Despite two and one-half years of federal reform under Russian president Vladimir Putin, there is still no clear understanding of just what this federal reform is supposed to achieve. The scope, impetus, and intended outcome of the reform project can still be analyzed from many different angles. This memo argues Russia’s power ministries or power structures are a source and driving force of reform, with their restructuring being one of the major goals of federal reform.

The reform, which created seven federal districts, was both a natural continuation and a revision of the military-administrative reform (whereby Russia’s military districts were consolidated into six districts). Military-administrative reform began in 1998. The goal was rationalization and simplification of how the power ministries had divided up territory for administrative purposes.

The Soviet Union (USSR) had three power ministries: the Ministry of Defense, the KGB, and the Ministry of Interior. In contrast, Russia has created 14 power ministries who each have thousands of troops at their command. The Armed Forces (Vooruzhenie sili), numbering 1.2 million, are subordinated to the Minister of Defense and the General Staff, and consist of land forces, naval forces, strategic rocket troops, air forces, and paramilitary troops. They are organized by territorial units and centrally subordinated divisions. The Ministry of the Interior has 200,000 Internal Troops, plus ten thousand more special forces: regional Special Rapid Reaction Forces (SOBRs) and Militia Special Purposes Forces (OMONs). The Federal Border Guard Service has another 200,000 troops. The Federal Agency on Governmental Communication (FAPSI) has 55,000 troops; there are 50,000 railroad troops, 30,000 civil-defense troops under the Ministry of Emergencies (plus several divisions for special purposes), and 20,000 troops in the Main Department for Special Programs of the president. The Federal Service for Special Construction (Spetsstroi) commands 14,000 troops; the Federal Guards Service (FSO) with its presidential brigade oversees 3,000; and the Federal Tax Police Service and State Customs Committee have special physical protection units with 10,000 troops. Then, of course, there are the forces of the Federal Security Service (FSB), the Foreign Intelligence Service (SVR) with its spetsnaz, and the spetsnaz of the Main Department for Punishments (GUIN) of the Ministry of Justice.

A variety of factors pushed Russian leadership toward military administrative reform, but war in Chechnya highlighted the stark reality of the inefficiencies of the uncoordinated and overlapping organizational structures of the power ministries. The presidential decree “on the military-administrative division of Russian Federation” of June 28, 1998, made the military districts the major military-administrative unit of the armed forces. All federal ministries and
agencies with armed units were given until January 1, 2000, to bring their districts and territorial divisions into correspondence with the military-administrative division. The reform had some success but, by the 2000 deadline, various military and paramilitary districts still did not coincide.

The territorial nature of federal reform is illustrative of its origins in the rationalization of the power ministries. The use of the Internal Troops districts as a base and the appointment of generals as plenipotentiary envoys are indicative of the essence of the reform. Consolidating central control over the power ministries was one of the major aims of reform. Already rooted in the FSB, Putin’s team first added the Ministry of Emergencies to their power base, then got control over the prosecutors’ offices and courts, and later gained control over the Army and the Ministry of the Interior. The federal districts thus served as a base for the restoration and construction of the power vertical at both the regional and federal levels.

An issue of compatibility of the presidential districts and the mega-regions of the key power ministries has arisen as the presidential envoys have largely been drawn from the power ministries. Of the seven military districts (MD) that existed in 2000, only one—the North Caucasus MD—coincided with one of the newly created federal districts. Other federal districts and military districts suffered from significant territorial differences. On September 1, 2001, the Urals and Volga MDs were merged, increasing the differences between the relevant federal district and the new Urals-Volga MD, rather than decreasing them as was expected. The only explanation for this lack of rationalization of federal and military districts is that the logic of the political construction undertaken by the Kremlin aims at building a new loyal infrastructure and not at converting the existing infrastructure for national efficiency. If it is true that war is too serious an affair to be left to the generals, than the spatial organization of the state is too serious a responsibility to be left to the military.

The configuration of federal districts is usually analyzed in terms of military-civilian opposition. Both military and civilian suggestions for redistricting, however, have been suggested and rejected. In 1998, the Russian Security Council suggested that military districts be the universal administrative unit. In 1999 Evgenii Primakov suggested using interregional associations for economic cooperation as the basic mega-regions. Both options were rejected. Because Putin’s team lacked complete control over the army, they used a mixed military-police option—MVD troop districts combined with a single army commander for the district.

In the end, then, the seven mega-regions of the MVD were used as the template for the federal administrative districts. The capitol or administrative center of each district in every case corresponded to the location of the headquarters of the corresponding Internal Troops district. In fact, the MVD had several other structures and the units were not particularly integrated. As the pace of reform quickened, new chiefs with the ranks of up to colonel-general were appointed to the districts and assumed control of the MVD forces in the district, with the heads of regional police departments subordinated to them. These district commanders now have a staff of up to 150 (much larger than the presidential envoys’ staffs) and are responsible for coordinating all the MVD work within their districts, collecting information, and presenting the analysis to the presidential representatives as well as combating organized crime.

The reform of the MVD, therefore, most directly strengthens the new territorial structure. The latest development confirms this trend, pointing toward further policization of Russia. In mid-October 2001, the Ministry for Federal Affairs, National, and Migration Policies was
abolished by presidential decree. The MVD then took control of the regional offices of the ministry, which consisted of more than 3,000 people in 85 regions, as well as assuming responsibility for migration issues. A new Ministry of Interior reform that was announced in September 2002 plans for the division of the MVD into three parts: a federal police dealing with serious crimes, which strengthens the center’s position and eliminates the governors’ influence on regional MVD departments; a municipal militia dealing with public order and financed by regional budgets; and a new Federal Guard to replace internal troops. The Federal Guard will form special forces to fight organized crime in federal districts and groupings in regions with complicated social-political and criminal situations. Internal Troops districts, which have shaped federal reform, will be demolished.

The FSB, which is the brain center of the reforms, delegated two high-ranking officials to control both capital districts, and dozens of generals and high-ranking officers to the presidential envoys’ administrations and to lead the reform efforts in the regions as chief federal inspectors. Of all the major power agencies, only the FSB did not create an intermediate managerial structure at the district level. This supports the impression that personnel factors are, at least in part, behind the reforms. The backgrounds of the chief federal inspectors reveal the center’s familiar preference for the power ministries: some three-fourths of them come from the military, MVD, and special services, including more than one-third from the FSB. The majority of federal inspectors are in their mid-forties, representing Putin’s generation. There are no public politicians in this corps, no former governors who, until recently, were a cadre reserve for the center, and no parliamentarians, who also used to be quite numerous.

Although federal districts have fulfilled their primary goal of bypassing alternate power channels, they are not single-use political instruments. There are several reasons for the center to keep the federal districts:

- to keep the system in working shape, constant personnel work is needed—rotation, training, selection, and so forth;
- federal districts served as a universal matrix for the spatial/territorial organization and reorganization of numerous federal agencies; and
- federal district patterns have melded into the political system to such a degree that they cannot be eliminated without endangering the whole system Putin has built.

The federal reform is not only about reorganization of the power ministries, although the ministries are the central element due to their status as both the base and the infrastructure of Putin’s regime. Reform is oriented toward creating a controlled monolith of Russian society and providing manageability and tough control in a semi-military order, including direct subordination, strict distribution of responsibilities, power verticals, and state control over business. This strategic mega-project is a reminder of Beria’s alternative of absolute dominance of the Communist party. Although it can hardly be realized in full, mere attempts to realize it can lead to serious negative consequences for Russian society.