



The 2012 Presidential Elections in Russia: What Future for the Medvedev-Putin Tandem?

Nona Mikhelidze

Abstract

The 2012 Russian presidential election and the future of the Medvedev-Putin tandem have started to dominate political debate inside and outside the country. Several developments in Russia's domestic politics have made predictions on the future president particularly arduous. These include Russia's so-called modernization initiative; Mikhail Prokhorov's debut on the Russian political scene, and the new presidential decree on the "Security Council Questions". Yet, analysing these developments suggests that whether Putin will return to the presidency or whether he will remain the de facto leader is unlikely to have major repercussions on Russian domestic policy. For Russia, the priority today is the need to maintain internal stability and formal democracy, necessary to attract foreign technologies and thus advance the modernization initiative as well as to guarantee elite continuity through an internal balance between the *siloviki* faction and the liberals. Both a renewed Medvedev-Putin tandem and a return of Putin to the presidency fulfil these goals. While much debated, the personality of the future Russian president is unlikely to represent a major game changer in Russia today.

Keywords: *Russia / Domestic policy / Presidential elections / Vladimir Putin / Dmitry Medvedev / Economic reforms / Political reforms / Democracy*

The 2012 Presidential Elections in Russia: What Future for the Medvedev-Putin Tandem?

by Nona Mikhelidze*

1. Introduction

The 2012 Russian presidential election and the future of the Medvedev-Putin tandem have started to dominate political debate inside and outside Russia. According to the *Levada-Center* poll, in late April 2011, 39% of respondents believed that Vladimir Putin would be the next president, 28% opted for Dmitry Medvedev, whereas 13% bet on another candidate. Clearly, Medvedev and Putin will not run against one another. Yet neither has declared who will run for the next presidency. This said, the Kremlin's decisions are not taken by Putin and Medvedev alone, but by a wider group of personalities, including the security services (*siloviki*), the business elites and the liberals.¹

Several developments in Russia's domestic politics have made predictions on the future president particularly arduous. These include the modernization initiative; Mikhail Prokhorov's debut on the Russian political scene, and the new presidential decree on the "Security Council Questions". Yet, analysing these developments also suggests that whether Putin will return to the presidency or whether he will remain the de facto leader is unlikely to have major repercussions on Russian domestic (and foreign) policy. For Russia, the priority today is the need to maintain internal stability and formal democracy, necessary to attract foreign technologies and thus advance the modernization initiative. Equally important, is the need to guarantee elite continuity through an internal balance between the security services (*siloviki*) and the liberals. In what follows, this article argues that both a renewed Medvedev-Putin tandem and a return of Putin to the presidency fulfil these goals. While much debated, the personality of the future Russian president is unlikely to represent a major game changer in Russia today.

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¹ The team includes Deputy Prime Minister Igor Sechin, Kremlin Chief of Staff Sergei Naryshkin, Deputy Kremlin Chief of Staff Vladislav Surkov, Moscow Mayor Sergei Sobyenin, Finance Minister Alexei Kudrin, and businessman Yuri Kovalchuk, Gennadi Timchenko, Roman Abramovich and Alisher Usmanov. See: Brian Whitmore, "Exit 'The Tandem', Enter 'The Team'", in *Radio Free Europe/Radio Liberty*, 7 June, 2011, http://www.rferl.org/content/exit_the_tandem_enter_the_team/24227685.html.

2. Medvedev for a second term: a unique guarantee for balancing *siloviki* and liberals and advancing the modernization initiative?

As in 2007, in 2011 “the real election struggle is ... waged among power groups rather than among ... candidates for the post of president”.² This means that in order to ensure elite continuity, the future presidential candidate is likely to emerge from a compromise within the circle of the *siloviki* and the liberals, a delicate balance of power system created by Vladimir Putin.

Between 1998 and 2008, the main challenge for Putin was to achieve domestic stability and state consolidation. This required, in his view, the reconstruction of the FSB and strengthened security forces. However, this reconstruction exacerbated Russia's autocratic governance and antagonized relations with the West, which, in turn, led to the degeneration of the investment climate, the downturn of the economy and the deepening of corruption in the country. State stability was achieved at the expense of democratic institutions, causing negative implications for “the Russian politico-economic elite [and] its capital in the West”.³ By 2007, reaching a new power balance between the liberals/technocrats and the dominant *siloviki* faction had become imperative. “Precisely for that reason Putin was forced to stake on a candidate with the image of a liberal, who will have a certain *carte-blanc* from and credit of trust with the west”.⁴ It is in this context that Putin nominated Medvedev as his successor, preserving for himself the role of arbiter in Russian domestic and foreign policy.⁵

However, Medvedev's entry on the Russian political scene did not change the dominant politico-economic climate in Russia and its image abroad. Since his rise to the presidency, the state has become increasingly dependent on energy revenues, with a soaring public debt and runaway inflation.⁶ The financial and economic crisis in 2009-2011 has hit Russia particularly hard, debilitating further its ailing economy and industrial base and triggering rising unemployment. As for foreign policy, hawkish attitudes towards the West and pro-Western states in Russia's neighbourhood have remained the norm. In 2008, former Deputy Prime Minister and then head of the state-owned electricity monopoly RAO UES, Anatoly Chubais, warned that Russia's conflicting relations with the West and its aggressive foreign policy were creating serious risks for the domestic economy. The ruling elite was thus called upon to reevaluate the costs of Russian foreign policy for the economy.⁷

Hence, the renewed appreciation within the Russian ruling elite of the need for a shake-up in the country's political-economic structure and the image of the country

² Aleksandr Kononov, “Монополия на демократию” [Monopoly on democracy], in *Nezavisimaya gazeta*, 19 February 2008.

³ Stanislav Belkovsky, *Империя владимира путина* [Vladimir Putin's Empire], Moskva, Algoritm, 2007, cited by Richard Sakwa, *The crisis of Russian Democracy. The Dual State, Factionalism and the Medvedev Succession*, Cambridge [etc.], Cambridge University Press, 2011, p. 273.

⁴ *Ibidem*.

⁵ Richard Sakwa, *The crisis of Russian Democracy, cit.*, p. 274.

⁶ “The long arm of the state”, in *The Economist*, 27 November 2008, <http://www.economist.com/node/12627970>.

⁷ Mikhail Sergeev, “Либерально-правительственный оппортунизм: Кудрин и Чубайс потребовали изменить российскую внешнюю политику” [Liberal-governmental opportunism: Kudrin and Chubais demand to change Russian foreign policy], in *Nezavisimaya gazeta*, 31 January 2008.

portrayed abroad. During the St. Petersburg International Economic Forum, Medvedev gave a speech rife with promises to liberalize the Russian economy and improve the investment climate, claiming that these goals would be fulfilled no matter who was elected in 2012.⁸ Insofar as modernization means more developed infrastructure, technology, industrial standards, etc., which are hardly achievable without foreign investment, Russia needs to appear more liberal in Western eyes. This suggests that Medvedev may well remain in his post, given he is considered as more liberal than Putin in the West.

In this scenario, the dilemma is, however, whether Putin wants to remain prime minister. In case he does not, there could be another post reserved for him. In May 2011, Medvedev signed a presidential decree on "Security Council Questions". The decree provides unprecedented powers to the Security Council Secretary, including "the control of Russia's armed forces, other forces [law enforcement and intelligence agencies], military formations and bodies' as well as the formulation and implementation of foreign policy, and the monitoring of public expenditure on defence, national security and law enforcement. The Secretary will also 'make proposals to the Secretary Council for coordinating the work of federal and regional executive bodies in national emergencies'".⁹ According to some, Putin is set to become the new Security Council Secretary.¹⁰ Were this to occur, the Medvedev-Putin tandem would continue, this time with Putin no longer as prime minister but as the new, empowered, Secretary of the Security Council.

3. Putin's come back: modernization accompanied by formal democracy

Moving ahead with the modernization programme thus represents the main mission and challenge of the future president. In Russia, proceeding with modernization does not entail embarking upon democratization. It means reforming the highly controlled and non-transparent economic and industrial base of the country together with the development of a "functional selection of democratic values" (as declared by Medvedev).¹¹ In an interview to *The New York Times*, Russia's Minister of Finance Aleksei L. Kudrin acknowledged Russia's need to move away from oil dependence. In order to diversify its economy, Kudrin claimed, "a good judicial system [is essential], so that everyone will be sure in his investments, in fair arbitration and courts, in the authority and very efficient work of the government and its administration of all federal bodies. We won't be able to grow the economy by simply increasing oil production anymore. More complicated work is ahead of us...[And] both Putin and Medvedev understand it...[and] they are ready for this work".¹² Considering the highly personalized relations between Putin and Kudrin (the latter being the only official using

⁸ "Transparency needed, not intrigue", in *The Moscow Times*, 21 June 2011,

<http://www.themoscowtimes.com/opinion/article/transparency-needed-not-intrigue/439227.html>.

⁹ Alexandr Golz, "Тихий переворот?" [A silent revolution?], in *Yezhednevny zhurnal*, 12 May 2011,

<http://www.ej.ru/?a=note&id=11018>.

¹⁰ Brian Whitmore, "A national leader in search of a post", in *Radio Free Europe/Radio Liberty*, 21 July, 2011, http://www.rferl.org/content/a_national_leader_in_search_of_a_post/24272951.html.

¹¹ Richard Sakwa, *The crisis of Russian Democracy*, cit., p. 284.

¹² Ellen Barry, "Long-Serving Finance Minister calls for reforms to bolster Russia's power", in *The New York Times*, 27 June, 2011, <http://www.nytimes.com/2011/06/28/world/europe/28russia.html>.

the familiar “ty” when referring to the Prime Minister), it is hard to imagine that the Minister of Finance spoke without authorization from the Prime Minister. This gives reason to think that the modernization initiative, which seemed to be President Medvedev’s idea, may have been designed by Putin himself, who declared that - in order to reform the Russian political and economic system - this initiative was “a joint programme with President Medvedev”.¹³

In order to launch this reform programme, the power struggle between the *siloviki* and the liberals had to be resolved in favour of the latter. This was why Igor Sechin, leader of the Kremlin’s *siloviki* faction and Deputy Prime Minister, who notoriously opposes economic diversification and is a staunch opponent of Kudrin (who represents the liberal faction), was removed from the post of Chairman of the Board of Directors of JSC Rosneft by President Medvedev. Decisions such as this are likely to have been made by Putin, but in view of his personal relations with Sechin, it was more convenient for the premier to shift apparent responsibility to Medvedev.

To date, the Medvedev-Putin tandem has managed to prepare the ground for the modernization programme, by balancing the power struggle within the ruling elites. This approach could persist both through a tandem form of governance and through Putin’s return to the presidency. Putin understands that in order to attract Western capital, he must send the message that Russia’s democracy is, at least formally, progressing. In 2011, after Medvedev began stressing the need for economic reform (marked by accelerated privatization, the decentralization of power, a lower electoral threshold for political parties’ representation in parliament, and, eventually, a return to elected governors), Putin made some surprising proposals. On 25 July 2011, *Gazeta.ru* published a draft of the National Programme of Putin’s Popular Front, which proposes a number of liberal initiatives, such as the return to single mandate districts in the State Duma elections, the preservation of the popular election of mayors (thus a rejection of appointed mayors), and a weakened state control over and a simplified registration procedure for political parties.¹⁴ Supposedly, the programme is a question for the next State Duma to consider.¹⁵

At the heart of the message regarding Russian democratization is the need to change the one-party system, however. It is here that Mikhail Prokhorov’s appearance on the Russian political scene and the so-called “managed pluralism” become relevant.

¹³ “Putin says no rift with Medvedev”, in *The Moscow Times*, 22 June 2011.

¹⁴ Dmitry Azarov, “Вхождение в народ: Народная программа «Народного фронта» должна понравиться и правым, и даже коммунистам” [Going to the people: The right parties, and even communists, should like the National Programme of the Popular Front], in *Gazeta.ru*, 25 July, 2011.

¹⁵ Nobody knows whether these proposals will ever materialize. In fact just one month before the publication of this programme, the Ministry of Justice denied registration to the opposition People’s Freedom Party (PARNAS), led by Boris Nemtsov, Vladimir Ryzhkov, Mikhail Kasyanov and Vladimir Milov. Both extra-parliamentary opposition and deputies who criticize the government are punished by the authorities. For example, Sergei Mironov was removed from the post of Speaker of the Federation Council because of his open criticism of the United Russia party and declaration that his party *Just Russia* would not support Putin’s candidacy to the 2012 presidential elections.

See: Sergey Smirnov and Alexandr Artemev, “Спустили с ПАРНАСа: Министерство юстиции России отказало в регистрации Партии народной свободы” [Russian Ministry of Justice denies registration to the People’s Freedom Party], in *Gazeta.ru*, 22 June, 2011.

Today Russian political debates and decision-making processes are monopolized by Putin's United Russia Party. The newly formed Right Cause Party led by Russian oligarch¹⁶ Mikhail Prokhorov could change this picture. The new party is lobbying for the improvement of the investment climate and the modernization effort. Current Minister of Finance Alexei Kudrin was thought to be behind this political party. However, in order to provide the new party with the best possible image of independence, the Kremlin thought that a leader outside governmental structures was more suitable. The choice fell on Prokhorov. During the party's congress held in June 2011 in Moscow, Mikhail Prokhorov criticized the current style of Russian governance, avoiding, however, to finger-point Putin. Interestingly, the congress was broadcast on state television. According to some, both Prokhorov's role as a political critic of the government and the state's acceptance of and publicity to this event was carefully orchestrated in order to substantiate the claim of "managed pluralism".¹⁷ Prokhorov's party is supposed to win the second largest majority in the State Duma, after United Russia. Were this to happen, the Russian political system would transform into a two-party system "in which power could be periodically transferred from one elite faction (coalition) to another", while remaining firmly in the hands of the ruling class. Other parties would also continue to exist. But unlike Prokhorov's party, they would not have any chance of rising to power.¹⁸ In other words, despite Putin's poor liberal credentials, with Prokhorov's entry in the Russian political scene, Russia's modernization initiative could thrive even with a return of Putin to the presidency.

4. Conclusion: Who will be the next president and does it really matter?

The Medvedev-Putin tandem was created in 2008 and has resulted in an effective form of governance to achieve intra-state stability and elite continuity. The differences between two governors are more apparent than real, and connected to the need to appeal to different domestic audiences, from the *siloviki* to the liberals. Such a multifaceted appeal serves to maintain and exercise control over society at all levels. Thus Medvedev and Putin are tied by a liberal-anti-liberal (good-bad) cop game.¹⁹ Medvedev himself has acknowledged his like-mindedness to Putin: "We have very similar approaches to the key issues of the development of the country".²⁰ As for modernization, Vladimir Putin knows perfectly well that reforms are necessary, but for now he prefers to implement them from the post of prime minister. Many of these reforms entail costs for some political and business elites. It is far easier for Putin to share the blame for these costs for close allies, or shift the blame on to Medvedev.

¹⁶ The estimated fortune of Prokhorov amounts to \$22.7 billion. See: Brian Whitmore "Behind closed doors", in *Radio Free Europe/Radio Liberty*, 17 May 2001, http://www.rferl.org/content/behind_closed_doors/24177795.html.

¹⁷ Brian Whitmore, "Medvedev, Prokhorov, Kudrin, and the thaw", in *Radio Free Europe/Radio Liberty*, 28 June, 2011, http://www.rferl.org/content/medvedev_prokhorov_kudrin_and_the_thaw/24249450.html.

¹⁸ Dmitry Badovsky, "Передача власти: Кремль в 2013 году" [Transfer of power: the Kremlin in 2013], in *Vedomosti*, 17 May 2011.

¹⁹ Sinikukka Saari and Katri Pynnöniemi, *Medvedev's take on the power vertical: Are the rules of the game changing in Russia?*, Helsinki, The Finnish Institute of International Affairs, 28 January 2010 (Briefing Paper ; 51), . http://www.fiia.fi/assets/publications/UPI_Briefing_Paper_51_2010.pdf.

²⁰ "Russian President Medvedev's news conference", *Reuters*, 18 May, 2011, <http://www.reuters.com/article/2011/05/18/us-russia-medvedev-highlights-idUSTRE74H1X620110518>.

The announcement of who will run for the 2012 presidential elections will be made after the parliamentary elections in December 2011. One thing is clear: the candidate must be acceptable to the *siloviki* as well as to the liberals. It seems that the decision has not been made yet. Meanwhile, in order to keep a balance and avoid internal struggles within power groups, both Medvedev and Putin have engaged in the electoral campaign. In May 2011, Putin launched the All-Russia Popular Front (including trade unions, business associations, youth organizations and NGOs), which aimed at promoting the popularity of Putin's United Russia party and uniting the country. Also Medvedev has spoken at a press conference with more than 800 journalists, delivering his programme of foreign policy priorities and reforms to be conducted in various state agencies.

To date, the Medvedev-Putin tandem works. Whether it will continue depends, as said, on the State Duma election results. Igor Bunin, President of the Center for Political Technologies, argues that the eventual victory of United Russia in the forthcoming Duma elections may legitimize Putin's candidacy. In this case, "Putin will be able to declare that he remains to be a national leader, and that United Russia and the Popular Front ask him to return to the president's office. Indeed if the results are high, he is simply obliged to return! But if the result is more modest, i.e. below 50 percent...[then] he can agree with Medvedev on somehow keeping the tandem alive in one form or another"²¹.

The political aspirations and calculations of Putin himself will be decisive. Without Putin's consent, Medvedev does not have the political standing and support base to persist in his post. Medvedev's unclear political identity, an essential feature of the tandem, has deprived him of a solid independent political base. For conservatives, he is suspicious in view of his liberal ideas, whereas for liberals he is little more than Putin's puppet.²² The constitutional changes, increasing the presidency term from four to six years, suggests that Putin may opt to return to the presidency. He would thus re-emerge as the undisputed national leader, and guarantor of stability and elite continuity. As for relations with the West and the need to provide Russia with a liberal face, this could be achieved by appointing a reformist liberal to the post of Prime Minister. Mikhail Prokhorov (or even Alexei Kudrin) could be an option.

Predicting the future Prime Minister is easier than speculating about the presidency (and Putin's personal calculations). Yet, what matters most is what combination of political forces and personalities will allow Russia to pursue its modernization programme without major substantive reshuffles in the political system. If this mission succeeds, we should not expect major changes in Russia's domestic (and foreign) policy course.

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²¹ Alexandra Samarina, "Народный фронт обустроивает тылы: Премьер-министра сделают сначала официальным национальным лидером, а потом - президентом" [The Prime Minister will be pushed to be first the national leader and the - the president], in *Nezavisimaya Gazeta*, 23 May 2011.

²² Alexei Makarkin, "Государь и премьер" [The emperor and the prime minister], in *Ejednevniy Jurnal*, 28 July, 2011.



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