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Putin's Russia: The Nature and Contradictions of the Regime**

The article surveys public information which casts doubt on the traditional definition of Vladimir Putin's regime as the "Power Vertical" concept; i.e. the assumption of the same chain of reasoning that it was Putin who created this regime and that the beginning of its creation should be identified with Putin's coming to power in Russia in 2000 is also questioned. The article attempts to substantiate the fact that processes resulting in what we now call the Putin regime began well before the collapse of the Soviet Union and were developing in Russia throughout the entire period of the so-called Boris Yeltsin's democracy. They are related to the Soviet Union reformation plans of the KGB secret service, considered as omnipotent even in the Soviet Union itself, to the redistribution of assets after the collapse of the Soviet Union and to people who were either specially trained for the mentioned reformation of the USSR or were themselves KGB representatives; now it is they who are established in the highest echelons of Russia's power. The objective of this article is to reveal the side of the nature of the Putin regime which considerably changes the customary picture.

Introduction

During recent years, Russia's president Vladimir Putin continually amazes the West not only by more and more aggressive actions in different places of the world but also by the fact that his regime supposedly undertakes actions which, at least judging by the logic and reasoning of the West, might lead to its collapse¹.

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¹ Sater P., „Putin Meets Economic Collapse With Purges, Broken Promises“, *Newsweek*, 6/28/15, <http://www.newsweek.com/putin-meets-economic-collapse-purges-broken-promises-347565>;

Kozyrev A.V., Russia's Coming Regime Change, *The New York Times*, July 20, 2015, http://www.nytimes.com/2015/07/21/opinion/russias-coming-regime-change.html?_r=0;

Kaylan M., „Putin's Syria Gambit Could Be His Waterloo“, *Forbes*, 30/09/2015.

Therefore, an ever louder-sounding question about the ultimate objective of the Kremlin constantly arises. It is equally important to establish whether this is the policy of Putin himself, who is perhaps concerned solely about his own survival or is not even in touch with reality, as it was formulated by the Chancellor of Germany Angela Merkel², or the objectives and aspirations of Russia's entire current power system, which are unlikely to change even if Putin were to resign from his post.

In order to answer these two questions, an exploration of the nature of the Putin regime becomes the essential and irreplaceable basis of any assumption. Without taking into consideration the nature of the Putin regime, it is hard to believe that it is possible to understand both his actions and the logic of these actions.

It is even possible to state that an erroneous perception of the Putin regime may be one of the essential reasons preventing not only a better understanding of what the Kremlin is after by undertaking actions which, following the logic of the West, might lead to the regime's collapse, but at least partly predict further threats and challenges to the West posed by this regime.

1. Who Is Putin Himself in Putin's Regime System?

1.1. The "Power Vertical" Concept Dominates in the West

The New Tsar: the Rise and Reign of Vladimir Putin is the title of the book by Steven Lee Myers, a famous The New York Times journalist and fellow-employee of Wilson Center, one of the most influential former analytical centers of the USA, published in the autumn of 2015, best illustrates the currently existing perception by both the West and Lithuania of Russia's current power system in which president Putin himself is considered not only as its symbol but also as the creator of the system, its autocratic arbiter (or simply the new tsar), the architect of all the successes and failures of this system and even the guarantor of its survival. Robert D. Kaplan, a guru of US geopolitics, in praise of Myers' book writes that: "Personalities determine history as much as geography, and there is no personality who has had such a pivotal effect on the 21st century Europe as Vladimir Putin. 'The new tsar' is a riveting, im-

² Paterson T. Ukraine crisis: "Angry Angela Merkel questions whether Putin is 'in touch with reality'", *The Telegraph*, 03 Mar 2014, <http://www.telegraph.co.uk/news/worldnews/europe/ukraine/10673235/Ukraine-crisis-Angry-Angela-Merkel-questions-whether-Putin-is-in-touch-with-reality.html>.

mensely detailed biography of Putin that explains in full-bodied, almost Shakespearean fashion why he acts the way he does”³. This confirms the prevailing in the world attitude towards the nature of the Putin regime and the principles of its operation.

The concept of “Power Vertical” essentially defines the regime of Russia as a system of faithfulness, loyalty and complete subordination to one person. In it there supposedly reigns the creator of this system, president Putin, while all the other power links make up a downward extending pyramid, the mission of which is to carry out the directions and implement the ideas of the top of the vertical (or of the “tsar”). Supposedly because of this, while creating this system, Putin has brought to power his personal friends and comrades who now ensure the functioning of the vertical structure.

Fiona Hill and Clifford G. Gaddy, well-known experts on Russia, define the concept of the “Power Vertical” in their book *Mr. Putin: Operative in the Kremlin* in the following way:

Everybody knowing what they have to do and when they have to do it – as well as knowing that they are accountable to the man at the top – is the idealized essence of Putin’s system. This is the key element of the Power Vertical (*vertikal’ vlasti*) which Putin tried to create in centralizing the state apparatus in the 2000s. The man at the top lays out the mission and sets the goals. Everyone else from the top to the bottom of the federal state apparatus has a larger or smaller set of responsibilities for trying to achieve those goals. The same happens at the regional level.⁴

It is true that in the works of Western analysts it is possible to find attempts to at least partly doubt the reality of the traditional “Power Vertical” concept when concrete details of the operation of the regime are touched upon; or at least to question whether this system is really functioning successfully. Such doubts, particularly in exploring the so-called “tandem” phenomenon of Putin and the then president Dmitry Medvedev, as early as 2011, were formulated by another famous expert on Russia Andrew Monaghan, the then analyst of NATO Defense College and now that of Chatham House⁵.

Still earlier, one more West-acknowledged expert on Russia, Richard Sakwa, in his book published in 2010, provided a very eloquent detail. Supposedly, the political analyst, a long-term member of the State Duma and head of the Fund “Russky Mir”, Vyacheslav Nikonov, who was considered one of the “soldiers” of the Putin regime, had counted that “more than 1,800 Putin’s presi-

³ Kaplan R. D., „About The New Tsar“, <http://www.penguinrandomhouse.com/books/220562/the-new-tsar-by-steven-lee-myers>.

⁴ Hill F., Gaddy C. G., *Mr. Putin: Operative in the Kremlin*, The Brookings Institution, 2013.

⁵ Monaghan A., „The Russian *Vertikal* the Tandem, Power and the Elections“, June 2011, https://www.chathamhouse.org/sites/files/chathamhouse/19412_0511ppmonaghan.pdf

dential decrees (not instructions or assignments but policy-shaping decisions) had not been implemented by the time he left his post”⁶ in 2008.

It would seem that such details, which illustrate the functioning of the Putin regime, should form the basis for more serious doubts concerning the concept of the “the power pyramid” and the role of Putin as the tsar. Being aware that the directives of the “tsar” cannot be carried out on a massive scale leads to two alternative assumptions: that Putin is truly not an omnipotent “tsar” or that he is at least a “very weak tsar”, a statement not issued by a single proponent of the “Power Vertical” model.

However, at least in the West, these doubts have not been expanded to cause a more serious challenge to the established traditional concept of Russia’s regime.

1.2. The “Putinocentrist” Russian Attitude Has Been Challenged More than Once

In Russia itself, the traditional concept that Putin is the “alpha and omega” of the current state system of Russia has lately been challenged more than once, though it should be acknowledged that earlier the same “putinocentrist” attitude dominated there as well.

Initiators/participants of wars have become qualitatively less dependent on varied provisions of the implicit “Putin’s elite’s convention” that was shaped during the first part of the first decade of the twenty-first century; among them, on the principle “do not wash your dirty linen in public”. Putin’s elite does not consider itself a close-knit totality; thus in cases of conflict they could confine themselves to methods and instruments which do not destabilize the entire system. The destabilization of the system is no longer considered too great a price in the bureaucratic/corporative war (skirmish, battle). This is also a typical symptom of the “restructuring”⁷. In December 2013 Stanislav Belkovsky, a well-known political analyst previously considered close to the Kremlin itself, in his analytical survey wrote that “FSB⁸ Report: Russian wars: the biggest

⁶ Sakwa R. *The Crisis of Russian Democracy: The Dual State, Factionalism and the Medvedev Succession*, Cambridge University Press, 2011.

⁷ Белковский С., „Доклад ФСБ: «Русские войны: крупнейшие бюрократические, корпоративные, информационные конфликты в России в 2013 году», М.: 2013, http://slon.ru/russia/doklda_belkovskogo-1035081.xhtml

⁸ Belkovsky uses pun in this abbreviation: FSB is also an abbreviation of both the Russian Federal Security Service (*Federalnaja sluzhba bezopasnosti*), a successor of the KGB, and of the institution established by Belkovsky himself “The Fund of Stanislav Belkovsky” (Fond Stanislava Belkovskogo).

bureaucratic, corporative, informational conflicts in Russia in 2013. Though it should be acknowledged that quite a few of Belkovsky's insights (particularly about another "restructuring" period awaiting Russia) were not confirmed, the description of the regime itself even then was hardly compatible with the usual image of the "Power Vertical".

Russian power is by no means a rigid vertical structure controlled by one man. The "Power Vertical" is no more than just a propaganda cliché. Russian power is a conglomerate of clans and groups that compete with one another over resources. Vladimir Putin's role in this system remains unchanged – he is an arbiter and a moderator but a powerful arbiter who has the last word, at least for the time being, in conflict situations. In the 2000s, a number of factors led to the formation of a political decision-making style which more and more resembles the Politburo of the Soviet Union's Communist Party. The focus of creating state corporations, which was practiced both in politics and economy, contributed to the shift towards this model. A specific feature of the "Politburo 2.0" is that, firstly, it never holds general meetings. Secondly, the formal status of its members does not always reflect the real influence on the decision-making process. And, thirdly, several elite circles, which can be conventionally referred to as "security", "political", "technical" and "business" have been formed around the "Politburo 2.0". On the one hand, these circles support the "Politburo 2.0" in the process of domination, but, on the other hand, they continually compete with one another for the influence on the "Politburo 2.0", particularly, by nominating their candidates to it.⁹

This is the wording of the opinion on the actual structure of the Russian power, based on the results of an extensive research covering more than 60 different experts and persons close to power, which the "Minchenko Consulting" center, headed by the well-known consultant on Russian policy Yevgeny Minchenko, expressed still earlier, namely, after Putin's return to the presidential post in 2012.

The famous Russian sociologist Olga Kryshtanovskaya, who has long been researching the elite of the Putin regime, claims that even during Dmitry Medvedev's presidency, the period which was considered in the West as an attempt to turn Russia towards a different policy and a different governing, not a single one out of 75 crucial persons of the regime called by him the "kliucheviki" (key men) lost his post¹⁰.

This would mean that the system remained absolutely stable even at the time when from the outside it seemed that Russia started moving in a considerably different direction. In analyzing the entire system of the Putin regime (because now it would most probably be difficult to argue that Medvedev's rule was only a constituent part of the same regime and a failed but not some

⁹ Minchenko Consulting Communication Group, "Vladimir Putin's Big Government and the "Politburo 2.0""; http://minchenko.ru/netcat_files/File/Big%20Government%20and%20the%20Politburo%202_0.pdf

¹⁰ Viktorov I., "The Legacy of Tandemocracy Russia's political elite during Putin's third presidency: Interview with the sociologist Olga Kryshtanovskaya", *Baltic Worlds*, October 18, 2014, <http://balticworlds.com/russia%E2%80%99s-political-elite-during-putin%E2%80%99s-third-presidency>.

essential attempt to transform this regime) this is another very important fact that is worth keeping in mind while seeking answers to the questions raised.

Additionally, the very term “klichueviki” has been chosen as the opposite to the established term “siloviki” (force men) by emphasizing that, in spite of all the influence, it is not only the representatives of security structures chosen to create Putin’s Power Vertical and supposedly brought to power by Putin himself, that control Russia. The system is much more complicated and in the analysis, published in April 2013 (thus, after Putin had returned to the head-of-the-state post for the second time) the American expert Donald N. Jensen defines the role of Russia’s president himself not as the image of the “tsar” but rather as that of the “Puppet Master”¹¹ who ensures his presidential decision-making autonomy by smart manipulations (the opposite to the “hard fist” control of the tsar).

Keeping in mind the fact that in the “Power Vertical” system: the man at the very top (Putin) lays out the mission and sets the goals and everyone else from the top to the bottom of the federal state apparatus has a larger or smaller set of responsibilities for trying to achieve those goals it would be hard to explain why the tsar still needs smart manipulations in order to ensure his presidential decision-making autonomy.

2. What Do Continual Wars Among the Elite Reveal About the Regime System?

2.1. The Constant Feature of the Regime under Discussion since Putin’s Coming to Power

It is important to note that the model of Putin’s Russian system as a continual fight among the rival power clans over resources and influence is not a novelty. Though now it is often not recalled, as early as during Putin’s first term in office at the beginning of the last decade, the whole world was often involved in the discussion about the so-called constant opposition between the afore-mentioned “siloviki” (representatives of force structures) and “liberals” in Russia and the decisions determined by the results of their fighting¹².

¹¹ Jensen D. „Putin the Puppet Master“, Institute of Modern Russia, April 16, 2013, <http://imrussia.org/en/politics/436-putin-the-puppet-master>

¹² Tsipko A., „Putin’s choice: will the siloviki gain revenge on the liberals?“, *Prism*, August 29, 2001, http://www.jamestown.n.org/single/?tx_ttnews%5Btt_news%5D=28025&tx_ttnews%5BbackPid%5D=223&no_cache=1#.VjaO7tIrls0

Such a model of continual elite wars over resources and influence (but not due to Putin's favor or influence on him) substantially contradicts the model of the "power pyramid" or the role of Putin as the tsar, particularly acknowledging that the fight is and has always been going on¹³ not only over the home decisions in Russia but also over the foreign policy of the country. On the same grounds it is acknowledged that the course of the Russian state, even in the area of foreign policy, is not determined by Putin's personal decisions¹⁴, with which, after the beginning of the war in Ukraine, a large part of Russia's elite is dissatisfied or even "filled with horror"¹⁵

Though it is possible to state that the concept that the continual fight between the "liberals" and the "siloviki" (or, as it is now rephrased as the fight among "soldiers", "traders" and "believers"¹⁶) is a considerably simplified reflection of real processes in Russia, it at least more realistically shows that decisions in Russia do not depend on Putin alone.

2.2. Putin's "Friends" Also Become Victims of Wars

Another wide-spread myth determined by the concept of "putinocentrism" about Putin's model of Russia is that the entire system is supposedly based on personal relations of the personified power centers of this system with Putin himself.

That is why the news item, announced in August 2015 about the resignation of the long-term head of the "Russian Railways", Putin's former colleague in KGB structures and even the celebrated member of the cooperative "Ozero"¹⁷, Vladimir Yakunin, was received as a piece of news capable of nearly

¹³ Staun J. „Siloviki versus Liberal-Technocrats: The Fight for Russia and its Foreign Policy“, Danish Institute for International Studies, <http://www.isn.ethz.ch/Digital-Library/Publications/Detail/?lang=en&id=35135>, „Russia: Liberals on the Offensive“, Stratfor, 2004. <https://www.stratfor.com/analysis/russia-liberals-offensive>

¹⁴ Weir F. „Oligarchs out, 'siloviki' in? Why Russia's foreign policy is hardening“, *The Christian Science Monitor*, February 2, 2015, <http://www.csmonitor.com/World/Europe/2015/0202/Oligarchs-out-siloviki-in-Why-Russia-s-foreign-policy-is-hardening>

¹⁵ Meyer H., Reznik I., Arkhipov I., „Russian Billionaires in 'Horror' as Putin Risks Isolation“, *Bloomberg Pursuits*, July 21, 2014, <http://www.bloomberg.com/news/articles/2014-07-20/russian-billionaires-in-horror-as-putin-risks-isolation>

¹⁶ Stanovaya T. „A Battle Is Raging for Russian Foreign Policy“, *The Moscow Times*, Nov. 02 2015 <http://www.themoscowtimes.com/opinion/article/a-battle-is-raging-for-russian-foreign-policy-op-ed/541516.html>

¹⁷ Сетдикова Д., „Непопулярный член кооператива "Озеро", *Радио Свобода*, 17.06.2014, <http://www.svoboda.org/content/article/25425252.html>

shattering the entire system or perhaps even changing it¹⁸.

Nothing similar to that happened and, apparently, will not happen. The Putin regime did not show any signs of change after the resignation of Yakunin. It is even possible to state that Yakunin's resignation, notwithstanding the fact that this man had long been considered a representative of Putin's inner circle, is the logical outcome of the clan fight between Yakunin and the "liberal" wing members of Dmitry Medvedev's government¹⁹. In addition, it is worth remembering that it is not the first time when Putin's so-called "friends" or representatives of his "inner circle" became victims of the afore-mentioned inter-fighting of the regime.

The most distinct example is Sergei Pugachev, once called "Putin's banker" and one of the persons of the closest presidential circle. The oligarch, hiding from the Kremlin in Great Britain or France right now, even claims that he personally brought Putin to power²⁰. How much Pugachev's statements have in common with reality is an issue for another discussion. However, Pugachev's story is at least completely different from the fates of, say, Boris Berezovsky or Vladimir Gusinsky, who had to escape abroad for having personally challenged Putin himself²¹, or Michael Khodorkovsky who did not only mount the same personal challenge to Putin²², but started posing at least a theoretical threat to the entire power system in Russia.

Pugachev, just like Yakunin and many other influential Russian players that lost their lives in fighting among clans and were earlier considered nearly personal friends of Putin, not only refrained from posing any personal challenge to the president of Russia but did not even attempt to change the power system as was the case with Berezovsky, Gusinsky and Khodorkovs-

¹⁸ Bershidsky L., „Putin May Be Tiring of His Cronies“, *BloombergView*, Aug 18, 2015, <http://www.bloombergview.com/articles/2015-08-18/putin-may-be-tiring-of-his-cronies>, Reznik I., Arkhipov I. Tanas O., „Putin Said Ready to Revamp Inner Circle as Ally Yakunin Goes“, *BloombergBusiness*, August 18, 2015, <http://www.bloomberg.com/news/articles/2015-08-18/putin-ally-yakunin-to-drop-railway-ceo-job-to-become-a-senator>, Kramer A. E., „Shake-Up in Moscow as Railways Chief, a Putin Friend, Is Reported Ousted“, *The New York Times*, Aug. 17, 2015 http://www.nytimes.com/2015/08/18/world/europe/head-of-russias-national-railway-a-putin-associate-said-to-be-ousted.html?_r=0, Korgunyuk Y., „The unraveling of crony capitalism in Russia?“, *Russia Direct*, Aug 19, 2015, <http://www.russia-direct.org/opinion/unraveling-crony-capitalism-russia>

¹⁹ Samoškaitė E., Ameliuškinas K. „Rusijoje vyksta keisti dalykai: kas slypi už dūmų uždangos“, *Delfi*, 2015 m. rugpjūčio 27 d., <http://www.delfi.lt/news/daily/lithuania/rusijoje-vyksta-keisti-dalykai-kas-slypi-uz-dumu-uzdangos.d?id=68835012>

²⁰ Belton C. „Sergei Pugachev: 'I personally brought Putin to power'“, *Financial Times*, July 23, 2015, <http://www.ft.com/intl/cms/s/0/5b24c19a-2ed7-11e5-8873-775ba7c2ea3d.html#axzz3qvcnffj5>.

²¹ Baker P., Glasser S., *Kremlin Rising: Vladimir Putin's Russia and the End of Revolution*, New York, 2005

²² Khodorkovsky, „Ten Years Ago Today: Khodorkovsky Dared To Challenge Putin On Corruption“, February 19, 2013, <http://www.khodorkovsky.com/ten-years-ago-today-khodorkovsky-dared-to-challenge-putin-on-corruption>.

ky. Nevertheless, though personally bearing no guilt concerning Putin, these former representatives of supposedly the closest circle to Putin, having found themselves in the common in Russia inter-fighting of the elite, for some reason did not receive any rescuing or at least intercession at the hands of the leader, frequently called the tsar, though at the time they were obviously attacked by rivals who were as if less close to Putin.

For example, Pugachev's business empire was divided among many; however, one of the most obvious beneficiaries was the leader of Chechnya Ramzan Kadyrov, or, to be more exact, Ruslan Baisarov, who is responsible for Kadyrov's business in Moscow²³.

2.3. Influence Is Not Just Posts in Power

Pugachev's story of the transformation from "Putin's banker" into a refugee of the regime only once more confirms the fact that Putin's Russia is a system of constant inter-fighting of clans and not a „Power Vertical“. However, fighting goes on not only between the "siloviki" and the "liberals" or between the "siloviki" and the "oligarchs". As early as 2007, one of the then leaders of clans, Director of the Federal Drug Control Service Viktor Cherkesov, openly wrote in an immensely popular article in the daily *Komersant* about the constant fighting of the "siloviki" clans themselves. This article by him was probably the first echo of the wars of the "siloviki" clans that gained publicity.

Putin then considerably restricted the power of both the warring parties but it was Cherkasov himself who gradually lost most of the influence. Being dismissed from the post of the Director of the Federal Drug Control Service in 2008, he was still appointed to the post of the Director of the Federal Agency for Supply of Armaments; but in 2010 he resigned from that post.

His further career developed particularly unexpectedly. In 2011, Cherkasov successfully participated in the parliamentary elections yet not as a representative of the ruling party the "United Russia" but as one of the communists. Now he is the Vice Chairman of the Duma Committee for Security and Fighting against Corruption.

²³ Смирнов С., Петрова С., "Сергей Пугачев подал иск к России на \$12 млрд как гражданин Франции", *Ведомости*, 22.09.2015, <http://www.vedomosti.ru/politics/articles/2015/09/22/609723-advokati-pugacheva-raskrili-detali-iska#/politics/articles/2015/09/22/609723-advokati-pugacheva-raskrili-detali-iska#!%23%2Fboxes%2F140737492434841>, Шлейнов Р., "Как устроен бизнес Руслана Байсарова", *Ведомости*, 12. 12. 2011, http://www.vedomosti.ru/library/articles/2011/12/12/esli_budet_ploho_obraschus_i_k_kadyrovu

Cherkesov's example reveals the model of the Russian clan system in several aspects. First of all, it once again denies the myth that in this system it is Putin's closest friends and comrades that can feel untouchable. Cherkesov was always considered to be one of them; he had worked with Putin in the Leningrad KGB and for a long time was called a representative of Putin's inner circle.

Besides, it is the clan system that is revealed by the fact that even having lost his former personal status granted by the high position, Cherkesov retains sufficient influence. Although this former KGB officer, who became a politician, does not claim to be included into the list of Minchenko's "politburo", he is enjoying power which, according to Minchenko, does not always correspond to his status in decision-making.

The best example of this is Cherkesov's wife Natalia Cherkesova, who still controls somewhat liberal and so far influential (given the conditions in Russia) media outlets: the news agency "Rosbalt" and the Saint Petersburg newspaper "Peterburgskij Chas Pik". The preservation of this control is considered an even more significant sign because attempts were made to shut down "Rosbalt", one of the most quoted media agencies in Russia, using a scheme that is common in Russia. The agency was accused of violations, and the court decreed to revoke its license. Yet in spring of 2014, already after the aggression in Crimea, when a new wave of media oppression began in Russia, the Russian Supreme Court repealed the decrees of lower courts and reinstated the licence of "Rosbalt" considered a rather liberal media agency²⁴.

Therefore, it is really too early to "write off" the aforementioned Yakunin as a regime member who has supposedly lost his influence. It could rather be said that Yakunin and his clan lost a chance to strengthen their positions at the expense of the "Russian Railways" and all Russia's taxpayers, and this opportunity was given to another clan. However, it is too early to "write off" Yakunin even being aware that he refused to become a member of the Federation Council as was reported at the start.

²⁴ Kasčiūnas L., Laurinavičius M., Keršanskas V., „Vladimir Putin's pyramid of rule: Who really governs Russia?“, *DELFI by The Lithuanian Tribune*, August 4, 2014, <http://en.delfi.lt/central-eastern-europe/vladimir-putins-pyramid-of-rule-who-really-governs-russia.d?id=65432116>.

3. Can the Power Vertical Exist Without Clear Rules?

3.1. Loyalty to Putin Does Not Necessarily Become “An Insurance Policy”

One of the main rules which Putin supposedly introduced when he came to power was considered an unwritten agreement that oligarchs and their accumulated wealth would be safe as long as they did not challenge Putin and the entire power system.

It has already been mentioned that after Putin's coming to power, only those oligarchs who personally challenged Putin or the entire system – Khodorkovsky, Gusinsky and Berezovsky – found themselves in prison or “in exile”.

In this context, it could seem that some marked changes in the regime were illustrated by the oligarch Vladimir Yevtushenkov's so-called case which was widely nicknamed “Yukos 2.0”²⁵. However, the previously mentioned story of the banker Pugachev obviously contradicts this assessment.

There are more cases like that.²⁶ It is yet another example of the elite wars, and the crackdown on “an oligarch” launched by Putin's “pyramid of power” or even the “siloviki” whom he brought to power. With regard to the elite wars, it is necessary to note that even the most powerful clans established in Moscow are not always capable of defending themselves against attacks of even the regional elite.

From the very beginning assessing the case of Yevtushenkov not in the context of Putin's supposed “pyramid of power” but in the context of the fighting of clans, one could easily predict that it was far from being “Jukos case 2.0”; it is not just one more “friend” of Putin and a member of “the inner circle”, the head of “Rosneft” Igor Sechin, but the new power elite of Bashkiria that seek the control of the company “Bashneft”. The outcome of the case that the “Bashneft” will be taken over by the state (to be more exact, will get under the control of the Bashkir government) and Yevtushenkov will not share the fate of Khodorkovsky—this was also predicted²⁷.

However, it was necessary to assess Yevtushenkov himself as an oligarch

²⁵ „Yukos 2.0?“, *The Economist*, Sep 18th 2014, <http://www.economist.com/news/europe/21618848-arrest-vladimir-yevtushenkov-recalls-mikhail-khodorkovsky-yukos-20>

²⁶ Laurinavičius M. “The case of Yevtushenkov: One more look at Russia through the prism of clan battles“, *DELFI by The Lithuanian Tribune*, October 23, 2014, <http://en.delfi.lt/central-eastern-europe/the-case-of-yevtushenkov-one-more-look-at-russia-through-the-prism-of-clan-battles.d?id=66186694>

²⁷ *Ibidem*.

who at the very start was creating his business empire on the basis of KGB clans and who could now be considered a member of one of the most powerful power groups in the country. We should not just superficially judge that this case means some essential breakthrough, as if the unwritten agreement was broken, or that the supposedly absolute ruler of Russia, Putin, would not interfere with large business of Russia as long as it is loyal to those in power. This rule simply does not exist. There is no doubt that not a single oligarch is allowed to encroach on the very system of power or Putin's authority, yet loyalty cannot protect them from a possibility of becoming victims of the inter-fighting.

3.2. The Assassination of Boris Nemtsov in the Context of Putin's Absolute Rule

One more example of the total breaking of the rules of the Putin regime is the assassination on February 27, 2015, of one of the leaders of the country's opposition, Boris Nemtsov. While analyzing this assassination in the context of other crimes of the Putin regime, a lot is revealed about the regime itself. The main conclusion, however, is that this regime has long had no boundaries which it did not overstep before²⁸—killings have become part of this regime, and human life is completely worthless.

Meanwhile, in the context of the "Power Vertical" everything is much more complicated. It does not matter whether we assess this assassination as the one directly commissioned by Putin, as some members of the Russian opposition still claim, or, quite the opposite, as a challenge to Putin himself²⁹. From the perspective of the "Power Vertical" the rules in this case were obviously broken.

If the assassination of Nemtsov was ordered by Putin, the question arises of why the arrested suspects are not just "scapegoats" but people from the entourage of the Chechen president Ramzan Kadyrov, who is considered one of the confidants of Putin himself. And why Putin, being an absolute "tsar", does not put an end to the war which became almost open after Nemtsov's assassination and is waged by representatives of security services against his middleman Kadyrov³⁰.

²⁸ Laurinavičius M. „Putin's Russia: What did Nemtsov's assassination reveal about the current regime?“, *DELFI by The Lithuanian Tribune*, March 19, 2015, <http://en.delfi.lt/central-eastern-europe/putins-russia-what-did-nemtsovs-assassination-reveal-about-the-current-regime.d?id=67480244>

²⁹ Ibidem.

³⁰ Dubnov V. „Chechnya's Strongman vs. Moscow's Men in Uniform: What Next?“, Carnegie Moscow center, <http://carnegie.ru/commentary/?fa=59995>.

Supposing the killing is a challenge to Putin himself, how does it fit in with the concept of the “Power Vertical” and Putin’s role of the “tsar”, especially when none of the influential players of the regime was either punished or simply sacrificed on the altar of strengthening the power of Putin?

It was immediately after Nemtsov’s assassination that this crime, regarding its possible impact on the future of Russia, was even mistakenly compared with Sergei Kirov’s murder³¹, which is considered a prelude to the so-called Joseph Stalin’s “great terror”. This erroneous comparison is also likely to be caused by the false assumption that the Putin regime is “the Power Vertical” where Putin holds the role of the “tsar” (or even that of Stalin).

4. What is the Nature of the Putin Regime?

4.1. A Radical Transformation or a Different Form of Oligarchy and Kleptocracy?

Although it is commonly stated that Putin has essentially changed the structure of power in Russia in comparison to Yeltsin’s time, such a statement is not entirely accurate. As early as 2007, Daniel Treisman in his resounding article “Putin’s Silovarchs”³² revealed that the oligarchic form of the governance of the state established in Yeltsin’s time was, in essence, replaced by only its different form, namely, “silovarchy”.

“Silovarchies” are states in which veterans of security services and armed forces dominate both in politics and business. They have existed in various countries, including South Korea and Indonesia. They differ from ordinary oligarchies in that “silovarchs” can employ security structures, state prosecutors, and armed force to intimidate their business rivals or even expropriate their assets³³,

claimed Treisman at that time.

Concerning Russia, this characterization is only partly correct. There is no doubt that former and current representatives of security structures (including those of other “people with shoulder-straps” – the army, militia, intelligence services) dominate in both Russia’s politics and business.

³¹ Dawisha K., „Nemtsov killing: A chilling historical parallel?“, CNN, February 28, 2015, <http://www.cnn.com/2015/02/28/opinion/dawisha-nemtsov-killing>, Sindelar D., „Nemtsov: Kremlin-Watchers Find Eerie Parallel In An 80-Year-Old Murder“, *Radio Free Europe/Radio Liberty*, March 01, 2015, <http://www.rferl.org/content/russia-nemtsov-kirov-erie-parallel/26876076.html>

³² Treisman D., „Putin’s Silovarchs“, 2007 <http://www.sscnet.ucla.edu/polisci/faculty/treisman/Papers/siloct06.pdf>

³³ Ibidem.

Yet it is also obvious that security structures, state prosecutors and other force enforcement structures even during Yeltsin's rule were and still are employed by both oligarchs and officials supposedly not related to security structures (among them, Treisman first of all refers to Anatoly Chubais, one of the most influential representatives of Yeltsin's presidency). By the way, it is important to mention that the absolute majority of these oligarchs and even a considerable number of officials who had a great influence under Yeltsin, to a greater or lesser extent also retained their positions after the "silovarchy" established itself; although according to the theoretical model, at least the major part had to give positions to "silovarchs" or had to be simply expropriated by them.

4.2. The "Siloviki" Came to Power as Early as Yeltsin's Time

To understand the nature of the Putin regime, still more interesting and more important is the myth that it was Putin who brought the "siloviki" to power. This myth is best denied by the diagram drawn by Kryshtanovskaya (see Figure 1); it shows which part of the government representatives was made up of the "siloviki" from the time of the last president of the USSR Mikhail Gorbachev, throughout the entire period of Yeltsin's reign and, finally, in the first years of Putin's rule – until 2003.

This figure clearly shows that the entrenchment of the "siloviki" was highly consistent and proportional throughout the entire period of post-Soviet Russia and is associated not only with Putin's coming to power. Already in the third year of Putin's presidency, the "siloviki" made up almost 60 percent of the national government of Russia. Yet, it is also true that in the last years of Yeltsin's term, in the state government of Russia there were already nearly 50 percent of the "siloviki", whereas even at the beginning of Yeltsin's term, in 1993, they made up over 30 percent while during Gorbachev's presidency this figure did not exceed more than a few percentage points.

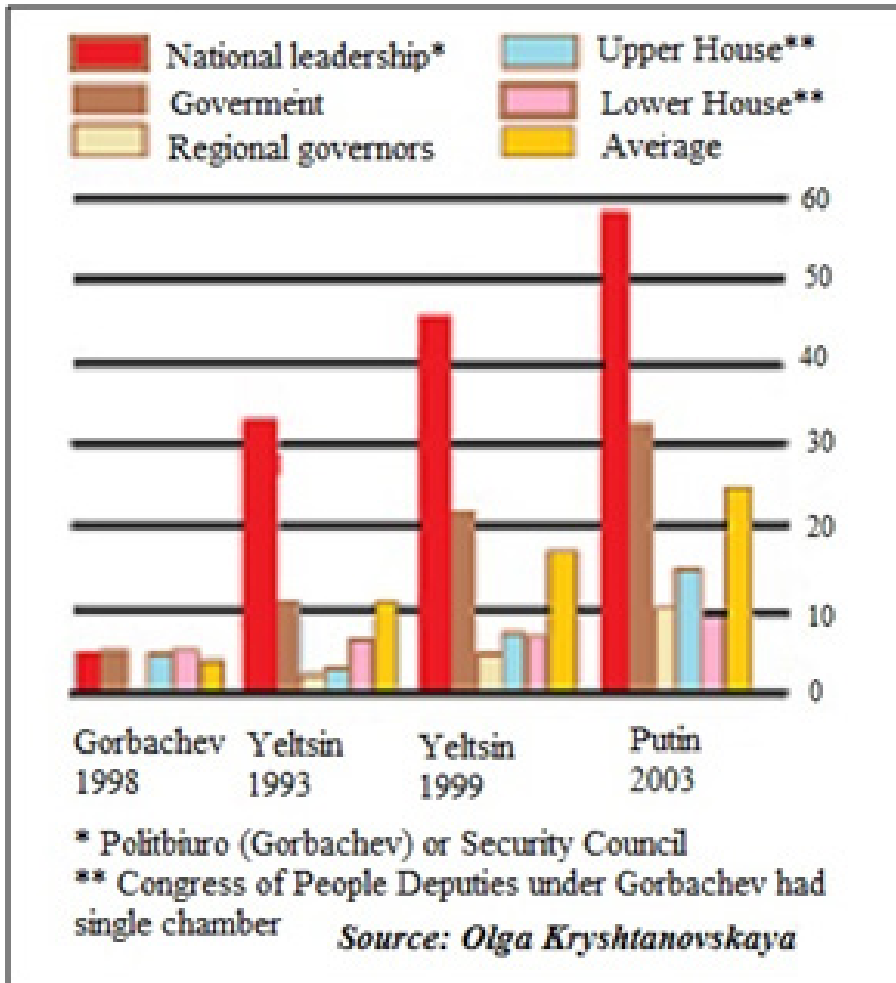


Figure 1. “Siloviki” to the Fore % of people with military/security background in different branches of government

Therefore, in order to understand the nature of the Russian regime, one has to take a much closer look. “Putin’s ascent to the presidency of Russia was the result of a chain of events that started at least a quarter of a century earlier, when Yuri Andropov, the former head of the KGB, succeeded Leonid Brezhnev as General Secretary of the Communist Party”, notes a 2007 article in “The Economist” containing comprehensive analysis on the topic³⁴.

In the book *FSB Blowing up Russia*, written by the former FST agent

³⁴ „The making of a neo-KGB state“, *The Economist*, Aug 23rd 2007, <http://www.economist.com/node/9682621>

Alexander Litvinenko, who was granted asylum in London and was later poisoned with polonium, and the historian Yuri Felshtinsky, who emigrated to the US in 1978, there is an eloquent quote regarding the survival of the KGB after the collapse of the USSR. This quote reveals a lot about the nature of the Putin regime, which, as was noticed by “The Economist”, lies as far back as Andropov’s rule. In their book Litvinenko and Felshtinsky state that:

This long sequence of restructuring and renaming, initiated by the very security agency, was intended to shield the state security service as a structure and to preserve not only the organization itself, albeit in a decentralized form, but also the cadre, the archives and the agency. A pivotal role in saving the KGB from destruction was played by Yevgeny Savostianov in Moscow and Sergei Stepashin in Leningrad, both of whom had the reputation of being democrats, appointed in order to reform and control the KGB. In fact, however, both Savostianov and Stepashin were first infiltrated by the state security into the democratic movements and only later appointed to leading positions in the new special services, in order to prevent the destruction of the KGB by the democrats. Although, as the years went by, very many full-time and free-lance officers of the KGB-MB-FSK-FSB left to go into business or politics, Savostianov and Stepashin did succeed in preserving the overall structure. Furthermore, the KGB had formerly been under the political control of the Communist Party which served to some extent as a certain brake for services since no significant operations were possible without the sanction of the Politburo. After 1991, however, the MB-FSK-FSB began operating on Russian territory absolutely independently and unrestrainedly.³⁵

It should be added that one of the most influential people in Yeltsin’s entourage from the very outset of his rise to power in Russia was Alexander Korzhakov, who was Yuri Andropov’s personal bodyguard. The roots of the absolute majority of the most influential representatives of the Putin regime can be found in the KGB itself or its structures which, according to Andropov’s plan had to prepare the cadre for the reformation of the Soviet Union³⁶.

Felshtinsky writes that: “a structure was established that had to be a rival to the Presidential Security Service headed by Korzhakov, a parallel FSB (SB-FSK) structure. After that, Gusinsky-Bobkov-Luzhkov-Primakov saw Putin-Abramovich-Berezovsky-Voloshin as their rivals. The latter won a victory. The former could win. There would have been no difference.”³⁷ This is how

³⁵ Литвиненко А., Фельштинский Ю., *ФСБ взрывает Россию. Федеральная служба безопасности - организатор террористических актов, похищений и убийств*, Eesti Päevaleht, 2007, http://www.felshtinsky.com/books/FSB/vtoroe_est/FSB.2nd.Rus.Estonia.pdf.

³⁶ Laurinavičius M., „Putin’s Russia. Roots of today’s regime date back to KGB under Andropov“, *DELFI by the Lithuanian Tribune*, December 24, 2014, <http://en.delfi.lt/central-eastern-europe/putins-russia-roots-of-todays-regime-date-back-to-kgb-under-andropov.d?id=66748856>; Laurinavičius M., „Putin’s Russia. The dangerous illusion of independent and western oligarchs“, *DELFI by The Lithuanian Tribune*, June 19, 2015, <http://en.delfi.lt/central-eastern-europe/putins-russia-the-dangerous-illusion-of-independent-and-western-oligarchs.d?id=68286668>

³⁷ Литвиненко А., Фельштинский Ю., (*supra* note 35).

Felshtinsky describes the formation of the system which was being established on the basis of the former KGB employees and oligarchs close to them under Yeltsin as well as Putin's coming to power. Felshtinsky's words were indirectly confirmed in one of the interviews of another Russian oligarch Berezovsky whom many consider the key figure that brought Putin to power.

In 2002, when he had to hide from the Putin regime in London, Berezovsky gave an interview to the well-known Russian journalist Yulia Latynina. When Latynina asked why Berezovsky, being so strong, found himself not in the Kremlin but an émigré in London, the oligarch in exile confessed: "I made one systemic mistake. I thought that the main force hindering reforms was the communists. But it was the FSB, to be exact, the KGB of the USSR"³⁸.

The journalist did not find this response convincing. She started arguing that a similar idea had been raised by Felshtinsky and Litvinenko in *FSB Blows up Russia*, but Latynina, supposedly, did not find the argument serious.

This is how Berezovsky's answer to such reasoning of Latynina sounded:

This organization has survived as the brotherhood of the spirit, the brotherhood of crime. The KGB was the backbone of the Soviet state, it consisted of people who were taught to commit crimes and who were told that these were not crimes. And these people did not vanish anywhere. So, the KGB split into many rival groups, serving their own or foreign interests. It turned out, however, that the disintegration was merely a form of mimicry. Let us take, for example, Alexander Korzhakov. This person was Andropov's personal bodyguard. He had been "X-rayed" a dozen times. And you think he stayed with the dismissed Yeltsin on his own will. I witnessed how they tried to show Yeltsin as an alcoholic, a total zero. Do you think it is also accidental?³⁹

4.3. Accidents Turn into a Logical Chain

There is a lot of public information about the plan Andropov masterminded to reform the Soviet Union, about the cadre trained for the implementation of this plan, institutions where the training was conducted, and, finally, the distribution of the Soviet Union assets, the vanished money of the KGB and the Communist Party, money laundering during the period of the collapse

³⁸ Латынина Ю. „С пистолетом Путина я зашел в кабинет Примакова“, *Новая газета*, № 35, 20.05.2002, <http://www.novayagazeta.ru/society/16756.html>

³⁹ Ibidem.

of the Soviet Union, and the establishing of the KGB in business⁴⁰. When analysing all this systemically, the seeming accidents fall into a logical chain. The more so since 1) the USSR reform plan masterminded by Andropov truly existed; 2) associated with it were the so-called “young reformers” who, in essence, supported the government in Russia after the collapse of the Soviet Union; and 3) this plan was prepared by the structures where they were employed. All this was publicly, though indirectly, confirmed by Aleksey Uliukayev, Minister for Economic Development of the current government of Putin.

Once, when asked whether the project of the economic reform of the USSR, supervised personally by Andropov and involving all “young reformers,” really existed, Uliukayev answered: “Of course, it did! All key institutes were working for it – first of all, the All-Union Scientific Research Institute for Systemic Research, *the Institute of Economics and Forecasting of Scientific and Technical Progress* and the like. Yet our “supervisors” did not provide for any qualitative changes.”⁴¹

The obvious fact is that after the failure of the 1991 August coup, it was the three economists who went through this school – Pyotr Aven, Yegor Gaidar and Anatoly Chubais – that were suddenly assigned top posts in the Russian Government. Significant evidence about the careers of Gaidar, Chubais and Aven is provided in the book of the current deputy of the Russian Duma Alexander Khinsein *How Russia is Being Murdered*⁴² by Michail Poltoranin who was Vice Prime Minister in the Russian government under Yeltsin. After the collapse of the USSR, he headed a special commission which investigated secret archives of the Politburo and had to declassify them. According to Poltoranin, all the three of them – both Gaidar and Chubais and Aven – were under constant control of the KGB. M. Poltoranin claims that he saw the documents testifying to this with his own eyes.

What is more, according to Poltoranin, among those who were being trained to take over power at the time when the USSR was collapsing were not only Gaidar, Chubais and Aven, but also the representative of “Alfa Group” Michail Fridman, the second wealthiest person in Russia, as well as Berezovsky,

⁴⁰ US House of Representatives, “Russian Money Laundering, Hearing before the Committee on Banking and Financial Services”, September 21, 22, 1999, Earley P. „Comrade J: The Untold Secrets of Russia’s Master Spy in America After the End of the Cold War“, *Moscow’s Gold: Soviet Financing of Global Subversion*, *National Observer*, No 40, 1999, http://www.nationalobserver.net/1999_autumn_campbell.htm; Albats Y. „KGB: State Within a State“, London, New York, I.B. Tauris Publishers, 1985.; Laurinavičius (*supra* note 36).

⁴¹ Калашникова Н., „Восьмидесятники“, *Itogi*, №12 / 719 (22.03.10), <http://www.itogi.ru/nashe/2010/12/150106.html>

⁴² Хинштейн А., *Как убивают Россию*, Москва: Олма Медиа Групп, 2007.

and the oligarchs Khodorkovsky and Gusinsky, who did not obey Putin and, therefore, were destroyed.

With regard to the further formation of the Putin regime and, in particular, how and why its roots lie in non-transparent schemes of the distribution of assets after the collapse of the Soviet Union—this is all thoroughly described in Karen Dawisha's book *Putin's Kleptocracy: Who Owns Russia*⁴³.

Conclusions

The analysis provided reveals, above all, the fact that the traditional concept of the Putin regime as the “Power Vertical” is in conflict with the actual processes going on in Russia or is, at least, hardly compatible with them.

Such an analysis also makes it possible to state that the origins of the Putin regime go much farther back than the time when Putin came to power in 2000. Moreover, Putin was but one of the three most realistic candidates to become Yeltsin's successor and it was only due to favourable circumstances and the victory of the clans supporting him against the rivals that made him the president of Russia.

Yet two of the three most realistic candidates to replace Yeltsin were also representatives of the KGB – the afore-mentioned Stepashin, who, according to Litvinenko and Felshtinsky, was the one who personally saved the KGB from destruction in Saint Petersburg, and Yevgeny Primakov, who stood at the origins of Andropov's Soviet Union reformation plan.

Therefore, even if Putin had not become the president, not much would have essentially changed in Russia. Keeping that in mind, Putin's words addressed to his colleagues from the successor of the Federal Security Service (FSB) right before he officially became Russia's president sound totally different: “A group of FSB employees sent to work under cover in the Russian Federation Government have successfully accomplished their mission”⁴⁴.

One cannot claim that the Putin regime is a direct outcome of the implementation of Andropov's plan since Andropov could hardly have been suspected of wishing for the collapse of the USSR, and Putin himself has called this collapse the greatest geopolitical catastrophe of the twentieth century.

However, it seems fair to state that the KGB, according to Berezovsky, split into many rival groups, serving their own or foreign interests, was consis-

⁴³ Karen Dawisha, *Putin's Kleptocracy: Who Owns Russia*, Simon & Schuster, 2014.

⁴⁴ Путин_20_12_1999 Putin 20.12.1999 FSB – KGB, <https://www.youtube.com/watch?v=PD3ufaenico>

tently and methodically seeking to return to power since the very collapse of the Soviet Union.

That is why both the current clan- and KGB-based Putin regime system and the research of Russia in this particular aspect enforce the conclusion that among many Russian analysts, public figures and even politicians the rather long-established term “collective Putin” characterizes the current power system of Russia much more precisely than the “Power Vertical”.

This indicates that the role of Putin himself (though actually not insignificant) is most often overestimated, whereas that of the system itself, which brought Putin to power, is played down too much. Decisions made in this country are certainly not one-man decisions, and Putin, in fact, is only a symbol of this power system, although, of course, still holding the role of the arbiter or moderator.

This “collective Putin” determines decisions which often are truly not unambiguous or corresponding to the concept of “the Power Vertical”, not only in Russia but also in its foreign policy.

The “collective Putin” possesses the mentality of the Soviet Union KGB. Therefore, the key objective of this regime has always been and will continue to be not only the return of the status of a global power to Russia, but also the defeat of the West, the USA in the first place. Thus, its aggressive policy should come as no surprise. Nevertheless, the means and tactics that different wings of the regime are in favour of may differ greatly.

This regime is based on corruption and criminal activity because it was upon this basis that it was created. Therefore, it would be naïve to expect that this regime will gravitate at least towards Western business standards and the rule of law.

Most important, though, is the fact that all this analysis shows that it is naïve to hope that this regime could in some way essentially change even if Putin, for one or another reason, left the post.

Washington, October-November 2015