

Putin's Power Games

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PUTIN'S POWER GAMES

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Controlled Confusion

By Jan Matti Dollbaum, Research Centre for East European Studies at the University of Bremen

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On January 15, Russian president Vladimir Putin unexpectedly announced major constitutional changes. On the same day, Prime Minister Dmitry Medvedev and his government resigned to “offer the president the opportunity to make the decisions he needs to make”. Within a week, a new government headed by the former chief of the federal tax service Mikhail Mishustin was in office and parliament accepted the constitutional changes in a first reading.

It seems thus that Putin did it again: He surprised observers and most of the Russian elite with a move that is part of a yet unknown but potentially decisive plan. Consequently, the events have been described as a “special operation”: fast moves with as few informed aides as possible—arguably Putin’s preferred mode of action. The timing signals Putin’s ability to maneuver elites and to control the agenda. Not that this was ever in doubt, but publicly visible reassurance is important to sustain his image as the ultimate arbiter and personification of power.

The changes that the first reading of the bill introduced are widely believed to lay the institutional foundations for extending Putin’s de-facto rule beyond 2024 when he will have to step down as president. At first glance, commentators saw the division of powers increase: The president will only be allowed two terms, consecutive or not, and the parliament will have a greater say in the appointment of ministers (excluding the ones from the “security block”). Upon closer inspection, however, it became clear that the measures claimed to weaken the presidential office were cosmetic, while some federal powers were even extended and some checks and balances removed: The president can now appoint regional procurators, municipalities are subordinated to federal and regional authorities, and the federation council can now dismiss federal judges at the president’s request.

At the same time, the state council, a circle headed by the president and including representatives of the presidential administration, federal and regional government, the ruling party, and the heads of state corporations and banks, received constitutional status—providing a potential position for Putin from which to control the future president and prime minister. However, the specific structure of this council as well as its role remains in the dark as it depends on future legislation.

When looked at from the perspective of protest and oppositional mobilization, two other changes seem yet

more significant. First, allowing federal authorities to exclude anyone from high state offices who, in the last 25 years, has held a second citizenship or a temporary foreign residence permit potentially affects many future candidates who have worked or studied abroad. Second, the decision to give the constitution priority over international law will mean that Russia will no longer feel bound by decisions of the European Court of Human Rights, which so far has been a slow but authoritative source of support for repressed activists.

Meanwhile, the reactions of the parliamentary opposition to these changes have been all but non-existent. The Communist Party’s (KPRF) Valeriy Rashkin warned of the dangers of cementing Putin’s power and abstained, as did another KPRF deputy. But most simply lamented the “package voting” practice that fused welcomed changes like the term limitation and the alignment of the minimum wage with the subsistence minimum with the unwelcomed strengthening of presidential powers—and voted for the bill in the first reading. In fact, since presidential projects are expected to attract unanimous support, it received zero no votes. The Communist’s leader Gennadiy Zyuganov even expressed hope that the second reading will accommodate the KPRF’s suggestions, like a constitutionally enshrined higher minimum wage.

Likewise, the non-parliamentary opposition routinely critiqued the initiative but at present is not coordinating any resistance, for two reasons. First, the full scope of changes is still unclear. Navalny, for instance, speculated that the “worst amendments” will be introduced in the second reading and called for patience until all planned changes are known.

Second, while about 22,000 people signed a petition calling the changes a “constitutional coup”, many liberals are not exactly enthusiastic about the existing super-presidential constitution and are thus unwilling to jump to its defense. Grigoriy Yavlinskiy of the Yabloko party suggested to lobby for liberal changes instead, while Ivan Zhdanov, director of Navalny’s Anti-Corruption Foundation, declared that the constitution itself contains mechanisms that have allowed authorities to ignore its liberal democratic elements. Navalny, as usual, found the most brutal and poignant wording for this view: “The Russian Constitution is disgusting. (...) Under this constitution everything has been taken away from us—from elections to

pensions—and they want to take even more. There’s no reason to protect it.”

Instead, the government change seemed to be more important for opposition actors and domestic observers, producing a flood of social media comments and op-eds. Navalny, who commented on the constitutional changes only reluctantly, published a 20-minute investigation into Prime Minister Mishustin’s private fortune only days after his appointment. Political scientist and liberal analyst Kirill Rogov stressed that the changes compared to the former government are smaller than they seem, with all new ministers harboring a strong dirigiste orientation, having been socialized almost exclusively in state service under Putin. By contrast, others

expressed the cautious hope that Mishustin will apply the orderly, tech-driven approach of his tax collection reforms to government transparency and implement higher government investment.

Taken together, these quickly administered changes raise more questions than answers, with the constitutional amendments so far not prescribing a clear path for post-2024 politics. It seems therefore that an intention behind this maneuver was to signal security about who makes the next important steps—and introduce insecurity about what these steps could look like. Putin has thus created a state of coordinated confusion, which helps to uphold his first-mover advantage in the ongoing operation ‘power preservation’.

About the Author

Jan Matti Dollbaum will be a post-doctoral researcher at the Research Centre for East European Studies at the University of Bremen from March 2020. This publication was produced as part of the research project “Comparing protest actions in Soviet and post-Soviet spaces,” which is organized by the Research Centre for East European Studies at the University of Bremen with financial support from the Volkswagen Foundation.

Putin’s January Games: ‘Succession of Power’ on the Horizon

By Maria Domańska, Center for Eastern Studies (OSW)

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In mid-January Vladimir Putin de facto initiated the process of institutional changes relating to the ‘succession of power’ expected in 2024. The proposals for constitutional amendments announced in his State of the Nation address indicate that most likely he will not run again for the post of president; in fact, he may resign even before 2024. The new, highly ambiguous legal-institutional architecture serves Putin’s primary goal, which is to retain decisive influence on state policy over the long term, independently of who will be elected the next president.

Formally, elements of checks and balances will be introduced into the Russian political system, with some weakening of the future president’s powers in favour of parliament. At the same time, we can expect even greater centralisation of state power and the preservation of authoritarianism. Along these lines, the changes include the further limitation of judicial independence and liquidation of the remnants of local government. For the time being, it seems that the most likely post-2024 scenario will be that of Putin becoming the head of the State Council, after the status and role of this advisory body is considerably strengthened under the amended Constitution. Such changes could proceed to the point

that the formal principle of separation of powers will be ultimately breached.

The ‘succession of power’ project will involve not only formal, but also informal changes in the system of state institutions. Since it is likely that no final decisions have been taken in the Kremlin yet, we should now expect a longer period of testing various solutions to the ‘succession’ challenge, with all options remaining on the table in the foreseeable future.

The significant personnel reshuffle in the Russian government seems to be part of the same political process, as Putin needs effective managers to implement state policies in a potentially turbulent ‘succession’ period. The choice of Mikhail Mishustin for the post of prime minister might have been dictated by a dual motivation on the Kremlin’s part. First, he is considered a successful bureaucrat who has the image of an efficient manager and an expert in the new digital and information technologies, which constitute one of the declared priorities for the development of the state. Second, Mishustin has built informal ties with influential members of the ruling group who apparently trust him.

All signs indicate that the Mishustin cabinet will be a technocratic government of experts expected to

fulfil the social promises Putin made in his address on 15 January, as well as to implement the president's socio-economic 'national projects'. The latter include the digitalisation of the state administration, scaling up Mishustin's successful work at the Federal Tax Service. In the Kremlin's opinion, these issues are vital elements in strengthening the legitimacy of Putin's regime and providing a substitute for the real modernisation of the state in a situation of growing public discontent.

The new cabinet members have been selected in a manner that will minimise the risk of conflicts or power games that might adversely affect the cabinet's work. There is considerable evidence suggesting that Mishustin had a significant influence on the government make-up. Three of the nine deputy prime ministers (Grigorenko, Overchuk and Abramchenko) are his former associates, and three other deputy prime ministers (Golikova, Khusnullin and Chernychenko) have had friendly relations with him. At the same time, a special task seems to have been assigned to Putin's former assistant for economic affairs and the incumbent first deputy prime minister Andrei Belousov. His role will most likely be not only to formulate the government's economic policy, but also to monitor the work of the prime minister and his entire cabinet. This is expected to enable the president to focus on the strategic 'succession of power' project in the coming years.

About the Author

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The New Russian Government and Old Russian Problems

By Vladimir Gel'man, European University at St. Petersburg / University of Helsinki

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In January 2020, Vladimir Putin dismissed Prime Minister Dmitry Medvedev's government and reshuffled its leadership. Not only did he appoint a new prime minister, Mikhail Mishustin, but replaced about half the members of the cabinet. Gone are controversial officials, such as Deputy Prime Minister Vitaly Mutko, responsible for a series of doping scandals in Russian sport, and Culture Minister Vladimir Medinsky, who openly denied historical truth and promoted patriotic myths in an effort to burnish Russia's image as a great power. New members of the cabinet of ministers tend to be

Mishustin's cabinet of technocrats may initially receive a credit of trust from the public, but the effect of this refreshed image may pass quickly. The government is unlikely to achieve any major successes in the socio-economic sphere, as the real reason for the economic stagnation and the deteriorating living standards of the Russian public is not the make-up of the cabinet but the logic of the Russian socio-economic model. This model serves, above all, the vested interests of the corrupt government elite, and is unable to generate sustainable economic growth. The poor quality of management at the various levels of the state administration also results from factors inherent in the system. They include an intentional ambiguity regarding legal regulations; the centralisation of decision-making processes and their non-transparent nature; and—last but not least—the political and business infighting within the ruling elite, in which law enforcement structures are frequently involved.

Therefore, Mishustin's considerable management skills may bring only limited results. Hence, his government will most likely be a transitional one. Nevertheless, its individual members—provided that they prove their effectiveness and usefulness to the Kremlin—can earn a strong position in the gradually renewing ruling elite in the period before and after the so-called 'succession of power'.

more technocratic and younger than their predecessors; however, no observers expressed strong hopes that the new government would score policy successes. To what extent is this skepticism reasonable and what might Russia expect from these changes?

Since Soviet times, Russia's cabinet of ministers demonstrated little autonomy from the major centers of decision-making power, whether the Soviet Central Committee of the Communist Party or later the Russian president and his administration. With some important exceptions, the Russian government performed as

part of the state apparatus in charge of implementing the political leadership's domestic policies, especially in the sphere of socio-economic development. Although individual ministers sometimes enjoyed sweeping power due to their personal connections and political patronage, overall the Russian government as a collective body has long been rather weak both politically and institutionally. Cabinet members do not form a coherent team: they are appointed by the president on an individual basis, frequently without taking into account the preferences of the prime minister. Moreover, ministers in charge of defense, security, foreign affairs, and justice are directly subordinated to the president rather than the prime minister. Numerous deputy prime ministers are responsible for coordinating the performance of various state agencies and overseeing the implementation of state programs and directives initiated by the president. In Medvedev's cabinet, there were ten deputy prime ministers, and only one of them simultaneously served as a minister, in this case the minister of finance. Mishustin reduced the number of deputy prime ministers to nine; none of them have ministerial posts. Given such complexity, the government appears as a conglomerate of different interest groups, which reflects the influence of various formal and informal political and economic actors. Mishustin's cabinet is no exception, as some of its members are considered to be protégés of the prime minister himself or of the powerful Moscow mayor Sergey Sobyenin.

Medvedev's government deserved to resign because of its poor performance. Economic growth in Russia remains sluggish, real incomes for the Russian population have stagnated over several years, and Putin's major policy initiative—stimulating Russia's development through the injection of state funds into numerous “national projects” (ranging from construction of new roads to digitalization of governance)—was poorly implemented. In fact, large sums designated for the efforts were not spent. This is why Putin's chief economic advisor Andrey Belousov, a major proponent of state-led economic development and dirigisme, was promoted to the position of first deputy prime minister in charge of economic policy (according to some sources, his appointment was not welcomed by Mishustin). The

problem is that Belousov's expansionist economic preferences are in sharp contrast to the fiscal conservatives, Finance Minister Anton Siluanov and Central Bank of Russia head Elvira Nabiullina, so it is hard to expect economic policy consistency in Russia.

There is little hope that the government will achieve much. In many non-economic policy areas top personnel changes seems to be cosmetic, as some previous ministers were replaced by their second-tier subordinates. For example, in case of the Health Ministry, the oft-criticized Veronika Skvortsova, who was in charge of the notoriously inefficient “optimization” of hospitals and scandals involving medication supply, has been replaced by Mikhail Murashko, former head of the Federal Service for Surveillance in Healthcare, a major medical watchdog that is closely linked with the ministry. In a similar way, Olga Vasilieva, the ultra-conservative and Orthodox-leaning Minister of Enlightenment, passed her post to Sergey Kravtsov, who previously ran the Federal Service for Supervision in Education and Science and has been accused of plagiarizing his 2007 doctoral dissertation. Overall, the integrity of the new government is open to question given the numerous examples in which Mishustin and his ministers were involved in dubious business activities. For example, the new prime minister's wife and sister are wealthy, though no one can explain the sources of their enrichment. To put it bluntly, the new Russian government inherited the baggage of many old vices from its predecessor.

The policy promises of Mishustin may be summarized as a “3D” solution. Like Medvedev, he champions deregulation, digitalization, and decentralization of the Russian economy as tools for improving the quality of governance in Russia. Although the advocates supporting these solutions sound reasonable, the policy effects are most likely to be imperfect without a “4D” approach, which should include democratization as the No. 1 item on the agenda. However, such bold political moves lie beyond the mandate of this technocratic government and the lack of political reform explains why it is unlikely to promote the rule of law and accountability. Such a disconnect may impose major constraints on the policy ambitions of reformers who remain subordinated to Putin and his entourage.

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Planning for a (Not-So) Post-Putin Russia

By Andrei Kolesnikov, Carnegie Moscow Center

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Of the constitutional reforms put forward by Putin, what will really change a lot is the proposal to give the Russian constitution—including repressive Russian legislation—priority over international law. This violation of the usual hierarchy is nothing short of a legal revolution.

Following the unexpected announcement of constitutional changes in Russia and the resignation of the government, the question of whether or not Putinism will end with President Vladimir Putin has instantly become rhetorical. The president made it clear in his state of the nation address on January 15 that no one is going anywhere, despite the subsequent resignation of Prime Minister Dmitry Medvedev and his government, and swift replacement of the former with a low-profile technocrat, Mikhail Mishustin.

Putin's casual suggestion that the status and role of the insignificant and until recently largely lifeless State Council should be enshrined in the constitution can only mean one thing: that Putin is preparing a new position for himself within that structure. If the State Council's status gets a boost, the president could assume the status of national leader and head of that structure, which would carry out the role of a parallel presidential administration, or parallel government.

So imagine the following picture: Putin as head of the State Council and father of the nation; Medvedev as president, following a snap election held after the constitutional reforms are approved by the public in a referendum; and a technocrat—Mishustin—as prime minister.

Medvedev has already proven his loyalty to Putin and acceptance of the hierarchy, having previously swapped jobs with Putin in 2008–2012 to enable him to overcome the constitutional limit of two consecutive presidential terms. In his new role as deputy head of the Security Council, Medvedev will not be the deputy of the council's secretary, Nikolai Patrushev, but that of its chair: Putin. This means that Medvedev is *de facto* vice president, a good springboard for moving up to the post of president (again). He and Putin could even make a gentlemen's agreement: Putin will be responsible for everything good, while Medvedev will answer for everything bad.

After all, dissatisfaction with socioeconomic conditions in the country is on the rise, and could grow rapidly during the four more years before the next pres-

idential election of 2024. For now, of course, this is merely a hypothesis. Putin didn't reveal any details, but one point is evident: he will not allow himself to become a lame duck.

In proposing that the parliament should in future confirm the prime minister, Putin is channelling public anger toward the next president, prime minister, and parliamentary speaker, since they will now share responsibility for the appointment of government ministers and, accordingly, for their failings. This proposed reform also shows that any remaining illusions that Putin might suggest someone for that position with liberal views, such as Alexei Kudrin, are now firmly in the realm of a utopia.

Putin's announcement that the new prime minister will be the former head of the tax service, Mishustin, was both unexpected and yet unsurprising at the same time. It's unsurprising in that Mishustin is an ideal Putin-backed candidate: the tax service has cozy ties to the security services, and its help has been enlisted to solve all sorts of issues, including business conflicts. With its adoption of digital technology, it's also considered to be a well-oiled and smoothly functioning state structure.

At the same time, the appointment was counterintuitive: Putin named someone that no one had expected. Sure, people were expecting a technocrat, but someone like the deputy prime minister responsible for digitalization, Maxim Akimov. Mishustin was on no one's radar. Now, with his help, Putin is going to build a country that resembles the Federal Tax Service: with reports and inspections, security assets, and—where necessary—the digitalization of the entire country.

Of the constitutional reforms put forward by Putin, what is truly important and really will change a lot is the proposal to give the Russian constitution—including repressive Russian legislation—priority over international law. This is a violation of the usual hierarchy, in which international law always takes precedence over national law, and means that Russia can ignore any aspects of international law.

It also means that European Court of Human Rights rulings cannot be enforced. Russian opposition activists can appeal to Strasbourg until they are blue in the face, but Russian judicial institutions will be able to view the international court's verdicts as incompatible with national legislation. These radical changes to Russia's justice system are nothing short of a legal revolution.

All this is apparently just the start. There is still plenty of intrigue ahead, not least regarding the makeup of the new government, what authority Medvedev will have,

and the referendum over constitutional reform. The most interesting is still to come.

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Do Institutions Matter in Putin's Russia?

By Robert Orttung, George Washington University

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President Vladimir Putin's 15 January announcement of plans to amend Russia's constitution and change the various institutions defining the political system in Russia offer a good opportunity to step back from the day-to-day flow of events and ask how institutions matter in Russian politics and to what extent they shape the course of events and constrain behavior. The short answer is that institutions are important, but only in the context of their constant change. Russia's constantly shifting institutions mean that they have less importance than they would in more stable democratic countries.

At the highest level, Putin's speech makes a strong case for arguing that institutions have little practical importance in Russia's system of government. President Boris Yeltsin hand selected Putin as his successor in 1999 and he has been in power ever since. Putin's tenure in power now seems set to extend for 24 years and beyond despite the clear intention of the constitution at the time to limit presidents to two four-year terms. Putin let Dmitry Medvedev serve as president from 2008–2012 so that he could avoid the constitutional limit on two consecutive terms. While in office, Medvedev's main achievement was to amend the constitution so that the president could serve two six-year terms and now Putin is in the middle of his second of these. The fact that Putin has now announced a series of changes that will presumably legitimate his extended stay in power beyond this additional 12 years suggests that the constitution puts few constraints on Putin's behavior.

Of course, paradoxically, the fact that Putin has to make all these changes—announcing constitutional amendments to shift power among the presidency, parliament, and State Council—is because of the rules laid out in the constitution. In that sense, the institutions do matter and they shape the ways that Russia politics will evolve over the next few years as Putin tries to figure out a way to hang on to the top post while reorganizing the institutions to suit his current needs. Although the tools available to an authoritarian leader differ from those of his democratic counterparts, the leader is constantly facing threats from rivals who would like to replace him. To survive, the leader must always be one step ahead of those who might envision themselves as the leader.

The only constant in Russia's current system is that Putin has no plans to leave the political stage. The extensive corruption of the Putin regime would put Putin's personal safety at risk if he were to pass power to a new president who might decide to prosecute him. If there was any doubt about such a scenario, recent events in Kyrgyzstan put them to rest. There former President Almazbek Atambayev (2011–2017) maneuvered Sooronbay Jeenbekov into office as his successor, but shortly after coming to power Jeenbekov turned on his erstwhile sponsor, who had begun to criticize him, and had him arrested for “rudely violating the constitution” in August 2019.

What is important to remember about institutions in Russia is that their functioning is limited because they are in constant state of demolition and reconstruction.

This problem is most apparent in the case of the electoral law. After each election, the Russian authorities draw conclusions about what weaknesses the voting demonstrated in their ability to prolong their power and then make adjustments to strengthen their position and throw the opposition off guard. Various parliamentary elections in Russia have either increased the representation of single member districts or proportional representation based on the various electoral calculations of the political elite at the time. Currently, given the unpopularity of the pro-Kremlin United Russia party, there is some discussion of electing all legislators through single-member districts, where party identity is less important. Ultimately, the electoral law for the 2021 parliamentary elections will reflect elite calculations about how they can best shape the institutions to their interests.

About the Author

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Certainly, Putin will not give up control over the legislative branch and allow it to provide checks on his power. Former Georgian President Mikheil Saakashvili transformed his republic from a presidential to parliamentary system in an effort to extend his ability to hold on to power in 2013 as he was nearing the end of second and last term as president. This effort failed, however, when Saakashvili lost the parliamentary elections and was forced to flee the country to avoid arrest. Putin is not going to let that happen to him.

So, to answer the question in the title, yes institutions do help shape the ebb and flow of Russia's politics. But they put few effective constraints on a top leader willing to shape the institutions to serve his personal interests rather than those of the country.

Putin's Plan 2.0? What Might Stand Behind Russia's Constitutional Reform

By Michael Rochlitz, University of Bremen

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Vladimir Putin's proposed constitutional changes during his annual State of the Nation speech on 15 January 2020, as well as the subsequent reshuffle of the government, have sparked a lively discussion among both Russian and foreign commentators. What does Putin have in mind? What is the purpose of a reform that many have difficulties interpreting?

One point on which most observers agree is that the reform, most likely, has both a long-term and a short-term objective. In the longer term, the objective is political. Putin's fourth term as Russian president ends in 2024, and according to the current constitution, he cannot run for a third consecutive term in office. The proposed changes to the constitution, moreover, suggest that he does not intend to run again for president, as the removal of the clause "in a row" clearly limits the maximum number of possible presidential terms to two.

Even though the parliament seems to be somewhat strengthened by the reform, a solution with Putin as prime minister is unlikely. Putin clearly did not enjoy his stint as prime minister between 2008 and 2012. In addition, the low popularity of the pro-government party United Russia makes it implausible that Putin would want to link his political future to this organization.

Most observers suggest that Putin is assuming a role as final arbiter and father of the nation, somewhere above the hubbub of daily politics. Following the example of his former Kazakh counterpart Nursultan Nazarbayev, Putin could assume a post as head of the newly strengthened State Council, or the Security Council, or both. In a certain sense, this would reproduce the Soviet model, with the State Council resurrecting the Central Committee, and the Security Council the Politburo. Once again, actual power would then lie with this parallel structure, while the executive—the presidency and the government—would only be of secondary importance. The fact that Dmitry Medvedev has already been appointed to a newly created post as Deputy Chairman of the Security Council provides evidence in support of this scenario.

The short-term objective of the recent government reshuffle is the economy. Since 2012, Russia's economy has been stagnating. The government of Prime Minister Dmitry Medvedev has shown itself exceptionally incompetent and unable to address the problem. Worse, it has been utterly discredited by the relentless corruption investigations that Alexey Navalny's Anti-Corruption Foundation publish regularly. If things had contin-

ued as in the past, the possibility of some kind of sudden crash would have been very real.

Although few observers had Mikhail Mishustin in their books, with hindsight his appointment as new prime minister makes a lot of sense. Among Russia's high-level state officials, Mishustin is almost the only one with a clear record of success, having fruitfully reformed the Federal Taxation Service between 2010 and 2020. Both the political establishment and the business community respect him as a skilled technocrat, a regard Medvedev had lost long ago. If somebody can provide the Russian economy with new momentum, he might be the man.

Still, is it going to work? Concerning the long-term objective and Putin's political future, nobody really knows. Indeed, it is quite likely that Putin will surprise everyone with an option nobody had in mind, once the time comes, as he has done many times before.

However, the real problem might actually be situated with the short-term objective, even though this aspect of the recent changes has attracted much less attention than the constitutional reform. The difficulties Russia's economy is suffering from are well known, and have recently been nicely summarized by Konstantin Sonin in an article for the Russian newspaper *Vedomosti*. First, for an economy in the 21st century to be successful, being well integrated into global networks of trade, exchange and technology transfer is imperative. Here, the siloviki-driven isolation since at least 2014 has been clearly harmful and counter-productive, and should be ended as soon as possible.

Second, *within* the country the heavy-handed—and still increasing—focus on economic and political control

has been dragging down the economy like a leaden blanket. For an economy to be innovative, the free exchange of ideas in open networks among businessmen, scientists, and other social actors is of crucial importance. Unfortunately, it is exactly this kind of collaboration and collective action that Russia's various security services have been busy suppressing during the last eight years. In this respect, the recent attempt to limit contacts between Russian and foreign scientists is just the latest of a large number of examples.

Finally, the replacement of Medvedev by Mishustin has not solved what is probably the most fundamental problem of the Russian economy. Russia is clearly what the social-science literature would describe as a *limited access order*, i.e. a society where the ruling elites use their rents to limit access to economic and political possibilities, in order to perpetuate the status quo and enjoy the benefits of resource-redistribution among a limited group of insiders.

To solve Russia's economic problems, this system would have to be fundamentally reformed, as the entire logic underpinning its existence is limiting the emergence of new talent and ideas. However, such a reform is a completely different animal than simply restructuring the tax service, and therefore—most probably—beyond the ability of Prime Minister Mishustin.

Ironically, it is possible that it is exactly Mishustin's inability to solve Russia's systemic economic problem that could lead to the political crisis, which, in turn, could initiate more fundamental change. If this eventuality materializes, focusing in January 2020 on constitutional reform and the 2024 political succession might prove to have been premature.

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The Reality of Russia's Constitutional Reform: Limited Institutional Change Masks a Profound Shift in Economic Policy

By Regina Smyth, Indiana University

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Russia's 2020 constitutional reforms aim at two considerable regime challenges: the short-term problem of managing the 2021–2024 national election cycle and the longer-term persistent problem of building Russian state capacity to enable economic and political modernization. In response to these challenges, President Putin

proposed two broad solutions, constitutional reform and a redefinition of state-society relations rooted in expanded social spending programs.

Having precluded the emergence of a national successor, Putin remains the sole figure in the political landscape who can contain elite-infighting and predictably

win national elections. As a result, his departure from the political arena is fraught. Succession could resemble the devastating oligarch wars of the 1990s as elites compete to protect their wealth, power, and access to political rents. This conflict would spill over into electoral politics prompting opposition mobilization and unraveling the Putin system.

Uncertainty could also have high personal costs to Putin, who is vulnerable to charges of corruption and abuse of power. Proposed reforms provide him with a chance to audition new proteges and potential successors who can insulate him from these threats as he prepares to exit the political arena in the next decade.

Importantly, constitutional reform did not resolve Putin's formal role in the new system. Proposed amendments define a range of possible strategies for Putin to remain in an influential state position after 2024. Two potential options, to return to the prime minister position or to take up the leadership of the newly empowered State Council, require a staunchly loyal presidential successor. The alternative maintains the status quo. Given systemic reform, Putin can claim the right to return to the presidency—an office that is even stronger under the new system. The path forward will be decided after the outcome of the next parliamentary elections and will be subject to change should unexpected economic or political shocks occur.

What is striking is that all of these institutional reforms place a strong bet on the regime's ability to control election outcomes. The Kremlin appears confident that a well-developed set of practices that bias elections in the regime's favor, and particularly new electronic voting systems, will continue to deliver victories without sparking mass protests.

The longer-term goals of the reforms are to build state capacity and develop mechanisms that replace personalism as the fulcrum that balances elite conflict and ensures social support. In other words, Putin must solve problems that have challenged the regime since he took office. In this iteration, the failure to significantly diminish presidential power side steps a core challenge to strengthening the state and maintains the winner-take-all nature of elite contestation.

Moreover, the revised system remains consistent with existing informal presidential powers from the capacity to distribute rents to media control. Constitutional reforms do not define a ladder of ambition or pathway to create a new crop of potential rulers, maintaining the role of networks and ties as a critical determinant of political career success. They also do not define an institutional solution to elite conflict—as was present in the pre-1995 Mexican PRI—although clear term limits suggest such a mechanism could emerge from within United Russia regulations.

Such a mechanism could mitigate elite conflict but does not address the need to forge electoral majorities to secure office. While the announced changes do not directly alter voting procedures, Putin and his proxies presented the constitutional reform as a tool to increase government responsiveness and amplify citizens' voices. This approach creates the potential to win social support by responding to core citizen demands without compromising the regime agenda or relinquishing political control.

To solidify this support, the president announced a new national goal: increased living standards. Proposed constitutional reforms include amendments to guarantee annual adjustments of pensions and a federal minimum wage. These proposals partially offset persistent anger over the 2018 pension reform program that increased the national retirement age. Prime Minister Mitushin's government amplified institutional reform with new social spending, including increased benefits for families with young children and a nation-wide housing reconstruction program. These programs tap into core social demands without compromising state priorities.

Taking a page out of Keynesian economics, Putin is bargaining that more government spending will bolster consumer spending and investment and promote economic growth. This approach to economic policy marks a significant change in the regime's conservative pattern of economic management. Russia continued to invest in its national "rainy day" fund throughout the economic downturn amassing a sizable buffer against international financial crises.

While these spending increases may be nothing more than a short-term project designed to ensure a United Russia supermajority in the 2021 election, they may also signal a significant change in the Putin system. Renewed social welfare programs could indicate the emergence of a more permanent social contract that will restore the paternalism of the late Soviet period. Alternatively, broad spending could emerge as a form of state populism that pits the state and its loyal citizens against dissenters influenced by outside forces. In both cases, the regime can rely on social programs as carrots and sticks to reward loyal voters with regional transfers, benefits to social groups, and targeted spending.

In the longer term, these changes in the definition of state-society relations are potentially more significant than the formal amendments or the reinforcement of existing informal practices to maintain oligarchy. They are also risky. The regimes' advertisement for improved quality of life will raise social expectations about state performance and the quality of services in the context of a geriatric system that has been in power for 20 years.

If the government fails to meet expectations, the short-term project to insulate the ruler and his cronies is vul-

nerable to political unrest, and medium-term state development will be complicated.

About the Author

Regina Smyth is associate professor of Political Science at Indiana University in Bloomington. Relying on original data, Professor Smyth writes about the linkages among elections, policy, and political participation in post-Communist states. Much of her work focuses on the intermediary organizations that link state and society, from parties and social movement organizations to civic groups and activist networks. Her new book *Elections, Protest and non-Democratic Regime Stability: Russia 2008–2020* is forthcoming in 2020.

Waiting for Change?

By Andrei Yakovlev, National Research University – Higher School of Economics

DOI: [10.3929/ethz-b-000398331](https://doi.org/10.3929/ethz-b-000398331)

Vladimir Putin's announcement on 15 January about amendments to the Constitution of the Russian Federation attracted the attention of a wide range of experts. However, in Russian realities, it is not so much the laws (including the Constitution) that matter, but the practice of enforcing them. In this context, the real significance for political life in the country comes not from the Constitutional amendments, but the decision to change the government.

Commenting on this event, it makes sense to focus on three questions:

1. What signal does the change of government give to the current elites?
2. Why was this decision taken now (and, for example, not in May 2018, when Vladimir Putin's new presidential term began)?
3. What should we expect from the new Russian government?

The answer to the first question seems quite unambiguous—the country is witnessing a change of generations in the bureaucratic elite. This process began in 2017–2018 with the renewal of the governors, when the Kremlin began to appoint young technocrats. Now it is the turn of the federal ministers. The general trend is that the new cadres must demonstrate both loyalty (as they did since the mid-2000s), but also the ability to solve problems in their area of responsibility using the available limited resources. This personnel renewal took place among the economic cabinet in the government, but it has hardly affected the security cabinet, whose representatives in recent years played a key role in strategic decision-making.

There are different possible answers to the second question about timing. On the one hand, it looks like the Kremlin, aware of the scale of the tension in society,

is simply trying to use the government as a “lightning rod”—shifting to Dmitry Medvedev and his ministers the responsibility for the economic stagnation and the lack of prospects for implementing the national projects Putin announced in 2018. But, on the other hand, one could assume that the old government was deliberately “held in place” so that it could then be blamed for the negative consequences of some strategic decisions—the pension reform and the “optimization” of the health care system. According to such logic, the old government could leave having done what it was supposed to do and the new government is summoned to address a new agenda.

Finally, what should we expect of the new prime minister and his team? One option is that the government will have to focus on implementing the national projects so that by the 2021 parliamentary elections the Kremlin can report visible positive results for society in specific sectors. This answer is the most simple and obvious. But it likely distracts attention from the main problem—implementing the projects does not depend on the ministers or governors, but concrete people at the level of companies, public sector entities, and municipalities using the resources accessible to them. The current design of the national projects directly assumes their significant co-financing by the regions and businesses. If these players do not see prospects for economic development as well as a positive vision of the future for the country and their place in it, they will not have an incentive to invest. This means that even with effective managers in the ministerial posts, the national projects (and the related social promises of 2018) will not be implemented.

Another way to answer the question of the Government's objectives is possible, based on the above alter-

native interpretation of the reasons for the resignation of the old Cabinet. In order to assess the effectiveness of Medvedev's government, which was in power for almost 8 years, it is important to understand correctly what tasks it actually solved. Obviously, between 2012 and 2014 it tried to implement the May decrees of 2012, though it did this mainly by mobilizing the resources of the regional budgets. But since 2014, Medvedev's government—judging not by declarations, but by practical actions—mostly accumulated reserves to be prepared for “emergency circumstances.”

This category could include a wide range of phenomena potentially threatening national security, from the toughening Western sanctions and Russia's involvement in new military conflicts to the oil price drop in world markets and mass social protests at home. The refusal to support the ruble during its collapse in the fall of 2014 and the unprecedented rise in the Central Bank's interest rate after that; the sharp increase in the share of gold in the foreign exchange reserves; the federal government's renunciation of its social obligations during the pension reform and “optimization” of the health care system all can be seen as part of a consistent economic policy. And if the task of the old government was to maintain the current stability while building up reserves for a “rainy day,” then it has generally met these challenges.

However, such a policy has a fundamental problem. The dominance of security priorities in making strate-

gic decisions, as well as focusing on minimizing risks and maintaining socio-political stability in the short term, blocks opportunities for development and generates tension in society. As a result, the government loses the ability to provide stability for the long term, which is fraught with serious political cataclysms for the ruling elite. If we assume that people in the Kremlin have become aware of this problem, the new government may be given *carte blanche* to develop and implement a new economic development strategy that would be convincing for business and administrative elites and could gain public trust.

Against the background of the political events and intra-elite conflicts in 2019, such a scenario seems rather unlikely. Whether it can be implemented in practice will become clear in the spring. To reverse the current trend towards stagnation in the economy, it is necessary to change expectations. Naming a new government elicited a moderate optimism within society based on the appearance of new faces. If these new people develop a vague new agenda oriented toward development, the current positive expectations could strengthen and become a factor of economic dynamism. But, if in the course of 2–3 months, a new agenda does not appear, expectations will be dispelled and Russia will return to the rut in which it has been in recent years.

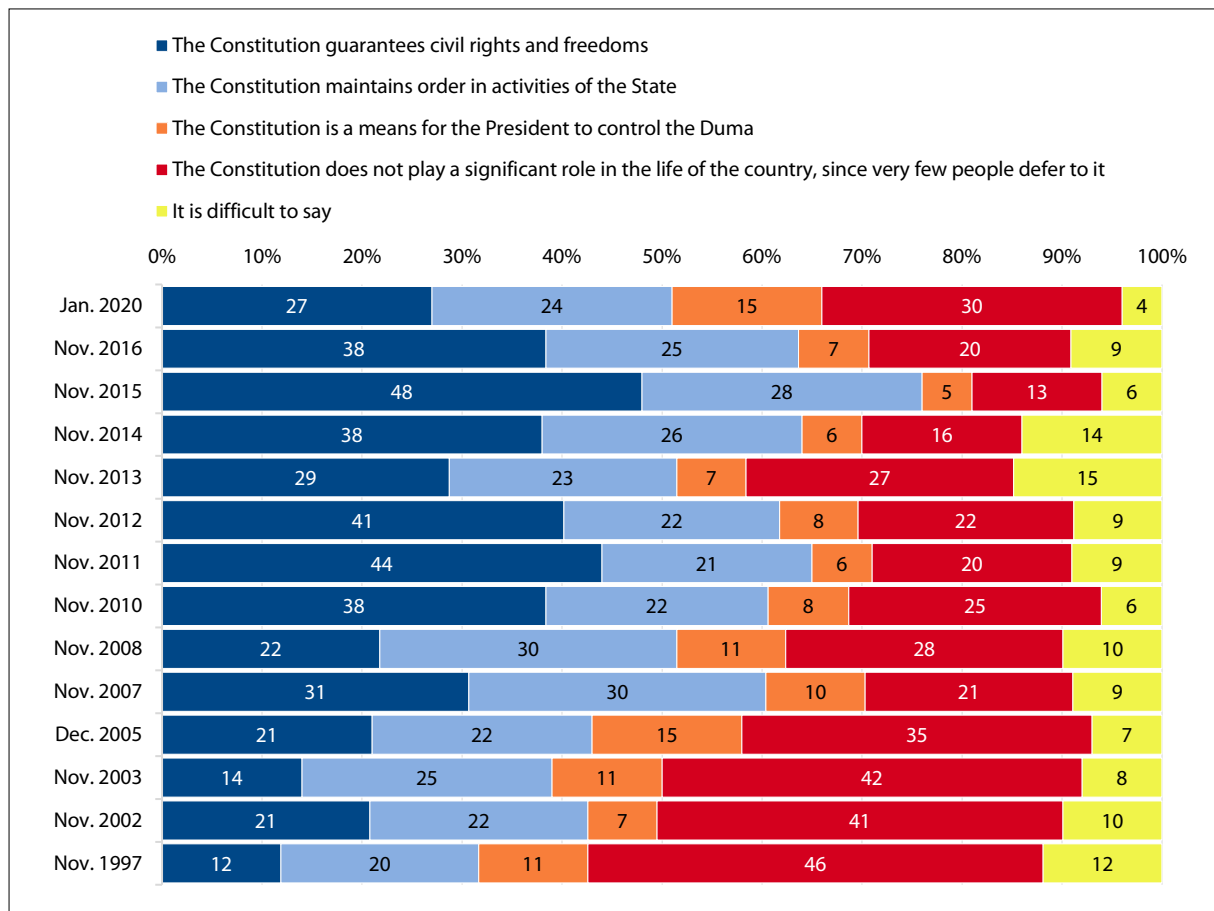
About the Author

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OPINION POLL

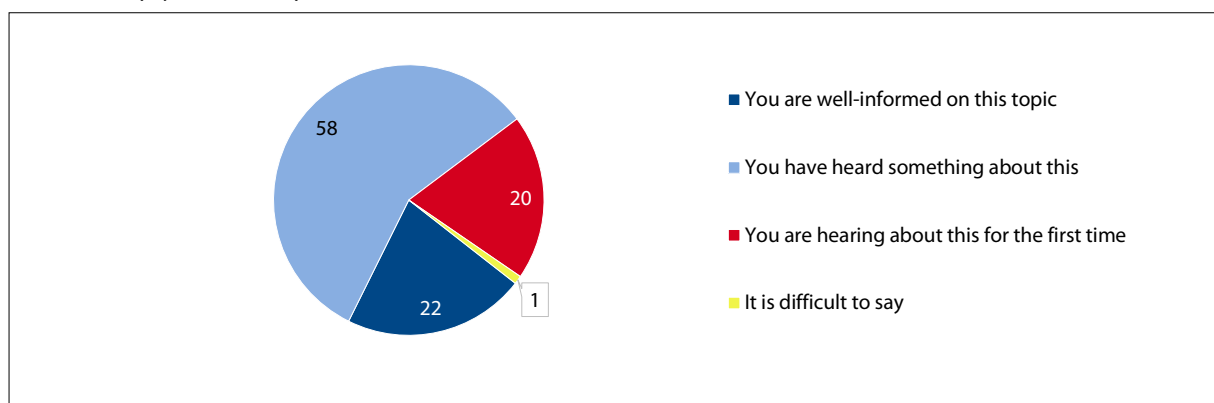
Russian Public Opinion on the Planned Amendments to the Constitution

Figure 1: With Which of the Following Opinions on the Role of the Constitution in the Life of the Country Do You Agree Most? (%; one answer)



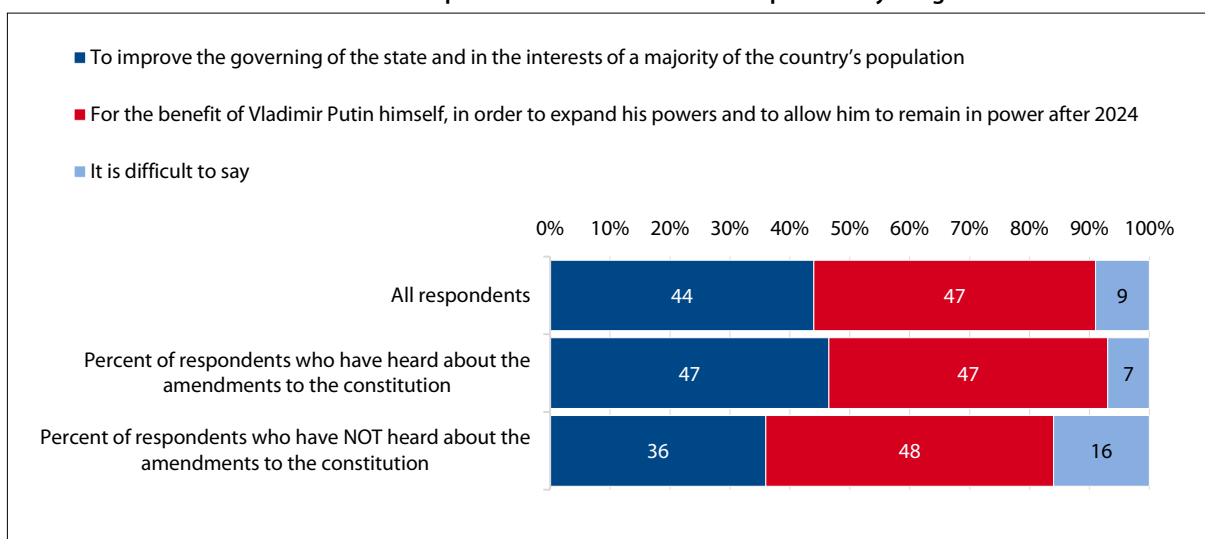
Source: representative opinion polls by Levada Center, November 1997 to 23–29 January 2020 (N for the latest poll: 1600), published on 31 January 2020, <https://www.levada.ru/2020/01/31/konstitutsiya/>; captions from <https://www.levada.ru/en/2014/12/23/russian-citizens-on-the-constitution/>

Figure 2: Have You Heard about the Initiative of Vladimir Putin to Amend the Russian Constitution? (%; one answer)



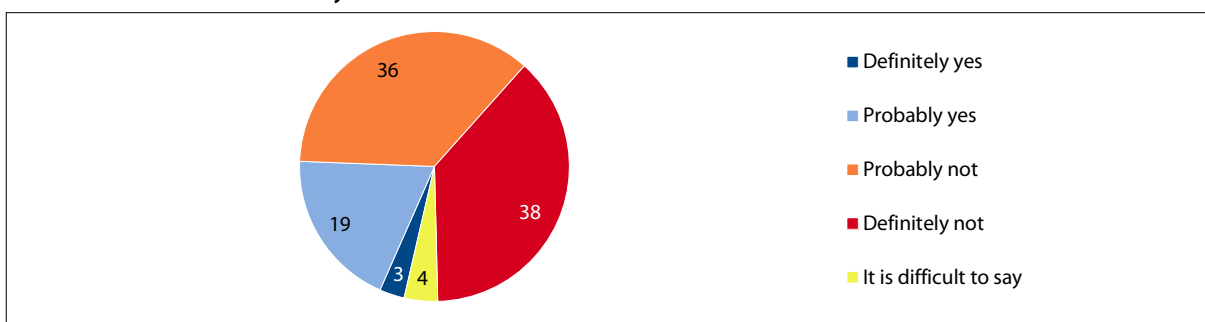
Source: representative opinion poll by Levada Center, 23–29 January 2020 (N = 1600), published on 31 January 2020, <https://www.levada.ru/2020/01/31/konstitutsiya/>

Figure 3: There are various opinions for the reasons behind Vladimir Putin’s proposals to amend the Russian constitution. Some say that the constitution is being amended primarily in order to improve the governing of the state and in the interests of a majority of the country’s population; others claim that the constitution is being amended primarily for the benefit of Vladimir Putin himself, in order to expand his powers and to allow him to remain in power after 2024. With which opinion do you agree most of all?



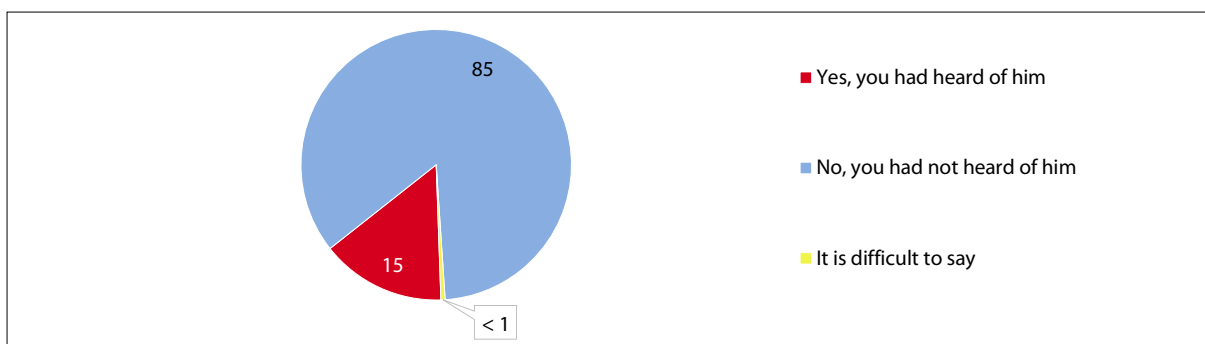
Source: representative opinion poll by Levada Center, 23–29 January 2020 (N = 1600), published on 31 January 2020, <https://www.levada.ru/2020/01/31/konstitutsiya/>

Figure 4: In Your Opinion, Has the Government under Prime Minister Medvedev Been Able to Improve the Situation of the Country?



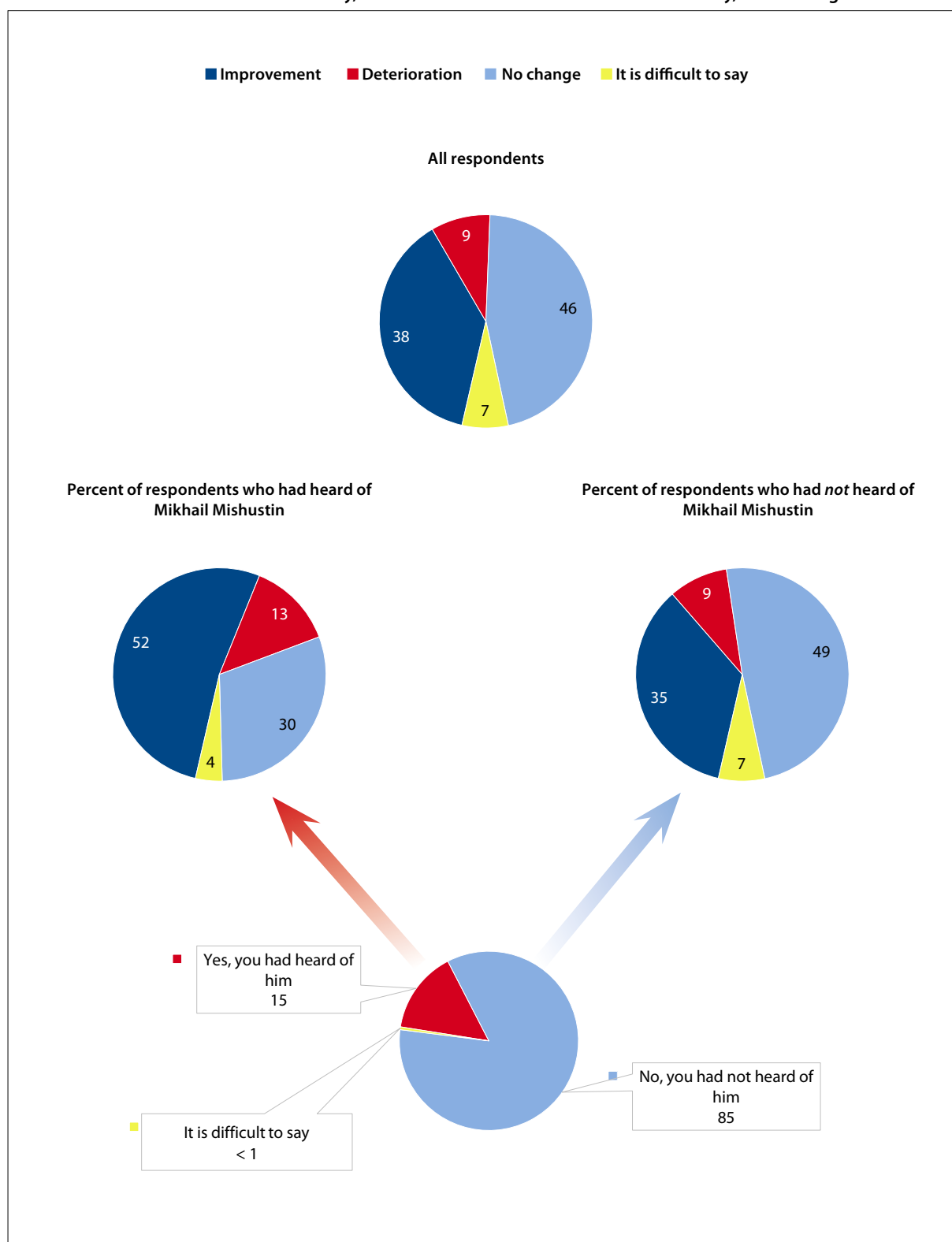
Source: representative opinion poll by Levada Center, 23–29 January 2020 (N = 1600), published on 4 February 2020, <https://www.levada.ru/2020/02/04/deyatelnost-pravitelstva-3/>

Figure 5: Had You Heard of Mikhail Mishustin Before Vladimir Putin Suggested Him as Candidate for the Position of Prime Minister of Russia?



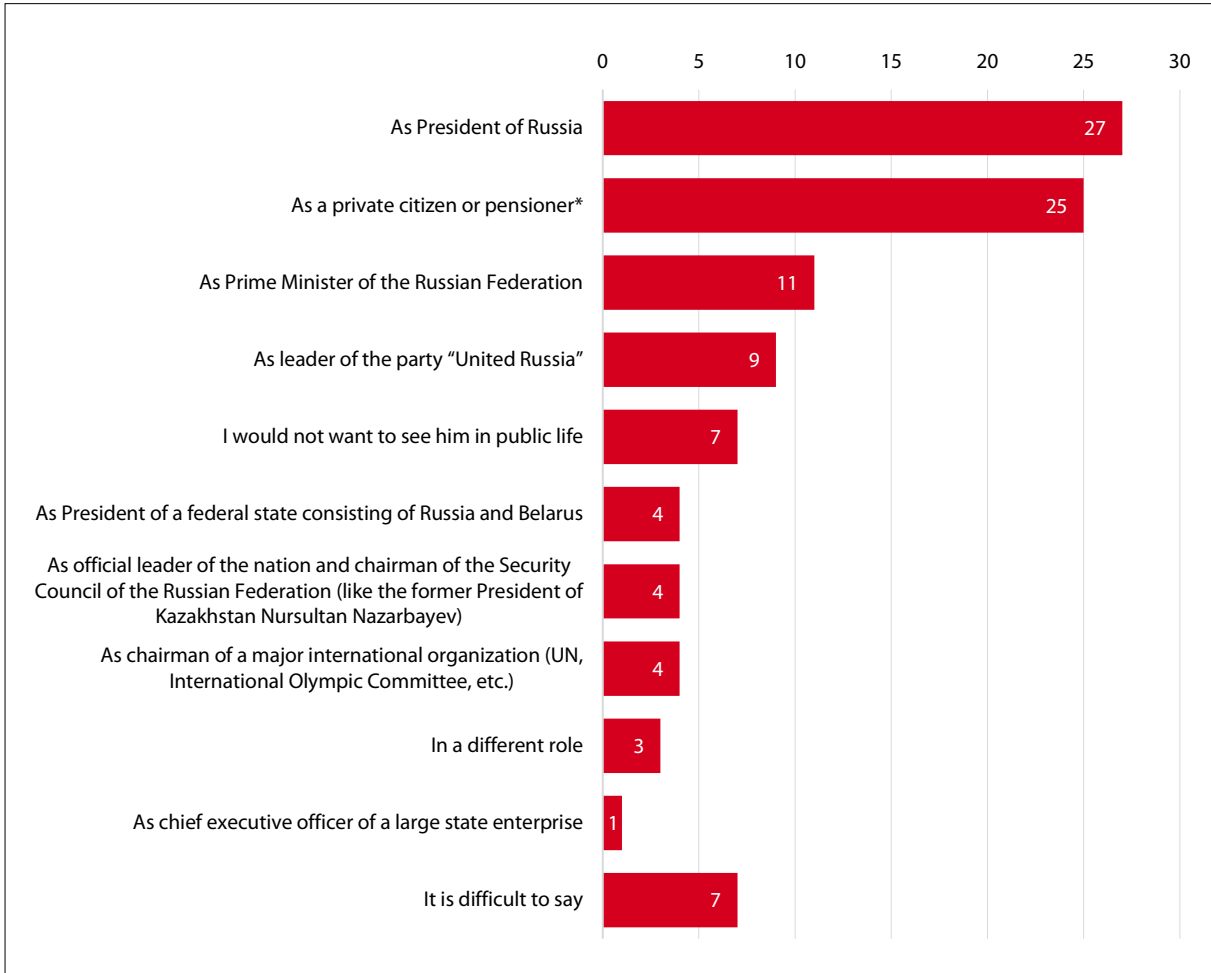
Source: representative opinion poll by Levada Center, 23–29 January 2020 (N = 1600), published on 4 February 2020, <https://www.levada.ru/2020/02/04/deyatelnost-pravitelstva-3/>

Figure 6: In your opinion, what is the most likely result of the recent changes in the government: an improvement of the situation in the country, a deterioration of the situation in the country, or no change?



Source: representative opinion poll by Levada Center, 23–29 January 2020 (N = 1600), published on 4 February 2020, <https://www.levada.ru/2020/02/04/deyatelnost-pravitelstva-3/>

Figure 7: In What Role Would You Like to See Vladimir Putin after the End of his Presidential Term in 2024?



Source: representative opinion poll by Levada Center, 23–29 January 2020 (N = 1600), published on 30 January 2020, <https://www.levada.ru/2020/01/30/rol-vladimira-putina-posle-2024/>

ABOUT THE RUSSIAN ANALYTICAL DIGEST

Editors: Stephen Aris, Matthias Neumann, Robert Orttung, Jeronim Perović, Heiko Pleines, Hans-Henning Schröder, Aglaya Snetkov

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