PROLOGUE

On December 31, 1999, Yeltsin's Russia became Putin's Russia. Boris Yeltsin—a political maverick who until the end tried to play the mutually exclusive roles of democrat and tsar, who made revolutionary frenzy and turmoil his way of survival—unexpectedly left the Kremlin and handed over power, like a New Year's gift, to Vladimir Putin, an unknown former intelligence officer who had hardly ever dreamed of becoming a Russian leader.

Yeltsin—tired and sick, disoriented and having lost his stamina—apparently understood that he could no longer keep power in his fist. It was a painful and dramatic decision for a politician for whom nonstop struggle for power and domination was the substance of life and his main ambition. His failing health and numerous heart attacks, however, were not the main reasons behind his unexpected resignation.

The moment came when Yeltsin could not control the situation much longer and—more important—he did not know how to deal with the new challenges Russia was facing. He had been accustomed to making breakthroughs, to defeating his enemies, to overcoming obstacles. He was not prepared for state building, for the effort of everyday governance, for consensus making, for knitting a new national unity. By nature he was a terminator, not a transformational leader. It was time for him to graciously bow out and hand over power to his successor. And Russia had to live through a time of real suspense while the Kremlin was preparing the transfer of power.

The new Russian leader Vladimir Putin has become a symbol of a staggering mix of continuity and change. For part of Russia, he symbol-

ized a link with Yeltsin's past; for another part, he was a sharp break from it. The new Kremlin boss has been shrewd enough to let people think what they want and to see what they long for.

Outwardly, with Putin's ascendancy to power, the style of Russian leadership has changed dramatically. He is unusually young for a Russian leader, a 48-year-old dynamic yet ascetic-looking man, such a contrast to the pathetic Old Boris at the end of his rule. Putin not only has succeeded in taming Russian elites and arrogant tycoons but also has maintained an amazing 70 percent approval rating for several years.

Putin does not even try to play monarch. He wants to be accepted as a pragmatic manager. He has succeeded—at least outwardly—in achieving order and stability. He has begun a pro-Western revolution in foreign policy. He has pushed forward economic reforms that had stalled under Yeltsin. Yet at the same time, he has demonstrated a deep distrust of the major democratic institutions and an open desire to keep tight control over society. Unlike Yeltsin, who knew how to survive in an atmosphere of spontaneity and acquiescence, the new Russian leader prefers subordination and loyalty.

Not only its leader and leadership pattern but Russia itself has suddenly changed, as if someone had closed one chapter and started another. The country—only recently torn between extremes, anticipating an apocalyptic scenario, in a desperate search for its new self—has drifted into a lull, dominated by longing for calm private life, by disgust for any great ideas, and by fear of new shake-ups. President Putin has become an embodiment of this longing for stability and tranquility. He would have never ascended to the top if the country had wanted to continue its revolution.

But in Russia the appearance of calm is always deceptive. Too many questions still remain unanswered: How sustainable is Russian stability? Is it based on readiness to pursue further transformation or on the desire to make peace among all political forces? What is the true nature of Putin's leadership, and how far will he be able to go with a new round of reform? How can he combine his authoritarian ways with economic liberalism and pro-Western policy?

Putin's epoch is not over, and both the president and Russia may baffle us with their answers to these questions. Putin's Russia is still an unfinished story.

This book shows how Russia under Vladimir Putin has tried to define its new identity internationally and domestically, moving forward and backward from optimism and hope to anguish and resentment. It is a book on transitional ambiguity. On the one hand, this ambiguity helps to preserve continuity with Yeltsin and the pre-Yeltsin past and acts as a soothing drug for those who want to live in the past—and thus it has become the major stabilizing factor. On the other hand, it prevents Russia from making a more vigorous transformation, with its inevitable new tensions. Every country in transition has been facing its own dilemma between stability and breakthrough. For Russia, this dilemma is complicated by the fact that a radical transformation might trigger developments that Moscow would not be able to control.

This is also a book about the paradoxes of transition. It is intellectually intriguing but politically alarming to watch the holdovers from the past in action—the Communists are fighting for parliamentary democracy, and the liberals are defending authoritarianism and personified rule. It's perplexing to see how former KGB colonel Putin has led Russia's pro-Western shift. And the list of puzzles is not complete. Here is one more paradox: Ordinary Russians are much readier to modernize than are Russian elites, who are dragging their feet, being totally unable to rule democratically.

This is also a book on leadership, which continues to be Russia's major political institution—in fact its only one. Since 2000, leadership has enabled Russia to reenergize itself. Yet the fact that leadership is the only institution makes it the major stumbling block, the key obstacle preventing Russia from becoming a modern state and liberal democracy.

This is not a book for those who are looking for quick and definite answers. It is for those who are ready to look behind the evident, who want to understand the reasons for vacillations, who can imagine how difficult it is to fight depression and dismay, especially when the political class is not up to the dramatic tasks at hand.

This is not simply a book on a country and its leader. It is a story of constant overcoming, of challenges and opportunities, of the ability to learn by losing and making blunders. If I succeed in provoking your interest in trying to solve Russian puzzles, my mission will be fulfilled.

Chapter 1

THE KREMLIN'S POWER PLAY

Yeltsin on the wane. The Primakov formula. Who runs Russia?
The Kremlin seeks an heir. The Bank of New York scandal.
Enter Putin. Russia wants order. The uses of war.

It is Moscow in the spring of 2000, less than half a year since Vladimir Putin emerged in the Kremlin as the new leader of Russia. Oligarchs, once arrogant and bullying but now living in fear of a visit from secret police in black masks, have already moved their money and their families abroad and are keeping a low profile.[1] Only notorious tycoon Boris Berezovsky, one of those who orchestrated Putin's ascent, desperately tries to build an opposition to challenge the new Kremlin boss; but no one will dare to join him. Russia's governors and other regional lords, many of whom ran almost independent fiefs under Putin's predecessor, Boris Yeltsin, now look to Moscow in servile fashion. The corridors of the Kremlin are full of people with a military bearing and nondescript faces.

Women, particularly middle-aged ones, swoon over President Putin, lifted from obscurity and named prime minister, victor in the March presidential election, champion of the "strong hand" in Chechnya and of "verticality of authority" (a term coined by Russian elites to describe a top-down system of governance based on subordination and a domineering role for the executive branch). Some declare their love for their slender, athletic leader in television interviews. Putin, with his tireless activity and determined air, baffles observers accustomed to watching a chronically ailing leader and speculating about who rules Russia. This

new president stirs anxiety among various groups; after all, no one is sure what is on his mind.

Editors in chief and heads of major television networks censor the mass media, steering clear of any topic that might disturb the new boss in the Kremlin. The intelligentsia returns to the kitchen to berate the authorities over a cup of tea or a glass of vodka, their criticism driven back inside, as in the long-forgotten Brezhnev years. Ordinary Russians just lie low.

Remembering too well Yeltsin's final phases, I keep wanting to pinch myself. Just six months ago, Russia was a different country. By the end of the 1990s, Yeltsin had lost control of it and himself. Berezovsky whispered his plans for Russia into the ear of the president's sweet daughter, and she and a few friends elevated and toppled high officials and made government policy. Oligarchs kicked open the doors of government offices and ran for their own benefit the remnants of the economy, which had been decimated by long-standing weaknesses and the August 1998 financial collapse. Regional leaders ruled over their provinces like little tsars, either paying no attention to the Kremlin or blackmailing the Moscow courtiers and the president himself.

The Russian state eroded, losing its power and the ability to perform elementary functions of government.[2] Russia sank deeper and deeper into social and economic crisis: falling life expectancy (for men, from 64.2 years in 1989 to as low as 57.6 years in 1994); a resurgence of contagious diseases that had been eliminated in the Soviet Union; decaying schools; hundreds of thousands of homeless children; millions of migrants; a shrinking economy that during Yeltsin's tenure contracted in real terms by 40 percent; and finally, rampant lawlessness and corruption that had become a lifestyle passing for "normal." Ordinary people had lost both the past and the future, and the present was confusing for many. But neither the president nor elites seemed to notice—they were busy pretending to rule, struggling for a place at the top, robbing the state.

The newspapers attacked Yeltsin ruthlessly, but ordinary people had wearied of their unprecedented freedom to criticize the government, because it brought about no improvement. The president was regarded with both pity and scorn. The authorities were blamed for everything from failed hopes for a normal life after the fall of communism to people's feel-

ings of helplessness. The Kremlin had totally lost the aura of sacredness and mystery that had surrounded rulers of Russia through the ages, revealing itself as a marketplace where everything could be bought and sold.

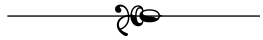
In another dispiriting development, the Russian presidency seemed to have reverted to the Soviet pattern of gerontocracy, in which one old man hung on as leader until he died, only to be replaced by another old man. President Yeltsin, once powerful and charming, with an astonishing strength of will that had enabled him to destroy the Communist Party and the Soviet empire, now hid from the world, shuttling between dachas outside Moscow. Few besides his family and physicians had access to him. His physical decline was tortured. It was not only his heart condition—though he later admitted he had had five severe heart attacks. He seemed to have problems with everything, including walking, holding himself erect, concentrating, and even comprehending what he was being asked about. When he was shown to the public, his doctors alone knew the effort it took for him to hold himself together. And he was not that old as we watched him deteriorate; he was still in his late sixties.

Like Yeltsin, the other denizens of the Kremlin were more and more removed from society and its ills. Neither constant charges of corruption nor crushing national problems worried them; they thought only of holding on to their power and perquisites. Those who formed the Kremlin entourage were reckless, sure of themselves and their control of the game. They seemed to have no premonition that the game might end.

At the end of the 1990s, in fact, no one was really running the country. Beginning in 1996, the political class was preoccupied with when Yeltsin would step down and who would rule Russia after him. How did Tsar Boris look today, was he compos mentis or not? How long would he last? Everything else was secondary. Society settled in for what it assumed would be the patriarch's prolonged good-bye, while Russia continued its political and economic decay.

Who then had even heard of Vladimir Putin? Who outside a tiny circle in Moscow knew his name even in early 1999? The few who had met him had trouble later recalling the man or remembering that Yeltsin had made him head of the Federal Security Service (FSB), formerly the KGB. In 1998 or much of 1999, a suggestion that Putin would be the next president of Russia would have elicited bewilderment, if not laughter.

The slow crumbling of governmental authority seemed well-nigh irreversible then, and rapid assertion and consolidation of central control highly unlikely, but very soon those and other expectations would be stood on their heads. It seemed that Yeltsin would never leave office voluntarily, much less before his term was over—that he would sit (or lie) in the Kremlin until he died. It seemed that there would be a vicious struggle among the main "power clans," or interest groups; the heads of some were already imagining their victories and gloating. It seemed clear that the two leading contenders for Yeltsin's throne were Moscow mayor Yuri Luzhkov, who successfully competed with federal authorities for power and money, and recent prime minister Yevgeny Primakov, experienced apparatchik, former head of the Federal Intelligence Service (SVR), and current foreign minister. Finally, whatever the result of the power struggles at the top, many assumed that the Russian people had gotten used to a free and spontaneous life, to constant political bickering, to the unruliness of elites, and would reject any return of the "iron hand." But those who thought so turned out to know little of the Russian soul, or of how panic and fear can suddenly change the political mentality of millions.



As the 1990s drew to a close, economic and social emergencies and the febrile mood they created among the populace were ready to speed up events in Russia. In 1998, Russia moved inexorably toward a financial crash. Russian stocks were plummeting. State bonds were paying 130 to 140 percent. The Central Bank was trying desperately to keep the ruble stable. On August 19, the Ministry of Finance had to cover 34 billion rubles worth ($5.7 billion before devaluation) of GKOs (state short-term bonds). The treasury did not have that kind of money, nor could it borrow it anywhere. The $22 billion International Monetary Fund and World Bank credit granted to Russia—under heavy pressure from U.S. president Bill Clinton—had vanished to parts unknown.

During what for many ordinary people was a painful postcommunist transformation, Russians had become used to labor strikes, hunger strikes, suicide, and self-immolation driven by despair and hopelessness.

But the situation grew more volatile in 1998. Desperate miners from state-owned mines, who had not been paid for months, began blocking railroad tracks. Their representatives came to Moscow and set up a tent city in front of the White House, where the Russian cabinet sits. The miners demanded not only back pay but also Yeltsin's resignation. I remember the men, stripped to the waist in the broiling sun, sitting in the street and rhythmically beating their miners' helmets on the hot cobblestones. I remember their angry looks at officials' limousines with closed and shadowed windows hurtling past. Moscow was suddenly back in the throes of class hatred dredged up from long ago. The hungry Russia of the provinces had come to Moscow to remind the capital of its existence, and the wake-up call was ominous. In the late 1980s, it had been the miners—when they wanted Yeltsin in the Kremlin—who had rattled the throne beneath Gorbachev. Now they wanted him out. The power in the Kremlin was registering seismic movement again.

The miners were left unmolested, however, and mayor Yuri Luzhkov gave orders that they be allowed to demonstrate and even had them fed. As a pretender to the highest Kremlin post, Luzhkov had an interest in keeping the miners in Moscow as long as possible: They could hasten a new distribution of power, and he was the first waiting in line to claim his prize.

Russia cried out for leadership at this critical juncture, but neither the president nor the cabinet nor other political figures had the answers to the country's problems. The doddering Yeltsin had almost disappeared from view, making occasional public appearances only to confirm that he was still alive. "Working on documents," the official explanation for his absences from the Kremlin, drew a skeptical smile from Russians. Even usually sure-of-themselves liberals seemed to have lost their nerve. The 37-year-old prime minister, Sergei Kiriyenko, dubbed by the press "Kindersurpriz" (after a chocolate popular with Russian children), looked perplexed. When elevated to prime minister shortly before, he had brimmed with self-assurance. Now, in an apparent attempt to hide his confusion, he talked nonstop. His words, like persistent, boring rain, meant nothing.

Left to deal with a deepening financial crisis, Kiriyenko didn't have time—much less the ability—to gauge its seriousness. His experience as

a Komsomol (Communist Youth League) leader and then a provincial banker in Nizhny Novgorod until coming to Moscow the year before had not prepared him for this. I remember the reaction of officials at international organizations who dealt with Kiriyenko. "My God, how will he cope?" they asked, clutching their heads. "He doesn't even know which buttons to push."

Before the end of 1998, treasury officials had to find 113 billion rubles ($18 billion) to pay the interest on GKOs and OFZs (state loan bonds). Moscow also had to pay salaries and pensions for public-sector workers, and the nonpayments had been accumulating since the beginning of the year. Tax revenues would not exceed 164.6 billion rubles ($22.5 billion). The fragile Russian banking system was on the verge of collapse. The economy was disintegrating. The West could no longer help. Russian citizens were still being patient, but that could end at any moment. And then—no, no one wanted to contemplate what could happen in Russia then.

Some of the members of Yeltsin's team quickly figured out that the financial chaos, with millions of rubles streaming out of the country, presented a unique opportunity for enrichment for people who kept their heads. In any case, everyone in power in 1998 not only survived the crash but continued to do well financially, even better than before. Russian history has shown how much advantage can be extracted from a crisis, especially if you are the one managing it.

After some hesitation, on August 17, 1998, the Kiriyenko government declared Russia bankrupt, deciding to go for default and devaluation at the same time—this after Yeltsin's promise that there would be no devaluation. The small circle that reached the decision on bankruptcy included leading reformers Anatoly Chubais and Yegor Gaidar. The previous day, Kiriyenko and Chubais had flown to Yeltsin's dacha with proposals that the president had been forced to approve, having no other solution. A demoralized Yeltsin had lost control over events.

Acknowledging the influence of the powerful oligarchic clans, Kiriyenko met with their representatives late that night to give them a report on what had happened. Most likely, Yeltsin's oligarchs knew what was coming. Grigory Yavlinsky, the leader of the democratic movement Yabloko, openly accused Kiriyenko of acting on behalf of the tycoons,

saying, "The financial collapse was Kiriyenko's fault, because his actions had been ineffective and, most important, favored certain oligarchic groups." In any case, all the tycoons had gotten their money out of the failing banks in time, and soon they established new banks and continued to prosper, while ordinary Russians lost their savings in the collapse and had to start from scratch.

Yet the Kiriyenko government was not fully accountable for the August 1998 financial crisis. The emergency was partly a reaction to the Asian economic meltdown that had begun the year before. Moreover, the preconditions had been established in Russia under the government of prime minister Victor Chernomyrdin, who had survived for quite a long while in the time of Yeltsin's permanent cabinet reshuffles. Appointed premier in 1992 after Gaidar's dismissal, he was fired in 1998 only because Yeltsin suspected him of harboring an interest in the president's job—which Chernomyrdin definitely did. (One of the catalysts for his firing was a visit to the United States, during which he met with his old negotiating partner Vice President Al Gore and Gore treated "Cherno" like a future leader of Russia. Yeltsin could not tolerate that.)

What had led to the financial collapse were parliamentary populism and the premier's craven behavior. Instead of fighting for a workable budget, Chernomyrdin chose to create the GKO pyramid—to borrow money at a high rate of interest. As for the parliament, which pumped unsecured rubles into the budget, we know that venting and caving in to populist demands for fiscal irresponsibility are always among the functions of parliaments. In the case of Russia, that populism gets more play because the Duma, the lower house of the parliament, does not form the government and is not responsible for its actions. That was true in Yeltsin's era, and it is still true in Putin's.

Nor was Kiriyenko's government blameless. Kiriyenko had enough financial know-how to have realized he could avert catastrophe by devaluing the ruble gradually, but he did not do so. Either he panicked or he was certain that his luck would hold. Or else he was working in the interests of certain oligarchs, as Yavlinsky suggested.

Russians rushed to save their money, desperately trying to withdraw funds from private banks. But many lost everything. Foreigners lost their money as well. Most of them closed their offices and left the country. The Moscow gold rush seemed to be over for good. After some vacillation, Yeltsin fired the government of Kindersurpriz Kiriyenko and decided to bring back Victor Chernomyrdin, whom he trusted, hoping that that political heavyweight would find a way out. Yeltsin himself remained at his dacha, unable to face his people as their country slid toward the abyss.

Yeltsin's absence during the crisis gave rise to rumors about his stepping down. CBS News in the United States reported that the Russian president had signed a letter to be read after the parliament approved Chernomyrdin's candidacy, in which Yeltsin resigned from office and handed over all power to his successor. Chernomyrdin's close associates assiduously spread that rumor, hoping to push events in that direction. Journalists hurried to update their political obituaries of Yeltsin yet one more time.

Finally, when rumors of his resignation had become the top news story of the day, Yeltsin appeared in public. On August 21, the ailing president made a point of inspecting Russia's Northern Fleet and visiting the nuclear-powered battleship *Peter the Great*. It was a warning—"Don't touch me, I have military might behind me." Yeltsin was accompanied, as Brezhnev had been in his day, by an entire hospital. But even though at that moment he could barely speak, Yeltsin could still create a lot of trouble. The old bear had the power to fire people, to shuffle and reshuffle the cabinet, to use force if necessary. God alone knew what an unpredictable Kremlin boss could do when threatened or feeling depressed or angered, or when at a loss as to what to do.

On August 28, Yeltsin gave a television interview, his first in a long time. Much care must have gone into preparing and editing it. Nevertheless, Yeltsin looked extremely ill and old during the interview; it was hard for him to talk and, it appeared, even harder for him to think. He grew animated just once, when he declared firmly, "And I won't retire." Only then did he come alive, the old stubbornness in his eyes. The interview had been done for the sake of that one phrase, when the president suddenly awoke.

Events took another unpleasant turn for Yeltsin when the parliament rejected Chernomyrdin. The country was without a government and burdened with a collapsing economy. Yeltsin could have insisted and pro-

posed Chernomyrdin again, and yet again, and if the deputies had rejected his candidate for prime minister three times he could have dissolved the parliament and called new elections. That meant war with the parliament. But the president could no longer operate with any certainty that society, the power structures (the army and navy, the intelligence services, and internal affairs—*siloviki*, as they are called in Russia), and regional elites would support him. Now real panic set in at the Kremlin. Its inhabitants, so cocky yesterday, were suddenly paralyzed with fear, unable to cope with the growing disarray.

Television viewers got another look at General Alexander Lebed—who had long frightened Russians with his dictatorial aspirations—when he arrived in Moscow with the clear hope of being invited to take charge. Several years before, Lebed had been one of the most influential politicians in Russia. In the presidential election of 1996, Lebed came in third; and as a reward for calling on his supporters to vote for Yeltsin in the second round, he was given the post of secretary of the Security Council (the body coordinating the activity of the power structures). Lebed was the one who signed the Khasavurt peace treaty with Chechnya that ended the first Chechen war (1994–1996). He could not quiet his presidential ambitions, and in late 1996 Yeltsin fired him. After that, the irrepressible general won election as governor of one of Siberia's richest regions, Krasnoyarski Krai, and became a regional tsar.[3]

The general could not suppress a triumphant grin as he descended the aircraft's stairs upon arrival. His whole demeanor seemed to say, "Well, it looks as if I'll have to save this country!" Lebed's appearance in Moscow was supposed to signal the Kremlin's readiness to use force to hold onto the power that was draining away from it. But it was a rather desperate ploy, because the general, as everyone knew, had vast ambitions and had never been on a leash. He could not be trusted. If Lebed ended up in the Kremlin as Yeltsin's savior, the best Yeltsin and his team could expect was to be pensioned off the very next day.

The year 1999, decisive for the future of Russia, showed how far the country had moved beyond the monolithic, autocratic power traditional

for Russia and yet how much it still lived by it, even when power was transferred to a new leader through democratic mechanisms. It was a strange and disturbing mixture of continuity and change, this fusion of governance à la Old Russia with elements of liberal democracy. The degeneration of Yeltsin's presidency and the crumbling of his power that accelerated after the financial collapse revealed the essence of the regime that Yeltsin had created to be an *elected monarchy*. In fact, Yeltsin, a revolutionary of a sort, who had delivered a fatal blow to the Soviet empire and to communism, helped preserve—without meaning to—aspects of the "Russian System" that had perpetuated itself down through the long centuries, surviving tsarism and the Bolshevik Revolution.

The Russian System is a specific type of governance structure whose characteristics include paternalism, the state domineering over the individual, isolation from the outside world, and ambitions to be a great power. The heart of the system was the all-powerful leader, above the law and a law unto himself, concentrating in his hands all powers, without a balancing accountability, and limiting all other institutions to auxiliary, administrative functions. The Russian System did not need fixed rules of the game; it needed fixers.

Yeltsin's ascent to power through victory in a free and fair election fatally undermined the Russian System, introducing into politics in Russia a new kind of legitimation, which destroys the sacred and irrational character of power and makes power dependent, at least partially, on society. As president, Yeltsin weakened the Russian System by opening society to the West and turning away from at least some of the great-power complexes. But by preserving one-man rule, Russia's first non-communist leader preserved the inertia of the Russian System, not only in the people's mentality but in the style of presidential rule, in the relations between authorities and society.

Russia's experience in the 1990s proved that the one-man regime could function relatively well in a stable environment but could not manage in a crisis, especially when the leader was physically incapable of performing a leader's routine tasks, had no support in society, and could not rely on the army and other instruments of coercion. In the absence of mature institutions, Yeltsin inevitably had to share power with his most

trusted and loyal people. Naturally, the most trusted and loyal people turned out to be members of his family and friends of the family.

Yeltsin's political family (known in Russia as "the Family") was a mixed group that included the president's younger daughter Tatyana (Tanya) Dyachenko; her closest pal and, it appeared much later, boyfriend, Valentin Yumashev (they married after Yeltsin resigned); Yeltsin's chief of staff, Alexander Voloshin; and oligarch Roman Abramovich. The infamous oligarch Boris Berezovsky, the master of intrigue, was their leader and the brains of the bunch. These were the people who ruled the Kremlin in the late 1990s, and they continue to exert their influence on Russian politics.

It is a story that has been repeated in many countries in many periods: The strong leader who has worked so long to gather all power into his own hands becomes a hostage of his court as he ages. From inside that trap, he watches his power and his character degrade. Sometimes he understands that he is becoming a weakling and even a laughingstock. Often he doesn't.

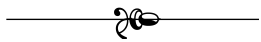
It was hard to discern in the shell of a man left by the late 1990s the Boris Yeltsin who had ridden the democratic wave in the late 1980s and the beginning of the 1990s and who could elicit unconditional support from crowds merely by his presence. The leader who had made his mission Russia's return to Europe and its transformation into a flourishing democratic state ended up a politician completely dependent on his Kremlin servants, stooping to primitive intrigue and manipulation to survive.

Yeltsin's every appearance outside the Kremlin threatened to compromise him and his country. Russia and the world knew of his outlandish behavior: Here a drunken Yeltsin conducted a band in Germany; there he crawled out of his airplane, puffy-faced and staggering, after missing an official meeting with the Irish prime minister. We can only guess at scenes the cameras of Western correspondents failed to capture. As Yeltsin grew weaker physically, the ostensibly superpresidential system became obviously disabled, devolving into a half-hearted Impotent Omnipotence.

Yeltsin's primary means of exercising power as his second term wore on was the personnel merry-go-round that never stopped. In the eight years of his presidency, he changed prime minister seven times and prosecutor

general six times, went through seven heads of his old agency, the FSB, and had three ministers of foreign affairs. Permanent cadre revolution became his major instrument for holding onto power. Shakeups of his team made it seem for the next week or two as if he were still in control, and created an artificial need for him to play coordinator and arbiter. It was an illusion of governance.

Having lost the reforming impulse, the elected monarchy turned into a source of instability. Under the Russian Constitution that Yeltsin had edited after he dismantled the parliament in 1993, the parties elected to the parliament had no opportunity to form a cabinet, and the rubber-stamp parliament had no real opportunity to affect the policies of the government. Thus the regime procured for Russia an irresponsible parliament with an irresponsible multiparty system. Both the parties and the parliament kept themselves alive by means of constant attacks on the executive branch. The cabinet, formed by the president and subordinate to him, was even less accountable. It consisted almost entirely of representatives of influential groups and existed to serve their interests. Such a regime could not deal successfully with the challenges Russia faced. At best, it could guarantee stagnation.



For Yeltsin personally, the important thing in early 1999 was to find a candidate for the prime minister's job who would be acceptable to the parliament yet pose no threat to himself. Moscow mayor Yuri Luzhkov seemed to think his time had come to ascend the Russian throne. For that, he first had to become prime minister. Under the Russian Constitution, the prime minister's best chance to take over the presidency comes if the president resigns for reasons of health. In such a case, the prime minister organizes new elections—and in Russia, that gives him the resources for organizing his own victory at the polls.

Even some members of Yeltsin's team bet on Luzhkov, indicating a certain defeatism within the ranks. But for Yeltsin—or rather, for his political Family—Luzhkov was unacceptable. Independent and headstrong, Luzhkov ruled Moscow godfather-style. But the biggest headache for the Yeltsin team was the mayor's entourage. Even a dull observer

noticed the hostility between the Kremlin court and the Moscow court, which sometimes broke into open warfare.

When foreign minister Yevgeny Primakov's name came up, Yeltsin decided right away that he was his choice for premier. The first to suggest the idea was Grigory Yavlinsky, leader of the democratic party Yabloko. Yavlinsky saw Primakov as a lesser evil than other possible candidates for the job and thought he would not want to go on to be president but would be merely a transitional figure who would help Russia escape coups or political upheaval in any form during the inevitable transfer of power from Yeltsin to his successor.

Primakov was an experienced Soviet apparatchik who knew how to keep up good relations with all important groups. He had managed to get through the collapse of the Soviet Union without alienating either Gorbachev or Yeltsin. He succeeded in simultaneously being friends with Iraqi president Saddam Hussein and U.S. secretary of state Madeleine Albright! Primakov always avoided conflicts and knew how to wait. He also understood how to be loyal without servility. This was a man who could be supported by the most varied groups—a moderate conservative who at the time was the perfect symbol of the stability that the majority of Russians desperately wanted and needed.

Yeltsin offered the prime minister's post to Primakov. "I refused categorically," Primakov wrote in his book *Years in Big-Time Politics.* On leaving Yeltsin's office, however, he ran into the president's younger daughter, Tatyana Dyachenko, and family friend Valentin Yumashev—that is, the people who ruled the Kremlin. They managed to persuade him to accept Yeltsin's job offer. Primakov explained his turnaround this way: "For a moment, reason took a back seat and feelings won out."

Yeltsin, by taking on Primakov as prime minister, obtained a reprieve for himself. And in early 1999 an informal double-rule gradually prevailed in Russia, with political weight shifting to the cabinet. The new prime minister brought in his people and made the cabinet a major decision-making body that did not wait for advice or endorsement from the presidential staff—a development hardly welcome to the Yeltsin Family. A new "ruling party" began to form around Primakov, and interest groups that had not been satisfied with their roles signed on.

It was the second time in a decade in postcommunist Russia that a

quest for the redistribution of power in government had begun. The first attempt took place during the clash between the president and parliament in 1991–1993, when the two branches of government contended to see which would be the more powerful. That conflict had ended dramatically, with the dissolution of the parliament and Yeltsin's order to fire on the White House, the former parliament building in Moscow. A peaceful separation of powers had been unlikely then, because both sides wanted a monopoly on power and neither was prepared to impose any limitations on itself.

In 1999, a redistribution of political resources initiated by Primakov began within the executive branch. It included a strengthening of the cabinet, which had never been independent or strong in Russia, and the prime minister's taking over of the economic agenda. The rest of the governance, including security policy and control over the power structures, remained in the hands of Yeltsin's staff. It was an informal re-division of power within the executive, making the split among president, cabinet, and prime minister much more even than it had been. Influential political forces—the Communists, and also major representatives of regional elites—openly supported the idea of constitutional reform that would remove the president's excessive powers and legally endorse the change of rules that Primakov had initiated. The main proposals for reform came down to the idea that Russia must switch to a hybrid premier–presidential regime, under which the president's personal power would be lessened and the parliament and the cabinet would have a larger role.

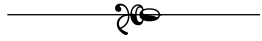
Russian liberal reformers, especially those close to Gaidar and Chubais, had from the start been against a system of counterbalances to the president, because they believed it could slow economic reform. Their position was understandable, given that the left wing dominated the parliament; strengthening the legislative branch, and especially forming the cabinet on the basis of the majority in the parliament, could mean trouble for reform policies. So for the sake of economic results, the liberal reformers rejected an extremely important principle of liberal democracy: checks and balances, provided by strong institutions.

Russia had fallen into a historical trap. What it boiled down to was that those who called themselves liberals did not trust the representative institutions or society, fearing the unleashing of populism. They preferred

to leave governing exclusively in the hands of the leader, making him the sole center of power. The liberals' fears of populism were not unfounded. But rule through a superpresidency did not speed the course of economic transformation in Russia; on the contrary, the reform measures introduced by presidential decree lacked legitimacy and were often boycotted by numerous bureaucrats and by social groups that felt the decrees endangered their interests. Moreover, the president's unusually extensive powers created the temptation at the top to move toward frank and harsher authoritarianism. Yeltsin did not go that way. But his successor might try.

In addition, the weakness of institutions meant that the president was drawn into day-to-day management, which would have been taxing for even a much hardier person than Yeltsin. The existence of a prime minister allowed the president to evade responsibility for the work of his cabinet; when his policy failed, he simply fired cabinet members. Or he fired the prime minister, who in that era was only a presidential appointee with no strong party support in the parliament. So the model of power in the Yeltsin years, during which the cabinet was intentionally weak—and was in fact an extension of the president's staff—created room for the leader's erratic behavior.

In early 1999, Primakov's government, backed by the Duma, put through the most liberal budget in Russia's history, which reduced government spending and made control of inflation a goal. And the most amazing thing was that the Communist Party supported fiscal austerity. It seemed that the left wing, forced to bear responsibility for the government, had to curb its appetite.



The "Primakov formula," however, was not to be incorporated into the Constitution. On May 12, 1999, Primakov was forced to resign, and the experiment with separation of powers in Russia—particularly reapportionment of executive power—failed again. Eighty-one percent of those polled immediately afterward by the Public Opinion Foundation disapproved of the firing, whereas a mere 8 percent approved. Twenty-two percent of those polled said they would vote for Primakov if he ran for

president—15 percentage points ahead of Communist Party leader Gennady Zyuganov, 11 ahead of Yavlinsky, and 7 ahead of Luzhkov. It appeared that Primakov had become quite popular and had a good chance to be more than a transitional figure. And that did not fit with the plans of Yeltsin and his entourage.

Naturally, Primakov is not a democrat or a liberal, and never was. He is an adherent of bureaucratic capitalism. He is known to hate personal criticism and to be suspicious of reporters.[4] He would have been unlikely to tolerate freedom of opposition if he had gained power. He also distrusted the West, especially the United States. The former premier was famous for his "Primakov loop"—learning of the March 1999 NATO bombing of Yugoslavia while en route to the United States, Primakov had the pilot turn the plane around and fly back to Moscow. That loop immediately made him a hero in Russia.

But we should not spend much time lamenting Primakov. He might have pushed constitutional changes curbing the enormous power of the Russian president. But bearing in mind the influence of left-wing and centrist forces in the country, such changes could have slowed economic transformation even more. Nor do we have good reason to believe that Primakov would have begun building independent institutions after his ascent to the top Kremlin post. Finally, we might come to the conclusion that Primakov would never have made the pro-Western shift that Putin accomplished in 2001. That by itself allows us not to regret Primakov's exit.

Why didn't the Primakov experiment succeed? It was not simply because Yeltsin could not bear for the prime minister's office to become the hub of government activity. That was certainly a factor, but much more important was that under the Primakov formula the Yeltsin Family's hold on power was not guaranteed. An independent prime minister supported by the Duma and with his own power base within the state apparatus and power ministries would not allow the Yeltsin crowd to name anyone else as Yeltsin's successor. And the Family did not want to see the too powerful, independent Primakov, who was not obligated to the Family, as the heir.

An old Russian tradition came into play as the succession issue loomed: failure to establish the mechanisms for a legitimate and truly constitutional transfer of power. A lack of such mechanisms had condemned Russia to the palace coups under the tsars and the putsches that brought in new general secretaries of the Communist Party. Even the passing of power from Gorbachev to Yeltsin in December 1991 was accompanied by the fall of the state and took the form of a coup run by three republic leaders, one of them Yeltsin. Eight years later, as Yeltsin faded and the shadow network formed around him, the question of how to resolve the succession took a dramatic turn. And the solution must acknowledge yet another challenge: integrating the ruling class's desire for self-perpetuation with the new democratic mechanisms in Russia, particularly elections.

The Yeltsin team wanted not only to receive assurances of future security but also to retain control over the power and property that its members and the tycoons close to them had amassed during Yeltsin's rule. Primakov could guarantee the president's safety. But he was unlikely to promise a peaceful life to the entire Yeltsin entourage—especially because after being appointed prime minister he had dared to proclaim a war on corruption, thus challenging the mighty oligarchs close to the Kremlin. Rumors flew around Moscow that special forces loyal to Primakov had prepared a list of potential victims. At the top of the list, according to the rumors, was the name Boris Berezovsky, friend and adviser of Yeltsin's daughter Tatyana and oligarch extraordinaire. Drawing Berezovsky's hostility was dangerous even for an experienced political wolf like Primakov.

Several other kinds of Yeltsin supporters found Primakov unsettling. The technocrats and bureaucrats who had been winners in Yeltsin's distribution of power and property were as interested as he was in maintaining the shadow networks by which they were able to arrange sweet deals behind the scenes, and as leery of Primakov's anticorruption stance. Primakov also worried the liberal-leaning with his dubious attitude toward political freedoms, especially freedom of the press. The liberals could not forgive his distrust of the West, or even his assertiveness toward the Western powers. Thus Primakov was unable to consolidate the support of Yeltsin voters, who included not only oligarchs and liberals but all those who had benefited from Yeltsin's rule.

But it was Primakov's challenge to Yeltsin's clique that signed his political death warrant. Yeltsin's entourage could not forgive the prime minister for his accumulation of power or for the threat emanating from him that he would use that power against some members of the Kremlin power clan. It was clear from the way Yeltsin behaved at meetings with his premier that he did not like or trust him. Yeltsin later admitted that he had never planned to give Primakov power and looked on him as a temporary figure. "Yevgeny Maksimovich willy-nilly helped me achieve my main political goal—to bring the country peacefully to 2000 and to the elections. Afterward, as I thought then, we would together find a young and strong politician and hand him the political baton," Yeltsin wrote of Primakov, rather disingenuously, in his book *Presidential Marathon*.[5]

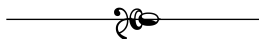
In the last months of Yeltsin's rule, the president and his team became openly hostile toward their independent premier. When the two leaders appeared on television together, Yeltsin looked grim, unable to hide his irritation, and he avoided eye contact with Primakov. The prime minister made an effort to appear calm, but it was obvious how much it cost him. In *Presidential Marathon*, Yeltsin explained his displeasure by saying that Primakov had rallied around himself elites who dreamed of a "return to the old ways." But what Yeltsin found unforgivable was that in the eyes of many Russians, Primakov had become a candidate for successor without Yeltsin's approval.

Yeltsin's plans to get rid of Primakov were accelerated by the impeachment vote in the parliament, scheduled by the Communists for May 14, 1999. The Kremlin was afraid that Yeltsin's possible impeachment by the Federation Council—the upper chamber of the parliament, which had grown increasingly hostile toward the president—would empower the second most influential figure in Russia past recall.

The experienced fighter in Yeltsin decided on a preemptive strike. Two days before the impeachment vote by the Federation Council, he fired the prime minister without warning. Seemingly exhausted, weak, and unable to speak coherently, Yeltsin was reanimated by danger. His political sense of smell sharpened at such moments; he was still capable not only of defending himself but also of attacking—especially a rival. Yeltsin couldn't stand to have anyone next to him—he wanted to be completely alone at the top.

Primakov—unlike several other prime ministers and almost all of Yeltsin's other subordinates who had found themselves in similar situations—did not plead with Yeltsin to keep him on. "I accept your decision. You have the right to do so under the Constitution. But I consider it a mistake." That was all Primakov said in farewell to Yeltsin before he left the room. He retired with dignity, not asking anyone for anything.

Primakov's departure did not spark protests in Russia, though the Kremlin was worried about such a reaction. But it was a heavy blow for the entourage that had formed around the prime minister and had dreamed of future positions. Primakov's political Family started looking around for other shelter, and some of its members even tried to get back into Yeltsin's good graces. When the leader is the major source of power and politics, the only survival skill worth having is the ability to see which way the power is flowing. Under such circumstances, it is difficult to remain loyal to people or principles.



The attempt to impeach Yeltsin was a failure. Primakov's firing left the potential opposition to Yeltsin without steam. That helped create a new atmosphere inside the Kremlin, giving the presidential team a new feeling of determination and vigor. They again felt sure of themselves. All their energy was directed toward settling a single issue: finding a political heir loyal to Yeltsin and themselves. In the spring of 1999, Yeltsin seemed to be considering leaving the political area prematurely. His entourage was having more and more trouble controlling his behavior and maintaining the charade that he was in charge.

Yeltsin was a very sick man by that time. He had intervals when he was more like his old self and thought rationally, but one suspected that such periods were created by doctors and medication. Tsar Boris was becoming a ruin. His decay roused both fear and pity. After all, he was formally the leader of a state possessing nuclear weapons. Watching him, you felt that you were seeing the political funeral of a once great and powerful politician. Hardly anyone could have predicted at that time that the first Russian president would ever reemerge on the political scene.

Yeltsin would indeed amaze us—and not only once. But that would happen much later, after he left his post.

As Yeltsin faded, he relied even more on the people around him, most of all on his younger daughter Tatyana, then in her mid-thirties. He admitted in *Presidential Marathon* that Tatyana played a major role in the Kremlin: "Tanya by her humble presence and occasional bit of advice really did help me."

That was too modest an appraisal of his younger daughter's contribution. In actual fact, in the last years of Yeltsin's second term, Tatyana became the virtual ruler of the country. The sweet young woman, practically a girl, with limited life experience, found herself in the thick of political events. In early 1996, when the fight was on to keep Yeltsin for a second term, family friend and journalist Valentin Yumashev had the idea of bringing Tanya into the election campaign to serve as a direct channel between the campaign team and the president. Shy and timid at first, Tanya entered politics as an "information channel" and stayed on.

When Brezhnev was fading, the person who had the most influence on him was his nurse. With Yeltsin, it was his younger daughter, but it could have been a nurse, a driver, or a cook. Before the Family became the main influence on Yeltsin, the gray cardinal of the Kremlin was Yeltsin's bodyguard, Alexander Korzhakov.[6] In a one–man political show, especially in a weak one like Yeltsin's, the absence of independent institutions when the leader goes into decline means that power can fall into other hands most randomly.

After 1996, Tanya gradually took control of all important political appointments. A grimace of dislike on her face was enough to get someone fired, while an approving smile could speed someone else up the ladder of success. All vivid personalities in the Yeltsin entourage were removed, to be replaced by faceless people who preferred to operate behind the scenes, or by out-and-out ruthless individuals who did not even conceal their nature. Yeltsin's last team, the one that prepared the Successor Project, was selected by his daughter and her intimate friends.

Tatyana's friends became heads of government institutions and received huge chunks of state property. Tanya decided when and how the president would be shown to the public and prepared drafts of his

speeches. She managed the emotions and eventually the behavior of her father, who grew more helpless every day. Yes, Yeltsin was stubborn and egocentric. But he loved Tatyana and let her do almost whatever she wanted with him; he turned into her puppet. Russian tradition and the weakness of civil society had brought the country to such a pass that it could do nothing but sit back and watch the drama of the collapse of power and the state, and the degradation of the president's personality.

In the late 1990s, Russia entered the era of the political Family: rule by the president's daughter and chums of hers undistinguished by expertise, brains, or talent. The situation with the next ruling team, however, would be even bleaker, which proves that governance based on loyalty and mutual obligations never brings bright and responsible people to the top. The names of Tanya's major associates—Valentin Yumashev, Alexander Voloshin, Roman Abramovich—meant nothing to anyone. Only Berezovsky, Tanya's adviser, the leading intriguer of the tsar's court, was known, and only because he liked being in the spotlight. In the later years of the Yeltsin administration, Berezovsky was crowded out by younger people whom he had introduced to Tatyana and with whom she felt more comfortable—people like Abramovich and Voloshin, with a strange, even dubious, past, implicated in shady dealings.[7] Perhaps these characters who suddenly surfaced and were attracted to the president's daughter were good friends to her, spoke her language, and had the same interests. It is also very likely that they provided various services to the Yeltsin family that tied the family to them.

As the Kremlin brotherhood grew accustomed to armored limousines and official bodyguards, to having every door open for them and no one monitoring their behavior, they lost all sense of limits. They began discrediting potential opponents and economic rivals; as in Soviet times, only the servile survived. It is a good thing that the Family was driven mainly by greed. Its members were not interested in foreign policy or relations in the post-Soviet space. They did not indulge in state building. They were capable of nothing more than moving pieces on the political chessboard. But they achieved perfection in that game. They ran an extended intrigue intended to create the appearance of activity on the part of the president, a sick old man, who in turn, and perhaps unaware, provided cover for them. From their position deep inside the Kremlin, this corrupt cooperative of

friends and business comrades-in-arms created a giant vacuum to suck money out of Russia and into their own pockets.

The moment came when the question of a successor was more important to the Kremlin circle and its closest associates than to Yeltsin himself. The weaker the president grew, the more acute became the Family's need to find a successor they could rely on after his departure. Survival and the perpetuation of their power preoccupied the Yeltsin team throughout 1999. The heir had to be prepared, legitimated through service as prime minister, so that the political class would get to know him. Leaping straight onto Yeltsin's throne, the Kremlin's team realized, was hardly possible for their candidate, for even patient Russian society would not tolerate that.

Actually, Yeltsin himself had been giving some thought to his successor for a while. But before 1997, his objectives had been different—then he was apparently interested in finding a leader who would continue his mission, who would pursue his reforms. Starting in 1997, though, he began to look at the people around him, pondering those he might be able to entrust with his political inheritance. For a while, he seemed particularly fond of Boris Nemtsov, governor of Nizhny Novgorod, a young, flamboyant liberal who would become one of the leaders of the Union of Right Forces (SPS). After Nemtsov, Yeltsin closely observed the work of General Nikolai Bordyuzha, for some time his chief of staff.

In many ways, however, Yeltsin's search for a potential heir was a game with Machiavellian overtones. The president was provoking potential pretenders so that he could gauge their attitude toward him. Anyone who dared apply for the role of successor was destroyed. Thus Yeltsin fired Prime Minister Chernomyrdin, who considered himself the heir in 1997 and 1998. The search for a successor was also a search for rivals to be neutralized or, better, erased from the political scene. But by 1999, Yeltsin could not rule, and therefore the succession issue had to be solved.

On May 19, 1999, Sergei Stepashin became the new Russian prime minister.[8] He was a Yeltsin loyalist who had moved from post to post—he had been director of the Federal Counterintelligence Service (predecessor

of the FSB), minister of justice, and minister of internal affairs. Stepashin had had a paradoxical career—at one time he had been a democrat, and then in 1994 he had been entrusted with the pacification of Chechnya. Such sharp switches were typical for politicians drafted by Yeltsin. Temperamentally, Stepashin was a cautious man who never tried to play leading roles. That Yeltsin was appointing representatives from the power structures (*siloviki*) to the office of prime minister revealed the thought process of the ruling group. The Kremlin must have believed that the prime minister of a transitional cabinet should be someone who controlled the army or other power structure. He might be needed to defend the Kremlin from rivals.

However, in May 1999 there was no final clarity on the optimal candidate for regent. Yeltsin subsequently said, in *Presidential Marathon*, "Even as I nominated Stepashin, I knew that I would fire him." That Yeltsin's team had not yet decided on the final appointee is the only explanation for the constant presence in the president's inner circle during that period of Victor Aksyonenko, minister of transportation, who was fighting for the position of first loyal subject. In comparison with the crude and rascally Aksyonenko, who had long been suspected of financial machinations, the other candidates to the throne, including foreign minister Igor Ivanov, interior minister Vladimir Rushailo, and Putin, seemed like intellectual giants and models of conscience.

Gradually, Yeltsin and his clique came to prefer Vladimir Vladimirovich Putin. In his memoirs, Yeltsin wrote that as early as 1997, the year Putin moved to Moscow, he had his eye on him. Yeltsin was "amazed by Putin's lightning reflexes." The president had the feeling that "this young . . . man was ready for absolutely anything in life, he would respond to any challenge clearly and distinctly." In this case, Putin's relative youth (he was then 45) seemed to matter to Yeltsin, who must have felt that Russia needed dynamism rather than stabilization. If Yeltsin is to be believed, he did not dare propose the unknown Putin while Primakov retained his influence, and so he used Stepashin as a buffer between Primakov and the real heir. But most likely it was not that complicated—the Kremlin Family was still vacillating over its choice.

In his narrative, Yeltsin paints himself as savvy and sharp, in control of the process, picking out candidates and rejecting others, elaborating on

the consequences of his choices. Reality was more pathetic: Yeltsin would never have quit his post and never have looked for an heir if he had been in command.

Stepashin was not fated to be the successor. But he did not know that. He threw himself into his role as prime minister with total sincerity. He even tried to form his cabinet, rejecting advice from the Kremlin. What unforgivable carelessness! He failed to understand that to survive in his position he had to lie low. Even more important, the Kremlin wasn't sure that Stepashin would protect his benefactors. So, on August 9, less than three months after his appointment, Stepashin was sent packing in the most humiliating manner.[9] The Kremlin was in a hurry. The entourage must not have been certain how long Yeltsin would last. It was time to present the real heir to the public. By early August, the main candidate for successor had been selected.[10] The game of prime ministerial poker was drawing to a close.

Vladimir Vladimirovich Putin appeared on the national stage unexpectedly. The political class as well as the public was surprised to see him, but everyone was so exhausted by the moves leading up to this that the new holder of the prime minister's office roused no opposition. He was seen as just one more premier in a long line, most likely an accidental figure. No one realized that this was the true heir. The unlikely choice and Putin's personality lulled suspicions. Many people simply paid no attention to him or considered his appointment something of a joke.

Who was this Mr. Nobody? He was a KGB officer who had served in East Germany. It wasn't clear what he had done there—gathered intelligence or spied on his fellow citizens. Putin retired in the rank of colonel, which meant that he had not had a brilliant career in the KGB. The Fates then made him a close aide of the liberal mayor of Saint Petersburg, Anatoly Sobchak. The trajectory—from the special service to the liberals—was not at all unusual in the early post-Soviet era; Putin's predecessor as prime minister, the short-lived Stepashin, had followed the same course in reverse. During Yeltsin's presidency, many people performed extraordinary somersaults, moving from camp to camp and rising to and falling from power.

Having become Sobchak's shadow, Putin turned into an effective manager. His relationship with his boss is exceptionally significant in understanding his future ascendancy. Putin proved he could be loyal and faithful and showed that allegiance to bosses and friends was extremely important to him. He followed the rules and could be relied on. The latter, we admit, was and still is a rare quality for Russian politicians and managers. Putin behaved decently toward the people with whom he had ties and to whom he was obligated. He quit his job immediately after Sobchak lost the gubernatorial election in July 1996, even though he could have stayed on working for the new governor of Saint Petersburg, Vladimir Yakovlev. After Putin managed to move to Moscow and unexpectedly jumped up the career ladder when Yeltsin appointed him director of the FSB, he demonstrated his loyalty to his former boss one more time. But more about that later.

Outwardly, Putin was an unexpected choice for a leader: hardly good-looking, rather short, with an inexpressive face and an awkward manner in public. He certainly was not charismatic. Next to the tall and powerfully built Yeltsin, he looked like a boy. He did not belong to the Yeltsin entourage—he was merely in its orbit to execute orders. Putin never pushed himself forward, keeping to the sidelines. In the beginning, he appeared shy and withdrawn. He was definitely not a public figure. Even the most sophisticated Kremlinologist was unlikely to see in him the future ruler of Russia. He was faceless and bland, either by nature or by training as an intelligence officer who had been taught not to stand out. There was nothing memorable about him except for his interest in the martial art of judo; that suggested he was not as simple as he seemed but possessed an inner strength and hidden ambitions.

When Yeltsin asked Putin whether he was prepared to become prime minister, he replied at once, according to Yeltsin in *Presidential Marathon*, in the military manner: "I'll work wherever you assign me." The answer pleased Yeltsin. On August 16, 1999, the Duma confirmed Putin as prime minister. The confirmation went smoothly precisely because no one took Putin seriously. Many saw his appointment as a sign that the Kremlin was giving up the power struggle. Luzhkov and Primakov must have been pleased with Yeltsin's choice—inconspicuous and shallow-looking Putin certainly did not seem to be a serious threat to their presidential ambitions. What poor judgment on the part of those old-timers in politics!

In his memoirs, Yeltsin goes on about his affection for his successor. Here is how Yeltsin (or the author who ghostwrote Yeltsin's memoirs) describes Putin: "Putin has very interesting eyes. It seems that they say more than his words. . . . I had the feeling . . . that this man, young by my standards, was absolutely ready for everything in life, and could respond to any challenge." However, the declarations of love in Yeltsin's book, which was published after Putin became president, are more likely an attempt by the Yeltsin Family to keep Putin in their embrace, to explain publicly that he had been their choice, and to impress on him that he owes them for it.

It wasn't Putin's eyes and precise answers that convinced Yeltsin to make him his final choice. Something about the man—in his behavior, in his life experience—encouraged Yeltsin and his closest associates to entrust him not only with the country but with their lives. After a long and tortuous selection process involving the testing of numerous pretenders to the throne, the ruling team saw in Vladimir Vladimirovich something that made it believe he would not sell them out, that they could trust him and be assured of their future. And they had ample reason to worry about the future—because of the allegations of corruption, because they had acquired many enemies, because they were blamed for all the country's ills.

One event in Putin's life could have reassured them significantly in this regard. Putin helped Anatoly Sobchak, his former boss, who was suspected of abuse of power and corruption in Saint Petersburg, to get to Paris secretly. That saved Sobchak from a trial and perhaps from being thoroughly discredited if he had been found guilty of misdeeds. Getting Sobchak into France was a military operation that involved the special services, a chartered plane, and the covering of tracks. In Paris, Sobchak was probably under the protection of Putin's agency. To put it baldly, Putin used his position as head of the FSB to help a witness and potential suspect escape justice. Yeltsin considered that a good deed; he had "great respect" for the man who would do such a thing, he said in his memoirs. Here we have a window into the way both the former and current Russian presidents relate to the law. The Sobchak story must have convinced Yeltsin and his entourage that Putin would not give them up, even if it endangered his career.

Sobchak died unexpectedly on February 1, 2000, after his former assistant had already become the Kremlin boss. Putin attended his funeral and did not hide his tears from the television cameras. One could see that he was not acting; he was sincerely grieving over the death of his boss. Russia saw that the new leader was humane, and his behavior struck a chord in Russians' hearts. In some way that could not have been predicted, Putin succeeded not only in being accepted by the ruling Family but in being liked by society as well.

Putin confirmed his capacity for loyalty in the spring of 1999, when he defended Yeltsin during his conflict with then–prosecutor general Yuri Skuratov. At that time, a great many elites had turned their backs on Yeltsin, and it looked as if the president was about to be toppled. It was then that Putin first appeared in the spotlight, playing the role of Skuratov's exposer in order to defend the president.[11] Putin burned his bridges, taking Yeltsin's side at a time when even Yeltsin's staunchest supporters were distancing themselves from the Kremlin (partly because Yeltsin was playing dirty). The ruling Family saw then that Putin could be trusted, that one could rely on him.

The most important argument in Vladimir Putin's favor as Yeltsin's successor was that he was completely obligated to Yeltsin for his advancement. Putin had nothing of his own—no supporters, no charisma, no ideology, no popularity, no experience—nothing that made him an independent figure. He had been created by the people around Yeltsin; naturally they expected gratitude and allegiance from him.

There may, however, have been other circumstances in Putin's life history that guaranteed his dependence on his creators. We can only speculate about what those could be, but a heftier security deposit than Putin's promises of fidelity must have been required by Yeltsin's people. That, however, is only a guess; there is no proof for it. Though there were obvious cynical reasons for this choice of successor, Yeltsin may still have considered Putin—a man who had a liberal period in his past and who belonged to a younger generation—someone who could carry on his work.

The appointed heir had time to prove his loyalty not only to Yeltsin and his Family but to some of the leading oligarchs as well. Boris Berezovsky recalled later: "Primakov intended to put me in prison. It was my wife's birthday. . . . And quite unexpectedly, Putin came to the party. He came and said, 'I don't care in the least what Primakov will think of me. I feel that this is right at this moment.'" That act of Putin's, when Berezovsky's fate was uncertain, can be seen as evidence either of Putin's human decency—supporting a person he knew who was in trouble—or of his pragmatism—supporting a person who still had enormous influence. Most likely the episode showed that Putin was capable of devotion to people with whom he had been thrown together. Putin came to a party hosted by a man who might have ended up in jail; in other words, Putin clearly was no coward. However, he might have known that Primakov's days were numbered and he could safely visit. If Putin only knew that Berezovsky would soon become his worst enemy!

That Putin had no political ties but did have roots in the power structures was important for the ruling team. It was better, the team reasoned, to have military protection during the volatile period when Yeltsin disengaged and the successor took over. That Putin had no ties to any political group was a plus in the new Russia, for it might mean that no interest group had claims on him. And that the final candidate for the role of successor had no political past at least guaranteed that, as a completely new face, he had not yet bored his audience. The absence of ideological engagement made it possible for the ruling team to shape Putin's image in whatever way they desired. Thus he could be presented as a liberal, a conservative, or a patriot.

However, for the new premier—barely known outside the Moscow Ring Road—to be taken seriously as Russia's leader, there had to be a perceived need among the Russian public that Putin would step in to fill. The need was clear after the financial crash of 1998 and from the moment Primakov took office. Weak Russia needed a strong state and a leader with a tough image who was ready to stop the rot. Ironically, at just the same time, in August 1999, an international scandal broke that

gave yet more impetus to Russia's move toward a stronger rule. The Bank of New York was implicated in the alleged laundering of $4.2 billion from Russia.[12] Russian government officials and people close to them allegedly played a role in the money laundering as well. The world press made Russian money and Russian corruption the top story of the day.

The Bank of New York scandal violently upset ruling circles in Russia. It was one thing for law enforcement authorities in tiny Switzerland or even Italy to suspect high officials and members of the Yeltsin Family of laundering money and taking bribes. It was quite another when the secret services of the United Kingdom and the United States fastened on the idea. The scandal widened, leading to hearings in the U.S. Congress, the threat of sanctions against Russian businesses, and the possibility of investigations into the financial dealings of Russian politicians.

The passions and fears loosed by the scandal increased the feeling of vulnerability among Russia's elites.[13] Some elites who had engaged in dubious activities and financial manipulations and who had been involved in illegal deals now realized that they could lose the safe harbors they had prepared in Western countries, to which many of them had already sent their families. Now they were forced to deal with their own survival inside Russia. A strong leader who could defend their interests was what they urgently needed.

At the height of the uproar over money laundering, evidence of fresh scandal created a sensation: the credit cards reportedly provided by the Swiss company Mabetex to Yeltsin and members of his family.[14] The Russian president, who until then had kept silent, called U.S. president Bill Clinton with just one aim: to deny the allegations about his and other family members' "Swiss connections." Evidently, Yeltsin really cared what kind of reputation he had in the West. But why did he and his family need credit cards from Mabetex? They had an enormous country at their disposal.

Meanwhile, the anxiety of the political class was not enough to create a mandate for a "strong-arm" regime in Russia; the masses needed to feel the need for a new and authoritarian rule as well. An occasion quickly arose: the invasion of the Russian republic of Dagestan by separatists from neighboring Chechnya on August 2, 1999. The separatists supposedly

took advantage of the confusion in Russian political life to attempt to create a radical Wahhabite Islamic state in Chechnya and adjacent regions. But by a strange coincidence, they attacked Dagestan when preparations were already under way in Moscow for a transfer of power. And why didn't Moscow stop the invasion? Why did the Russian power ministries calmly watch the open massing of armed separatists in border regions? Moreover, a brigade of Interior Ministry troops that had been protecting the border between Chechnya and Dagestan was quickly removed just before the invasion.

Some Russian journalists wrote openly that people close to the Kremlin, primarily Berezovsky, might have pushed the Chechen fighters to attack Dagestan to increase the Russian people's sense of vulnerability and pave the way for a change of rule.[15] "Why did Chechnya happen before Yeltsin's reelection? Why is there now Dagestan before these elections?" asked the magazine *Profil'* on August 30, referring to the parliamentary elections scheduled for December. "Who ordered a war in Dagestan, and why?"[16]

In any other country, such questions would have called for court hearings and a mass firing of officials. But in Russia they were merely shrugged off. Such is the effect of living with continual scandals, and of the still-powerful ingrained fear of the authorities.

The Chechen invasion prompted in Russian citizens the very feelings that are vital for the formation of a new type of order—fear and a sense of vulnerability. The next month, August 1999, several residential buildings in Moscow and other Russian cities were blown up, killing about 300 civilians and sending shock waves throughout the country.[17] The explosions put society in a mood that could be described as demanding a "strong hand." In September, just after the blasts, Russian citizens considered "personal safety" a higher priority (40 versus 28 percent) than "social guarantees"—a major issue after the loss of the Soviet social security net that had previously obsessed them. "Crime" and "instability" topped the list of concerns (47 and 46 percent, respectively). Even before opening an investigation, the Kremlin announced that there was a "Chechen trace" in the crimes. Police began rounding up anyone who looked remotely Chechen. The terrorists, however, were never found, which gave rise to suspicion about the involvement of Russian secret services in the explosions.

The conspiracy theory is too simple an explanation for the watershed change in Russian public opinion. In the confusion that reigned in Russia, with the constant leaks of information from the top, even the secret services would have had difficulty carrying out such an operation without leaving many clues and witnesses behind. In any case, there are no secrets in today's Russia—all that is hidden is revealed sooner or later. But at the same time, we must admit that to this day there are no satisfactory answers to numerous questions stemming from that period. Nor does one sense any desire by the Kremlin to conduct a thorough investigation of the events that would lead to the capture of the perpetrators, thereby putting an end to all the rumors.[18]

The prime minister lost no time showing himself to be a strong and powerful politician. Speaking to the Duma after the explosions, Putin described the challenge facing Russia: "In blowing up the houses of our fellow citizens, the bandits are blowing up the state. They are undermining authority—not of the president, city, or Duma. But of authority per se." He stated that his goal was "to defend the population from bandits." He said what millions of citizens expected of a leader. When he spoke from the podium of the Duma, the Russian audience finally saw what it wanted—a determined, willful face, the springy walk of an athlete, and . . . very cold eyes. Many decided that a man with eyes like that had to be strong. And a majority of Russians wanted a strong man in the Kremlin. They were tired of watching Yeltsin fall apart.

Having done nothing yet except declare his determination, Putin received mass support from the main forces in Russian society. The accumulated fears, the disarray, the feeling of being in danger, and the very real Russian "Weimar syndrome" all pushed people toward a longing for order and a new face in the Kremlin. The sociologist Yuri Levada wrote in the last edition of *Moskovskie novosti* of 1999: "No researchers had ever seen Russian society in this state. . . . All the fears and passions that had been biding their time came to the surface and the hidden layer of our consciousness was exposed."

All the feelings that had been stored away in people's minds during the years of Yeltsin's administration now surged up as disillusionment and yet also hope for change. But that hope was reflected mainly in the search for a new leader, not in a demand to break the pattern of personalistic

rule. In their mass longing for security and order, it seemed that Russians would have supported any new face as long as it appeared confident and was not that of a human wreck. Youth and dynamism were what Russians wanted in a president, and that in itself was a positive break with the tradition of declining and impotent leaders.

The blasts in Russian cities were the final straw that rendered retaliatory action in Chechnya inevitable. On September 30, 1999, federal troops entered Chechnya. Large-scale war began. It was a civil war where victory is impossible and what is considered victory can easily turn to defeat. Because the military actions were labeled "antiterrorist operations," no approval from the upper chamber of the parliament, the Federation Council, or declaration of a state of emergency in Chechnya was required. Thus the war was conducted outside the framework of legality. Whatever political expediency demanded could be done unhampered in Chechnya.

Whereas in early 1999 only a madman would have contemplated a new war in the Northern Caucasus, by autumn the second Chechen war had helped unite Russian society, soothing Russians' vulnerability complex. The operation against Chechnya had been prepared under Primakov and Stepashin, but as a limited action against Chechen terrorists and criminal elements. The plan was to move the army to the Terek River to create a buffer zone between the pro-Russian and separatist regions of Chechnya, and also to mount surgical strikes on terrorist bases.

Why did Russian troops cross the Terek and go into the territory beyond? Why did the military begin mass bombing in Chechnya, leading to thousands of casualties among civilians and the creation of tens of thousands of refugees? We know that Russian generals wanted revenge for their humiliation at the hands of a small number of poorly armed fighters in the first Chechen war. Perhaps they managed to convince Putin to pursue the war to its end and were certain of victory. Perhaps Putin himself wanted that. What is known is that the prime minister himself proposed the initiative of the "antiterrorist operation." He did not hide it. Reporters once asked him, "Then the entire responsibility

(for Chechnya) is yours?" He replied: "To a great degree that is so. I told myself: I have a certain amount of time—two, three, four months—to shatter those bandits. And then, they can fire me."[19] But did he know what the operation in Chechnya would be like? Once it began, it was too late to change his decision; he was hostage to the new war and the generals' ambitions.

The majority of Russians considered the first Chechen war criminal. Now it was considered criminal not to support the military crusade in Chechnya. Thus in January 1995, 54 percent of those polled wanted Russian troops pulled out of Chechnya (27 percent supported the troops' presence there, and 19 percent had no opinion). By contrast, in November and December 1999, between 61 and 70 percent of those polled approved of the operation in Chechnya. Even after the substantial losses in Chechnya became known—including thousands killed and wounded among the Russian army and civilians—in July 2000, 70 percent of respondents felt that there should be no negotiating in Chechnya but that order should be imposed on the republic with the help of the army.

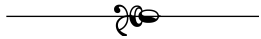
After the military attack on Chechnya began, Putin no longer needed to continue the difficult struggle for power. All he had to do was point to the enemy, who were Chechens, naturally. War lifted him to the peak of the political Olympus.

Other circumstances guaranteed Putin's move to real power. First among these was the quite effective game played by the Kremlin. The people who constituted Yeltsin's political circle were not political geniuses. When threatened, however, they succeeded in finding a mechanism for their survival, which was not at all sophisticated but which worked, at least for the time being. The ruling team managed to restore control over power resources and, at least partially, over society's moods by working on people's darkest fears and ratcheting up the desire for stability at any price. Chechnya turned out to be a good excuse for consolidation because it served simultaneously as an internal and an external enemy.

After August 1999, the widespread desire for security in Russian society in effect led to consolidation Soviet-style. The planned, albeit crude, manipulation of public opinion by the state-run mass media aided the reimposition of central control. But it is important to acknowledge that many Russians at that particular moment acquiesced in and perhaps were

relieved by the turn back to the old and familiar pattern of rule. They had been through lifetimes of change in a dozen years. Russian society, cut off from its traditions, uncertain of the future, disoriented and helpless, was stuck between floors in the elevator of history—between past and future. The weary, disillusioned post-Soviet citizen could find in the return to clear-cut decisions, authoritarian style, and the search for the enemy a bit of calm and comfort, if only temporarily.

To ensure Putin's ascension, the Kremlin now needed to clear the field of his main opponents, Luzhkov and Primakov, who had created their own political movements, Fatherland and All-Russia. (The two had put off working out their relationship and deciding who would be the leading challenger for the spot in the Kremlin.) The Kremlin killed Luzhkov and Primakov politically through a dirty campaign in the state-run media, pressure on members of the opposition, and bribery of members of their movements. The demoralized political class quickly reoriented itself, focusing on the strongest player: the Kremlin, once again. The habit of obeying central power reasserted itself, as those who had sworn fealty to Luzhkov and Primakov yesterday were bowing today to the Kremlin's new appointee. It was frustrating to watch the journalists, analysts, advisers, and plain hangers-on who only recently had crowded around Primakov and the Moscow mayor. Some of them vanished from the political scene. Others ran next door and began seeking access to Putin.



At last, the relevant Russian officials realized how important television is for politics. In the 1996 presidential campaign, the people at Russian television had just been learning how to manipulate public opinion, crafting an image of an active leader out of the ailing Yeltsin. Now television had become the primary political ax for destroying Putin's opponents. Sergei Dorenko, a well-known news anchor on state television, was assigned the task of demoralizing Luzhkov and Primakov. Behind Dorenko was Berezovsky, one of the shareholders of the state television's Channel 1. Every Saturday night in prime time, Dorenko poured another load of filth on the Kremlin's rivals. He accused Luzhkov of many and varied crimes: His wife transferred money outside the country, he was a

thief, he had been party to the murder of an American businessman. Luzhkov couldn't wash it off fast enough. Once he finished with Luzhkov, Dorenko moved on to Primakov, using every means possible to paint him as a sick old man. The place for him wasn't the Kremlin but a retirement home, was the message on state television.

The Kremlin, using all its resources to destroy the opposition, deliberately forgot about the Communists, according them favored status. The battle among similar species was more vicious than the one between different species. The Kremlin's equanimity toward the Communist Party had a definite goal. The Yeltsin–Putin team needed a good showing by the Communists in the upcoming parliamentary and presidential elections, so that Gennady Zyuganov would be Putin's main rival. That guaranteed Putin's victory. The ruling team wanted to use again the strategy it had employed successfully in the 1996 elections, when the fact that Communist candidate Zyuganov was the main competition facing him helped Yeltsin stay in power. Left with the alternatives of the Communist past or an indefinite future with a sick leader, Russia had chosen the second option. So this time the Kremlin was even prepared to support Zyuganov, both materially and organizationally, to keep him around as the only opponent. The Kremlin team did not show much imagination, but at that moment they did not need it to have their way with the demoralized Russian electorate.

During an amazingly short period of time in the autumn of 1999, the spectrum of Russian political life shifted radically. Back in the summer, the political class would have supported Primakov as Yeltsin's successor. Society was ready then to accept an elderly, extremely cautious leader and to endorse the constitutional amendments that would have created a strong cabinet and an influential parliament. In the autumn, society and the political class, seeming to forget Primakov's existence, turned to the young unknown whose very appearance symbolized strict order and harsh personal rule.

In other words, it became clear that the Russian mindset was still flexible and unformed and could be controlled. Political institutions meant nothing. A few people in the Kremlin controlling all state resources determined the fate of the presidency and the enormous country along with it. Employing blatant manipulation and pressure, they changed the

characters, sets, and content of the play. The preceding period of Yeltsin upsets had beaten down society sufficiently that it readily agreed to participate in the show the Kremlin was proposing.

The public observed this with calm resignation, even though the Kremlin intrigue was primitive and obvious. Why did Russia accept the humiliating spectacle unfolding before its eyes? Perhaps it was another manifestation of Russian fatalism—you can't do anything about it, you can't fight city hall. Only a small group of intellectuals and journalists protested. But who paid any attention? That the president's clique was appointing a successor and few people were surprised or shocked—on the contrary, most people found it natural—was telling. It showed either that the tradition of autocracy still lived or that Russians did not care much about the political regime, having become convinced that they would find ways to survive under any form of rule. And a lot of people had already come to like the new candidate for the throne.

At that moment at the end of 1999, the small steps Putin was taking as the new prime minister, especially his reliance on the state apparatus, could be interpreted as a return to the Soviet past—without communism, but with Communists. There was a sense of déjà vu. But it was too soon to draw final conclusions about the essence of the new regime. After all, Putin's life had included the Saint Petersburg period with the liberal Anatoly Sobchak, which could not and cannot be discounted. It remained to be seen how Putin coupled Soviet habits and a KGB background with the liberal principles acquired in Saint Petersburg.

The new premier had a positive reception from the country in the last months of 1999, and his ratings rose quickly. According to the All-Russian Center for Public Opinion Research (hereafter VTsIOM), in October, 65 percent approved of Putin's policies, compared with 52 percent in September and 33 percent in August. Their poll at the end of November found that 29 percent of respondents would vote for Putin for president, whereas 17 percent were for Zyuganov and 13 percent for Primakov. It became clear before the Duma elections in December that the Luzhkov–Primakov "second party of power" had no chance of success.

As for the Chechen war, in November 1999, 48 percent of Russians supported Putin's "antiterrorist operation" (29 percent demanded even harsher policies toward Chechnya, and only 7 percent thought excessive

force unjustified). For the first time in many years—at least since Gorbachev came to power—Russian society had returned to the saving idea of military patriotism, which became the refuge of all in Russia who feared and who felt vulnerable.

Even the liberals joined the war camp. "Today in Chechnya it is not the question of Chechnya that is being decided, but an incomparably more important question—today in Chechnya the Russian army is being reborn," announced Anatoly Chubais, leader of the liberals and a recent favorite of the West, in November 1999. After the West accused Russia of human rights violations in Chechnya, Chubais flung back an accusation: "I consider the position taken by the West as a whole … on Chechnya to be immoral. I consider the position of the West dishonest." Thus a leading liberal and friend of the West suddenly turned anti-Western. Well, he wanted to survive. A politician who had been considered brave and principled turned out to be weak and conformist. He could have believed what he was saying, though; many such do.

On November 14, 1999, Yeltsin publicly embraced Putin and confirmed once again that he was "the only choice for Russia." There were almost no doubts left about the scenario Russia would follow. The successor was already appointed. But the new leader still had to be tested by election—first the parliamentary elections, then the election for president.

The old resources for the legitimation of power in Russia—through the "leading party," Marxist ideology, blatant coercion—had been exhausted. The Kremlin gang turned to elections. The role of elections in Russia was now clear: They had become a mechanism for supporting the appointed monarch. Only the unexpected could stop Putin's path to the Kremlin.