

The Essence of Putinism: The Strengthening of the Privatized State

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November 2000
PONARS Policy Memo 147
IMEMO

The Revenge of Kremlinology

As Russia moves further along the path of semi-authoritarian rule, studying the mindset and beliefs of the Kremlin dwellers again becomes important. The logic of Russian politics remains, as before, profoundly anti-institutional, as a tightly knit group of individuals continue to mold and remold the institutional design according to their will. While their ability to shape or influence developments in the depth of Russian society should not be exaggerated, the cognitive framework of Russian President Vladimir Putin and his entourage is turning into the decisive factor of Moscow politics and of Russia's conduct on the international stage.

Since the beginning of Vladimir Putin's rise out of the blue into the highest office, many conflicting definitions have been applied to him. He has been portrayed as a statist and a market liberal, an ethnocratic nationalist and a pragmatic pro-capitalist Westernizer. As for Putin himself and his comrades-in-arms, they have defined their policies with a few articulate slogans, such as "strengthening the Russian state" and "dictatorship of the law." Putin's claimed purpose of strengthening the state was hailed by many Westerners and Russians alike, from foreign investors to the Communist Party, who attributed negative aspects of former president Boris Yeltsin's rule to "state weakness," and who now have rallied under Putin's banners in a most diverse alliance. Indeed, strengthening the state became a powerful catch-all slogan, but given the broad spectrum of its supporters, some difference in interpretation is unavoidable. The key question, however, is what Putin himself means by strengthening the state. I argue that the notion itself is profoundly misleading without a clear sense of how Putin and the ruling elite he speaks for conceive of the state that they claim to be strengthening. We are not looking here for any kind of rationalistic ideology of the "State" that drives Putin's policies and could be located in the existing range of definitions of statism (which would be pointless), but rather to spell out basic cognitive elements of Russian rulers' understanding of the state they govern.

This examination leads to the conclusion that Putin's policies cannot be seen as either statist or nationalist in the classical Western sense of these notions. The state that Putin has vowed to strengthen is not conceived of as a public asset, as a set of institutions in the service of society, nor as a commanding force of national mobilization, but rather as an exclusive corporate entity, the property of the state apparatus, competing against similar but much weaker entities in an attempt to monopolize the coercion and protection market.

What Is to Be Strengthened?

The Kremlin dwellers' view of the state on behalf of which they speak comes from President Putin's own book and interviews, from a collection of "concepts" and "doctrines" that was produced over this year mostly by the Security Council, and from statements and pronouncements from the closed circle of Putin's attendants--Security Council Secretary Sergei Ivanov, Prime Minister Mikhail Kasyanov, Economics Minister German Gref, Media Minister Mikhail Lesin, and Kremlin political consultant Gleb Pavlovsky. It is quite evident that for all of them, the state is conceived as totally autonomous from society. The National Security Concept and similar documents are built around a quite revealing hierarchical order of "interests," which begins with the interests of "individuals," followed by the interests of "society" and then by the interests of the "state"--the latter being wholly separate and not deducible from the other two. A state whose interests are conceived in this way is clearly not a public asset, not a *res publica*, if by the latter we mean a set of institutions performing a clearly defined service to society. But if it is not a liberal Anglo-Saxon state, which is fairly obvious, then perhaps Putin's vision is inspired by the Germanic model, which views the state as the supreme embodiment of the national spirit and the nation's historical purpose.

In spite of some superficial traces of "Germanic" influence upon the mentality of Putin and his cohorts, a crucial element of the Germanic model--the intimate link between the state and the nation--is entirely absent in Russia. Except for the lip service paid to the idea of nation (*narod*) in a few documents--mostly a reference to the constitution's preamble, which imitates the US Constitution and is a leftover from Russia's experiment with Western models in the early 1990s--the nation is not present in any official pronouncements as a real historical actor to be taken into account. To the contrary, mutual alienation between the state and society is virtually accepted as a given. Disdain for and manipulation of the populace is one of the most enduring legacies of the Soviet and post-Soviet nomenklatura, and a central element of historical continuity between the Yeltsin and the Putin eras. The developmental mission of the state that is so central to the European model is also absent in Russia. In this regard, even the Yeltsin state had a certain teleological claim, promising to implement reforms that were to bring Western-style prosperity. The Putin state is devoid of such claims; it is not inspired by any historical purpose that would serve to mobilize a critical mass of Russians around this state.

Thus, the state that is to be strengthened is neither in the service of society, nor in command of the nation with which it happens to coexist geographically. It is just separate, leading a virtually autonomous existence. Some evidence points almost to a conscious strategy of the Putin state's self-alienation from the social environment and an exclusionary positioning of itself vis-à-vis society. One of the most graphic explanations of this attitude came from Putin himself, in his disingenuous statement to Natalia Gevorkyan of the *Kommersant Daily*, on the subject of semi-official hostage trading that involved Andrei Babitsky, a Radio Liberty correspondent. If Babitsky does not respect

the law, said the president, then the state has no reason to treat him according to the law. This treacherous slip of the tongue was expunged from the book version, but remained on record. This statement nicely encapsulates a whole range of similar pronouncements and actions on the part of the Kremlin that reveal the distancing of the state from its subjects, the selectivity of its relationship to them, and selectivity in the application of the law. It is a state that is prepared to sort the people into loyal and disloyal, into "ours" and "aliens," and make its own choice about whom to extend the grace of its legal, physical and material protection.

The exclusion of some categories of the population from the legal system of the state is not unprecedented in Russia--there were disenfranchised strata both under the tsars and in the early Soviet period. The psychological attitude of the state's *self-exclusion from society*, however, has only one rather distant parallel: the system of separation of the coercive apparatus of the state from the rest of the nation instituted by Tsar Ivan the Terrible, which was called *oprichnina*, literally meaning *the state of being apart*. This is, of course, not a comparison, just a metaphor. It will, however, serve us as a springboard to actual historical analysis.

The Historical Context

It is tempting to try to situate the present understanding of the state in a broader cultural and historical tradition. Thinking about the state was naturally one of the key elements of Russian political identity. In Russia, as in many other countries, the state was defined in juxtaposition to nation and class. Since the end of the absolutist monarchical state in 1917, Russia's rulers operated with two basic understandings of the state--the class state (under Lenin and, at least as lip service, under Stalin as well) and the "all the people's" (*obschenarodnoe*) state that was proclaimed by Nikita Khrushchev and sanctified by the party program in 1961. These are the historical landmarks in relation to which the present Russian notion of the state is to be viewed.

Of course, the Khrushchevian idea of "all the people's" state (which was rooted deep in the history of agrarian populism, Russia's quintessential and most authentic democratic-revolutionary tradition, sidelined by the Bolsheviks) was the pinnacle of Russia's idealistic political thinking. Whatever remained of this slogan by the late 1980s was swept away by the ideologists of the Yeltsin-era reform, who set upon the implementation of their vision of a country inhabited by atomistic individuals, and for whom the very idea of the people as a community was at best meaninglessly abstract, at worst an evil legacy of Communism ("The 'people' does not exist any more," boasted one of them, "There are only individuals.") The idea of a *class state in reverse*--a state serving the interests of the New Russians, or, more narrowly, the "oligarchs"--certainly gained currency. The Seven Bankers' Cabal and the Davos Bargain of 1996 were the most far-reaching attempts to institutionalize a "class state" in reverse. But this model was not viable from the outset for a variety of obvious and not-so-obvious reasons, in particular, because the status and function of the state apparatus would be fundamentally unclear in this system (just as under "the dictatorship of the proletariat"). Attempts to implement the

"class state" in the aftermath of Yeltsin's re-election, by putting in the key decision-making roles such direct representatives of the privileged class as tycoons Vladimir Potanin and Boris Berezovsky, had brought the system to the verge of financial and political collapse by 1998. The severe limitations upon Lenin's dictum that "every kitchenmaid can participate in governing the state" proved to be applicable not just to kitchenmaids, but to financial oligarchs as well.

As for Putin's state, it does not qualify as an asset of the quasi-capitalist "class," and this is not just because of the Kremlin's real or purported rift with some of the oligarchs. It is simply because the state budget is the ultimate source of most wealth in Russia, it was so in the era of "reforms" and it only became more conspicuously so under Putin. Likewise, gravitating in the state orbit is the surest way to acquire top positions in business, not vice versa. Before 1998, the capitalist class was allowed to purchase government services and access the state coffers more freely, these resources being in the *de facto* private ownership of Yeltsin's overextended family and similar groups of owners at a lower level. In this sense, the Yeltsin state was an *electoral fiefdom*. The collapse of the Seven Bankers' rule in 1998, the brief and failed attempt of the Duma-led "renationalization of the state" under former Prime Minister Yevgeny Primakov, and the subsequent rise of security agencies to power created all the more uncertainty about the ownership structure of the privatized state. Finally, the withdrawal of the Family from its official position left state resources in the physical possession of its *ad hoc* managers. The State that is being managed by Putin and his cohorts, and that is supposed to be strengthened, is neither a nation's state, nor a class state, not even a Family state any more. It is, perhaps, nobody's state.

Russia Incorporated

The broader cognitive framework within which Russia's present rulers think of their state is defined, of course, by the "iron laws of the market." In this context, Putin's state can be seen as a corporate entity specializing (beside its regular economic activities) in the production of such goods as the protection of life and property (which in the Russian context are not universal because, as discussed above, access to them is fairly selective), and coercion services selectively provided to the business community under the guise of "law enforcement." It is consequently expected to try to maximize its profits, both by increasing demand for its production among solvent consumers (both domestic and foreign, potentially covering all unstable areas of the Eurasian landmass) and by squeezing alternative suppliers of these goods from the market (or at least transforming them into state subcontractors). From its very beginning, the actions of Putin and his retinue fit this pattern of rational market behavior with remarkable consistency. The ostensible goal is to monopolize the violence market, apparently not in the universal Weberian sense that would fit the Germanic notion of the state, but primarily as regards the production of violence (protection, enforcement, etc.) as a *marketable commodity for sufficiently affluent consumers*. So the question of "revenues" is more or less clear, and this is reflected in the dominant position of security agencies, as major "profit-making" departments (in addition to the raw material corporations) in the organizational structure

of the state. However, the question of strategic directions of spending these "revenues" remains open, and this is directly related to the unresolved question of to whom does the State belong. It seems that at least some of the current Kremlin inhabitants are genuinely concerned with clarifying this relationship, and that they conceptualize the state as a sort of shareholding corporation. This shareholding mentality transpired most graphically in Putin's abortive idea to organize regional representation in the State Council in proportion to regions' financial contributions to the state budget. The idea was apparently overrun by political and constitutional considerations, but its very emergence is quite revealing.

Of course, a corporate state is not a uniquely Russian idea, nor is it necessarily disastrous. "Japan, Inc." was an enduring and successful example of such an arrangement. The difference was that Japan, Inc. was highly, if not totally inclusive with regard to the Japanese, and it had an overarching developmental purpose that was culturally ingrained and shared by most of society, all the way along the social ladder. In Russia, where the idea of national solidarity is currently absent, the state behaves in an anti-developmental and exclusionary manner. The idea of Russia, Inc.--or better, Russia, Ltd.--derives from the Russian brand of libertarian anarchism viewing the state as just another private armed gang claiming special rights on the basis of its unusual power. To use the powerful image of Mancur Olson, this is a state conceived as a "stationary bandit" imposing stability by eliminating the roving bandits of the previous era. For Russia's ruling elite of the Putin vintage, the state of universal anarchy ruled by the "iron laws of the market" is primary, and the idea of strengthening the state as a violence-producing corporation is only derivative. In this regard, they do not fit into the category of statist, let alone nationalists, in the Western European and Japanese meaning of the term.

Who Is Mr. Putin?

Given that the idea of strengthening the state has become so central to Putin's political identity, it is only appropriate to answer the question in this subhead by analyzing the properties of this state that emerge from the Kremlin's official and semi-official pronouncements. Based on the cognitive images that transpire from these pronouncements, Mr. Putin does not qualify either as a public servant in the modern Western sense, nor as "the master" of Russia in the semi-feudal sense, which was to a certain extent Yeltsin's self-image. *Putin is the chief manager of the privatized state, a corporate entity with no clear sense of ownership.* Indeed, he speaks and behaves as a caretaker, a hired officer with limited responsibility but potentially unlimited immunity. Putin and his cohorts do not display any strategic developmental thinking (even in the destructive sense in which it was available in Yeltsin's Kremlin), because thinking and planning in these terms are not a part of their contract.

To the contrary, one of the major managerial tasks that is clearly present in the heads of the Kremlin dwellers and their audiences is managing Russia's foreign debt. Regardless of whether the threat of a bankrupt Russia being placed under an international receivership has anything to do with reality, it figures as a perception in Russia's domestic debate, placing severe limits upon the extent of Russia, Inc.'s internal

obligations and prompting a reduction in the number of its potential domestic "shareholders." The breadth of Putin's support and toleration of his rule can be partially explained by the fact that some elite groups see Putinism as an externally conditioned solution, because the strengthening of the state, repression of societal claims and, ultimately, arrested development may be the only way to get the debt paid. At least some segments of Russian elites and society see him as another Wojciech Jaruzelski, whose police rule may hopefully be a temporary device required to protect the country from either real or virtual invasion by fulfilling the most pressing foreign claims, while giving society a respite and time to organize itself. Whether this notion has a grain of truth to it, or whether it is just a public relations ploy to further maximize domestic and foreign demand for "security protection" should be the subject of a separate analysis.

What About the Nation?

The disconnect between the nation and the state, as well as between the grassroots "nationalists" and top-down "statists," is neither new in Russian history, nor unique to Russia. It is, however, for the first time over a long span of history that the nation and the state are so much mutually alienated from each other, while the nation itself is socially pulverized, having virtually no cohesive institutions at the grassroots level that could be managing the survival of the locals. In this environment, it appears that the "strengthening" of the privatized state is not likely to lead to the strengthening of Russia as a nation. The more likely path is the further de-modernization of Russia, reverting to its predictable past as described by its major historian Vassily Klyuchevsky: "the state was getting ever fatter, while the nation was withering." An imaginable alternative would consist of an attempt to "renationalize" the state, at least at the lower levels, undertaken by some as yet invisible societal force that would be "nationalist," and perhaps "statist," in a very different way than are Putin and his cohorts. Since such an effort would involve first and foremost restoring popular representation in the government from the bottom up, we may see in this case fairly unusual forms of social organization, somewhat along the lines of communal republics in medieval Europe.