

## Event Summary: Is Vladimir Yakunin Tracking for the Kremlin?

Vladimir Yakunin arrived at his current position as head of the Russian Railways following a long and varied career in both the public and private sector. Unlike many Russian politicians today, Yakunin has an extensive academic background and speaks fluent English, thanks to the five years he spent with the Soviet mission to the United Nations. There is some speculation that in conjunction with his work at the U.N., Yakunin also served with the KGB, but this has not been decisively proven. In 1991, he moved to the business world, starting the International Center for Business Cooperation. After six years in business, Yakunin returned again to government work, first under Yeltsin, then under Putin, who, according to one of Yakunin's interviews in 2005, has personally "groomed" him for higher positions.

His current position as head of the OAO RZD (the Russian Railroads) presents not only serious challenges, but also tremendous opportunities. Unlike in the United States, in Russia the railways continue to play a strategic role both economically and politically, and Yakunin's position grants him considerable influence in major decisions. For instance, it is well-known that constructing a pipeline all the way to Russia's Pacific coast would be a considerably more efficient and cost-effective means of transporting oil. However, it would also deprive the Russian railroads of one of their most important sources of revenue, so Yakunin blocked the pipeline proposal in order to guarantee the continued dependence of the oil industry on the railroads to export to China. While he has returned to and become an influential member of the public sector, Yakunin refuses to classify himself as either a businessman or a government official, in recognition of the fact that his many interests often overlap between these two spheres.

Besides his political and business interests, Yakunin has many activities that extend into the societal and religious sphere. In his recent "State of the Nation" address, President Putin reaffirmed the need for Russian society to rally around its traditional moral values, and this is something Vladimir Yakunin has promoted for many years. Currently, he runs at least three non-profit organizations (such as the Center for the National Glory of Russia), which help promote Russian Orthodox values, Russian history, and strong ties with the Slavic world. In addition to Orthodoxy, Yakunin has also consistently advocated a conservative ideology: he does support changes in the Russian Constitution to include definitions of "Russian tradition," "national idea," and possibly even the term "*russkii*." In fact, Yakunin may be the only emerging political figure in Russia who has his own ideology, and who has potential to synthesize a number of newly-introduced political concepts such as "sovereign democracy" under a conservative political program. Vladimir Yakunin and his non-profits also encourage patriotism at the grassroots level. While activities such as distributing ribbons in honor of May 9<sup>th</sup> or bringing holy relics across Eurasia are not overtly political, they do give him a substantial base of popular support, which could be advantageous for future political advancement.

Though he has not received the same level of attention as either Dmitri Medvedev or Sergei Ivanov, Vladimir Yakunin does in fact have a real chance at succeeding President

Putin. For one thing, he may be able to balance between the rival clans in the same way that Putin has, since he is not explicitly affiliated with any particular group. Anyone with a realistic chance at succeeding Putin would have to be acceptable to major Kremlin clans and should be able to draw on his own base of power. For Putin, this power base was the FSB, for Yakunin, it could be the railroads. Only in Russia do the railroads hold such an important place—with currently 1,300,000 employees, 30,000 armed troops, and an independent media empire, it is a brilliant starting position for a presidential campaign. It is a state within the state. The railroads also negotiate many different agreements with Russian regions and private businesses and because they are still state-owned, they do not have to be as concerned with profitability, since they can separate their costs from benefits. Yakunin's work with various think tanks also represents an important political asset. It allows him to publish books and conduct seminars. Certainly no one can predict what the outcome of the next presidential election will be, but there is no question that even if he does not succeed President Putin, Yakunin will continue to be a major political stakeholder.

Q: What is the history of the Yakunin-Putin relationship?

A: Their acquaintance probably dates back to the 1980's under Gorbachev, when Yakunin was working with the U.N. and Putin working with the KGB in Germany. In addition, both Putin and Yakunin lived in St. Petersburg from 1991 onwards and it is likely they had considerable contact. Their relationship continues to be close to this day.

Q: Why is Yakunin not affiliated with one particular clan?

A: He is a member of a narrow group of those currently in power—which is divided between clans. Yakunin was almost given position at the Supreme Council of the United Russia party, but in the end chose to decline the offer, perhaps due to the influence of the Kremlin. In his current position, Yakunin does not need the support of any clan and in many ways the clan system is a restrictive artifact of our own analysis.

Q: Does Yakunin participate in Kremlin decisions? What kind of foreign links does he have?

A: Yakunin's exact participation in decisions is hard to judge, but he does participate in closed-door meetings. Also many investment projects in Russia are connected somehow with the railroads and beyond that, railroads also have geopolitical significance in Russia. As far as international involvement is concerned, Yakunin currently serves as the chairman of the railroads for CIS countries as well as accompanying Putin on many domestic and international visits. Yakunin also has extensive ties in religious and academic circles in a number of states.

Q: There was a rumor that the Russian railroads would buy the newspaper *Kommersant*, what prevented that from happening? How would one interpret Putin's statement about searching for a Russian national idea in his State of the Nation speech? Was Yakunin the target of those remarks?

A: Yakunin has been concentrating on developing his own projects rather than simply buying existing ones. In addition, buying *Kommersant* would likely appear as an open statement of his political intentions, which he would probably prefer to conceal. It is not easy to explain what Putin meant in his speech, but so far there have been no direct hostile statements on Yakunin, so it would not make sense to interpret this remark in that way.

Q: To what extent are Yakunin's grassroots efforts successful?

A: Yakunin's grassroots projects, such as distributing ribbons in honor of Victory Day and bringing holy relics across Russia have the potential to reach tens of millions of people.

Q: What is the geopolitical aspect of Yakunin's relation to China?

A: With regards to China, because Yakunin opposes the pipeline plans proposed by the Chinese, they do not always have a close relationship. However, at the same time, there are railroad projects that could potentially engage the Chinese as well as the Koreans.

Q: What is driving Yakunin? What would his foreign policy look like?

A: Yakunin is not like Khodorkovsky, who founded NGOs with clear political purposes in mind. Rather, his work with non-profit organizations began as early as 1992 and Yakunin has established his foundations at different times.

Concerning his foreign policy views, Yakunin does have some controversial conservative ideas and his views sometimes tend to be similar to the "Eurasianists." He would probably agree with the idea that the United States is working to weaken Russia, and that Russia needs to reassert itself as a pole of power and as a unique Russian civilization.

Unlike other Russian politicians who are driven by self-promotion or clan interests, Yakunin is not as interested in money, but rather in restoring the former glory and great role of Russia. In light of that, the CIS would certainly be his top foreign policy priority, though he also is active in Algeria, Saudi Arabia, the Balkans, and would probably continue that as well.

Q: Are the Russian railroads actually profitable?

A: It generates billions dollars a year and according to the concept of their development accepted by the Government recently it will get something like 10 trillion rubles investments till 2030. It is non-transparent and so it is impossible to know the financial conditions of the railroads for certain, since all financial records are completely closed. OAO RZD makes profits by transporting expensive commodities such as oil and fertilizers, but it also subsidizes passenger transportation and coal industry.