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Putin's reshuffle is about optimisation, not change

The decision to replace Defence Minister Shoigu with economist Belousov is not a shift in policy but an attempt to boost military efficiency

Vladimir Putin's first staffing decision after his formal inauguration for a fifth presidential term was to re-appoint Mikhail Mishustin as prime minister (Russia's constitution obliges the government to resign ahead of a presidential inauguration). Indeed, most ministers were returned to their former positions. But Putin generated some surprise by offering the post of defence minister to Andrei Belousov, an economist and former deputy prime minister. The incumbent defence minister, Sergei Shoigu, was moved up to head the Security Council, replacing the powerful Nikolai Patrushev.

Substituting Shoigu with Belousov was the pivotal change — all the other appointments were simply to find roles for those displaced as a result. The shakeup has allowed Putin to kill two birds with one stone: he has gotten rid of the unpopular Shoigu and given Belousov the task of optimising the war effort.

Putin's experiment

Shoigu's removal comes amid a growing conflict between the defence ministry and Russia's military-industrial complex. While generals have been complaining about production delays, the quality of weapons and equipment, and difficulties with servicing, defence sector chiefs have accused the army of corruption and of having unrealistic expectations. In such disputes, Putin tends to avoid taking a side, instead seeking to recalibrate relationships and force everyone to work together more productively.

As a result, it was Belousov – who has previously worked on 'technological sovereignty', innovation and overseen drone production – who came to the fore. Along with his economic experience, Belousov is known for being deeply religious, which is unusual for a technocrat

economist, for his patriotism (he was one of few public figures to immediately support the annexation of Crimea in 2014), his loyalty and his experience of working with Putin. While his appointment appears to follow a certain logic, it's also likely an experiment. Now, Belousov must justify his nomination.

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It would be going too far, however, to characterise Belousov's promotion as a stratospheric rise. It's less proof of Putin's trust than a reflection of how he was marginalised in the previous cabinet. He's not the first economic technocrat to have been promoted since the full-scale invasion of Ukraine in 2022: Dmitry Patrushev (son of the former Security Council head) was made agriculture minister; Finance Minister Anton Siluanov's star has risen as a result of the exodus of Western businesses; and former trade and industry minister Denis Manturov was made a deputy prime minister. But until now, Belousov was peripheral. His statist economic approach did not fit the anti-crisis model of economic management that has been adopted in wartime.

There is much to puzzle over when it comes to the choice of Belousov as defence minister. He will not be in charge of mobilising and militarising the economy. It will be a challenge for him to understand what the army needs, as he has no military experience. The military will likely be sceptical of having an economist in charge of defence and will be hostile in the face of increased oversight, audits and staffing changes. Finally, Belousov has long had a fractious relationship with the more instinctively liberal ministers handling financial and economic matters in the government.

Clearly, Putin wants to show that he requires a more pragmatic, less corrupt and more professional approach when it comes to the needs of the military. But this is an experiment that is not guaranteed to succeed.

A clear demotion

The replacement of Patrushev with Shoigu was an even more puzzling decision. But Putin had created a problem for himself with the removal of Shoigu. If Shoigu's new job had been too junior, it would have been humiliating and could have triggered strong criticism of the outgoing minister, highlighting the army's weaknesses: something to be avoided in

wartime.

Accordingly, Shoigu needed to be seen to depart with honour. As well as secretary of the Security Council, he was also made Putin's deputy in the Military-Industrial Commission (where ex-president Dmitry Medvedev is Putin's first deputy) and curator of the Federal Service for Military-Technical Cooperation (informally controlled by state military conglomerate Rostec and now reporting to the president rather than the defence ministry).

It's important to be clear that this is undoubtedly a demotion and not a promotion for Shoigu. Heading the Security Council does not come with a lot of bureaucratic heft, as it has a small staff, no law enforcement powers and cannot initiate legislation. Its influence depends on who is in charge.

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Under Putin, there have been two influential heads of the Security Council: Sergei Ivanov from 1999 to 2001 (before he became defence minister) and Nikolai Patrushev. But Patrushev – unlike Shoigu – has always been close to Putin, both because of their ideological affinity and their work together. As former head of the Federal Security Service (FSB), Patrushev retains ties to the security services. Patrushev also carried out important diplomatic missions for Putin, and shaped both the regime's ideology and its foreign policy.

Shoigu has none of those advantages. He's never really been in Putin's inner circle and never been involved in ideological issues. He has, however, managed to fall out with a large part of the elite (particularly security officials and army generals). Indeed, in the two years of full-scale fighting in Ukraine, Shoigu has become the most toxic figure in the Russian leadership. That means he is unlikely to become a second Patrushev and the position of Security Council head will amount to little more than a sinecure. Putin acted in a similar way when he removed the toxic Medvedev from his position as prime minister in 2020.

Patrushev, for his part, has been appointed as an aide to Putin. But his long service means he almost doesn't need a position. His ideological influence and foreign policy importance are guaranteed, whatever formal post he holds.

Taken as a whole, Putin's reshuffle seems designed to achieve

optimisation. All his decisions suggest he is happy with the current configuration of power and will continue to make changes to the government's line-up only in order to maximise its effectiveness. He's not interested in change.

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