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PUTIN'S FIRST 100 DAYS

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Vladimir Putin began his second presidency on 7 May 2012 with a whirlwind of decrees right out of Soviet central planning. He issued a series of executive orders– each with an assigned end date – addressing economic growth, housing, military reform, privatization, and jobs. Along the lines of the aspirational 5-year plans, Putin has set rather optimistic goals, most strikingly calling to raise Russia's perennially low birthrate and to improve Russia's rating in the World Bank's Doing Business survey by 100 places by 2018. Such objectives, however, are unlikely to respond to commands from above. Thus, instead of the sense of civic renewal that most newly-elected leaders seek to inspire, Putin, amid protests in Moscow, used his inaugural address to proclaim a "new" stage of development that, on closer inspection, looks much like the old one, with the Russian state defending its interests above those of its people.

CONTROLLING THE ENERGY SECTOR

Putin followed these decrees with direct steps to reaffirm state control over what he values most, Russia's energy and natural resources sectors. This effort was best symbolized by the designation of Igor Sechin - Putin's longtime confidant and former deputy prime minister for energy – as a major player in the energy market. On his last day as prime minister, Putin nominated Sechin to sit on the board of directors of Rosneftegaz , the state-owned holding company with shares in Rosneft (75.16 %) and Gazprom (10.74%). Two weeks later, Sechin became president of Rosneft, and approximately three weeks after that appointment, Sechin was named the secretary of a major presidential commission on energy headed by

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PRESIDENT BARACK OBAMA

Putin. A showdown between Sechin and Arkadii Dvorkovich, the deputy prime minister in charge of energy in Medvedev's cabinet, remains possible, but given Putin's patronage the fight will not be a fair one.

Putin further asserted his influence over the energy sector by announcing that the privatization of Russia's major fuel and energy companies would be conducted in stages – primarily because of depressed prices for these entities – whereby Rosneftegaz would be the "temporary" purchaser of these companies, to be sold at a later date when the market recovers. Why the purchase of state-owned energy companies by another state-owned entity should be considered part of a "privatization" process remains a mystery, but such opaque procedures appear ripe for abuse.

Putin clearly shows no sign of surrendering the "commanding heights" of the Russian economy; on the contrary, he established a new government ministry for the development of the Far East, with the apparent goal of increasing central control of Siberia's natural resources. Putin also has pushed back the timetable for Russia's overall privatization program. The state still owns prominent companies in banking, transport, technology, and other industries, and although the government insists that the privatization process is going forward, the depth of this commitment remains uncertain, especially since in several instances, the state only intends to sell minority interests.

To be fair, large swaths of the Russian economy (retail, services, agriculture, real estate) remain outside state control. Moreover, Russia's accession to the WTO will – over time – expose Russian business to major international competition, in theory leading to a more diversified and innovative Russian economy. Finally, for those corporate governance sticklers, Putin's promotion of Sechin adhered to the legal formalities introduced by former President Medvedev prohibiting current government ministers from sitting on the boards of state-owned companies. Sechin previously acted as chairman of the board of Rosneft while simultaneously serving as deputy prime minister, a blatant conflict of interest that was not repeated in this instance, since Sechin currently holds no formal government position. The observance of such corporate niceties, however, should not obscure the fact that Putin continues to pursue his own brand of state capitalism that ultimately perpetuates his role as the indispensable man.

REINFORCING THE POWER VERTICAL

Putin has remained true during his first 100 days to the founding principles behind the so-called "power vertical," the highly centralized, Kremlin-controlled political system that emerged from his first tour as president. The 2011-12 election campaign forced Putin to appear, at least, willing to engage with Russian society. Since returning to office, however, he has introduced measures that confirm that he is only interested in dialogue on his own terms. The law on protests, signed a few days before a major June 12 rally, significantly raised the fines on individuals and groups that engage in public demonstrations against the state. Restrictive new laws on the internet, non-governmental organizations, and the re-criminalization of defamation (only recently decriminalized by Medvedev) represent further attempts to intimidate civil society.

Perhaps the greatest disappointment of Putin's first 100 days, however, has been the implementation of a new law on the election of governors. Putin revoked direct elections

of governors in 2004 for alleged national security reasons, but the December 2011 protests led to the reinstatement of elections, albeit under prescribed conditions. The new law specifically allows individual regions to establish a "filter" whereby candidates from political parties have to obtain a certain percentage of signatures (5-10 percent) from municipal deputies before they can appear on the ballot. The new law also allows the regions to decide whether (and how) independent candidates can run for governor. The details matter little as regions have set the filter on the high end of the permitted scale; and, because Putin's United Russia party controls most of the regional legislatures, candidates from other political parties in many cases will not be able to gather the required signatures to appear on the ballot. Most regions further gutted the law by not even allowing for the nomination of independent candidates.

Thus, instead of re-establishing competitive elections, it appears that many candidates from United Russia will run unopposed for governor (or against selected opposition). While Putin does not appear to be overly troubled by this development, these elections most likely will not serve as the much anticipated steam valve to relieve the pressure on the power vertical. Instead, the absence of genuine politics will only further alienate the major constituencies – youth, the middle class, the urban population – that Putin and United Russia lost in 2011-12.

Putin's revived power vertical may just be overly rigid and stretched too thin to respond to the demands of the brewing political crisis. The law on protests, for example, has netted among its detainees three elderly pensioners out for a stroll in Kemerovo and some Michael Jackson fans marking the anniversary of the star's death in St. Petersburg. Liudmila Alekseeva, the head of the Moscow Helsinki Group, felt compelled to ask the Russian police to sanction her 85th birthday celebrations so that they would not interpreted as an unauthorized demonstration. Finally, there is the tragic fate of the punk band Pussy Riot, which, thanks to excesses of the Russian judicial system, has been transformed from an obscure group to an international symbol of freedom of speech. Such overreactions to nonexistent threats can be interpreted as signs of weakness, as opposed to strength, of Putin's political system and further highlight Russia's centuries-old practice of using the law as a blunt instrument as opposed to a measured display of force.

Any substantial shock to the power vertical could send Putin and his almost soviet-style political system into a rapid decline. The most likely catalyst would be a collapse in the price of oil; the Russian government is already preparing contingency plans if oil drops to $60 per barrel. The Russian state is further contemplating a dramatic cut in government spending, another impending sign of economic troubles. At the same time, the picture is not entirely gloomy for Putin; it appears that he still enjoys sufficient popular support (in the short term) to govern, and if Russians turn their gaze westward to the instability currently engulfing Europe, they may just decide to stay with Putin a little longer than polls might suggest. Putin's last line of defense consists of a million-person police force that is paid from federal government sources and is one of the direct beneficiaries of Russian corruption and the status quo. It was no accident that the city of Moscow set aside bonus payments for the local police for its "professionalism" during the May 2012 protest demonstrations.

RECASTING CIVIC INSTITUTIONS

Putin ironically ran on an anti-corruption platform even though he has presided over one of the most corrupt regimes in the world. Since assuming office, Putin has shown little interest in actually engaging this issue. His most important pronouncement to date has been the establishment of an ombudsman to defend the rights of business. The actual legislation for this new office has yet to be formally introduced, but press reports indicated that broad powers theoretically will be assigned to the ombudsman to protect Russian entrepreneurs, including the right to suspend departmental acts and stop arbitrary actions of bureaucrats until a decision by a court. Such powers – if fully implemented – would be welcomed by the Russian business community, where literally thousands of entrepreneurs remain behind bars and in preliminary detention because of trumped-up criminal charges.

It remains unclear, however, whether the ombudsman's office will be assigned the necessary authority - and resources - to combat the deep-rooted corruption of the police and other law enforcement officials. One newspaper dismissed the move as a PR stunt and subtle admission that the state cannot defend people through normal legal channels. Putin's other major initiative on the anti-corruption front – the creation of a special division within the procurator's office to defend the rights of entrepreneurs - holds out even less promise, since these government lawyers have been intimately involved in pursuing various corporate raiding cases and other illegal schemes against legitimate Russian business.

In reality, Putin appears more interested in reining in existing watch-dog organizations as opposed to genuinely fighting corruption. Most notably, the Kremlin proposed in June 2012 a fundamental transformation on how the presidential commission on human rights is formed. Henceforth, candidates will be nominated by any NGO (as opposed to recognized human rights groups) and voted on over the internet. The commission will then discuss these results and nominate three candidates for each vacancy, with the final decision resting with the president. While the chairman of the presidential human rights commission, Mikhail Fedotov, reluctantly went along with these changes, other prominent members of the commission resigned in protest, predicting that a bunch of non-entities would end up sitting on the commission. The creation of weak oversight institutions – and the hollowing out of others – makes clear that unlike his predecessor, Putin has no plans for making the fight against corruption a centerpiece of his administration.

CONCLUSION

Vladimir Putin's has used his first 100 days in office to re-establish his place at the top of Russia's political and economic pyramids. These twin developments are not unrelated; the pursuit of state capitalism requires strong central control and the absence of real public scrutiny. Yet despite a flourish of activity, Putin's restoration has been a rather joyless affair, with the new president accumulating powers that can only be seen as enhancing his (and the state's) position in expectation of a pending showdown with parts of Russian society. The chance to create a meaningful political space – as hoped for by the return of direct elections for governors – appears again to have been missed, as has repeatedly occurred at other critical junctures in Russian history. This lost opportunity seems particularly ill-judged this time around, since the opposition

consistently has called for evolutionary, and not revolutionary, change.

And so the likely scenario is some sort of confrontation. Putin's strategy most likely will involve the selective enforcement of Russian law – in all its harshness – in the hope that it produces selective outrage and lingering fear. Putin may possess sufficient power to survive any challenges in the near term, in light of his current (albeit diminished) levels of support, his control over the economy's commanding heights, and the additional repressive powers acquired during his first months in office. Putin, however, is getting dangerously close to certain trip wires – declining oil prices, increased censorship of the internet, political sclerosis in the regions – that may provoke a more unpredictable and unified response, thereby placing more serious strains on the power vertical. The first 100 days has only set the stage for a more dramatic second act in the presidency of Vladimir Putin.

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CENTERS IN RUSSIA AND UKRAINE

Extending its physical presence beyond Washington, the Institute operates offices in Moscow and Kyiv, which collaborate actively with Russian and Ukrainian partner organizations—organizing conferences, seminars, and other programs, and maintaining local linkages with former Kennan Institute scholars.

Kennan Institute

The Kennan Institute—one of the most prominent Russia studies centers in the United States—advances policy research on Russia, Ukraine, and other countries of the region. Founded by Ambassador George Kennan in 1974, the Institute is noted for the diversity of its programming, which extends beyond politics to address the socioeconomic challenges facing Russia. The Institute seeks to advance U.S. policymakers' understanding of the region, and strives to include Russian experts, public officials, and nongovernmental voices in its public conferences, private meetings, seminars, and publications. Blair A. Ruble directs the Kennan Institute.

MIGRATION AND THE CHALLENGE OF DIVERSITY

Increased migration has forced cities in Russia, Ukraine, and other countries to grapple with the newfound challenges of ethnic and cultural diversity. The Kennan Institute advances research that measures the impact of migration on Russian cities, giving policymakers tools to enhance integration and acceptance. Among its migration-related programming in 2011, the Institute looked at the integration and citizenship-formation of youth in post-Soviet states and analyzed Russian immigration policy at the conference, *Immigration and Social Power: The Russian Case.*

THE RULE OF LAW

Through its rule of law program, the Institute advances research on judicial reform, human rights, and press freedom in Russia. In 2011, the Institute looked at such specific issues as the Russian state's commitment to legal reform, with the meeting, *Russia's Rule of Law Challenges: Implications for U.S. Policy,* and also examined the United States' role in helping to resolve regional judicial challenges with the meeting, *The Rule of Law in Eurasia: Selected Case Studies from Russia, Georgia, and Kyrgyzstan.*

CULTURE AS A FORM OF CIVIC EXPRESSION

Founded on the belief that understanding Russian culture is essential to understanding Russia, the Kennan Institute offers programming on the arts, music, and literature, lending key insights that lie outside the scope of traditional analysis. In 2011, the Institute held programming on jazz in Russia, cultural diplomacy in the Soviet Union, and contemporary literature in Ukraine—programming that helps to identify shared cultural influences with the United States and provide a platform for enhanced dialogue among researchers and policymakers.

SCHOLARSHIPS AND FELLOWSHIP PROGRAMS

The Institute has remained at the forefront of U.S.-Russia policy studies through its sponsorship of numerous fellowship, scholarship, and grant opportunities.

The Institute's Fulbright-Kennan Research Scholarships provide six-month stipends so that scholars, government specialists, media professionals, and businesspeople from Russia and Ukraine can live in Washington while conducting extended research in the humanities and social sciences.

The Institute's Galina Starovoitova Fellowship on Human Rights and Conflict Resolution rewards prominent scholars and policymakers from the Russian Federation who have united the world of ideas with that of public affairs to advance human rights, the rule of law, and free speech. Jointly administered with the U.S. State Department since 1999, the fellowship honors the memory of the Russian human rights pioneer, Galina Starovoitova.

The Institute's Title VIII Research Scholarships provide funding for U.S. academics and non-academics who seek to advance knowledge of U.S.-Eurasia policy issues, especially involving Russia, Ukraine, Central Asia, Belarus, and the Caucasus.

The Institute offers other research opportunities for U.S. scholars, including short-term grants, summer research scholarships, and research assistantships.