Russia: Deputy Prime Minister Surkov resigns

Clara Weiss 16 May 2013

On May 8, President Vladimir Putin approved the "voluntary resignation" of Deputy Prime Minister Vladislav Surkov, universally regarded as the "number two in the Kremlin". The resignation of Surkov, for over a decade one of the most influential figures in Russian politics, reflects the deep instability of the Putin regime.

Surkov is the second high-ranking member of the government to leave in the first year of Putin's third term as president. In November, Putin fired Defence Minister Anatoly Serdyukov, a former close ally. Numerous Duma (parliamentary) deputies have resigned in recent months as a result of corruption scandals.

Surkov is a particularly cynical representative of the gangster bourgeoisie that emerged during the restoration of capitalism on the basis of the destruction and looting of the Soviet economy, and is one of the most hated politicians in the country.

He began his business career as a Komsomol (Soviet youth organisation) member and became prominent in the 1990s, rising rapidly to become one of the most influential figures in the Russian financial sector, where he worked in marketing and advertising. From 1991 to 1996, he sat on the management committee of the financial group and later at Menatep Bank. In the 1990s, Menatep, which was later turned into the oil company Yukos, controlled significant parts of the Russian economy under the leadership of the oligarch Mikhail Khodorkovsky.

Surkov then worked for Alfa-Bank, another influential bank of the time. In 1998, he worked for the Russian state television broadcaster, and from 1999 for the presidential administration in the Kremlin.

For years, Surkov was regarded as the chief ideologist of the authoritarian regime of the Russian president and the main man behind the personality cult cultivated around Putin. In July 2011, he said in an interview: "I think ... Putin is a man who was sent to Russia by fate and

God in an hour which was very difficult for our country, our great, common nation."

In Putin's first two terms (2000-2008) and for the majority of Dmitry Medvedev's presidency (2008-2012), Surkov was responsible for domestic policy. He also played a key role in the Second Chechen War, which cost the lives of tens of thousands. At the same time, he sat on the boards of various state-owned corporations.

Since the crisis of 2008/2009, Surkov has supported the "liberalization policy" of Medvedev, who struck a more conciliatory tone towards the US than Putin, and allowed more foreign capital into the country. Surkov spoke out against a third term for Putin.

After the start of the middle class protests in December 2011, led by the liberal opposition, Surkov was dismissed from the Kremlin and sent to the White House, the seat of the Russian cabinet. While he criticized opposition leaders as Western stooges, he signalled support for the protesters, whom he described in an interview as "our best people". After Putin's election as president, Vice Premier Surkov was regarded as a key ally of Prime Minister Medvedev.

His resignation was accepted by Putin on Wednesday, while Medvedev, Surkov's immediate superior, refrained from comment. Surkov's press representatives stated he would now withdraw completely from politics. According to a spokeswoman for Premier Medvedev, Surkov had initially tendered his resignation after talks with Putin on April 26. Surkov's resignation is being interpreted in the Russian press as a blow to Medvedev, whose possible dismissal has been speculated upon for months.

More recently, Surkov had spoken openly against Putin's economic and domestic political course.

In a speech on May 1 at the London School of Economics, Surkov sharply criticized the investigation into the Skolkovo project organised by the Investigative Committee, which is subordinate to the President and a Russian version of the FBI. A technical innovation centre is to be established in the village of Skolkovo near Moscow, to provide an example for the "modernization" of the Russian economy. The project was launched during the Medvedev presidency, and Surkov had played a leading role in it from the beginning.

The Investigative Committee has accused the vice-president of the project, Alexei Beltyukov, of having embezzled \$750,000, which was used to finance the opposition leader Ilya Ponomarev. According to the Russian edition of *Forbes* magazine, this financial transaction occurred with the knowledge of Surkov. *Forbes* claims this was one of the main reasons for Surkov's resignation.

Like Surkov, Ponomarev worked in the 1990s for a long period with the now imprisoned oligarch Mikhail Khodorkovsky. He is one of the leading figures of the Stalinist "Left Front", which is supported by the Pabloite RSM (Russian Socialist Movement). Ponomarev has called the investigation against Skolkovo "part of a broader attack on the liberal government".

In his speech at the London School of Economics Surkov also stated that the Russian economy must rid itself of its dependence on natural resources, and insisted on the participation of international companies in Skolkovo.

This critique of commodity dependency has been expressed by growing sections of the ruling elite in Russia, especially since the crisis of 2008. The Russian economy depends heavily on oil and gas exports, and for this reason has been particularly affected by the crisis.

To reduce dependency on commodity exports, which is a direct result of the massive de-industrialization of the 1990s, a "re-industrialisation" policy and the break-up of state monopolies in the main economic sectors are being discussed in ruling circles. This policy can only be implemented with foreign investment and will be accompanied by massive attacks on the industrial working class. Although Putin has taken up this course, he is not going far enough for the liberal factions of the ruling elite.

Putin and other sections of the bourgeoisie fear jeopardizing their own position in the economy. A greater opening up of the Russian economy to foreign capital would also increase pressure on the Kremlin's foreign policy, primarily on the part of the United States.

In 2011, the NATO attack on Libya exposed the foreign policy differences between the Putin and Medvedev camps. Putin described the war as a "medieval crusade", which Medvedev dismissed as "inappropriate" At that

time Medvedev, along with Germany and China, abstained on the UN resolution for war.

The battle lines, between the US and the Western European powers on the one hand and Moscow on the other, have hardened in the last year over the issue of Syria and the conflict with Iran.

Surkov's defence of the government's social policies has also caused tensions in the Kremlin. Last year, the government agreed to massive austerity measures, which will further curtail the few social rights and facilities remaining after the restoration of capitalism, especially in education and health.

Last year, the rate of inflation for staple foods such as bread, fruit and vegetables was around 15 percent. The prices of gas and heating have also increased 10 to 15 percent. It is estimated that the real incomes of the already completely impoverished population have declined by 5 to 15 percent during the official "recovery" of the last three years. One in three people lives below the official poverty line.

In a staged public debate on Tuesday, Putin accused the Social Affairs Ministers of failing to meet the targets for social measures set at the beginning of his third term. Surkov, who was also responsible for the implementation of the President's requirements, countered this in front of the cameras, saying that the government was working "perfectly, formally".

Putin's criticism of the government's social policy is cheap propaganda: the social cuts were implemented under his direction. By publicly attacking the ministers directly responsible, he is trying to distance himself from the austerity measures and so cover up his own role and responsibility.



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