

The *Siloviki* in Putin's Russia: Who They Are and What They Want

The July 2006 meeting of the Group of Eight (G-8) major industrialized nations in St. Petersburg focused the attention of the international media on Russia. On issues ranging from Middle East conflict to energy security, President Vladimir Putin sought to demonstrate that his increasingly self-confident government has earned its seat at the G-8 table. Coverage of the summit focused squarely on Putin—his international priorities, control over domestic politics, personal relationships with other heads of state, and leadership style. These stories created the impression that Putin is Russian politics, reinforcing the view that to understand Putin himself is to understand Kremlin policy.

Since Putin was named acting president on December 31, 1999, analysts have poured over his personal history, public statements, and writings, confidently forecasting political and economic trends based largely on their interpretations of what they found. Those who portray him as an autocrat underline his KGB background. Others point to his tutelage under former St. Petersburg mayor and liberal reformer Anatoly Sobchak or his preference for pragmatism over ideology. Recently, Western scholars unearthed his doctoral thesis and used it to explain Russian state involvement in the energy sector.¹

President George W. Bush famously contributed to this line of analysis by implying in 2001 that his “sense of the man’s soul” provided a reliable foundation for U.S.-Russian relations. Despite its parsimony and popularity, this approach to understanding Kremlin policy, which some have called “Putinology,” creates a misleading impression of how Russia is ruled.

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**Putin's consolidation
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The “*l'état, c'est Putin*” model does provide some important analytical purchase on Russia's political development. His policies have concentrated power in the executive at the expense of the legislative and judicial branches of the federal government and the once-powerful regional bosses. The executive branch has asserted control over state-owned enterprises that previously operated with

some independence and has intervened in sectors of the economy once dominated by private interests. Putin also cleaned house within the executive branch over the course of his first term, installing loyalists in top posts and limiting the extent to which big business could buy policies and officials. In short, following the organizational chaos of Boris Yeltsin's presi-

dency, the Kremlin regained virtual monopoly control over Russian politics and began to function as an institution. The values, preferences, and disposition of its chief are therefore a key driver of policy.

With so much authority concentrated in the Kremlin, however, factionalism, personality clashes, and bureaucratic scuffles within its walls are now exponentially more significant in determining policy. The executive's interventions in the economy exacerbated this internal friction by greatly increasing the possibilities for financial gain available to officials. In other words, Putin's consolidation of political power partially backfired. The executive branch may have all the authority, but divisions within it have limited the president's direct control. Although other institutions and the private sector are now largely irrelevant, disputes between Kremlin factions, rather than directives from the president, often determine major policy outcomes.

Some mainstream media have seized on this trend and begun to take a closer look at the most influential Kremlin factions, especially the group commonly known as the *siloviki*. Reports claim that the *siloviki* initiated the YUKOS affair, the officially sanctioned asset stripping of the once-formidable Russian oil company and the imprisonment of its president, Mikhail Khodorkovsky, an episode that will likely go down as the most significant development in Russia's political economy in the Putin era. Since then, practically every Kremlin policy change construed by the media as “anti-Western,” from Iran policy to back-tax claims, has been credited to this mythologized clan.

Although many journalists and analysts still speak of the *siloviki* in a kind of shorthand, as if the name itself revealed the group's composition and worldview, the group remains poorly understood. There has been little substantive analysis of its membership; its members' interests, beliefs, and relationships with one another; and the roles the *siloviki* play within the Russian government and the private sector.² These insights have much to tell us about where Russia may be headed in the run-up to the presidential elections in 2008 and beyond.

Factional Struggles within the Kremlin

Although the Kremlin factions likely number between two and 10, depending on how one defines them, there are believed to be three primary groups. They are commonly referred to as the liberals, technocrats, and siloviki. (There are also several influential figures within the government who are not fully allied with any one of these factions, including Prime Minister Mikhail Fradkov and the head of the presidential administration, Sergei Sobyenin.) The liberals, led by Economic Development and Trade Minister German Gref and Finance Minister Aleksei Kudrin, are defined by their shared approach to economic policy, which, although significantly more interventionist than Western liberalism, is more market friendly than the philosophies of their rivals. This group, generally comprised of economists and former businesspeople, is considered the weakest of the three. The technocrats are led by First Deputy Prime Minister and Gazprom chairman Dmitry Medvedev and Gazprom president Aleksei Miller. The group's control of Gazprom, the state-controlled gas monopoly, gives it significant influence on all policy matters.

The Kremlin has the authority, but divisions within it have limited the president's control.

The third group, the siloviki, is probably the most powerful of the three. The most commonly encountered description of the siloviki, a group of current and former intelligence officers from Putin's hometown of St. Petersburg who wield immense power within the Kremlin and control key sectors of the Russian economy, is both incomplete and misleading. The siloviki clan's core members—Igor Sechin, deputy head of the presidential administration; Viktor Ivanov, an adviser to the president; and Nikolai Patrushev, director of the Federal Security Service (FSB)—more or less fit this profile.³ Surrounding these powerbrokers, however, is a network of individuals who do not. Associates of Sechin, Ivanov, and Patrushev hold top positions not only in the Kremlin and government ministries, but also in the second tier of the bureaucracy, state-owned enterprises, and private companies.

Although analysis of the Kremlin factions is necessarily speculative, it need not devolve into neo-Kremlinology. There is much more evidence available today than recent editions of *Pravda* and the lineup of leaders on the podium in Red Square, two of the only morsels made available to analysts during the Soviet era. Biographies can be researched, memoirs are published, current and former officials give interviews, and despite the Kremlin's pressure on the press, print newspapers and Internet publications regularly feature leaks from senior officials. Drawing on an extensive review of published

materials, consultations with colleagues in Moscow, and our own research and analysis, we have created a portrait of the siloviki faction's composition, interpersonal dynamics, and worldview and the implications of its rise both for Russian and U.S. policy.⁴

Who Are the Siloviki?

The word "siloviki" is derived from the phrase *silovye struktury* (force structures), a reference to the armed services, law enforcement bodies, and intelligence agencies that wield the coercive power of the state. Thus, in literal usage, a silovik (plural: siloviki) is a current or former official from any of these government bodies. Because many members of the Kremlin faction led by Sechin, Ivanov, and Patrushev do not fit this bill, siloviki is a misnomer for the group as a whole. Although it is used here for the sake of familiarity, the distinction between the literal meaning of the term and its colloquial use as a name for this group is important. Often, the two are confused.

Two examples in particular reveal the imprecision with which the word is used. Sergei Bogdanchikov, president of state-owned oil giant Rosneft and one of the most powerful siloviki, has never served in the force structures. Yet, his influence within the group is as considerable as those who have. On the other hand, Sergei Stepashin, head of the Audit Chamber, is a native of St. Petersburg, a former chief of the FSB, and a personal friend of Putin. He is not a silovik as we use the term here, however; in fact, he has maintained considerable distance from the group.

The siloviki are thus united more by outlook and interests than by background. The faction is best understood as an informal network of government officials and businessmen, led by the core group of Sechin, Ivanov, and Patrushev, who share similar political views, pursue a common policy agenda, and seek joint control over economic assets. We will use the term "siloviki" only to refer to this specific grouping within the Russian elite.

The siloviki clan is not a collection of equals; there is a hierarchy among its members. Its structure is best described as a series of concentric circles. Siloviki can thus be divided into the core and secondary and tertiary sub-groups based on seniority, policy influence, and control over resources and institutions. Those nearest the center enjoy the closest relationships with the president and with one another, communicate most often, and exercise the most influence. Secondary and tertiary members have less direct access to core members and to Putin.⁵

The core group of Sechin, Ivanov, and Patrushev are among the most powerful men in Russia. All three have long-standing relationships with the president and with one another. Secondary members include Rosneft chief Bogdanchikov and Viktor Cherkesov, Putin's drug czar. At the tertiary level,

the network's structure is more fluid. Many junior members reached top positions only after the YUKOS affair. Some of them, such as the current justice minister, Vladimir Ustinov, who, as the prosecutor general at the time, insinuated himself into the network by pursuing Khodorkovsky's case, were once associated with the Yeltsin-era "family." Others have earned senior positions over time. Some members head smaller government agencies. Still others are former deputies of core members.

Given the spoils available to those at the core and secondary levels—oil and gas revenues, substantial bribes, control over major enterprises, and political power—it is hardly surprising that there have been conflicts among siloviki. A long-standing feud between Patrushev and Cherkosov spilled onto the front pages of the Russian popular press in late 2004.⁶ Defense Minister Sergei Ivanov, while personally close to the core group, remains independent in his thinking and policy formulation. This maverick streak, together with his promotion to deputy prime minister and his apparent presidential aspirations, has made him a target of others in the group, both in bureaucratic battles and public relations wars. Most conflicts among group members, however, play out behind the scenes.

Mapping out the positions in government and business from which siloviki exercise influence is crucial to understanding the impact of the clan in Russian politics. Although most analyses of the faction focus on the connections between siloviki and the Russian president, often the roles and responsibilities of the group members themselves are ignored. The presidential administration, perhaps the most powerful institution in Russian politics, is heavily influenced by the siloviki. As deputy chief of staff, Sechin is head of the Kremlin chancellery and controls the president's schedule and incoming paper flow. He also determines who may have access to him. Viktor Ivanov, although formally just an adviser, is responsible for personnel appointments, both in the government and in state-owned companies, which allows him to install loyalists where he sees fit.

The siloviki control more than 10 government agencies and have partial control over several more.⁷ Besides the force structures—law enforcement, the intelligence services, and the armed forces—group members head such critical institutions as the Energy Agency and the Customs Service and have considerable influence within the Federal Property Fund and the Financial Monitoring Service. These institutions have significant regulatory power in key industries and give the group an important say in many areas of policy.

The siloviki are economic nationalists and seek to restore Russia's international greatness.

Although control of Rosneft—Bogdanchikov is president, Sechin is chairman—certainly provides the siloviki with a huge source of income, their influence is felt in other industries as well. Siloviki occupy top positions within Rosoboronexport and Almaz-Antei, two military-industrial giants; Aeroflot, the national airline; and Russian Railroads, the state-owned monopoly. In banking, Vneshekonombank, Mezhprombank, and Rossiya Bank all have links to the group.⁸ Even the state-owned company managing the country's ports is run by a former associate of Sechin.

Beneath the top level of government bureaucracies and corporate boards, the siloviki have penetrated several institutions once considered redoubts of other factions. The lead technocrats, Miller and Medvedev, are respectively president and chairman of Gazprom, and the company is generally believed to be hostile to siloviki interests. Yet, four of the company's vice presidents are tied to Ivanov, Sechin, and Patrushev. The two most powerful "liberals," Gref and Kudrin, have likewise seen their ministries infiltrated by siloviki. In both institutions, clan members control subministerial agencies, which operate with a high degree of autonomy. The Agency for State Reserves in Gref's Economic Development and Trade Ministry as well as the Service for Financial Monitoring in Kudrin's Finance Ministry are both controlled to some extent by siloviki.

These personnel alignments reveal a great deal about how Russian policy is formulated and implemented because individual officials within the system exercise considerable political and economic power. Over the course of the post-Soviet period, very few Russian government agencies have developed into robust institutions. As a result, well-placed individuals within the bureaucracy can use their positions to steer policy as they see fit. For example, when YUKOS's main production subsidiary Yuganskneftegaz went on the auction block, most assumed that only Gazprom had the necessary cash to acquire it. Yet, Rosneft, via a front company and a sudden infusion of capital, leapt in to buy the company for \$9.3 billion. The source of Rosneft's sudden windfall remained a mystery for months, until a Russian newspaper identified the source as Vneshekonombank.⁹ Yuri Zaostrovstev, a siloviki heavyweight, is first deputy chair of the bank's board.

What They Want: Beliefs and Policy Preferences

The siloviki's shared beliefs and policy preferences are a major source of the group's cohesiveness. In those spheres of governance in which the siloviki have established a high degree of control, their ideas could prove decisive in determining policy outcomes. The siloviki lack the coherent political philosophy that is apparent, for example, among Bush administration neoconservatives. They do, however, share a set of core values.¹⁰ First, the siloviki

promote the continued consolidation of political and economic power within a highly centralized state, buttressed by large, well-financed security and defense structures. The officials of these agencies deserve a special status in the government and the economy as they carry out the work of the state-building project. Law and order and stability are much higher priorities than democratic process or an active civil society.

Second, statism for them is also an economic policy program. A strong state should play a decisive role in the country's economic life. Strategic sectors should not be in private hands, domestic producers should be protected from the forces of globalization, and the oligarchs should be "eliminated as a class," as Putin himself put it.

Third, the siloviki are economic nationalists. They argue that the country's natural resources belong to the Russian people and that, in the people's name, the state should eventually control every aspect of their exploitation. In the meantime, they favor limiting foreign investment in the natural resource sectors and the imposition of steep royalties.

Fourth, the siloviki promote the restoration of Russia's greatness on the international stage. For them, the United States and NATO allies still represent an external threat; they actively undermine Russia's sovereignty and ultimately would like to force the collapse of the Russian state. Siloviki believe that Russia should regain the respect that the Soviet Union once commanded in international affairs by maintaining a strong army and state-of-the-art military capabilities. They also insist that other former Soviet states should be reintegrated with Russia to the greatest extent possible.

Finally, siloviki endorse the nationalistic, xenophobic, and sometimes anti-Semitic views of the most conservative elements within the Russian Orthodox Church. The group actively promotes the role of the church in public life and would like to impose stringent restrictions on immigration. Both policies could provoke a major backlash from some of the more than 20 million Muslims living in Russia because they reflect a racist Slavophilia. Their xenophobia has practical consequences for state-business relations as well, as one FSB officer recently revealed in comments on the business oligarchs. He named Aleksei Mordashev of Severstal and Vladimir Bogdanov of Surgutneftegaz as "good" oligarchs—"they're Russians." As for the others, he noted that "all Jews are traitors, oriented toward the West. That's how it's always been."¹¹

Past behavior suggests that the siloviki are intent on controlling major economic resources. Personal enrichment clearly plays some part in this

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effort, but they also appear to use economic power to further their policy goals and to safeguard their continued dominance of Russian political life. To control as much of Russia's energy revenue as possible, Rosneft and other siloviki-controlled companies will try to extend their influence in the energy sector via strategic acquisitions of smaller oil and gas firms. Some siloviki have indicated a preference for a single state-controlled energy giant, incorporating all of Russia's major oil, gas, and electricity companies into one holding.

Active U.S. involvement in Russian politics would probably backfire.

Siloviki control much of Russia's military-industrial complex, and they will continue to promote increased arms sales aggressively. They are also likely to seek direct funding from the state budget of the institutions they control.

The siloviki clearly want to maintain their influence after the presidential elections in 2008. Group members will use their leverage within the Kremlin and the state bureaucracy to promote the candidacy of someone who will protect their interests and extend their influence. The siloviki have only the most primitive public relations apparatus and little experience in electoral politics generally. As a result, efforts to support their preferred candidate will take place almost entirely behind the scenes. They will use their considerable influence within the state-dominated Russian media and with Putin to secure power for a new president they believe they can trust.

Challenges for U.S. Policy

The rise of the siloviki clearly presents a major challenge for U.S. policymakers. If one of the group's members were to assume control in 2008, a turn toward a more anti-Western foreign policy is possible. Yet, prospects for a durable alliance with China to challenge U.S. hegemony are limited by siloviki anxiety over the expansion of China's political, economic, and military influence and their xenophobia. Nonetheless, the Chinese are considered more palatable partners in the short term. This Sino-Russian marriage of convenience has already generated both an increase in exports to China and a number of joint ventures formed by siloviki-controlled companies together with Chinese state enterprises, as well as the strengthening of the Shanghai Cooperation Organization. The faction would also promote continued ties with Iran. Within the former Soviet space, they seek aggressively to strengthen economic and political integration, especially vis-à-vis Ukraine and Georgia. Strategic weaponry will be maintained and modernized.

Can the United States do anything to prevent such developments? Probably not. Indeed, active U.S. involvement in Russian politics would probably backfire, given the current political climate in Moscow. The pre-election factional battles within the Kremlin are very much an internal affair. U.S. policymakers should be aware, however, that deterioration in U.S.-Russian relations and rhetorical attacks on Putin and his policies, regardless of whether they are justified, strengthen the siloviki clan's position. One Kremlin official recently cited U.S. unwillingness to approve Russia's bid for membership in the World Trade Organization as an example of how Washington's behavior bolsters the siloviki.¹² Conflict between Washington and Moscow confirms the siloviki worldview and thus justifies their continued influence in Kremlin policy formulation. In short, although the United States has little capacity to effect positive change, its rhetoric could certainly make the situation worse.

The Siloviki Are Here to Stay

The battles between the factions within Russia's ruling elite have ongoing destabilizing effects.¹³ The "bulldog fight under the carpet," as Winston Churchill once characterized the politics of the Soviet-era Kremlin, increases political risk and creates a volatile policymaking environment, which will have a negative impact on the country's investment climate. Although it is too early to predict who will emerge as the Kremlin's choice to succeed Putin, the battles between the various factions will intensify as the 2008 election approaches. During the selection process, the conflict between factions could break into the open. How this struggle will manifest itself is an open question. Given the stakes, there is every reason to believe there would be no holds barred.

Yet, no matter who is chosen to be Russia's next president, the siloviki are here to stay. They are so deeply entrenched in the bureaucracy that it would be impossible to eliminate their presence in Russian politics and political economy. Even if they do not succeed in promoting one of their own as Putin's successor, they are virtually certain to play a substantial role in the selection process and to help shape the new president's political and economic agenda for years to come.

Notes

1. Harley Balzer, "The Putin Thesis and Russian Energy Policy," *Post-Soviet Affairs* 21, no. 3 (July–September 2005): 210–225. See also "'It All Boils Down to Plagiarism' [Re: Putin Dissertation]," *Washington Profile* #3a-JRL 2006-78, March 31, 2006, <http://www.cdi.org/russia/johnson/2006-78-3a.cfm> (interview with Clifford Gaddy).

2. For prominent exceptions, see Olga Kryshantovskaya and Stephen White, "Putin's Militocracy," *Post-Soviet Affairs* 19, no. 4 (October–December 2003): 289–306; Olga Kryshantovskaya and Stephen White, "Inside the Putin Court: A Research Note," *Europe-Asia Studies* 57, no. 7 (November 2005): 1065–1075; Pavel K. Baev, "The Evolution of Putin's Regime: Inner Circles and Outer Walls," *Problems of Post-Communism* 51 no. 6 (November–December 2004): 3–13; Sharon Werning Rivera and David W. Rivera, "The Russian Elite Under Putin: Militocratic or Bourgeois?" *Post-Soviet Affairs* 22, no. 2 (April–June 2006): 125–144.
3. For more background on these individuals, see Samuel Charap, "Siloviki faction core members," October 2006, <http://users.ox.ac.uk/~magd1944/core.pdf>.
4. Basic biographical data comes from official Web sites and published sources, including Aleksei Mukhin, *Piterskoe okruzhenie prezidenta* (Moscow: Tsentr politicheskoi informatsii, 2003); Aleksei Mukhin, *Praviteli rossii: staraia ploshchad' i belyi dom* (Moscow: Algoritum, 2005); Aleksei Mukhin, *Putin: blizhnii krug prezidenta* (Moscow: Algoritum, 2005); Aleksei Mukhin, *Administratsiia prezidenta rossii: neofitsial'nyi vzgliad na ofitsial'nykh liudei* (Moscow: Tsentr politicheskoi informatsii, 2005).
5. For a more complete listing of the secondary and tertiary sub-groups, see Samuel Charap, "Siloviki faction secondary and tertiary members," October 2006, <http://users.ox.ac.uk/~magd1944/members.pdf>.
6. Viktor Cherkesov, "Navedomstvennye razmyshleniia o professii," *Komsomol'skaia Pravda*, December 29, 2004, <http://dlib.eastview.com>.
7. For a more complete listing, see Samuel Charap, "Siloviki ties to business and government in Russia," October 2006, <http://users.ox.ac.uk/~magd1944/siloviki.pdf>.
8. See Elena Kiseleva, "Vo Vneshekonombank prishel ekonomicheskii kontrrazvedchik," *Kommersant*, March 15, 2004, <http://site.securities.com>; *Novaia Gazeta*, September 11, 2003, <http://2003.novayagazeta.ru/nomer/2003/67n/n67n-s00.shtml> (Kremlin consultant Gleb Pavlovsky's report); "Pokupatel' s gosudarstvennym myshleniem," *Moskovskie Novosti*, April 2, 2004, <http://site.securities.com>.
9. Ekaterina Derbilova and Boris Safronov, "Rosneft' vyruchil vneshnii dolg," *Vedomosti*, August 15, 2005, <http://site.securities.com>.
10. See Timur L. Poliannikov, "Logika avtoritarizma," *Svobodnaia mysl'*, no. 1 (2005): 59–60; Kryshantovskaya and White, "Inside the Putin Court," p. 1073.
11. Kryshantovskaya and White, "Inside the Putin Court," p. 1072.
12. Stefan Wagstyl, "U.S. 'Risks Playing Into Hardliners' Hands' in Russia," *Financial Times*, September 8, 2006.
10. See Ian Bremmer, "Who's in Charge in the Kremlin?" *World Policy Journal* 22, no. 4 (Winter 2005–2006); Samuel Charap, "A Rough Selection Campaign," *Moscow Times*, July 10, 2006, p. 9.