actions, prepare agitation events, but most importantly – the greater part of such intellectuals has what it takes to attract ideological supporters.

***The second stage in the development of the segment of youth movements began in May 2005 when the creation of the pro-presidential Nashi movement was officially declared.*** Up until then the fact of the formation of a new structure had some confirmation but the movement itself was not exposed in any way. The entry of Nashi into the political scene created comprehensive competition in the youth party sector. At the first stage opposition movements would have the upper hand, as long as they

demonstrated greater activity. However apart from Nashi a few more structures, loyal to the authorities, were established: Rossia Molodaya (Young Russia), Universal Anti-Globalist League (UAGL), Eurasian Youth Union (EAYU). These movements were established for different ideologies and accordingly solve different tasks.

From the moment of its coming into being Nashi embarked on quite an aggressive strategy. *They stated right away their antagonism to all the existing opposition parties and youth movements. The first statements were very rough and bordered on offence.* Later the rhetoric of the movement's activists became somewhat mellowed which was determined by the positioning of Nashi as a civilized organization oriented towards political struggle within democratic standards. *The presentation of Nashi was marked by the ideology of denial, that is they are the most active to put forward theses about the organization's opponents and bureaucrats-„defeatists”.* The constructive part of Nashi's ideology was presented only in the middle of May during the action of this movement dedicated to the 60<sup>th</sup> anniversary of the Great Victory.

The mass action at Leninsky Prospect became the most powerful of all which had been held by that time by youth movements. Nashi showed the level of their resource support base. *No youth organization has the capability of adequately countering the mass nature of the Movement's actions.* But after this event Nashi reduced their public activity and went about the issues of preparation of its members for large-scale actions. The movement, as stated by its leaders, is strategically oriented, which makes them pay more attention to organizational issues. Therefore, at the second stage Nashi held only one-off conspicuous actions. While the opposition movements had nothing else to do but build a system of permanent presence in the information space.

*The beginning of the third stage was the meeting of Nashi's activists with Vladimir Putin, which showed that the movement had the President's support.* For the youth segment it was a very important step: for the first time, a youth movement was put on a par with „adult” parties. *After the pro-presidential movement was introduced into big politics such attempts began to be made by opposition structures as well.* The main cause for it became the elections for the Moscow City Duma.

The pioneers of the youth expansion into „big politics” came to be Maria Gaidar and Zhanna Nemtsova. The informal leader of the Da! movement, Maria Gaidar, was included in the top three candidates of the URF's list in the MCD elections. But on September 1 she waived her participation in the elections. It was caused by conflicts within the Union of Right Forces. Maria Gaidar tried to make use of the situation and get the maximum from her participation in the electoral campaign, but, in doing so, she wanted to maintain the absolute independence of her political organization.

Whereas at the URF, on the contrary, they wanted to modernize their youth wing on the basis of DA! and expand its presence in the youth segment of the political system.

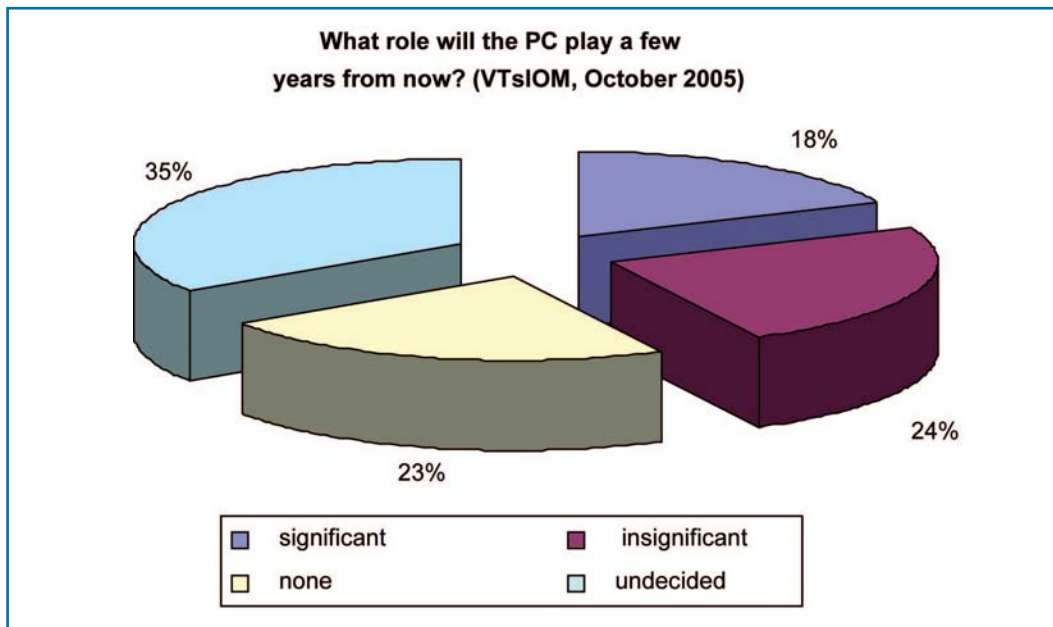
***The turning-point event for the youth sector of the political system could become the assault on NBP activists which took place on August 29, 2005.*** Then the NBP members who were protecting a meeting of representatives of left organizations at the office of the CPRF were attacked with the use of trauma guns and baseball bats. ***The opposition accused the Nashi movement of the assault.*** Circumstantial facts show that the opposition is right (the attackers were soon released from the police, the question of starting legal proceedings was deliberated for several days, the attackers, according to the mass media, were members of a fans' grouping which cooperated very closely with Nashi). The action on August 29 – is not the first attack on the NBP, two more cases had occurred before. This case could have become the beginning of a „youth war” but members of the opposition movements preferred not to be provoked so far.

## 2.7. Institutionalization of Civil Society

Civil society in Russia is traditionally a subject of discussion of the liberal intelligentsia rather than political reality. Nevertheless in 2005 the process of formation of the institutions of civil society „from the grassroots” markedly intensified. After the protests over the monetization of benefits and the ensuing concessions on the part of the authorities the people of the country realized their strength. As a result, a wave of mass protest actions of social and also other nature swept across Russia

Sensing the danger of building an „independent” civil society, the authorities took the path of creating „from above” the principal „civil” organization of the country – the Public Chamber. ***As a result of the work of the Presidential Administration officials and deputies the Public Chamber received the status of an advisory body.*** The PC total membership – is 126 persons, its formation included three stages. At each stage the Chamber received 42 new members. The first members of the Public Chamber were appointed by Vladimir Putin. Then they selected 42 more persons from among the representatives of the All-Russian public associations which had applied for participation in the PC. Further, the 84 PC members picked 42 more from among those nominated by the conferences of regional public organizations. Importantly, the regional and interregional conferences were to be attended by at least 100 public organizations. The whole process of formation and functioning of the Public Chamber will be ensured by a special administrative staff having the status of a state institution

with its head to be appointed by the RF Government. The work of the PC will be financed from the state budget of Russia.



*The functioning mechanisms of the Public Chamber are similar to the State Duma.* Within the PC were created councils, commissions and working groups which are expected to develop proposals for general sessions. This being the case, as the main purpose of the creation of the Public Chamber is called expert examination of draft legislation. All PC decisions will be strictly of an advisory nature. At the briefing for journalists held on September 30, 2005 Deputy head of the Presidential Administration, Vladislav Surkov, stated that members of the Public Chamber could summon different officials and their appearance at the PC sessions must be obligatory for executives of all levels. It is supposed to become perhaps the most powerful instrument of influence of the PC. Furthermore, the Public Chamber will receive one hour on air at the state television every month. Yet so far the PC does not have any real powers.

Vladimir Putin declared that it was necessary to grant to the Public Chamber control functions over the activity of the mass media. However, as of now the State Duma is only to consider the possibility of introducing this norm. *If the President's instruction is fulfilled, the PC committee for information policy will become the most influential at this body.* Mass media representatives will have to seek ways of interaction with the PC and lobby their interests there.



The creation of the Public Chamber is solely of a „ritual”, showoff nature. The main purpose of its existence is an attempt to demonstrate that there is civil society in Russia which is involved in the process of political decision-making. Moreover, the PC has a rather low status. The Public Chamber can become a real mechanism of recruiting new members to political parties as well as specialists to government bodies, but nothing more than that. The spin doctors of the Presidential Administration, if they so decide, can turn the PA into a real institution of civil society, but this will create a threat of its getting out of the authorities” control. Therefore it was decided not to go further than the construction of this totally ineffective body. But, in strategic perspective, such an approach may result in the self-organization of civil society without the participation of the PA.

### **Limitation of the Work of Non-Profit Organizations**

Along with the preparation by each part of the political elite of its projects according to the „Successor” plan, there are common interests which are gradually realized as well. *In particular, all the nomenclature-political groups are interested in minimizing the possibility of foreign interference with domestic Russian politics. The Russian political elite could make sure of the danger of such developments from the example of „color revolutions” in the CIS countries.* Representatives of different Russian political groups are in principle seeking contacts with international elites, but nevertheless they want to remain independent players and not be guided by the opinion of their Western „patrons”.

*Among the most effective tools of implementing the „color revolution” scenarios are non-profit associations, charitable funds and other human rights organizations functioning around the world.* The elite is wary of such structures, that’s why it was decided to formalize their activity and make it subject to strict control limits. Apart from the international funds, according to representatives of the elite, Russian NPOs are also in need of control.

*As early as 2004 in his Address to the Federal Assembly Vladimir Putin stated that the work of foreign NPOs should be inspected.* It was followed by the Foreign Ministry starting an inspection of the British Council for compliance with the norms of economic activity and tax legislation. But under the pressure of the international community they had to wind up the inspection and settle for the imposition of fines on the British Council.

*The next step in relations with NPOs and public associations was the decision that the authorities would provide many of them with office spaces and the entire*



***required infrastructure which had been announced in the early autumn of 2004.*** So, for more than a year the authorities did not disturb public organizations. At that time the process of formation of a new institution of civil society – the Public Chamber was underway, which is supposed to perform the functions of the central public organization in the country and represent the interests of the most influential forces of civil society.

In January 2006 the first session of the full PC took place. ***Its creation enabled the authorities to take the course of tightening control over the activity of „independent” NPOs and public associations.*** To this end, the State Duma considered a package of amendments to the laws „On Public Associations” and „On Non-Profit Organizations” providing for the tightening of state control over their activity.

Formally, the amendments are supposed to rule out the possibility of using NPOs and public associations against Russia’s interests, as well as for money-laundering and tax evasion. The authors of the amendments promise also that the possibilities for officials’ abuse will be reduced. ***But in reality the pivotal task of all these initiatives is the creation of a single database of NPOs as well as the tightening of control over the work of public associations.***

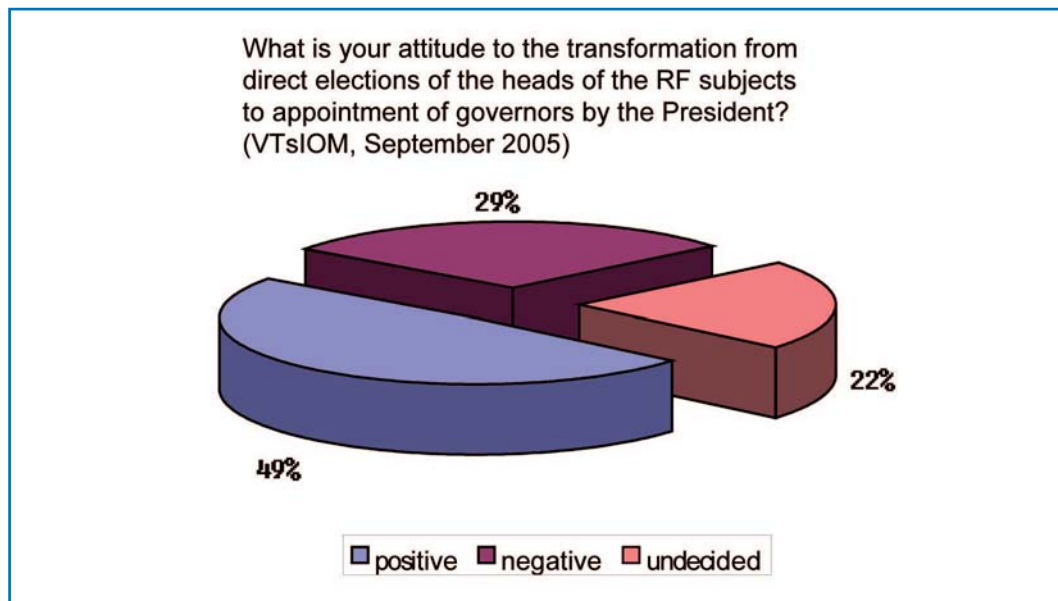
The amendments which on November 23, 2005 were adopted by the State Duma in the first reading sparked sharp criticism from human rights activists and the international community. The opposition structures as well as the United States were the most outspoken critics of the deputies’ initiatives. The response to all claims was Vladimir Putin’s communication with Chairman of the Civil Society Institutions and Human Rights Council under the President Ella Pamfilova. ***The President stated that some amendments could be lifted but the concept of changes in the laws must remain the same.*** As a result, certain adjustments were made to the law, but the spirit still remained the same.

## **2.8. Regional Dimension of the Transformation of Power Structures**

The importance of the regional aspect of changes in the power structure is determined, first of all, by the fact that ***from early 2005 a new procedure for the formation of the executive power in the constituent entities came into force.*** The September 13<sup>th</sup> Reform providing for a transition from direct elections of governors to „delegation of authority”, and as a matter of fact – to appointment of the heads of regional administrations – formally significantly expanded the capabilities of the federal center to exercise control over political processes in the regions. A simplified

procedure was legislated for the suspension of governors from their office due to the loss of the President's confidence and improper performance of their official duties which, in theory, can happen at any moment. Moreover, the President received a direct right to dissolve regional legislative assemblies in the event of their rejecting the candidacy of the regional governor proposed by him (previously, for this he had to introduce a corresponding draft law to the State Duma).

At the same time *the struggle for exercising influence on the regional political processes has become part of the confrontation of the nomenclature-political groups of the „siloviki” and „liberals”,* each of which is seeking to ensure a manageable rotation of power in the course of the federal elections of the next electoral cycle. In this context the control over the territories which can be gained through the management of governors serves as a rather important resource in the struggle for the „successor”. Finally, in 2005 new relevance was acquired by the *problem of the redistribution of powers* related to the Center's ambition to strengthen control over regional financial flows and to reduce the level of the local elites' economic autonomy.



### Main Trends in the Regional Personnel Policy in 2005

A logical consequence of the abolition of direct elections of governors could have become a rotation of the governors in favor of new „Presidential” nominees. However, as the analysis of the main trends in the regional personnel policy in 2005 shows, it

did not happen: *the President's key task with respect to the regional elites was to increase loyalty in exchange for the extension of tenure*. As a result, in spite of the fact that the new mechanism of the formation of executive power affected 43 constituent entities, three fourths of the governors retained their office. Notably, early appointment became a distinguishing feature – 24 regional leaders extended their tenure by putting the question of confidence to the President, while the „principal” procedure for „vesting with powers” related to the expiration of the governor's term was conducted only in 15 constituent entities.

Based on the results of 2005, personnel renewal took place in 12 regions, moreover, in three cases the elite change was of a forced nature: we are talking about the tragic death of Governor of the Altai region Mikhail Evdokimov, stepping down of Valery Kokov as President of Kabardino-Balkaria for health reasons, and nomination to the office of the head of the PA of Governor of the Tyumen region Sergei Sobyenin. And only the head of the Koryak autonomous district, Vladimir Loginov, was dismissed as a result of a „punitive action” – for improper performance of his official duties (disruption of heating within the season).

#### ROTATION OF REGIONAL ELITES BASED ON THE RESULTS OF GOVERNOR APPOINTMENTS IN 2005

Region	Former Governor	End of term	New Governor	Approval
Saratov region	Dmitry Ayatskov	03.05	Pavel Ipatov	03.03.05
Tula region	Vasily Starodubtsev	04.05	Vyacheslav Dudka	30.03.05
Koryaksky AO	Oleg Kozhemyako (act. from 09.03.05)	–	Oleg Kozhemyako	15.04.05
North Osetia	Alexander Dzasokhov	01.06; resignation 15.05.05	Teimuraz Mamsurov	07.06.05
Nizhny Novgorod region	Gennady Khodyrev	08.05	Valery Shantsev	08.08.05
Altai region	Mikhail Kozlov (act. from 10.08.05)	–	Alexander Karlin	25.08.05
Kaliningrad region	Vladimir Egorov	11.05	Georgy Boos	16.09.05
Irkutsk region	Boris Govorin	09.05	Alexander Tishanin	26.08.05
Kabardino-Balkaria	Valery Kokov	01.07; resignation 16.09.05	Arsen Kanokov	28.09.05
Ivanovo region	Vladimir Tikhonov	–	Mikhail Men'	22.11.05
Tyumen region	Sergei Sobyenin	02.2010; 14.11 appointed as head of the PA)	Vladimir Yakushev	24.11.05
Republic of Altai	Mikhail Lapshin	01.06	Alexander Berdnikov	22.12.05

In this context an important aspect of the process of governors' appointment is related to the problem of *personnel decision-making at the federal level*.

At first after the changes in the procedure for the formation of regional executive power, it looked like the *President's Plenipotentiaries* in the Federal districts would play perhaps a key role in the process of the appointment of governors and extension of their tenure. In this connection, a notable phenomenon became a new „departmental” conflict between the Plenipotentiaries, who are formally attached to the structure of the Presidential Administration, and the PA officials supervising personnel appointments: the Plenipotentiaries preferred to work independently and have „direct access” to the head of state. However, the political practice showed that: if at the initial stage (winter-spring of 2005) Vladimir Putin listened to their opinion increasing thereby their influence in the regions, later the increased „political autonomy” of the Plenipotentiaries compelled the President to resume the practice of single-handedly deciding the key personnel issues. It can be illustrated by the „Federal” appointments of Alexander Karlin in the Altai region, Valery Shantsev – in the Nizhny Novgorod, Alexander Tishanin – in the Irkutsk and Mikhail Men” – in the Ivanovo regions.

*The local legislative assemblies* could also play a certain role in the area of vesting regional leaders with powers, which approve the candidacies proposed by the President and serve as a sort of intermediate link in the Center-regions relationship. However their position within the appointment system looks rather shaky: in the event of repeated rejection of a Presidential proposal the legislative assembly faces the risk of dissolution. In view of this, it's not surprising that so far not a single regional parliament has expressed any public and consistent discontent with Vladimir Putin's choice.

Nevertheless, the regional elites tried to use the support of local legislators as an „instrument” of pressure on the central authorities. Thus, in the Altai region, deputies of the legislative assembly led by their Chairman Alexander Nazarchuk, joined forces with part of the elite community in supporting ex-head of the region Alexander Surikov in his demand for the Federal Center to dismiss the Administration of Mikhail Evdokimov. The Nizhny Novgorod law-makers showed a similar hardline approach defiantly declaring their intention to reject the candidacy of the then incumbent Governor, Gennady Khodyrev, in the event that it was proposed for reapproval. Whereas, the President's position in respect of such „independence” of the legislative assemblies can be characterized as that of compromise. Not interested in destabilization of the situation at the regional level through escalation of intra-elite contradictions, he strives, to a certain extent, to take into account the wishes of the

local parliamentarians by not proposing for approval obviously „no chance” candidates; however the final choice makes it clear that the regional elites stand almost no chance of lobbying a candidate they need. Thus, in the Nizhny Novgorod region, having given up Khodyrev’s candidacy, the Federal authorities proposed for governor Vice-Mayor of Moscow Valery Shantsev, „equally remote” from all the local groupings, and in the Altai region not only Mikhail Evdokimov’s former deputy Mikhail Kozlov, but also the candidates from the local elites were rejected, and a „man from the Center” – the head of the President’s Department of State Service, Alexander Karlin, – became the new head of the region. In terms of Federal interests, such decision-making tactics proved rather effective – thereafter, the elite communities in the regions were inclined to act rather within the „rules of the game” laid down by the Center.

Worthy of individual note is also the reduction of the role of the *financial and industrial groups* (FIG) as an independent actor in the process of regional personnel decision-making. In this context, the situation with the Irkutsk region is instructive, where the list of governor candidates prepared by Plenipotentiary Anatoly Kvashnin included a number of figures immediately associated with the most influential of the business structures operating in the region. The candidacy of CEO of Irkutskenergo Vladimir Kolmogorov was actively lobbied by the major players of the Russian aluminum market – Oleg Deripaska (Bazal, controls the Bratsk aluminum plant, Baikal Pulp and Paper Plant, etc.), and Victor Vekselberg (SUAL – Irkutsk Aluminum Plant), the candidacy of Senator Valentin Mezhevich – representatives of Norilsk Nickel, Vladimir Potanin (controls OAO Lenzoloto). Besides, SUAL’s structures also supported the candidacy of Irkutsk Mayor Vladimir Yakubovsky, and the interests of the Ilim Pulp Corporation was represented in the region (regional Ust-Ilimsk Wood Industry Group) by a State Duma deputy, Vitaly Shuba. In the final analysis, the hyperactivity of the Irkutsk business elites leads to the opposite result. The President preferred to stake on the head of the East Siberian Railroad, Alexander Tishanin, not bonded by the interests of the major regional elite groups.

But on the whole, *the Presidential Administration has maintained the leading role in the area of vesting regional leaders with powers*. Yet, because there is no „ideological unity” within the PA, personnel appointments go through a long procedure of coordination between the „contending” groups, whose main representatives in this case are Victor Ivanov („personnel” part of the „siloviki”) and Vladislav Surkov (the „Old Moscow” group). None of the FIGs has achieved the ultimate victory in this confrontation so far.

Thus the appointment of Alexander Tishanin as Governor of the Irkutsk region can be viewed as a *success of the „security” NPG in the struggle for the governors*.

This candidacy was lobbied by a long-standing supporter of Vladimir Putin, „security” businessman Vladimir Yakunin (runs OAO Russian Railroads). It is indirectly confirmed by the fact that he publicly expressed his satisfaction with Tishanin’s appointment, noting the high business reputation of his former employee. While, the Irkutsk business elites had nothing else to do but voice their hope for „constructive cooperation” with the new regional authorities, – such a statement, in particular, was released by the press-service of TNK-BP (controls OAO Russia Petroleum engaged in the development of the Kovytkinskoye gas field). Thus Alexander Tishanin’s „non-partisanship” enabled the „siloviki” to enhance control over the economic processes in the resource-intensive region. It was much more of an ordeal under ex-Governor Boris Govorin who was considered „Deripaska’s man”. Another „security” appointment was the coming to power in the Saratov region (in place of „Yeltsin’s protege” Dmitry Ayatskov) of Deputy Director General of Rosenergoatom Pavel Ipatov who, with the active support of local United Russia, embarked on a large-scale purging of the regional elites, not noted for loyalty.

In its turn, as the *potential success of the „liberals”* can be considered the intensification of the process of returning to state ownership of the largest diamond producing company ALROSA, which may result in the ousting from his position of Vyacheslav Shtyryev, supporting a number of the „security” NPG’s projects in the region, and appointment of the new head of the Republic of Yakutia. In this context it is important to emphasize that through the „federalization” of AK ALROSA and creation of a multi-purpose complex operating in several energy markets on the basis of the company, the „liberal” part of the federal elite is seeking to consolidate the resources to strengthen its positions. However, currently the likelihood of implementing the project of creation of a counterbalance to the „security” Rosneft on the basis of ALROSA appears slim: the most important Yakutian asset in this regard, – the license for the development of the largest Talakansk oil-and-gas field – is held by Surgutneftegaz, representing the interests of the „siloviki”. Putting on hold the project of creation of the „big Tyumen” and the related appointment of Vladimir Yakushev as the head of the Tyumen region also suits the interests of the „liberals”.

At the same time, it is not ruled out that this decision can be reconsidered: ***the President is still not ready to make the ultimate choice between the „security” and „liberal” elite projects, including in the sphere of regional policy.*** In this connection, it can be viewed as a trend that governor appointments increasingly become just an additional argument in the intra-elite political bargaining. Thus the offices of the head of the Nizhny Novgorod, Kaliningrad and Ivanovo regions were used in order to break up the ranks of the supporters of Moscow Mayor Yuri Luzhkov, thereby



potentially weakening his political clout. The fact that Valery Shantsev, Georgy Boos and Mikhail Men” did not play key roles in the management of the Moscow economy is not of decisive importance in this case.

The situation existing around the capital’s Mayor is worthy of individual comment. Removal from the political scene of one of the leaders of the „regional Fronde” is fully in compliance with the main principals of the President’s regional policy. ***Both the „security” and „liberal” NPGs will be seeking to take part in the division of the „Moscow pie”, while the win of either of them will inevitably upset the balance of forces within Vladimir Putin’s closest entourage.*** In some ways for this reason at the Presidential Administration thus far they have not found an answer to the question: „Who will be the head of Moscow after Luzhkov?” The figure of Georgy Poltavchenko, the President’s Plenipotentiary in the Central Federal District, close to the „siloviki”, looks not quite serious – perhaps the only argument in favor of this appointment can be the guaranteed loyalty of the Lieutenant General of the Tax Police. In their turn, the „liberals” are inclined rather to support the „Moscow” appointment of vice-premier Alexander Zhukov; however this candidacy, actively promoted in some mass media, does not look convincing enough either: a Government official without his own team and experience of running an urban economy will barely make an adequate replacement for Luzhkov. Given this staff uncertainty, as well as the results of the December elections to the Moscow State Duma, which allowed Yuri Luzhkov to ensure the continuity of his course, it can be forecast that Luzhkov will retain his positions at least until the end of his tenure, for most of the NPG are not interested in disturbing the stability in Moscow on the eve of the Federal parliamentary campaign.

Thus one more trend of the personnel regional policy in 2005 became the President’s ambition to maintain, as far as possible, the balance of intra-elite forces in the regions. It has to do with the fact ***that notwithstanding the numerous contradictions, members of the major groups within the federal elite at the moment are interested, first of all, in the predictability and manageability of the regional political processes.***

Thus, already in 2005 examples of allegiance to the Federal Center were shown by such political heavyweights as Governor of the Kemerovo region Aman Tuleev and Head of Tatarstan Mintimer Shaimiev, who early applied to the President requesting extension of their status. The principle of loyalty and usefulness was at the heart of the reappointment of the active fighters with the „left” forces in the traditionally „communist” subjects (Vladimir Chub and Victor Maslov in the Rostov and Smolensk regions, Alexander Tkachev in the Krasnodar region), as well as the heads of the



regions deemed stable in social and economic terms (Vasily Bochkarev, Leonid Korotkov, Petr Sumin, Alexander Mikhailov in the Penza, Amur, Chelyabinsk and Kursk regions respectively, Head of the Republic of Karelia Sergei Katanandov, President of Chuvashia Nikolai Fedorov, etc.) In this context a forced change of governors took place in the regions where the intra-elite situation was beyond precedent conflict-prone (as examples can be given the appointments of Pavel Ipatov and Valery Shantsev in the Saratov and Nizhny Novgorod regions).

As for the national republics, the situation looks more complex. The maintenance of stability remains the pivotal goal in this case as well – it is in this context that one should view the above-mentioned appointment of Mentimer Shaimiev, as well as the retention of the post by President of Kalmykia Kirsan Ilymzhinov. However, of the decisive importance was that the President appointed as his Plenipotentiaries in the Volga and Far Eastern Federal Districts former Prosecutor of the Republic of Bashkortostan Alexander Konovalov and ex-Mayor of Kazan Kamil Iskhakov. This personnel decision is intended, in prospect, to help resolve at once several „strategic” tasks in the Center- regions relations. First of all, *we are talking here of putting pressure on the traditionally „intractable” elite communities in the main „national” republics – Tatarstan and Bashkiria – for the purpose of putting an end to their claims for a „special” status and the provision of additional resources and powers associated with it.*

Thus further development of the situation in Bashkiria can be most immediately influenced by Deputy Prosecutor of the Republic Salavat Karimov, known for his ties with the „siloviki” (in particular, RF Prosecutor General Vladimir Ustinov and Deputy head of the Presidential Administration Igor Sechin). When working as an investigator of the Prosecutor General’s Office, he prosecuted the criminal cases against Media-Most owner Vladimir Gusinsky, top executives of YUKOS Mikhail Khodorkovsky and Platon Lebedev, and other oligarchs, and in November he initiated criminal proceedings over exceptionally grave damage caused to the Bashkir Copper and Sulphur Mine (BMSK) run by the Ural Mining and Smelting Company (UGMK). In the event of an „unfavorable” outcome of the case UGMK major co-owner Iskander Makhmudov, close to the Republic’s leadership and personally to President Murtaza Rakhimov, may lose large Bashkiria assets which opens up additional possibilities for „silovik” Karimov to put pressure on the Republic’s leadership, distinguished by „controversial” behavior. Thus, President of Bashkiria Murtaza Rakhimov is sabotaging the fulfillment of his promises to return to state ownership a number of large enterprises of the Republican Fuel-and-Energy Complex (FEC) made as long ago as during the preparation of his reelection in 2003: Bashneft, Bashkirenergo and

Bashneftekhim. Furthermore, under the pretence of a confrontation with his son Ural (it is the way the situation was presented in the mass media) Rakhimov is gradually selling out the oil industry to private commercial structures (for example, AFK Sistema). Eventually, in prospect „silovik” Karimov can be appointed new head of Bashkiria which at the same time makes it possible to neutralize the activity of the opposition in the region.

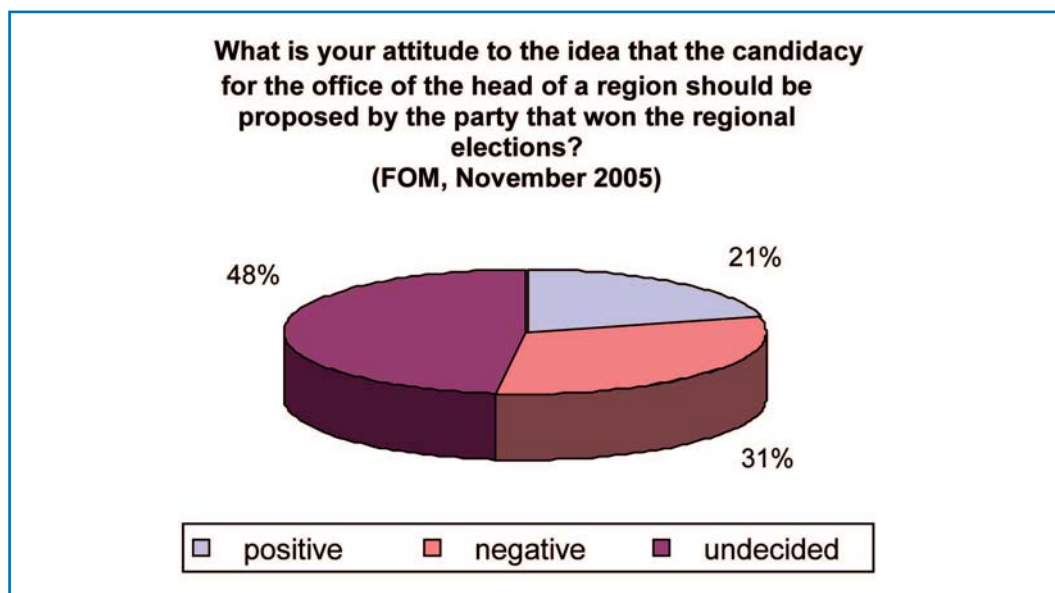
Difficult in his own way is the figure of Tatar President Shaimiev, who, after the extension of his tenure, got involved with even greater energy than before in the activity of the anti-Federal Fronde. And in this context special attention shall be paid to the figure of the new Plenipotentiary of the President in the Far Eastern Federal District, Kamil Iskhakov, whose activity at the federal level was manifested during the preparation of the celebration of the 1000<sup>th</sup> anniversary of Kazan. Iskhakov has the reputation of a competent economic manager, and if he manages to distinguish himself in running the traditionally problem-ridden Far East his further political prospects as Shaimiev's successor look quite real. The scaling down of the political ambitions of the Tatar elites in this case will be guaranteed by a high level of federal loyalty of the new head of the Republic, owing his appointment to Vladimir Putin's decision.

Coming back to the choice of strategy for maintaining the status quo in the Center-regions relations we should note that it was prompted also by the electoral personnel deficit which the President regularly faces: there is no one willing to be in charge of the traditionally depressive regions (for instance, such as the Aginsk-Buryat Autonomous District or the Jewish Autonomous Region). And it looks quite logical that Bair Zhamsuev and Nikolai Volkov have retained their positions. Moreover, as political practice shows, the „personnel shortage” problem can be relevant even for fairly prosperous, in economic terms, constituent entities, and in this case Vladimir Putin has to put up with certain independence of their existing leaders (the reappointment of the Sverdlovsk Governor Eduard Rossel is quite telling here).

At the same time, the application of the principle of maintaining the intra-elite balance has its limitations. In this regard we can forecast a further escalation of the struggle of the „security” and „liberal” NPGs for the influence on regional political processes within the process of building up the resource potential, vital for each group, in the face of the „2008 problem”. Under these conditions, the President will seek to support the system of checks and balances, however, next year already he may find himself up against the need to make the final choice.

### Prospects of further changes in the power structure: „party governors”

*Representatives of the „liberal” NPG look upon the governors as part of their own „big party project”.* In this context, quite logical looks the idea of governors’ partisanship (of governors) advanced by the Duma faction of United Russia, in accordance with which in the past year amendments were adopted to the laws „On the General Principles of the Organization of Legislative and Executive Authorities of the Russian Federation” and „On Political Parties”. Pursuant to the new norms, the political party winning regional elections receives the right to propose to the President its candidate for the office of the head of the constituent entity. Thus, one more step was made in the area of practical implementation of the idea of strengthening the roles of parties in the Russian political process.



Only the so-called „power party”, which during the past year was joined by 15 incumbent heads of constituent entities (all in all, by the end of 2005 65 governors or 73.8% of the total number of the heads of regions had become members of United Russia) will be able to really use this right so far. United Russia also claimed a convincing victory based on the results of the overwhelming majority of the regional election campaigns conducted in 2005 (the only exceptions were the elections for the legislative assemblies of the Amur region and Nenets AO). However, in terms of United Russia’s prospects (both at the regional and federal levels), a more significant factor at this stage appears to be „system” problems of the party, related above all to

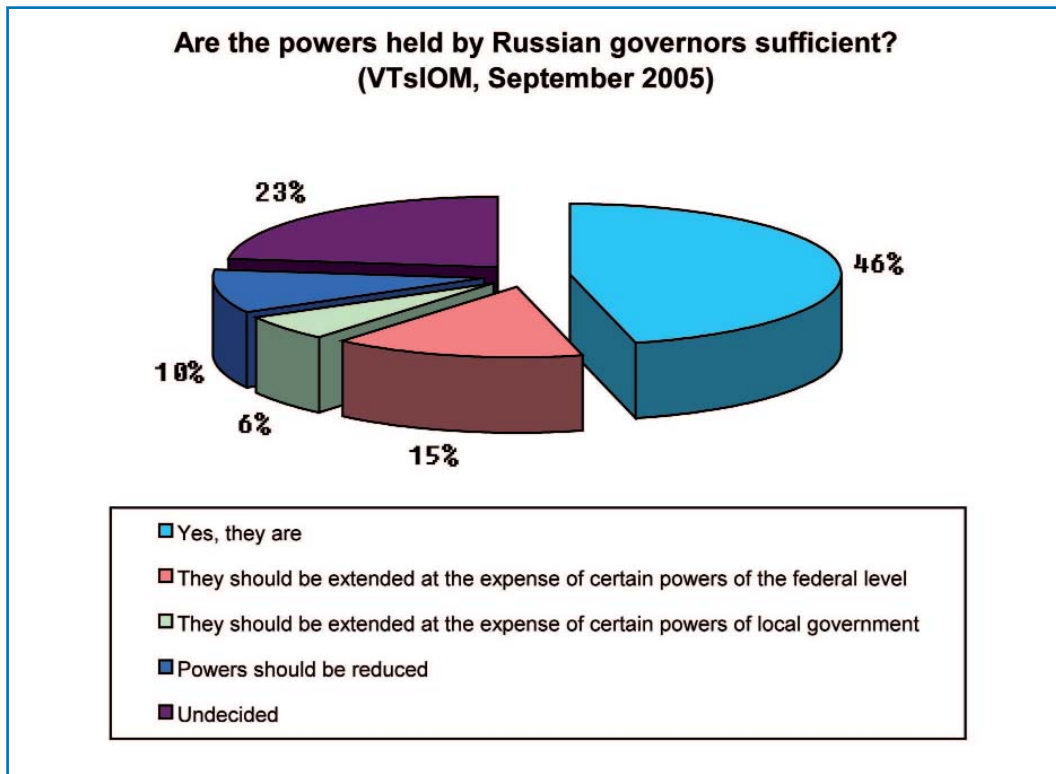
its ideological „uncertainty”. Numerous intra-party conflicts at UR’s regional organizations and contradictions arising in the course of interaction with the local elites should be viewed in this contest. One of such most striking examples was a large-scale conflict between Moscow Mayor Yuri Luzhkov and Belogorod Governor Evgeny Savchenko. Both are the leaders of United Russia’s regional branches which did not keep them from waging information wars against each other, and notably, the Federal party leadership never managed to ease tensions in this standoff during the election campaign for the local legislative assembly. Another consequence of intra-party „discords” at the regional level became the fact that, as political practice has shown, so far the Presidential Administration has not infrequently disregarded the position of UR’s local branches when selecting candidates for regional leaders.

Thus the activity of the „power party” at the regional level thus far does not allow one to speak of the Federal Center having an effective control technology over governors. *The mass joining of United Russia’s ranks by the regional elites, built-into the „power vertical”, often enough does not mean they have ultimately given up their personal political ambitions.* Accordingly, governors seek to increase their influence at the expense of party resources, whereas the Federal Center needs, first of all, an organized, well-manageable structure, capable of maintaining the unity of the power system in the country.

### **Economic aspect of changes in the power structure: problems of the distribution of powers**

After the reform of the formation system of the regional executive power new relevance was acquired by the issues of the *distribution of powers between the Federal Center and regional leadership.*

Throughout 2005 the local elites made numerous attempts to lobby the granting of compensations to them for the „violation of the balance of powers”, and at first the behavior strategy of the federal authorities during this „bargaining” created the impression of readiness for concessions. Thus in early July at the meeting of the State Council in Kaliningrad, Vladimir Putin stated that certain federal powers should be delegated to the regions. In keeping with this initiative, the State Council’s working group determined a list of 114 powers including the spheres of forest industry, water relations, environmental protection, veterinary, licensing, protection of monuments of history and culture, education, science, land use, housing legislation and others. Then, during a field meeting of the country’s leadership at the residence of Bocharov Ruchei on August 23, 2005, the President made critical comments on the overlapping of the



areas of responsibility of executive authorities at different levels, emphasizing the need for an effective division of competences between the Federal Center (FC) and the regions. He also said that the number of local federal authorities was constantly on the increase, whereas the quality of their work was falling due to the mixing of functions and parallel work, and this position of Vladimir Putin received approval of the governors who hoped for return of at least part of their former significant powers. However these hopes never came true: the FC had no intention of *transferring to the governors the most profitable powers which they had been deprived of earlier (licensing of totalizators and gambling facilities, regional special stamps for alcohol products and the „second key” right in the issuance of licenses for subsurface use)*. In particular, in 2005 in a conversation with journalists the head of the Ministry of Natural Resources, Yuri Trutnev, categorically rejected any encroachments of the regions on the subsurface and maintained that the territories would receive no „second key”.

At the same time, the President’s initiative on the need for improving the process of division of powers was translated into legislation: on November 18, the relevant draft law was adopted by the State Duma deputies in the first reading. On top of that, by Vladimir Putin’s decree a special commission was set up for improvement of the

interaction of the federal authorities with the local authorities, headed by Prime-Minister Mikhail Fradkov (its members include Head of the MVD Rashid Nurgaliev, a number of key Ministers of the Cabinet, as well as representatives of the Presidential Administration and a few Governors). The commission has fairly wide powers: apart from general coordination of the work of executive authorities at different levels, its members, pursuant to the Government's resolution, shall prepare draft Federal laws and other normative acts, work out regional development concepts, coordinate the work on the implementation of Federal target programs in the regions and regional programs of social and economic development, international relations and interaction on the issues of personnel policy. But most importantly – the commission is authorized to consider the results of realizing the powers of the Federal authorities transferred to the authorities of the RF constituent entities, as well as individual government powers transferred to the local government authorities. *As a matter of fact, this „coordinating” body is supposed to ensure permanent control over regional financial flows and build an economic vertical in addition to the „power vertical”.*

Furthermore, there's a reason to believe that the course towards strengthening the federal control will continue. As was stated in early October last year by President's Aide Igor Shuvalov, *beginning from 2008 the Federal Government is expected to retain only two functions, not considering the security function, -- coordination of the activity of the Governments of the RF constituent entities and exercising control over this activity.* In the area of control, the powers of the commission will quite likely include not only the right to cancel any resolutions of the regional Governments, but also direct federal rule. The procedure for implementing this measure, in its turn, is determined by the contents of amendments to the Budget Code proposed by the President's Plenipotentiary in the Southern Federal District, Dmitry Kozak (as of now, their enactment is postponed until January 1, 2007). According to Kozak's project, if the share of government subsidies in a regional budget is over 50%, the Center will determine the personnel policy in this constituent entity; if the budget is 80% subsidized, provision is made for introducing direct „anti-crisis” management (for a period of 1 year) from the Federal Center which will determine the expenditure budget, the staff of local officials, their salary level, etc. Let us note that by and large this principle is already provided by the existent Federal laws on local government and division of powers between the region and the Center, which outline a region's bankruptcy procedure and that of introduction in such a region of external management, however, in practice these norms have not been applied as yet.

In the opinion of the Plenipotentiary, the Republics of Tyva, Ingushetia and Dagestan must become the first candidates for the introduction of external



management. The Governments of donor regions will of course find themselves in a more favorable situation, but they will also have to be guided by the tasks of the Federal executive power, with all the economic projects initiated in the regions being monitored by the above commission. However, no one has made a detailed calculation of the level of budget self-sufficiency, and hence the exact amount of financial resources required for each region to perform the new powers remains, as a matter of fact, unknown today. In prospect, it can only worsen the already considerable financial dependence of most constituent entities on Federal transfers. Thus, a logical consequence of the changes in the mechanism of formation of regional executive power became the course of the Federal Center towards cutting back on the autonomy of the local elites in the economic area. However, much as *the new procedure for vesting powers to the heads of constituent entities has not become an obstacle to the functioning of the „regional Fronde”, it is clearly too early so far to speak of the effectiveness of measures for the formation of the economic „power vertical”*. It is largely a consequence of the compromise nature of the FC personnel policy at the regional level, determined, first of all, by the aspiration to maintain stability in the regions on the eve of „system-forming” Federal elections.