

News Analysis: Old Cabinet in Flux: A Look at Its Members

By [Anatoly Medetsky](#)

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The outgoing Cabinet has steered the country through one of its worst economic crises and droughts.

It can credit itself with preventing worse consequences of the economic woes by bailing out banks and major companies with windfall tax revenues from oil and gas.

"The expectation was that Russia would suffer especially greatly. I remember negative pessimistic assessments," said John Willerton, an associate professor of political science in the school of government and public policy at the University of Arizona. "But pensions are in place, wages are in place and the economy didn't dip as much as it could."

Prime Minister Vladimir Putin is scheduled to deliver his last annual Cabinet performance report in the State Duma on Wednesday.

The Cabinet will resign on Putin's inauguration as president May 7.

President Dmitry Medvedev, who is expected to become the next prime minister, will then name his Cabinet.

When Putin took the office of prime minister four years ago, Medvedev endorsed his Cabinet on May 12.

Though there have been numerous media reports about which ministers will lose their jobs, where they might go and who is likely to take their place, with four weeks remaining before the Cabinet steps down, it has only recently lost some of the key players that held their posts for more than a decade.

"There has been a tremendous amount of continuity," Willerton said.

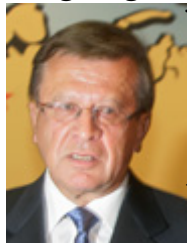
Former Emergency Situations Minister Sergei Shoigu was confirmed as the Moscow region's next governor last week. Former Industry and Trade Minister Viktor Khristenko moved to a senior position in the economic union of Russia and the two former Soviet neighbors of Kazakhstan and Belarus in February.

Former Deputy Prime Minister Sergei Ivanov moved to the role of Kremlin chief of staff in December. Former Finance Minister Alexei Kudrin got the ax in September over his public criticism of Medvedev's orders to increase defense spending.

The reshuffle is also breaking family ties within the Cabinet: Khristenko is the husband of Health and Economic Development Minister Tatyana Golikova.

Were Viktor Zubkov to leave, another nepotistic relationship would end. Zubkov is the father-in-law of Defense Minister Anatoly Serdyukov.

Outgoing Cabinet Scorecard



Viktor Zubkov, 70, first deputy prime minister since May 2008, responsible for the agriculture, fisheries and timber industries and customs duties.

Background: He worked under Vladimir Putin in St. Petersburg in the early 1990s and later helped him secure a new dacha after his original one burned down in 1995. Zubkov's son-in-law is Defense Minister Anatoly Serdyukov. Zubkov has been repeatedly reported to be on the way out, but there are no hints of a replacement.

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High points:

- He supported and likely engineered the embargo on grain exports that helped the government maintain affordable domestic prices after the heat wave of the summer of 2010.
- Although Dmitry Medvedev's administration called the bill "legally questionable," Zubkov sponsored a retail trade bill in 2009 that supported suppliers over retail chains in reining in access fees.

Low point:

- He has been in regular conflict with the Agriculture Ministry, stating publicly in March 2011 that "The Agriculture Ministry works poorly!"



Alexander Avdeyev, 66, culture minister since 2004.

Background: He has no known special historical relationship to Vladimir Putin. He said he won't join the new government. Possible successors include Denis Molchanov, head of the governmental culture department, or Mosfilm studio director Karen Shakhnazarov.

High points:

- He was openly critical of Gazprom's attempt to build a giant tower in St. Petersburg, saying it would destroy the city.

- He defended the decision of one of his ministry's agencies to award a prize to the Voina art group, whose members painted a large penis on a bridge in St. Petersburg.

Low point:

- He took part in a charity concert at the Bolshoi organized by the controversial Federation Fund soon after public allegations surfaced that raised money never reached intended recipients.

Vedomosti



Alexei Kudrin, 51, deputy prime minister since 2007 and finance minister since May 2000 until he was dismissed in September 2011.

Background: He worked as deputy mayor alongside Vladimir Putin in St. Petersburg. He was replaced by his deputy Anton Siluanov.

High points:

- When the economic crisis hit in late 2008, Kudrin bathed in gratitude for his idea to stash away windfall revenues from oil and gas exports in previous years. The Reserve Fund money helped mitigate the global economic meltdown for the country.

- He pushed through higher taxes on Gazprom.

Low points:

- He was publicly fired by Dmitry Medvedev last fall over a disagreement about swelling defense expenses.

- Russia increased its foreign debt, conducting its first international bond sale since 1998 in April 2010, raising \$5.5 billion on international markets.

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Anatoly Serdyukov, 49, defense minister since February 2007.

Background: Serdyukov is the son-in-law of First Deputy Prime Minister Viktor Zubkov, a Vladimir Putin loyalist. Analysts say Serdyukov might leave the post to become finance minister.

High points:

- He presided over the first large-scale military reform since the Khrushchev era in an effort to turn the country's Soviet-era military into a more mobile force.

- Amid growing frustration with the quality and efficiency of defense manufacturing, Serdyukov became the first defense minister to order purchases of foreign military equipment.

Low points:

- Due to his business background as a furniture trader and his civilian approach to reform, he is unpopular among the career officers, who have nicknamed him "furniture."

- He has been unable to resolve issues with supplying retired officers with long-promised apartments.

Vedomosti



Igor Sechin, 51, deputy prime minister since May 2008, covering industry (except defense), energy, natural resources and environment.

Background: He worked under Vladimir Putin in St. Petersburg in the early 1990s. Vedomosti speculated in March that Rosatom chief Sergei Kiriyenko could replace Sechin.

High point:

- In a deal that Sechin helped mastermind, Rosneft last year gained ExxonMobil as a new international partner to develop the challenging Arctic and Black Sea offshore fields, whose exploration alone requires \$3.2 billion, and got an option to buy stakes in some Exxon projects in the United States, which would mark the first time a state-controlled Russian oil company obtains partial ownership in American oil and gas assets.

Low point:

- That success was preceded by a failed effort to link Rosneft and BP, in which insufficient due diligence failed to reveal that the British company's other Russian partner, TNK-BP, could challenge the rival partnership in an international court.

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Viktor Basargin, 54, regional development minister since October 2008, overseeing social and economic development of the regions, housing and utilities and Olympic construction.

Background: He has no known special historical relationship to Vladimir Putin. A recent survey by think tank St. Petersburg Politics indicated that he is widely expected to become the Sverdlovsk governor. But Vedomosti, citing two unidentified government officials, reported that he is likely to remain in the new Cabinet and could be appointed deputy prime minister.

High point:

- His ministry is carrying out a reform to upgrade national housing and utilities and is implementing a program to improve living conditions for World War II veterans.

Low points:

- He constantly comes under attack from Dmitry Medvedev, who publicly slammed him at a meeting for the implementation of the priority national projects in 2010 because he read a long report of the problems without outlining ways to solve them. In a recent example, Medvedev harshly grilled Basargin at a meeting for the provision of affordable housing in February.
- He lacks initiative and has turned his ministry into a completely bureaucratic institution targeting insignificant issues, said Nikolai Petrov, a political analyst at Carnegie Moscow Center.

Vedomosti



Sergei Lavrov, 62, foreign minister since 2004.

Background: Lavrov is not seen as part of Vladimir Putin's inner circle. Kommersant considers him very likely to keep his job in the next Cabinet, but possible previously mentioned replacements include Alexei Gromov, Kremlin deputy chief of staff; and Russia's ambassador to the United States, Sergei Kisklyak.

High points:

- He oversaw the signing in April 2010 of the New START arms reduction treaty with the United States.
- He has significantly increased Russia's profile on the international stage, making it more of a global player.

Low points:

- Russia has drawn international condemnation for its resistance to proposed UN sanctions against the regime of Syrian President Bashar Assad, as well as for continued arms sales to the Syrian government.
- Similar initial resistance to Western efforts to protect civilians in Libya resulted in condemnation for Russia and a shaky stance with Libya's new government.

Vedomosti



Vedomosti

Igor Shchyogolev, 46, communications and press minister since May 2008, overseeing policies and regulations on all telecommunications, information technology, Internet, television, personal data and radio.

Background: He headed Vladimir Putin's presidential press service in the early 2000s. A possible successor is Olga Dergunova, a member of VTB's board of directors and former general director of Microsoft in Russia. Also, telecoms executives say MegaFon general director Sergei Soldatenkov, who hails from St. Petersburg and will leave the company in June, is Cabinet material.

High points:

- He carried out Putin's decree to install web cameras in 90,000 polling stations for a live video feed of the March 4 presidential election that was broadcast online.
- He oversaw the merger of regional operators into state-owned Rostelecom in 2011.

Low points:

- The process for distributing 4G frequencies has been finalized, but earlier scenarios were fraught with conflict and intrigue, and some industry insiders see a distinct lack of strategic thinking and competition.
- Although Internet use is the highest in Europe in terms of individual users, penetration remains at only 35 percent of the Russian population, according to comScore research.



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Igor Shuvalov, 45, first deputy prime minister since May 2008, responsible for state property management, intellectual property, transportation, communications, competition and state monopolies, with responsibility for financial and economic development policy added after the dismissal of Deputy Prime Minister Alexei Kudrin.

Background: He may have first crossed paths with Vladimir Putin in 2000 when Putin became prime minister in a Cabinet where Shuvalov was chief of staff. No future career or replacements have been reported.

High points:

- His success in getting Vladivostok in shape for the Asian Pacific Economic Cooperation summit in September 2012 has turned the Pacific port into the country's second-largest construction site after Sochi, which is the venue for the 2014 Winter Olympics.
- He has received praise from companies like Unilever for his role as foreign investment ombudsman.

Low points:

- Although he announced in the fall of 2010 an extensive program of selling state stakes in major national companies, the program has fallen behind schedule thanks to unsatisfactory market conditions.
- Recent revelations about his personal wealth have cast a shadow on his management of possible conflicts of interest.



Andrei Fursenko, 63, science and education minister since 2004.

Background: He was believed to be part of the Ozero dacha cooperative co-founded by Vladimir Putin in the 1990s in the Leningrad region. But Fursenko said in a recent interview with Ogonyok magazine that he pulled out of the project before construction started. When Putin came to power, all the members of this group became ministers or successful businessmen. Some media reports say Fursenko might be replaced by presidential aide Arkady Dvorkovich, while others suggest he might stay in the Cabinet.

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High point:

- Fursenko has been supervising the biggest education reform in modern Russia aimed at bringing the country up to international standards and fighting corruption by introducing the Unified State Exam and two-level higher education in accordance with international standards.

Low points:

- The results of those reforms remain hotly debated, including the usefulness of the Unified State Exam and cuts in budget funding for higher education institutions.
- Russian universities are still failing to get high marks in international rankings.



Igor Levitin, 60, transportation minister since March 2004.

Background: He is not from St. Petersburg or the security services — he comes from Odessa and is a soldier and railman — but is said to have a knack for maintaining cordial relations with all the various competing clans. Analysts see the reclusive Levitin as a likely casualty of a Cabinet reshuffle, but the field of possible successors is so wide that it is difficult to pick a likely winner. A logical place to start, however, would be his six deputies — the most visible of whom is

Vedomosti

Valery Okulov, the former CEO of Aeroflot, who is overseeing the early April plane crash in Tyumen.

High points:

- Air passenger turnover in Russia has grown at an average of about 10 percent a year, outpacing global averages.
- Infrastructure building has increased under his tenure, with \$4 billion of federal funding for road construction allocated for 2012.
- In 2008, he was decorated with the medal For the Development of Railways by Vladimir Putin.

Low points:

- More than 700 people have died in air crashes under his watch, giving Russia one of the worst air safety records on the planet.
- He became a villain to environmentalists after he authorized the route of the Moscow-St. Petersburg highway through the Khimki forest outside Moscow and has been accused of personally benefiting from the project via offshore companies.



Sergei Shmatko, 45, energy minister since May 2008.

Background: He has no known relationship to Vladimir Putin. Khanty-Mansiisk Governor Natalya Komarova is reported to be a candidate to replace Shmatko, while Sechin protege Pavel Fyodorov was recently named a deputy minister under Shmatko. Vedomosti said in March that Shmatko could head state nuclear-industry corporation Rosatom or oil pipeline monopoly Transneft.

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High point:

- He showed Russia's resolve by walking out of an EU-sponsored conference in Brussels in 2009 after accusing the EU and Ukraine of putting Europe's energy supplies at risk by leaving Russia out of a declaration to upgrade Ukraine's gas transit network.

Low point:

- He failed to gain any concessions during EU talks. The so-called Third Energy Package, which calls for separating the businesses of natural gas supply and running pipelines, irks Gazprom.



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Sergei Ivanov, 59, Kremlin chief of staff since December 2011. He served as defense minister from March 2001 until February 2007, when he became a first deputy prime minister and, a year later, deputy prime minister responsible for transportation, defense and space until December 2011.

Background: A close friend of Vladimir Putin, he served with the future Russian leader in the Leningrad branch of the KGB. After Ivanov left the Cabinet last year, most defense issues were passed to Dmitry Rogozin, a former ambassador to NATO.

High point:

- He and Dmitry Medvedev were Putin's main candidates as a presidential successor in 2008.

Low points:

- Putin selected Medvedev over him.
- One of his sons was involved in a 2005 car accident that resulted in the death of a pedestrian. The incident was considered a possible factor in his not being chosen to succeed Putin.



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Tatyana Golikova, 46, health and social development minister since September 2007, overseeing health care, the pension system, the population's social security and the labor market.

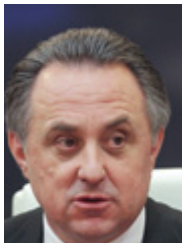
Background: She worked as deputy finance minister from 2000 to 2007 under Alexei Kudrin — whom Vladimir Putin has referred to as a “close friend.” Her husband is former Industry and Trade Minister Viktor Khristenko. She may lose her job if the ministry is divided into two separate institutions in charge of labor and health care, as Vedomosti reported in February. She is considered “the most likely candidate” to replace Elvira Nabiullina as economic development minister, Izvestia said last month.

High points:

- She initiated a review of pension rights for employees who didn't benefit from a 2002 reform — a move that won praise from Putin.
- She has pushed for pension increases and the introduction of “social bonuses.”
- Under her watch, the national child mortality rate has fallen to its lowest level in 19 years — a fact that Putin has pointed out.

Low points:

- She is disliked by entrepreneurs after the unified social tax was replaced by payroll taxes, increasing small businesses' tax burden.
- A controversial reform of the health insurance system, which many health-care professionals say is poorly thought out, is due to take effect in April.
- She is ranked second after Education and Science Minister Andrei Fursenko on a list of least-trusted government ministers, according to the latest poll by VTsIOM.
- She was harshly criticized by pediatrician Leonid Roshal, who said the ministry lacks “a normal, experienced organizer.”



Vedomosti

Vitaly Mutko, 53, sport, tourism and youth policy minister since 2008; chairman of the FIFA World Cup 2018 organizing committee.

Background: Reportedly friends with Vladimir Putin, the two worked together under St. Petersburg Mayor Anatoly Sobchak in the early 1990s. As prime minister, Dmitry Medvedev wants to appoint his former classmate Yevgeny Arkhipov, the president of the All-Russia Kayak-Canoe Federation, as sports minister, said analyst Vladimir Pribylovsky, adding that there's a 50-50 chance Mutko will stay.

High points:

- He chaired Russia's winning bid to host the 2018 FIFA World Cup.
- The 2008 Champions League final in Moscow took place without incident after he asked fan organizations to behave peaceably and deployed thousands of police officers.

Low points:

- Russia's poor performance at the 2010 Winter Olympics and allegations of misspending of Olympic funds led to intense criticism and sinking popularity ratings for Mutko.
- Mutko's speech thanking FIFA officials for awarding Russia the 2018 World Cup in December 2010 inspired much hilarity on YouTube due to his thickly accented English.



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Sergei Shoigu, 57, emergency situations minister since 1994 — the longest-serving minister in post-Soviet Russia.

Background: Although originally a Boris Yeltsin clan member, he has been a loyal supporter of Vladimir Putin since Putin came to power in 2000. Shoigu was recently appointed as the Moscow region's governor, effective in May. One of his deputies, Vladimir Puchkov, has been named by RBK as a possible successor.

High point:

- A Cabinet heavyweight and simultaneously a senior United Russia official, Shoigu has led a ministry that functioned under various names for years, always making the headlines when a disaster struck. He has the highest popularity rating of any Cabinet minister.

Low point:

- He faced harsh criticism for not taking preventive measures and then failing to combat peat bog and forest fires in summer 2010, leaving forests and homes in ashes and covering urban areas with dense smoke for weeks.



Vedomosti

Alexander Khloponin, 47, deputy prime minister and envoy to the North Caucasus Federal District since January 2010.

Background: While billionaire and self-styled opposition politician Mikhail Prokhorov considers Khloponin a good friend, Vladimir Putin is said to be a big fan as well. Putin appointed him as governor of the Krasnoyarsk region in 2002. There are no media reports about him possibly losing his job.

High point:

- He supervised the signing of a \$1.8 billion deal in June 2011 between French bank Caisse des Depots et Consignations and the Russian state-owned North Caucasus Resorts Company to develop ski resorts in the North Caucasus.

Low point:

- His efforts to spur investment in the North Caucasus have been frustrated by entrenched corruption and a simmering separatist insurgency. He acknowledged in January 2012 that the scale of money laundering in the North Caucasus is enormous and that authorities have failed to stop the flow of funds to criminal elements and terrorists.



Viktor Khristenko, 54, industry and trade minister from March 2004 until February 2012, when he moved to head the executive committee of the Unified Economic Space, a free-trade group of Russia, Belarus and Kazakhstan.

Background: He has no known personal relationship to Vladimir Putin. He has been married to Health and Social Development Minister Tatyana Golikova since 2003. He was replaced by acting Industry and Trade Minister Denis Manturov.

High points:

- He oversaw Russia's cash-for-clunkers program to support the local auto industry after the 2008 crisis.
- He played a role in the Sukhoi SuperJet project to create a mid-range aircraft. It went into commercial operation last year.
- His ministry, in conjunction with Elvira Nabiullina's Economic Development Ministry, developed new terms for the assembly of foreign cars in the country and signed billions of dollars worth of deals with foreign carmakers.

Low points:

- Plants in Pikalyovo, the Leningrad region, and Baikalsk, the Irkutsk region, ceased operations during the 2008 crisis, prompting strong worker protests in 2009.
- In January 2010, he had to defend the legality of his ownership of a house that he bought in an environmentally sensitive area. He lives in the gated community Ostrov Fantazii, or the Island of Fantasies, near the Rechnik community that was under attack from former Mayor Yury Luzhkov at the time.

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Elvira Nabiullina, 48, economic development minister since May 2008.

Background: No relationship to Putin has been reported. Izvestia reported last month that Health and Social Development Minister Tatyana Golikova could replace her. Nabiullina could become a deputy prime minister, Nezavisimaya Gazeta said last month. Mikhail Oseyevsky, a former St. Petersburg deputy mayor, was appointed as a deputy to Nabiullina recently.

High points:

- She backed Dmitry Medvedev's innovation drive by proposing legislative measures, including reducing the payroll tax on some innovative companies.
- She proposed making visa rules simpler for high-skilled, high-paid foreign specialists, a measure that went into effect in July 2010. The simpler rules apply to foreign employees with a salary of at least 2 million rubles per year.

Low points:

- She didn't manage to thwart an increase in payroll taxes, which had a cooling effect on the economy.
- Her ministry last year developed a bill on state procurement that drew strong criticism from the Federal Anti-Monopoly Service and whistle-blower Alexei Navalny, who described it as limiting competition and breeding corruption. The Cabinet ordered the ministry to revise the bill.

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Yelena Skrynnik, 50, agriculture minister since March 2009.

Background: She isn't thought to have a relationship to Vladimir Putin. Ura.ru reported last month that Tyumen Governor Vladimir Yakushev could replace her.

High points:

- The country is set to break its grain export record this marketing year, which ends June 30, by exporting at least 25 million metric tons.
- Russia began exporting sugar last year for the first time in its post-Soviet history.

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Low points:

- Milk production was stagnant despite Russia's heavy reliance on imports.
- Prosecutors in November 2011 accused Rosagrolizing of poor performance in previous years, when Skrynnik was at the head of that state company.



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Dmitry Kozak, 53, first deputy prime minister since 2008, responsible for the 2014 Olympics, socio-economic development of regions, state housing policy and development of physical culture and sports.

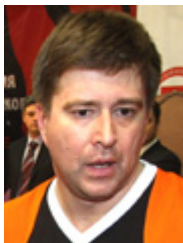
Background: He worked with Vladimir Putin in the St. Petersburg city administration in the 1990s, and he headed Putin's 2004 presidential election campaign. Ogonyok magazine has named Kozak as an outsider to take the prime minister post from front-runner Dmitry Medvedev. More plausibly, the same publication also speculates that he may make use of his law degree to be elevated to prosecutor general.

High points:

- He was praised by the Olympic leadership during its last review in February 2012 for Sochi's development.
- He has raised a record \$1.2 billion of domestic private investment for the Olympics.
- He won praise in July 2009 for cutting the state's Olympic budget by several billion rubles.

Low points:

- In November 2011, the final Olympic construction bill increased 300 percent because of a miscalculation, Vedomosti reported. Private investors reportedly might never see returns.
- Hundreds of workers on the Olympic construction site went on strike in March 2010, having worked for months without pay and in dreadful conditions.
- The Olympic logo was ridiculed upon its publication in December 2009 and ruined a Sochi entrepreneur's business by taking his website domain name, Sochi.ru.
- He was passed over for St. Petersburg governor in August 2011 in favor of outsider Georgy Poltavchenko.



Vedomosti

Alexander Konovalov, 54, justice minister since 2008.

Background: He is considered to be close to Dmitry Medvedev, with whom he studied at a St. Petersburg law school. He might become prosecutor general.

High points:

- He initiated large-scale prison reforms to humanize the penitentiary system, including improving conditions in prisons and separating first-time convicts from hardened criminals.

- He took part in drafting amendments to liberalize the Civil Code to improve the investment climate.

Low point:

- The Justice Ministry has refused to register opposition parties, including the liberal Parnas party, and faces accusations of acting under orders not to allow the opposition to create legal political structures.



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Rashid Nurgaliyev, 66, interior minister since 2004.

Background: Like Vladimir Putin, he is a former KGB officer. Despite media speculation that Nurgaliyev will be replaced, he has indicated that he will stay.

High point:

- Conducted large-scale reforms within the ministry, including firings, salary increases and rebranding the force from the Soviet-era name "militia" to "police."

Low points:

- Numerous shameful incidents with police officers have continued after the reform was initiated in response to a Moscow shooting rampage by officer Denis Yevsukov in 2009.
- He has not succeed in ending the Soviet-era points system, which encourages police officers to pad statistics and invent small crimes to win promotions.



Yury Trutnev, 56, natural resources and environment minister since March 2004. **Background:** He has no reported relationship to Vladimir Putin. Ura.ru reported in December that Trutnev could take the position of presidential envoy in the Volga Federal District, while Chelyabinsk Governor Mikhail Yurevich could head the ministry. Kommersant said in December that Trutnev would become Kremlin deputy chief of staff.

High points:

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- The World Wildlife Fund director for Russia, Igor Chestin, praised the ministry last year for a “balanced” and “constructive” environmental policy.
- Federal funding for geological exploration is increasing slowly after a crisis-induced slump and is set to surpass the pre-crisis spending of 2008.

Low points:

- Geological exploration of oil, gas, gold and other natural resources by international majors has plummeted because of a legal provision that puts in question their development rights should they discover “strategically” large reserves.
- The ministry’s remit narrowed after Putin stripped it of control over the Federal Environmental, Technological and Atomic Supervision Service in May 2010. The move came after the disasters at the Rospadskaya coal mine and Sayano-Shushenskaya hydroelectric power station.

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