



CHATHAM HOUSE

Chatham House, 10 St James's Square, London SW1Y 4LE  
T: +44 (0)20 7957 5700 E: [contact@chathamhouse.org](mailto:contact@chathamhouse.org)  
F: +44 (0)20 7957 5710 [www.chathamhouse.org](http://www.chathamhouse.org)

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## Russia and Eurasia Summary

# Putinism Without Putin

Donald Jensen

Center for Transatlantic Relations, Johns Hopkins University

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This is a summary of an event held at Chatham House on 15 May 2013, in which Donald Jensen discussed the domestic political scene in Russia.

Two questions one often hears concerning the US-Russian relationship are, first, should human rights or *realpolitik* be the focus? And, second, should the 'Reset' be reset?

Vladimir Surkov is gone from the Kremlin at last – he was crucial in creating an imitation democracy in an attempt to mask the corruption of the regime, leading to a cynical stance toward state institutions among Russians. Vladimir Putin is starting to suffer the consequences of Surkov's approach. This is not to say that these features did not exist under Boris Yeltsin. Problems exist at many levels. Russian political culture is just one of them. Informal politics matters a lot and tensions between the formal and the informal are considerable.

The 2008 economic crisis was important as in a patrimonial system a financial crisis quickly becomes political. There was a change in the mood and the 'social contract' was torn up after the 2011 parliamentary elections. In response, Putin has resorted to more authoritarian measures, which has galvanized a certain section of the politically active population. However, part of the elite is also not happy with Putin's response. The intra-elite divisions are stronger than in 2007, e.g. the Sechin-Dvorkovich, president-government tensions etc. This undermines the system. However, Putin remains the most popular politician in Russia; he can be replaced only if another 'dragon' appears. Still, there is speculation about a possible future president. Sergei Ivanov has recently been positioning himself as a candidate. He is not really a *silovik* but an important balancer of the system, with links to hardliners. Ivanov appears to be head of the anti-corruption drive and to be giving orders to the Security Committee. Surkov, meanwhile, expects to be back, according to some experts, to work for Putin's re-election in 2018.

The current situation is a mix of stabilizing and destabilizing factors. Stabilizing factors include high energy prices and a largely inert population outside of Moscow and St Petersburg. The reduced reserves of foreign currency are a potentially destabilizing factor.

The options for future development of the system are as follows. First, a Russia without Putin. Second, a gradually decaying Putinist system with Putin remaining. Third, a schism in the elite. Fourth, and least likely, an extra-regime take-over of the Kremlin.

Putin is likely to have drawn lessons from the collapse of the communist regime in the German Democratic Republic and the collapse of the USSR,

such as the advisability of maintaining control over the security services. Loosening the screws and sending signals that can be misinterpreted is not helpful and could precipitate a replacement at the top. There are similarities between Mikhail Gorbachev and Putin, but a key difference lies in Putin's reservoir of money and the apparent loyalty of the secret services. However, public opposition to Putin is increasing: people are tired of him. Social problems, the overextension of social services (including pension funds) and discontent among the elite may prove problematic for Putin. The EU's pushback on Gazprom's activities has encouraged an internal debate in Russia on the future of the energy sector. Igor Sechin is clearly lobbying for a different energy model.

Putin's relations with Sergei Ivanov, Ramzan Kadyrov and President Barack Obama will all be important for the future of the regime. There are several factors that could derail the system, perpetuate it or bring it into more decay. Social tensions, election crises, an unexpected flare-up in Chechnya or an incident during the Sochi Olympics could derail the system. Pressure on the regime is likely to stem from economic difficulties and competing demands from inside the system. Most of the regime's resources come from energy sales, so the money may dry up as claims outstrip the regime's capability to generate rent. However, Putin's resources are likely to remain sufficient for the time being to secure the allegiance of the key people in security services.

People like Alexei Kudrin and Arkady Dvorkovich represent a more reformist, but still systemic, point of view. On foreign policy, their views are not much different from Putin's. Kudrin would make a better prime minister than Dmitry Medvedev, but he should not be seen as a liberal in the Western sense. Kudrin makes all the right pronouncements about the economy, but it is possible that the West is projecting its hopes and aspirations for Russia's future onto him. There is a gap between the demands of the Russian *sistema* and a semi-authoritarian setup like Singapore. If Moscow is to become a financial centre, Russia's legal system will need major improvement.

Analysts are divided as to whether Putin's departure would make a difference to the system at all. What exactly is Putinism? Its key features are direct command of the state over key sectors, an imitation democracy and authoritarian politics. Putin's departure could make a difference depending on the circumstances; for example, if Kadyrov decided to take Chechnya out of the Russian Federation. Chechnya is closely linked to Putin's coming to power; Kadyrov is his *boyar* and does many things for Putin. Putin could face serious political damage if there is trouble in Chechnya.

How likely is big capital to play an influential role in politics? The money-power link is a fundamental feature of the system. There is a new crop of oligarchs, but the state has reasserted itself over industry in a way that resembles in some ways the tsarist setup. This is unlikely to change anytime soon. How can a state so dependent on business stay out of it, and how can oligarchs so dependent on state stay away from politics?

The forthcoming Winter Olympics in Sochi are an extraordinary metaphor for the way Russia is governed at present. There have not been enough 'voluntary' contributions from the oligarchs, so the state has to underwrite some of the cost. The project has suffered from chaotic and corrupt top-down management. The security issues are immense. Putin puts a great deal of prestige in this project – it is likely to be done on time whatever the cost.

Russia has actively pursued an anti-corruption drive during its chairmanship of G20. The leadership sees capital flight as a problem but any anti-corruption initiative has to be seen as a political game. It is said that in the case of the Cyprus crisis, those close to the government were notified of the measures in time to bail out. Putin can still control the oligarchs even though they are more restive than they used to be.

The opposition is less coherent, and the process of change for it is slower than desired. There is no framework for positive action – no consensus in society about the country's future direction. Putin has managed to keep control over the city of Moscow – through Mayor Sergey Sobyenin – by paying more attention to non-political demands relating to municipal services. The so-called Russian liberals are not really liberals or democrats. Even though a liberal democratic regime is unlikely to take hold in Russia in the near- to medium- term future, it is incorrect to assume that the country will always remain authoritarian.

Russian liberal democrats are alienated from the Obama administration; in their opinion the West's pragmatic view of Russia Yeltsin first helped create the current regime and then perpetuate it under Putin. The United States has lost the battle for the hearts and minds of average Russians. It should adopt principled and patient objectives; transactional diplomacy makes no sense. However, the idea of a normative foreign policy is not accepted by many policy-makers in the United States. Russia is involved in several foreign policy issues that matter to the United States, e.g. Iran and Afghanistan, so Washington is likely to ignore to the extent possible Putin's crackdown at home.

People in the Obama administration claim that the next few months are crucial if the United States and Russia want to reach a constructive agreement on the START Treaty. However, Russia is largely not interested. It is possible the United States will step back after the G20 summit. It has tried hard to compartmentalize human rights and democracy issues, and recalibrate the relationship after the Magnitsky controversy. Some in the United States claim such issues should be discussed but not acted on. At the recent Obama-Putin meeting in Paris, Obama appeared to have moved closer to the Russian position in Syria in an attempt to achieve a settlement, but there was no fundamental breakthrough to solve the crisis.

At the moment, the majority of Russians think they are well served by their news media. There is a role for soft power; democracy promotion should continue though in ways that reflect the technology of the 21<sup>st</sup> century. However, since Russia's internal situations often affect its foreign policy behaviour; outlets like Radio Free Europe/Radio Liberty are likely to face constant pressure from funders.