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SUMMIT RHETORIC ASIDE, PUTIN'S NEW CABINET MAKES RUSSIAN REFORMS LESS LIKELY

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As President Bill Clinton prepares to meet with newly elected Russian President Vladimir Putin in Moscow on June 4, questions remain about Putin's principles and commitment to lead Russia into the new century. Putin's public statements since being personally selected by the ailing Boris Yeltsin to fill the post of Prime Minister and then to serve as Acting President appear at odds with his actions, such as intimidating the media, crushing the resistance in Chechnya, and reviving centralized control over Russia's regions. Putin's decisions offer a clearer picture of his objectives and indicate that America is unlikely to see significant changes either in Russian efforts to reform or in U.S.–Russia relations in the future.

Putin's Appointments. To date, Putin's actions, including a secret police raid on the headquarters of the opposition Media–MOST news conglomerate, the kidnapping of a Radio Liberty journalist, and his tightening of control in the regions, suggest grave threats to the rule of law in Russia. At the same time, Putin's government looks much like that of his predecessor. At least for the short term, Putin's appointments suggest that he will continue to be strongly influenced by forces and personalities that influenced Yeltsin at the end of his term.

The Kremlin today is largely controlled by representatives of what many call the Yeltsin “family,” a tightly knit group of aides and businessmen who work side-by-side with former KGB officers, many of them close to Putin. Yeltsin's Chief of Staff,

Alexander Voloshin, was re-appointed and has tremendous power. This long-time associate of two key members of the “family,” businessmen Boris Berezovsky and Roman Abramovich, has two KGB veterans as his deputy chiefs of staff.

The new Prime Minister under Putin is Mikhail Kasyanov. Despite his relative youth (42), fluent English, and designer-label suits, he is an associate of the Yeltsin “family” whose economic background consists of a position at GOSPLAN, the Soviet agency responsible for central economic planning, and a career in foreign debt management in the Russian Ministry of Finance. Kasyanov has publicly derided the broad program of market-driven changes proposed by economists who advise Putin and has promised the communists in the Duma that he will not implement land reform.

Kasyanov's appointment highlights a rift in Putin's cabinet on economic issues. One side, the “Moscow faction,” includes Yeltsin holdovers, primarily Berezovsky–Abramovich appointees, who favor pursuing reforms slowly if at all. On the other

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side, members of the “St. Petersburg faction” influenced by Yeltsin’s former senior minister Anatoly Chubais have a reputation as “liberal reformers” who advocate policies that are theoretically closer to Western market models. This faction includes Deputy Prime Minister and Minister of Finance Alexei Kudrin; national economy and trade minister German Gref, a personal friend of Putin; and a number of other ministers close to Putin.

The so-called power ministers—the national security and law enforcement officials Putin retained from the Yeltsin government—are not likely to launch a much-anticipated and much-needed fight against crime and corruption. They are likely, however, to continue to oppose the United States on missile defense issues.

For example, the Minister of Defense, Marshal Igor Sergeev, advocates arming Russian intercontinental ballistic missiles (ICBMs) with multiple warheads (MIRVs), which are currently banned under START II. He is adamantly opposed to the United States’ deploying a national missile defense system or ignoring the restrictions of the now-defunct 1972 Anti-Ballistic Missile (ABM) Treaty. Sergeev and his Chief of Staff have taken a hard line on the war in Chechnya.

Putin’s Foreign Minister, Igor Ivanov, is a protégé of Evgeny Primakov, the architect of Russia’s “multi-polar diplomacy” designed to dilute America’s superpower status. Nikolay Patrushev, chief of the secret police (the FSB), was a KGB officer stationed with Putin in St. Petersburg. A former KGB foreign intelligence officer, General Sergei Ivanov, is Secretary of the Security Council, the post Putin held before being named Prime Minister. Interior Minister Vladimir Rushailo and Prosecutor General Vladimir Ustinov, who have retained their positions since the Yeltsin administration, are also close to the “family.”

Tightening Control on the Regions. Just days after his inauguration, Putin ordered a drastic reform of Russia’s system of governance: He appointed “presidential representatives,” or

prefects, to govern seven giant new regions. This decision immediately raised international concern. First, while the declared purpose of the reorganization was to ensure that the regions observed the federal laws, Putin did not appoint lawyers to administer them. Instead, he nominated military or political figures. Five of the appointees are generals—two KGB veterans, two army generals who commanded operations in Chechnya, and a police general. The other two are a former Prime Minister under Yeltsin, Sergei Kirienko, and an ex-cabinet minister, Leonid Drachevsky.

The Russian constitution contains no provisions for instituting such a system based on viceroys who have authority over law enforcement and finance at the regional level. This makes the new system appear to be of dubious legal status and destroys the beginnings of the local self-government that began under Yeltsin.

Conclusion. Given Putin’s decisions and appointments, the new Kremlin appears unlikely to veer far from the path carved out by the Yeltsin regime. This means that the Clinton Administration should not confuse its need to establish a working relationship with Putin with its desires to help Russia develop democratic institutions and a free market.

President Clinton and many Western observers had hoped that the newly elected Russian President would break with the past and launch an investigation of corruption at the highest levels of government, remove oligarchs from power, and relaunch much needed economic reforms. Instead, the people Putin has selected for his cabinet may serve only to exacerbate the problems that encumbered Russia under Yeltsin. As huge insider business deals and the war in Chechnya continue, President Clinton should be under no illusion that he will find a “reformist” Russian President coming to the summit table.

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