

## Russia's new government: the Kremlin is preparing for a long war

Maria Domańska, Iwona Wiśniewska, Piotr Żochowski

On 10–12 May, after being sworn in for another presidential term following the illegal 'election', Vladimir Putin decided on the new line-up of the Russian cabinet. Prime Minister Mikhail Mishustin retained his post (the State Duma formally approved his candidacy on 10 May). On 13 May, the parliament will approve the new appointments.

Although there are not many modifications to the government's line-up, each of them is important. Three of the ten deputy prime ministers are new appointees (all of them have hitherto held government posts), three received new responsibilities and four retained their former posts and responsibilities. Among the 21 ministers six are new appointees (two of them have hitherto held government posts) and 15 have retained their former posts. In addition, an important reshuffle occurred as regards the post of the Secretary of the Security Council of the Russian Federation, the key presidential advisory body (Sergei Shoigu, who until recently was Russia's defence minister, replaced Nikolai Patrushev, Putin's close aide of many years).

### Commentary

- **The most important modification in the government's line-up is the change of defence minister.** The fact that Putin appointed **Andrei Belousov** to this post (until recently he served as first deputy prime minister responsible for choosing the most important directions of Russia's socio-economic development) indicates that the Kremlin has decided to consistently continue its efforts to put the economy on a war footing. The new minister has been tasked with organising the issues linked with the mobilisation of state-controlled resources in order to ensure funds to meet the Russian army's financial and materiel needs. Belousov's appointment and the fact that General Valery Gerasimov has retained (at least for the time being) his post of Chief of the General Staff suggest that it will be him, rather than the defence minister, who will bear the main responsibility for the progress of Russia's military activity in its war with Ukraine.
- **The appointment of Sergei Shoigu as the Secretary of the Security Council of the Russian Federation (SC)** indicates that he will retain his influence over how Russia's military policy is shaped despite the absence of military successes in Ukraine. This decision by Putin should be interpreted as an intention to close ranks in the face of the priority task which involves attaining Russia's military goals. In addition, Shoigu was appointed deputy chief of the Military-Industrial Commission which is responsible for

supervising the operation of the defence-industrial complex. More importantly, he will also lead the Federal Service for Military-Technical Cooperation. He will thus have a direct influence on the procurement of ammunition and other resources from foreign partners and on the practice of evading the sanctions which ban the supply to Russia of technology and goods which are used by the armaments industry.

- The reasons behind **Nikolai Patrushev's dismissal** are vague. Until recently, as the SC secretary and Putin's close aide he was effectively viewed as the second most important state official. Similarly, Putin's plans for him are unclear. Considering his former position in the system of power (for example Patrushev coordinated the work of law enforcement agencies and had a major influence on shaping the ideological, strongly anti-Western foundations of the Putinist model of governance), his appointment to any other post will be equivalent to demotion.
- Although the reshuffle in **the government's economic bloc** has been insignificant, the division of tasks between its representatives has nevertheless changed quite significantly. The biggest promotion was for deputy prime minister **Denis Manturov**, who has been appointed as the first deputy prime minister. He will be responsible for Russia's industrial policy, including the armaments sector, state defence procurement orders and state support for the efforts to build Russia's technological self-sufficiency. This promotion indicates that these areas are of key importance during Putin's fifth term, which will focus on continuing the war.
- The task of supervising the state's economic policy was vested in deputy prime minister in charge of the energy sector **Aleksandr Novak**. This indicates that the president appreciates his achievements to date in overcoming the negative consequences of sanctions in the energy sector. Transferring the competences linked with international transport corridors to the level of deputy prime minister (Vitaly Savelyev's promotion) is intended to boost their development, in particular those which lead eastwards and southwards. These are particularly important for maintaining the export of Russian raw materials and ensuring budgetary revenues.
- **Dmitry Patrushev** (the son of the former Secretary of the Security Council, Nikolai) has also been appointed as deputy prime minister. He will be responsible for the agricultural policy and ecology, including supervision of natural resources. His former post of agriculture minister will be taken over by **Oksana Lut** (first deputy minister in the previous government).
- The handful of new members of the government mainly include former governors (four out of the six new ministers). **Sergey Tsyvilyov** (former governor of Kemerovo Oblast) has been appointed as energy minister. Denis Manturov's former post of the minister of industry and trade will be taken over by **Anton Alikhanov** (former governor of Kaliningrad Oblast), who had previously worked as director in this ministry. Other former governors who have become ministers include the governor of Kursk Oblast **Roman Starovoyt** (transport) and the governor of Khabarovsk Krai **Mikhail Degtyaryov** (sport). Both are graduates of the presidential 'school of governors'. This fact should not be interpreted as a manifestation of an increasing role of regional elites in the Russian political life. The promoted individuals were highly appreciated; they have also been sanctioned by the

West.

- In the context of serious modifications to the economic reality Russia is facing, as well as mounting challenges, this minor government reshuffle is proof of the Kremlin's lack of new ideas as regards the state's policy. This results from the priority which Putin adopted (and which the rest of the ruling elite approved) involving the intention to continue the war (for an unspecified time frame, most likely spanning several years). Thus, the new government's task will be to maintain the hitherto pursued state economic policy which focuses on wartime mobilisation, including full concentration on meeting the needs of the military. The economy has been viewed as the key factor determining Russia's victory in a long war of attrition. It should be expected that – depending on the progress of military activity and the effectiveness of sanctions – Russia may allocate increasing resources to continuing its aggressive behaviour, which will require the government to be increasingly creative. One consequence of Russia maintaining the economic policy it has pursued to date will involve its increasing technological backwardness, especially in the civilian sector.
- Alongside this, Putin is attempting to boost the effectiveness of the government's work and its supervision of the economy. This is the most likely reason for removing Belousov from the post of first deputy prime minister. He is a proponent of increasing the state's presence in the economy, the nationalisation of assets and boosting the fiscal burden shouldered by private business; he also criticised the policy pursued by the central bank. This means that his views contrasted with the vision endorsed by the government's technocrats responsible for economic affairs, mainly Finance Minister Anton Siluanov and central bank governor Elvira Nabiullina (both retained their jobs). The technocrats demanded greater freedom to act because they were aware that the process of Russia adapting to massive Western sanctions was mainly successful due to the application of free market rules to the civilian sector of the economy.
- The government reshuffle is proof of an increasingly strong position of the main interest groups in the Putinist elite. This mainly concerns Sergei Chemezov, the head of the state-controlled armaments company Rostec (the war's main beneficiary which controls around 80% of the armaments sector's production), whose interests in the government are represented by Manturov. The promotion of Dmitry Patrushev to deputy prime minister and the decision to expand the scope of his competences to control of Russia's natural resources partly offsets the weakened position of the family of Nikolai Patrushev (former Secretary of the Security Council) resulting from his dismissal. Moreover, the appointment of his son may also suggest that power is gradually being taken over by the younger generation of individuals hailing from the group of Putin's close aides. The son of Putin's friend Yuri Kovalchuk (also known as Putin's banker) has been appointed as head of the Russian Accounts Chamber, although he has never held any official government post. Tsyvilyov's appointment as a member of government may suggest the consolidation of the position of Gennady Timchenko, another presidential aide and Tsyvilyov's business partner.

## **Appendix 1. A reshuffle in PM Mishustin's government**

| Post                                                                                  | Former holder         | New appointee                                                                                                             | Former post of the new appointee                                                         |
|---------------------------------------------------------------------------------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| first deputy prime minister for economic affairs                                      | Andrei Belousov       | Denis Manturov (industrial policy, including the defence sector and new technologies)                                     | deputy prime minister for industry, including the defence sector and import substitution |
| deputy prime minister for energy                                                      | Aleksandr Novak       | Aleksandr Novak (energy sector, economic policy)                                                                          | no change, competences expanded to economic policy, including anti-sanction measures     |
| deputy prime minister for social affairs                                              | Tatiana Golikova      | Tatiana Golikova                                                                                                          | no change, some areas of competences were modified                                       |
| deputy prime minister for the agri-food complex and the environment                   | Viktoriya Abramchenko | Dmitry Patrushev                                                                                                          | minister of agriculture                                                                  |
| deputy prime minister for transport, infrastructure, construction and regional policy | Marat Khuznullin      | Marat Khuznullin (construction and regional policy)<br>Vitaly Savelyev (transport, in particular international corridors) | no change, competences were reduced minister of transport                                |
| deputy prime minister for science and technology                                      | Dmitry Chernyshenko   | Dmitry Chernyshenko                                                                                                       | no change, some areas of competences were modified                                       |
| deputy prime minister – head of government apparatus                                  | Dmitry Grigorenko     | Dmitry Grigorenko (anti-trust policy and digital technologies)                                                            | no change, competences were expanded                                                     |
| minister of defence                                                                   | Sergei Shoigu         | Andrei Belousov                                                                                                           | first deputy prime minister for economic affairs                                         |
| minister of energy                                                                    | Nikolai Shulginov     | Sergei Tsyvilyov                                                                                                          | governor of Kemerovo Oblast                                                              |
| minister of industry and trade                                                        | Denis Manturov        | Anton Alikhanov                                                                                                           | governor of Kaliningrad Oblast                                                           |
| minister of agriculture                                                               | Dmitry Patrushev      | Oksana Lut                                                                                                                | first deputy minister of agriculture                                                     |
| minister of transport                                                                 | Vitaly Savelyev       | Roman Starovoyt                                                                                                           | governor of Kursk Oblast                                                                 |
| minister of sport                                                                     | Oleg Matytsin         | Mikhail Degtyarev                                                                                                         | governor of Khabarovsk Krai                                                              |

The following officials have also retained their jobs: deputy prime ministers Alexey Overchuk (multilateral cooperation) and Yuri Trutnev (Far East) and ministers: Sergei Lavrov (foreign affairs), Vladimir Kolokoltsev (internal affairs), Aleksandr Kurenkov (emergency situations), Konstantin Chuychenko (justice), Anton Siluanov (finance), Maksim Reshetnikov (economic development), Aleksandr Kozlov (natural resources), Maksut Shadayev (telecommunication and digitisation), Irek Fayzullin (construction), Anton Kotyakov (labour and social policy), Mikhail Murashko (health), Olga Lyubimova (culture), Sergei Kravtsov (education), Valery Falkov (science and higher education), Alexey Chekunov (Far East).

## Appendix 2. Profiles of selected newly appointed members of government

**Minister of Defence Andrei Belousov** (b. 1959); economist (Dr. habil.). Former deputy minister of economic development (2006–8), in 2006–12 a member of Putin’s government apparatus, minister of economic development (2012–3). Putin’s former advisor for economic affairs (2013–20). Former head of the board of directors of Rosneft, the state-controlled oil giant (2015–20). Former member of the Military-Industrial Commission (2014–20). From 2020 he worked as first deputy prime minister responsible for charting the main directions of Russia’s socio-economic development and its financial and economic policy. He has been on Western (non-EU) sanctions lists since 2022.

**Minister of Industry and Trade Anton Alikhanov** (b. 1986); lawyer. Former advisor at the ministry of justice (2010–2). Former deputy director/director of the department of state foreign trade regulation at the ministry of industry and trade of the Russian Federation (2013–5, reporting to the minister, Denis Manturov). From 2015 deputy prime minister of the government of Kaliningrad Oblast, from 2016 its prime minister, subsequently acting governor and governor (from 2017, the youngest governor in the history of the Russian Federation). Member of the Presidium of the State Council of the Russian Federation. He has been on Western sanctions lists since 2022. He enjoys unofficial support from the

state-controlled company Rostec and its CEO Sergei Chemezov.

**Minister of Energy Sergey Tsyviliov** (b. 1961); former military official. From 1978–94 served in the Soviet/Russian navy. Co-founder of the Lenexpoinvest company, alongside Viktor Khmarin, a Putin crony. From 2014 (until 2018) director general of the coal-trading company Kolmar (its assets are located in Yakutia) and holder of a 70% stake in it (the remaining 30% belongs to the oligarch Gennady Timchenko). From 2018 deputy governor and subsequently governor of Kemerovo Oblast. Member of the Presidium of the State Council, head of the energy committee. He has been on Western sanctions lists since 2022. A distant relative of Putin. His wife Anna has formally taken over his stake at Kolmar and is the Chair of the Defenders of the Fatherland State Foundation which was established on Putin's initiative (it supports the veterans of Russia's invasion of Ukraine).

**Minister of Transport Roman Starovoyt** (b. 1972); engineer. Former deputy director of a department at the ministry of industry and infrastructure (2010–12). Former head of the Federal Road Agency (Rosavtodor, 2012–8). In October 2018, he served as Russia's deputy transport minister. From 2018 acting governor and from 2019 governor of Kursk Oblast (following the invasion of Ukraine the oblast was affected by direct military activity). Member of the Presidium of the State Council. Graduate of the so-called school of governors at the Russian Presidential Academy of National Economy and Public Administration. He has been on Western (non-EU) sanctions lists since 2022. In January 2023 (six months before Yevgeny Prigozhin's mutiny) he took part in a week-long course at the Wagner Group's training camp.

**Minister of Sports Mikhail Degtyaryov** (b. 1981); former athlete (an award-winning fencer). Activist of the Liberal Democratic Party of Russia (LDPR, since 2005). Former member of the regional parliament of Samara Oblast (2007–11). Former member of the State Duma (LDPR group, 2011–20, from 2016 head of the committee for physical culture, sports, tourism and youth affairs). From 2020 acting governor, and from 2021 governor of Khabarovsk Krai (he succeeded Sergei Furgal who had been arrested). Member of the State Council. Graduate of the so-called school of governors (RANEPA) at the Russian Presidential Academy of National Economy and Public Administration. Subject to an investigation carried out by Alexei Navalny's Anti-Corruption Foundation (2020). He has been on Western sanctions lists since 2014/2022.

**Minister of Agriculture Oksana Lut** (b. 1979); financier. In 2001–18, she worked in the banking sector, including at VTB bank, and from 2010 at Rosselkhozbank when Dmitry Patrushev was its CEO. Alongside Patrushev, she moved from Rosselkhozbank to the ministry of agriculture. From 2018 deputy minister of agriculture (from December 2021 first deputy minister). She has been entangled in numerous corruption scandals in the agri-food complex, alongside Patrushev. She has not been sanctioned by the West so far.