

# EDITORIAL

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## “...And Most Importantly, There Will Be No Destitute People in Russia”

“Capitalism for the Few” – a Key Problem of National Security



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**Abstract.** The article deals with the problem of poverty and other consequences of the inefficient current system of public administration. The current state of affairs concerning the implementation of the May 2012 decrees, the long-term dynamics of official statistics and sociological surveys, concrete facts, and assessments of many experts suggest that the orientation of the ruling elites toward obtaining personal benefits is the main threat to the implementation of the tasks set out by the President (overcoming the lag; finding breakthrough solutions to the country’s internal problems) and to the achievement of specific development indicators that he pointed out in the Address to the Federal Assembly on March 1, 2018. The article provides information on major results of the 2012 and 2018 presidential elections indicating a significantly increasing support for Vladimir Putin in Russian society (especially in large cities) and at the same time the people’s rising hopes for his showing the political will and making decisive action on the nationalization of the elites that hinder the implementation of national interests in the dynamic development of the standard of living and quality of life. Vladimir Putin’s fourth presidential term, as

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well as the previous one, begins in an unstable and extremely tense international political situation that, obviously, will require additional attention from him, thus bringing to the fore the problem of responsibility and professionalism of the ruling elites that are first of all responsible for the implementation of national security priorities in domestic socio-economic development. According to many experts and a significant part of the population, it is possible to achieve the targets for the coming years and specific indicators set out in the May 2012 decrees of Vladimir Putin after his Address to the Federal Assembly only if there is a cohesive team focused on national interests and working in unison with the President who has assumed personal responsibility for resolving key problems of the country, as reflected in the 2016 national security strategy.

**Key words:** national security, public administration efficiency, “capitalism for the few”, Address to the Federal Assembly, President’s orders.

March 18, 2018, the RF presidential election took place; in the course of the event, Russians showed a significant increase in the level of support for the current head of state and in the turnout at polling stations<sup>1</sup>.

Russians highly appreciated the results of Vladimir Putin’s work as President and gave a special mandate of trust to the current course for the next six years. However, many people went to the polls only because the national leader remains for them **the main and only hope** in the resolution of the acute problems of life resulting from the ineffectiveness of administration carried out by the officials who ignore national interests in favor of their personal benefit.

This is evidenced by a heart-cry of that part of society that daily faces the consequences of public administration inefficiency and, most importantly, believes less and less in the possibility of their constructive resolution. Such emotional tension of public opinion in certain population groups may be observed in 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. The letter was published in the newspaper *Argumenty nedeli* (Arguments of the Week)<sup>2</sup> in April 2018.

The material was published under the title “President! Don’t sell us!”, and the nature of its content is unlikely to leave anyone indifferent... In this regard, we find it appropriate to make a quote from this letter the title of the editorial. It is, of course, not only about the number of the destitute in Russia. Poverty is a result of deeper and more negative phenomena in the system of administration, which have lasted for more than 25 years.

\* \* \*

In early 2012, Russian President Vladimir Putin made an unequivocal statement that it was time for Russia to “turn over the page” of the 1990s, to end this period... so that the society really adopted the options for closing the problem of the 1990s, the unfair privatization, to put it bluntly<sup>3</sup>. These words were followed by specific management decisions in the form of the May

<sup>1</sup> Compared with the 2012 Russian presidential election, voter turnout increased from 65.34 to 67.54%, and the proportion of those who support Putin – from 63.60 to 76.69%.

<sup>2</sup> *Argumenty nedeli* is a social and analytical weekly newspaper distributed in all regions of the Russian Federation, and also in the CIS and Europe. Total circulation of the newspaper is 587 thousand copies. The readership of the print version of the newspaper in Russia, according to TNS Media, is 1.1 million people, and with foreign circulation – 1.3 million people. In the category of socio-political publications, *Argumenty nedeli* ranks 4th according to the size of its readership, thus outstripping such newspapers as *Izvestia* and *Kommersant*. More than two million visitors of its website [www.argumenti.ru](http://www.argumenti.ru) view more than four million pages per month (source: official website of the newspaper *Argumenty nedeli*. Available at: <http://argumenti.ru/pub/doc/an.pdf>)

<sup>3</sup> Vladimir Putin’s speech at the Congress of the Russian Union of Industrialists and Entrepreneurs (February 9, 2012).

2012 decrees establishing the main directions of internal development and the target indicators for the performance of the Government. In addition, one of the most significant events of the President's third six-year term was the adoption of a new national security strategy, which has two fundamental differences from the previous strategy that was signed by Dmitry Medvedev in 2009:

1. "The implementation of the state policy of the Russian Federation in the field of national security is carried out through the coordinated action of all elements of its support system **under the leadership of the President of the Russian Federation** and with a coordinating role of the Security Council of the Russian Federation", that is, the head of state assumes personal responsibility for ensuring the implementation of the priorities identified in the Strategy–2015.

2. The new strategy significantly strengthened the emphasis on the priorities of economic security and people's quality of life. The new priorities are "to improve the quality of life of Russian citizens, enhance economic growth, promote science, technology and education, health, culture"; the list of key threats now contains "risks of misuse of budgetary funds"; the indicators of the state of national security, contain "citizens' satisfaction with the degree of protection of their constitutional rights and freedoms, personal and property interests", "life expectancy", "GDP per capita".

However, despite the focus on domestic development issues at the beginning of the third presidential term, the period of 2012–2018 was remembered, first of all, by the rapid dynamics of international events, in which Russia was dragged against its will. The Ukrainian conflict and the Syrian crisis have demanded maximum effort and political tact from the Supreme Commander-in-Chief and from Russian diplomacy so that it would be possible to prevent the escalation of the conflict; and Russian diplomacy has successfully coped with this task. The accession of Crimea and Sevastopol to the Russian Federation was perhaps

the strongest consolidating event for Russian society in the post-Soviet period, and Russia's participation in the Syrian campaign showed that the modernization in the Armed Forces is going on quite well, and this largely influenced the high level of support that Vladimir Putin had at the presidential election of 2018.<sup>4</sup>

The need for priority attention to the settlement of the foreign policy situation demanded that the issues of internal development be transferred to the Government, and today, looking back at the recent past, we can say that this **has become an irrefutable proof of the unreliability of "manual control"; the inability of the entire political system to ensure national security interests without V. Putin's personal participation. First of all, because during all his presidential terms, the main problem of national security has not been eliminated – the ruling elites still focus on their own personal economic interests, which is the essence of "capitalism for the few"**.

In Russia, it is no secret that Putin is responsible for the growth of the military-industrial complex and for the strengthening of the army, mineral exploration, including on the continental shelf, their development, production and implementation. Medvedev is responsible for agriculture, forestry, fishery, waterways, rivers, ports, the development of cities and towns, housing and utilities, etc.

**Wherever there is personal control or, if you like, personal interest of V. Putin, everything is fine. Where there is responsibility of the Government and its certain members, almost everywhere there is devastation, corruption and an economy driven by export of raw materials<sup>4</sup>.**

According to experts, "the Russian elite has neither the sense of nationhood nor state thinking. It is not interested in alleviating poverty of the majority of citizens, it is indifferent to the fate of national science and innovation economy; all this can be explained by the syndrome of

<sup>4</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>

rapidly enriched people who care only about themselves and their environment. This “set” of values in many ways determines not only the essence, but also the form and methods of implementation of public administration”<sup>5</sup>.

In his Address to the Federal Assembly in 2012, Vladimir Putin assured Russian citizens that all the instructions contained in the May Decrees “will be executed to the fullest extent”. **However, actual practice shows that the Government has failed in this task (see Appendix 1). So far, most of the President’s instructions remain “on paper”, and Russia carries this “baggage” with it as it enters V. Putin’s new and last six-year term in office.**

**V. Putin:** “Recently, just a few months ago, in the articles written during the presidential election campaign and then in the executive orders signed in May 2012 I set out our position and our short and medium term plans. They covered all areas of our work and our lives: the economy, social sphere, domestic policy, international affairs and security issues. These documents describe our plans in detail, sometimes citing specific figures and deadlines. Some of them are already being implemented, for example raising teachers’ wages and some other tasks. We have put together the required regulatory framework with regard to all other items on our agenda. **The work has begun. I want to assure all citizens of our country that it will continue; we will tackle all the tasks we have set without fail**”<sup>6</sup>.

The<sup>6</sup> constitutional majority that the United Russia party gained in the 2016 State Duma election, a record-breaking voter turnout and high level of support for Vladimir Putin in the presidential election of 2018, including an increase in the proportion of people who voted for the President, in all cities with a million-

<sup>5</sup> Korotaev S.A., Shkaratan O.I. Post-soviet statehood and society: the evolution of social contract and legitimizing of authority. Part 3. The strengthening of statehood and social contract between society and authorities. *Obshchestvennye nauki i sovremennost’*, 2018, no. 1, pp. 59-73.

<sup>6</sup> Address of the President to the Federal Assembly, December 12, 2012. *Official website of the President of the Russian Federation*. Available at: <http://www.kremlin.ru/events/president/news/17118>

plus population, including Moscow and Saint Petersburg (*Tab. 1*) – all this can certainly be considered a mandate of trust issued by the Russian society. **But it has been issued first of all to the national leader.** “The high result, as experts point out, signifies both the recognition of Vladimir Putin’s achievements during the third term and a serious mandate for the next six years, although it is important to understand: the mandate is for the President, and not for the elites”<sup>7</sup>.

Table 1. Proportion of those who voted for V. Putin at the 2018 presidential election in cities with a million-plus population (Central Election Commission data, in %)\*

City	2018	+ / – to the outcome of the 2012 presidential election
Rostov-on-Don	78.18	+ 19.57
Volgograd	77.14	+ 15.36
Ufa	76.04	+ 11.86
Voronezh	75.88	+ 23.77
Nizhny Novgorod	75.78	+ 15.52
Kazan	75.68	+ 2.10
Saint Petersburg	75.01	+ 16.24
Krasnoyarsk	74.92	+ 19.86
Samara	74.85	+ 13.59
Perm	74.29	+ 17.61
Yekaterinburg	73.88	+ 17.14
Chelyabinsk	71.88	+ 11.72
Moscow	70.88	+ 23.93
Novosibirsk	70.45	+ 18.63
Omsk	65.14	+ 15.54

\* Arranged according to the decrease in the level of support.

The results of the presidential election reflect the personal victory of Vladimir Putin, who has shown once again that he is a national leader who enjoys an unprecedented level of people’s trust. The 2018 campaign is unique in the following aspect: unlike previous presidential campaigns, this one had a single actor – the President himself, to whom the people gave their personal support<sup>8</sup>.

<sup>7</sup> Skorobogatyi P., Gurova T. A mandate for development. *Ekspert*, 2018, no. 13, March 26 – April 1. Available at: <http://pressa.ru/ru/reader/#/magazines/ekspert/issues/13-2018/pages/10/>

<sup>8</sup> Russians voted for actual deeds. *Nezavisimaya gazeta*. Available at: [http://www.ng.ru/politics/2018-03-23/2\\_7196\\_russian.html](http://www.ng.ru/politics/2018-03-23/2_7196_russian.html)

In the Address to the Federal Assembly on March 1, 2018, V. Putin accurately reflected the nature of public sentiments and voters' expectations: the landmark nature of the historical moment, mobilization breakthrough in domestic development, overcoming the backwardness, ensuring the security from external threats, achieving economic stability compared to the 1990s and the ability of the economy to formulate new answers to global challenges, including with regard to the qualitative improvement of the living standards of the wider public – all of these emotional messages made on the eve of the voting day, could not but find a response in Russian society; and against the background of weak political opposition and strengthening of anti-Russian sentiment in the West has predetermined Vladimir Putin's victory in the election.

As in the beginning of 2012, “Russia is going to pass one more bifurcation point in its history, after which the system will acquire new properties and a new life or it will be lost. The results of this process is determined by the combination of circumstances, the chief one among which is a national leader concentrating political will and knowledge necessary for the further development of the country. We can doubt Vladimir Putin's ability to fulfill this mission. **But it's doubtless that there is no person apart from him at this phase of our history to implement it**”<sup>9</sup>.

Nevertheless, the components of success, which provided the President with a broad mandate of trust, do not guarantee the implementation of a strategic goal for the next six years – the goal of “achieving a decisive breakthrough in the efforts to preserve the people of Russia”<sup>10</sup>. “Trying to figure out a “change of the current economic course” (though mobilization, or in any other way) will

<sup>9</sup> Glazyev S.Yu. Why is Putin? *Ekonomicheskie i sotsial'nye peremeny: fakty, tendentsii, prognoz*, 2012, no. 2, p. 37.

<sup>10</sup> Address of the President to the Federal Assembly, March 1, 2018. *Official website of the President of the Russian Federation*. Available at: <http://www.kremlin.ru/events/president/news/56957>

not lead to any result, except an increase in the number of publications and debates between the participants of numerous talk shows, **because you cannot change the “economic course” without changing the political course**”<sup>11</sup>.

Mobilization impetus has been mentioned more than once among the targets that the President speaks about. In the article headlined “Russia muscles up”, which was released on the eve of his third presidential term, he wrote: “The recovery period is over. The post-Soviet stage in the development of Russia, as well as in the development of the whole world, is ended. All the prerequisites for moving forward have been created – on a new basis and in a new quality”<sup>12</sup>.

“At present, Russia needs more ambitious goals. Higher growth rates”, Putin said in April 2002, repeating this idea almost word for word 16 years later and using the words “breakthrough” and “leap” several times in his Address to the Federal Assembly”<sup>13</sup>.

The landmark nature of the historical moment was emphasized by V. Putin in his Address to the Federal Assembly in 2012, when he said that “the coming years will be decisive and, perhaps, they will even become a turning point, and not only for us, but virtually for the whole world, which is entering an era of fundamental change, and maybe even shocks”<sup>14</sup>.

**Thus, the call for the consolidation of society against the background of an extremely difficult situation in which Russia is increasingly involved by “our foreign partners” finds response in the**

<sup>11</sup> Belkin S. Mobilization practice. *Gazeta “Zavtra”*, 2018, March 14. Available at: [http://zavtra.ru/blogs/praktika\\_mobilizatsii](http://zavtra.ru/blogs/praktika_mobilizatsii)

<sup>12</sup> Russia muscles up – the challenges we must rise to face. *Gazeta “Izvestia”*, 2012, January 16. Available at: <https://iz.ru/news/511884>

<sup>13</sup> Kolesnikov A. The pool of successors. *Gazeta.ru*, 2018, March 20. <https://www.gazeta.ru/comments/column/kolesnikov/11688265.shtml>

<sup>14</sup> Address of the President to the Federal Assembly, December 12, 2012. *Official website of the President of the Russian Federation*. Available at: <http://www.kremlin.ru/events/president/news/17118>

**opinion of the vast majority of Russian citizens. However, every time a “decisive breakthrough” in the internal development is hindered by the system of oligarchic capitalism in post-Soviet Russia, the system that determines the unwillingness and inability of the Government to fulfill the tasks of the head of state.**

The fact that the elites have no interest in the implementation of national interests determines the existence of such factors which are incompatible with the future of Russia as a dynamically developing sovereign state pursuing its independent foreign and domestic policy, and acting as one of the centers of a multipolar world. So, for example, “Russia’s relative monetary poverty is higher than in the vast majority of OECD countries, and this excess is very significant...but the main social risks are formed not so much by poverty as by inequality. Our country is the world’s leader in terms of inequality in the distribution of wealth. One percent of the richest Russians account for 71% of all household assets in the country. On average, this figure is 46% in the world, 37% in the U.S., and 17% in Japan”<sup>15</sup>.

The problem of inequality in Russia has emerged relatively recently: **contemporary Russian inequality – inequality is not historical; it was formed in the 1990s–2000s...** If we compare the scale of inequality in Russia with that in other countries, we can say it is most similar to the situation in Latin America, in particular – in Argentina<sup>16</sup>.

Another striking example of “capitalism for the elite” can be found in a series of arrests of the leaders of Summa Group (Z. Magomedov, M. Magomedov, A. Maksidov), which, according to experts, is “the most opaque private holding structure in the country; a giant diversified holding that combines assets in port logistics,

<sup>15</sup> Gontmakher E.Sh. Russian social inequalities as a factor in social and political stability. *Voprosy ekonomiki*, 2013, no. 4, pp. 68-82.

<sup>16</sup> Bobylev S.N., Grigor’ev L.M. (Eds.). *UN sustainable development goals and Russia: the human development report in the Russian Federation*. Analytical center for the Government of the Russian Federation, 2016. P. 55.

engineering, construction, telecommunications, oil and gas and other sectors”; and it goes without saying that this business empire could not have achieved so impressive a success if it did not have the patronage of the Government<sup>17</sup>.

The pursuit of personal interests, which is an indispensable attribute of “capitalism for the elite”, is transferred from the highest ranks of state power to the regional level of management and on to economic entities. A related series of corruption scandals at the local level of government is more and more often followed by the tragic events that cannot be explained in any other way.

Of course, he [the President] cannot be directly responsible for every case of bungling. But any minor slob, like the security guard who shut down the fire alarm in Zimnyaya Vishnya shopping mall, has their superior, and so on... And all the major disasters of the last decade show that if the top bosses are close enough to the Kremlin, they always come out with clean hands... There were no consequences for Moscow Mayor Yuri Luzhkov after 68 people had been crushed by the roof of the state unitary enterprise Basmanyi rynok. No charges were raised against Chairman of the Board of RAO UES Anatoly Chubais after 75 people had been killed during the accident at the Sayano-Shushenskaya Hydroelectric power station. The leading shareholder of Evraz Group Roman Abramovich and his partners remained unpunished after the explosions in the Rospadskaya mine and the release of methane at the Ulyanovsk mine – the disasters that had claimed the lives of 201 people. There were no claims to the owner of JSC Shipping Company Kamskoye Rechnoye Parokhodstvo Mikhail Antonov for the death of 122 passengers and crew members of the vessel “Bulgaria”...

Being aware of their own immunity, such individuals just sit back and connive at the mess their subordinates make. The latter do not pay attention to the carelessness of their own subordinates, and it goes on and on right to the bottom, including the fire alarm security guard<sup>18</sup>.

<sup>17</sup> A decisive blow to Dvorkovich. And to Medvedev. Available at: <http://politinform.su/tochka-zreniya/89036-reshayuschiy-udar-po-dvorkovichu-i-po-medvedevu.html>

<sup>18</sup> Nekrasov Yu. Do not burn down before Putin is elected president! *Gazeta “Zavtra”*, 2018, March 28. Available at: [http://zavtra.ru/blogs/ne\\_sgorajte\\_do\\_viborov\\_putina](http://zavtra.ru/blogs/ne_sgorajte_do_viborov_putina)

The fire in the night club *Khromaya Loshad* (Lame Horse), mass poisoning of children with landfill gas in Volokolamsk, plane crashes that have already become regular<sup>19</sup> and, of course, the recent tragedy in Kemerovo, which claimed the lives of 64 people, including more than 40 children, – all this is not only tragic events for Russia, but also **an indisputable proof that in manual mode, without a well-functioning system of management at all levels, any “breakthrough development” is out of the question.** Because “since the time of Charles Montesquieu, the 18th century French philosopher, nothing more sensible than the separation of powers has been invented”<sup>20</sup>.

In 2018–2024, the urgency of the task of ensuring national security goes to **a qualitatively new level.**

First, because the “hybrid warfare” against Russia “enters an active phase of implementation”, which the situation around the so-called “Skripal case”; a new package of economic sanctions threatening both the economic and political situation in the country; as well as another round of escalation of the Syrian conflict, which was provoked by an alleged chemical attack in the Syrian city of Douma.

According to experts, “the intense hysteria in the West is, no doubt, a means to prepare the population to the fact that a blow to Russia is morally justified and practically necessary. Hatred of Russia captures entire segments of the population, it becomes completely irrational. This is what we will live with in the coming years”<sup>21</sup>.

<sup>19</sup> Major air crashes in Russia occur virtually every year, and they have claimed the lives of more than 350 people over the past six years: February 11, 2018 (71 people); November 15, 2017 (6 people); December 25, 2016 (92 people); March 19, 2016 (10 people); October 21, 2014 (4 people); November 17, 2013 (50 people); September 11, 2012 (10 people); April 2, 2012 (33 people); September 7 and June 21, 2011 (44 people in each crash).

<sup>20</sup> Varykhanov S. Top-priority task for Putin’s fourth term. *Nezavisimaya gazeta*, 2018, March 22. Available at: [http://www.ng.ru/kartblansh/2018-03-22/3\\_7195\\_kartblansh.html](http://www.ng.ru/kartblansh/2018-03-22/3_7195_kartblansh.html)

<sup>21</sup> Fursov A. On the insidiousness of the British and on “Banderization” of Ukraine. *Argumenty nedeli*, 2018, no. 13 (606), April 5. Available at: <http://argumenti.ru/society/2018/04/568551?typelink=openlink>

**L. Ivashov:** “The hybrid warfare against Russia has been going on according to a definite plan. It has been running since the imposition of sanctions in 2014; August 2, 2017, the operational plan was finally approved; and in 2018, the warfare entered an active phase of its implementation. The idea of the enemy’s operation can be formulated as follows: “Economic weakness of Russia, lack of a stable system of public administration, full-scale multi-level corruption of public authorities, the world’s highest income gap, dissociation and apathy of the serving officers, the tendency of a large number of officers and high-ranking officials to serve anyone for the sake of money, comfort and pleasure – all this must be used to carry out an offensive operation of a hybrid type with the purpose of elimination of the Russian state and bring the remnants of the Russian Federation under the full control of the government, Congress and the Federal Reserve System of the United States, to deliver a major blow to Russia’s system of public administration, manufacturing sector and financial system”<sup>22</sup>.

Second, because time is running out and, as V. Putin rightly pointed out, “the speed of technological progress is accelerating sharply. It is rising dramatically. Those who manage to ride this technological wave will surge far ahead. **Those who fail to do this will be submerged and drown in this wave...**”

**V. Putin:** “It is our obligation to focus all resources and summon all our strength and willpower in this daring effort that must yield results. **Otherwise, there will be no future for us, our children or our country. It is not a question of someone conquering or devastating our land. No, that is not the danger. 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”<sup>23</sup>.

<sup>22</sup> Ivashov L. Hybrid wars. *Gazeta “Zavtra”*, 2018, March 28. Available at: [http://zavtra.ru/blogs/gibridnie\\_vojni](http://zavtra.ru/blogs/gibridnie_vojni)

<sup>23</sup> Address of the President to the Federal Assembly, March 1, 2018. Official website of the President of the Russian Federation. Available at: <http://www.kremlin.ru/events/president/news/56957>

We should note another important point: “landmark nature of the historical period”, “mobilization of society”, “readiness of the Russian economy to respond to global challenges” – Putin has already mentioned all this in his speeches before, **but there exists an objective criterion – his last six-year term in office.**

“People’s dissatisfaction with the behavior of the elite during the previous political cycle naturally flows into the next social contract. There is no certainty that the Russian elites will cope with the challenges of the cold war, with the economic modernization breakthrough outlined in the President’s Address, and with the transition period of Putin’s present term in office. Perhaps the main problem is still related to the subjectivity of the Russian elite concerning the signing of a new social contract and its agenda. Simply put, what the elite can offer to people in exchange for delegated powers. After all, many important points have obviously reached an ideological impasse... What could be the terms of this social contract? The elite receives the right to prepare the country for the transition period and obtains an opportunity to integrate into the new system of power, that is, the chance to remain an elite after 2024. People, in turn, are willing to get the following:

1) justice – the elites must associate themselves with society;

2) security and protection against external threats;

3) steady growth of income and opportunities to realize at least their own labor potential with the help of economic development;

4) preservation of social guarantees and their protection against accounting reforms;

5) support for the development of real political competition”<sup>24</sup>.

Thus, world development trends impose increasing demands on the efficiency of public

<sup>24</sup> Skorobogatyi P., Gurova T. A mandate for development. *Ekspert*, 2018, no. 13, March 26 – April 1. Available at: <http://pressa.ru/ru/reader/#/magazines/ekspert/issues/13-2018/pages/10/>

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. It will become dangerous to steal, because there will be no mutual responsibility between crooks. The fear of the inevitability of punishment for all officials will make them equal before the law.** And the state will have the funds for everything”<sup>25</sup>.

administration; that is why in 2018, Vladimir Putin set no less (and, in fact, even more) ambitious goals than in the May 2012 decrees:

– “by the middle of the next decade, to increase GDP per capita in 1.5 times”, that is, from 627 thousand rubles (according to Rosstat<sup>26</sup> for 2017) up to 941 thousand rubles;

<sup>25</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>26</sup> Our own calculations based on Federal State Statistics Service data (source: [www.gks.ru](http://www.gks.ru))



– “by the end of the next decade, join the ranks of countries with life expectancy over 80 (although this correlates neither with the current dynamics nor official statistics forecasts)<sup>27</sup>;

– build an economy “whose growth rate exceeds the global one” (although according to the World Bank, in 2012–2016, global GDP growth rate increased from 2.4 to 2.5%; and in Russia, it decreased from 3.7 to -0.2%<sup>28</sup>);

– etc. (see *Appendix 2*).

The Government was given the task “to reduce poverty at least twofold in six years”, which, in fact, means a decrease in the proportion of people who live below the subsistence level, from 13.8 to 6.9% of the total Russia’s population, or from 20.3 to 10.1 million people<sup>29</sup>. However, so far, neither official statistics (*Fig. 1*), nor people’s subjective estimates (*Fig. 2*) provide any clue as to the means of achieving such a significant breakthrough in the dynamics of the standard of living and quality of life. At least, since 2008, no significant changes have been observed in this regard.

**The practice of the current system of public administration indicates that the breakthrough in domestic development that the President spoke of (which in the future should become a foundation for Russia’s high and stable geopolitical position on the world stage) will occur only if the mobilization momentum mentioned by V. Putin in his Address does not sink into oblivion, but instead receives support in the form of relevant management decisions made by authorities at all levels.**

<sup>27</sup> According to Rosstat, in 2000–2017 life expectancy in Russia has actually (and significantly) increased, but the increase for this period was only 7.34 years (from 65.34 in 2000 to 72.70 in 2017). Accordingly, in order to implement the President’s order, the rate of growth of life expectancy should increase in 1.5–2 times. According to Rosstat forecasts, life expectancy in Russia in 2030 will be as follows: according to the pessimistic forecast – 74.15 years; according to the average forecast – 77.22 years; according to the optimistic forecast – 79.76 years (source: [http://www.gks.ru/free\\_doc/new\\_site/population/demo/progn7.xls](http://www.gks.ru/free_doc/new_site/population/demo/progn7.xls)).

<sup>28</sup> World Bank data. Available at: <http://databank.worldbank.org>

<sup>29</sup> Rosstat data for the period from January to September 2017 (source: [http://www.gks.ru/bgd/free/B04\\_03/IssWWW.exe/Stg/d03/252.htm](http://www.gks.ru/bgd/free/B04_03/IssWWW.exe/Stg/d03/252.htm)).

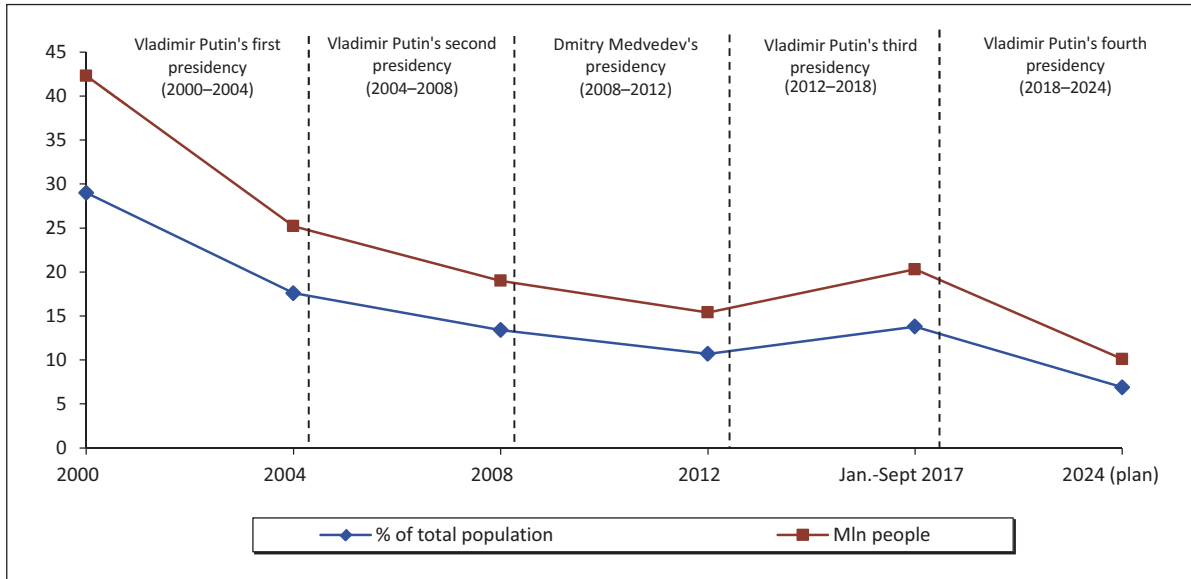
**To achieve this goal, the head of state needs to strip the ruling elites of their vices, in the first place of those related to values and ideology. V. Putin must also create a mechanism for system-wide and effective elimination of “capitalism for the elite” within the system of public administration, in which the “patching of holes” in manual mode is what we can expect at best.** “The major and pressing task of V. Putin’s fourth presidential term, regardless of whether he and his entourage wish it or not, **will objectively consist in an actual rebuild of Russia.**

The previous “incorporating” project is obviously exhausted, to try and cling to this project further is detrimental to the people and the country, and – what is important – for that part of the elite that remained loyal to the President. Such a rebuild will soon have to start due to absolutely objective reasons: amid increasing confrontation, current economic and political models are becoming less effective. Designed for completely different purposes and in fundamentally different conditions, they can no longer guarantee the ruling circles of the Russian Federation even simple survival in any long term... Western strategists of the new cold war, whether deliberately or not, exacerbate the project crisis in Russia and increase turbulence.

So far, the way out of this turbulence seems vague, but it is quite obvious that the problem can not be solved by simply leaving things as they are, which is, probably, what many among the Russian leadership would prefer. **Internal restructuring, whether soft and voluntary or rigid and forced – this is what the logic of current historical process is driving our country to. Such restructuring will no doubt be accompanied by an internal crisis. But it is necessary to understand another point: cowardly denying the need for such a restructuring will most probably lead Russia to a historical defeat, even more heavy than the one it suffered in 1989–1991**<sup>30</sup>.

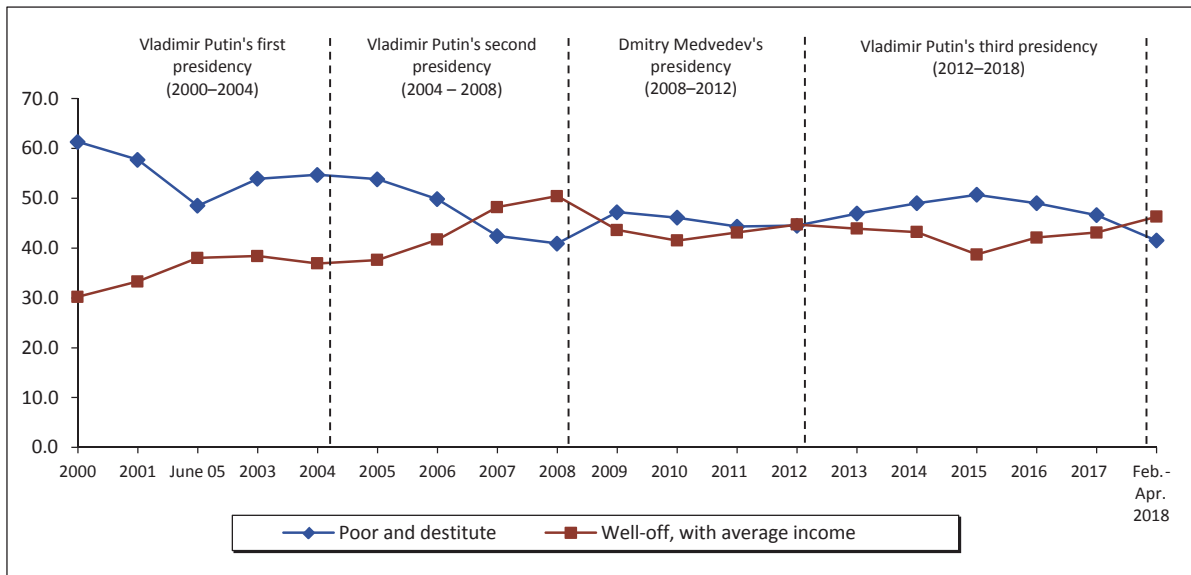
<sup>30</sup> Boikov I. Crisis of restructuring. *Gazeta “Zavtra”*, 2018, March 29. Available at: [http://zavtra.ru/blogs/krizis\\_perestrukturizacii](http://zavtra.ru/blogs/krizis_perestrukturizacii)

Figure 1. Population with monetary incomes below subsistence level (percentage of total population)\*



\* We calculated the indicators for 2024 with the use of Rosstat data, proceeding from the task “to reduce poverty rate at least twofold in six years”, set out by the President in his Address to the Federal Assembly on March 1, 2018. Source: Rosstat data ([http://www.gks.ru/free\\_doc/new\\_site/population/urov/urov\\_51g.doc](http://www.gks.ru/free_doc/new_site/population/urov/urov_51g.doc))

Figure 2. Dynamics of people’s social identification (question wording: “Which group do you belong to, in your opinion?”, percentage of respondents)



Source: VolRC RAS.

In many of his speeches, V. Putin stressed his conviction that Russia is ready to respond to global challenges and that **we not only must but also can** deal with the key challenges that Russia is facing. And, judging by the results of the presidential election, society is as optimistic as the head of state in this matter. However, judging by the experience of implementing the May 2012 decrees, if the value priorities of the ruling elites do not change, we cannot but share the skepticism and fears of experts who believe that **“after the 2018 presidential election, no significant change in the Government is to be expected either in its policy or in its composition. However, it is difficult to hope that if any changes occur, no matter how sensational they might be, they will be for the better”**; **“we are likely to expect a period of serious turbulence, and in the next year and a half we shall see how severe it will be...”**<sup>31</sup>

Thus, without going into details of a social transformation that has been going on for almost 30 years, we note that since the collapse of the Soviet Union (when, according to many scientists, “progressive development of the Russian society was disrupted”<sup>32</sup>) Russians survived the crisis-ridden decade of the “turbulent” 1990s, the stabilization (adaptation) period of the “fat” 2000s, after which a critical mass began to accumulate in Russian society in anticipation of changes, so that people could be proud of their country not only for its sport, military or historical achievements, but, above all, for the dynamics of the standard of living and quality of life.

Over the past 18 years, the President has prepared the ground for modern Russia to face the issues that the USSR faced in the late 1980s and was unable to handle – we speak about the

task of transforming the country in accordance with the changed world order without losing its geopolitical status. **In his Address, Vladimir Putin took the next step toward a new stage by setting new goals and providing mobilization impetus for their achievement. The second step was made by**

At some point the Soviet Union faced the tasks of achieving a new level of prosperity and freedom. Once it almost made it in the 1960s, but history knows very few tasks that were fulfilled once and for all. And at the end of the 1980s the Soviet Union failed completely... We are facing the same task now. But we must understand that what Putin is doing is not reviving the USSR, but returning to the task that the USSR was facing; the task which has not been solved... There has been something that is rare in history. We have created a chance with our own hands to repeat what once failed, having learned the lessons<sup>33</sup>.

**society when it provided similar “mobilization” support to the national leader’s action program.**

**Throughout this period, the “oligarchic capitalism” of the ruling elites impeded the implementation of national interests; thus, staff reshuffle in the Government may become the third step on this way, and it can take place in the coming months, after the inauguration of the head of state.** “The elite does not understand or just underestimates all the risks accumulated in society. Moreover, it believes that the President’s landslide victory gives is a free hand to move at the same pace and manage with the same methods. And we will allow ourselves to ask a radical question: does Vladimir Putin’s triumph spare us the possibility of a “Russian Mайдan” – a global political crisis – in 2024? Alas, it does not. And it is not about the President, it is about the elite. At present, it thinks it has six years to prepare for smooth transition of power outside the Putin era.

<sup>31</sup> Delyagin M. Russia is being led to the same abyss as Ukraine. *Official website of “Severo-Zapad” political news agency.* Available at: <http://www.apn-spb.ru/opinions/article27881.htm>

<sup>32</sup> Toshchenko Zh.T. *The Phantoms of Russian Society.* Moscow: Tsentr sotsial’nogo prognozirovaniya i marketinga, 2015. Pp. 14–15.

<sup>33</sup> Putin made Russia great again. *Ekspert*, 2018, no. 10 (1066), March 5. Available at: <http://expert.ru/expert/2018/10/putin-sdelal-rossiyu-snova-velikoj/>

The elite will not bother to execute the May 2012 decrees and will just follow the well-worn path, while simultaneously preparing the capital and connections for a victory in 2024. It is an illusion. **If every month, every quarter, every six months we do not see that the country is growing, developing internally, and accumulating strength, then every month, every quarter and every six months we will more and more rapidly lose the consolidation capital that we acquired on March 18, 2018. And we will lose it long before 2024. Two years will be enough**<sup>34</sup>.

“Everything flows, everything changes”, said the President after the election, answering a journalist’s question about possible changes in the system of administration<sup>35</sup>. And we cannot argue with that, but there is less time for decisive action, because the situation concerning the presidential election may be completely different and much tenser in 2024. **In what condition will Russia come to this yet another landmark period? Will it be able to preserve and strengthen its sovereignty in the face of an escalating international situation and a growing geopolitical competition? Will the public administration system be able to operate in unison with the national interests of the general population? We will get answers to these questions very soon.**

Just like at the beginning of 2012, the President’s intentions to carry out a mobilization breakthrough in addressing the country’s internal problems are seriously complicated by the situation on the external political arena, which will likely require him to focus his attention on international relations. Under the circumstances, the President’s orders to reach the goals set out

<sup>34</sup> Skorobogatyi P., Gurova T. A mandate for development. *Ekspert*, 2018, no. 13, March 26 – April 1. Available at: <http://pressa.ru/ru/reader/#/magazines/ekspert/issues/13-2018/pages/10/>

<sup>35</sup> Transcript of Vladimir Putin’s answers to journalists’ questions after the 2018 presidential election. *Official website of the President of the Russian Federation*. Available at: <http://kremlin.ru/events/president/news/57085>

in his Address to the Federal Assembly in 2018 may suffer the same fate as the May 2012 decrees. To prevent this, the President needs a close-knit team of like-minded people who just like him are aware of and take **personal responsibility for ensuring national security**.

**V. Putin:** “Every country has its own interests. Russia, countries of Middle East: Iran, Saudi Arabia, Egypt, Turkey, Israel, Jordan. Such global players as the United States, China and India have their own interests... The first thing that must be done is to respect their interests, while making sure they respect ours... If someone decides to destroy Russia, we get a legitimate right to respond. Indeed, it will be a global catastrophe for humanity, a global catastrophe for the world, but as a citizen of Russia, as the head of the Russian state, I’m asking myself: **and why do we need such a world if there is no Russia in it?**”<sup>36</sup>

At present, when all the efforts of the “collective West” led by the United States and the UK are aimed at restraining Russia’s economic and political growth which they rightly associate **with Putin himself**, we would like to wish him good luck in his efforts to withstand another round of pressure from “foreign partners”, to ensure that his political experience and resolute actions as the head of state helped him to save the country from the betrayal of the elites, the goal that our “overseas friends” are so relentless in pursuing (this technique worked in 1991, and it should not be repeated again), and finally, to assemble a team of responsible professionals, who give priority to national interests rather than personal benefit.

**Then and only then “will there be no destitute people in Russia...”, and the President will be able to implement to the fullest extent the major provisions of the National Security Strategy, for which he assumed personal responsibility.**

<sup>36</sup> World Order-2018: a Documentary Film by V. Solovyov.

**Information on the achievement of indicators on some orders,  
established in the President's May 2012 decrees**

Source	Presidential order	Fact*	Deviation
Decree of the President of the Russian Federation of May 7, 2012 No. 596 "On long-term state economic policy"	"Improving the position of the Russian Federation in the World Bank's Doing Business rating, moving it from 120th place in 2011 to 50th in 2015 and <u>20th in 2018</u> "	35th place** (2018)	- 15 units
	"Increasing the share of high-tech and knowledge-based industries in the gross domestic product <u>by 2018 in 1.3 times compared to 2011</u> "	22.1% (2017)***	- 3.5%
	"Creating and upgrading <u>25 million high-performance jobs by 2020</u> "	15983,279 thousand units (2016)	- 9.02 mln
Decree of the President of the Russian Federation of May 7, 2012 No. 597 "On the activities to implement state social policy"	" <u>Raising real wages in 1.4–1.5 times by 2018</u> "	100.8% (2016)****	-56%
Decree of the President of the Russian Federation of May 7, 2012 No. 598 "On improving state policy in the field of health care"	"Reducing death rate due to neoplasms (including malignant neoplasms) to 192.8 cases per 100 thousand population"	196.9 per 100 thousand population (2017)	- 4.1 per 100 thousand population
	"Reducing death rate due to traffic accidents to <u>10.6 cases per 100 thousand population</u> "	13.6 per 100 thousand population (2017)	-3 per 100 thousand population
Decree of the President of the Russian Federation of May 7, 2012 No. 599 "On the measures to implement state policy in the field of education and science"	Increasing domestic expenditure on research and development to <u>1.77 percent of gross domestic product by 2015</u> "	1.10% (2016)	-0.67%
Decree of the President of the Russian Federation of May 7, 2012 No. 600 "On the measures to provide citizens of the Russian Federation with affordable and comfortable housing and to improve the quality of housing and communal services"	"Before 2020 to provide affordable and comfortable housing to <u>60 percent of Russian families who want to improve their living conditions</u> "	5% (2016)	-55%
Decree of the President of the Russian Federation of May 7, 2012 No. 606 "On the measures to implement the demographic policy of the Russian Federation"	" <u>To raise life expectancy in the Russian Federation to 74 years by 2018</u> "	72.7 years (2017)	-1.3 years

\* Federal State Statistics Service data (www.gks.ru).  
\*\* Source: Doing Business 2018. The World Bank has published a report which ranks countries on the ease of doing business. Available at: <http://novorusmir.ru/archives/31784>.  
\*\*\* In 2011, the share of high-tech and science-intensive industries in the gross domestic product was 19.7%. According to the President's order, it is necessary to reach the level of 25.6% by 2018.  
\*\*\*\* In 2012, the real accrued salary as a percentage of the previous year was 108.4%.

According to Rosstat data for 2016–2017, many of the President's orders set out in the May 2012 decrees remain unfulfilled, and this applies to a variety of areas: economy, science, demography, the standard of living and quality of life of the population. In his Address to the Federal Assembly in 2018 the President mentioned that when implementing the 2012 May decrees there were "some shortfalls", but they are quite sufficient for experts to arouse reasonable suspicions of experts: "The work to eliminate mistakes that has not been carried out makes us think: what is difficult to implement from the current bulk of plans, what has entered the text in a hurry or in a hope that people have a short memory?"<sup>37</sup>

<sup>37</sup> Komrakov A. Sociologists estimated the reaction of the population to Vladimir Putin's promises. *Nezavisimaya gazeta*, 2018, March 14. Available at: [http://www.ng.ru/economics/2018-03-14/4\\_7189\\_putin.html](http://www.ng.ru/economics/2018-03-14/4_7189_putin.html)

**List of orders to be implemented, based on the President’s Address  
to the Federal Assembly, March 1, 2018**

Order	Deadline	Persons responsible
Population increase, increasing life expectancy to 78 years by 2024 and to 80 years by 2030	<u>Before April 15, 2018</u> to develop a draft decree of the President of the Russian Federation	A.E. Vaino (Administration of the President of the Russian Federation)
Raising the standard of living, ensuring sustainable growth of people’s real incomes and growth of pensions that would exceed inflation, reducing poverty by half in the country		
Becoming one of the world’s top five economies, ensuring economic growth above the global average		
Providing a comfortable environment, including improved housing conditions for at least five million families each year		
Creating conditions for fulfilling citizens’ potential, forming the mechanisms for search and support of talents		
Designing national goals, relevant targets and strategic objectives in the field of health, education, demography, housing and urban environment, international cooperation and exports, labor productivity, small business and support of individual entrepreneurial initiative, safe and quality roads, environment, digital economy		
To develop target parameters and main objectives for a comprehensive plan on upgrading and expanding the main infrastructure until 2024, developed on the basis of the strategy of spatial development of the Russian Federation		
To introduce the changes in the legislation of the Russian Federation that provide for improving the procedure for determining the cadastral cost of real estate objects so as to prevent the value of cadastral cost of real estate objects that exceeds its market value to be used for taxation purposes	July 15, 2018	D.A. Medvedev (Government of the Russian Federation)
Taking into account earlier instructions, to complete the work on consolidating the legal status of self-employed citizens		
To submit proposals for improving the mechanisms of social assistance to the population, ensuring its provision on the basis of the principles of justice, targeting and need		
In order to support agricultural producers, to ensure the extension of preferential tariffs for the transportation of grain by rail and to provide for additional purchases of grain in regions remote from markets		
To prepare and submit proposals on the directions and mechanisms of regulatory support to improve the conditions of business, with participation of the Chamber of Commerce and Industry of the Russian Federation and leading public associations of entrepreneurs	July 15, 2018	D.A. Medvedev, E.S. Nabiullina (Government of the Russian Federation, Central Bank of Russia)
To develop and approve an action plan to accelerate the growth rate of investment in fixed assets and increase their share in the gross domestic product to 25 percent		
Submit proposals for the decriminalization of certain acts committed by entrepreneurs in connection with the implementation of their business activities, providing, if necessary, subsequent qualification of such acts as administrative offences	December 1, 2018	A.E. Vaino, V.M. Lebedev (working group on monitoring and analysis of law enforcement practice in the field of entrepreneurship together with the Supreme Court of the Russian Federation)

The instructions that the President voiced in his Address to the Federal Assembly contain specific targets, deadlines for development of measures for their implementation, and point out personal responsibility of officials. This confirms the seriousness of Vladimir Putin's strategic goals for 2018–2024: to narrow the knowledge gap and make a decisive breakthrough in population preservation. “The vast majority of citizens (81%) consider the tasks voiced by the President to be concrete and real, but only 34% believe that they will be implemented in the near future, and 47% believe that due to corruption and bureaucracy in power they will not be fulfilled”.<sup>38</sup>

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<sup>38</sup> Komrakov A. Sociologists estimated the reaction of the population to Vladimir Putin's promises. *Nezavisimaya gazeta*, 2018, March 14. Available at: [http://www.ng.ru/economics/2018-03-14/4\\_7189\\_putin.html](http://www.ng.ru/economics/2018-03-14/4_7189_putin.html)