

RUSSIA'S POLICY PROCESS AND THE PROSPECTS OF TANDEMOCRACY¹

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My research interest is the contemporary Russian policy process – how it works and how effective it is. Here I undertake an evaluation of the process since Putin became prime minister in early 2008, including the contribution made by Medvedev as president. The period covered includes the global financial crisis, but the analysis concentrates on the period since the peak of the crisis and the return to broader strategic policy debate and action.

The policy process under prime minister Putin

I have argued elsewhere that when Putin was forced by constitutional term limits to give up the presidency, he chose to take the prime ministership because of frustrations he felt

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with the limitations on the president's involvement in the policy process.² Constitutional provisions meant that he was unable to use extensively the presidential decree power on which Yeltsin had relied so heavily, and so he was greatly dependent for the preparation and presentation of bills to parliament on a government headed not by him but by a prime minister. Like Yeltsin before him he was reluctant to appoint strong prime ministers. This made it hard for him to control the policy battles between government ministries and agencies.³

By taking over the prime ministership he placed himself at the heart of the policy process. He introduced changes to make it more responsive and faster moving, included returning to the institution of multiple first deputy and deputy prime ministers, with on this occasion their important coordination and logjam-breaking responsibilities being for broad policy areas rather than specified agencies, thereby reducing the tendency they had displayed in the past to contribute to the advancement of narrow sectional interests.⁴ There was also increased use of informal meetings (*soveshchaniia*) to thrash out policy differences, and changes to consultation and sign-off (*soglasovanie*) procedures designed to reduce the opportunities for bureaucratic obstructionism.

² Stephen Fortescue, 'The policy-making process in Putin's prime ministership', ICCEES VIII World Congress, Stockholm, 26-31 July 2010.

³ He also had difficulties, at least up until 2003, controlling the parliament, with its strong business and regional representations. His successful efforts to overcome these problems, through his sponsorship of United Russia and the Yukos affair, will not be described here. His difficulties did not extend to narrowly political matters, such as changes to the membership of the Council of the Federation or the election of governors, where he showed particular resolve and the interests of powerful bureaucratic agencies were not negatively affected.

⁴ On that tendency previously, see Eugene Huskey: 'the deputy prime ministers often exhibit less loyalty to the premier than to the ministries they oversee'. 'The making of economic policy in Russia: changing relations between presidency and government', *Review of Central and East European Law* 22, 4 (1996): 369.

What did Medvedev bring to this process? His commitment to new technology approaches to public communication will be no more than noted. He has made greater use of the president's right of legislative initiative than Putin did. In the first half of 2010, in circumstances of a rising share of passed legislation coming from the executive branch as a whole, the president's share rose from 11.1 per cent to 15.2 per cent (with the increase coming at the expense of the regions, whose share declined from 12 per cent to 8.6 per cent).⁵ Generally the president's bills are passed with what opposition parties see as undue haste.⁶ Further analysis is required of this legislation to determine the degree to which it is an alternative source of policy making, bypassing the inter-agency conflicts that characterise the preparation of draft legislation within the government apparatus.

Another policy instrument which has received much attention under Medvedev is the directive (*poruchenie*). Presidential directives, despite their uncertain legal status, are an important instrument in the hands of a president determined to use them.⁷ There is certainly a large and increasing number of them – 1354 in 2008 and 1753 in 2009.⁸ Further investigation is required to determine the extent to which Medvedev's directives are prepared independently of the government apparatus and so are not subject to *soglasovanie* within the government. One commentator suggests that Medvedev's use of directives makes Konstantin Chuichenko an alternative policy *kurator* (supervising manager) to the deputy prime ministers. He is Medvedev's personal appointment to head of the presidential administration's Chief Control Administration and is in charge of the directive process.⁹

⁵ Liliia Biriukova and Viktoriia Sunkina, 'Pravo na zakon', *Vedomosti*, 19 August 2010.

⁶ Liliia Biriukova, 'Skorostnoi organ', *Vedomosti*, 19 July 2010.

⁷ Iaroslav Startsev, 'Les instructions du President de la Russie. Analyse d'un instrument d'action discretionnaire', *Revue d'etudes comparatives Est-Ouest*, 31, 2 (2000): 137-55.

⁸ Dmitrii Butrin, Petr Netreba, Irina Granik, Oleg Sapozhkov, 'Ne vsegda poruchaetsia', *Kommersant*, 17 March 2010.

⁹ Tat'iana Stanovaia, 'Pravitel'stvo pod kontrol'', *Politcom.ru*, 6 August 2009.

Medvedev has also devoted attention to the staffing of the state apparatus. Soon after becoming president he instituted the cadre reserve. Ostensibly designed to identify appropriately trained and talented individuals early in their careers, further work is required to determine whether it has contributed to the creation of a well-trained and competent bureaucracy. During his presidency civil service reform has returned to the agenda, with policy outcomes in the areas of competitive appointment processes, performance evaluation and payment by performance, and conflicts of interest, including income declarations and controls on *pantouflage*.¹⁰

A noticeable feature of Medvedev's personnel management style is his far greater willingness to sack officials (or threaten to do so) than Putin, who is seen as being Brezhnev-like in his reluctance to engage in dramatic and brutal dismissals. Medvedev has far fewer inhibitions.¹¹

Effectiveness of the policy process

Evaluation of the effectiveness of these changes was hampered by the onset of the global financial crisis soon after the two took on their respective new roles. With a sense of urgency reducing inter-agency policy wars and gamesmanship, this was not the stern test of the policy-making process it might have appeared. Extensive use was made of both the new deputy prime ministers and *soveshchaniia* for crisis management.¹² Medvedev's contributions to the policy process just outlined were not strongly evident at this stage. He did chair *soveshchaniia*, but it has not generally been suggested that he did so in

¹⁰ Anastasiia Kornia, Mariia Tsvetkova, Irina Reznik, 'Vtoraia nastroiika', *Vedomosti*, 11 March 2009.

¹¹ Igor' Bunin, 'Dmitrii Medvedev: prezidentskie resheniia', *Politcom.ru*, 1 December 2009.

¹² Fortescue, 'Policy-making process'.

competition with Putin.¹³ The impression was quite successfully conveyed of a closely knit team.

Although not all agree,¹⁴ I suggest that the crisis-management process was quite effective, with decisions being reached with considerable dispatch but without dispensing with appropriate consultation. The outcomes, although also not without their detractors, were of sufficient substance to allow for serious debate as to their worth.

The post-crisis policy process

As already suggested, the real test is 'normal', not crisis, times, when the sense of urgency has gone and the big resource-distribution and power-shifting issues return to the agenda. Although this paper is about process more than content, at this point a brief account of content is required. In post-Yeltsin Russia the great strategic debate has been over the most appropriate approach to Russian economic development. In the very broadest terms it has been between the supporters of resource-based growth and those arguing for diversification of the economy. The champion of resource-based growth is Putin. From his candidate thesis on,¹⁵ he has supported the view that Russia's growth and technological development should be centred in the resource sector, whether out of a genuine conviction that this is the only realistic source of growth in Russia or because resource-based growth maximises the opportunities for his self-enrichment and that of his cronies.

Putin consistently has the support of deputy prime minister and Minister of Finance Aleksei Kudrin. While Kudrin is publicly sceptical of the capacity of resource wealth to

¹³ For an exception, see Dmitrii Butrin and Petr Netreba, 'Krizis dushat osnovatel'no', *Kommersant*, 21 October 2008.

¹⁴ For example, Lev Freinkman, 'Vyzovy krizisa: pravitel'stvo i biznes', *Vedomosti*, 15 January 2009.

¹⁵ Harley Balzer, 'The Putin thesis and Russian energy policy', *Post-Soviet Affairs*, 21 (2005): 210-25.

serve Russian economic development well in the long term,¹⁶ his finance minister's instincts do not allow him to adopt the solution to that problem preferred by those on the other side of the debate. He believes that growth, and diversification, occur through the investment in all sectors of the economy that comes with a balanced budget, low inflation and low interest rates. His fierce championing of this view is such that those on this side of the debate are generally known as the 'party of stability'. Although the stability referred to is fiscal, the word reminds us of the socio-political stability to which Putin is firmly committed. That requires a commitment to social spending which does not always sit well with Kudrin's fiscal conservatism. It certainly makes him even more determined to rein in other forms of expenditure.

The other side of the debate is known as the 'party of growth'. It sees diversification of the economy away from resource dependence as requiring urgent expenditure on the infrastructural and incentive needs of a hi-tech economy. Its supporters like to hope that they have as their champion Dmitrii Medvedev, with his rhetoric of modernisation and support for such hi-tech growth projects as Skolkovo.

There is a third policy position, those generally known as the 'interventionists'. The party of growth, while in favour of targeted governmental expenditure on economic development and private-state partnerships in growth projects, is sufficiently committed to private enterprise that its adherents can be comfortably described as 'liberals' no less than Kudrin.¹⁷ The interventionists are more committed to a direct role of the state in the economy, including state ownership of the strategic sectors of the economy. The resource sector is a strategic sector, primarily so that its revenue flows can be reliably directed towards support for the defence and traditional industrial sectors that the

¹⁶ A.L. Kudrin, 'Vystuplenie A.L. Kudrina na VIII Krasnoiarskom ekonomicheskome forume', website of Ministry of Finance, 18 February 2011, www.minfin.ru/ru/press/transcripts/index.php?id4=12090.

¹⁷ Igor Bunin, 'Strategiia ekonomicheskogo razvitiia Rossii: novoe kachestvo diskussii', *Politcom.ru*, 21 February 2011.

interventionists see as fundamental to the maintenance of the nation's rightful place in the world.

As Igor Bunin pointed out on 21 February 2011, the interventionists have been excluded from the stability-growth debate.¹⁸ That does not mean that they have been excluded from the policy process itself. They have sufficient personal and psychological ties to Putin that they are closer to the resource-based growth camp than the party of growth. Indeed Kudrin seems to take their demands as an unavoidable cost, like social spending, of his alliance with Putin, and so to be squeezed into the fiscal stability model in a way that the party of growth's demands are not.

These alternative visions of Russia's economic growth strategy lie behind any number of major policy debates. They are most clearly fought over in the drawing up of long-term strategy documents such as Strategy 2020 and Forecast 2030. But more importantly for day-to-day policy making they inform the fierce debates over tax and sovereign debt policy, sovereign wealth funds,¹⁹ pension reform, and others.

The competing policy visions are linked to two very different views of the Russian policy process. One holds that the political elite is headed by a leader, Vladimir Putin, with well-honed political instincts, who is fully aware of the complex and competing demands on it from a variety of electorates and stakeholders. There is even a considerable sense of urgency as the elite faces up to a uncertain future in terms of the financial resources available to meet those competing demands. The elite has an increasingly experienced and competent policy-making apparatus, using well-tuned processes and procedures, to meet the challenge.

¹⁸ Igor' Bunin, 'Strategiia ekonomicheskogo razvitiia Rossii: novoe kachestvo diskussii', *Politcom.ru*, 21 February 2011.

¹⁹ Stephen Fortescue, 'Russia's SWFs: controlled by a domestic agenda', in Xu Yi-chong and Gawdat Bahgat (eds), *The Political Economy of Sovereign Wealth Funds* (Basingstoke: Palgrave, 2010), chapter 6.

The other view is that the country is run by an increasingly isolated and smugly self-satisfied elite, none more so than Putin himself. It has relied for a long time on resource wealth to fund a Brezhnev-type social contract with society,²⁰ but is unaware – or unwilling to admit – that even that social contract, as modest as it might have been in terms of what it gave the population, is no longer sustainable.

This dangerously out-of-touch political elite is served – if that is the right word – by a rapacious bureaucracy, whose only interest is to maximise its control over the assets and privileges of the state. Big business is thoroughly assimilated into the bureaucracy; private business too small or poorly connected to have this option flounders. The situation is serious enough that talk has moved from comparing Putin to Brezhnev to references to revolution, including that of 1917.²¹

We will now examine which of these views is more accurate, in terms of leadership, staff capacity, and process and procedures.

Leadership

The image of Putin as the out-of-touch, self-satisfied leader was probably entrenched in the mind of many during his famous ‘rally’ in a yellow Lada Kalina Sport from Khabarovsk to Chita. In his interview from behind the wheel with journalist Andrei Kolesnikov, Kolesnikov pushed him hard to own up to a mistake in managing the crisis, or even anything he might have done differently in hindsight. Putin sounded affronted.²²

²⁰ V. Ryzhkov, ‘Brezhnevskaja matritsa putinskogo rezhima’, *Demokratiia.ru*, 23 August 2008, <http://www.democracy.ru/article.php?id=1188>.

²¹ “‘My dolzhny chetko opredelit’, na ch’i interesy predlagaem nastupit’”, *Kommersant*, 15 February 2011.

²² ‘Vladimir Putin: daiu vam chestnoe partiinoe slovo’, *Kommersant*, 30 August 2010.

In the words of Baev, ‘the thrill of control is gone’, and Putin exercises power ‘more from the conviction that he belongs there, than from any urge to lead Russia to its allegedly due greatness.’²³ On top of that he is reluctant to antagonise any part of his carefully balanced divide-and-rule coalition by taking sides too decisively.

Putin’s indecisiveness can be seen in an interesting interchange with Kudrin in November 2010, which is worth quoting at some length. The discussion concerns the new ‘program-goal’ approach to drawing up the budget which has been successfully championed by the Ministry of Finance. It includes a long pre-approval period of evaluation of proposed programs:

V.V.Putin: The main thing is that this process is not overly bureaucratised.

A.L.Kudrin: At the stage of evaluation it is better to measure seven times. [A Russian proverb on the need to be careful that was beloved of Brezhnev – SF.] But when the program has been accepted, then accountability must protect against any deviation from the determined path.

V.V.Putin: Understood. Nevertheless I want to raise this again. We have many issues ... We examine them so long that they end up losing their relevance. Therefore we have to devote serious attention to the speed with which we take decisions. Obviously matters have to be scrupulously worked on together with the expert community and parliament. But excessive bureaucracy is getting in the way, is reducing the effectiveness of the all the work of the government.

A.L.Kudrin: I think that what you are talking about refers to when the program has been accepted.

He goes on to defend the need for a careful approach to the evaluation stage, and Putin essentially gives up with a final laconic ‘OK’.²⁴ The exchange is interesting because

²³ Pavel K. Baev, ‘Medvedev tries in vain to modernize Putin’s political system’, *Jamestown Foundation. Eurasia Daily Monitor*, 7, 16, 25 January 2010.

²⁴ ‘Predsedatel’ Pravitel’sstva Rossiiskoi Federatsii V.V. Putin provel rabochuiu vstrechu s zamestitelem Predsedatelia Pravitel’sstva – ministrom finansov Rossiiskoi Federatsii A.L. Kudrinym’, 8 November 2010, premier.gov.ru/events/news/12863/.

Putin eventually gives way on a matter – the bureaucratisation of decision making – in which he claims to have a close personal interest. It is also worth noting that the victor is the bete noire of the party of growth, the greatest obstructor and player of the sign-off game of them all.

Soon after this exchange Putin found a new sense of urgency regarding strategic vision and the way to approach policy change. He admitted in his December 2010 TV Q&A session that it is not possible for one person to run everything.²⁵ He then visited the Higher School of Economics, a visit which grew into his convocation of a massive group of experts to work on a redesign of Strategy 2020. A key figure in this process, the rector of the Higher School of Economics Iaroslav Kuzminov, is the source of the reference to the 1917 revolution cited above. Putin made it clear that the exercise was required to resolve difficult policy issues, in the context of the world economy – ‘including our own’ – finding itself in ‘systemic crisis’.²⁶ He called for an open and wide-ranging debate, as he did at the virtually simultaneous opening of the process to prepare a scenario document to the year 2030. There he was frank about the need to find a balance between the funding in straightened circumstances of social needs and the needs of national security and modernisation.²⁷

²⁵ ‘Stenogramma programmy “Razgovor s Vladimirom Putinyim. Prodolzhenie”’, 16 December 2010, <http://premier.gov.ru/events/news/13427/>.

²⁶ ‘Predsedatel’ Pravitel’sstva Rossiiskoi Federatsii V.V. Putin vstretilsia s rukovoditeliami ekspertnykh grupp po podgotovke predlozhenii po aktual’nym problemam strategii sotsial’no-ekonomicheskogo razvitiia Rossii na period do 2020 goda’, 16 February 2011, <http://premier.gov.ru/events/news/14155/>.

²⁷ ‘Predsedatel’ Pravitel’sstva Rossiiskoi Federatsii V.V. Putin provel soveshchanie po ssenarnym usloviiam dolgosrochnogo prognoza sotsial’no-ekonomicheskogo razvitiia Rossii na period do 2030 goda’, 22 February 2011, <http://premier.gov.ru/events/news/14226/>.

Those sceptical of Putin's capacity to drive the necessary change would note the characteristic emphasis on 'finding a balance', and will expect a typically fudged outcome. His supporters would claim that balance and compromise are the essence of politics.

If anything Medvedev's leadership role is even more debated. Those who are dissatisfied with Putin have invested considerable hopes in Medvedev as a champion of diversification and modernisation, but the indications are that many now feel their hopes have been misplaced. Those who approve of Putin are either happy to see Medvedev as his poodle, or believe that he is making a positive contribution to the senior politician's long-term plans.

For those whose hopes in Medvedev have been dashed, the more generous explanation of his failure to meet their expectations is that he does not have either the formal or informal power to do so. In terms of his formal power, we should remember the argument advanced above that Putin himself, a politician with far more informal power than Medvedev, was frustrated by the limitations on the power of the presidency.

A less charitable interpretation is that Medvedev ultimately lacks the will to pursue the modernisation agenda with true dedication. A characteristic moment came in the first half of 2009. As the financial crisis bit and bids for access to emergency funding escalated, only to come up against the brickwall of Kudrin, the attacks on the Minister of Finance became particularly vicious. Medvedev joined in, driven to some degree by personal antagonisms dating from previous political battles.²⁸ But suddenly he caved in. In late May 2009 he declared that he had given up the battle to lower VAT, a pet project of the modernisers, succumbing as he openly admitted to the pressure of the '*finansisty*'.

²⁸ Tat'iana Stanovaia, 'Novyi etap vnutripravitel'svennoi bor'by za rezervy', *Politcom.ru*, 30 March 2009; Ivan Preobrazhenskii, 'Medvedev ishchet sabotazhnikov?', *Politcom.ru*, 19 May 2009.

He also spoke of the need to support the resource sector, because that is where the budget revenues come from, and thereby gave up for the moment the diversification program.²⁹

Putin's supporters with the strongest commitment to the *kto-kogo* style of Russian politics are no doubt cheered by the sight of the upstart being forced to back down, and even being made into Putin's fall guy by doing his dirty work for him. But there are Putin supporters with a less zero-sum view of the tandem. For them Medvedev has a positive contribution to make, essentially to act as a 'loyal opposition', to provide a bit of 'ginger' to the policy process. Putin is clearly dissatisfied with a policy system dominated by the state apparatus and the bureaucratisation it brings with it. Various approaches to providing it with an opposition have been tried and found wanting: business failed him in the first years of his presidency; the official opposition parties are too clearly a 'politotechnological project' to be taken seriously by anyone much less a rampant bureaucracy; the schizophrenia required for United Russia to play the role is clearly beyond it.³⁰ Medvedev is another attempt to create an opposition.

The more cynical version of the argument goes: let Medvedev coopt the liberal intelligentsia and keep it out of the clutches of the systemic opposition; let him float new ideas; let him scare a few bureaucrats with his threats of dismissal. Some good might come of it, while the downside risks are very low. The more strategic view is that the president as 'loyal opposition' could become an important institutionalised feature of the Russian political system. For it to be constitutionally efficient and politically feasible it would require a reduction in the power of the president to dismiss the prime minister. That would entail movement towards a parliamentary system, something which Putin himself has floated in the past, until Khodorkovsky's championing of the same cause turned it into an anathema.³¹ The president could then offer the occasional 'left field'

²⁹ Petr Netreba, 'Vlasti sokratili spisok antikrizisnykh mer', *Kommersant*, 27 May 2009.

³⁰ Aleksei Makarkin, "'Edinaia Rossiia" i krizis', *Politcom.ru*, 26 January 2009.

³¹ Richard Sakwa, *The Quality of Freedom. Khodorkovsky, Putin, and the Yukos Affair* (Oxford: Oxford University Press, 2009), 119-20.

ideas and serve as the conscience of the nation, as the presidents of places such as Ireland, Germany and Italy have done at various times and in various circumstances.

Let us move back from such broad speculation to a narrower examination of the current policy process and the staff available to serve it.

The positive view of structures and procedures

Those with an optimistic view of the policy process in Russia today claim that as Putin has felt more secure in his position he has relied less on the appointment of cronies, or has at least insisted that his cronies be competent.³² Policy participants with whom the author has spoken assert that bureaucrats – certainly those in policy relevant positions – are highly professional and competent. Kuzminov notes (in the context of comments about the number of bureaucrats in his Strategy 2020 expert working groups) that as much as one third of qualified policy experts are civil servants.³³

It is claimed that Medvedev has contributed to the reduction in the personal factor in government appointments. The tandem's rules on making appointments include a 'dual key', that is, appointments have to have the approval of both tandem members. According to Stanovaia this has brought increased balance and 'technocratism' to appointments. 'The significance of the rules of personal loyalty in the current system is decreasing, and that is one of the most important outcomes of the two years of Medvedev's rule'.³⁴ A lot of work is needed to pin down what if any shift there has been

³² For an interpretation of the sacking of the narcotics agency head, Viktor Cherkosov, in these terms, see Tat'iana Stanovaia, 'Pervyi drug uvolen', *Politcom.ru*, 20 June 2010.

³³ "“My dolzhny chetko opredelit', na ch'i interesy predlagaem nastupit'”", *Kommersant*, 15 February 2011.

³⁴ Tat'iana Stanovaia, 'Dva goda tandemokratii', *Politcom.ru*, 7 May 2010.

away from the personalist factor and how far down the administrative hierarchies it goes.³⁵

The positive view of the policy-making process includes reference to the institutionalised use of outside specialists, whether they be lobbyists for particular interests or independent analysts in think tanks and research institutes. The use by executive bodies of outside structures to develop policy proposals and draw up documentation has a long history in Russia. In Soviet times research institutes were used. They still play such a role, but much use is also made of ‘independent’ think tanks. Medvedev has his own outside sources of expertise, the best known example being his sponsorship of the Institute of Contemporary Development (INSOR).

Both Putin and Medvedev make extensive use of formal commissions to bring together insider and outsider policy participants. Two that have attracted considerable attention are Medvedev’s Commission on Modernisation and Technological Development of the Economy, set up in May 2009 and matched soon after by Putin’s Commission for High Technology and Innovation. One policy participant with whom the author has spoken describes the two commissions as being alternative, indeed competing, sources of contracts.

According to the positive view policy makers operate within a system in which the stress on flexibility introduced by Putin when he became prime minister has been maintained even as the policy emphasis has shifted from crisis management. The role of the deputy prime ministers is built into the changes made by Putin to *soglasovanie* procedures. While those changes allow documents to gain legal force without full sign-off, deputy prime ministers serve as an appeal mechanism when approval has not been gained. The result has been a big increase in the number of draft policy documents arriving at the

³⁵ A start, which presents a mixed picture, has been made by Atsushi Ogushi, ‘Russian bureaucratic elites: patrimonial or technocratic?’, ICCEES VIII World Congress, Stockholm, 26-31 July 2010 (cited with permission).

central government administration with a formal ‘table of disagreements’, and so requiring deputy prime ministerial *soveshchaniia* to arrive at a final resolution.³⁶

To summarise the positive view of the contemporary policy process, Putin is a vigorous, reform-minded leader, albeit one with the politician’s sense of when to compromise and balance social and technocratic needs. He is well served by Medvedev, who adds a positive extra dimension. Both are served by an increasingly professional bureaucracy, with a good balance between consultation with both insiders and outsiders on the one hand and dispatch in arriving at decisions on the other. It is a view with which many commentators strongly disagree.

The negative view

A mildly negative view is that policy pluralism has gone too far. A policy participant with whom the author has spoken draws a picture of a system which has shifted away from the dangers of stifling obstructionism and logjams to the opposite end of the spectrum, a chaotic cacophony of policy proposals coming forward from a broad range of government agencies, lobbying groups and expert think tanks. He describes civil servants so busy responding to demands from various sources to prepare policy documents that they have no time to engage in obstructing each other. Although recognising the downside of such a wide open approach to policy making, he finds it not just exciting personally but conducive to imaginative approaches to difficult problems.

There are more fundamentally negative evaluations, which see a system in which the bureaucracy holds complete power, with outside forces being excluded from the political process. Recruitment and advancement are decided by personal connections and loyalties. Putin’s approach sets the tone, and echoes Brezhnev’s ‘stability of cadres’

³⁶ For examples, see Dmitrii Butrin and Petr Netreba, ‘Biudzhethnoe poslanie k rabochemu stolu’, *Kommersant*, 30 June 2010; Dmitrii Butrin, ‘Pravila igry’, *Kommersant*, 14 December 2009.

policy: appoint one's cronies, ensure that they are well looked after materially, and if they prove hopelessly incompetent shift them sideways.

The patron-client teams that have come to dominate the policy arena are interested above all else in personal enrichment, an interest which can be easily packaged as the fierce defence of the 'sectoral' interests of each particular agency. Gaman-Goluvtina talks of administrative hierarchies set up and staffed purely to gather rents at all levels. The greater the policy influence and consequent administrative powers of the agency the greater the opportunities to extract rent.³⁷ Indeed any decrease in the personalist element in recruitment and promotion is only because the impersonalism of the market place has been brought to human resource management. Posts are bought and sold and profits distributed among 'shareholders'. A United Russia survey of its own 'cadre reserve' found that 86 per cent of respondents believed that a civil service position could be obtained only through connections. While the respondents gave positive reasons for their own desire to work in the civil service, the reasons they gave for others were strongly focused on the negative.³⁸

Because the policy process is in effect a struggle between agencies for control of administrative resources and through them real wealth, it becomes a bitter one, with the blocking of others' access to the wealth being a fundamental component of maintaining one's own. The standard bureaucratic processes of consultation and sign-off are tailor-made for such struggles. While the crisis might have focussed minds on the need for cooperation for the purposes of survival, now that the pie is seen as up for grabs again the rise of interest-driven bureaucratic obstructionism and policy logjams is inexorable.

³⁷ O.V. Gaman-Goluvtina, O.V. et al, 'Effektivnost' gosudarstvennogo upravleniia v Rossiiskoi Federatsii v 2008 godu', in *Ezhegodnyi doklad InOP "Otsenka sostoianiia i perspektiv politicheskoi sistemy Rossii"*, Institut obshchestvennogo proektirovaniia, 2009, 74, www.inop.ru/page529/page484/.

³⁸ Anatolii Medvedev, "'Edinaia Rossiia" sdelala kadrovye vyvody', *Politcom.ru*, 1 July 2010.

In this view Medvedev's contribution to the policy process is a charade. He is as keen as anyone else to appoint people on the basis of personal acquaintance, with fellow graduates of the Law Faculty of St Petersburg State University featuring prominently among the members of his 'team'. That there is not more of them is a reflection of his lack of power to make appointments rather than a commitment to the principles of 'rational legal' bureaucracy.

There is something of the bullying, knee-jerk reaction in his immediate 'sack someone' response to any problem that reminds one of Khrushchev. There is also the suspicion that often Medvedev is doing Putin's dirty work for him.³⁹ His policy initiatives are not truly independent and his directives are routinely ignored, despite his occasional demands that stern action be taken against recalcitrant bureaucrats.⁴⁰

The negative view of the policy process sees it as being headed by a smug and corrupt leader, served by a bureaucracy no less corrupt and dominated by the corresponding personnel management processes, personal loyalty and the calculations of a marketplace in positions and rents being far more important than competence and a commitment to the nation's welfare. This leads to policy stagnation both through indifference and incompetence, and the appropriation of standard bureaucratic consultation processes for the protection of a fusion of personal and agency interests. Medvedev, whether deliberately or despite his best intentions, contributes to this situation.

³⁹ Dismissals that have been interpreted as Putin getting Medvedev to do the dirty work for him include Cherkesov, Bogdanchikov (general director of Rosneft') and Moscow mayor Iurii Luzhkov. Tat'iana Stanovaia, 'Pervyi drug uvolen', *Politcom.ru*, 20 June 2010; Ekaterina Derbilova, Irina Reznik, Natal'ia Kostenko, 'Otstavka na prazdnik', *Vedomosti*, 6 September 2010.

⁴⁰ Mariia Tvetkova, Maksim Tovkailo, Alena Chechel', 'Vzyskanie za miagkost'', *Vedomosti*, 8 July 2010.

Conclusion

By way of conclusion I will offer my own view on the current policy system. Firstly, I will admit to some sympathy for Putin's general economic policy orientation. The resource curse literature tells us how hard it is to diversify away from an economy with major resource wealth. Without engaging here in detailed economic analysis, it is possible to tell a reasonably positive story of economic growth and development. In that context I see Medvedev's commitment to modernisation as worthy but somewhat quixotic.

I am also prepared to accept that Putin is not as smug and self-satisfied as he sometimes appears. He wants an efficient policy process and is working to achieve an appropriate balance between 'pluralist' input and a brisk pace of decision making. But a policy system dominated by bureaucratic agencies playing for high stakes and run by a leader who temperamentally and for populist political and factional reasons is reluctant to be decisive is always going to be at risk of endless bureaucratic squabbling and policy logjams. Putin is himself aware of the danger and attempts to shake up the system. But more work is required to determine how genuine and realistic those attempts are.

A combination of being positive on resource-based growth and open-minded on the potential of the bureaucracy to contribute positively to policy making might suggest mine is an optimistic view. While that is true to the extent that I do not adhere to the cataclysmic views of imminent systemic collapse, I am also of the view that Putin's efforts face a major barrier. His is a system which is open to input from a range of sources; indeed it tries to be highly inclusive. But such a pluralist system can produce outcomes only if there is a good mechanism for sorting out the bids and breaking logjams. In present circumstances that mechanism can only be at the top level of the political elite. If not Putin – and he is often inclined to avoid such a role – then his deputy prime ministers and perhaps even Medvedev. Efforts are made to prevent them being 'captured' by special interests, by creating 'loyal oppositions'. But such efforts will continue to fail, since loyal oppositions struggle to be real opposition. It is not just or even so much that real oppositions offer alternatives. They also hound – often in petty

and hypocritical ways – governments which are unable to make policy efficiently, and in so doing they reveal the weaknesses of the government to the electorate. Even if one could claim, at a stretch, that Russia has an electorate, it does not have such an opposition.

This is true of Medvedev and the post of president as loyal opposition. Personally I find Medvedev's hectoring moods and Khrushchev-style approach to personnel management highly unconvincing. But overall he perhaps plays a useful 'ginger' role. But that is not the same as being an opposition. Even if Medvedev is trying to be a genuine opposition, in the sense of presenting himself as a serious alternative holder of power – which I doubt – to do so by setting himself as president against the prime minister and his government is to accentuate rather than resolve the problems of the relative roles of president and prime minister.

Medvedev has probably done enough as far as Putin is concerned – in providing some 'ginger' to the policy process and doing some of his dirty work for him – to give him another term as president. That assumes that Putin chooses to remain as prime minister, which I suspect he will. He appears comfortable in the position, in the eyes of many far too complacently so. But he clearly is not satisfied with the policy process and will continue to fiddle with the right balance of input and speed of decision. The lack of an opposition will continue to be an obstacle to achieving a truly effective balance, although resource wealth will allow him to avoid the full implications of that fact for the moment.