Putin 4.0

Post-Crimea elite conflicts and the future transition of presidential power in Russia

Professor Olga Kryshtanovskaya comments on the current situation around the future presidential successor in Russia and the potential political upheavals connected to this issue.

by Ilja Viktorov

Vladimir Putin’s third presidency, which lasted between May 2012 and May 2018, witnessed Russia’s deteriorated relations with the West after the Crimean spring in 2014. What is the main result of Putin’s third presidency for Russia’s domestic political system and for the composition of the main elite groups?

“I think the main result deals with the newly emerged imbalance between the siloviki group and the ‘liberals’, in favor of the former. This outcome was also closely related to the Crimean crisis. The ‘liberals’ are still present among decision makers around Putin, but their influence has been camouflaged. The public opinion and patriotic revolution that boosted Putin’s popularity after Crimea contributed to the increased influence of siloviki at the cost of the ‘liberals’, although the former have not obtained a complete monopoly over power.

I advocate a Putin-centered view on this situation because Putin himself defines to a great degree how elite groups behave and what kind of policy agenda is formulated. He changes himself, and the milieu around him changes after


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him. He is getting older and becoming more conservative, as this is usual for an aging man. His presidential team follows the same pathway becoming more diehard. Putin as a politician has been ambivalent. Originally he was a KGB man and was fostered in the tough traditions of the Dzerzhinsky Higher School of the KGB and the KGB Order of the Red Banner Institute, or what I call the ‘Citadel’. However, later he worked on the team of the liberal St. Petersburg mayor Anatoly Sobchak. Thus, a man fostered in an authoritarian tradition had to wear a mask and create a legend of a more open-minded person. No doubt this mask also made an impact on his personality. These two contradictory tensions formed him as a politician creating this balance between the liberal and conservative streams. The formation of his team reflected the same principle of balance; it always consisted of rival factions that competed among each other. Putin felt most comfortable relying on this balance of interests, ideological stances, and factions. Therefore, for me as an academic researcher who could observe Putin from a close distance, Putin’s third presidency meant that his inner split underwent a transformation towards a convinced conservative. It was a return to the initial traditions and the world-view fostered by the ‘Citadel’, back to the values acquired during Putin’s main period of socialization. He understood finally that he did not need to pretend anymore by presenting himself as a liberal for the West. He started to feel that he could just appear saying, ‘Yes, I am such a person and the Russian people support me’. Putin had a strong feeling that he had caught the wave of success, and this popular trust strengthened him. I think this stands at the core of his inner transformation, and all that has happened is just a consequence of this. Elites also understand it intuitively because everything in this system is based on picking up on signals. That is why conservatives hold up their heads while the ‘liberals’ need to hide themselves. To be an open liberal is even getting dangerous; you need to be a shadow liberal. It is a positive outcome that siloviki did not win a total victory because the crash of the Russian economy would otherwise have been much more severe and much quicker. Because we had some ‘liberals’ in the government, they managed to smooth the downfall and minimize the consequences of the sanctions and the economic crisis.”

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Yet besides this general tendency towards sivoski’s reinforcement, we see that the so-called May decrees issued in 2012 at the beginning of Putin’s third presidency, which would have dramatically improved living conditions of the population by increased spending on social welfare and education, were never fulfilled. Does this mean that an unwritten social contract between the presidential power and the population has been broken?

“The failure of the May decrees does not matter so much within the Russian tradition. Unlike the Western perception of how politics and administration should work, the Russian system does not rest on the principle of efficiency. For a westerner, if a politician promises something and presents a plan, and thereafter this plan is enacted, this means that the politician is effective. In Russia, the principal of efficiency is almost non-existent. What matters is the notion of strength, the sense of power. The fulfillment of promises is secondary to the issue if a politician manages to remain strong. Did Putin remain strong? No doubt he did, and he has gotten even stronger. You might write a million times in newspapers which provisions of his programs have never been fulfilled. Do you really believe that this would contribute to the fall of his rating? No, this does not matter to Russians.

Before the Crimean crisis, the population lacked the sense of a great purpose that would explain Russia’s mission in the world. This sense was lost after the collapse of the Soviet Union with its messianic idea of communism. That is why the Crimean effect boosted Putin’s popularity, notwithstanding impoverishment of the population due to the national currency devaluation and sanctions. People were ready to suffer economically but preferred to sustain the difficulties. However, this effect cannot be sustained forever.”

**Did Putin calculate the risks when he made a decision regarding accession of Crimea into Russia?**

“I studied his speeches closely during and shortly after the Crimean crisis, and my answer is yes. He believed in making a geopolitical statement, feeling that if he had not undertaken this step, then Russia would be taken over by its enemies. I was shocked by this because it bore witness to great doubts that he openly expressed. And I believe that he still thinks that this decision was right. Yet it is important to understand that he considers only successful results being right. Those policy initiatives that he failed to pursue he never discusses. If you look on the map, you will see small parts of other successor states to the Soviet Union that have been under Russian influence. Here you can find Abkhazia, South Ossetia, Transnistria, Crimea, and now Donbass. Indirectly also Nagorno-Karabakh, although this disputed territory is a more special case. At first glance, there is no practical sense for taking control over these small territories, there should be something more behind this. The idea of Novorossiya that would unite some of these isolated areas became such an umbrella project for Ukraine, which was created and elaborated during the Crimean spring. I witnessed with my own eyes how this process was disrupted by sanctions that the West introduced or threatened to introduce against Russia. Everything was stopped – an offensive in Mariupol, Odessa became quiet, Kharkov, and so on. This means that there was a rational calculus behind this reversal, namely that future possible sanctions would undermine Russia, which would not be able to sustain itself against such strong pressure. That is why these ter-

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Vladimir Putin and then newly appointed Economic Development Minister Alexei Ulyukayev in 2013. Three years later, Ulyukayev was arrested.
territories with unsolved status are in chaos now, because the rationale behind their emergence was the creation of a large umbrella quasi-state, which was never finalized according to initial plans.”

I remember the decisive moment of this reversal. I followed the news flow and saw how the offensive in Ukraine was stopped after Putin’s meeting with Switzerland’s president Didier Burkhalter, who at that moment was also the OSCE chair, on May 8, 2014. Maybe that meeting was of particular importance. It is quite understandable that Switzerland has a special status for relations with Russia acting as an offshore center where Russian bureaucracy and oligarchs store their wealth. Its special status also embraces connections to old European elites who have historically fostered such financial centers.

“It is widely known that small states sometimes play the role of intermediaries. I believe that when Putin ultimately resigns as president, we will learn more about these historical events, but many things remain a mystery today.”

The rivalry between informal power groups

In November 2016, Alexei Ulyukayev, minister of economic development and once one of the front figures of the “system liberals” was arrested. How was this possible? Nobody would believe this story before it happened in reality.2

“This arrest was unprecedented and resulted from a conflict between Ulyukayev and Igor Sechin, the Rosneft CEO and former deputy prime minister of Russia. Yet we should understand that Sechin to a great degree is an enforcer of Putin’s will. He is completely devoted to the president, but he is also a very active executor capable of undertaking his own initiatives, and he is a person with very conservative views. Putin might approve an idea or initiative of his subordinates, but he also tends to leave a large degree of freedom for them to exercise their discretion. It was apparent that not only Ulyukayev was the main target of the arrest, but also the entire ‘liberal’ part of the Government. After Crimea, ‘liberals’ have been discredited as a ‘fifth column’ who receive money from the West and who are under influence of the West and who want to transform Russia into a part of the West. Some siloviki tend to view ‘liberals’ as hidden enemies. Ulyukayev’s imprisonment was a victory of siloviki over the ‘liberals’, yet it was not a complete victory. The former minister of finance Alexei Kudrin is still respected by Putin. Tatiana Golikova, deputy prime minister, and Elvira Nabiullina, the Central Bank governor, remain in service, although almost all of these ‘liberals’ are quite neutral in politics and do not interfere in the ideology. Their task is to maintain the market mechanisms in Russia, to appear as technocrats.”

Who are the Russian technocrats? Are they those politically neutral professionals whose competences and organizational skills are used for practical purposes by more high-ranking decision-makers?

“No, I do not think so. Technocrats are rather market ‘liberals’ who prefer to keep a low profile. They do not undertake their own initiatives or use the word ‘market’, nor do they have the West as a direct point of reference. Yet their mission is to prevent the collapse of our economy as happened with the Soviet planned economy. Western
sanctions have constrained Russia tremendously. While the food supply shortages can be managed to some degree, what will Russia do with the technological backwardness under the enacted sanctions? I believe that Putin realizes that such people as Sechin in his surroundings would rather destroy the economy. To compensate for this negative aspect of siloviki’s activities, he needs alternative people in his administration, and those are labeled as technocrats.

Technocrats cannot exist outside of what is usually called in the literature ‘clans’ or what you might prefer to define as informal power groups. Under the Soviet nomenklatura, such informal elite clans were defined as oboimas. These worked according to the following principle. There was a curator, the chief in the informal hierarchy of an oboima, and his people dispersed in the state apparatus. The chief of the network put his subordinates into positions of a deputy minister or a member of the Supreme Soviet, for example, and waited until their career paths would develop contributing to growth of the chief’s own administrative resource. Competition between patrons of each oboima meant a rivalry between clans. If a curator of a group climbed the hierarchy and his influence grew, the entire group was strengthened. A young member of a clan could not get a career lift without an advance of his clan. Today, the situation is identical. This means that such seemingly neutral technocrats in reality belong to a certain oboima, a certain elite group. Their neutrality witnesses only that they are weak players and are not leaders of these groups; they are no more than junior partners. Nobody cares about technocrats’ real ideological beliefs. They need to perform a certain function within the hierarchy. I suppose that many of the new generation of such technocrats in reality have a more liberal worldview compared to their senior patrons, providing that they do not have a background from the ‘Citadel’. This is because some of these younger technocrats received education in the West, they have travelled more and seen more of the world, and they have a more open attitude than the generation of Sechin. This younger generation of bureaucrats are more inclined to reform the Russian state. Yet because they are politically weak, their silence provides a guarantee that they will survive in this environment.

To trace the career paths of such promising technocrats can be very difficult. Take the example of Gleb Nikitin, a 41-year-old newly appointed governor of the Nizhny Novgorod region. I followed Nikitin’s career long before his appointment. I analyzed the composition of boards of directors for the largest Russian companies with state participation and made a database to produce simple ratings for Russian bureaucrats who occupied positions on boards of directors. My first hypothesis was that political heavyweights such as Igor Sechin or some ministers such as Victor Khristenko would be leaders of the rating. However, the actual result was striking. Gleb Nikitin, at that time an unknown young official, was the leader because he held positions as a board member of twenty-five of the largest Russian companies. I was bewildered because there was no publicly available biography of Nikitin at that time. Elite research was my specialization, and I knew nothing about him. I started to investigate and learned that Nikitin was Dmitry Medvedev’s doctoral student at St. Petersburg State University when the latter was employed there as a teacher. In 2005, when Medvedev was appointed as a first deputy prime minister, he recruited to Moscow fifty-five persons from St. Petersburg and Gleb Nikitin was one of them. Since then, his career has accelerated and I have no doubt that he has a promising future. In a similar vein, in the early 2000s I could predict the successful career of Elvira Nabiullina, although at that time she held only a modest appointment in the group that prepared Putin’s speeches for the Federal Assembly. Nabiullina’s membership on boards of directors of the largest companies was also disproportionately high in comparison with her official status."

Control over the state bureaucratic apparatus has been traditionally decisive for a successful political leadership in Russia. Mikhail Gorbachev, Boris Yeltsin, and Yegor Gaidar, all of them have fallen victims because of their uneasy relationship with the Russian bureaucracy. Has Putin won the trust of the state apparatus?

“Absolutely, he did it. Initially, when Putin moved to Moscow in 1996 he was a member of Anatoly Chubais’ group. Gradually, while working in the presidential administration, he won great respect in the apparatus. Putin speaks the same language as these people; he is a representative of the bureaucratic apparatus as Max Weber described it. Naturally, this presupposes that he should not demonstrate any brilliant talents or appear too much in the public; he needs to master intrigue, be ready for anonymity and depersonalization, and make staff appointments that will uphold the balance, and the like. Putin possessed all these qualities to such a degree that when he started to work
in the presidential administration, people began to speak about him in complimentary terms, that he was very strong and intelligent. He received the nickname of the ‘Chief’ (nachal’nik) and acquired a layer of devoted supporters. This was the result of Putin’s personal qualities. Very few leaders are capable of creating such a high degree of devotedness in their nearest circle of subordinates. In part, this trust of the state apparatus was bought by money. Under Putin, officials started to get very high salaries. When the State Duma approved salary lists for officials such as ministers, there was usually a list of additional benefits. When, for example, an official received 100,000 rouble as a monthly salary but there were twelve monthly salaries paid extra. Everybody thinks that an official earns 100,000 rouble while in reality he or she earns 1,200,000 rouble monthly. Because Putin stimulated the apparatus so much, the ordinary people acquired the impression of total corruption inside the bureaucracy, which is partly a false impression. Officials who work together with Putin are very wealthy people, but they acquired this wealth on legal grounds. However, because these huge salaries are not revealed the people believe that officials have stolen their wealth. Putin could not explain this in public because the average Russians would never comprehend this fact; they would just become extremely angry.

The same tactics of winning support were applied to leading oppositional politicians. It was easier to provide grants, awards, and benefits instead of getting involved in serious trouble with the opposition. The majority of oppositional leaders, including non-parliamentary opposition and non-governmental organizations, accepted such offers, and their criticism of the government and Putin became subsequently diluted. Only in a few cases did such tactics not work, as happened with the sociological Levada Centre.

**Putin’s successor: who will be the next president?**

If we look at how political power works in Russia from a long-term perspective, we might say that its historical developments have gone through cycles that have followed a matrix of a centralized Asian empire. Periods of centralization and stability of political power are succeeded by periods of systemic crises and disorder, as happened in 1991. Does Putin reproduce this old pattern or is he trying to create something new, to leave this vicious circle?

“For now, I have a strong feeling that Putin does not understand the matrix. I do not see in his policy a deep strategic thinking and understanding of these cycles. He thinks rather at a more pragmatic level, as a coach of a football team. We were a good team that could play well. Now, we have been getting older and need to leave the field for younger players. The name of the team is the same but the youth cannot master the play as well as we did. This is the greatest fear for him, that if a new team were to replace old players at the moment, the entire power system he built would collapse. This would be very dangerous for the new aristocracy and for their children, including Putin’s own family members. This is a matter of his personal security, to prevent a rapid and sharp generational change.

I am probably expressing an alarmist attitude of how the transition of presidential power in Russia will take place, but there are serious grounds for such alarmism. In Russia, a serious political crisis took place each time two criteria were met. The first one is the end of the reign of a ‘long tsar’ that usually meant a rivalry over who would be a successor. Stalin reigned for thirty years. Three years of bitter clashes between clans of his subordinates followed his death. Then, Brezhnev reigned eighteen years. A wave of mysterious deaths of his nearest associates accompanied his death, and the change in the leadership finally led to perestroika. From the point of view of elites themselves, perestroika was a tragedy that undermined the governability of the political system and meant great losses for elites. In 2024, Putin’s reign will have lasted twenty-four years, including his term as prime minister under Medvedev. The second criterion is the presence of a split inside the elites. It is barely visible to the public, but the split manifests itself occasionally, including Ulyukayev’s arrest or compromat leakages regarding Putin’s associates channeled through the oppositional politician Alexei Navalny. There are also conflicts between different branches of the security services, including arrests of high-ranking officers under different pretexts.

No doubt Putin is an intelligent person and he has studied the negative experiences of his predecessors. He understands that the team he recruited to power in the early 2000s is getting too old and altogether risks losing its leadership positions, as happened with Brezhnev’s team after his death. From his third presidency, Putin started to incorporate newcomers into his team. This recruitment of a younger generation affected regional governors, both chambers of parliament, the ruling party United Russia, the presidential administration, and the government. New people have been recruited to be trained for more responsible tasks in order to take over the state administration. Politicians who were born in the 1950s constituted the majority of Putin’s elite during his first two presidencies in 2000-2008. Today, we see another picture. The majority is constituted by...
people who were born in the 1960s. It is Dmitry Medvedev's generation. More and more representatives of the generation born in the 1970s have received appointments in the state apparatus.

Very few people in Putin's old guard have retained their formal status in the political hierarchy. As a rule, these associates received honorable appointments. This happened to Andrey Belyaninov, Boris Gryzlov, Viktor Cherkesov, and Georgii Poltavchenko. Putin has not repeated the disastrous experience of Yeltsin who tended to get rid of his former subordinates and threw them on the street. Some of Putin's old associates were incorporated into businesses, to lead state corporations, as happened with Igor Sechin, German Gref, and Sergey Chemezov. Some of these were appointed to specially created positions, like Sergei Ivanov, who became the president's special representative on environmental issues. In some cases, such associates disappeared only to the public while in reality they continued to retain a great degree of influence. An analysis of membership of the Security Council is telling. This authority works as a kind of successor to the old Soviet Politburo as a center for political decision making in Russia. There are permanent members of the Council, who receive their appointments due to high-ranking appointments such as the posts of prime minister or minister of defense, and there are ordinary members of the Council. This is an analogue to Politburo members and candidates to be Politburo members. I wondered for a long time about the fate of Boris Gryzlov, Putin's close associate, former minister of interior affairs, leader of the ruling party United Russia, and chairman of the State Duma. After 2011, he was not visible in the public space but remained as a permanent member of the Security Council. This was the first unique case of being just a permanent member without keeping simultaneously a high-ranking position in the political and administrative hierarchy. Thereafter, we learned that Gryzlov was entrusted with a special mission, to take on the strategic leadership regarding the political crisis in Ukraine. He was one of the first politicians who was affected by the Western sanctions. In 2016, when this story was over, he left his position as a permanent member. Today, we see that Sergey Ivanov continues to keep the same position, which does not correspond to his formal status. All of these facts tell us that Putin's associates leave the scene not because they perform their work badly or that Putin is dissatisfied with them. He and his team just understand that they need to incorporate a younger generation. Otherwise, the danger of a Brezhnev-like catastrophe might materialize. They need to prevent this.

There is a great contradiction regarding Putin's future role in the political system. Even though there is no reason personally for Putin to struggle for power, his old guard has a genuine interest in preserving the status quo and exercising pressure on him to stay. On the one hand, Putin himself is not interested in remaining in power after 2024 because this would entail huge loss in reputation for him. He expressed in public that he would like to live the normal life of an ordinary person. This is probably true. On the other hand, his old associates risk losing everything after his resignation. They can be declared as criminals and lose wealth, freedom, and even their lives. There are plenty examples in history illustrating that such things can happen. That is why the issue of Putin's presidential successor is of vital importance for elite groups, and that is why it creates a source of conflict and a split within the elites.

**Who will be responsible for the choice of Putin's successor?**

“No doubt Putin will make the ultimate decision, but the process of the selection will be a collective action. Representatives of Putin's old guard, including Sechin, Medvedev, Ivanov, and Chemezov, or minister of defense Sergey Shoigu and minister of foreign affairs Sergey Lavrov are serious heavyweights with large clans under their control. Theoretically, all these players might sit down at a table together and decide who will be a successor, but the reality is more complicated than that. Putin has a very difficult choice. He needs to introduce a young generation at the same time as he cannot enter into a conflict with his associates. Suppose Putin will choose a representative of a strong clan. Alternative groups will hate the future successor and the process of the power transition to prevent a war inside the elite while the successor's influence will be increasing. Yet unlike Yeltsin, Putin is not the kind of person who will entrust a new successor to the presidency and his personal security without retaining some control mechanisms, which would prevent a successor from breaking these guarantees in the future. He might wish to split the broad authorities of the presidency and temporarily move the center of the real power to the State Council, a quasi-parliamentarian organization that exists in Russia, which Putin might hypothetically have to preside over. Alternatively, he can retain the position of the supreme commander-in-chief of the Russian army. When Putin is secure in his choice feeling that a successor is capable to rule, he
will leave the political scene. A possible mistake with the choice of a successor might be very costly. It can lead to political turmoil, a transformation of the political system, and might jeopardize the personal security and lives of those in power in Russia.”

**How would you describe the qualities of a potential successor to Putin?**

“I think there are several criteria that a possible successor should meet at the current political moment. First, he needs to be an ethnic Russian. Second, he needs to have a Russian surname, which is not the same as being an ethnic Russian. There are a number of outstanding young politicians who have, for example, a Ukrainian surname, or something else. It is impossible right now to be a president of Russia without being a representative of the largest nationality. Third, there are limits in terms of age. To secure a long-term solution of the successor problem, he cannot come from the same generation as Putin’s generation born in the 1950s. Inevitably, this would be only a temporary solution that would not prevent a disorder inside elites. Not even Medvedev’s generation born in the 1960s will be an ideal solution because they will also be rather old by 2024. A long-term horizon of planning would require a younger candidate from the generation born in the 1970s. Fourth, the successor should be recruited from the ruling elite. You cannot take a candidate from zero and create his public image, nor can you give him experience of governance while supervising his actions. He already occupies an important administrative position within the state service. Fifth, a successor will be tested by reappointments from one service to another. It is one thing to work as a deputy minister, but it is quite another challenge to serve as a regional governor who meets the ordinary people. He needs to demonstrate the capability of being a universal politician, as a president should be. He should be able to balance between various elite and interest groups as well as the population, and he will be a public figure. Even his appearance should be attractive. This is also an important factor because people need to like their president; this is a politician who works for the public and has to speak properly, to be persuasive, and to be attractive. The list of hypothetical candidates in Russia who would be able to meet all these criteria is limited.”

This would probably be a naïve question within this context. How is it possible to reconcile the agenda of the presidential successor with the task to develop the country, to increase welfare for ordinary citizens and economic growth?

“Putin’s fourth presidency will be devoted to solving this main task of his successor because his personal life and security are at stake. All other factors are of secondary importance. A revolution, redistribution of property, a new alternative elite coming to the power, all would mean a catastrophe for the future of the current elite and their children. Regarding the development of the country, they relate to this issue like paying a visit to a theatre. If the play is good, they like it, if not, there is no catastrophe because the performance is poor. Development is a kind of an additional task. If Putin starts to speak about development seriously, this means that economic backwardness and the lack of growth are perceived as a danger for elite interests. However, development requires different kinds of elite actors with conceptual thinking, while siloviki are accustomed to ruling through issuing orders. Well-educated intelligent people are emigrating from Russia today, and it is unclear what human capital can be mobilized to create an environment that will stimulate development of the market economy and growth.”

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**References**

1. **Siloviki**, literally “people of power”, denotes representatives of the security and military services in the Russian bureaucracy, government, and business. In its narrow sense, the definition is also used to refer to Putin’s informal power network of St. Petersburg former security officers whom he recruited into the government in the early 2000s. The “liberals”, also the “system liberals”, are a part of the Russian bureaucracy and economic elites who gained strength in the 1990s during the process of privatization. They present themselves as advocates of a market economy and generally have a more Western-friendly attitude in foreign policy. It is a matter of interpretation to what degree the “liberals” represent political values of liberal democracy. There is also a liberal opposition in Russia, which is not a part of the government.

2. On the night on November 15, 2016, Alexei Ulyukayev was arrested in the office of the state-owned oil company Rosneft and was accused of extortion and receiving a two million-dollar bribe from Igor Sechin, the Rosneft CEO and former deputy prime minister of Russia. According to the official version, Mr. Sechin informed and acted on behalf of the Russian security services. In 2017, Mr. Ulyukayev was sentenced by a Russian court to serve eight years in prison.

3. The literal translation of *oboima* into Russian is “cartridge magazine”.

4. Anatoly Chubais, currently CEO of the state corporation Rosnano and former head of the presidential administration, was responsible for privatization in the 1990s. He is considered a patron of the strongest informal power network among the “liberals”.