Can 'Power Ministries' Be Reformed?

Kaliyev (Chiharro), Roustam

Boston University Center for the Study of Conflict, Ideology, and Policy

http://hdl.handle.net/2144/3603

Boston University
President Vladimir Putin has spoken repeatedly of the necessity of reforming the security services. In particular, he has called for reducing the number of "power ministries." This is warranted since there is, indeed, a multitude of security services: 11 "power ministries" are represented in the Security Council, but other structures, such as the railroad troops, exist as well. Scrutiny of the efforts to reform the security services can provide clues about interagency competition.

Putin has employed a very active "cadre policy," first of all among the "power ministries," but there are signs that the government also may be reorganized. One of the president's most significant appointments was placing Sergei Ivanov, a 15-year veteran of the KGB, in the position of Minister of Defense. Under Ivanov the political weight of the Ministry of Defense has grown substantially to the point where it has a leading voice in matters of foreign and security policy. At the same time, the Security Council lost these functions and has come to be limited more and more to problems related to Chechnya and organized crime. When Putin began to show some interest in questions pertaining to nuclear weapons and strategic security, he appointed Marshal Igor Sergeev, the former defense minister, as his assistant for these matters and replaced Atomic Energy Minister Yevgeny Adamov, with Alexander Rumyantsev. These appointments enable Putin to bypass the Security Council for strategic security matters.

It is notable that Putin has named persons from outside the Ministry of the Interior (MVD) and the defense ministry to the top positions -- Sergei Ivanov to the defense ministry and Boris Gryzlov, the head of the pro-presidential Unity faction in the Duma, to the MVD. The rationale may have been that a person who did not rise within the
ministry in question, and therefore was not bound by corporate loyalties, would prove to be a better reformer. Of course, military reform has been on the drawing board for several years and has defeated the efforts of several defense ministers. Gryzlov, however, was tasked with something new -- reforming the MVD, which has become one of the country’s most ineffective, unwieldy and criminalized structures.

The MVD is perhaps a unique institution: It can be seen as a second national army because its force strength is considerable even by the dimensions of the defense ministry forces, but it is even more criminalized. The internal troops have their own aviation, anti-aircraft capabilities, intelligence and counterintelligence, artillery, and heavy armor. Beside the internal troops, the MVD has special forces (such as OMON) and a police force that reaches into every nook and cranny of the country. The only structure that can compete with the MVD in the number and variety of its directorates is the Soviet-era KGB.

Three such structures had a particularly high degree of autonomy within the MVD: the Main Directorate for Fighting Organized Crime (GUBOP), the Main Directorate for Fighting Economic Crime (GUBEP), and Directorate "R," which deals with criminality in the sphere of high technology. Soon after his appointment in March 2001, Gryzlov's inspection of the three directorates revealed that they not only did not fight crime but in fact were involved in illegal business activities covering precisely the spheres they were supposed to control. The GUBOP was the first of the government agencies that started providing protection ("krysha") to businesses and became one of the largest rackets in Moscow. (3) Soon after the inspection, the GUBOP officially was disbanded by order 585 of the MVD minister. According to Gryzlov, the GUBOP did not perform the functions it was assigned. (4) However, over a year has passed since Gryzlov's decision and the GUBOP still exists.

The same is true of the other main directorates of the MVD which were supposed to be disbanded but in fact have remained active.
Kommersant, cited above, quotes an anonymous member of the central directorate of the MVD, who comments that the MVD reshuffle has been most advantageous for St. Petersburg policemen and FSB cadres, these being Putin's favorites, who profit the most from new positions or vacancies, especially at the rank of general.

In 1999, a Duma commission for national security, composed largely of subordinates of the then-MVD Minister Vladimir Rushailo, developed a very interesting document, "National Security: A concept of necessary reforms of the Russian Security Services."5 The document, which became public knowledge in 2000, recognizes that the security services are ineffective and that different agencies perform the same task, either replicating the work or hindering each other. The rather ambitious document recommends:

"... to unify the Russian security services on the basis of the MVD, which has been subject to the least amount of 'reform' in recent years and as a result not only preserved but substantially raised its operational capabilities.

The quality of the cadres of this new security service would be much improved since the merger would bring in the best specialists and whole divisions from other security services, without altering their field of endeavor. Direct subordination of the unified security service to the chairman of the Cabinet of Ministers would preclude the possibility of extraneous work such as security services gathering kompromat on one another."

This brave effort was nothing less than an attempt by the MVD to claim leadership among the security services. It is important to note that the service would be subordinate to the prime minister; hence the document was an oblique offer to Putin who occupied that position at the time. Once elected president, Putin quickly dismissed such plans and a year later replaced Rushailo with Gryzlov. The FSB response can be seen in the comments of Vladimir Kozlov, deputy director of the FSB's Second Department (for defending the constitutional order and fighting terrorism). Kozlov said
that, without "untraditional" methods and operations the FSB cannot carry out its mission of providing security for the citizens, the society, and the state. Kozlov did not specify what "untraditional methods" the FSB employs, but did make it clear that the agency would not cede leadership to any other security service. (6)

Constant competition and interagency "war" between the MVD and the FSB is traditional for Russia, but in the past the consequences of this competition did not spill out beyond the services themselves. The situation changed as rumors spread that the president was considering uniting security services to reduce duplication of efforts. This was confirmed when Putin publicly reiterated this idea after a Security Council meeting in May, although he remains imprecise about his plans. (7) In a situation where the president apparently had not made up his mind about which services should be eliminated, which entities would lose some of their functions, and which services would be strengthened, the necessity of proving the value of one's service becomes acute.

The biggest players on the security "market" are the defense ministry, the FSB, and the MVD, and these structures cannot be dismantled. Hence each is competing to be the structure on which the president can pin his hopes and ambitions. A variety of factors (historical ties or animosities, corporate loyalty, cadre policy) determine where the smaller agencies fit among the three titans. Roughly, we can say that the Federal Agency of Government Communication and Information (FAPSI), the Federal Messenger Service (FFS), the Federal Guards Service (FSO), the State Customs Committee (GTK), and the Border Guards (FPS) are oriented toward the FSB. The MVD's satellites are the General Procuracy, the Federal Tax Police (FSNP), and the justice ministry.

The appointment of Sergei Ivanov to the defense ministry took the military out of the race. Since Ivanov is considered one of Putin's closest allies, the ministry's access to Putin is assured. At the same time, Ivanov's appointment blocked the ambitions of General Staff Chairman Anatoly Kvashnin, who had spent years intriguing against former Defense Minister Igor Sergeev in the hopes of obtaining his seat.
The MVD and the FSB, however, remain in competition and have dragged heretofore relatively neutral security services (listed above) into the fray. A wave of kompromat -- with accusations of corruption, abuse of office, and breaches of tax and customs regulations spilled out onto the pages of the nation's newspapers. (8) For the first time, the main actors on this stage were highly placed officials of the security services.

In the Fall of 2001, scandal broke surrounding the largest chains of furniture stores in Moscow, Tri Kita and Grand. The companies import Italian furniture and sell it in a chain of upscale stores in the capital. The general prosecutor initiated a case against high-level officials of the customs service under statute 286 article 3 -- "Abuse of office resulting in serious consequences." The customs officials were accused of demanding a $5 million bribe from Tri Kita owner Sergei Zuev. In response, the customs service initiated a case against the owners of Tri Kita and Grand for nonpayment of import duties. The scandal really blew up when Obshchaya gazeta and Novaya gazeta reported that the furniture companies involved in a massive customs scam were being run by the deputy director of the FSB, Yuri Zaostrovtsev. (9) According to Obshchaya gazeta, Zaostrovtsev was a member of a Security Council commission that in August 2001 drafted an Economic Security Concept (which among other topics considered revisions of customs practices). Soon Duma deputies became interested in the case. Hearings were held, but the main questions -- including what role was played by the deputy director of the FSB in this whole story -- were not asked.

The complexities of the legal battles between the general prosecutor and the customs office over furniture imports may not seem particularly interesting. However, if we may suppose that the general procuracy opened a case against the customs office with MVD support, knowing that it would embarrass FSB officials, then what we have is the current round in the fight between the FSB and the MVD. And in this round the MVD dealt a blow to the FSB.

The struggle between the security services has a number of arenas -- political, social and criminal. Chechnya, which has become one of the main arenas, constitutes an
outstanding example of the chaos in which all this may result. Without a doubt the counterterrorist operation in Chechnya would have met with greater success if the services were not so busy undermining their colleagues from competing services. (10) The latest example of this is the spate of bombing attacks on the Chechen MVD. Chechens regard these attacks as being orchestrated by the military to discredit the MVD. (11) Putin has charged the pro-Russian administrator, Akhmad Kadyrov, with building an MVD force that would be the main guarantor of stability in the republic. The majority of military units could then be pulled back from the villages and into the barracks. The Chechen MVD must prove itself capable of maintaining order, but in that case the military would lose the leadership and initiative in Chechnya. The military seems committed to sabotaging such plans.

Similarly, tragically high losses of life of Russian military personnel can be manipulated to corporate ends. For instance, as a result of a stunningly well-planned action by Chechen combatants, an MI-26 helicopter was shot down 100 meters from the main military base at Khankala, killing 127 servicemen and wounding 22. That event prompted Sergei Ivanov to order eight generals to be investigated and immediately to remove Col.-Gen. Vitaly Pavlov, the commander of the Air Force.

The main difficulty with the efforts to reform the "power ministries" is that the members of the presidential entourage, the interest groups around Putin, are pathologically suspicious and contemptuous of one another. The chaos created by the security services and their political and financial patrons is an even more serious problem for Russia than are the consequences of the war in Chechnya. To end the Chechen war before the start of his second presidential term, Putin would have to eradicate these practices. On a larger scale, the success of Putin's economic and social measures, which have been the hallmark of his presidency, also depend on his ability to carry through a decisive reform of the security services.

1. Roustam Kaliyev, who sometimes publishes under the name Chiharro, has contributed articles about Chechnya to Moskovskiy novosti and Obshchaya gazeta.
2 Kommersant, 1 June 2002


4 Kommersant, 22 June 01.

5 Document archived at slavmir.ruweb.info/arhiv98/sib31okt.htm#2.


7 Kommersant, 1 June 2002.

8 See Roustam Kaliyev, op. cit.


Copyright Boston University Trustees 2002
Unless otherwise indicated, all articles appearing in this journal have been commissioned especially for Perspective. This article was originally published at http://www.bu.edu/iscip/vol13/kaliyev.html.