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ISSUE BRIEF

The Direction of Russian Politics and the Putin Factor

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What should one expect of Russia in the coming years? What kind of policy choices should one expect from Russian President Vladimir Putin in the course of his fourth (and de facto fifth) term as the leader of the country?

There are two major schools of thought on the matter. One is that external, rather than internal, factors drive Russia's development. That school is powerfully represented by the Princeton historian Stephen Kotkin, who suggests that Russia is fated to a cyclical pattern in its development, with periods of modernization unavoidably followed by authoritarian rule and repression, which bring collapse and an exhaustion of resources, as a result of "a gap between Russia's aspirations and Russia's capacity." This is then followed by a new cycle, which at some point again demands a tsar/general secretary/dictator. This was the case in Tsarist Russia and Soviet Russia, and, according to Kotkin, is still the case in post-Soviet Russia.[1] Kotkin sees the inevitability of a strong and coercive state, and one-man rule, as a result of Russia seeing itself as a superpower—bearer of a messianic knowledge and a special role in the world. In order to retain or regain its place in the world, it must continually demonstrate its clenched, powerful fist to its neighbors, who must fear it. Hence, the redistribution of resources in favor of the military-industrial complex and the gagging of any dissent within the country. Keith Darden of American University, while resisting the temptation to measure politics over the scale of centuries, nevertheless points to a post-imperial syndrome that was, in fact, experienced by the United Kingdom, Germany, and Japan, though they managed to avoid the trap of one-man rule and to retain their democratic structures. Darden maintains that international politics will determine Russia's internal politics.[2]

1 Stephen Kotkin, "Russia's Perpetual Geopolitics: Putin Returns to the Historical Pattern," *Foreign Affairs*, May–June 2016, https://www.foreignaffairs.com/articles/ukraine/2016-04-18/russias-perpetual-geopolitics.

2 Keith A. Darden, "Russian Revanche: External Threats & Regime Reactions," *Daedalus*, Vol. 146, No. 2, Spring 2017, pp. 128–141, https://www.mitpressjournals.org/doi/abs/10.1162/DAED_a_00440.

Darden believes that threats from the West (or the idea of real or imaginary threats) predetermined the conservative pivot and authoritarian policies, and will continue to be a defining factor into the future.

The second major school of thought, represented by quite a number of scholars, sees a potential for change in the development of internal conflicts: between private big businesses and state corporations, between Putin's oligarchs in uniform and out of it, and between various graduates of the former USSR's security agency and army generals.

Who Runs the Show?

Russian propaganda channels effectively hawked the thesis regarding Russia's special role in the world. This was especially true when oil prices were high, allowing for tens of billions of dollars to be spent on public-relations campaigns and active-measure operations, both within the country and abroad.

It is unclear which specific Russia Kotkin is talking about. There are at least three Russias: the Russia of the two capitals (Moscow and Saint Petersburg), the Russia of the large cities (i.e., cities with a population of one million or more), and the Russia of small towns and dying villages. The author would definitely count herself among those who believe that the internal politics will define the external politics, and the internal politics, in turn, are the result of the type of regime that is in place. Is it a personalist authoritarian regime or a corporatist one?

The real question for the next six years, then, is: who is running the show? Who is in charge? Is it President Vladimir Putin, who uses personnel coming out of the Committee for State Security (KGB) as his main management resource, as a "boogeyman" to frighten the oligarchs and dissenting intellectuals, and as his main buttress and protection? Or, is it the clan of graduates from the USSR's political police, the KGB (both those who actually served there and their children), along with other so-called *siloviki* (i.e., bureaucrats from the army, police, and GRU [military intelligence])—who, by the author's estimate, account for more than 65–70 percent of the upper layer of Russian *nomenklatura* and increasingly dictate the rules of the game to Putin and the government, in ways that suit their own interests?

Here is a specific example. The European University is located in Saint Petersburg.[3] It is an advanced school in the field of political science, the best in the country. On September 28, 2017, the university lost its license to carry out educational activities. Roskomoblnadzor, the state agency that oversees this sphere, revoked the license that had been issued thirty-two years ago, and the Saint Petersburg government tore up the lease for the building where the university had been located since its 1994 founding.

The university's problems began in 2008 and allegedly emanated from Vladislav Surkov, then the main ideologist of the president's administration. The fire department turned up at the university, claiming it had violated fire-safety regulations and that no teaching could continue. The fire department, alongside the sanitary and epidemiological departments, has long been an effective instrument that authorities could leverage against certain businesses and organizations. Alexei Kudrin, who at the time was still a vice premier and minister of finances, paid a visit to Vladimir Putin, and the firemen quickly lost interest in the university.

However, in 2014, after the annexation of Crimea and the beginning of the war in eastern Ukraine, the situation surrounding the university again began to heat up. Five different individuals living in different cities sent appeals concerning the university to the Investigative Committee and the Prosecutor General's Office, asking that investigations be carried out. The complaints concerned matters that had little to do with education, such as the quality of food at the university's canteen and inadequate restoration of part of a historic building. Insiders knew, however, that the university's problems were actually a result of specific interest in it on the part of the Federal Security Service's (FSB) Sevice for Protection of the Constitutional Order (the so-called *Sluzhba Z*). In Soviet times, *Sluzhba Z* was the notorious Fifth Directorate of the KGB, an ideological counterintelligence service that fought against dissidents. It took its current name during the Perestroika era, following the repeal of Article Six of the USSR Constitution on the leading role of the Communist Party, and is also known as Directorate Z (for *zaschita*, meaning "protection"). Why has the FSB become so preoccupied with European University? There are several hypotheses.

(1) Some time prior to 2008, the university received grants from US billionaire and philanthropist George Soros, whose fund, the Open Russian Institute, was one of the first to be declared non grata in Russia. Much later, in November 2015, the Russian General Prosecutor's Office declared the fund an "undesirable organization."

(2) Some leading professors—for example, Vladimir Gelman, currently a permanent professor of Helsinki University—have been known for writing opinion and analytical pieces critical of the regime in Russia.[4]

(3) The university's leading professors—including Oleg Kharkhordin,[5] who had been rector of the European University for many years, earned his PhD at the University of California-Berkeley, and was a longtime fellow at Harvard's Davis Center for Russian and Eurasian Studies; and Vladimir Gelman, who is active at PONARS Eurasia—have studied in the West, mostly at US universities, and were residents at centers and think tanks that, in the opinion of the FSB, work against Russia's interests.[6]

To cut a long story short, Kudrin, then the chairman of the board of guardians of the European University Fund in Saint Petersburg—went to see President Putin three times: on July 16, 2015, on November 23, 2016, and in mid-July 2017. On all three occasions, the president signed off on letters requesting that the destruction of the university be ended, marking them with the powerful resolution "Support." The letters were addressed to the Education Ministry and/or Deputy Prime Minister Olga Golodets and the mayor of Saint Petersburg, Putin's old KGB colleague Georgy Poltavchenko. And, three times, there was no result. In fact, quite the opposite happened: the European University had its license revoked, and Mayor Poltavchenko kicked the university out of its premises.

A paradox? How, in an authoritarian state, can the dictator's instructions not be carried out?

According to insiders, the issues that are of special concern to the FSB and, specifically, the Service for the Protection of the Constitutional Order, require something more than a written resolution of a sitting president. A written resolution merely demonstrates that the applicant managed to get through to the president. In order for the instruction to be accepted and carried out, there then needs to be a call from Putin—either to the head of the service, Colonel General Alexei Sedov, or to the head of the FSB, Alexander Bortnikov.

Why was no such phone call made? There are several mutually exclusive hypotheses.

The first hypothesis: Vladimir Putin is trying to free himself from anyone who has been close to him at the time he was just a deputy mayor of St. Petersburg in the 1990s. Examples include Vyacheslav Yakunin, the former head of Russian railways and Sergei Ivanov, the former head of the presidential administration (both were with KGB intelligence in the 1970s and 1980s). Kudrin, the finance minister of eleven years, happened to fit the same pattern.

The second hypothesis: Following the annexation of Crimea and the beginning of the war in eastern Ukraine, Putin has become dependent on the information supply, protection, and support of the Federal Security Guard Service (formerly the Ninth Directorate of the KGB, tasked with providing security for the leaders of the state) and the FSB. According to various sources, all key decisions are taken with the participation of the

3 The *New Times* has been following the story almost on a weekly basis. See: Natalia Schkurenok, *"Evropeiskiy Universitet :pervaniy polet," New Times*, December 13, 2016, https://newtimes.ru/articles/detail/116172/; Natalia Schkurenok, "U Rosobnadzora svoyi prioriteti," New Times, June 26, 2017, https://newtimes.ru/articles/detail/115807; Natalia Schkurenok, Q & A with EU Dean Nikolay Vachtin, New Times, October 8, 2017, https://newtimes.ru/articles/detail/119496/. For copies of the appeal letters with Putin's resolution, see Yevgenia Albats and Andrei Kolesnikov, *"Rosobnadzor I Poltavchenko protiv Putina," New Times*, October 2, 2017, https://newtimes.ru/articles/detail/119423.

4 Professor Gelman writes extensively on the nature of regime in Russia. See: Cameron Ross and Vladimir Gelman, *The Politics of Sub-National Authoritarianism in Russia* (Florence, Kentucky: Routledge, 2013).

5 Oleg Kharkhordin, Republicanism in Russia: *Community Before and After Communism* (Cambridge, Mass: Harvard University Press, 2018).

6 The author has also experienced this. In 2010, all of her courses at the Research University—the Higher School of Economics were shut down at the request of the country's leadership, according to the university's rector, Yaroslav Kuzminov. In 2011, the university did not extend her contract as the author was vocal and quite noticeable in her second capacity—as a talk-show host on the Echo Moskvy radio station (the *Absolute Albats* began broadcasting in April 2004), and as the New Times magazine's political editor and, later, editor-in-chief. As a result, the rector of the government-financed university faced a dilemma: to have a professor who was known for her anti-regime opinion, or to secure a good relationship with Putin's closest entourage? The rector chose the latter. In the next years, several other university professors either lost their jobs or chose to resign for similar reasons.

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FSB collegium, and analysis is supplied by the FSB's Analytical Directorate. The author calls this the "syndrome of the aging general secretary." It occurs when an aging leader, who was in power for a long time, stops trusting even his closest entourage. As a result, a leader becomes preoccupied with a fear of a palace coup, and tends to rely on specialists in spying and bugging. This was the case with General Secretary Leonid Brezhnev, and it was the case with Boris Yeltsin (who, after 1996, increasingly surrounded himself with people from the secret services). It would be strange if this same syndrome did not influence Putin, whose professional and life experience was acquired in two institutions: the KGB in the 1970s and 1980s, and the gangster-ridden Saint Petersburg of the 1990s.

According to a 2016 study, conducted by the Russian political scientists Nikolai Petrov and Kirill Rogov, the FSB has sufficiently intensified its repressive functions, beginning in 2013.[7] For example, there was an eightfold rise of so-called "terrorist cases" in 2015 compared to 2012, and a threefold increase of cases on "extremism." According to retired KGB General Alexei Kondaurov, "Extremism is a nowadays substitution for the anti-Soviet propaganda cases, which were used against opposition in the 1970s–1980s."

However, the growing power of the FSB has manifested most vividly in cases against the Russian *nomenklatura*, governors, and state-affiliated businesses. The 2017 arrest of Alexei Ulyukayev, Putin's economic minister, and his subsequent sentencing to eight years in a high-security labor camp has shocked the elite. Under the banner of "fight against corruption," ten governors and deputy governors, scores of mayors and deputy mayors, and state-affiliated corporations, like Skolkovo and Rosnano, have found themselves under investigation by the FSB. Fear of becoming next in line has caused many among the elites to pack their suitcases.

These facts suggest the political regime in Russia is transforming from a personalist authoritarian regime, with a leader on top and running the show, toward a corporatist type of regime. There are many examples of this through history: Benito Mussolini's Italy, Antonio Salazar's Portugal, and Francisco Franco's Spain, in addition to a whole range of countries in Latin America. The stability of those regimes was provided by a coalition of military officers and bureaucrats —technocrats. In Russia's case, the stability is guaranteed by political-police operatives, technocrats in the bureaucracy, and violence as the primary method of governance.

This transformation of the regime in Russia, and Putin's dependence on the former KGB operatives, will define Russia's internal and external policies for the coming six years.

Out of Control

In the history of Russia, the political police have traditionally played a major role. This was the case with Tsarist Russia's Third Department of His Imperial Majesty's own Chancellery, which spied on those with dissenting views. It was also the case in the USSR, where, in 1918, the Cheka (VChK) was created specifically as an organ in the struggle against ideological opponents.[8] With the breakup of the USSR and the collapse of the regime, the KGB went through structural changes and was divided up into different services. In the 1990s, it struggled to survive amid conditions of a state crisis, and in the face of an extreme lack of funding. To a far greater extent, former operatives became involved in businesses (often through residual property rights), rather than controlling the souls and minds of their fellow citizens.

7 The study was conducted, and the article written, for the Research University—the Higher School of Economics, yet the university chose not to publish it on its website. See: Kirill Rogov and Nikolai Petrov, "Konsolidacia Silovoy Vertikali," *New Times*, November 14, 2016, https://newtimes.ru/articles/detail/116585/.

8 On the evolution of the USSR's punitive institutions, see Alexander Yakovlev, Lubyanka: *Organy VChK—OGPU—NKVD—NKGB—MGB—MVD—KGB, 1917—1991* (Directory) (Moscow: Mezhdunarodniy Fond Demokratia and Yale University Press, 2003).

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Everything changed in December 1999, when Vladimir Putin took over the post of president. Putin began his career in the Leningrad Directorate of the KGB, working on the so-called "fifth line," the notorious Fifth Directorate of the KGB—which was charged with fighting against dissidents in the USSR, recruiting informers among intellectuals and creative people, and resisting the "pernicious influence of the West."[9]

In 2004, toward the end of Putin's first term in the Kremlin, the KGB's former directorates—with the exception of the Federal Security Guard Service and the Foreign Intelligence Service—were gathered under the roof of the Lubyanka, the colloquial term for the KGB USSR.

Current plans allegedly involve new reforms following Putin's inauguration as president of Russia in May 2018—specifically, the recreation of a Ministry for State Security (MGB), which existed from 1946–1953 and served as the Soviet political police.

The ministry will combine the FSB, the Foreign Intelligence Service, and the Federal Security Guard Service under one roof. This would mean that the structure of the USSR's KGB, as it was until the autumn of 1991, will be almost entirely recreated.[10] There is no doubt that the return of this old MGB title sets the task of returning a key instrument of the Soviet political police to people's minds, and this fear will be a serious obstacle to the creation of a consolidated opposition in Russia. Though there is no way to know the true underlying purpose of that old/new structural reform, it seems the major reason for it is to prevent further discontent between the different security agencies. Should the author be in Putin's shoes, this would be the last item on her agenda: discontent among wolves provides better security for a dictator.

Nevertheless, what's more important for predicting the regime's internal and external policies for the next six years—is the unprecedented position occupied in today's Russian political order by personnel coming out of the most repressive institution of the Soviet authorities.

Consider the following dynamics:

- In 1993, two years after the collapse of the USSR and during Boris Yeltsin's first term in the Kremlin, bureaucrats in epaulets—which is to say, former KGB, GRU (military intelligence), army, and police operatives—accounted for 33 percent of personnel in the office of the Administration of the President (the Russian version of the White House) and another 11.4 percent in the apparatus of the central government.[11]
- By the end of Yeltsin's epoch, almost half of all posts in his administration—46.4 percent, to be precise—were occupied by bureaucrats in epaulets, and they accounted for another 22 percent of the central-government posts.[12]
- In 2002, two years after Vladimir Putin became president, bureaucrats in epaulets had control of 58.3 percent of all posts in the Administration of the President and almost 33 percent in the apparatus of the central government.
- Six years later, by the end of Putin's second term in office, former KGB, GRU, army, and police operatives were packing all the corridors of power, whether central or local. They accounted for 66.7 percent in the Administration of the President, almost 40 percent in the central government, one-fifth (20.7 percent) of all governors across Russia (for comparison, former operatives accounted for only 4.5 percent of governors in 1999), 30 percent of all members of the lower and upper chambers of the parliament, and so on.[13]

By 2015, all of the most influential positions in the decision-making sphere—which is to say, the presidential administration, the executive branch, legislature, major state-owned and/or state-affiliated corporations, banks, and other significant institutions—were occupied by current or retired political policemen. To name just a few: the president himself, his chief of staff, the speaker of the parliament, ten members of the cabinet, no fewer than twenty-five undersecretaries, dozens

9 For a detailed description of the structure and functions of the KGB's Fifth Directorate, see Yevgenia Albats, *The KGB and Its Hold on Russia. Past, Present and Future* (New York: Farrar, Straus, and Giroux), 21–69, 204–267; and Yevgenia Albats, "Nikita Petrov: *V Chod Shli Vse Sredstva Moralnogo Terror*," *New Times*, December 5, 2016, https://newtimes.ru/articles/detail/116565.

10 Ilya Rozhdestvenskiy, "Peresadki Organov ili Vozvrasheniye MGB (Transplantation of Organs or Return of the MGB)," *New Times*, January 25, 2018, https://newtimes.ru/articles/detail/142207.

11 Olga Kryshtanovskaya, "Novaya Russkaya Elita," *New Times*, April 21, 2008, https://newtimes.ru/articles/detail/4324/.

12 Ibid.

13 Ibid.

and dozens of heads of departments in all branches of power and on all levels of government, chief executive officers (CEOs) of ten state-owned or affiliated corporations and banks, all passed through the ranks and matured as men within the KGB. The energy sector, including oil and gas (which, combined, account for 30 percent of the nation's gross domestic product [GDP], as well as almost half of the state budget), banking, control of money inflow and outflow, the military-industrial sector, communications, all television networks—are all overwhelmingly under the control of former KGB operatives. It is a safe bet who will be appointed to head one office or another.

Look back to August 2016: The head of the presidential administration, a former colonel of the First Main Directorate (foreign intelligence) of the KGB, sixty-five-year-old Sergei Ivanov, left his post. He was replaced by the forty-six-year-old Anton Vaino, who previously headed Putin's protocol department. His father, a Soviet intelligence officer in the USSR, works for another former KGB operative, Sergei Chemezov—a comrade of Putin's from his days as a spy in Dresden, and now the head of one of Russia's major state industrial corporations, Rostech.

Or, take January 2018: The private Promsvyazbank has gone bankrupt, its owners have fled abroad, the bank is taken on by the Central Bank for rehabilitation, and the government decides that the bank will service enterprises of the military-industrial complex. Pyotr Fradkov becomes head of the bank; he is the son of Mikhail Fradkov, the former head of the Russian Foreign Intelligence Service.

Or, consider in March 2017: When the government of the Arkhangelsk Oblast needed a new vice governor, the head of the region's representative office in Moscow. Yelena Kutukova, who has never lived in the Arkhangelsk Oblast, is appointed to the post. Why? Why of course! She is a retired FSB colonel who worked in the FSB's Analytical Directorate for many years. There are hundreds more examples of this kind.

For the first time in Russian history, the political police are not an instrument of power, as was the case during the Tsarist era or in the USSR. For the first time, the political police have become power itself, its essence and its being. In the Russia of 2018, there is not a single institution capable—in any way, shape or form—of controlling the KGB/FSB.

In Joseph Stalin's USSR, the issue of controlling the agencies and organs of the People's Commissariat for Internal Affairs (NKVD) was resolved through repression. More than twenty thousand KGB operatives, or Chekists, were shot between the mid-1930s and the mid-1950s. Each new chief of the NKVD-MGB began with the execution of those close to his predecessor, and that practice was repeated in NKVD agencies across the entire country.

"For the first time, the political police have become power itself, its essence and its being."

In the post-Stalin USSR, the control function was taken on by the institutions of the Communist Party (which, of course, was not a party, but the institution of governance), from the Central Committee in the capital, to the oblast committees, to the regional committees out in the provinces—all the way to small towns in the middle of the nowhere. Two vertical state structures penetrated the entire country—the Communist Party and the KGB.

It is true that, in 1982, the head of both the party and the state became Yuri Andropov, who had run the KGB for the previous fifteen years. Yet his power, and that of his colleagues in the KGB, was limited by a collegial organ—the Politburo of the Central Committee of the Communist Party, whose members saw the KGB as a danger to themselves and their families.

During the first ten years of post-Soviet Russia, different departments and agencies of the former KGB were more akin to business conglomerates competing with one another than a secret service. The emerging elites' fear of the KGB prompted new structures of the Russian government. It also prompted oligarchs to create their own private secret services, which fought with criminals turned businessmen, and with each other, while keeping a close eye on the activities of those who joined the FSB.

In today's Russia, all of the subdepartments of the former KGB, FSB, the Federal Security Guard Service, and the Foreign Intelligence Service are subordinated directly to the president, who himself was the head of the FSB in 1998–1999.

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Institutional Persistence

Nothing in this story would interest John le Carré or others fascinated by conspiracy theories. In fact, there is no conspiracy at all—everything is, and always was, out in the open, though only recently have scholars of Russian politics stopped overlooking the problem. There is much here for scholars of historical institutionalism and for those interested in the issue of institutional persistence.

There is no lack of literature on the subject. In fact, in 1856, Alexis de Tocqueville warned in *The Old Regime and the French Revolution* against using the debris of the old regime, as he called it, for the construction of a new one.[14] More recently, the problem of a persistent, specific institutional pattern has been detailed in *Why Nations Fail*, the best-selling 2012 study by Daron Acemoglu and James Robinson.[15]

This is not the time or place to talk about why Boris Yeltsin failed to eliminate the political police and develop a family of new secret services from scratch, in order to prevent a monopoly that was doomed to violate human rights as any secret service does. It is a saga of arrogance and ignorance if we decide to depict why a representative of the USSR's political police was chosen as Yeltsin's successor, becoming the legacy of the first leader of the new Russia.

The fact is that Russia is run by a clan of people who successfully managed to substitute the ideology of communism with Russian Orthodoxy, and who no longer believe that wealth is a product of antistate activities—all the more so if they happen to be rich.

Apart from that, Russians are witnessing the way in which, time and again, the graduates of the USSR's KGB take the same tools and policies that they believe worked perfectly well when they were young and strong, and use them to resolve whatever problems they face.

Why was a former officer of the FSB, Alexander Litvinenko, killed in London with the aid of radioactive polonium? Because everyone—from the colonels to the oligarchs—needed to know that no one can escape the retribution of the FSB, and London won't save traitors if Russian authorities believe that is what they are. That is what the political police did with traitors in Stalin's day, and in Brezhnev's day—all the way until 1984.

Why did Putin annex Crimea? Because he decided that the collective West was weak and incapable of opposing him, in the same way that Joseph Stalin regarded the West as weak when he occupied the Baltic States at the end of the 1930s.

Why did Russian hackers in the service of the FSB and the GRU interfere in election processes in the United States, France, Germany, the United Kingdom (UK), and so on? Because that is exactly what the KGB did during the Cold War—for example, during the 1984 re-election of Ronald Reagan to a second term.[16]

Why were members of Pussy Riot put in prison? Because people were sent to prison camps and charged with anti-Soviet agitation for similar actions, albeit against the Communist Party.

Why has a fabricated case been brought against Kirill Serebrennikov, the chief director of the Gogol Theater, which is incredibly popular among Moscow's middle class? He is being accused of embezzling money that was allocated by the state. However, the case was worked up not by the Internal Affairs Ministry (MVD) or the Investigative Committee, which usually deal with economic crimes, but by the same Service for the Protection of the Constitutional Order of the FSB that dealt with the European University in Saint Petersburg. According to a former officer of the KGB's ideological counterintelligence service in his conversation with the author, "A signal has to be given, a warning to Moscow's upper-middle class, and popular actors and actresses, capable of being role models, that any actions against the authorities will be stopped as they were in the Soviet era, when people were put in prison camps for having their novels published in the West."

14 Alexis de Tocqueville, *The Old Regime and the French Revolution* (New York: Anchor Books, 1955).

15 Daron Acemoglu and James Robinson, *Why Nations Fail: The Origins of Power, Prosperity and Poverty* (New York: Random House, 2012).

16 "Mitrokhin Archive," Woodrow Wilson International Center for Scholars, accessed March 17, 2018, http://digitalarchive.wilsoncenter.org/collection/52/mitrokhin-archive.

Russian President Vladimir Putin sits with Mikhail Fradkov, director of the Foreign Intelligence Service (SVR) and Andrei Bortnikov, director of the Federal Security Service (FSB) at an event in St. Petersburg, Russia in 2015. *Photo credit:* Russian Presidential Executive Office

In other words, knowledge of the instruments and practices that the KGB used during the USSR era will serve as a predictor for policies Moscow might choose in the years to come.

Outlook for the Future

The over-representation of bureaucrats with a common background in education (the KGB Academy or the Academy of Foreign Intelligence, first and foremost), with similar career paths, knowledge bases, professional skills, argots, sets of beliefs, codes of honor, and senses of brotherhood—created a peculiar form of fraternity at the very top that led to the establishment in Russia of a corporate form of governance: nontransparent and unaccountable to the public.

The conspiracy-orientated mindset, a search for internal and external enemies, secrecy as a way of running a public office, a disregard for human rights, a disbelief in people's ability for self-governance and protest, revanchism—all these characterize the current Russian *nomenklatura*.

Guillermo O'Donnell, a famous Argentinean political scientist, first coined the term "bureaucratic authoritarianism," while others applied the definition in a more detailed format, as military-bureaucratic authoritarianism.[17] This means a regime in which people in uniform— army officers in the case of Latin America, and Chekists in Russia—step forward in order to "cure" their states of diseases like corruption and government inefficiency. They choose coercion and violence over the rule of law, putting the institution of the state above society. In Latin America, those types of regimes resulted in bloody coups, endemic corruption, and economic collapse, often with thousands of people dead.[18]

The next six years will be a test, for both the Russian elite and the Russian opposition. Putin, remaining as leader of the state, will increasingly come forward as the front man of the Chekist corporation, presenting himself as a model of stability and civility, while the actual Chekists do the dirty work. In essence, a call for such a division of roles was made as early as 2016, as manifested in an interview given by the head of the FSB, General Alexander Bortnikov, to a state newspaper, *Rossiiskaya Gazeta*. In that interview, Bortnikov made it clear for the first time

17 Guillermo A. O'Donnell, *Bureaucratic Authoritarianism: Argentina, 1966-1973, in Comparative Perspective* (Berkeley: University of California Press, 1988).

18 Thomas E. Skidmore, *The Politics of the Military Rule in Brazil, 1964-85* (Oxford, UK: Oxford University Press, 1988).

that the FSB has values and concepts that it will defend—the priority of the state's interests over those of the individual, and the capability and justification for repression in order to resolve major state tasks.[19] This was followed by an interview in the same newspaper with the head of the Investigative Committee of the Russian Federation, Alexander Bastrykin, in which he argued for censorship in electronic mass media, again in the interests of the state.[20]

The model for relations between the state and big business was demonstrated by the president's friend Igor Sechin, the head of the oil company Rosneft. Any assets that take his fancy will either be bought with financing from the state-owned banks (as was the case with TNK-BP) or, if the seller wants too much money or there is no money left in the budget, those assets will be seized with the aid of controlled courts. This was the case with the oligarch Yevgeny Yevtushenkov and the oil company Bashneft.[21] Yevtushenkov not only lost his oil company to Rosneft, but also had to pay that company 100 billion rubles in fines for losses allegedly incurred by Bashneft. The dispute over the 100 billion was resolved directly by the president, in favor of Sechin, at a meeting with big business in the Kremlin. Anyone who dares to resist these kinds of deals will end up in prison or bankrupt. This happened to the Minister of Economic Development Alexei Ulyukayev, who was sentenced to eight years in prison after coming out in opposition to Sechin.[22]

As with the level of violence, the scale of the nationalization of businesses and changes in ownership will, to a large extent, depend on the price of oil. The lower its price, the lower the receipts for the Russian budget (and, consequently, less opportunity to buy the loyalty of the army, police, and population), and the greater the likelihood that the state will use force and violence.

The seizing of property, select murders, prison or involuntary emigration for opposition leaders, the closing of

19 *"FSB Rasstavlyet Akcenti," Rg.ru*, December 12, 2017, https://rg.ru/2017/12/19/aleksandr-bortnikov-fsb-rossii-svobodna-ot-politicheskogo-vliianiia.html.

20 *"Vremya Neprikasaemych Ushlo," Rg.ru*, December 14, 2017, https://rg.ru/2017/12/14/bastrykin-v-etom-godu-ushcherb-po-delam-o-korrupcii-103-mlrd-rublej.html.

21 Dmitriy Butrin, *"Novyei Prikliucheniya Krokodila," New Times*, July 3, 2017, https://newtimes.ru/articles/detail/115790/.

22 Anastasiya Kornya and Yelena Mukhametshina, *"Eksperty nazvali prigovor Ulyukayevu politicheski motivirovannym," Vedomosti*, https://www.vedomosti.ru/politics/articles/2017/12/17/745542-prigovor-ulyukaevu-politicheski-motivirovannim.

"... the consolidation of the regime will encounter serious problems, resulting from the different business interests within the ruling clan."

the few remaining independent or quasi-independent mass-media outlets (such as *Echo-Moskvy*), the destruction of nongovernmental organizations (NGOs)—all of these will become unremarkable events over the next six years.[23]

Foreign policy will take the form of active measures or clandestine operations, with the aim of creating chaos in the enemy's camp. As in the era of the USSR, the United States will remain enemy number one. Sanctions and the fear of mutiny on the part of Yeltsin's oligarchs (those who made money in the 1990s, or were not part of the Chekist brotherhood) will lead to those oligarchs being forced out of Russia, as well as loss of assets and property for businessmen deemed threats to the regime.

The slogan of Benito Mussolini's fascists—"All within the state, nothing outside of the state, nobody against the state"—will, conclusively, become the main rule of Russian politics.

Having said that, there is good news as well.

Good News

The good news is that the consolidation of the regime will encounter serious problems, resulting from the different business interests within the ruling clan. Unlike the Soviet KGB, in which operatives' well-being was solely

23 There is no way to cope with the news. While this paper was being edited, the investigative website Russiangate published an investigation that dug up hidden property of the FSB head, General Bortnikov. In a matter of hours, the website was blocked. It was closed the next day by its owners, who claimed supporting such a media outlet carried "excessive risks." See: Alexandrina Elagina, *"Sayit Russiangate okazalsya nedostupen posle publicatcii statyi o nedvizhimosti glavi FSB Bortnikova," Mediazona*, https://zona.media/news/2018/01/23/rg.

dependent on the state, modern Russia's market economy features a fierce war being waged by all against all. It is a Hobbesian world with no laws, and unclear rules and norms. There is no reason to expect things to change in this regard in the years to come. Thus, there will be many obstacles impeding the consolidation of the authoritarian regime; as a result, it will operate in a milder manner than might otherwise be expected.

Another source of some optimism is that, in the time that Putin has been in power, the children of the regime's key players have grown up, and grandchildren have even appeared. People born in the year when Putin first became president of the Russian Federation were voting for the first time in March 2018. Many of the key people in Putin's entourage have children in posts in state corporations and banks, which has allowed certain observers to speak of "hereditary state capitalism in Russia," whereby financial control is in the hands of a single family, while the risks and losses are taken on by the government and the budget. (In Russia, this principle is called "privatization of profits and nationalization of losses.")

For example, the son of the head of the FSB, Bortnikov, is the head of the Saint Petersburg subsidiary of the VTB state bank. Igor Sechin's daughter works at Surgutneftigazbank. The son of Yuri Kovalchuk—the owner of the National Media Group and Rossia Bank, and one of Putin's closest confidants—is the chairman of the board of the Inter RAO energy company. The son of FSB General Nikolai Patrushev, Putin's national security advisor, heads the board of directors of a joint enterprise of two giants, Gazprom and LUKOIL. This generation's incomes amount to millions of dollars every year. They've grown quite comfortable receiving money in Russia and spending it in Europe. They often have property abroad, and their families quite often reside there. Dozens of children of Putin's elite received their educations in the finest universities and business schools in the West, and, at a minimum, have read about Western values of individual freedom and the inviolability of private property. All of this inspires hope that they will choose not to live in "Fortress Russia," an enclosed cage cut off from the opportunity to make use of the benefits of the West's luxury services, and of its universities for the education of their own children.

As President Putin's latest address to the Russian parliament, made on March 1, revealed, the government of Russia readily pits itself against the rest of the civilized world. Whether Putin is ready for a new arms race with the United States, or whether it is just rhetoric aimed at setting up terms for negotiations with respect to sanctions imposed against sectors of the Russian economy, remains to be seen. Yet, whatever the cards hold for both countries, it is important to see it with open eyes. Therefore, it is crucial to understand the nature of the regime in Russia, its key players, strengths and weakness, and the rules of the game that exist in Moscow. This paper by no means pretends to exhaust the subject—it is, rather, a perspective for the future research the author plans to undertake.

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