

## How far will Putin go?

### ARVAK Center comment, 05.05.2024

On 07.05.2024, the inauguration of the newly elected RF President Vladimir Putin will take place in Moscow, and according to the Russian Constitution, the same day the acting government will resign. Following the inauguration, the President will nominate a candidate for a new prime minister, who must be considered by the Russian State Duma within two weeks. After the approval of the prime minister's candidacy, as prescribed by the law, composition of the Cabinet of Ministers must be announced within two months also to be approved by the State Duma with a nominal term of 6 years.

In light of recent events in the world and around the Russian Federation, the expected reorganization of political power in the country takes on special significance and, considering the existential challenges to Moscow, it will highlight the vector of Putin's future path. Few people in Russia doubt that the government must undergo changes. In this regard, the Russian public and elites have the understanding that the challenges facing the country cannot be neutralized by relying on individuals and their methods of working, ineffective in the emergency mode in the state, and who have simply failed in the fields entrusted to them.

We mean the reorganization of the “content” of power while preserving its “form”, not the fictitious reshuffles, in essence not impacting the quality of governance. Obviously, Vladimir Putin is well aware that a simple change of personalities in the government is not the key to transformation of the administrative system, but nevertheless it is the first necessary step for its transition to a qualitatively new level. From this point of view, the presidential elections provided a convenient opportunity for a massive rotation of personnel in the higher echelons of power with the aim of beginning a comprehensive transformation of the country, adequate to the prevailing realities, established around it. At the same time, the system of state administration and the military-political, financial, and economic elites should not be subjected to a deep stress at this stage, meanwhile radical steps as a reaction to failures in some spheres can be counter-productive in the situation of an inner fragile balance of forces. Probably, this was the reason why as early as in March of the current year Vladimir Putin ensured the population that he found the work of acting Ministers “*satisfactory*”. Regarding to the change of his team, he said: “*We will think it all over together in the working, friendly mode, and make all these decisions. No need to hustle, the law gives us the opportunity to solve these issues, actually, in two months*”.

Thus, Putin keeps the intrigue alive, making it clear that radical changes are planned, and the “*old comrades*” should take them adequately and with understanding. Otherwise, the reaction will be inevitable as far as the existence of the country itself is at stake.

As the well-known Russian economist Mikhail Khazin put it, Putin has already broken his old agreement with representatives of “*a still powerful grouping inside the country*”. Addressing the “Ulitsa Pravdi” (“Street of Truth”) discussion club, Khazin expressed the

confidence that the RF President freed himself from the previous intra-elite agreements, according to which the property of Russian oligarchs was considered inviolable. This is evidenced both by the already started process of nationalization of several enterprises and tightening control over the large private capital, as well as by the symptoms of dismantling the model of merging the state apparatus with the oligarchy. *«It seems that the movement aiming at a full-scale elite-cleansing in Russia has already started. It will evolve not only among officials, but among oligarchs as well. All those unwilling to follow the new course will lose their status and positions»*, the expert concluded.

Obviously, the process of revising the terms of the Kremlin's agreement with the country's financial and economic elites has already been launched. These conditions are changing in correlation with the needs of the state that has entered an exhausting war, while support of its life activities is no longer possible by the logic of the previous system of distribution of national resources and control over capital. Therefore, radical changes in the financial and economic block of the government and the philosophy of its functioning are inevitable.

Opinions in the Russian expert circles about how far V. Putin could go in reorganizing his current team differ radically. And primarily because, firstly, the presidential administration blocked the leaks of reliable information on this matter. The second reason is the unpredictability of the Russian president's decisions, which is cited by almost all analysts. Based on these two factors, forecasts are based more on the subjective feelings of experts and journalists.

Back in April of this year, the Russian online publication *Meduza* tried to compare data from various Kremlin and the Russian government sources but failed to come to a common denominator regarding key dismissals and appointments. Almost all sources referred to Putin's stubborn silence, because of which, as they admitted that even the highest ranks in the presidential apparatus and government must be satisfied only with rumors. There is no credibility, only assumptions and the hope that there will be no "global reshuffles" because of the war in Ukraine and still to be held presidential elections in the United States. Meanwhile, some independent Russian experts believe that, on the contrary, it is the Ukrainian war that will force Vladimir Putin to initiate a radical reformatting of the government. For example, HSE professor Marat Bashirov believes that such a reshuffle will primarily affect the ministries and departments of the socio-economic and military-industrial blocs. Because it is here that the Kremlin's attention is primarily focused in the context of reforming the state system from the inside. The head of the St. Petersburg Politics Foundation, Mikhail Vinogradov, agrees with him, insisting that *"it is important for the Kremlin to send a signal about rotation; fresh blood is needed"*. According to him, the expectation of change is *"growing throughout all positions"* in the government.

Also, by obvious reasons, Western media and think tanks are showing special interest in Vladimir Putin's expected decisions, but their attention is more focused on the fate of key

figures in President Putin's team, who have a direct impact on the RF foreign policy, the course of hostilities in Ukraine and the broader context of Russia's confrontation with the West. And while the Russian media prefer to cautiously assess the prospects, awaiting these figures, or avoid the issues of their political future in their assessments, the Western press is more relaxed in making forecasts. Thus, the American agency *Bloomberg*, citing its own sources, published a forecast, according to which options for the resignations of M. Mishustin, S. Shoigu and S. Lavrov are not ruled out. According to *Bloomberg*, the Russian Prime Minister has a fairly strong reserve of the presidential trust, but Putin has an optimal candidate in case if Mishustin, for one reason or another, does not comply with the Kremlin's new economic policy. We mean the current deputy head of the presidential administration, Sergei Kiriyenko. He is one of the most ardent supporters of the Special Military Operation (SMO) and the anti-Western policy of the Russian Federation, enjoys Putin's great confidence and has a brief but very useful experience of heading the Cabinet of Ministers (from April 24 to August 24, 1998). According to available assessments, Kiriyenko is a figure most motivated in the process of moving the financial and economic elites out of their comfort zone and subordinating their activities to the country's foreign policy interests.

Regarding Shoigu, *Bloomberg* hints that he became a toxic figure for Putin after the story with the uprising of the head of PMC "Wagner", Yevgeny Prigozhin. At the peak of the Prigozhin rebellion, President Putin supported Shoigu, but probably did it out of considerations of the need to prevent institutional disintegration of the warring army and defense ministry, and not out of personal sympathy for his minister. At the same time, when the fierce phase of the war is still ongoing, it will not be profitable for the President to dismiss Shoigu. And so he can delay this decision for now.

As for Sergei Lavrov, *Bloomberg* predicts that he will most likely be replaced. Referring to its unnamed sources in the RF, the American news agency notes that Minister Lavrov's age (74) is problematic for the country's top diplomat's tight schedule and constant flights. However, the agency does not name the person who could replace Sergei Lavrov.

Summing up the above assessments, it should be noted that the Russian President has managed to maintain the intrigue, since the opinions of experts and the media are more like guesses rather than forecasts, based solely on unconfirmed rumors and purely logical conclusions. Everyone is convinced that the Russian President wants to radically reshape the highest echelons of power in the country, but the question is to what extent he will dare to take radical measures. The country existentially needs fundamental changes within the government, but at the same time it is in a position where an excess of innovative initiative can bring down the entire system. And yet, Putin can still take a risk and go far as regards transformation. It should be taken into account that almost all of the above forecasts except Mikhail Khazin's opinion were made in the period from mid-March to early April, while a month before Putin's inauguration some events occurred that could be directly related to the

plans of the head of the Russian Federation to radicalize the course for changes as much as possible.

First, we mean the country's Defense Ministry. On April 23, 2024, the arrest of Army General Timur Ivanov, Sergei Shoigu's deputy for the construction of military facilities and housing, with charges of corruption, surprised not only the Russian society, but also power structures. As it became known, the Federal Security Service had been monitoring Timur Ivanov's activities for five years and received permission for his detention from the President exactly two weeks before his inauguration. This can hardly be taken as an accident. Moreover, the Russian opposition press claims that another first deputy defense minister, Ruslan Tselikov, will soon be detained as well. This means that the chair under Sergei Shoigu is shaking, and there is a very high probability that the Minister of Defense will be ousted. The Russian opposition is inclined to attribute the blow to the positions of the current Defense Minister to two main factors. First, it is allegedly the result of the president's intentions to weaken the grouping in power elites gathered around Sergei Shoigu himself and the oligarchic Kovalchuk family close to him. Second, it is a sign of the president's dissatisfaction with the Russian army's failure to effectively take advantage of the six-month period during which Ukraine did not receive large shipments of weapons from the West.

In essence, both versions indicate that Minister Shoigu has indeed turned into a toxic figure both for Vladimir Putin personally and for the global transformations that he intends to implement in the state apparatus. It is obvious that the defense minister has devalued the image of a modest and effective crisis manager, which he successfully used during the years of his heading the Ministry of Emergency Situations. He also squandered the "Syrian laurels" that he was awarded for effective arrangement of the operation to protect the Middle Eastern country from ISIS aggression and keep the Assad government in power. In the situation of a hard war on the borders of Russia per se, Sergei Shoigu's former qualities did not show themselves, which cannot but worry the Supreme Commander-in-Chief. In this light, the story of "*Prigozhin rebellion*" gets completely different shapes, and it is unlikely that President Putin has not learned the lesson from the ups and downs of the oligarch's confrontation with the Defense Ministry and his accusations of total corruption of the agency, which, despite the Kremlin's demonstrative satisfaction with the progress of the SMO, actually "failed it."

Given these circumstances, it is possible to assume that the likelihood of Shoigu's resignation is even higher than *Bloomberg* predicted.

As for Mikhail Mishustin, an extensive five-hour report of his work on the results of 2023, held on April 3, 2024, in the State Duma, showed that President Putin has no intention to change the Prime Minister. The State Duma gave a standing ovation to Mikhail Mishustin as a sign of approval of his activities, which is hardly possible in isolation from the relevant mood of the Kremlin itself. It is obvious that Putin personally authorized the public demonstration of maximum loyalty to the current Prime Minister, thereby making it clear that

Mikhail Mishustin's style of work and successes satisfy him. As a classic technocrat, Mikhail Mishustin satisfies Putin in terms of the modest political charisma and relative independence from the merged groups of officials and oligarchs. This is a figure who will be able to synchronize parameters of the government's work with the presidential demands for a qualitative change in the philosophy and style of economic management. It can be supposed that it was Prime Minister Mishustin's rather effective work in the war conditions over past two or three years that allowed President Putin to be sure in the possibility of achieving maximum success in meeting presidential demands. Taking into account the above, replacing the current Prime Minister of the Russian Federation seems improbable.

And finally, prospects of the third key figure in the Russian system of power should be considered, the sphere of supervision of which acquires a special significance in the light of recent developments around Russia.

While relative stability and cohesion are preserved within the country, and even prerequisites for changes in the socio-economic sphere are emerging, the foreign policy vector remains most problematic for the Kremlin.

Considering Putin's maximum involvement in the country's international politics and his direct participation in the development of global strategy of the Russian Federation's activities in the international arena, the work of Foreign Minister has always been the most closed area for wide discussion and all the more, criticism from experts, mass media and public. The need for a rationalistic discourse regarding the country's foreign policy problems has been replaced by a permanent propaganda campaign in the logic of a "black and white" perception of events occurring around Russia. The main idea implanted in the society "*The evil West is plotting – Russia is fighting successfully*" has become the only acceptable formula for comprehension of the RF international position and strategy of its global foreign policy. No need to talk about any pluralism of opinions on the foreign policy issues in the corridors of power and on the public platform, which in many ways has become the reason for the loss of adequate understanding of the current realities by society. Meanwhile, with the blessing of Vladimir Putin and under Sergei Lavrov's leadership, the Russian foreign policy and its steps in the international arena have brought the country to extremely controversial positions from the view of reliability.

Facts speak for themselves. The Russian Federation allowed a pro-Western coup in Ukraine, where at least 50% of citizens at that time were completely loyal to Moscow. Russia did not avoid war, in fact, with a fraternal state, inspiring the West's solidarity around the anti-Russian agenda. As a result, the West formed a coalition of 50 countries against the Russian Federation, enlarged its overall defense budget, expanded NATO and increased the length of its immediate border with Russia by 1000 km to the Arctic. Russia tried to build a political and economic alliance with Turkey, but as a result practically gave up the South Caucasus to the latter and lost its only ally here – Armenia. As a result, having received maximum benefits and concessions, Ankara, in fact, started the process of distancing itself

from Moscow. Russia has been unable (or unwilling) to formalize a natural union with Iran, despite promises, it has not achieved an alliance with China, wasted its weight in the Central Asia, and now is building unclear relations with the Arab world. Finally, Russia itself contributed to demonstration of incapacity of the CSTO defense alliance, and by surrendering Nagorno-Karabakh to Azerbaijan, devalued its image as a champion of the right of peoples to self-determination and the reputation of a reliable ally.

It is unlikely that the Russian President does not realize the scale of failure of the foreign policy and erroneous recommendations of his “iron minister”. As a result, twenty years of foreign policy experiments by the Putin-Lavrov diplomatic partnership have turned into almost complete isolation of Russia. Lavrov can only be credited with the loyalty of half a dozen African dictatorships to Russia and his ignoring the ban on smoking at the UN headquarters, which the Russian media enthusiastically disseminated at the dawn of ministerial career of the chief Russian diplomat.

Apparently, the forecasts and rumors about Lavrov’s resignation are indeed justified. And it’s not a matter of his old age, as Russian and international media say, citing their sources in the Kremlin. The point is Putin’s intentions to stop the degradation of the Russian foreign policy potential, which will be difficult to achieve with the current minister. Lavrov’s toughness and his habit of going headlong everywhere, credited to him just 10 years ago, now clearly demonstrate their counterproductivity. But Lavrov must leave, taking with him not only the era of inertia and pseudo-power arrogance of the Russian foreign policy, but also personal mistakes of the Russian President himself, who has not noticed dangerous consequences of such a path for a long time.

In this sense, not only Lavrov, but also all ministers, heads of federal districts and key agencies, whose question of dismissal is on the Kremlin’s agenda, will become ballast, designed to rid Putin of the legacy of his own mistakes and flaws in the system that he has built over a quarter of century of his unlimited power. Most independent observers come to the idea that objective realities are forcing Putin to transform the entire system and replace the people, personifying it, but at the same time he himself is not ready, or not yet ready, to comprehend the need for his own departure. And this is the most important feature of his “*strong-willed, historical undertaking for Russia*”.

To change everything while staying by himself. But regarding the results of such a reformatory concept, opinions differ. There is a belief that, given the need for fundamental reforms of the system, the country at this stage will be unable to withstand the abdication of power by Putin himself. And there is an opposite opinion that the system *a priori* cannot be transformed without changing the central figure, who is an embodiment of its essence and philosophy. And only time will tell which of these points of view is the most convincing.