

# EDITORIAL

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## The Disturbing Future of 2024



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**Abstract.** The article considers prospects for the implementation of Presidential Decree 204 “On national goals and strategic objectives of development of the Russian Federation for the period up to 2024” dated May 7, 2018 and for the implementation of key guidelines announced by the head of state in his Address to the Federal Assembly on March 1, 2018. We considered expert assessments, analyzed the Russian President’s annual phone-in session with the nation (the “Direct Line”) held on June 7, 2018, and discussed the results of international research and all-Russian sociological surveys. All this allows us to conclude that if the composition of the Cabinet remains virtually unchanged for the next six years, it will be extremely difficult to implement ambitious plans for the internal development of the country. According to many experts, if we want to achieve breakthrough development, it is necessary to change the Government radically. This is dictated by the current geopolitical situation and the expectations of the general population. Nevertheless, at the beginning of his fourth presidential term Vladimir Putin has not taken such steps; consequently, it is unlikely that he will fulfill his election promises. It rather allows us to say that “oligarchic capitalism” will continue to dominate in the system of public administration.

**Key words:** “May decrees”, President, public administration efficiency, national security, public opinion.

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On May 7, 2018, Vladimir Putin took the oath of office as Russia's President. In his inauguration speech, he pointed out that "the country's security and defense capability are reliably assured.... But now, we must use all the opportunities available to us primarily to address the most vital domestic development objectives, to achieve an economic and technological breakthrough, and to enhance competitiveness in the spheres that determine the future. A new quality of life, wellbeing, security and health are what constitutes our main goals and the focus of our policies"<sup>1</sup>.

The first step the President took toward the implementation of this strategic goal was his signing another May Decree "On the national goals and strategic objectives in the development of the Russian Federation for the period up to 2024", which officially confirmed the key targets he spoke of in his Address to the Federal Assembly on March 1, 2018. We should note that "a twofold poverty reduction", "Russia's joining the five major world economies", "raising life expectancy to 78 years (to 80 years by 2030)" and other tasks of the May 2018 Decree<sup>2</sup> were fully consistent with the President's political rhetoric, with the expectations of general population and with the forecasts of experts who were counting on the fact that after the inauguration "the topic of breakthrough which was mentioned in the Presidential Address will acquire new qualities and will be unfolded in concrete tasks"<sup>3</sup>.

From this point of view, the May Decrees occupy a special place among all other legislative documents, because they reflect the essence of campaign promises of the national leader. The

<sup>1</sup> President Vladimir Putin's inauguration speech. *Official website of the President of the Russian Federation*. Available at: <http://www.kremlin.ru/events/president/news/57416>

<sup>2</sup> Presidential Decree 204 "On the national goals and strategic objectives in the development of the Russian Federation for the period up to 2024" dated May 7, 2018. *Official website of the President of the Russian Federation*. Available at: <http://www.kremlin.ru/events/president/news/57425>

<sup>3</sup> Matveichev O. Political unification. *Izvestia Newspaper*, 2018, April 23. Available at: <https://iz.ru/733809/oleg-matveichev/politicheskaia-unifikatsiia>

progress with which the May Decrees – the documents containing key strategic areas of work for the nearest presidential term – are executed reflects the effectiveness of the entire system of public administration. All the more so since the very formulation of the right goals is not worth much without their consistent and systematic implementation.

"The breakthrough agenda" has indeed been "unfolded in concrete tasks", however, it was done contrary to the opinion of many experts who believe that "when one wants to make reforms, one finds and brings new people. Making reforms with people who haven't made any progress in it for many years is an idea that is doomed to failure"<sup>4</sup>. The second step that the President made on the way toward mobilization development of Russia was to nominate Dmitry Medvedev for the position of Prime Minister. In fact, this meant that no significant changes were expected in the Cabinet of Ministers. **And this, in turn, can only mean that during the fourth presidential term the "capitalism for the few" will continue to dominate Russia's public administration system.**

There has been some reshuffling in the composition of the Russian government, but it was not reduced essentially to getting rid of useless players and hiring new ones (although, it was done, too); rather it was all about trading places inside the cabinet of ministers. All this picturesque game of swapping places and offices in the White House looks like an illustration to Krylov's famous fable "Quartet" with its moral: "And you, my friends, no matter your positions, will never be musicians!" And yet...<sup>5</sup>

Some experts note that "it is quite difficult to describe the prospects of the new government, since the team under Medvedev **has not been**

<sup>4</sup> Some faces are familiar and some – less familiar: political scientists about the new Medvedev government. *Noviye Izvestia information portal*. Available at: <https://newizv.ru/news/politics/08-05-2018/litsa-znakomye-i-ne-ochen-politologi-o-novom-pravitelstve-medvedeva> (an opinion of Doc. Sci. (Polit.) Yu. Nisnevich).

<sup>5</sup> Nagornyi A. Putin: the fourth term in office. *Zavtra Newspaper*, 2018, May 18. Available at: [http://zavtra.ru/blogs/putin\\_srok\\_chetyortij](http://zavtra.ru/blogs/putin_srok_chetyortij)

## Expert opinions:

1. Despite the fact that the Cabinet now contains quite a few new people, a new government of Dmitry Medvedev surprisingly or, on the contrary, not surprisingly resembles the old government of Dmitry Medvedev. **What we got is a retouched, refreshed, repainted and lacquered, freed of ballast, but still the same familiar “political product”**<sup>6</sup>.
2. No miracle happened. Dmitry Medvedev is Prime Minister again. We can already see a large lobbying group, the main beneficiaries of which are Chemezov, the Kovalchuks, the Rotenbergs, and Sobyandin. As a new May Decree is elaborated, we shall see smaller players, too<sup>7</sup>.
3. Few people paid attention to the fact that at the inauguration a wonderful image emerged – a picture of “the empty corridors of power. Let us recall how the President was walking down the hallways, and they were empty. The same thing is with the government: the deck is shuffled, but nothing really changes... **It is obvious that the new power is absolutely empty from the point of view of new people and new ideas. Therefore, to put it mildly, it is futile to have any great expectations in this regard...**<sup>8</sup>
4. **If the country is preparing a radical change in economic and domestic policy in general, then it all starts with the appointment of a new prime minister.** As for now, there are no changes: everything is done to maintain a passive work aimed only at maintaining the current life of the state<sup>9</sup>.

**formed from the standpoint of some political logic and strategy**, when there is a goal, for example, to create a liberal or a conservative government. The current appointments will mean another **balancing of different political groups of influence... In fact, each case of reshuffle should be considered on the basis of interpersonal relations.** Each of the expected deputy prime ministers is somehow related to one of the financial groups”<sup>10</sup>.

Can we say that the appointment of Dmitry Medvedev was a logical step taken by the President in order to achieve ambitious strategic guidelines in the next six years? During his official

speeches at the end of the third and beginning of the fourth presidential term, Vladimir Putin dwelled upon the work of the Government many times, and the general keynote of his assessment was: “We haven’t managed to achieve everything we planned, but in general the result is positive”.

Indeed, if we compare the international situation and the level of socio-economic development in modern Russia and that in the 1990s or early 2000s, the progress is obvious; and from this point of view, the nomination of Dmitry Medvedev is a quite consistent and justified step. **However, internal and external global challenges urge us to move forward and stop clinging to the past that was 10–20 years ago.** After all, we have to acknowledge that Russia desperately needs breakthrough development and not just progressive and evolutionary development. The need emerged only because Russia has reached critical limits in lagging behind developed countries. To see the point, let us just look at the latest data of the Global Competitiveness Index. Although for the period from 2012 to 2018, Russia rose from 66th to 38th position in the rating, it is still not even among the top 20, but among countries such as Indonesia, Malta, Poland and India. At the same time, according to the criterion of “innovative potential” (without which it is impossible to count on a breakthrough development in the near future), Russia has

<sup>6</sup> Rostovskiy M. The Government is “so-so”: why there is actually no Medvedev Cabinet. *Moskovskiy Komsomolets Newspaper*, 2018, May 18. Available at: <http://www.mk.ru/politics/2018/05/18/pravitelstvo-ne-akh-pochemu-kabmina-medvedeva-na-samom-dele-net.html>

<sup>7</sup> Some faces are familiar and some – less familiar: political scientists about the new Medvedev government. *Noviy Izvestia information portal*. Available at: <https://newizv.ru/news/politics/08-05-2018/litsa-znakomye-i-ne-ochen-politologi-onovom-pravitelstve-medvedeva> (an opinion of E. Minchenko, president of MINCHENKO CONSULTING Communication Group).

<sup>8</sup> *Ibidem* (an opinion of Doc. Sci. (Polit.) Yu. Nisnevich).

<sup>9</sup> Bashkatova A. The new Government becomes the Cabinet of one minister. *Nezavisimaya Gazeta*, 2018, May 11. Available at: [http://www.ng.ru/economics/2018-05-11/1\\_7222\\_siluanov.html](http://www.ng.ru/economics/2018-05-11/1_7222_siluanov.html) (an opinion of N. Isaev, director of the Institute for Modern Economics).

<sup>10</sup> Nagornyi A. Putin: the fourth term in office. *Zavtra Newspaper*, 2018, May 18. Available at: [http://zavtra.ru/blogs/putin\\_srok\\_chetyvortij](http://zavtra.ru/blogs/putin_srok_chetyvortij) (an opinion of I. Grashchenkov, head of the Regional Policy Development Center).

We have done a lot to implement the 2012 May executive orders. I must say that there were several failures, but overall, despite the demanding targets of these orders, without them we would not have had the results we can see today<sup>6</sup>.

The Government was guided in its work by the May 2012 executive orders. Yes, there were challenges in this area, and not all indicators were achieved in full. This is inevitable when you engage on a large-scale and long-term project. But the situation was constantly changing, creating new objective factors. Let me reiterate that we do see tangible results and momentum. Change is underway. We have set the strategic development vector on the right path<sup>7</sup>.

been and remains far behind the G8 countries, behind China and India, and is on the list next to Tajikistan, Guinea, Thailand and Senegal<sup>13</sup> (*Insert 1*). As the President said in his Address to the Federal Assembly, “the main threat and our main enemy is the fact that we are falling behind. If we are unable to reverse this trend, we will fall even further behind”.

The goals of achieving breakthrough development and catching up with major participants of geopolitical competition were announced by the President in his Address to the Federal Assembly on March 1, 2018 and were supported by the wider public, which ensured Putin’s landslide victory in the presidential election. Society and government formed new provisions of the social contract focused on critical internal issues related to the dynamics of the standard of living and quality of life, performance of the means of social mobility, finding effective solutions to social problems, etc.

<sup>11</sup> Presidential Address to the Federal Assembly of the Russian Federation, March 1, 2018. *Official website of the President of the Russian Federation*. Available at: <http://www.kremlin.ru/events/president/news/56957>

<sup>12</sup> Vladimir Putin’s speech at a meeting with Government members on May 7, 2018. *Official website of the President of the Russian Federation*. Available at: <http://www.kremlin.ru/events/president/news/57415>

<sup>13</sup> *Official website of the World Economic Forum*. Available at: <http://reports.weforum.org/global-competitiveness-index-2017-2018/competitiveness-rankings/#series=EOSQ057>

N. Starikov points out: “Any state always rests on a certain social contract, in each society there is a consensus on the basis of which its further development is formed. If there is no social contract, if there is no such consensus, then society becomes unstable, and the state may cease to exist”<sup>14</sup>.

However, as historical experience shows, each new social contract is accompanied not only by new goals and objectives, but also by new ideas and mechanisms for their implementation, and therefore — by new persons in the ruling elite who implement their own vision of the future. Thus, a specific social contract existed in our country after the collapse of the Russian Empire when the Bolsheviks came to power. Another social contract that was completely different from the one mentioned above existed after the victory in the Great Patriotic War; the contract was based on patriotic sentiments and on the awareness of the need to restore the country that lay in ruins at the time.

Despite the betrayal of the national elites and undoubted involvement of Western nations, the collapse of the Soviet Union was also partly an unspoken social contract, because it would not have taken place if society had not have a need for a more free and diverse life, the bits and pieces of which came from the West. Just as the elimination of comprehensive negative consequences of the 1990s formed a basis of a tacit consensus between society and government and provided unconditional support for tough and decisive actions taken by V. Putin to restore order in the system of public administration, to recover the economy and raise the standard of living, and pursue independent foreign policy.

Thus, not all of these social agreements had positive consequences in the history of Russia, but each of them was carried out by different people in power and brought something new, first of all, to Russia’s ideological development. And from

<sup>14</sup> Starikov N. From the Belovezhye consensus to the Crimea consensus. *N. Starikov’s official blog*. Available at: <https://nstarikov.ru/blog/80284>

*Insert 1*

Key indicators of the Global Competitiveness Index (World Economic Forum: The Global Competitiveness Report 2011–2012; position among 142 countries)

Pillars of competitiveness	U.S.	Germany	UK	Japan	Canada	France	China	Russia	India	Italy
Institutions	41	20	24	25	14	29	46	127	72	90
Infrastructure	13	2	12	15	11	4	44	48	89	32
Macroeconomic environment	90	30	85	113	49	83	10	44	105	92
Health and primary education	42	23	14	9	6	16	32	68	101	20
Higher education and training	13	7	16	19	12	20	58	52	87	41
Goods market efficiency	24	26	19	18	12	38	45	128	70	59
Labor market efficiency	4	64	7	12	5	68	36	65	81	123
Financial market development	22	39	20	32	13	18	48	127	21	97
Technological readiness	20	14	8	25	16	13	77	68	93	42
Market size	1	5	6	4	14	7	2	8	3	9
Business sophistication	10	4	8	1	24	14	37	114	43	26
Innovation	5	7	13	4	11	17	29	71	38	43
<b>Global Competitiveness Index</b>	<b>5</b>	<b>6</b>	<b>10</b>	<b>9</b>	<b>12</b>	<b>18</b>	<b>26</b>	<b>66</b>	<b>56</b>	<b>43</b>

In 2012, Russia ranked 66th among 142 countries – its closest neighbors in the rating were Latvia, Vietnam, Peru, and Colombia.

Among the analyzed countries (G8 + India and China), Russia ranked last in the five of the twelve main pillars of competitiveness: “Institutions” (127th in the world), “Goods market efficiency” (128th), “Financial market development” (127th), “Business sophistication” (114th) and “Innovation” (71th).

*Insert 1 (continuing)*

Key indicators of the Global Competitiveness Index (World Economic Forum: The Global Competitiveness Report 2017–2018; position among 137 countries)

Pillars of competitiveness	U.S.	Germany	UK	Japan	Canada	France	China	Russia	India	Italy
Institutions	20	21	12	17	15	31	41	83	39	95
Infrastructure	9	10	11	4	16	7	46	35	66	27
Macroeconomic environment	83	12	68	93	47	63	17	53	80	96
Health and primary education	29	13	17	7	8	24	40	54	91	25
Higher education and training	3	15	20	23	13	22	47	32	75	41
Goods market efficiency	7	11	10	13	18	36	46	80	56	60
Labor market efficiency	3	14	6	22	7	56	38	60	75	116
Financial market development	2	12	13	20	7	33	48	107	42	126
Technological readiness	6	8	4	15	23	21	73	60	107	41
Market size	2	5	7	4	16	8	1	6	3	12
Business sophistication	2	5	7	3	23	16	33	71	39	25
Innovation	2	5	12	8	23	17	28	49	29	34
Global Competitiveness Index	2	5	8	9	14	22	27	38	40	43

In 2012–2018, Russia's position in the Global Competitiveness Index, as well as in the most pillars of competitiveness improved significantly. Nevertheless, Russia is still not even in the top 20 countries. In the 2018 Global Competitiveness Index, Russia ranked 38th in the world, significantly behind the key participants of geopolitical competition: the U.S. (2nd place in the world), Germany (5th), the UK (8th), Japan (9th), China (27th). Russia's closest neighbors in the rating are Indonesia, Malta, Poland and India.

Among the analyzed countries (G8 + India and China), Russia ranks last in the three out of twelve criteria: "Goods market efficiency" (80th in the world); "Business sophistication" (71st), "Innovation" (49th). And according to the last indicator Russia is close to such countries as Tajikistan, Guinea, Thailand and Senegal.

this point of view, taking into consideration ambitious plans for the next six years, it is difficult to expect that the Government with its virtually unchanged composition will allow the country to take a new step in its development.

The dynamics of statistical indicators and the data of public opinion polls during V. Putin's third presidential term clearly show that the mechanisms that worked 15–20 years ago do not work today. Instead, we hear more and more about corruption scandals and tragic events that claim the lives of hundreds of Russians because of the negligence and irresponsibility of officials at all levels of government. In other words, if we recall the aphorism of a great Russian writer who said that Russia had always suffered from two evils: fools and bad roads, then in modern realities we can safely add two more: “absolute ineffectiveness” and “absolute lack of responsibility”<sup>15</sup>.

Besides, quite a few facts remain “behind the scenes”. In particular, we speak about the activities of major state-owned corporations that control most of the national wealth. Here we can mention the case of Aleksandr Fek, whom experts call “the best Russian oil and gas analyst in the ratings of 2015–2016”<sup>16</sup> and who was fired for his reports on the performance of Rosneft and Gazprom”<sup>17</sup>.

On May 8, speaking at the plenary session of the State Duma, Vladimir Putin noted that in order to execute the May 2018 Decrees it will be necessary to allocate “at least eight trillion rubles” for these purposes. The President mentioned that

<sup>15</sup> A. Makarov's speech at the SPIEF 2018. *Komsomolskaya Pravda Newspaper*, 2018, May 27. Available at: <https://www.vologda.kp.ru/daily/26834.7/3874829/>

<sup>16</sup> Collect your reports and leave. Why was a Sberbank CIB analyst fired and what will become of his career? *Kommersant Newspaper*, 2018, May 23. Available at: <https://www.kommersant.ru/doc/3637070>

<sup>17</sup> Kotova Yu., Starinskaya G. et al. The fired Sberbank CIB analyst responded to the criticism of German Gref. *Vedomosti Newspaper*, 2018, May 24. Available at: <https://www.vedomosti.ru/finance/articles/2018/05/24/770650-uvolennii-analitik-cib-kritiku-grefa>

“it's not just talk and words, we have calculated everything. **I don't know how the government will manage this in the course of practical implementation of what we plan to do, I hope that everything will turn out the way we plan**, but in general it should be a systematic and structured work”<sup>18</sup>.

Regular inspections by the Russian Popular Front that monitors the achievement of the target indicators of socio-economic development, expert assessments, and the data of official statistics<sup>19</sup> clearly show how the Government has worked to fulfill the May 2012 Decrees. The Decrees “covered various economic sectors, ordered to ensure the growth of labor productivity, create millions of jobs, provide the ease of doing business, etc. But not all of them were eventually achieved. For example, the government reported that salaries to state employees were increased, but this was often achieved by changing the method of calculating the average salary, reducing the number of jobs and manipulating the rates. Some goals such as creating additional 25 million high-performance jobs seem to be forgotten entirely”. By the end of 2017, there were more than 17 million of such jobs in Russia. This is less than in 2013, when there were 17.5 million high-performance jobs in Russia”<sup>20</sup>.

<sup>18</sup> Transcript of the plenary session of the State Duma on May 8, 2018. *Official website of the State Duma of the Russian Federation*. Available at: <http://transcript.duma.gov.ru/node/4884/>

<sup>19</sup> Sources:

1. Brechalov A.V. Since March 2014, the Russian Popular Front recommended to withdraw only 24 orders from control. *Official website of the Russian Popular Front*. Available at: <https://onf.ru/2016/05/16/brechalov-s-marta-2014-goda-onf-rekomendoval-snyat-s-kontrolya-tolko-24-porucheniya/>

2. Zhulin A.B. Prospects of an administrative reform. In: Proceedings of the Plenary Session of the 17th April International Scientific Conference on Economic and Social Development. *Official website of the Higher School of Economics*. Available at: <https://www.hse.ru/news/science/181135658.html>

3. Ilyin V.A., Morev M.V. “...And most importantly, there will be no destitute people in Russia”. “Capitalism for the few” – a key problem of national security. *Economic and Social Changes: Facts, Trends, Forecast*, 2018, vol. 11, no. 2, pp. 9–23.

<sup>20</sup> Disciplinary essence of the May Decrees (editorial). *Nezavisimaya Gazeta*, 2018, May 16. Available at: [http://www.ng.ru/editorial/2018-05-16/2\\_7225\\_red.html](http://www.ng.ru/editorial/2018-05-16/2_7225_red.html)

The current situation, when the prime minister is the leader of a party whose faction in the State Duma has a constitutional majority, is, in our view, a violation of the principle of the separation of powers, because it actually allows the prime minister to control one of the chambers of the Federal Assembly<sup>21</sup>.

Even after the Kremlin Report was issued, experts and political scientists expressed the view that by expanding the list Washington **is trying to influence the Russian elite, to provoke its split, to force those who are interested in good relations with the West to oppose the Kremlin openly.** The April sanctions fit in this logic: big business, which is losing a lot of money, should think about whether it is worth moving further alongside the Kremlin policy... **The sanctions against big business affect citizens in any case.** Entrepreneurs from the American list are large taxpayers, investors and job creator<sup>22</sup>.

The main reason why the Cabinet of Ministers has failed “to achieve all indicators of May 2012 Decrees in full”<sup>23</sup> is the pressure of the West (after the United Russia party headed by the Prime Minister (!), has received a constitutional majority in the State Duma, it makes no sense complaining about differences in opinions and political debates). However, even in 2018–2024, it is futile to hope that our relations with the West are going to improve. Moreover, if in 2012–2018 this pressure was concentrated mainly on political aspects (which was successfully converted into consolidation and patriotic sentiments), then in 2018 it takes a new form: on the background of information attacks (the Skripal case, an alleged chemical attack in the Syrian city of Douma) the next package of economic sanctions has been

<sup>21</sup> From the speech of S. Mironov, head of the faction of the Just Russia party at the plenary session of the State Duma on May 8, 2018. *Official website of the State Duma*. Available at: <http://transcript.duma.gov.ru/node/4884/>

<sup>22</sup> On domestic policy during the cold war (editorial). *Nezavisimaya Gazeta*, 2018, April 12. Available at: [http://www.ng.ru/editorial/2018-04-12/2\\_7210\\_red.html](http://www.ng.ru/editorial/2018-04-12/2_7210_red.html)

<sup>23</sup> Vladimir Putin’s speech at a meeting with Government members on May 7, 2018. *Official website of the President of the Russian Federation*. Available at: <http://www.kremlin.ru/events/president/news/57415>

prepared, and according to many experts it is “the largest one since 2014”. The new sanctions will certainly affect the general population, but they are aimed not at society, but primarily at the economic elite, that is, those people who have their own and quite specific interests and who (unlike the general population) are not “susceptible” to any patriotic rhetoric.

“The West is driving toward a total war, at any cost, without any rules, since it cannot win any regular war against Russia, as history has proven many times before... And what about us? **We see everything differently, in no hurry, within the regulatory legal space, in a completely different rhythm, in our own historical cycles...** We are preparing for V. Putin’s next six-year presidency, the last in a row, because (and this is a fundamental moment in the observance of the law) **we have everything in accordance with the law, as spelled out in the Constitution, which, contrary to all logic and despite its colonial format, is firm and absolute.** But it is the very fact that the coming six-year term will be the last makes the whole situation utterly dramatic, because it will unfold in a cascade of increasing external challenges and, ultimately, total war...”<sup>24</sup>

Thus, as for the main factor hindering the implementation of the May 2012 Decrees, the situation has not changed and has become even worse. Moreover, the task of ensuring that the results of execution of the May Decrees are tangible for the general public (and not only for the reporting indicators of the Government) has been and remains relevant. **But the timeline has changed.** Now the effect should be seen not in six years, but in a year or two. Otherwise, the trust in the government can decline dramatically, and the trust in the President can also decrease, and it is the foundation of legitimacy of the authorities as a whole (the trust in the Government and in regional authorities is much lower than the trust in the President).

<sup>24</sup> Korovin V. The Golgotha of the last term in office. *Zavtra Newspaper*, 2018, May 21. Available at: [http://zavtra.ru/blogs/golgofo\\_poslednego\\_sroka](http://zavtra.ru/blogs/golgofo_poslednego_sroka)

If Putin could legally continue to be President after 2024, he would be a political beneficiary of socio-economic investment, and the government would only be a tool in such a case. Such was the situation concerning the May 2012 Decrees. Putin put forward the idea of increasing social spending during his presidential campaign and scored points on this. The Government, in turn, did not fully cope with the implementation of the decrees, it was criticized, and its rating was much lower than that of the President.

**Now the ruling elite cannot be content with this option anymore. First, the Decree “On national goals” must be implemented. Second, the positive public effect of this work cannot be postponed; it should be manifested at least within the next electoral cycle.** Third, there must be someone else, in addition to Vladimir Putin, whose political weight will increase due to the implementation of the new socio-economic policy<sup>25</sup>.

In the new Government, the composition of which was supported by the State Duma and approved by the President on May 15, 2018, the majority of experts note only two quite noticeable changes: the Ministry of Education and Science was divided, and the “Siluanov–Kudrin” tier was strengthened due to the fact that the former took the post of deputy prime minister, and the latter became head of the Accounts Chamber. And while there are currently different assessments regarding the first of these changes, the opinions of experts regarding the strengthening of the Government’s financial bloc are quite clear: **this will make it possible to manipulate the statistics on a greater scale, bringing the economic indicators in line with the necessary reporting, rather than serving the interests of the majority of people.**

“The post-election government will become the cabinet of one finance minister, who will also become the first deputy prime minister. **This configuration does not imply an alternative view on budget policy**”<sup>26</sup>. Therefore, Tatyana Golikova,

<sup>25</sup> About the new Operation “Successor” (editorial). *Nezavisimaya Gazeta*, 2018, May 15. Available at: [http://www.ng.ru/editorial/2018-05-15/2\\_7224\\_red.html](http://www.ng.ru/editorial/2018-05-15/2_7224_red.html)

<sup>26</sup> Bashkatova A. The new Government becomes the Cabinet of one minister. *Nezavisimaya Gazeta*, 2018, May 11. Available at: [http://www.ng.ru/economics/2018-05-11/1\\_7222\\_siluanov.html](http://www.ng.ru/economics/2018-05-11/1_7222_siluanov.html)

A powerful political tier “Siluanov–Kudrin” (or Kudrin–Siluanov) has been formed and has come to the fore in the Russian “power vertical”. Now their influence becomes almost dominant, because together they can “scan” any ministry and department, up to the intelligence service and the army, not to mention the lower structures. The balance of priorities of the Russian “power vertical” and, as a result, the balance of power within it, is clearly shifting toward financial transactions<sup>27</sup>.

#### Expert opinions<sup>28</sup>:

1. **In general, we can agree that in the work of the government there is less economy and more accounting.**

2. The new government ceases to be a place to formulate strategies and implement its own policy. **It turns into a group of executors whose main task is to choose the right method for calculating statistical indicators to execute the May Decree and fulfil the expectations of the President.**

3. **Most of the tasks are performed simply by changing calculation methods.** It is easy to come up with a set of criteria to get Russia into the “top ten countries with the highest quality of general education” (even if such a rating will not be recognized by anyone except the Kremlin). “Elimination of personnel shortage in medical organizations” is achieved by significantly reducing the standard time spent on one patient and by increase the standard number of hospital beds per doctor.

who previously criticized many departments when being head of the Accounts Chamber, has been replaced by Aleksey Kudrin. “The government has not been completely formed yet, but it is already possible to speak about the strengthening of the role of the financial bloc and preservation of the current situation... **De facto, the task of such a Cabinet will not be to ensure a breakthrough, but to ensure the life of the state. The breakthrough can then be simply “designed” in the reports**”<sup>29</sup>.

<sup>27</sup> Nagornyi A. Putin: the fourth term in office. *Zavtra Newspaper*, 2018, May 18. Available at: [http://zavtra.ru/blogs/putin\\_srok\\_chetyortij](http://zavtra.ru/blogs/putin_srok_chetyortij)

<sup>28</sup> Bashkatova A. The new Government becomes the Cabinet of one minister. *Nezavisimaya Gazeta*, 2018, May 11. Available at: [http://www.ng.ru/economics/2018-05-11/1\\_7222\\_siluanov.html](http://www.ng.ru/economics/2018-05-11/1_7222_siluanov.html)

<sup>29</sup> *Ibidem*.

Russia's major "discussion" platforms that look more like "invitation-only parties" as always provide a telling example in this regard. For instance, in 2017, at the Gaidar Forum, no permission to deliver a report was given to Boris Titov, Presidential Commissioner for Entrepreneurs' Rights and a presidential candidate, who has his own view and a specific program of action for the development of the Russian economy ("Growth strategy").

Similar situation was observed in 2018 at the Saint Petersburg International Economic Forum, where "people with alternative views were not invited"<sup>30</sup>. Moreover, the very topics discussed at SPIEF–2018 resembled "a distraction call, and masking factor"<sup>31</sup>. Deoffshorization and long-term economic planning, the policy of the Central Bank, enhancement of production efficiency and other "conceptual strategic issues are simply not discussed, they are viewed as taboo"<sup>32</sup>.

No less remarkable conclusions can be made if we analyze the "Direct Line" with the President, which took place on June 7, 2018.

First, we should mention the words which Kirill Kleymenov, one of the moderators, said at the beginning of the program: "Some of the issues come up year after year. They include healthcare, housing and, of course, wages and pensions. Frankly speaking, we do not really want this Direct Line to become a book of complaints"<sup>33</sup>. Meanwhile, most of the "questions" that people asked were not questions as such. Most often they were complaints and even "cries for help", ending with phrases such as "We ask for your help and assistance in this problem", "Still nothing has been built, although it was to be commissioned a year and a half ago.

<sup>30</sup> Katasonov V.Yu. "Goats wearing spectacles" milk mosquitoes. *"Novaya Rossiya" information portal*, 2018, May 28. Available at: <http://russnov.ru/valentin-katasonov-och-kastye-kozly-doyat-komarov-28-05-2018/>

<sup>31</sup> *Ibidem*.

<sup>32</sup> *Ibidem*.

<sup>33</sup> Transcript of the "Direct Line" with V. Putin. *Rossiyskaya Gazeta*, 2018, June 7. Available at: <https://rg.ru/2018/06/07/stenogramma-priamaia-liniia-s-vladimirom-putinyim.html>

And we want to live. Help us", "We rely on your help very much", "Vladimir Vladimirovich, help, please, do not let the school be closed" and so on<sup>34</sup>.

Some excerpts from the President's answers to the questions asked during the "Direct Line"<sup>35</sup>:

– "What is happening now is unacceptable, it is wrong...";

– "We definitely need to appoint the persons responsible...";

– "We will check it again, although we have returned to this topic many times...";

– "Yes, you are certainly right, and I also spoke about it, it is one of the very acute and sensitive problems...";

– "I'm even embarrassed to hear that there is still a problem, say, with employment. We have addressed this issue many times...";

– "All this needs to be addressed. I once again say it to the minister of internal affairs and to the heads of the migration service... I will try to make sure that in your case the problem is solved. But it is still a large-scale issue...";

– "I take your question as an opportunity to draw the attention of heads of Russian regions to this problem once again. We will discuss it at one of the next State Council sessions. And I will ask the Administration and the Government of the Russian Federation, the relevant Ministers to analyze the situation and tell me in the near future about what is happening...";

– "The problem is generally clear. This is not the only case of this kind", etc.

Second, having considered the answers of the President, we can say once again that local officials fail to execute his orders. Vladimir Putin speaks about it constantly, but if the system as a whole is not working, then we can assume that only those who managed to reach the President directly, during the phone-in session, could hope they would get actual help, i.e. 79 questions out of 2.7 million can be dealt with.

The above facts provide an explanation for the pessimistic forecasts of experts who say that the ambitious plans for a "decisive breakthrough" in Russia's domestic socio-economic development

<sup>34</sup> *Ibidem*.

<sup>35</sup> *Ibidem*.

March 1, 2018, Russian President Vladimir Putin delivered his annual Address to the Federal Assembly of Russia. In your opinion, how realistic are the tasks that the President announced in his Address, and will they be fulfilled or not? (closed-ended question, one answer, percentage of those who listened to the Address or learned its content from the news)

Answer	2009	2010	2011	2012	2013	2014	2018
The President set specific, real tasks and, most likely, they will be fulfilled as soon as possible	28	31	31	36	29	49	34
The President set specific, real tasks, but they will not be fulfilled due to corruption and bureaucracy in the government	49	47	40	42	46	31	47
The President's tasks are too general, not specific, and cannot be implemented	11	12	17	16	20	8	6
It is difficult to answer	12	10	12	6	5	12	13

will never get off the ground. **“Many doubt that the goals contained in the new document are feasible.** For example, the goals to increase life expectancy are questionable. By the end of 2017, life expectancy in the country was 72 years. According to Rosstat forecasts, by 2024, life expectancy in Russia will be 76.7 years at best and 73.3 years at worst. The goal of “joining the top five world economies” looks ambitious” too... The only question is how and by what means the government is going to achieve all the goals declared”<sup>36</sup>.

According to VTsIOM studies, Russians do not really believe that the goals set out by V. Putin in his Address to the Federal Assembly will be achieved: 47% of people (almost every second citizen of Russia) are sure that this will be impeded by corruption and bureaucracy in the government<sup>37</sup>.

According to the data of the Federal Research Sociological Center of RAS, Russians think that the most achievable goals among those mentioned in the Address are “strengthening the country’s defense” (59%) and “ensuring a breakthrough in the field of science and high technology” (38%), **but these tasks are not among the most critical ones for society** (*Insert 2*).

<sup>36</sup> Disciplinary essence of the May Decrees (editorial). *Nezavisimaya Gazeta*, 2018, May 16. Available at: [http://www.ng.ru/editorial/2018-05-16/2\\_7225\\_red.html](http://www.ng.ru/editorial/2018-05-16/2_7225_red.html)

<sup>37</sup> *Presidential Address to the Federal Assembly: First Impressions: VTsIOM Press Release*, 2018, no. 3602, March 13. Available at: <https://wciom.ru/index.php?id=236&uid=116743>

According to surveys, the most urgent tasks for society are “increase in real income” (98%), “affordable and quality medical care” (98%), “repairing regional and local roads” (98%), “increase in pension payments and their indexation above the rate of inflation” (96%). All of them are among the goals set out by the President – the goals that, according to the opinion of Russians, will not be achieved (this is noted by 37–40% of people).

On March 21, at an enlarged meeting of the Public Council of the Federal project “Growth Locomotives”, the United Russia party and representatives of the Russian Academy of Sciences discussed how to implement the task set by V. Putin to ensure Russia’s leadership in the new technological cycle. Boris Gryzlov noted that “Russia has everything necessary to catch up with other countries in terms of technological development and settle this critical issue. There are the goals formulated by the head of state and supported by the majority of citizens. There are the resources, both natural and geographical, and other advantages such as the history of our state and creative and scientific potential of our people. There are also those advanced, unparalleled achievements, which the President spoke about in the second part of his Address”<sup>38</sup>... However, this

<sup>38</sup> “Locomotives of growth” – get going! News of the Russian Academy of Sciences. *Official website of the Russian Academy of Sciences*. 2018. March 22. Available at: <http://www.ras.ru/news/shownews.aspx?id=99a2b527-7fac-4a91-a0e8-53d19068b067>

list of items mentioned by the Chairman of the Supreme Council of United Russia (we recall it is the ruling party with a constitutional majority in the State Duma), unfortunately, does not contain the quality of public administration – the major system-forming factor, without which all the competitive advantages of the country are not able to give the expected result. And this is clearly confirmed by RAS President A.M. Sergeev, who drew attention to the barriers that prevent science from “finally becoming a productive force in our economy”: “resource orientation of the economy”, the obsolete material base of science, “the valley of death” lying between fundamental and applied science, between science and business, etc. All this, by and large, results from inefficient administration, which (judging by the composition of the “new” Government) will continue in the next six years.

Thus, statistics data, expert assessments, public opinion research findings, and actual results of the execution of the May 2012 Decrees present quite a pessimistic picture concerning the execution of the May 2018 Decree and achievement of the goals set by the President and aimed at providing breakthrough development of Russia and bridging the gap with the developed countries on most key aspects of life and, above all, on those aspects that are most in demand by society. After all, the May Decrees are just the tip of the iceberg. In fact, when the system fails, the consequences of the failure are manifested in various aspects of social, political and economic life: from bribery to an inefficient course of economic development; from the closure of schools and hospitals in some village to the lingering gap between Russia and the most developed countries in terms of innovative development potential.

Certain “optimism” can be inspired by a sarcastic comment of A.M. Makarov, Chairman of the State Duma Committee on Budget and Taxes, as he noted, apparently, “with full knowledge of the facts” that “the main task for

the implementation of the President’s Decree is solved. We have placed Rosstat under the control of the Ministry of Economic Development”<sup>39</sup>.

**“Under the current Russian government, there are simply no resources to provide for the responses to the existing and external challenges. There simply could not be any meaningful answer, because it contradicts the very essence of the current superficial and lightweight government, easily squandering away what it has inherited – the inheritance it has not created, the inheritance which is semantic, ideological, and philosophical, in the first place. While playing dangerous games in the “turbulent” 1990s, living lavishly in the “fat” 2000s, and recovering from the hangover in the crisis-ridden 2010s, the current elites have left us without a future. They have simply blown it, squandered it, dissipated it, exported it to offshore territories. And if any trouble emerged, they sheltered themselves behind *Him*. Yes, he was covering up for them, so he did not have time to do anything for the future, and he became a substitute for a meaningful response to the challenge of the time. No future. There’s only the present, six more years without a next term”<sup>40</sup>.**

The new Government does not have new people who are able to bring forward some bright and unconventional ideas and then ensure their implementation. The potential of its members is well known. However, all this is not of great importance. By and large, little depends on the Government. It is only a technical body. The main parameters of the system are determined by the President, and he also makes key decisions<sup>41</sup>.

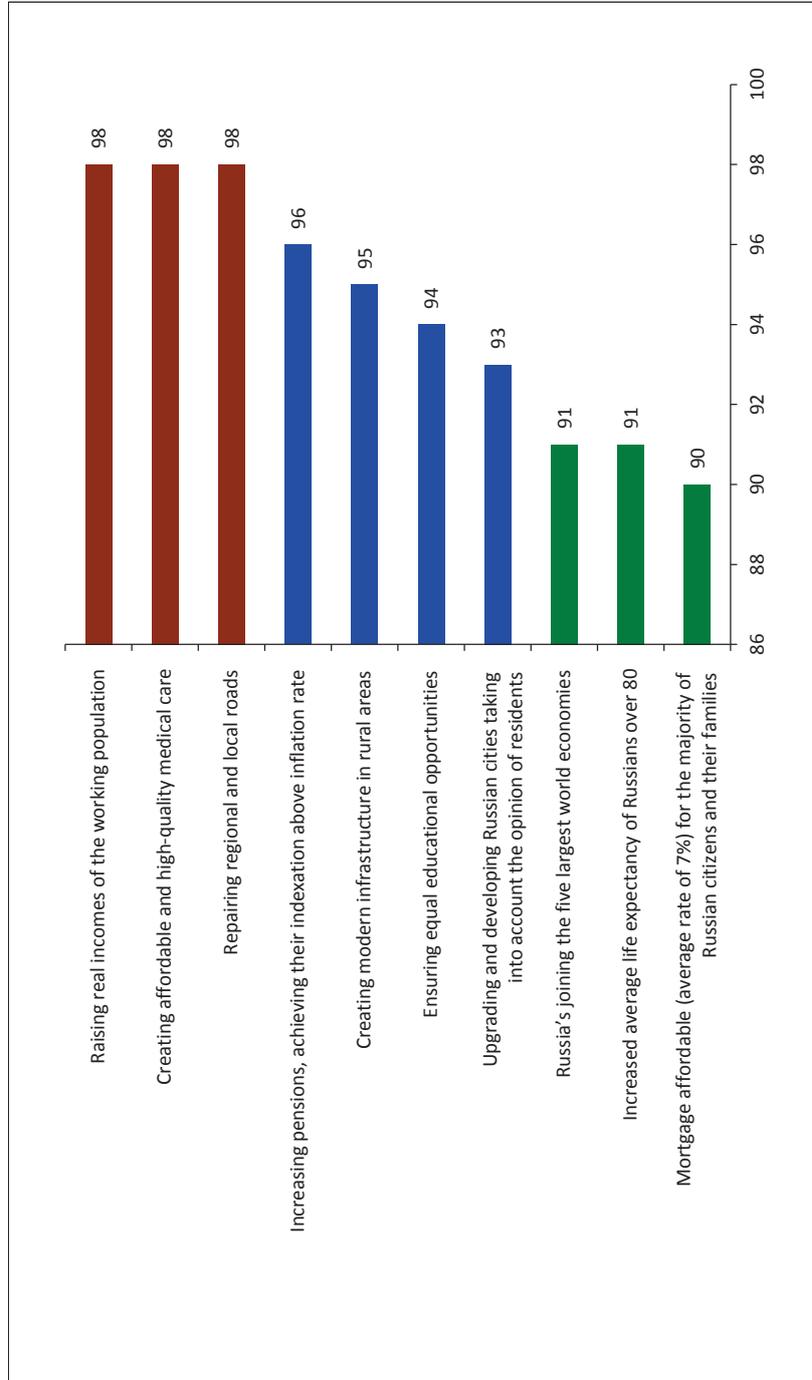
<sup>39</sup> A. Makarov’s speech at the SPIEF 2018. *Komsomolskaya Pravda Newspaper*, 2018, May 27. Available at: <https://www.vologda.kp.ru/daily/26834.7/3874829/>

<sup>40</sup> Korovin V. The Golgotha of the last term in office. *Zavtra Newspaper*, 2018, May 21. Available at: [http://zavtra.ru/blogs/golgofa\\_poslednego\\_sroka](http://zavtra.ru/blogs/golgofa_poslednego_sroka)

<sup>41</sup> Some faces are familiar and some – less familiar: political scientists about the new Medvedev government. *Noviye Izvestia information portal*. Available at: <https://newizv.ru/news/politics/08-05-2018/litsa-znakomye-i-ne-ochen-politologi-onovom-pravitelstve-medvedeva>

*Insert 2*

Top 10 most important tasks set in the President's annual Address to the Federal Assembly of the Russian Federation, according to Russians (%), data of the Federal Research Sociological Center of RAS<sup>42)</sup>



<sup>42)</sup> Filina O. A bird in the hand turned into two in the bush: what Russians think about the feasibility of strategic tasks of the state. *Kommersant Newspaper*, 2018, May 28. Available at: <https://www.kommersant.ru/doc/3635558>

*Insert 2 (continuing)*

Respondents' assessment of the feasibility of the goals set in the President's annual Address to the Federal Assembly of the Russian Federation (%), data of the Federal Research Sociological Center of RAS)

Top 10 goals the respondents think can be achieved in the next 5–6 years	Top 10 goals that are unlikely to be achieved
1. Strengthening Russia's defense; developing and introducing new unique types of weapons	1. Raising average life expectancy up to 80 years
2. Ensuring a breakthrough in the field of science and high technology	2. Repairing regional and local roads
3. Affordable mortgage (with an average rate of 7%) for the majority of Russian citizens and their families	3. Creating modern infrastructure in rural areas
4. Russia's joining the five largest world economies	4. Raising pensions, providing their indexation above inflation rate
5. Significant growth of small and medium-sized businesses	5. Raising real incomes of the working population
6. Raising real incomes of the working population	6. Creating affordable and high-quality medical care
7. Increasing pensions, achieving their indexation above inflation rate	7. Providing equal educational opportunities
8. Ensuring equal educational opportunities	8. Upgrading and developing Russian cities taking into account the opinion of their residents
9. Ensuring continuous growth of Russia's population	9. Forming an extensive middle class in the country
10. Expanding the space of freedom in all spheres of life, strengthening the institutions of democracy and local government	10. Reducing the share of the state in the economy

**S.M. Shishkin:** "... besides the state and the army, there are people in Russia, the people who vote for you, Vladimir Vladimirovich. You forgot about them. It is necessary to revive the economy, to make a breakthrough in the economy, and not on paper, but in practice. This requires a program and first of all, personnel. It is not easy to do it, but it is necessary to do it, otherwise all your reforms will be in vain. The government you approved is not for the people. Vladimir Vladimirovich, it is not the government that the people told you about during the election period. Putin is a strong President, but right now we need a leader. The ruling elite must be purged, and only the leader can do it. Can Putin be the leader? He can be. In some cases, he is already the leader. People will help him. But there is no time to be lost"<sup>43</sup>.

**A. Karavaev (Saint Petersburg):** "Please tell us how long will the growth in fuel prices continue? Forty-five rubles per liter of diesel fuel – how much can it be tolerated? We can't bear it anymore, stop it somehow. We made such an important choice on March 18, the whole country voted for you, and you can't stop the price of gasoline from going up..."<sup>44</sup>

**An excerpt from an open letter to the President from the Board of "Kizvizvech" – the Kamchatka Krai Union of ancestral and family fishing communities of the indigenous minorities of the North, Siberia and the Far East:** "Vladimir Vladimirovich, we voted for you. And we want to show you in percentage terms why Russians, including Kamchatka, voted for you:

- 20% of votes were cast for your achievements in the military-industrial complex, strengthening the army and protecting Russia's external sovereignty;
- 40% of votes cast for you signify our belief that you will change the government completely, and therefore, you will change the approach to national development, in which the officials will no longer treat hard workers and honest businessmen as trash;
- 40% of votes were cast for you, because we want to believe that you and your team will restore the law that will not only put thieves in jail, but also confiscate all their property and the property of their close relatives, which has been acquired illegally. Then there will be no more such terrible fires as in Kemerovo, asphalt paving will not be done in the rain, and building a stadium will not cost like building an entire city. Russia's GDP will grow overnight by an average of 40% of its present value, and the annual economic growth rate will be ahead of that in China. And most importantly, there will be no destitute people in Russia<sup>45</sup>.

Many experts (including Yu. Boldyrev and M. Delyagin), when speaking about the key problems and the future of Russia, have pointed out many times that everything is in the hands of the President and the Federal Assembly; they can form a Government that will be able to execute orders and achieve specific indicators contained in the relevant decrees and strategic documents, and to do it effectively, completely and unconditionally.

Therefore, today experts more and more often say (and unfortunately, they often have good reason to say so) that **"in May 2018, Vladimir Putin got the very Government he wanted to get"<sup>46</sup> and "the technical government has received a completely technical May Decree in the form of extremely vague strategic goals"<sup>47</sup>. In 2012–2018, the Government acquired the experience in "implementing" the May Decrees by simply changing calculation techniques, and there is**

<sup>43</sup> Shishkin S.M. Do we need Stalin? Yes we do need Stalin. We do need Stalin desperately! *Zavtra Newspaper*, 2018, May 31. Available at: [http://zavtra.ru/blogs/stalin\\_nuzhen\\_stalin\\_nuzhen\\_stalin\\_nuzhen](http://zavtra.ru/blogs/stalin_nuzhen_stalin_nuzhen_stalin_nuzhen) (S.M. Shishkin is a combat veteran, recipient of four military orders, the order of the Red Banner of Labor, the medal to the Order for Merit to the Fatherland II Degree, Honored Worker of Culture of the RSFSR).

<sup>44</sup> Transcript of the "Direct Line" with V. Putin. *Rossiyskaya Gazeta*, 2018, June 7. Available at: <https://rg.ru/2018/06/07/stenogramma-priamaia-liniia-s-vladimirom-putinym.html>

<sup>45</sup> President! Don't sell us! *Argumenty nedeli*, 2018, no. 13 (606), April 5. Available at: <http://argumenti.ru/society/2018/04/568556?typelink=openlink>

<sup>46</sup> Rostovskiy M. The Government is "so-so": why there is actually no Medvedev Cabinet. *Moskovskiy Komsomolets Newspaper*, 2018, May 18. Available at: <http://www.mk.ru/politics/2018/05/18/pravitelstvo-ne-akh-pochemu-kabmina-medvedeva-na-samom-dele-net.html>

<sup>47</sup> Bashkatova A. The structure of the new government will be adjusted to fit deputy prime ministers. *Nezavisimaya Gazeta*, 2018, May 13. Available at: [http://www.ng.ru/week/2018-05-13/8\\_7223\\_economy.html](http://www.ng.ru/week/2018-05-13/8_7223_economy.html)

every reason to believe this experience will be reproduced during V. Putin's fourth presidential term... The question is when the society will address the issues of public administration inefficiency and the absence of tangible positive dynamics of the quality of life not to the Prime Minister, but to the President? And, apparently, this is already happening...

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