

# AT THE HARRIMAN INSTITUTE

Timothy Frye, Director

Columbia University 420 West 118th Street, New York, NY 10027 <http://www.harriman.columbia.edu>

December 12, 2011

## Putin's Russia and the Elections

On Monday November 14, 2011, the Harriman Institute hosted a panel of scholars and journalists to speak about Putin's Russia and the upcoming elections (both presidential and parliamentary). On December 4 the parliamentary elections in Russia led to a series of public protests—the biggest opposition rallies in Russia since 1991. Here's what the panelists said before these events took place:

**Nikolay Petrov** is a scholar-in-residence at the Carnegie Endowment for International Peace, where he is working on "Russia in 2020," a project that explores alternate scenarios for Russia's future. He argued (to the amazement of his fellow panelists) that we would soon see an end to the Putin era.

Petrov believes that even if Putin stays in office long after he returns to the presidency in March, the status quo in Russia will no longer be sustainable, "he [Putin] cannot keep the system that he has been maintaining without making changes." He expects these changes to start with the electoral system, which has remained stagnant over the past decade with the same parties and candidates running in practically every election.

Political parties in Russia are not parties as much as they are "electoral projects," created by the Kremlin in order to maintain the illusion of competition, and "forgotten almost immediately thereafter," explained Petrov, who believes that these parties will change dramatically over the next five years. "In my view these are the last elections that we will see with the same actors. There is almost no doubt that five years from now, when the next Duma elections are scheduled to take place, some participants will be replaced due to generational changes."

In the campaign leading up to the December 4, 2011, Duma election, "there are almost no new faces, there is a lack of agenda, and for the first time during the Russian elections, there are no enemies," said Petrov. Traditionally, Russian politics has revolved around the creation of enemies, whether those enemies are the oligarchs, the West, or terrorists, election efforts tend to thrive in the presence of a negative agenda. According to Petrov, the Kremlin has focused so little attention on these elections that a visitor to Moscow would not even notice that the city was in the midst of an electoral campaign.

In the past, the Kremlin would exert tremendous amounts of administrative effort to achieve high results for United Russia (UR), but now, with Medvedev as the head of the party, "Elections are no longer attracting any real attention from the Kremlin." Petrov speculates that this is due in part to the fact that UR is much less popular than it was when Putin was its leader.

The problem for Putin, as Petrov sees it, is that Russia is in dire need of reform, and the government has no capacity to deliver it. "In order to participate in painful and not very popular reforms, any government needs legitimacy." Legitimacy should be cultivated during election time, but neither Putin nor the United Russia party is taking any steps to appear more legitimate, and if they miss this opportunity, they will have lost their chance to hold on to any credibility that they might have once had with the Russian public. "It is nearly impossible to establish legitimacy once the elections have passed," asserted Petrov. A failure to do so now, "will create very serious and understandable problems in a couple of years once the Russian budget runs out of money." At that point it will be "absolutely necessary" to enact reforms, but "the

government will not have enough money or legitimacy to maneuver them.”

**Masha Lipman**, the editor-in-chief of the journal *Pro et Contra*, published by the Carnegie Moscow Center, is cynical about the likelihood of change in Russia. “I have worked with Nikolay [Petrov] for many years, and he has always been the one expecting change and I’ve been the skeptic.” Lipman acknowledged that there has been a “de-legitimization of the political regime,” but emphasized that the public discontent that has emerged through media channels has been made “innocuous” by the Russian government, which has eradicated the political venues where citizens could raise these issues and be heard. Another problem she identified is that Russian society is too fragmented to unify against the government and channel their complaints in a way that would lead to any real change. Lipman urged the audience to take Petrov’s predictions with a grain of salt, “The peak for expectations for change came in 2005; we’ve been waiting for six years now.”

The political system in Russia, which is technically referred to as a democracy, has long become a monopoly. “In Putin’s Russia the abuse of government and police authority is ubiquitous, both law enforcement and the judiciary are commonly used by those with power and money in order to get rid of rivals...and elections are rigged.” According to Lipman, these unfortunate “truths” are “universally accepted” in Russia, and frustrations with the system are aired through a dynamic culture of web criticism, much of which is artistic and satirical.

Lipman cited the weekly radio program Citizen Poet (*Grazhdanin Poet*) broadcast on the popular station *Ekho Moskvy* since last spring, as a great example for this culture of critical opinion. The show features a comedy duo—the writer and journalist Dmitry Bykov and the actor Mikhail Nefremov—that adapts classical poetry (ranging from Lermontov to Poe) into satire about the latest political events. Clips of their performances have spread rapidly across the web and the pair has been touring all over Russia. “The authors don’t treat powerful figures with the slightest

reverence,” Lipman said, “Putin and Medvedev being no exception.”

Another web giant is the anti-corruption blogger Alexei Navalny who recently launched a music video contest soliciting anti-United Russia entries—he has famously nicknamed UR “the party of swindlers and thieves.” The contest has garnered a lot of attention and about a third of Russian citizens polled for a national survey in June agreed with the fact that the nickname is well-deserved. “Meanwhile, Putin and Medvedev are losing the attention of the national audience, and even their popularity—their approval ratings have dropped significantly. Putin’s by about 15% in a matter of a few months,” relayed Lipman, noting that the Center for Strategic Development recently published a report that indicates that much of “a group that they referred to as the middle class” felt angry and shared “protest sentiments.”

“So, is Russia indeed moving toward something like an Arab Spring?” Lipman asked rhetorically. She concluded that this scenario was “either excessively alarmist, or excessively optimistic, depending on the point of view.” While “alternative” media in Russia have gained enough popularity that they are reaching a rather broad audience, “the exposure of wrongdoings and poisonous satires notwithstanding,” Lipman believes that none of the dissatisfied and angry public sentiments that have surfaced in recent years will lead to a legitimate transformation anytime soon. Ultimately, Russian citizens lack the political outlets necessary for real change. “Politics is largely insulated from exposures and passionate discussions,” she concluded.

One reason that the Russian public lacks these outlets is inadvertently its own fault. The political monopoly in Russia is held in place by the “generous distribution of low rent,” which, Lipman contends, is a system kept in place not only because of high oil prices, but also because of the public mindset. She quoted the Russian statesman Sergei Ivanov, who was once considered as a potential successor of Putin. He said: “Russia is rich not only in carbohydrates, people are our second oil.”

Lipman called the typically mistrustful and individualistic mindset of the Russian public “a blessing for a government that values control over efficiency.” Russian society tends to be fragmented and is more likely to perceive fellow citizens as enemies than friends. “The sense of ‘them’ in Russia is much stronger than the sense of ‘us.’”

According to various national polls, the average Russian sees the nation’s problems as “eternal and irresolvable,” and believes that the status quo is preferable to change. “Activists seeking change by challenging the powers from a liberal standpoint are looked upon cynically as agents of the west, and or as though they are pretending to be concerned for the public good when in fact they are self-seeking and interested in enriching themselves.”

While the more educated members of the population are not as conservative the less educated members, both groups are “more eager to grumble than to organize and take action; both lack cohesion.” In turn, the government “consistently capitalizes and upholds” this national mindset. As a result, Lipman argued, it is unlikely that Russia will soon experience drastic change.

However the public mindset is slowly changing. “The twenty years without the Soviet regime and the fast-developing modern communications system have helped the Russian people to develop certain skills of group-forming organization and have even led to some small-time activism.” Lipman noted that individual campaigns like those of the blogger Alexei Navalny are encouraging, but at the moment the political monopoly is still too strong, and the people too fragmented for a real “dismantling of the system.”

**Konstantin Sonin**, Vice Rector of the New Economics School in Moscow, also expressed skepticism about the likelihood of change in Russia. He searched for an alternative term to describe the impending “election” day(s). After surveying some of his friends and colleagues, the one he found most fitting was “confirmation day.” Once Vladimir Putin is “confirmed” in March, Sonin expects to see him in power for the next 10 to 15 years, and he expects these years to be very similar to the years that Russia has just

experienced. He speculated that “what happened before is quite suggestive of what is going to happen next.”

According to Sonin, the economic history of the Putin era can be broken down into two periods—a high growth-rate period from 1999 to 2008, during which the Russian GDP nearly doubled, and a low growth-rate period after the financial crisis, which lasted from 2009 to the present. Russia, he said, was the hardest hit among the top 20 economies in the world. But, he argued, the biggest policy turning point in Russia came before the financial crisis, after the arrest of Yukos CEO Mikhail Khodorkovsky in 2003. “The most consequential part of the story was not the arrest per se, but the fact that the arrest was publicly approved in the 2004 elections.” At that time, the public had a choice and the opportunity to express its dissatisfaction, but Russian citizens chose to re-elect Putin and thus sanctioned the “nationalization and the economic policy that would follow.” Sonin lamented that the 2004 election results were interpreted by Putin “as a mandate for lifetime leadership in Russia.”

Prior to 2003, Russia was seeing some institutional reform, but soon after the Khodorkovsky arrest, the only type of reform emerged from the building of “quasi-government parallel structures,” related Sonin. Instead of reforming the actual governmental ministries (education, health, technology) the government would build institutions alongside the pre-existing ones. “The whole idea is that you cannot reform laws and regulations, so you create an area which is exempt from these laws and regulations.”

Putin tends to be loyal to his friends and very rarely replaces the people he has hired—if they stop doing their jobs, Putin merely creates another position with the same responsibilities and installs a new person. Sonin described Putin’s system of economic governance as a series of rent-collecting monopolies. “If you want something done, you appoint someone and then provide them a series of incentives.” This system has created a monopolized market structure in all areas of economics. “If you come to Moscow and go to Starbucks, you will see that the prices there are twice as high as they are in

New York, although Muscovites earn about one-third the salary of the typical New Yorker.”

The challenge now is to create an economic model that reflects the current system, one where “you have a mutually beneficial political economy and a monopoly in the market place.” Such a model, Sonin concluded, would “explain a lot about Putin’s economy over the last seven years and the 12 years to come.”

**Alyona Ledeneva**, from the University College London School of Slavonic and East European Studies, noted that from the point of view of her position as an anthropologist, what has been the most striking about the discourse concerning Russia is that most people look at the country and ask, “what about it isn’t working?” Ledeneva framed her discussion with a positive question: “what in Russia is working?” She came to the conclusion that what works in Russia is the system of relationships and networks that has been cultivated by Putin.

“You can see a lot of publications in Russia about Putin’s friends—his KGB friends, friends from the Germany years, the pre-Germany years, his university friends, judo friends, St. Petersburg Mayoral office friends, cooperative lake dacha friends...” These networks created by Putin criss-cross and overlap “the way formal hierarchies do.” The resulting system can be quite confusing, “complicated to both organize and undo.”

Many people have decided that Putin’s system is “fundamentally neo-Soviet,” but Ledeneva argues that while it does exhibit features of “strong leadership, super-power ambition, expansionist foreign policy,” along with aspects of an “administrative command system” that are similar to those of the Soviet Union, it has changed dramatically since Soviet times. “We have the change of state property to privatized assets...and the interesting impact of globalized markets instead of the planning we had in the good old days,” said Ledeneva, adding that while private property exists as more of a “formal façade,” it still creates a different and “formal” system that dictates how these private property rights are manipulated “and

used for the effectiveness of the so-called informal governance that Putin uses to keep these networks under control.”

In the Soviet Union, commands came from the center. The current system, stressed Ledeneva, “is much more subtle and sophisticated—it’s not so much about the commands as it is about signals.” The intricate set of relationships set up by Putin keeps him in control, but, Ledeneva concluded, “you could also say that Mr. Putin is hostage to those internal networks that he uses to keep Russia manageable.”

**Yulia Latynina**, of *Echo Moskvy*, *Novaya Gazeta*, and *The Moscow Times*, argued that the September announcement signaling that Putin “would become president” in March signified that a peaceful change of power in Russia would be impossible, “basically it means that we will have a revolution. The big question is when this revolution will happen.”

According to Latynina, there are four major factors keeping Putin’s regime stable: The high oil prices; the underwhelming number of young people (the average age in Russia is 38—“if you don’t have many young people, you don’t have many people to revolt”); the freedom of immigration (many people that would be likely to revolt are leaving the country; only an estimated 4% of the nation are “the active element of the nation,” which translates into 6 million people—at least 2 million of those people have left); and the lack of faith that Russians have in the efficacy of street protests, which, because of the government tendency to suppress it (“Putin’s idea is that it is a weakness to listen to the needs of the people”), has never been seen as a way to solve problems in Putin’s Russia.

There are also four destabilizing factors. The first being the level of corruption in Russia, which has resulted in an atmosphere where “the total cost of bribes exceeds the profit of any project.” Government officials in Russia can get away with doing almost anything without being punished. This is their incentive to stay loyal to Putin—he turns a blind eye and his statesmen continue to support him. This manner of maintaining loyalty, however, has created some problems. In 2009, for instance, the lawyer Sergei

Magnitsky died in detention. He was put into a holding cell without trial because he allegedly embezzled \$230 million. In reality, this money was taken by government officials, and Magnitsky was blamed for it. Putin, Latynina believes, never actually saw any of that money, but nevertheless, Magnitsky's death went unpunished because Putin chose to protect the people who actually stole the money. The affair, and many like it, has resulted in international scrutiny and the delegitimization of the regime. "It shows the degree to which he [Putin] is losing control of the situation."

The second destabilizing factor for the regime is the growing nationalism in Russia. Latynina attributes this growth to losing the war in Chechnya (a place where Putin struggles to maintain a semblance of control), and to the number of illegal immigrants in Russia. "These people [illegal immigrants] are treated like slaves," explained Latynina, saying that Russian nationalists exploit illegal immigrants in order to demonstrate their own superiority. "The growing nationalism is ripping the country apart and Putin cannot do anything."

The third destabilizing factor is the internet. While the Kremlin can control public television, it has not been able to control the internet. Many grievances that have emerged online are increasingly being brought to the streets. And finally, the fourth factor that undermines stability is the lack of people that are willing to die for Putin. "There are probably many officials who still believe he is great, who are probably willing to kill for him, but not a single one is going to die for him."

Taking all of this into account, Latynina concluded that "we don't know when the regime will fall, or how Putin's time will come to an end, whether it will be like Franco or like Mussolini, but the first set of factors that contribute to the stability of the regime have stayed constant over time, while the second set of factors is constantly growing."

*Reported by Masha Udensiva-Brenner*