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Foolproofing Putinism, or Why Mikhail Mishustin Might Be One of the Most Ambitious Prime Ministers in Recent Russian History

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Russian Prime Minister Mikhail Mishustin has been tacitly pressing ahead with an ambitious vision to reshape public administration. The main purpose of this advance is to foolproof the Russian state against the drawbacks of the heavy-handed top-down mode of governance of late Putinism, and to squeeze as much as possible out of the stagnant Russian state while avoiding any fundamental change.

The Meta-Reform: The Government's Coordination Center

"I think he will start with reforming public administration [*gosupravlenie*]," said Sberbank's German Gref on 16 January 2020, one day after Mishustin was appointed prime minister. While Mishustin is best known for the digital transformation of Russia's tax service, his vision as PM is more ambitious: Mishustin did indeed launch an administrative reform the scope of which is only comparable to the one initiated in 2003–2004. A so-called "Coordination Center" was created on 22 February 2021, and can be considered the centerpiece of this reform. It is attached to the government's in-house think tank, the Analytical Center, and is headed by Deputy PM Dmitry Chernyshenko.

The idea goes back to 2015 when President Vladimir Putin tasked Prime Minister Dmitrii Medvedev with designing a specialized "project office". The philosophy behind this obscure "office" has been most clearly laid out by Sberbank's German Gref, who can be considered the founding father of what would later become the Coordination Center.

Gref's view might be summarized as follows: The state of Russia's economy is rotten. But before any meaningful reforms can be launched, the quality and capacity of the state's public administration should be enhanced, ideally with the help of big business: agile project management, performance measurement, and of course digital transformation. This meta-reform therefore would need to tackle the vertical governance style characteristic of the Russian state. And the archaic top-down system would have to be replaced by modern public management practices such as performance management.

Gref is famous for having become infatuated with PEMANDU, the "Performance Management and Delivery Unit" formed in 2009 to monitor Malaysia's "Government Transformation Program". On 30 June 2016, Putin created the Presidential Council on Strategic

Development and Priority Projects, essentially a coordination and monitoring group for the 2012 May decrees. Presidential aide Andrei Belousov was, as the main watchdog for the implementation of the 2012 May decrees, appointed secretary of the Council. In parallel, a department for project management was created within the PM's executive office [*Apparat Pravitel'stva*].

Even though there were major issues with the implementation of the 2012 May Decrees, they were to a large degree repackaged into the 2018 National Projects, and with the reappointment of the Medvedev government after the 2018 presidential elections, the previous management structure of the May Decrees was mostly kept intact. The reactivation of the State Council did not help much to improve feedback mechanisms between the center and the regions: in some spheres, such as salaries for certain categories of state employees, most regions even rolled back and fell behind the 2018 targets.

The reason why the Medvedev government had to step down simultaneously on 15 January 2020 has largely remained in the dark. Medvedev had been increasingly seen as a hindrance for meta-reforming the Russian state: with the National Projects, Russia had its answer to the Malaysian Government Transformation Program in place, but a functioning "delivery office" and performance management was largely absent. While PEMANDU promised "big, fast results," Medvedev played it small and slow.

The main question, of course, is whether Mishustin's elevation is simply yet another restructuring of the executive without changing the bigger picture. Mishustin at least appears to be motivated to act "big and fast".

First, the federal executive will be shrunk by about 32,000 staff units, with cuts at the center of up to 5 percent and in the regions of up to 10 percent of staff (mostly by cutting currently vacant positions). By contrast, the PM's office is being expanded to 1,792 staff. More importantly, the PM's office should move away from merely servicing 61 government commissions and focus on policy work instead: the PM's office now mirrors the Cabinet of Ministers, which should bolster its capability to coordinate policy and solve impasses. The restructuring of Russia's sprawling 40 development institutions, some of them under the roof of Igor Shuvalov's VEB (such as Skolkovo and Rosnano), should also be seen in this context: while six of them will be liquidated altogether, the functions of the others are meant to be

restructured in order to facilitate coordinated implementation of national development goals. Part of this reform is not only an audit of key performance indicators for the various developmental organizations and state corporations, but also cuts to staff, salaries and privileges.

Second, the Coordination Council is not a subordinate unit within the PM's office as the project department was, but rather a task force in its own right directly under Deputy PM Chernyshenko. The statute defines three main functions: incident management, priority tasks, and special projects. Moreover, decisions by the Center are obligatory for all federal executive bodies. In short, the Coordination Council will become the government's main troubleshooter. Last year, a predecessor task force had to solve "incidents" relating to bonus payment arrears for doctors working with Covid-19 patients, the provision of hot meals to pupils and the liquidation of deficits with certain drugs. Among the priority tasks, for example, is the coordination of government support for Russia's nine most economically depressed regions. The main idea behind the Center is to alleviate the drawbacks of top-down governance with more horizontal project-based work across executive officials and agencies. All of this should help to create an analytical ecosystem that supersedes the usual information barriers between vertically organized ministries and executive agencies.

Mishustin's "Social Networks" and Russia's Data-Driven Authoritarianism

One of the main challenges to making the Coordination Council work is "digital feudalism," the more than 800 information systems within the executive with little compatibility and the bureaucrats who collect and insert (often manipulated) data into these systems. The proposed solution relates to the "state as platform" idea proposed by Aleksei Kudrin's Center for Strategic Development (CSR): such a data-driven state would serve as the main integrator for seamless communication between citizens, business and state executive bodies. But so far, data, Russia's "new oil," remains "dirty oil": In 2019, the government approved the National System for Data

Management (NSUD) to synchronize hundreds of state databases and create unified rules for the collection, manipulation, storage and usage of this data. However, regional pilot projects have exposed major issues with coordination among executive bodies with functional overlap.

Much more successful is the public services platform *Gosuslugi*, which reached 126 million users by the end of 2020, with 24 million having registered in that year alone. Around 70 million Russians are verified users of the Unified System for Identification and Authentication (ESIA) and are therefore entitled to use e-government services fully online via *Gosuslugi*. By linking verified *Gosuslugi* user profiles with the manifold state data bases in a unified data structure including between 20 and 60 categories of data on citizens, a "Digital Citizen Profile" will increasingly allow the Russian government to facilitate seamless data flows between the state, citizens and business (first and foremost banks). This will create abundant opportunities for citizen surveillance. But the Coordination Center is as the government's in-house think tank also called upon to improve feedback mechanisms with the population; to this end, the platform *Gosuslugi—Reshaem Vmeste (Let's decide together)* is being introduced in all federal subjects. Linking citizen complaints to e-government services in this way does not only create an early-warning system for citizen grievances, but is also a useful addition to the Kremlin's Centers for Regional Management (TsUR), which collect complaints about regional authorities on social media. Research shows that this kind of digital participatory governance is likely to increase votes for the incumbent.

Increased presidential powers in the wake of the 2020 constitutional changes exacerbate the "bad governance" associated with overcentralization and personalist rule. In the run-up to the long electoral cycle of the 2021 Duma elections and the 2024 presidential elections, Mishustin's administrative tweaks are intended to counterbalance the governance risks that accompany the zeroing of Putin's presidential terms.

About the Author

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Further Reading

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