The Return of the Tsar

Did the Russian Protests Fail?

by Ben Judah

Though street protests failed to prevent

Vladimir Putin from returning to the Kremlin,

Russian dissent is far from over.

The next frontlines may be at a regional level,
where the looming fiscal crunch
is likely to fray tempers.

The Russian protests movement against falsified elections, corruption and United Russia's monopoly on power peaked when over 100,000 gathered in Moscow on December 24th demanding a fair vote. The opposition leader Alexey Navalny screamed: "There are enough of us to storm the Kremlin and the White House right now, but we won't because we are peaceful people." On the surface it seems that moment – indeed that comment – was the peak of the anti-Putin protests. Despite a giddy few weeks around Christmas 2011 when anything seemed possible, Russia's self-styled "national leader" did return to the Kremlin and turnout at rallies then dwindled to a mere 10,000, almost all in Moscow.

Yet the protest movement has weakened the regime. At the height of the protests the Kremlin announced that it would return to Russians the right to elect regional governors, which Putin had made his personal appointees in a key centralizing measures, with a "presidential" (i.e. Putin) filter. The Kremlin also radically eased the right to register a party – thus allowing one to register a candidate to compete (at least theoretically) in any election in Russia from the local level up. Now one only needs 500 signatures and not the 40,000, which had previously barred small parties from competing.

The most obvious breakthrough of the protest movement – mass protests themselves – is also a key achievement for the movement. In Russia during the late 2000s the state de facto refused to permit large protests and "illegal rallies" were broken up, usually with beatings and detentions generously dolled out. Finally it is clear for all to see that the "Putin consensus" and the "Putin majority" in society have been eroded. There is very clearly a "clash of civilizations" now underway in Russia between those that are partisans of an online, open and pluralistic Russia symbolized by Navalny and those that support the state-oriented and authoritarian vision symbolized by Putin. These two trends have come started to come together in a way that will make Putin's new term - until 2018 - much rockier than he would like. The liberalizing of regional elections and party registration has seen a shift in the focus of the protest movement to the provinces. Anti-Kremlin candidates have won votes in sleepy Yaroslavl and even in Tolyatti, an industrial hub where the main employer is a car-manufacturer behind the iconic Lada car favored by Putin. In the Omsk and Astrakhan hunger strikes against falsified votes have been undertaken - with a protest in Astrakhan attracting more than 4,000 people. In the big cities independents have thrown themselves into local elections at the municipal level and won. This is not a revolution, but a grass-roots insurgency that is part of an overall trend that does not bode well for Putin.

But the biggest risk is from the new "democratic" governors themselves. The moment of peak risk will come in 2015 when a third of regions elect their governors. Even if the "presidential filter" effectively disqualifies all popular candidates from running – it still means governors will have to seek a mandate or sorts and not just favor in Moscow. There are signs this is already happening with some local authorities – including Siberian Chi-

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ta – complaining about policy choices. Easing party registration means that new democratic fronts might well be in the running. Many even erstwhile liberal Russians are worried about the protest of rebel governors. In the late 1990s the regions were run like effective fiefdoms and a governors alliance, promising even more autonomy, was in the running against Yeltsin at the time.

The shift in focus to the regions is the opposition's biggest chance but also a big risk. It is an opportunity to create "island of democracy" and to try and pioneer more liberal and business friendly provinces that could serve as a model for Russia as a whole. It also offers a chance for leaders that the public admires but is also cautious of like Alexey Navalny - to demonstrate they are good at governing. The danger for the opposition is what is called the "Belykh trap." The prominent opposition politician Nikita Belykh was widely known and rather popular until he was appointed to be governor of Kirov region. There he was removed from the Moscow scene and the real levers of power, sucked into bureaucratic battles and seen as a Kremlin stooge by the public. Belykh went from being in battle with to being seen as just another "part of the Putin establishment." This is a serious risk for opposition leaders. Navalny is said to be contemplating a run for Mayor of Volgograd, the former Stalingrad, but is holding back the potential risks of this strategy.

The government has made it clear that it aims to control the domestic situation through more subtle means than before. Speaking to Russian newspapers Kremlin sources have spoken of a less heavy-handed approach to the opposition. Indeed, a more subtle approach has already been noted. Unpopular Russian opposition leaders—like Boris Nemtsov have recently started to be invited on state-controlled TV — whilst unpopular ones like Alexey Navalny are not. A TV show on Russian MTV that planned to host him was even pulled from the channel. The Kremlin has also allowed some its "tame" parties such as Just Russia a degree of freedom to challenge its decisions to give a greater impression of debate and contestation of power inside the system. It has toyed with the idea of releasing Mikhail Khodorkovsky from jail.

This would have a positive effect – possibly even re-legitimizing Putin's third term as president and would certainly see a large stock market bounce – but would divide

the opposition, associate it with a still unpopular half-Jewish oligarch (this matters in a country with a history of anti-Semitism) and leave Alexey Navalny no longer the unchallenged main "face" of the anti-Putin movement. It remains unlikely this could happen right away but is a card the Kremlin can always play.

The most dangerous moment for any authoritarian regime is when it tries to reform itself. The key danger for the Putin regime right now is not that it is trapped like the late USSR in a "downward spiral." Economic growth, middle class living standards and technological

progress are decent. The danger is that the incredibly high levels of corruption, oligarchic monopolization by the elite and crosscutting criminality involving government officials have left the regime very vulnerable. Young people and the new middle classes upon whom modernization depends perceive the Kremlin as illegitimate.

By choosing to return as president, Putin has blocked off the prospect for the regime as a whole evolving out of Putinism. This leaves the regime very vulnerable to a negative event that could re-ignite the protest movement — an official running over a child, a crackdown on a democratic protest in a region.



The second danger for the Kremlin is that it needs to manage three major economic trends on the horizon that risk sapping its legitimacy further. The first is that the current fiscal model of the government is in trouble. The state in the long-run cannot afford to keep a low debt to GDP ratio, low taxes, continue to fund an unreformed pension system and fund a massive expansion and renovation of the military-industrial complex. At present it hopes to do all three. This risks turning Russia's very solid fiscal position into a weak one by the end of the next decade, which would make the country extremely vulnerable to a sudden and sustained drop in oil prices. Russia would not face disintegration if it had to deal with an economic crunch like the USSR: the government does not manage the food supply, so an oil-crash will not make sausages and condoms disappear from Moscow as it did in the late 1980s. What it would mean is that the Kremlin will either have to do one of two things and probably both. Either it would have to radically raise the very low tax rate especially on the oligarchs – undermining Putin's legitimacy with them, or cut down on social welfare challenging Putin's legitimacy among the provincial lower middle class.

The Russian government will have to manage these very tricky issues in the decade ahead. Normally, given the decent growth it has delivered and the high popularity ratings for Putin and Medvedev it should not have too much to worry about. Think again. The danger is that in returning to the Kremlin Putin saying that without him "stability" would be at risk he has fully associated anything that goes wrong in Russia now with him.

With all leaders that rule for so long, for example Margaret Thatcher, their support base becomes increasingly vulnerable in society and in their parties. The regime becomes increasingly associated in the public mind with one person and the question rises as to whether if simply he were removed things would improve. Putin will require all his political skills to make it to the 2018 elections with these trends at work in Russia. He will need to be smart, flexible and willing to lose a battle. But is the man who said he thought the Russian opposition was wearing "contraceptives" when he saw they had white ribbons for a cleaner Russia to their coats still capable of this?

Let history be the judge.

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