

# RUSSIA IN A MILITARY STYLE



Iryna Pavlenko

Iryna PAVLENKO

**Russia in a Military Style  
Governance from the Bunker: *How the War Affected the Russian Government System and Its  
Economic Support***

**Intoduction**

*Russia's armed aggression against Ukraine was the result of a wide range of internal transformations in the Russian Federation based on the idea of imperial revival. This "Idea" arose on the path that Russian society had taken since the 1990s by abandoning the attempts to build liberal democracy. In this "Idea", the Russians gained internal consensus and found a factor in preserving their own unity (see Section II. Utopia "Russia": History of Constructing the Idea of a New World Empire. / Pretend Russia: Imitation of Greatness and Power, 2024). It was the implementation of the "Idea" that all the years of V. Putin's rule were devoted to.*

***The system of political and public administration was built by Putin to fulfill two main tasks:***

- 1. Preserving the RF's unity with the complete elimination of the possible future risks of disintegration;***
- 2. Ensuring achievement of the goals set to establish the RF's dominance in Europe and in the post-Soviet space in particular.***

*Achieving these goals required internal transformations in the Russian Federation. It is important to note that these transformations began long before the RF's attack on Ukraine in 2014. They acquired the features of a comprehensive targeted strategy as early as 2007.*

*As a result, the constitutional model of Russian federalism underwent a transformation. The Russian economy acquired specific features. Other areas of public administration gradually gained the characteristics necessary to ensure the implementation of the above strategic tasks, as well.*

*Moreover, the beginning of large-scale Russian aggression against Ukraine in 2022 and, first of all, the failure to implement the initial plan for the rapid seizure of the neighboring country, as a result of which the "Special Military Operation" grew into a protracted high-intensity war - all this provoked an even greater concentration of the political regime in the Russian Federation, its acquisition of totalitarian features, and a new redistribution of economic resources. Russia has undergone and continues to undergo many internal transformations, the main goal of which is to ensure internal stability and manageability in the face of new challenges and threats that are emerging for the Putin regime as a result of its own actions.*

**This Analytical Report is devoted to the extent to which Russia was institutionally prepared to start implementing the idea of imperial revanche in 2022 and what internal changes it underwent as a result of its failure.**

A description of any system must begin with how it is defined in the regulatory and legal field. Therefore, the description of the constitutional model of public administration and the formal practices of its budgetary provision was the first task of this study.

At the same time, the specifics of implementation, personnel and economic support of this model - that is, what exists "de facto" and is an informal part of the political regime's content - is the second component of the Report.

The third task set by the author was to try identifying the "weak points" of the state model built by the Putin regime.

### **Institutional Governance Formula**

In Russia, according to a long-standing tradition dating back to Soviet times, the formal component of the political regime's institutional design is quite developed and looks much more progressive from the outside than its real archaic (in some places, medieval) management practices.

The formal structure of the country is based on a three-tier system of governance defined by formal federalism. This includes the central federal level of governance, the level of sub-federal entities, and local self-government (cities and villages).

#### **The central level is represented by:**

- the President
- the State Council of the Russian Federation<sup>1\*</sup>
- the Security Council of the Russian Federation<sup>2\*\*</sup>
- the Federal Assembly
- federal executive authorities: Government and the system of federal services (30) and agencies (18). The latter are divided into the following categories:

a) services and agencies subordinate to federal ministries, which are managed directly by the RF's President or Government;

b) federal services and agencies, which are managed directly by the Russian government.

---

<sup>1\*</sup> A constitutional state advisory and consultative body formed by the President of the Russian Federation to ensure coordinated interaction of the RF's public authorities, determine the main directions of its domestic and foreign policy, and the main priorities of socio-economic development. It is headed by the President. The Council meets at least once every three months. Until 2012, only senior officials of the RF's constituent entities could be members of the State Council, but after the adoption of a new federal law in 2020, the State Council also included the heads of the Government, the Federation Council and the State Duma, as well as the Presidential Administration. By decision of the President, representatives of political parties from the Federal Assembly, representatives of local governments or other persons may also be members of the Council. Today, such non-typical persons in the State Council are: S. Kiriyyenko, the First Deputy Head of the Presidential Administration, presidential assistants: I. Levitin, special representative for international cooperation and transport. and A. Dyumin (Secretary of the State Council), S. Tsyvilov, Minister of Energy, and A. Shokhin, Chairman of the Russian Union of Industrialists and Entrepreneurs.

<sup>2\*\*</sup> The Security Council is also called the second first government. In fact, it is the main collegial body for the so-called visionary group in the governance system (see below). As permanent members, in addition to the heads of law enforcement bodies and intelligence agencies, the Security Council includes D. Medvedev, as Deputy Chairman, S. Shoigu - Secretary, A. Vaino, Head of the Presidential Administration, V. Volodin, V. Matviyenko, S. Lavrov, M. Mishustin and D. Patrushev. The list of non-permanent members is extensive and can be described as represented by the government and regions plus A. Dyumin.

- the judicial system (Constitutional Court, Supreme Court, federal courts)
- public authorities with a special status: Prosecutor's Office, Central Election Commission, Accounting Chamber of the Russian Federation
- the Central Bank of the Russian Federation
- the system of federal committees.

Federal executive bodies also have their regional offices/structures.

**The level of constituent entities (89, including the occupied Ukrainian territories) is formed by:**

- Republics (24, including annexed ones)
- Territories (krajs) (9)
- Oblasts (48, including annexed ones)
- Cities of federal significance (Moscow, St. Petersburg and occupied Sevastopol)
- Autonomous Region (Jewish)
- Autonomous districts (okrugs) (4).

All these constituents are declared equal.

Each republic has its own constitution and legislation. A krai, an oblast, a city of federal significance, an autonomous region, an autonomous okrug have its own charter and legislation.



**Interestingly, all autonomous okrugs and republics are national entities. However, the list of republics also includes annexed Ukrainian territories – the Autonomous Republic of Crimea, the so-called “LPR” and “DPR”.** These territories were conquered under the slogans of saving the “Russian world” and, from the official propaganda point of view, are ethnically Russian. Therefore, a **structural contradiction** arose. According to the logic of Russian federalism, these territories should have been either oblasts (like the temporarily occupied Kherson and Zaporizhia Oblasts of Ukraine) or krajs. However, they retained their republican status. The Autonomous Republic of Crimea was simply

not downgraded in status (although initially this issue was discussed, although not very actively). The “LPR” and the “DPR”, however, retained their pseudo-republican status as a result of the Federal Constitutional Law of December 17, 2001 No. 6-FKZ “On the Procedure for Admission to the Russian Federation and the Formation of a New Subject of the Russian Federation within It”, according to which the “accretion” of the Russian Federation with territories is possible through the accession of either foreign states or their parts, “which is carried out exclusively by mutual consent of Russia and another interested state”. Therefore, the “LPR” and the “DPR” should have been initially recognized by Russia as states, in order to later hold a ceremony of unification in accordance with the provisions of Russian legislation, the observance of which Russia, according to an absurd logic for an authoritarian regime, likes to demonstrate.

### **Institution of "Governors"**

The highest officials of the constituent entities are their heads, or governors.

***Today, 75 out of 89 regions elect their leaders (so-called governors) in direct elections. In 14 constituents of the Federation, governors are elected by local parliaments.*** This possibility was introduced by amendments to the federal legislation in 2013 and 2015. In the republics and oblasts, local representative bodies of government make their choice from among three candidates submitted to the regional parliament by the President of the Russian Federation. The President himself selects these three candidates from the lists of candidates submitted to him by political parties represented in the regional parliament and the State Duma of the Russian Federation (no more than three candidates from each). This kind of election system is used in: ***Adygea, Dagestan, Ingushetia, North Ossetia-Alania, Kabardino-Balkaria, Karachay-Cherkessia, in the occupied territories of the Zaporizhia and Kherson Oblasts of Ukraine, in the occupied Autonomous Republic of Crimea, and the so-called "DPR" and "LPR", as well as in the Khanty-Mansiysk, Yamalo-Nenets and Nenets autonomous okrugs.*** In autonomous okrugs (which are part of other regions – Tyumen and Arkhangelsk Oblasts), the selection of candidates for the head of the region by the local representative body is also coordinated with the regional governor. Parties represented in the okrug legislative assembly and the RF Duma nominate their three candidates, from which the regional governor forms a list of five names and sends it to the President who chooses three of the five, and from these three, the local parliament chooses the head of the okrug.

***Such a complex election system, which essentially consists of several candidate filters, is used in the regions of the North Caucasus that are considered unreliable for the Kremlin, in the occupied Ukrainian territories, and in regions of the main production of energy resources that are strategic for the Russian Federation.*** The latter, in particular, the Nenets Autonomous Okrug (although according to unofficial reports), are planned to be deprived of the remnants of autonomy by uniting the entire governance system with the Arkhangelsk Oblast.

The new 2021 Federal Law “On the General Principles of the Organization of Public Power in the Constituents of the Russian Federation” established a five-year term of office (previously it was “no more than 5 years”) for all heads of federal constituents and removed the restriction on holding office for no more than two consecutive terms (regions themselves must determine whether to impose such restrictions).

Most regions still retain the system of formal direct elections of leaders as a necessary mechanism for relieving social tension. Governors essentially play the role of “bad boyars” in the Russian government system, who are occasionally removed from their positions ahead of time by Putin as those who “lost trust” or are moved to other positions. Between 2005 and 2020, there were eleven governors who “lost

trust”<sup>3</sup>. Nine of them were removed from their positions after criminal proceedings opened against them in connection with corruption charges. After 2020, this radically public practice of dismissing regional heads using the wording “due to loss of trust” was used less often, preferring simply the early resignation of incumbent officials with the subsequent appointment of new ones, as temporary acting officials with their subsequent “election”. With different explanations, six heads of the Federation constituents were dismissed early in 2021 (five at their own request and one due to loss of trust); five in 2022; two in 2023; twelve in 2024; and already three in the first quarter of 2025.

On average, Putin has replaced ten governors per year since his return to the presidency in 2012. In 2012, there were 20 such dismissals (Putin removed Medvedev's people from their positions).

Interestingly, the traditional periods of “governor dismissals” are spring and autumn. In general, there are figures showing that from 2013 to 2023, the composition of the governors’ corps was renewed by 84%, and the average duration of governors’ stay in their posts was 5.4 years (taking into account that the term of office is 5 years – about half of the governors were not re-elected). The share of governors who held their posts for 2 or more terms was 16% in 2023. Today, this figure will obviously be even lower, since the pace of change of regional heads has accelerated under the influence of the problems caused by the Russian Federation’s attack on Ukraine.

As could be expected, more than 90% of all governors are representatives of the ruling United Russia (UR) party, and this share has only grown over the years<sup>4</sup>.

It is also important to note that most governors are so-called “Varangians”, that is, they are not representatives of local elites<sup>5</sup>, which is another very important factor in the governor leapfrog in the Russian Federation.

***During the period of direct appointment of governors by the RF President (2005-2012), out of 88 appointees, 52 (or 59%) were “Varangians”. In 2019-2024, there were 42 out of 52 (82%). Today, among the current governors (excluding the occupied territories), 48 are “Varangians”, or 57%.***

***Public officials “parachuting” from other regions who hold senior positions in regional governments*** (deputy governors, heads of regional governments, heads of staff of regional or governor administrations, chief regional financiers, etc.) ***make up almost a third of the total number (26% in 2020, 28% in 2023).*** In general, ***the annual rotation of regional officials is 35%, that is, few people work in their position for longer than three years,*** and they are often not local<sup>6</sup>.

Public officials who know that they will not be in their plum positions for long strive to use this time to their own advantage. Thus, regional corruption in the Russian Federation is really high. Therefore, especially recently, law enforcement bodies have begun to conduct operations to thin the ranks of regional officials and heads of local government units by opening criminal cases on corruption. This, in turn, creates additional pressure on governors, especially if they do not have a strong supporter in Moscow.

---

<sup>3</sup> Случаи отставок глав регионов в связи с утратой доверия президента. ТАСС. URL: <https://tass.ru/info/7638099>

<sup>4</sup> Хлынин А.П. Трансформация губернаторского корпуса в современной России: 2012-2023 гг. – URL.: <https://cyberleninka.ru/article/n/transformatsiya-gubernatorskogo-korpusa-v-sovremennoy-rossii-2013-2023-gg/viewer>

<sup>5</sup> Правила дояльности и цена фаворитов: о чем говорят губернаторские отставки и назначения весны-2024. – URL.: <https://re-russia.net/analytics/0162/>

<sup>6</sup> А. Кынев. Региональные элиты эпохи «СВО»: эволюция, состояние и сценарии. - <https://re-russia.net/expertise/0224/>

For example, during two years (2023 - 2025) in the Moscow region, every tenth mayor and dozens of public officials were arrested. This is likely due to the fact that the governor of the Moscow Oblast is A. Vorobyov, a protégé of S. Shoigu. Vorobyov has actually held his position (started as acting) since 2013. This is a very long time by current Russian standards. Therefore, he has formed a close circle of managers and businessmen around him. Interestingly, the common feature in all these arrests is that almost all of them took place with the participation of the Federal Security Service (FSB). It should be noted here that we are not talking about justice or its absence in the persecution of Moscow region officials. Everyone steals in Russia, but not everyone is imprisoned. This is precisely about the purge of the Vorobyov clan. He himself is not touched.

**One of the consequences of such a policy towards regional managers is the extremely low level of efficiency in the performance of their duties.** However, the federal center seems ready to make such a sacrifice for the sake of achieving another, much more important result. Due to the application of this principle of regional governance formation, it is possible **to prevent governors from becoming rooted and local elites from uniting around regional leaders.** Public officials simply do not have time to build connections, and the phenomenon inherent in Russian regions at the end of the 20th century - the existence of local clans - is no longer so threatening, since even local business does not have time to form a stable connection and influence on the administrative apparatus. In addition, local business elites, for their part, have been seriously displaced in recent decades by big business registered in the country's capital.

One should add to this that, **starting in 2000, governors were gradually stripped of their rights to appoint certain officials to their own governments.** Initially, these were regional law-enforcement bosses (Ministry of Internal Affairs, Prosecutor's Office). Later, the appointment of a regional financial department head began to be coordinated with the Ministry of Finance. In addition to formal practices, informal duties are also used for heads of departments to be coordinated by their relevant federal ministries in Moscow, and the vice-governor for internal policy - by the Presidential Administration (AP).

This system of formal and informal practices was eventually enshrined in the 2020 amendments to the Constitution of the Russian Federation, which introduced the concept of a "unified system of public authority" that included both local governments and state authorities (Article 132). In development of this provision, the Federal Law "On General Principles of the Organization of Public Power in the Constituents of the Russian Federation" indicates that federal authorities may participate in the formation of executive authorities of the federation constituents.

**Thus, governors have almost everywhere turned into short-term placeholder appointees with limited influence even on their own regional governments, where the heads of specialized departments are more focused on carrying out orders from Moscow, from where, in fact, decisions about their appointment or dismissal come.** Or, as Russian researcher A. Kynev described it, the executive vertical has broken up into many parallel verticals and no longer converges with the governor<sup>7</sup>.

However, over time, **another consequence of such a rapid and massive replacement of officials emerged - the rapid depletion of the personnel reserve.** First, this problem was tried to be solved by launching the "Leaders of Russia" program (2017-2020) and the Personnel Reserve Program (the

---

<sup>7</sup> Кынев А. Региональные элиты эпохи «СВО»: эволюция, состояние и сценарии.– URL: <https://re-russia.net/expertise/0224/>

so-called “School of Governors” launched in 2017). However, graduates of these programs do not often occupy the positions of heads of regions (on average, no more than 2% of graduates), they are mostly sent to lower administrative positions in the province. After Putin’s statement on February 29 “about the new elite of Russia – former participants of the SMO”, the **federal personnel program “Time of Heroes”** was launched on March 1, 2024, by the President's order. The program is being implemented by the Senezh Management Workshop of the Higher School of Management of the Russian Academy of National Economy and Public Service under the RF President (RANEX). Its participants can be former SMO participants, citizens of the Russian Federation with higher education and experience in personnel management, without a criminal record. In November 2024, the vice-governors for internal policy were instructed to create analogues of the “Time of Heroes” program in their regions. To date, the programs have been launched in Samara, Tambov, Belgorod, Voronezh, Ryazan, Tula, Chelyabinsk Oblast, Stavropol Krai, Khanty-Mansiysk Autonomous Okrug and the Jewish Autonomous Oblast (“Time of Heroes” – “The Valor of Khingan”), as well as Kabardino-Balkaria.

Thirty-seven participants of the “Time of Heroes” out of 83 graduates have already received new government positions. Among them: Artem Zhoga – appointed plenipotentiary representative in the Urals; Artur Orlov, Hero of the Russian Federation – Chairman of the Board of the Russian Movement of Children and Youth “Movement of the First”; Vladislav Golovin, Hero of the Russian Federation – Chief of the Main Staff of the Youth Army; ex-mayor of Krasnodar, State Duma deputy, Yevgeny Pervishov became acting head of the Tambov Oblast (he did not fight, but stated that he went to the combat zone and supposedly underwent military training in the Rostov Oblast); Alexei Kondratyev (already a senator in 2015–2020), volunteer of the Russian Armed Forces – senator of the Russian Federation from the Kursk Oblast; Alexander Shlyapnikov, holder of two Orders of Courage – Deputy Governor of the Kaluga Oblast; Yevgeny Chintsov, holder of three Orders of Courage – Chairman of the Nizhny Novgorod City Duma; Igor Yurgin, Hero of Russia – Acting Minister of Youth and Social Communications of the Republic of Sakha (Yakutia); Alexander Surazov, holder of two Orders of Courage – Minister of Youth Policy and Sports of the Republic of Altai; Konstantin Yashin, volunteer of the Russian Armed Forces – General Director of the Samara Research and Development Center for Unmanned Aviation Systems; Zaur Gurtsiev – First Deputy Mayor of Stavropol.

The Telegram channel Faridaily reported (and Russian media outlets circulated it) citing Duma deputies close to the Russian presidential administration that the Kremlin is discussing plans according to which, following the results of the State Duma elections in 2026, **at least 100 of the 450 seats in the lower house of parliament should be occupied by participants of the war against Ukraine**. Last year, veterans of the "SMO" already ran en masse for regional legislative assemblies, mainly representing the United Russia party. It is stated that as a result, **308 SMO participants out of 380 nominated by the UR became deputies of various levels**<sup>8</sup>.

**The Institute for the Study of War (ISW) stated in its report that by 2026**, the Kremlin plans to appoint former military who participated in the war against Ukraine to the positions of governors and mayors. Sergei Kiriyyenko, Deputy Head of the Russian Presidential Administration, assured Vladimir Putin that **at least 50 veterans who returned from the war in Ukraine will receive positions as mayors and governors in various regions of the country**.

However, even from the above list of graduates of the Program, it is obvious that among the so-called "heroes" there are many non-random officials. Novaya Gazeta counted 108 former officials and deputies

---

<sup>8</sup> Итоги выборов-2024: «Единая Россия» в лидерах, бойцы СВО в парламентах. – URL: <https://rtvi.com/news/itogi-vyborov-2024-v-rossii-edinaya-rossiya-v-liderah-bojczy-svo-v-parlamentah/>

who stated that they went to the SMO<sup>9</sup>. In most cases, however, their participation in the war is nominal. That is, formal certification of participation in the aggression against Ukraine has become a factor in future career success for Russian officials. The number of random people in the program is minimized.

***This is unsurprising, given that the stated plans to bring war participants to power are too risky (it is worth mentioning the negative experience with the Wagner group and Prigozhin). It is more likely that such statements and the spread of rumors are of a propaganda nature and signs of internal IPSO in order to maintain the President's popularity among participants in the war against Ukraine and Z-patriots.***

***In reality, the regime is demonstrating growing anxiety on the domestic political landscape.*** For instance, in previous presidential election campaigns Putin was provided with such “sparring partners” as M. Prokhorov, V. Zhirinovskiy, G. Zyuganov, S. Mironov (in 2012), P. Grudinin from the Communist Party of the Russian Federation, the same V. Zhirinovskiy and 5 other candidates (in 2018). In 2024, besides Putin, only three participants were allowed to run in the elections: the unpopular L. Slutsky from the Liberal Democratic Party of Russia, the even less recognizable M. Kharitonov from the Communist Party of the Russian Federation and, for the traditional, more “liberal” electorate, the unknown V. Davankov from the New People party, fearing to include in the electoral lists other figures whom the Presidential Administration has traditionally selected to give the presidential “elections” greater external brightness, so to speak, and imitation of an electoral process.

***Thus, it is extremely difficult to imagine that Putin will actually allow the "heroes" of the war to come to power. Unless there are processes taking place inside the Russian Federation that are not obvious to us, which are forming a demand to find unconventional anti-elite support in the current regime in the form of SMO participants who are grateful for bringing them into politics.***

### **Local Self-Government**

As for the local level of government, the strategy of ***fairly rapid elimination of the remnants of self-government*** is being applied.

The 2003 local self-government reform introduced the principle that a directly elected mayor could only become a speaker of the municipal parliament. The administration (executive body) was headed by a salaried employee (the so-called city manager). He was elected by a competition commission consisting of local deputies (2/3) and representatives of regional legislative assemblies (1/3) elected by the governor, to make matters worse.

Under this scheme, the real power was with the appointed, not the elected mayor. They were called “weak mayors,” and the local government (LG) system itself was called “two-headed”. However, it guaranteed that even if voters chose a random person for the power vertical, the elected mayor would not have actual power or access to budget funds.

However, the “two-headed system” created, if not problems, a confusion - who should actually be considered the mayor of a city?

---

<sup>9</sup> VIP-фронт. – URL: <https://novayagazeta.eu/articles/2025/01/17/vip-front>

The so-called small reform of local self-government carried out in 2014 allowed regions to independently replace direct elections of city mayors with indirect appointments by local councils. Two possible forms of appointment of mayors were introduced (as alternatives to direct elections):

1. The same hired city manager elected by the competition commission is declared mayor. This system was nicknamed “one-headed”. At the same time, the composition of the commission was changed - from now on, the governor’s quota was half of the votes, plus the governor himself received the right to delegate his representatives independently, bypassing the vote in the regional parliament. Also, in many regions, the governor’s vote (in the event of a deadlock – 50/50) became decisive.

2. The head of the municipality was elected from among the deputies, but after being elected he would lose his representative mandate and become the head of the administration.

As a result, if in 2008 73% of all heads of Russian cities went through municipal elections, by 2019 this number had already dropped to 12%<sup>10</sup>.



Today, there are 4 administrative centers left in Russia where mayors are elected through direct elections: **Yakutsk, Khabarovsk, Abakan, and Anadyr**.

Moscow, St. Petersburg and occupied Sevastopol elect their mayors through direct elections, as they have a separate status as cities of federal significance.

<sup>10</sup> Вопросы мэроздания. Как в России начались, а потом почти закончились прямые выборы градоначальников. – URL: <https://www.kommersant.ru/doc/6531970>

**Similarly to the regional level, the practice of frequent personnel rotation is applied at the local government level, as well. The average tenure of a regional center head is 2-3 years, and these positions are usually given to appointees from regional administrations.**

The new federal law of March 20, 2025 on the principles of local self-government consolidated the existing system of elections or appointments of heads of municipal entities, this time clearly defining the term of office - 5 years. An innovation here was the appointment of the head of the municipality from among the candidates presented by the governor. The law also introduced a provision according to which a local council may be dissolved by federal law or through a court if it adopts a decision that contradicts the legislation and the Constitution of the Russian Federation (which is an increase in centralization), **and the head of a municipal entity (even one elected in direct elections) may be dismissed by the President due to "loss of trust" or by the governor (which is new!) if he has not complied with the order after "issuing a warning" or "reprimand", or due to "improper performance of duties". The deputies of local councils themselves are rigidly tied to their factions by an imperative mandate.**

The main innovation of the law is the establishment of a single-tier system of organizing local self-government (though with the possibility of preserving a two-tier system, apparently as a transitional measure). That is, local self-government is carried out in three types of municipal formations: a city district, a municipal district, an internal city municipal formation in a city of federal significance. However, in the federation constituents with "socio-economic, historical, national and other specifics", *local self-government may be exercised in city districts, municipal districts and (or) municipal formations that "form a two-level system of organizing local self-government (settlements (rural and urban) and municipal districts)".* Village elders are appointed by deputies of the municipal formation. *"For the purpose of developing social, transport and other infrastructure, the law of a constituent of the Russian Federation may provide for the formation of municipal formations as part of unification of the territory of several municipal formations".* The law, however, abolished the form of representation for the two-tier model - when a local council consisted of representatives of the heads and deputies of the settlements that are part of the municipal district<sup>11</sup>.

**As we can see, the new law reflects a trend toward strict centralization and consolidation.**

### **Party Component**

Another factor in the centralization of the governance system was the **introduction of a system of elections to regional parliaments based on party lists since 2003 (in combination with single-member or multi-member constituencies, a mixed system is used in most local elections), however (and this is important) with the current ban on regional parties and blocs.**

For some time, representatives of the so-called systemic and even non-systemic opposition found their place in local representative bodies. For example, in Moscow, four deputies from "Apple" were represented for the last time in the local legislative assembly in 2019. In 2023, "Apple" got 9.24 and 7.54% of the vote in the elections to the city councils of Yekaterinburg and Veliky Novgorod, respectively. Today, however, after three years of war, **the non-systemic opposition in the Russian Federation is**

---

<sup>11</sup> Федеральный закон от 20 марта 2025 г. N 33-ФЗ "Об общих принципах организации местного самоуправления в единой системе публичной власти". - URL: [https://rg.ru/documents/2025/03/26/mestnoe-samoupravlenie-dok.html?utm\\_referrer=https%3A%2F%2Fwww.google.com%2F](https://rg.ru/documents/2025/03/26/mestnoe-samoupravlenie-dok.html?utm_referrer=https%3A%2F%2Fwww.google.com%2F)

**effectively done with, and the systemic opposition is in crisis.** Even the Communist Party of the Russian Federation, which was perceived by many as the only real alternative force in the Russian Federation yesterday, has been losing electoral support today. This was the result of persecution by the authorities who could not allow the communists' popularity to grow and began to persecute its new potential leader, P. Grudinin (according to the results of the 2018 Presidential elections, he took the 2nd place, gaining 11.77%), and to prevent the participation of party representatives in regional elections. The Communist Party itself never replaced G. Zyuganov, who led it into crisis, being incapable of protest activities<sup>12</sup>. Although in the 2021 State Duma elections, the CPRF increased its representation from 42 to 57 deputies (at that time, the party was perceived by Russians as the main alternative force to United Russia and collected a lot of votes from the protest electorate and even Navalny's so-called "smart vote"), it later began to noticeably lose ground. Currently, only 2% of respondents trust Zyuganov, although 8% of voters are ready to support the party, which is less than its traditional 10-11%. Even according to the Communist Party's own polls, the party has dropped from 13% of support (among voters who have not yet decided whether to vote in the elections at all) in 2022 to 9% in 2024<sup>13</sup>. Unlike Zyuganov, the LDPR Head, L. Slutsky, is not in the top 10 politicians in terms of support ratings at all, but his party has slightly increased its popularity to 9%. The ratings of the Kremlin projects "New People" and "The Just Russia for Truth" (SZRP) are 4% and 3%, respectively (among those who have not yet decided whether to vote in the next elections)<sup>14</sup>.

In the regions, according to the results of the Single Voting Day of 2023, the UR received 2/3 of the seats in all legislative assemblies except Khakassia, and the CPRF lost the second positions in the Zabaykalsky Krai, Arkhangelsk, Ivanovo, Kemerovo and Smolensk Oblasts, letting the Liberal Democratic Party of Russia (LDPR), and in Yakutia - the New People, ahead. In 2024, the trend of the CPRF losing the positions of the second party only intensified. The LDPR pushed the Communists to the third place in several regions<sup>15</sup>.

**Instead, in the 2024 elections to 13 regional parliaments, the UR won 545 out of 659 seats - that is, 82%**, improving its previous result in these regions in 2019 (66%). A very telling evidence of the UR's virtually complete occupation of local representative bodies is the results of the "elections" to the Moscow Duma - here the UR won 38 out of 45 seats, leaving the "second party" - the CPRF - only 3 seats (in 2019, the UR had won 25 seats)<sup>16</sup>.

**RF Constituents - the result of the UR in 2024 (party lists) compared to the results of 2019<sup>17</sup>:**

---

<sup>12</sup> КППФ по итогам выборов ухудшила позиции в регионах. - URL: <https://www.rbc.ru/politics/11/09/2023/64feca419a79479a8d125c30>

<sup>13</sup> Трансформация электората КППФ за период СВО и президентской кампании 2024 года. Аналитический доклад по итогам сравнения рейтингов основных партий РФ в 2022-2024 года. - URL: <https://kprf.ru/politindx/225395.html>

<sup>14</sup> Рейтинги февраля 2025 года: настроения, оценки положения дел в стране, одобрение органов власти, доверие политикам и рейтинги партий. - URL: <https://www.levada.ru/2025/02/27/rejtingi-fevralya-2025-goda-nastroeniya-otsenki-polozheniya-del-v-strane-odobrenie-organov-vlasti-doverie-politikam-i-rejtingi-partij/>

<sup>15</sup> ЛДПР бросает вызов КППФ. - URL: <https://actualcomment.ru/ldpr-brosaet-vyzov-kprf-2501291053.html>

<sup>16</sup> Итоги выборов-2024: «Единая Россия» в лидерах, бойцы СВО в парламентах. - URL: <https://rtvi.com/news/itogi-vyborov-2024-v-rossii-edinaya-rossiya-v-liderah-bojczy-svo-v-parlamentah/>

<sup>17</sup> XVIII рейтинг политической устойчивости глав регионов. Госсовете 2.0 октябрь 2024. - URL: [https://minchenko.ru/netcat\\_files/userfiles/NEW\\_Gossovet\\_XVIII\\_22.10.24.pdf](https://minchenko.ru/netcat_files/userfiles/NEW_Gossovet_XVIII_22.10.24.pdf)

Khabarovsk Krai	45,93	+33, %
Occupied Sevastopol	71,62	+33, %
Republic of Mari El	61,23	+23, %
Occupied ARC	74,87	+20, %
Altai Republic	53,84	+19, %
Tula Oblast	58,71	+8,4 %
Bryansk Oblast	68,69	+4,9 %
Republic of Tatarstan	76,75	+4,3 %
Volgograd Oblast	52,44	+4,2 %
Karachai-Cherkess Republic	65,14	-0,1
Republic of Tuva	80,01	-0,1 %
Kabardino-Balkaria	65,71	-0,1 %

***With a high degree of probability, we can assume that the Kremlin will gradually push the communists to the periphery (and the 2026 Duma elections will be the first serious blow to the party) preferring to play with new election projects with “new faces” who will form the party of power in all elections. The situation when the UR and several old parties of the “systemic opposition” participated in the elections is a thing of the past. It seems that in the future there will be a UR with a “controlling stock” of deputy mandates, and a leapfrog of “new faces in politics”, which, on the one hand, will create the illusion of change and an active political process, and on the other, will serve as a way to vent the population's discontent and involve it in the elections. The latter task is very critical, since absenteeism in the Russian Federation is a growing problem. On the Single Voting Day of 2024, according to official data, the number of voters who “took part” in the vote was 27 million people, or 47%<sup>18</sup>, taking into account the widespread use of electronic remote voting and vote rigging. However, where administrative pressure was weaker, or in capital cities, the problem of growing political apathy among Russians is obvious.***

<sup>18</sup> В ЕДГ-2024 приняли участие 27 млн избирателей.– URL:  
<https://www.vedomosti.ru/politics/news/2024/09/09/1060998-27-mln-izbiratelei>

For example, in the 2024 elections, the following percentage of voters participated in the elections on the Single Voting Day<sup>19</sup>:

Khabarovsk Krai	32,8
Saint Petersburg	37,5
Murmansk Oblast	41,5
Sakhalin Oblast	41,9
Kaliningrad Oblast	42,2
Kurgan Oblast	42,5

### **Presidential Supervisors – Plenipotentiaries**

Concluding the section on the features of the RF's administrative and territorial structure, I would like to focus on another administrative institution, which is actually not even mentioned in the Constitution of the Federation, but is extremely important in the system of functioning of the power vertical. We are talking about the Federal Okrugs.

**The Russian Federation is divided into 8 Federal Okrugs in which the President's plenipotentiary representatives operate:**

- Central Federal Okrug with a population of more than 40 million (State Statistics Service data, including the population of the occupied territories<sup>20</sup>).
- Volga Federal Okrug, the second largest with a population of 28.5 million.
- Siberian Federal Okrug – 16.5 million.
- Southern Federal Okrug – more than 16 million.
- North Caucasus Federal Okrug – 10 million.
- North-Western Federal Okrug – almost 12 million.
- Ural Federal Okrug – 12 million.
- Far East Federal Okrug – less than 8 million.<sup>21\*\*\*</sup>

---

<sup>19</sup> XVIII рейтинг политической устойчивости глав регионов. Госсове 2.0 октябрь 2024. - URL: [https://minchenko.ru/netcat\\_files/userfiles/NEW\\_Gossovet\\_XVIII\\_22.10.24.pdf](https://minchenko.ru/netcat_files/userfiles/NEW_Gossovet_XVIII_22.10.24.pdf)

<sup>20</sup> Оценка численности постоянного населения на 1 января 2024 г. и в среднем за 2023 г. и компоненты её изменения. Федеральная служба государственной статистики. – URL:

[https://rosstat.gov.ru/storage/mediabank/OkPopul\\_Comp2024\\_Site.xlsx](https://rosstat.gov.ru/storage/mediabank/OkPopul_Comp2024_Site.xlsx)

<sup>21</sup> \*\*\* By the way, the total area of the EU countries is 4,233,000 km<sup>2</sup> (population about 447 million). The area of one Far East Federal Okrug is 6,180,000 km<sup>2</sup>.



***A peculiarity is that the Russian Constitution does not mention federal okrugs at all, nor the President's authority to appoint his representatives to them, nor the representatives themselves and, accordingly, their functionality.*** This institution of power was established by the Presidential Decree of May 13, 2000 and, in accordance with the provision on plenipotentiaries, which was approved by this Decree, the heads of the federal okrugs are civil servants of the Presidential Administration. Plenipotentiaries are formally empowered to coordinate the work of territorial executive bodies, coordinate personnel policy at the okrug level and decisions of the federal level if they concern the interests of the okrug. In general, the list of their powers is considerable<sup>22</sup>.

By the way, Russians like to draw parallels between federal okrugs and the governorates-general in the Russian Empire. This occasionally gives rise to discussions in the Russian Federation about the prospects for regional consolidation with the possible, over time, abolition of the existing administrative territorial division and its replacement with the federal okrugs.

***Plenipotentiaries, unlike governors, are more stable figures. In addition, Putin has always preferred appointees - former representatives of security and law enforcement agencies, that is, people with shoulder straps.***

Today:

The plenipotentiary representative in the Central Federal Okrug since 2018 is a native of Vinnytsia I. Shchegolev - hailed from TASS (in Soviet times, after graduating from university, he immediately became the editor of the Main Editorial Office of Foreign Information of TASS), later worked in the Presidential Administration. With a high degree of probability, he is affiliated with the RF intelligence agencies. Since 2014, he is under international sanctions.

<sup>22</sup> Указ Президента РФ от 13 мая 2000 г. N 849 "О полномочном представителе Президента Российской Федерации в федеральном округе" (с изменениями и дополнениями). – URL: <https://base.garant.ru/12119586/#friends>

Since 2018, the Volga Federal Okrug has been headed by I. Komarov, former Director General of Roscosmos. In 2008-2009, advisor to the Director General of Rostec Corporation (Chemezov's man). Since 2022, he is under international sanctions.

In 2021, A. Seryshev was appointed plenipotentiary to the Siberian Federal Okrug. He is a former FSB officer who graduated from the Higher Courses of the KGB of the USSR in 1990, and served in the FSB from 1988 to 2016. He is under international sanctions, as well.

In the Southern Federal Okrug since 2008, the plenipotentiary representative is V. Ustinov, former Prosecutor General and Minister of Justice of the Russian Federation. Under sanctions since 2018.

The North Caucasus Federal Okrug has been headed by Yu. Chaika since 2020, also a former Prosecutor General and Minister of Justice of the Russian Federation. Under sanctions since 2021.

In the North-West Federal Okrug since 2018, the plenipotentiary representative is O. Gutsan, a former deputy prosecutor general of the Russian Federation. Under sanctions.

The Ural Federal Okrug has been headed since 2024 by A. Zhoga, former chairman of the "People's Council of the DPR" (2023-2024) and commander of the Russian Armed Forces battalion "Sparta" (2022-2023), "Hero of the DPR". Under sanctions since 2023.

The Far East Federal Okrug has been headed since 2013 by Yu. Trutnev – also the Deputy Prime Minister of the Russian Federation, former Governor of the Perm Region, Minister of Natural Resources, before his appointment he worked in the Presidential Administration. Since 2022, under sanctions.

***Summarizing all of the above, we can come to the main conclusion - over the past 20 years, the construction of the regional vertical of the Kremlin control has been completed. There is no room left for the possibility of not only development of regional separatism, but even elements of self-government contrary to the interests of the federal center. Regional elites still exist, especially in the national constituents of the federation (Chechnya, Tatarstan, Bashkortostan, Yakutia, Tuva), but their influence and connection with the administrative leadership of the region is (with the exception of Chechnya) weakened. These elites have very little in common with the elites of the 1990s - early 2000s. Most of the financially significant resources are not in the hands of local elites, but of Moscow. Thus, local authorities are also subject to targeted influence from this, economic side. In combination with large corporations (state or metropolitan), which have squeezed out regional business elites, and the specifics of budget policy in the Russian Federation, the regions are currently not subjects of political influence on Russian politics. They are only implementers. In these conditions, the regional parliaments where regional elites still retain their representation are weak representatives (not defenders, due to the lack of instruments of influence) of regional interests.***

## **RF's Budget Glue**

In addition to the governance system and punitive law enforcement agencies, the unifying (perhaps the main) factor of the Russian lands in a single state is the system of collection and redistribution of the federal budget, which is based on the specifics of the Russian tax system.

## **RF Tax System**

The tax system of the Russian Federation consists (in accordance with the administrative territorial structure of the Russian Federation) of three levels: federal, regional and local.

Only **federal taxes** have the same rates. These include: personal income tax (a progressive scale is applied, 85% remains in local budgets), corporate income tax, VAT, water tax, mineral extraction tax, excise duties, and state duties.

**Regional taxes:** transport, gambling, property of organizations, partial personal income tax.

**Local taxes:** land tax, personal property tax, trade tax.

There are also so-called "special tax regimes": a single agricultural tax; a simplified taxation system; a single tax on temporary income; a tax on additional income from the sale of hydrocarbon raw materials - paid by enterprises producing oil, gas condensate, produced and natural gas - 50% of additional income.

## **Regions must remain poor**

An important part of "gluing" the Russian Federation and preventing its disintegration is the introduction of a system of redistribution of financial revenues, under which any, even the richest in natural resources, regions are literally doomed to chronic poverty. At the same time, the vast majority of the constituent of the federation depend on subventions from the federal budget. The only beneficiary in this system of financial redistribution is Moscow.

To understand the scale of the redistribution of national wealth, it is worth citing some figures:

In 2022, the Khanty-Mansi Autonomous Okrug, together with the Yamalo-Nenets Autonomous Okrug, provided almost 40% of tax revenues to the federal budget<sup>23</sup>. In 2023, 28% of all revenues from the regions to the federal budget were provided by the Khanty-Mansi Autonomous Okrug, 16% by Moscow, 10% by the Yamalo-Nenets Autonomous Okrug, and 5% by St. Petersburg. That is, four regions covered almost 60% of regional tax revenue<sup>24</sup>. In 2024, the situation has not changed - oil and gas regions retain leadership in deductions. To understand the ratio of the budget revenues of the regions and their deductions, let's give an example of Tatarstan - the 6th in the ranking of donor regions of the federal consolidated budget. In 2018 and 2019, Tatarstan gave 65% of its revenues, in 2020 - 62%, in 2021 - 70%, in 2022 - 65%, in 2023 - 61%<sup>25</sup>. And this is still a very good result, since Tatarstan manages to collect local taxes (what remains for the region) and fill its budget with them. Whereas the Nenets Autonomous Okrug is left with only 16% of its earned income<sup>26</sup>. This region is one of the most underdeveloped and underprivileged. It's all about the oil and gas that are extracted here.

---

<sup>23</sup> ХМАО зарабатывает, Москва – тратит. – URL:

<https://muksun.fm/news/2023-01-12/hmao-zarabatyvaet-moskva-tratit-yugra-voshla-v-top-sponsorov-federalnogo-byudzheta-2635133>

<sup>24</sup> Федеральный бюджет России. – URL: [https://ru.wikipedia.org/wiki/Федеральный\\_бюджет\\_России](https://ru.wikipedia.org/wiki/Федеральный_бюджет_России)

<sup>25</sup> Казань заплатила Москве. - URL: <https://www.kommersant.ru/doc/6560723>

<sup>26</sup> Александр Цыбульский: Нужно, чтобы регионы были услышаны. – URL:

<https://web.archive.org/web/20200302142842/http://nvinder.ru/article/vypusk-no-21-20935-ot-29-fevralya-2020-g/63664-aleksandr-cybulskiy-nuzhno-chtoby-regiony>

Introduction of a stricter income redistribution strategy was started under the Minister of Finance A. Kudrin, when **the regions were deprived of corporate income tax, personal income tax (everything above the 13% rate), and deposit tax. At the same time, since 2010, a system was introduced according to which approximately 98% of the budget of the regions can be spent only in areas approved by the Ministry of Finance. That is, since then the regions have no financial independence. The Ministry of Finance has the right to limit spending. This does not depend on whether the region is subsidized or not.**

**In 2024, the revenue part of the Russian budget reached 36.707 trillion rubles, of which non-oil and gas revenues of the federal budget (according to the RF Ministry of Finance) amounted to 25.58 trillion rubles, and oil and gas revenues - 11.13 trillion rubles<sup>27</sup>.**

**In general, a large proportion of regions are subsidized - openly or covertly.**

Thus, in the 2014 budget plan, subsidies were not envisaged for 11 regions, and in 2024, already for 22. The 2025 Budget plans that 63 regions will receive subsidies to equalize budget support (in the amount of 1.1 trillion rubles), and 26 will not: Komi Republic, Republic of Tatarstan, Krasnoyarsk Krai, Amur Oblast, Belgorod Oblast, Vologda Oblast, Irkutsk Oblast, Kaluga Oblast, Kemerovo Oblast (Kuzbass), Leningrad Oblast, Lipetsk Oblast, Moscow Oblast, Murmansk Oblast, Nizhny Novgorod Oblast, Novosibirsk Oblast, Samara Oblast, Sakhalin Oblast, Sverdlovsk Oblast, Tula Oblast, Tyumen Oblast, Chelyabinsk Oblast, Yaroslavl Oblast, Moscow, St. Petersburg, Khanty-Mansi Autonomous Okrug - Yugra, Chukotka Autonomous Okrug<sup>28</sup>.

This does not mean that the economy of the regions has improved. The fact is that the government, in the face of rising inflation, is secretly subsidizing the regions through the mechanism of loans. Among these regions, there are many that are not on the lists of subsidized constituents of the federation. Loans are provided to regions in which the level of budget support is less than 85%<sup>29</sup>. In total, 50 regions had a budget deficit in 2024<sup>30</sup>.

Subsequently, this loan debt is simply written off. As was done in October 2024, when the government “forgave” 25.9 billion rubles of budget loans to 25 regions. At the beginning of 2025, the Ministry of Finance allowed to write off another 1.1 trillion rubles. The total internal debt of the regions (federal constituents can take loans from banks and other regions, as well as issue loan bonds) according to the Ministry of Finance as of January 1, 2025 amounted to 3.15 trillion rubles., including 2.5 trillion rubles on budget loans<sup>31</sup>.

---

<sup>27</sup> Бюджет России в 2024 году исполнен с дефицитом 1,7% ВВП. – URL: <https://www.forbes.ru/finansy/529184-budzet-rossii-v-2024-godu-ispolnen-s-deficitom-1-7-vvp>

<sup>28</sup> Регионы доноры. – URL: <https://wiki.politika.su/wiki/Регионы-доноры>

<sup>29</sup> Количество регионов с правом на списание бюджетных кредитов может увеличиться. <https://www.gazeta.ru/social/news/2025/03/26/25403024.shtml>

<sup>30</sup> Региональные бюджеты и экономика в условиях нестабильности: итоги 2024 года. – URL: [https://raexpert.ru/researches/regions/regional\\_budgets\\_2024/](https://raexpert.ru/researches/regions/regional_budgets_2024/)

<sup>31</sup> Власти утвердили параметры списания регионам 1,1 трлн бюджетных кредитов. – URL: <https://frankmedia.ru/191838-33>

Регіональні бюджети та економіка в умовах нестабільності: підсумки 2024 року. – URL: [https://raexpert.ru/researches/regions/regional\\_budgets\\_2024/](https://raexpert.ru/researches/regions/regional_budgets_2024/)

***In this way, the Ministry of Finance hides the budget deficit, since subsidies are counted as expenses of the Ministry of Finance, while loans are not.*** In fact, no one expects the loans to be returned, since the economic situation in the regions is not improving. That is, those who were subsidized remain so from year to year.

***According to the results of 2024, 50 regions had budget deficit, 39 - surplus. However, this official statistics of surplus budgets looks suspicious, given that the list of "successful" regions includes the so-called "DPR". It is obvious that the presence of a surplus often indicates low budget social and infrastructure spending, rather than high revenues. In 2024, a decrease in income began in 24 regions<sup>33</sup>.***

### **"People are the new oil"**

Today, in the face of a decreasing share of revenues from the oil and gas industry, ***the Russian Federation has taken a course towards increasing taxes on individuals and legal entities.***

The projected budget revenues in 2025 should exceed 40 trillion rubles. This is 20% more than the volume set by the current three-year law (budget planning in the Russian Federation is done for a three-year period). At the same time, the share of oil and gas revenues in the budget will be the lowest in almost 20 years. The main tax that forms the Russian budget (25-27%) is VAT. In 2025, it was planned to collect 11% more VAT. However, so far, only 8% more is being collected. Compensation for the budget revenues, the expenses of which on the war are constantly increasing, will come from additional revenues resulting from tax changes introduced in 2024 (the introduction of differentiated personal income tax rates, an increase in corporate income tax, etc.). In 2025, the Russian Ministry of Finance plans to increase budget revenues by 2.6 trillion rubles (across the entire budget system, including regions). According to the draft budget, corporate income tax revenues in 2025 will increase by 2 trillion rubles compared to 2024, and personal income tax by 0.5 trillion rubles. Excise duties on gasoline will increase by approximately 8%, and on diesel fuel by 11%. Excise duties on ethyl alcohol and strong alcoholic beverages, as well as products containing alcohol, will be increased by 10% in 2025, and in the next two years they will be indexed by 4% annually (the forecasted inflation rate). The excise duty on beer will be increased by 10-11% depending on the strength. Excise duties on cigarettes and soft drinks will increase, the recycling fee will be increased by an average of 70-85%, and state duties will increase too (including the duty on real estate transactions). From dividends of state-owned companies, including Sberbank, a controlling stake in which is on the balance sheet of the National Wealth Fund, the state plans to receive 786 billion rubles in 2025 (compared to 756 billion planned in 2024).

Also, in 2025, one-time large revenues from the disposal of confiscated property and its sale are expected. 81 billion rubles should be credited to the federal budget under this budget line<sup>32</sup>.

However, these are all plans that, with a high degree of probability, while maintaining the existing sanctions regime and trends in the oil and gas market, have low chances of implementation, as has already happened with the plans for 2024. Even according to official information (which hides the true emission), initially the law on the budget for 2024 provided for a deficit of 1,595,000,000,000 rubles, or 0.9% of GDP. Last spring, it was increased to 1.1% of GDP, or 2.120 trillion rubles, and later, after the government received the right to increase the total volume of federal budget expenditures in 2024 by up

---

<sup>32</sup> **Власти определили источники роста доходов в бюджете. – URL: - <https://www.rbc.ru/economics/30/09/2024/66f7cc7f9a794789d12bfbce>**

to 1.5 trillion rubles (without having these changes voted at the parliament), the deficit was estimated at 3.296 trillion rubles, or 1.7% of GDP.

***It is important to note that the redistribution of budget funds plays an incredibly important role in paying for the social and budgetary sectors. According to some estimates, up to 2/3 of Russia's population (pensioners, public officials of all levels, employees of budgetary organizations, employees of the defense sector, the security and law enforcement bodies and others) are budget-dependent (from budgets of all levels). And only 1/3 receives income from the private sector of the economy. This correlates with estimates of the Russian economy as such, where the state share has already reached 70%. Most of the country's industrial and natural resources are concentrated in the hands of state-owned corporations. E. Nabiullina's reform has also led to a significant concentration of banking capital - the top ten Russian banks own 2/3 of all banking assets. Four of the five largest banks in the Russian Federation are state-owned.***

***Add to this the fact that the entire socio-economic system of the Russian Federation is largely dependent on the ability of companies and regions to receive state subsidies. During the period of high energy prices and large sales volumes of these energy carriers, the state flooded the inefficiently functioning state public of the economy and regions with subsidies and grants. However, the redirection of budget funds to the war, reduction of revenues from energy trade, international sanction restrictions and the Central Bank's increase in the discount rate to 21% in the fight against inflation - caused a financial deficit within the country and provoked growing emission, which further accelerates inflation.***

***Concluding the economy block, it is worth noting that even the cessation of active hostilities in the Ukrainian direction will not reduce the number of problems for the Russian economy, which, according to unanimous estimates of economists, will not be able to survive the second conversion in history. Therefore, the government will be forced to continue financing the defense sector. In addition, influential people in the Russian Federation, connected to the FSB, are interested in this.***

***However, this whole bunch of problems, which have already formed into a zugzwang, does not mean at all that the Kremlin is becoming interested in a truce. At the moment, there is nothing to indicate that Putin is interested in how the government will fulfill its tasks to ensure implementing its foreign policy mission.***

**As a summary...**

### **Who rules Russia?**

To answer this question, it is worth coming back to the beginning. As is known, Putin's rise to power was the result of the situation that developed in the RF after the 1996 elections, where Yeltsin, in opposition to the popular communists, relied on the oligarchs – the so-called “Seven Bankers' Cabal”. In the face of the threat of the formation of power by the oligarchs and their division of the country, Yeltsin was looking for a new support in order to preserve the actual (not formal) power and controllability of the country, and counteract regional separatism. The only such force/system (the army at that time was greatly degraded) remaining in the country was the FSB. Therefore, the choice of the successor logically took place

exclusively between representatives of the KGB/FSB: E. Primakov, S. Stepashin, V. Putin ... and Putin won.

While in Ukraine the fusion of political power with oligarchs took place, the Russian Federation took a different path, choosing the fusion of political power with the FSB. ***Elements of this still work in Russia today, although this factor of influence should not be overemphasized.***

***In Russia, two blocs of government have been formed: the foreign policy/military/propaganda bloc, or the one that builds the empire. Let's call it the visionary bloc. And the technocratic bloc, which ensures the implementation of the vision and deals with current socio-economic management issues. Its task is to support the country's vital activity, ensure the functioning of all traditional social institutions and, most importantly, ensure the work of the visionary bloc.***

The technocratic bloc has limited functionality. It manages the public service, the distribution and provision of social benefits, finances, and that part of the economy that is not state-owned corporations.

The next important feature is that there are different levels of public officials, and the most responsible positions are mostly filled by those who have high personal trust. These are people wearing shoulder straps, often from the FSB/FSO structures, the prosecutor's office, people from Putin's biography - from his St. Petersburg past, or those who were with him when he came to the presidency, or their children, as well as friends of friends and a new category - friends of daughters.

***Here we can record the formation of a new factor (namely a factor, not a group) of influence within the visionary bloc, which is closely intertwined with the Presidential Administration, the Kovalchuks and other old friends, heads of state corporations and the FSB - they have already begun to be identified as the "Family".*** Its existence was especially evident with the appearance of K. Dmitriev, the husband of Putin's daughter's friend – Ekaterina Tikhonova, in the negotiation process with the US. However, earlier, in 2024, everyone was actively discussing the unexpected appearance in the government of Energy Minister Tsivilov – the husband of Putin's cousin's daughter Anna (Deputy Minister of Defense, in fact Putin's trusted personal controller in the Ministry of Defense). So, presumably, the late Yeltsin scenario began to take shape. The Russian Carnegie Center put forward a theory about the appointment of controllers by the "Family" in the main departments for the visionary group – the Ministry of Defense and the Ministry of Internal Affairs. However, over time, the circle will probably expand.

The "Family" can rely on the FSB in power.

In addition to the well-known **Nikolai Patrushev** and **Sergey Ivanov** (now the special representative of the President for environmental protection, ecology, and transport), the Presidential Administration of the Russian Federation is staffed by many former (who, as we know, are never former) KGB/FSB employees.

For instance, one of the key positions in the Presidential Administration for control over the executive branch of government at the federal and regional levels is held by the former Deputy Director of the FSB, **Dmitry Shalkov**, assistant to the President and Head of the Control Department in the Presidential Administration. The function of the Control Department of the Presidential Administration is to supervise the implementation by the executive bodies of the Russian Federation and the constituents of the Federation of laws, decrees, instructions and other decisions of the President, implementation of national

projects, provisions of the President's addresses to the Federal Assembly, budget addresses and other program documents<sup>33</sup>.

Another presidential aide, who is occasionally mentioned as Putin's successor, **Alexey Dyumin** is a former deputy head of the FSO, which, in turn, is the successor to the 9th KGB Department and a structure related to the FSB (although for some time there was a competitive struggle between the two services). Since 2017, in addition to security functions, the FSO has been vested with powers in the field of international information security and countering IPSO. Four governors have been provided by the FSO, one of whom also became the deputy director of the FSB (E. Zinichev – died under strange circumstances in 2021), as well as **V. Zolotov** – head of the Russian National Guard.

Another one who came from the FSO is **D. Mironov**, former governor of the Yaroslavl Oblast. He holds one of the key positions in the Presidential Administration - since 2022 he has headed the Civil Service Commission and is the Kremlin's chief HR officer, selecting officials for the Government and other state departments.

Those associated with the special services are **V. Medinsky**, currently assistant to the President<sup>34\*\*\*\*</sup>; **D. Kalimullin** (son of the head of the KGB (later the FSB department) of the Republic of Tatarstan), who heads an administrative department in the Presidential Administration, which is engaged in information and analytical support for the President's activities and prepares all his decisions and speeches. Interestingly, D. Kozak served by conscription in the GRU special forces of the USSR General Staff.

In general, the leadership of the Presidential Administration clearly corresponds to Putin's interests - there are several lawyers, several journalists and cultural figures, Kiriyenko for domestic policy, everyone else from the Ministry of Foreign Affairs (A. Vaino, O. Gromov, V. Ostrovenko, Yu. Ushakov, V. Kitaev) and the FSB.

The FSB has at least one of its representatives in a senior management position in all law enforcement agencies. In the Ministry of Defense, this is A. Belousov's deputy **P. Fradkov**. In the Investigative Committee, this is **A. Fedorov**. In the National Guard of the former KGB officer **V. Zolotov**, this is **O. Plokhoy**. **S. Naryshkin** is a graduate of the KGB higher school (he had a period in his career when he was the chairman of the Presidential Administration with the function of "watching" D. Medvedev during his "presidency"). The Ministry of Justice is headed by **K. Chuichenko**, another KGB man. **A. Kurenkov**, the head of the Emergencies Ministry, comes from the FSB.

The Kremlin's wallets - state corporations headed by friends:

---

<sup>33</sup> Положение о Контрольном управлении Президента Российской Федерации. –URL:

[https://www.consultant.ru/document/cons\\_doc\\_LAW\\_47955/1acdf4ded4f2bce5fdb37c36163fd7c9f1b7029a/](https://www.consultant.ru/document/cons_doc_LAW_47955/1acdf4ded4f2bce5fdb37c36163fd7c9f1b7029a/)

<sup>34</sup> \*\*\*\* By the way, we have already mentioned four Ukrainians in the highest echelons of the Russian government: Kozak, deputy head of the Presidential Administration, two presidential aides in the Presidential Administration: Medinsky and Dmitriev, and Shchegolev, the presidential plenipotentiary representative in the Central Federal Okrug. Interestingly, two of them, Shchegolev and Medinsky, have experience working at the beginning of their careers in the international editorial office of TASS. Dmitriev is also being called a Russian spy (he registered his first car bought in Moscow with the documents of a GRU officer). At least, we can assume that there are reasons why the Ukrainian origin of these figures does not bother anyone in the Kremlin and the FSB. Kozak began his career in the Russia during the USSR in the Leningrad Prosecutor's Office.

**M. Tokarev** (who has known Putin since Dresden times) heads Transneft, **A. Miller** heads Gazprom, and **I. Sechin** (who graduated from the KGB Higher School) heads Rosneft.

And of course, there are also private entrepreneurs, recipients of government orders, friends/oligarchs/wallets: the **Kovalchuk brothers**; the **Rotenberg brothers**, **G. Timchenko**. And just a friend-wallet – **S. Roldugin**.

We should separately dwell, however, on the main beneficiaries of the war against Ukraine represented by the former KGB officer **S. Chemezov** - director general of the State Corporation "Rostec". The corporation was created by Putin's decree in 2007 based on the Duma decision and unites more than 600 enterprises and organizations. Already in 2022, the corporation had more than 40% of all defense orders in the Russian Federation. Today, it has even more. I would assume that it is no coincidence that the state corporation has been managed by a former KGB officer since its creation.

Chemezov and Putin worked together in the Dresden KGB residency, lived in the same house, and were family friends. The third friend and office neighbor (with Chemezov) was Major Tokarev, the already mentioned head of Transneft.

The head of Rostech has significantly increased his influence on socio-economic policy during the war years. Chemezov has appointed many of his trusted people to high management positions, who provide a link between the two above blocs in power. Chemezov's people include:

**Denis Manturov**, First Deputy Prime Minister. Manturov operates in the government precisely in the financial support for the war. In the fall of 2024, he was introduced to the Security Council (for the first time in history, a Deputy Prime Minister became a member of the Security Council).

**Vladimir Gutenev** (Chemezov's assistant at Rostec) who heads the Duma committee on industry. He is Chemezov's man in the parliament.

**Dmitry Shugaev** who heads the Federal Service for Military-Technical Cooperation of the Russian Federation (FS VTS), controls the import and export of military products.

**Alexey Dyumin** who previously was Deputy Minister of Defense (2015-2016), later governor of the Tula Oblast (2016-2024), a region with a defense industry. Currently, he is a member of the Supervisory Board of the State Corporation "Rostec", member of the Security Council, and Secretary of the State Council.

Even the Presidential Administration head, **Anton Vaino**, is linked to Chemezov, since his father, **Eduard Vaino**, is vice president for external relations and interaction with shareholders of PJSC Avtovaz, in which almost a third of shares are owned by Rostec, and the remaining shares (66.7%) were actually taken forcibly from Renault for 1 ruble and transferred to the "State Scientific Center of the Federal State Unitary Enterprise "Central Research Automobile and Auto Repair Institute "NAMI" - a structure subordinate to the Ministry of Industry and Trade headed by Alikhanov, who is associated with Rostec and Chemezov. That is, Avtovaz is *de facto* managed by Rostec. It is important that E. Vaino made a career at Avtovaz long before his son was appointed head of the PA, so most likely this appointment did not happen without the patronage of his father.

**Igor Komarov**, Presidential Representative in the Volga Federal Okrug, previously – President of PJSC AvtoVAZ (2009-2013), Chairman of the United Rocket and Space Corporation (ORSC) (2014-2015), Director General of Roscosmos (2015-2018).

That is, key positions in the Putin and Chemezov government are not being filled by technocrats-officials, but by trusted "watchmen."

This is a system of mutual influence and control. Thus, the new head of the Ministry of Industry and Trade was the former governor of the Kaliningrad Oblast, **Anton Alikhanov**. By his order, Putin introduced him, together with Dyumin, to the supervisory board of Rostec in May 2024.

Chemezov and the FSB make money not only in the defense industry. They take everything that promises big and easy income thanks to the monopoly position guaranteed by the state, such as: distribution of Sputnik-V and other vaccines; introduction of a new excise tax - the marking of a wide range of goods with the "Honest Mark"; they even want to become a monopoly operator of waste recycling by buying up regional operators.

The visionary bloc actually has its own budget (spending related with the law-enforcement field). Its share in 2024 was 8.7% of GDP, or 28.3% of total federal budget spending. A significant part of this defense budget is controlled by Chemezov.

### **Mystical "Kremlin Towers"**

***Speaking about the decision-making system, that is, the political governance of Russia, I would like to join those experts who believe that there are no "Kremlin Towers" and never have been. Moreover, the continued popularity of this theory has had a very negative impact on the adequacy of the analysis and understanding of Russia and has caused a lot of harm.***

***But first, I will express my own assumption about how this theory arose in the first place. It is worth starting with politology as a science. In particular, with the "theory of groups". The basis of this theory is the understanding of politics as interaction between groups.*** The task of a political system, according to the "theory of groups", is to manage group conflicts by means of:

- 1) setting the rules of the game in the group struggle;
- 2) finding compromises and balancing interests;
- 3) legitimizing compromises in the form of public policy;
- 4) imposing those compromises.

***Politics, accordingly, is always an equilibrium established in the competitive struggle of groups. From this theory, it automatically follows that there must be an entity/institution that will protect the compromise reached and act as a guarantor of achieving a balance of interests.***

Based on this theory, the Minchenko Consulting Group invented the "Kremlin Towers". It is worth noting that in conditions of an authoritarian regime and an almost complete absence of political processes, political scientists build their activities (except for the propaganda service of the regimes) around certain theoretical concepts imposed on the political reality of their countries. This is what happens in the politological environment, for example, in the Russian Federation and the Republic of Belarus. This is a very sad and pitiful, but traditional (and this must be realized) practice for political science in authoritarian countries. Strangely enough, the "Kremlin Towers" theory, completely without any factual evidence, has gained great popularity, as it seems, simply because of a very successful figurative name.

The problem is that since then, all expert analysis on Russia has begun to revolve around the search for these groups of influence and building expectations that their interests should affect Russian politics. It is to be reminded how our expert environment and politicians first actively discussed the impossibility of large-scale Russian aggression against Ukraine, since it was not profitable for the Russian elites. Later, an explanation appeared that simply the “hawks” in Putin's entourage won, and it immediately became necessary to name those “hawks”, and they turned out to be, in particular, Patrushev and Naryshkin, despite the fact that they were nervous and frightened at the famous Security Council meeting on February 21, 2022. Medvedev then looked more convincing in the role of a “hawk”, but we do not assume that he has a decisive influence among the Russian elites. Later, in Ukrainian expert circles (in agreement with the Russian opposition) discussion started on the likelihood of a coup in Russia by elite groups and the implementation of the “snuffbox” scenario. Today, we have new hopes – for the influence of these mythical towers on ending the war, which has begun to cause too much damage to interest groups.

It is important to note that apart from the purely departmental groups – the FSB (with affiliated structures) and the army (this grouping is traditionally internally very solidary in any, even the most democratic country), we cannot name any other consolidated group. These two large structures have always had an internally closed clan nature and have opposed each other since the times of the Tsarist Russia. There is a tradition – the military against the “Okhranka” secret police, the KGB, the FSB. At the same time, let us recall that the MoD was headed for a long time by a non-military person – Putin's friend S. Shoigu. After him, the Kremlin tightened financial control over the army and replaced the MoD leadership with A. Belousov and his team. The army is obviously a large, even the largest structure in the Russian Federation, but not independent, as it does not determine Russia's foreign or defense policy being only an implementer. In this regard, it differs little from other state institutions of Russia. Ministries, public officials, the government as a whole, regional administrations, the prosecutor's office, the Investigative Committee, the Central Bank, the parliament... their influence is outlined by areas of action/management. Everything is of course interconnected and affects the overall space of the country, but it hardly corresponds to the understanding of the entire policy of Russia as a field of struggle of these state institutions in a competition with each other.

The "Ozero Cooperative" are old friends, among whom, according to many testimonies, Putin maintains close communication only with the Kovalchuks.

The PA generates strategies that the government and other structures implement.

In general, government policy in the Russian Federation is characterized by internal inconsistency. Often, what one department does contradicts the interests of another (for example, the introduction of a new tough migration policy in the Russian Federation with the Register of Controlled Persons, which is carried out by the Ministry of Internal Affairs, contradicts the interests of the economic bloc of the government, which constantly speaks of restrictions on economic development due to the shortage of labor in Russia). That is, the departments are parallel and do not overlap (which is a specific of Russia). Problems with inter-sectoral interaction in Russia have been talked about for a long time and often. In contrast to foreign and security policies, which are quite integrated.

Regional elites, as we described above, no longer exist as influential players. The only exception here is Kadyrov, but he certainly does not influence the Kremlin's strategies and is Putin's "faithful foot soldier" (as he calls himself) in the North Caucasus, a difficult area for Russians.

I would not single out the so-called Chemezov group as a separate group fighting for power. Rostec is a corporation that manages primarily everything related to the defense sector (related businesses are a way to earn money to ensure the main thing – financing the war). This industry, fundamental for the visionary bloc, is under the control of Putin himself (through his friend and colleague Chemezov) and the FSB.

As for other sectoral businesses, again, according to numerous estimations from Russia itself, there is no solidarity there, and businessmen act on the principle: "everyone survives on their own". This explains why the government always gets what it wants from business (for example, in 2021, metallurgists were forced to deduct an additional 100 billion rubles from their "surplus profits" to the country's budget, as was stated at the time). Today, Russia is carrying out a large-scale redistribution of property through nationalization tools (already in the amount of 2.5 trillion rubles at the beginning of 2025). This does not meet any consolidated resistance. There are no signs of a united position of industry groups of private businessmen or their influence in the Kremlin.

***It is very important to finally understand and stop considering the Russian politics as the result of a victory or compromise between groups of influence ("Towers"), and to evaluate Putin in the style of F. Coppola's "The Godfather" as a mediator between groups of influence who maintains his positions as long as he ensures a balance of interests between the groups.***

#### **What to do?**

***If we reject the theory of groups ("Tower"), all scenarios of future developments that were based on: a conspiracy of elites; or the victory of one group over the others; or a change in policy (foreign or domestic) after Putin, automatically fall away. In the existing two-bloc system, the visionary bloc in its environment shapes the future of the country, and this is a more stable category than the "role of the individual in history".***

***The second thing we must reject is the impossibility of repeating the scenario of the 1990s with strong regions and strong regional elites that have their own interests opposed to the center with the prospect of developing separatism including in the format of "the revival of nations".***

***The third is the weakening of the regime, which could trigger the processes of struggle of elite groups for power and resources, or regional secession - the regime does not show signs of weakening. On the contrary, the visionary circle of individuals including the "Family" is very consolidated and limited, independent of external influences and has no competitive alternatives in the RF. So even in the event of Putin's death, the way out of the situation will most likely be organized and conflict-free.***

***The new elites will not come from outside, from the ghostly "Kremlin Towers" or political parties, or even from the streets. The new leadership is being cultivated in the same place as in the late 90s – in the Presidential Administration under the supervision of the FSB and the "Family".***

***What remains is the people.***

The only revolution (not a coup) in the history of Russia was the February Revolution of 1905 (and this can also be a subject for discussion) - we mention it solely for geographical reasons. The revolution did not cover all of Russia. All events took place, primarily, in the European part of the empire, Moscow and

St. Petersburg. Without the capital, any protest movement is doomed to failure. But it is in the capital that the growing problems in the Russian economy are not felt.

By the way, in the structure of the Moscow budget revenues, 87% is tax revenue - the main part of the proceeds from the personal income tax (in 2024 - 2 trillion 196 billion rubles) and from the corporate profits (1 trillion 600 billion rubles). Under special tax regimes (applied for taxation of small, medium-sized businesses and the self-employed), the capital receives another 309 billion rubles (in 2024, 42% more than in 2023, in total under this line item, revenues increased 2.6 times over 5 years, while the personal income tax - 1.9 times, and tax on the profits of enterprises - 2 times). Moscow receives another 207 billion from the property tax of legal entities. Non-tax revenues grew by 15% and reached 588 billion rubles. The largest budget revenues are provided by financial and credit organizations (837 billion rubles, or 16% of revenues), trade enterprises (689 billion rubles, or 13%), the information and telecommunications sector (363 billion rubles - 7%), construction (362 billion rubles), the services sector (339 billion rubles), the manufacturing industry, which, by the way, does not exist in Moscow, we are talking about legal registration (303 billion rubles) and consulting and scientific activities (220 billion rubles). Moscow has an internal debt, which it covers by issuing bonds. This debt amounts to 167 billion rubles as of January 1, 2025, or 3.3% of total revenue. In total, 5 trillion 170 billion rubles were collected in the capital's budget in 2024, while the amount of expenses was 5 trillion 193 billion ruble<sup>35</sup>. There were already 90 dollar billionaires in Moscow in 2025 (+16)<sup>36</sup>. For comparison, in New York there are 123. In total, there are 140 such people in Russia (+20)<sup>37</sup>.

The problem is that Russia's weakness is in the regions, but politics is carried out exclusively in the capital. Even the situation in St. Petersburg, which is more protest-ridden and not as prosperous as Moscow, no longer has an impact on national politics.

Therefore, **we need to look for sanctions and methods of influence that worsen the economic situation in Moscow.**

Sanctions are needed that would destroy the sectors of the economy. Of course, we are not interested in the fate of Russian capital, the decline in its capacity or a complete flight - it is important that tangible and unbearable consequences occur for the broad masses in Russia itself. First of all, it should be about businesses located in Moscow itself. The main goal is a social crisis in the capital.

**Flight of Capital** is possible ONLY if property in Russia becomes a source of problems and it is more profitable to completely move outside. As long as the assets, that is, what creates capital, work for the benefit of business, this will not be achieved. Therefore, programs from the West to create loyal conditions for the relocation of big financial business, provided that its ties with Russia are completely severed and the Putin regime is publicly condemned, would be good. Although this proposal may also be debatable.

The other **strategy is thousands of small regional riots**. It is already a regional strategy because these social fires should flare up precisely in the regions, be massive and permanent, taking away the regime's strength, attention, and resources for solving regional problems.

---

<sup>35</sup> Доходы бюджета Москвы в 2024 году увеличились на 23%, расходы - на 18%. – URL: <http://www.finmarket.ru/news/6375907>

<sup>36</sup> Forbes: Москва заняла второе место в мире по числу долларовых миллиардеров. – URL: [https://rg.ru/2025/04/04/forbes-moskva-zaniata-vtoroe-mesto-v-mire-po-chislu-dollarovyh-milliarderov.html?utm\\_refer=https%3A%2F%2Fwww.google.com%2F](https://rg.ru/2025/04/04/forbes-moskva-zaniata-vtoroe-mesto-v-mire-po-chislu-dollarovyh-milliarderov.html?utm_refer=https%3A%2F%2Fwww.google.com%2F)

<sup>37</sup> Forbes: Число долларовых миллиардеров в РФ обновило рекорд. %. –URL: <https://www.dw.com/ru/forbes-cislo-dollarovyh-milliarderov-v-rossii-obnovilo-rekord/a-72111295>

Regional hunger riots will not create a revolutionary situation. A revolutionary scenario in Russia is generally impossible – due to the mental and territorial factor, as well as the absence of visionary alternatives and their political leaders.

Here, the greatest effect will be achieved through the destruction of single-industry cities.

The next weak point of the Russian Federation is banks and the high loan indebtedness of the population and enterprises. According to the Center for Macroeconomic Analysis and Short-Term Forecasts (headed by Belousov's brother), there is a 60% probability of a banking crisis. The trigger here may be the IPSOs spreading panic information about the possibility of Russians losing (freezing) their deposits. Another systemic reason is mass defaults on loans.

In a country where 2/3 of the population depends on budget payments, the prospect of budget problems becomes particularly attractive. This list of possible strategies is, of course, not exhaustive.

*The Analytical Report was prepared as part of the Project "Socio-Political Transformations in the Russian Federation: Risks for Europe and the World" implemented with the support of the International Renaissance Foundation.*