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## [The plight of Russia's technocrats](#)



Why are government reform programs, developed by highly-qualified experts, implemented so poorly in Russia? According to the Center for Strategic Research, the “Strategy-2010” program, adopted in 2000, is still only 36% complete. The subsequent program “Strategy-2020” has been even less successful - just [29.5%](#).

Reforms in the economic and social spheres here are seen as a set of technocratic measures. These are implemented by the government under the auspices of authoritarian political leaders who enjoy a power monopoly and are able and willing to protect reformers against the impact of public opinion and various political forces. The majority of reforms in Russian and world history have been technocratic; for example, Witte and Stolypin in imperial Russia or the Chicago Boys in Chile during General Pinochet’s rule serve as examples of effective technocrats in the service of authoritarian regimes. Why, then, do technocratic reforms fail to generate the desired effect in contemporary Russia?

In short, politicians; most of whom are incapable of assessing whether technocrats’ ideas are pertinent to their country’s problems and if they offer viable solutions. At best, information concerning the results of reforms reaches them belatedly (or prematurely, speaking of reforms designed for a long-term perspective); at worst, information is largely distorted, especially in personality driven authoritarian regimes such as Russia's.

Consequently, relations between politicians and reform-minded technocrats resemble conflicts of interests between company shareholders and managers. However, unlike hired company managers who cannot overthrow the shareholders who appointed them, high-ranking technocrats are not only capable of siding with political opponents of their employers but can also seize power, ousting their leaders (like Yushchenko in Ukraine or Saakashvili in Georgia). Hence, politicians are tempted to promote loyal technocrats who are not always effective (this approach is summed up by a phrase in a novel by the Strugatsky brothers: "We need no clever people. We need loyalty.")

So politicians are constantly striving to ensure loyalty at the cost of competence. Technocrats who are smart but not trusted by politicians fail to gain the required access and mandate to enact their reforms. Loyal but less competent apparatchiks are given a more free rein, but then their questionable ideas in turn might cause lasting damage and could take time to fix.

### **Pockets of Effectiveness**

Rather than the development of reform plans and programs, their implementation by the state apparatus is the sticking point. Besides, the state apparatus is dependent on technocrats only to a minor extent and is often uninterested in policy reforms regardless of their content. Hence, reformers' chances of successful fulfillment of their plans are dire even given discretion to implement reforms. Reformers have to limit themselves to half-way solutions and narrow down the scope of reforms and the number of areas under transformation to finally focus on individual spheres in which politicians can create special conditions for more successful implementations of reform plans - so-called "pockets of effectiveness".

However, different interest groups operating both within and outside the state apparatus affect the realization of a given policy which is the most important challenge from the point of view of technocratic reforms. Reforms present new opportunities to cater to selfish interests for many potential beneficiaries. At the same time, opportunities for technocrats to create informal (not to mention formal) coalitions in support of the transformation efforts they initiate are very limited under the conditions of authoritarianism.

Technocrats compete with potential beneficiaries for influence on politicians' decision-making. The subordinate status of technocrats in terms of decision-making renders them extremely vulnerable. Reformers can count on the fulfillment of their plans only if their preferences coincide with priorities of political leaders. It turns out that their main asset is the ability to "sell" their transformation recipes wrapped neatly in attractive packaging to leaders eyeing the long-term perspective. The success of these endeavors is not obvious. It comes as no surprise that their suggestions may be subjected to distortion and emasculation.

The regime's fear of potential political destabilization force leaders to focus only on a narrow set of priorities even if they are inclined to carry out reforms. Reforms in other spheres are displaced and demoted. Moreover, should priorities of political leaders change for one reason or another, reforms may follow a completely different route than that originally planned. Thus, a shift of the Russian authorities from goals of economic development to geopolitics after the annexation of Crimea in 2014 has moved reformers-technocrats to the sideline of policy thinking, the priorities of which have altered drastically at the hands of the head of state.

Even when political leaders are interested in reforms, the number of their priorities is limited by default. Having supported reforms in two or three key areas, they push other areas to the margin of their focus. The flip side of the "success story" of the fiscal reform carried out in the early 2000s in Russia and supported by Putin was a failure of other transformative initiatives. Only projects which are seen as quick wins become priorities, to the detriment of long-term plans, many of which remain only active on paper. Hence, even if reformer-technocrats are granted a mandate by politicians to implement reforms and overcome the resistance of potential beneficiaries, they are limited by time and space and are all too aware of the fact that their visions can be fulfilled only to a limited extent. Given such conditions, reforms are often implemented in the format of special operations and are accompanied by numerous bureaucratic tricks, including cumbersome bureaucratic compromises and the abolition of various original ideas.

As a result, reformer-technocrats in Russia are stuck between a rock and a hard place; on one hand, political leaders expect successes of transformation; on the other hand, interest groups and the state apparatus demonstrate resistance to reforms. Besides, "privatization of benefits and nationalization of costs" has been

observed; oligarchs and/or potential beneficiaries associated with political leaders absorb most of the benefits, whereas society as a whole bears the costs. Although the need for the economic and social development of the country has supported the demand for the presence of reformers in governing bodies and reform proposals, the scope of this demand has decreased over time and demand for proposals is now pretty low.

Still, professional expertise remains an important asset, especially in such sensitive areas as fiscal policy and the banking sector, where political leaders cannot do without professionals. In fact, the power elite needs “fool-proof” solutions in such areas as economics and finance in order to avoid governance crises. Moreover, the involvement of technocrats in decision-making is rightly perceived by business representatives as a barrier, albeit a weak one, to the possible expropriation of assets by beneficiaries associated with public officials and possible arbitrary changes to the rules of the game. Therefore, technocrats legitimize the existing political-and-economic order in the country and generate benefits both for political leaders and themselves. Besides, political leaders can ascribe costs of failures of initiated changes to technocrats with relative ease. And even the possible replacement of “clever” technocrats-“viziers” with “loyal” ones (let’s imagine that a Nabiullina is replaced by a Glazyev as the head of the Central Bank of Russia) will not imply the revision of the technocratic model as such but only a deterioration of the quality of pursued policy (in the worst case scenario).

### **Room for improvement?**

Can the defects of the technocratic model of state governance in Russia be rectified? Incentives for the increased effectiveness of administration through the promotion of competition between agents, the limitation of powers of certain agencies, the redistribution of their functions and, last but not least, the replacement of “bad” high-ranking officials with “good” ones (reform-oriented and not thievish) are often suggested as possible solutions.

Staff reshuffles and changes of some of the rules of the game in certain areas of governance may facilitate solutions to individual problems. But attempts to improve the technocratic model against the backdrop of low-quality administration and the dominance of interest groups of beneficiaries tend to be ill fated. As a rule, these initiate further development and tightening of a regulatory framework, further expansion of the discretion of supervisory and law enforcement authorities. Not necessarily a positive consequence; the establishment of new barriers to reform simply replace the former hurdles if not adding to them. Technocratic traps of state governance in Russia are primarily political in their nature. Therefore, it will hardly be possible to avoid them as long as the existing political regime remains in place.

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