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The Return of Putin Russia's Strongman Faces Major Challenges Ahead

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After four years of uncertainty regarding “whither Putin, whither Medvedev”—Russia and the world have finally got the answer. On September 24, the United Russia party convention held in Moscow's Luzhniki Stadium witnessed an elaborately stage-managed manoeuvre. In a series of speeches, Prime Minister Vladimir Putin and President Dmitry Medvedev spelt out the details of the 2012 plan. In his opening remarks, Putin suggested that Medvedev should head the United Russia list for the upcoming Duma elections in December and follow the practice that he had set in 2007. Medvedev in his address accepted the suggestion and in turn requested the delegates to “support the candidacy of party Chairman Vladimir Putin as the country's President.” The move all but formalizes the return of Putin to Kremlin as President after the elections in March 2012.

Medvedev's renunciation (either forced or voluntary) was just as unique as the manner in which he took over as the third president of the Russian Federation in 2008. His ascension to the top post was, perhaps, the first instance in the history of Russia that a peaceful transfer of power took place even as the outgoing leader, Vladimir Putin, was at the peak of his power, influence and popularity. In fact, Putin was so powerful that anyone endorsed by him was guaranteed of victory. He chose Medvedev and in the elections, Medvedev got about 71 per cent of the votes, comfortably defeating his opponents—Communist Party's nominee Gennady Zyuganov, Vladimir Zhirinovskiy of the Liberal Democratic Party and Andrei Bogdanov from Democratic Party of Russia. When Medvedev moved to Kremlin, Putin became his Prime Minister and retained his predominant position in the Russian political system.

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With the announcement of Putin's return to presidency, the days of dyarchy are drawing to a close in Russia. Throughout the Medvedev presidency, most notably in the past one year, both Putin and Medvedev gave vague signals about their future plans, never once revealing their true intent. Medvedev had indicated that he was interested in another presidential term yet he categorically asserted that he would never run against Putin. Putin was more cryptic and on one occasion quipped that “neither of us (Medvedev and himself) rule out the possibility that either of us may take part in the election campaign.” Once he remarked that he would decide which of them would contest the elections after deliberations with Medvedev. Yet during the United Russia convention, Putin stated that “an agreement over what to do in the future was reached between us several years ago.” Medvedev concurred, “We really discussed this possible turn of events at the time when we formed our comradesly union.” If this revelation is indeed true, it gives credence to the allegation that the Medvedev presidency has been an elaborate charade to conform to the letter of the constitution and that he was merely a place-holder for Putin—something that totally diminishes the stature of the already lame-duck president.

There are several observers who doubt the veracity of the claim that the future plans were decided in 2007 itself. According to Igor Bunin, President of the Moscow Centre for Political Technologies, “Medvedev started bargaining with Putin for concessions only recently, which included the post of Prime Minister and possibly nominal leadership of United Russia.” Stephen Sestanovich makes another interesting observation. In his view, it is quite possible that “what was really agreed to in advance was that Putin could come back if he wanted to. Medvedev had the opportunity to persuade Putin that he should not run for the presidency again. But, he obviously failed to make the case.” There have been some indications that Putin was mulling over retirement under right conditions. For over a year now, there have been reports that he was suffering from fatigue. A US Embassy cable from Moscow titled 'Questioning Putin's Work Ethic', authorised by the then US ambassador, John R. Beyrle, revealed that Putin resented or resisted his workload. He appeared to be no longer interested in performing the routine chores of Prime Ministership. The cable also discussed Putin's “fatigue,” “hands-off behaviour” and “isolation” to the point that he was “working from home.” It gave the picture of a Putin who was more than willing to retire. But until now, he remains the only person “capable of arbitrating between the Kremlin's rival factions, who are locked in a permanent and exhausting battle for money and influence. Without him, the system would fall apart.” Analysts like Nikolai Petrov of the Carnegie Moscow Centre point out that Putin could not leave now without facing a real threat to his property or even his life, and therefore he would remain at the helm until someone could guarantee his protection.

An overview of the Medvedev presidency will show that the Putin-Medvedev team have worked remarkably well, considering the fact that Russia never had multiple power centres. The country normally had a Czar-like figure, who was the supreme authority and final arbiter of competing interests. But when Medvedev became President, Russia ended up with twin power centres, often referred to as the 'Tandem'. The power-sharing agreement within the tandem has no constitutional explanation and it is informal in nature. The Russian constitution does not use the term Prime Minister—it provides for a Chairman of the Government of the Russian Federation, to be appointed by the President with the consent of the Duma. However, since Putin took over as Prime Minister, there has been a qualitative shift in the stature and

functions of the Prime Minister. In fact, in a press conference given in February 2008, just before the elections, Putin announced that he will stay on as Prime Minister for as long as Medvedev is President, even though it was a choice to be made by the President. Just before assuming the office of Prime Minister, Putin became the Chairman of the United Russia party which has sufficient strength in the Duma to impeach the President. Before he demitted office, Putin also made some changes to the functions of the Prime Minister's office.

For instance, nearly 500 tasks involving purely technical issues like defining the format of documents to be used in administration were delegated to individual ministries away from the Prime Minister's office so that the Prime Minister did not have to bother with such trifling issues. A separate press service department and protocol department was set up in the Prime Minister's office. Putin also transferred the power of assessing the annual reports filed by the governors from the presidential administration to the Prime Minister's office. Perhaps another indication of Putin's intention to return to the Kremlin was the extension of the presidential term from four to six years, which was signed by Medvedev in December 2008.

Since Medvedev took over as President, there has been speculation about differences between him and Putin. However, throughout the Medvedev presidency, there have not been any significant instances of disagreements or clash between the two leaders. While Putin and Medvedev may not have agreed on every conceivable issue, there were no irreconcilable differences between the two leading to a rupture of the tandem. In fact, both Putin and Medvedev share the same vision on Russia's future; they both agree on the necessity of modernisation for Russia to survive and prosper as a successful state. The divergence was often regarding the pace of modernisation. Medvedev appeared to favour a somewhat swift process, while Putin has forever been cautious and guarded.

Secondly, Medvedev and Putin were often speaking to diverse constituencies when they appeared to be making contradictory statements. On most occasions, they were simultaneously feeding two different audiences both in Russia and abroad. Putin has cultivated an image of brutal machismo to speak to the ordinary, simple Russian citizen, while Medvedev, the strict manager and lawyer, appealed to the intelligentsia and the business class. Therefore, while the tandem may have had differences in the details of its course, the wider course has always remained the same. For instance, on a number of critical international as well as domestic issues, Medvedev has reacted in a conservative manner “in a similar vein to that of Putin. His language, though often delivered in a less dramatic way, is as vivid as Putin's.” On the Georgian war; stand on NATO; policies on Ukraine and Belarus; gas disputes; and most notably on terrorism, Medvedev has strikingly similar views with Putin.

Thirdly, it should also be noted that while the focus is always on Putin and Medvedev as the heads of the tandem, there are a number of senior officials operating under them; most of who have remained unchanged and continue to hold office for several years and this situation is likely to endure. When Putin left the Kremlin in 2008, he ensured that Medvedev's administration was filled with his trusted allies. The situation has endured and as a result, the lower levels of the tandem have remained by and large same. Reshuffles were few and far between, and even when they occurred, most of the prominent officials were

retained with minor changes in portfolios. Similarly, new appointments to key posts have always been made jointly by Putin and Medvedev. Some of the notable examples are Sergey Sobyenin, the Mayor of Moscow (who replaced Yury Lushkov), Alexander Voloshin (Head of the Moscow International Financial Centre) and Alexander Khloponin (Deputy Prime Minister and envoy to North Caucasus), and Alexander Bastrykin (Head of The Investigative Committee of Russia). However, there are also instances where Medvedev has made decisions that may not have been entirely to the liking of Putin. Medvedev blocked the construction of a multibillion-dollar highway through the Khimki forest, which had Putin's support. There was also some difference of opinion between the two on the fate of Mikhail Khodorkovsky, once Russia's richest man. He was arrested in 2003 and then sentenced in 2005 on charges of tax evasion. His incarceration is widely seen as the result of disobeying Putin's diktat that so-called oligarchs stay out of politics. In December 2010, Putin while answering a question on Khodorkovsky stated that the place of a thief is in jail. In less than a fortnight, Medvedev gave a different point of view on the issue: "Neither the president, nor any other official in state service has any right to express a position about this matter before the sentence is delivered," admonishing the Prime Minister. Medvedev also publicly disapproved of Putin's characterisation of the NATO intervention in Libya as crusade. Another such example was Medvedev's order that government officials shall step down from the boards of public sector units. It was alleged that the move was aimed at Igor Sechin, Deputy Prime Minister and head of the oil company Rosneft. Sechin, known to be very close to Putin, stepped down from the board of Rosneft after the presidential directive.

Increasing differences between the coterie surrounding both Putin and Medvedev may also have added to some tension in the tandem. Medvedev's spokesperson Natalia Timakova and his wife Svetlana Medvedeva were rumoured to be pushing the President to chart an independent course. Timakova once commented that Medvedev could not complete his programme of "modernising" Russia in just one term. Similarly, two of Medvedev's close supporters, Igor Yurgens, Director of the Institute of Contemporary Development and Yevgeny Gontmakher from the Institute of Global Economy and International Relations, jointly wrote an article titled 'The President Must Make His Presence Felt' in *Vedomosti* urging Medvedev to declare his candidature and challenge Putin. They suggested that if Putin came back, it may lead to an economic crisis and social tensions in Russia. It looked like an attempt to "pre-empt Putin's likely private chat with Medvedev to sort out between themselves who is going to run, and force him to endorse Medvedev as his own choice for President or repudiate his protégé with public arguments as to why Medvedev does not deserve a second term."

The scenario of going against Putin, however, laid bare Medvedev's limitations and his inability to be an independent player in the Russian political scene. Even after 40 months in the Kremlin, Medvedev failed to install a team of his own. Though he made some personnel changes of his own, a majority of the key positions in the federal and regional administration are manned by Putin protégés. As pointed out by Olga Kryshchanovskaya, Medvedev has been a President without a team, surrounded by Putin's men who occupy practically all (95 per cent) positions of power as of now, leaving Medvedev's men with less powerful positions. Since he was "unable to encroach on the interests of Putin's men occupying positions of power, Medvedev had to concentrate on rejuvenation of the second and third echelons of state power and regional elites," leaving his administration under the control of Putin loyalists. Medvedev also could not build up a

war-chest to finance an independent campaign. Some observers peg the cost of running a Russian presidential race at US\$1.5 billion. Medvedev has no political parties or movements owing allegiance to him, a major handicap for a politician. Though the United Russia announced Medvedev to head their Duma list, it was done at the behest of Putin. Putin, during his presidency, developed and nurtured United Russia as his own political party that ensured his control of the Duma and the Federation Council. Medvedev was also handicapped by his lack of experience in the “silovye struktury” - the security services. The siloviki is one of the most influential clans in the Russian political system and Putin, with his background, has enjoyed their support. Finally, Medvedev has forever been known as a Putin protégé and therefore, an independent run remained an idea which never took off.

The disappointment of some of Medvedev's closest advisors was evident after it was made clear that Putin was returning to the Kremlin. Yurgens commented, “Their (Putin and Medvedev) smiling announcement that they already had it in their heads for a long time was humiliating. The rational explanation is that Medvedev was under pressure, and the stronger and more influential Putin got the upper hand.” He termed the announcement a “slap in the face” for Russian intellectuals. Arkady Dvorkovich, another close aide of Medvedev wrote on Twitter that there was “no cause for celebration” in the announcement that Mr Putin was to return to presidency.

The turn of events has therefore proven that the tandem was never really a tandem. The return of Putin reinforces this fact. Even as Putin was holding an office subordinate to Medvedev, he remained the most popular and powerful person in Russia, securely backed by the overwhelming majority the United Russia party held in the Duma. In a way, Putin never actually left, as he was always involved in key policy decisions. As pointed out by Matthew Rojansky, it is “important not to look at Medvedev as a Putin rival. That is not how he came to power. Medvedev was selected by Putin because he was trusted for his unswerving loyalty. This could have changed in the last four years, but more likely Medvedev and Putin maintained a close relationship and eventually reconciled on this decision.” An editorial in Gazeta.ru perfectly summed up Medvedev's decision: “That Medvedev didn't turn down a continuing part in political life but turned down authority altogether speaks to the fact that he never had either authority or his own vision.” An interesting indicator of Putin's primacy has been the manner in which the US diplomats over the years depicted the tandem. In cables made public by Wikileaks, Medvedev has been described as Robin to Putin's Batman, Louis XIII to Putin's Cardinal Richelieu and even as the Lilliputian to Putin's commander-in-chief.

As far as Putin's third term is concerned, one need not expect major changes, both on the domestic front and the foreign policy domain. Now that it is clear that Putin pulled the strings during Medvedev's term, it was essentially Putin's policies which were implemented.

Russia continues to face multiple challenges. The country's “dependence on natural resources, a predatory ruling class, ebbing international influence, collapsing infrastructure, a vast exodus of capital and qualified people” are challenges Putin needs to tackle. The dependence on natural resources, especially oil and gas, is a fundamental problem of the Russian economic system. The crisis is accentuated by the slow pace of modernisation which requires infusion of modern technology for which it is reliant on the West. Russian

economy is expected to grow by 4.3 percent in 2011 but this is contingent on oil prices being at US\$ 100 per barrel. Economic planning on the basis of something as volatile as global oil prices will be very difficult to sustain in the long term. Similarly, so long as the oil prices remain high, the motivation for diversification of revenue resources and modernization is negligible. Coupled with the reliance on commodity prices, Russia also faces widespread corruption, which by the estimates of the presidential administration costs the country approximately three per cent of its GDP every year. Corrupt and ineffective bureaucracy, lack of accountability and transparency are other systemic factors that stymie Russia's growth. The enormous clout wielded by state-owned enterprises like Gazprom and Rosneft are also a cause of worry. Such behemoths are controlled by politicians belonging to different clans and promote opaque corporate governance practices, hindering the growth of vital sectors.

Similarly, the “Russian legal system is widely seen as one in which judges act under direct government orders, setting aside legal rules for political ends.”¹ As Putin prepares to take charge in 2012, Russia needs to permit “more competition of ideas and policies, and reduce the state's distorting role in the economy if it is to return to the five per cent-plus annual growth it needs to catch up with the world's advanced economies and promote institutions of genuine pluralism.” Being the pragmatic politician he is, “Putin may yet surprise the doubters by moving in this direction. But that would mean dismantling central elements of the very system he put in place in his previous eight-year presidency.”²

Russia also faces a looming demographic crisis. A nationwide census carried out in October 2010 showed that Russia's population fell to 142.9 million from 145.2 million in 2002, when the last census was taken, and from 146.3 million in 2001. The 2010 census shows that the economic boom that Putin presided over as Kremlin chief from 2000 to 2008 has had little impact on Russia's dire demographics despite Moscow's attempts to increase birth rates. The census data showed Russia's already sparsely-populated Far East had declined the most, with the population falling six per cent from the last census to 6.291 million as young people move to bigger cities in search of jobs. Such an alarming scenario is sure to test the mettle of even someone as strong as Putin.

On the foreign policy front, the dismay shown by the Western media and the opprobrium it poured on Putin after the September 24th announcement appears to be a case of uninformed overreaction. Several Western observers lamented that with Putin's return, the West's relationship with Russia, especially the much vaunted reset with Russia is going to suffer. However, if Putin was indeed the man who was pulling the strings during Medvedev's presidency, it is amply clear that the reset in foreign policy was done with his approval and therefore, it will continue. As mentioned earlier, all the major foreign policy decisions taken by Medvedev had Putin's concurrence. Perhaps Putin's “disregard for political correctness and his offbeat sense of humour” may ruffle a feather or two, but the core policies will remain the same. “As for high-minded values and ideas, to which Putin is particularly allergic, global developments suggest that they will gradually recede into the background and be replaced by considerations of survival and damage control.” Fyodor Lukyanov argues that ties with Europe, which practically lost all substance under Medvedev are likely to improve, especially with new economic alliances with potential political consequences. Similarly, the personal factor is likely to bolster interaction with Asia, “where statesmen appreciate an opportunity to

deal with the real boss. As a geopolitical expert, Putin will place more emphasis on the risks of Asia's rapid development than Medvedev, who has repeatedly emphasized the East's potential role in Russia's modernisation.” Meanwhile, several business analysts and leaders have welcomed Putin's return, arguing that it sends a positive signal to foreign investors. The “reunification of power in the Russian President in both title and practice creates a more predictable long-term outlook for companies.” For instance, Clifford Kupchan argues that Putin's decision to return will reinstall a leader with the power to implement decisions and end an increasingly dysfunctional dyarchy.

Under the circumstances, the return of Putin to Kremlin seems to be the best possible of the several scenarios predicted. Putin remains the most popular and trusted leader in Russia by a large margin. His return removes the uncomfortable situation of multiple power centres associated with the tandem and ensures political stability. Putin has unmatched skills as the arbiter among the warring elites in Russia. As the person who restored the national pride after the dark days of Yeltsin, he commands enormous respect in Russia. The flipside to all these is the fact that for a modern nation, Russia is woefully short of institutions and personality cults cannot endure forever. It remains to be seen whether Putin can address Russia's reliance on export of natural resources, corrupt bureaucracy, collapsing infrastructure, and finally its demographic crisis.

As this issue went to print, the results of the Russian Parliamentary elections came in. The ruling United Russia party suffered significant losses, but initial expert assessments suggest that this would not significantly affect Putin's chances in the March Presidential elections. His primary goal will be to secure 50 percent + one vote in March. This will ensure that the election does not go into a second round run-off between the top two candidates. Given the December 4 election results, this does not appear to be a problem – United Russia got a little less than 50 percent of the vote, while its perennial supporters – the Just Russia party and The Liberal Democratic party have over 20 percent of the votes. The Communists got close to 20 percent with the remaining votes going to three parties that will not be in the Duma having failed to cross the 7 percent barrier needed to secure seats in the 450-seat Duma.

There is little doubt that the parliamentary election results and subsequent anti-government protests will force a change in Russian politics. The question is: in what direction and at what pace?

ABOUT THE AUTHOR

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Endnotes

1. *The New York Times*, Oped: 'Russia's Courts of Last Resort', Aug. 4, 2011
2. *Financial Times*; editorial; Sept. 25, 2011

APPENDIX

RUSSIAN PRESIDENTIAL ELECTION RULES

According to Article 81 of the Constitution, a citizen of the Russian Federation who is 35 years and above and has resided in Russia for not less than 10 years, may be elected President of the Russian Federation.

The power to call the election is vested in the Federation Council of the Russian Federation. It shall be done not earlier than 100 days and not later than 90 days before voting day.

After the formal announcement of the elections, about six weeks is given for filing nomination papers. Within ten days of each candidate's filing, the Electoral Commission may confirm or reject the nominations. A candidate whose nomination is rejected by the Election Commission has the right of appeal to the Supreme Court, which must consider the appeal within five days.

According to Article 6 of the Constitution, presidential candidates may be nominated by voters, political parties (qualified by Federal Law No. 95-FZ "On Political Parties"), by electoral blocs or by way of self-nomination.

A political party can nominate a candidate provided it has elected members in Duma. A party without members in the Duma can also nominate a candidate if that party is legally registered, satisfying a set of tough requirements. For registration, a party should have a minimum of 50,000 members, branches with no less than 500 members in more than half the subjects of the federation and at least 250 members in the remaining regional branches.

For a party with Duma representation, a party conference shall be held within 25 days of the announcement of the election to nominate a candidate. The party conference shall choose a candidate by secret ballot and then submit the nomination papers to the Central Electoral Commission. It should provide information about the candidate's citizenship, employment status, property and income. Still, the final eligibility of the candidate is subject to the approval by the Central Election Commission.

A party which is registered but without a Duma representation, can nominate a candidate with the signatures of two million registered voters. No more than seven per cent of these signatures can be from any one of the 89 regions of the Federation. In this case also, the final power of authorization rests with the Election Commission.

For a candidate to contest the elections as an independent, the procedure is again cumbersome. The candidate needs to form a Supporters' Group and get the approval of the Election Commission with the Central Electoral Commission within 20 days of the notification of the election. If the Supporters' group is approved and the eligibility of the candidate is confirmed, then he will have to submit a nomination petition with signatures of two million registered voters and get his candidacy confirmed by the Central Electoral Commission.

The presidential election requires a minimum turnout of 50 per cent of the registered voters to be valid. To win, a candidate should secure an absolute majority of the votes polled and in case none of the candidates meet this requirement, a second round of run-off elections will be held within three weeks. In the run-off elections, only the top two candidates will be permitted to contest. Till the 2004 elections, there was the option on the ballot paper for voting 'against all'. This was abolished in the new electoral law in June 2006 by the Duma, a move opposed only by the communist party deputies.



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