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Russian Politics Under Putin

The System Will Outlast
the Master

Gleb Pavlovsky

Between 1996 and 2011, I served as a consultant to the Kremlin, advising Russian Presidents Boris Yeltsin, Vladimir Putin, and Dmitry Medvedev. And yet even I can hardly claim to understand the real mechanisms of power in today's Russia. In the past few years, the country has reached a level of dysfunction that has pushed it to the brink, threatening its very existence. Ill-conceived military adventures, poor decision-making, and political skullduggery—sometimes of the lethal variety—have wreaked havoc on Russia's economy and led to international isolation.

Some have concluded that the problem is simply one of autocracy, that there is no longer any distinction between the Kremlin and Putin. As Vyacheslav Volodin, a high-level domestic policy aide to Putin, has publicly said, "While Putin is there, so is Russia; once Putin is gone, so is Russia." This conception of Putin as sole sovereign has developed only gradually. In a 2002 census questionnaire, Putin described himself as "an employee working in management, providing services to the people." Today, he has eschewed that modest image and

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embraced a cult of personality: portraits of Putin appear in many Russian homes, and busts of Putin crowd department store shelves. This aesthetic of dictatorship encourages the idea that the Russian state is Putin's property.

The trouble with that diagnosis is that it cannot explain Russia's recent erraticism. Putin is hardly a mysterious figure; his biography is well known. And his many opponents, despite their best efforts, have found no Machiavelian depravity in Putin's character. His hypocrisy and penchant for gambling are fundamentally rational and devoid of eccentricity.

So if the Russian state were nothing more than an extension of Putin, how would one explain the reckless decision to invade and annex Crimea in 2014 or the risky military intervention in Syria that Russia launched last year? If Russia were a pure autocracy, such actions would suggest a leader with a personality like Stalin's or Mussolini's. But there are no evil geniuses in the Kremlin today. Rather, powerful figures such as Sergei Ivanov, Putin's chief of staff; Vladislav Surkov, Putin's chief adviser on political strategy; and even Putin himself are more akin to experienced, competent bureaucrats, generally able to exercise administrative control, even if they act mostly in their own interest.

The reality, as attested by the past two years of chaos, is that despite his image as an all-powerful tsar, Putin has never managed to build a bureaucratically successful authoritarian state. Instead, he has merely crafted his own version of *sistema*, a complex practice of decision-making and power management that has long defined Russian politics and society and that will outlast

Putin himself. Putin has mastered *sistema*, but he has not replaced it with “Putinism” or a “Putin system.” Someday, Putin will go. But *sistema* will stay.

PUTIN’S PENTHOUSE

The first version of Putin’s system was called “managed democracy,” and it lasted from when Putin first won office, in 2000, to 2012, the final year of Medvedev’s four-year stint as president, during which Putin still exercised a great deal of power and authority. During that 12-year period, decisions were made at the very top and passed down a “power vertical,” moving from the federal level down to the regional and local ones. In those days, we talked about an “administrative market,” because presidential or prime-ministerial decisions were securities that had a quantifiable value. Consequently, they could be resold or reassigned.

In 2010, for example, Medvedev decided to create a public-private hybrid corporation to develop tourism in the North Caucasus. A coalition of state-owned banks, regional authorities, and local businesses swarmed around the project, which received around \$2 billion in initial government funding and was projected to attract another \$13 billion in private investment. Medvedev arranged for Akhmed Bilalov’s appointment as board chair of the new corporation; at the time, Bilalov was also vice president of the Russian Olympic Committee and overseeing preparations for the 2014 Winter Olympics in Sochi. But when Medvedev and Putin switched offices in 2012, with Putin returning to the presidency and Medvedev becoming prime minister, Putin reasserted himself and conducted a purge of sorts. He criticized Bilalov for delays in Sochi

and had him sacked from both his positions; a criminal investigation of him soon emerged, and he fled Russia. The hoped-for investments in the North Caucasus project never emerged. Today, the corporation is developing just two ski resorts in the region. Those who participated in other commercial projects during Medvedev’s presidency suffered huge losses after Putin returned to office, and they had to go to great lengths to make sure they had not overstepped any boundaries and would not be put on trial. Putin has told friends that one billionaire, after receiving assurances that his access to the Kremlin would be maintained, crawled on his knees from the door of the presidential office to Putin’s desk. Not expecting that, Putin was amused.

While managed democracy lasted, wealthy players knew that once a contract, sale, or merger of theirs reached a sufficiently high level, it was time for them to see Putin to explain the project. If Putin accepted it, they were told that his agreement was “placed on deposit.” Yet in his third presidential term, Putin added a layer of uncertainty to this process by extending the power vertical, building a higher level that he alone occupies: a private penthouse. Today, he is only “kept up to date with the situation,” as his press secretary, Dmitry Peskov, usually reports. Those who meet with Putin leave with only a vague idea of what they are supposed to do. They try their best to remember every word Putin said, so that one day, they can quote him. Those words are the only license they have.

NO ONE TO SAY NO

This new governance style relies on indirection and interpretation rather than command and control. Approval

for any particular proposal takes the form of *otmashka*, which can be translated as “go-ahead,” implying not so much an order as a license to act in a desired direction. *Otmashka* is granted to projects that the Kremlin deems *priemlemo*, an increasingly common term that means “acceptable” rather than, say, “satisfactory” or “excellent”—a word choice meant to imply a certain indifference to details.

Kremlin critics complain about a “Moscow autocracy,” but how can minions do their jobs when it is not clear what the autocrat really wants? The bottom and middle of Putin’s power vertical are always in search of the top, like Pirandello’s six characters in search of an author. That is why today, significant actions on Russia’s part rarely stem from Kremlin directives but rather result from a sort of contest among Kremlin-related groups, each seeking to prove its loyalty.

This dynamic has been on display in Ukraine. Although the annexation of Crimea involved a precisely planned military operation, Russian action in Ukraine since then has lacked coordination. Beginning in early 2014, a number of Russian groups with various interests and strategies became active in the conflict in the Donbas region of eastern Ukraine, which pits pro-Russian separatists against the government in Kiev. Ukrainian businessmen turned politicians who had long been close to the Kremlin sponsored and encouraged early protests in the region against the central government in Kiev. Grandees of Putin’s entourage, such as the billionaire financier and self-described “Orthodox patriot” Konstantin Malofeev, allegedly bankrolled pro-Russian separatist militias.

And throughout 2014, thousands of individual Russian volunteers crossed the virtually nonexistent border to join anti-Kiev militias. Putin could simply say: You can’t stop the guys; they’ll get there by themselves anyway. Give the lads some protection, but make sure things don’t get out of hand.

Were such remarks directives? Not from Putin’s perspective.

Putin never reveals his goals. The most minute maneuvers take the form of special operations in the Kremlin, as officials theatrically seek to hide the obvious. Today, for instance, they are concealing their preparations for the 2018 presidential election. Putin considers his succession of Yeltsin in 2000 as something of an ideal political operation, equaled perhaps only by the annexation of Crimea. The same team that engineered the succession and Putin’s subsequent elections is still governing Russia. Transformed from a campaign committee into a presidential entourage, the team has changed only marginally in its composition. These are people who have never once told Putin, “You can’t do that.” Putin does not consult them for strategic advice, preferring to discuss the particulars of special operations. At meetings, he asks specific questions of his subordinates, and they supply answers; there is no larger discussion. His decision-making has become almost purely reactive. It is based not on goals but rather on current threats. There will always be more threats, the thinking goes, so why discuss future ones when you have to deal with the current ones?

CURATION NATION

An important feature of Putin’s rule is the presence of what are known in the



My buddy and me: Ramzan Kadyrov and Vladimir Putin in Grozny, October 2008

Kremlin as “curators,” semiofficial figures through whom state governance flows. A curator is a political bureaucrat, a project manager authorized by the Kremlin to operate through personal agents. The curator is not publicly responsible for his agents’ actions, and the agents follow his instructions only as long as they benefit from doing so. If a curator meets resistance, he is free to punish the recalcitrant party, either through bureaucratic means or by replacing him with another agent.

The trouble with curators is that it’s far easier to set them loose than to rein them in. Consider the Donbas conflict. Putin allowed a number of curators to send fighters over the border to join pro-Russian militias. But by the summer of 2014, when a militia apparently shot down a civilian Malaysia Airlines jet over Ukraine, killing nearly 300 people, it became clear that Moscow needed to scale back its involvement in

eastern Ukraine; the costs and risks were growing too large. Putin found, however, that it was easier to give a curator a go-ahead to advance than a go-ahead to retreat. Chechnya’s strongman ruler, Ramzan Kadyrov, proved able to bring all his fighters home as soon as it seemed as if Putin wanted to dial down the fighting. But the curators proved unable to do so, and many fighters stayed put far longer than Putin wished.

Curators also create jurisdictional conflicts by stepping on one another’s toes. In the aftermath of the Malaysia Airlines crisis, Putin gave Surkov temporary diplomatic authority to restore order in the Donbas—another new curator. As a result, during the talks in Minsk that produced a formal Donbas truce in early 2015, Surkov wound up playing as important a role as Russian Foreign Minister Sergey Lavrov, which led to tension between the two influential Putin men.

More generally, Lavrov finds himself in a difficult situation. Foreign policy is Putin's domain, and Lavrov is mostly Putin's personal ambassador, one who can be dispatched and recalled. Once called back to Moscow, he no longer represents anyone. So although Lavrov wants the Minsk agreement to hold, so that the situation in the Donbas does not spiral out of control, an atmosphere of military escalation would actually bolster his position. Indeed, the conflict in Ukraine turned Lavrov into a nationally popular figure. Then again, that is not a particular safe status in Putin's Russia. After the Medvedev experiment, Putin decided there would be no more seconds-in-command.

THE SISTEMA IS BROKEN

In her 2013 book, *Can Russia Modernise?*, the political theorist Alena Ledeneva applied the term *sistema* to contemporary Russian governance. During the Soviet era, that word referred to the relationship among the state, the Communist Party apparatus, and the people. Ledeneva defined the term more broadly, writing that its meaning was "elusive" but suggested "the paradoxical ways in which things get done in practice—adhering to official rules and formal procedures but also following unwritten codes and practical norms."

I have used the term in my own work, as well, and I define *sistema* as a style of exercising power that turns the country's people into temporary operating resources, against their wills and in breach of their rights. *Sistema* is a deep-seated facet of Russian culture that goes beyond politics and ideology, and it will persist long after Putin's rule has ended. *Sistema* combines the idea that the state should

enjoy unlimited access to all national resources, public or private, with a kind of permanent state of emergency in which every level of society—businesses, social and ethnic groups, powerful clans, and even criminal gangs—is drafted into solving what the Kremlin labels "urgent state problems." Under Putin, *sistema* has become a method for making deals among businesses, powerful players, and the people. Business has not taken over the state, nor vice versa; the two have merged in a union of total and seamless corruption.

In this version of *sistema*, a government minister who does nothing but give his staff a directive and oversee its implementation is considered an idler. To do his job properly, he must involve some "real" people—that is, he has to open things up so that private interests and powerful individuals can profit in some way. Thus, "orders" become "deals"; in Putin's *sistema*, governance requires the temporary appropriation of the state regulator by groups of players. While participating in this game, a player may alternate his roles, moving from private entrepreneur to law enforcer, while continuing to benefit from the deals. *Sistema* can often work quite well, at least in the short term. In 2010, Anatoly Serdyukov, who served as Russia's defense minister from 2007 to 2012, launched a \$430 billion reform program that involved notorious instances of corruption but that also successfully modernized the Russian armed forces.

Sistema is perhaps most visibly embodied by the Federation Council, the upper house of Russia's parliament. The council is essentially a club whose members consist of institutional, regional, and business interests that set up

competing “projects.” A winning project transforms a council member into a temporary monopolist who in turn distributes some of the spoils to many smaller beneficiaries. Russians are sincere in their denunciation of corrupt officials, and yet they defend and take pleasure in the paternalist comfort of *sistema*. They are proud of its maneuverability and flexibility: you can always find a way to get something done.

STATE-SPONSORED COMEDY

Sistema is flexible, but there is one constant: a ruling team that protects its grip on power. The electoral system in Russia is well developed and highly sophisticated. It is also completely useless. Elections are separated from the process of endowing the state with power; they amount to nothing more than an expensive ritual.

Take, for example, the way that regional gubernatorial elections work. Putin approves a candidate, following internal negotiations within the Kremlin; assessments by the regional curator; and dealmaking among cabinet members, local businesses, and alternative candidates who are given assistance with their business problems in exchange for staying out of the way. The anointed candidate’s campaign headquarters is formed by a regional curator. Sometimes, the campaign is conducted “over the candidate’s head,” as the saying goes in Russia. Local businesses compete with one another, trying to express their loyalty to the candidate as convincingly as possible. Their motivation is simple: the threat of losing what they have, be it a retail business, a meat processing factory, or construction contracts.

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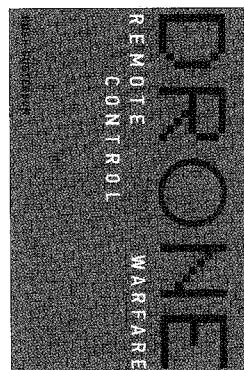
CHINA'S NEXT STRATEGIC ADVANTAGE

From Imitation to Innovation

George S. Yip and Bruce McKern

“... an eye-opening book about the startling growth of innovation in Chinese companies. Using hundreds of cases, they leave no doubt that China is now a major force in innovation with an increasing global reach. The case that engagement with the Chinese system is essential for business success in the coming decades is compelling.”

—A. Michael Spence, Nobel Laureate in Economics, 2001

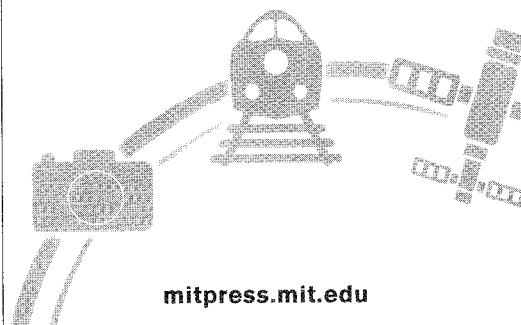


DRONE

Remote Control Warfare
Hugh Gusterson

“Gusterson makes it clear why we don’t speak clearly about drones. Only by muddying the waters can we bear to acknowledge what we have invented: a new and oddly intimate waystation in the mechanization of death.”

—Sherry Turkle



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However absurd this system may be, no governor is going to complain about it publicly. It is a state-sponsored comedy, crucial to maintaining Putin's aura of legitimacy by justifying his right to perpetual reelection. When Putin was first elected president, in 2000, he won just under 53 percent of the vote. To borrow from Max Weber's classic categories of authority, Putin's legitimacy at that point stemmed from the "rational-legal authority" bestowed on an elected leader. But over the years, Putin also began to draw legitimacy from what Weber called "charismatic authority." (As Weber wrote of the charismatic leader: "Men do not obey him by virtue of tradition or statute, but because they believe in him.") For a long time, Putin enjoyed a hybrid form of legitimacy that combined those two kinds of authority; many Russians came to see him as possessing an almost magical ability to win office for any term and at any time.

That image is being severely tested today, as ordinary Russians begin to feel the effects of a failing economy and a falling ruble. What is more, the state has begun to extract money from the people through a proliferation of new fines, including new road tolls and penalties for taking part in unauthorized rallies. It's hard for a leader to preserve his charismatic authority when his government turns into a glorified fine-collecting machine.

NO RETREAT, NO SURRENDER

At the beginning of the Putin era, the Kremlin bet on raw materials and won. Everyone knew that making Russia's economy more reliant on rising energy prices was risky and would probably lead to a dead end in a decade or two,

but no one was worried too much about the future. And when prices inevitably began to fall, *sistema* responded to the threat by escalating, rather than retrenching, and finding new "urgent state problems." (One of the ironies of *sistema* is that despite the fact that Putin hates disorder, he is sometimes forced to manufacture and sell it.) When controlled emergencies could not be ginned up inside the country, foreign adventures sufficed: first Ukraine, then Syria, and now tensions with Turkey.

But the Donbas conflict revealed the difference between *sistema* and a genuinely functioning system of state institutions. Moscow had the full support of the Russian-speaking local population to build a separate state, but it failed to do so. Whenever the need arose for a managerial decision, key figures fell out of the picture. And if someone did manage to make a decision, no one was able to implement it. By the middle of 2014, as Western sanctions began to bite, it became clear that Moscow wanted to dial down the conflict. But *sistema* has no retreat mode. De-escalation in eastern Ukraine meant escalation in Syria.

New risks keep emerging, frightening even the most loyal bureaucrats. But the Kremlin dare not suppress the public's seemingly bottomless appetite for escalation. In state-run media, which the vast majority of Russians rely on for news, the Kremlin no longer distinguishes between analysis and propaganda. The fake reality on offer seems to have partly captured even Putin's mind.

BRAND MANAGEMENT

In *sistema*, governing is not about making decisions within certain norms but about contending with the very

existence of the norms and, ideally, circumventing them. Decision-making via go-aheads and meaningful omissions has yielded a contest in which lower-level curators try to outdo one another in their demonstrations of loyalty to Putin, with increasingly worrying results. These include the 2006 murder of the reporter Anna Politkovskaya and the 2010 assault on the journalist Oleg Kashin, both of whom were fierce critics of the Kremlin. It might also include the 2006 assassination of Alexander Litvinenko, a former Russian intelligence officer who had become a Putin critic. Such acts of violence exposed the extent to which the curatorial system lacks control. But Putin is a pragmatist, and while things were working, he tolerated them.

Last year's assassination of the opposition politician Boris Nemtsov, however, clearly went beyond Putin's limits. Could Putin have said something about Nemtsov that someone could have taken as a go-ahead to kill him? That seems impossible to me. I have never heard anything like that from Putin, even with regard to people he hates. Putin sometimes mocked Nemtsov a bit, but he tolerated him. After the assassination, Putin disappeared for a few days—apparently, what had happened was too unexpected. It soon emerged that the alleged perpetrators were linked to Kadyrov, the Chechen leader, who is zealously loyal to Putin (and whom Putin, in return, has allowed to build a private fiefdom in Chechnya).

The conspiracy against Nemtsov was probably a conspiracy against Putin, too, albeit one set up so that it could be written off as another act of "excessive loyalty." Putin saw it as an attempt to put distance between him and Kadyrov.

But he did not take the bait; he seems to have grasped the boundary of his power. Putin the man is now the manager of Putin the brand, which he must handle with care. Kadyrov controls an army and is more than willing to use it, as he demonstrated in eastern Ukraine. Everyone in Moscow is scared of Kadyrov, and his strength remains one of Putin's personal resources; it would make little sense for Putin to punish Kadyrov over Nemtsov's murder.

Still, Putin's absence after the killing served as a reminder of one of *sistema's* most important features: fear and uncertainty regarding what happens when the leader is gone. Kremlin authorities have no clue what they would do in Putin's absence. They have nowhere to discuss any potential scenarios for a future state without Putin; indeed, they have been directly banned from having such discussions.

Putin's Kremlin team has been extremely skillful at nationalizing private resources and, in a sense, privatizing Russian politics. But they will have no idea how to run Russia when Putin is gone. In all likelihood, it will not matter who climbs to the top: the only way he will be able to rule is through *sistema*. 🌀