The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Cabinet Under Fire After Putin Threatens Reshuffle

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April 16, 2013



Prime Minister Dmitry Medvedev **Dmitry Astakhov**

The Cabinet came under attack from State Duma deputies Wednesday as Prime Minister Dmitry Medvedev addressed the lower house of parliament for the first time since taking office.

The annual speech, which prime ministers have given since 2009, came as the country teeters on the brink of a recession, and the price of oil, a key export commodity, has taken a dip.

The leaders of the Duma's four factions lambasted the Cabinet for inefficient work, with some of them claiming that they might demand dismissal of the government later this year.

The harshest criticism was voiced by the head of the Just Russia faction, Nikolai Levichev. He claimed that the Cabinet had failed to provide a clear plan on improving the quality of life in the country over the next eight years and ensure stable economic growth.

Citing recent figures released by the Economic Development Ministry, he stated that the government's plans to ensure economic growth of at least 5 percent a year remained only on paper and were at odds with reality.

"It is clear by all signs that the threat of entering into a recession this fall is quite possible. If this happens, we'll have to raise the question of a no confidence vote," Levichev said, commenting on Medvedev's speech.

He was referring to an earlier statement by Economic Development Minister Andrei Belousov, who acknowledged last week that the Russian economy could enter into a recession in the fall.

The ministry slashed its forecast for the country's annual economic growth for this year from 3.6 percent to 2.4 percent.

The figure is still optimistic, Deputy Economic Development Minister Andrei Klepach said late last week. The pessimistic forecast is 1.7 percent.

Levichev also lambasted the perpetual talk about the need to improve the conditions for business. He said the speeches did not appear to be yielding any results, considering recent capital outflow numbers.

"I am quite fed up with the mantras about creating a favorable investment climate," he said.

He also lamented that the farming sector was the responsibility of a Cabinet minister who did not have firsthand experience in the industry, apparently referring to Deputy Prime Minister Arkady Dvorkovich.

"It's unlikely that the pulse of the rural life is something that can be felt by an urban dweller for whom a chair is the only four-legged thing he has ever seen," Levichev said.

In his answer to the remarks, Medvedev stated that "no one is perfect." He added that this year will be hard for the global economy, and the government will have to find "an additional stimulus for economic growth."

Medvedev began his report just minutes after a video has been leaked to LifeNews showing President Vladimir Putin scolding senior government officials for their poor performance during a closed-door meeting that he chaired in the republic of Kalmykia on Tuesday.

The video and the timing of its release raises the specter that Cabinet ministers and governors might be fired.

"How are we working?" Putin rants in the video after asking journalists to turn off the cameras. "The quality of the work is contemptible."

The meeting was dedicated to a nationwide effort to resettle people living in dilapidated homes. The effort is the focus of one of Putin's key policy decrees, which he issued right after his inauguration in May.

The president said in the video footage that if the Cabinet and governors don't comply with his decrees, the logical conclusion will be that either Putin or they are not doing their jobs well

and someone will have to step down.

“I am leaning toward the latter option,” he said.

Among the Cabinet ministers who attended the meeting were Finance Minister Anton Siluanov, Economic Development Minister Andrei Belousov and Regional Development Minister Igor Slyunyayev.

Putin’s spokesman Dmitry Peskov confirmed that the video is authentic. But he said that Putin’s critical remarks referred to governors, not to the Cabinet, Ria novosti reported.

Peskov also lashed out at the leak of a closed-door government meeting, calling it “unethical.”

“Putin asked for the camera to be turned off,” Peskov said, according to Interfax. “It’s unethical to publish the closed part of the meeting.”

He added that the Kremlin intended to investigate the leak and might ban LifeNews journalists from covering Kremlin events.

In September, Putin openly criticized some Cabinet ministers for failing to fulfill his post-inauguration orders in what resulted in Regional Development Minister Oleg Govorun resigning.

Labor and Social Development Minister Maxim Topilin and Education Minister Dmitry Livanov were reprimanded.

Livanov came under fire again on Wednesday when some State Duma lawmakers proposed that he be dismissed from his post, citing the diminishing quality of education. However the idea was not supported by Medvedev, who defended the minister.

In his nearly two-hour speech the prime minister pointed out that improving the quality of education and healthcare services is a priority for the government. One way to do so is to increase the salaries of public sector employees, he said, adding that last year had become a significant milestone in terms of raising their pay.

He said that no other country in the world had raised salaries for public sector workers lately, as many leading economic powers are struggling with economic woes.

Medvedev also touched upon a number of hot issues including defense procurement, housing construction and infrastructure development.

He pushed for “ending price wars” between the Defense Ministry and arms manufacturers.

“We have money, so it’s high time we stop fighting,” he said, referring to problems with arms purchases in 2011, when the ministry and weapons manufacturers failed to agree on the supply price.

He called for introducing financial responsibility for the heads of defense companies for failing to fulfill contractual obligations.

A total of 6.5 trillion rubles ($209.7 million) in government funds will be spent on defense purchases in 2013 through 2015, he said.

He also vowed to support farmers and continue developing the remote Far East region, drawing modest applause from the audience from time to time.

The speech was followed by a questions and answers session with lawmakers, who still balked at the chance to give Medvedev an extended grilling after he fielded 12 questions.

“Enough,” a chorus of voices called out after Duma Speaker Sergei Naryshkin asked if the deputies wanted to continue.

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