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Putin and Beyond

Making Russia Great Again?

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On 29 February Vladimir Putin delivered his 21st Annual Address – a much more confident, upbeat, indeed boastful performance than his 20th a year ago. Russia's “colossal, invincible force” held the initiative and was liberating more and more territories. Russia would become “one of the four largest economic powers in the world...without a sovereign, strong Russia,

no lasting world order is possible". As one analyst commented in February, he *"feels the wind in his sails. He feels like the war is finally breaking in his favour."*

On 17 March Putin will be re-elected President for another six-year term. His overriding priority for 24 years has been to retain power, and his sights are now set on 2030. Putin may exult that Russia is achieving marginal gains in its attritional war against Ukraine; but is he Making Russia Great Again? What sort of a country will his regime bequeath to its successors?

The Changing Shape of Putin's Russia

Twenty-four years ago, Putin set out to restore Russia's power by modernising the economy and rebuilding State power. He explicitly rejected the Soviet model.

"Russia was and will remain a great power", he declared as he became acting President on 31 December 1999, but he then emphasised that:

"In today's world, a country's power is manifested more in its ability to develop and use advanced technologies, ensuring a high level of general well-being, protecting its security, and upholding its national interests in the international arena, than in its military strength."

Putin reiterated this concept of power in his first Annual Address: *"A stable economy is the main guarantor of a democratic society and the very foundation of a strong nation that is respected in the world."* Russia would be a country *"Strong not in defiance of the international community ...but together with them."*

He repeatedly spoke out for democratic values, and as late as 2005 was asserting that *"Russia was, is and will of course be a major European power...the ideals of freedom, human rights, justice and democracy have for many centuries been our society's determining values."*

Whether Putin ever believed in democratic values is highly questionable, but he and his Kremlin team judged that these were the messages the country wanted to hear while Putin was consolidating his own position.

Russia in the early 2000s was quasi-democratic. The Duma still included elements of genuine opposition and an ability to hold the government to account. Regional governors were elected directly. There were free media. The country was becoming more civilian: the armed forces

had been starved of investment since the late 1980s and shrank through the 1990s. Talented young Russians, with experience of Western education and business, were attracted home by new opportunities.

Most of the elite saw Europe as a developmental model, and there was strong support (outside the security organs and military leadership) for Putin's cultivation of Western leaders, of the EU and of NATO, and for his aspiration to join the G7 and WTO. One of his first steps as President was to invite NATO Secretary General George Robertson to Moscow, a reconciliation that led in 2002 to the upgraded NATO-Russia Council and Putin's public acquiescence in a second NATO enlargement that included the Baltic States. Putin was wary of China and wanted access to Western decision-making – becoming a part of the international order he now denounces.

He was nettled, however, by criticism of his army's brutal onslaught against the Chechens. Supporting the USA after 9/11, he was bitter that Western governments would not buy his argument that Russia was defending Europe from international terrorism coming through Chechnya.

Above all, he sought Western recognition of Russia's historic "zone of influence" in its "near abroad", the former Soviet republics. These hopes were dashed with the Rose Revolution in Georgia in November 2003 and the Orange Revolution in Ukraine at the beginning of 2005, both applauded by Putin's erstwhile Western friends. To Putin, Western support for the Orange side was a betrayal on an issue of cardinal importance for Russia.

This led to the first of Putin's reorientations of Russia's geopolitical strategy. Having aligned with the West in his first term, now he turned sharply in the opposite direction. Reacting to the personal humiliation of the Orange Revolution, he began to reinvest in the military. With the influx of wealth from hydrocarbons, his regime proclaimed that Russia was strong again and taking its place as one of a handful of genuinely independent sovereign powers. Russia would deal with other centres of power, but able to demand respect from a position of strength. The invasion and partial occupation of Georgia in 2008 underlined the Kremlin's determination to defend its "zone of influence".

The next shift followed Putin's second humiliation in Kyiv in 2014 when the Ukrainians chose association with the EU over Moscow's Eurasian Union and forced out Putin's stooge,

Yanukovych. Putin's annexation of Crimea and infiltration into the Donbas triggered sanctions. At odds with the West, he drove Russia into the arms of China.

Since 2022 China's embrace has tightened and Russia's dependence has deepened. No hint of criticism of China is permitted in Moscow. China has cherry-picked natural resources deals on highly advantageous terms; and now supplies nearly half of Russia's imports (against a quarter pre-invasion). It has accessed military technology which was once off limits and enjoyed the spectacle of joint military exercises with a former adversary. China's defence spending has grown from two thirds that of Russia in the early 1990s to three times Russia's before the invasion. Its GDP is eight times Russia's.

Putin's unequal "Partnership without Limits" with President Xi has been shown to have many limits. China has been ambivalent over the Ukrainian war, speaking up for the sovereignty of Ukraine and respect for the UN Charter. It has not supplied significant military materiel to the front line (though trading profitably in components for the Russian defence industry). This has left Putin to go cap in hand to such uncomfortable bedfellows as North Korea and Iran.

For Russians who feel little affinity with the Chinese and have long feared China as a potential predator with designs on Russia's underpopulated Far East, being forced to deal from a position of weakness and subservience with a vastly more powerful Beijing is a nightmare.

Putin's Fifth Term: "We are capable of solving the most complex problems and responding to the most difficult challenges" (Annual Address)

In his first two terms Putin was genuinely popular, much helped by living standards rising sharply on the back of an 800% rise in the oil price between 1998 and 2008. Since the 2008 crash, the Russian economy has effectively flat-lined: GDP in 2023 was only marginally higher than in 2008. Putin's popularity (to which Russian opinion polls are a poor guide in the absence of an alternative) was damaged by his "castling" manoeuvre to resume the Presidency for a third term in 2012. This triggered large demonstrations around Bolotnaya Square in Moscow in which Alexei Navalny came to prominence with his denunciation of Putin's party of "crooks and thieves".

From that point on, Putin has cracked down with increasing harshness on the media, civil society, and any expressions of dissent. This does not suggest confidence in his support. Since the invasion of Ukraine two years ago some twenty thousand protestors have been

arrested. Though a few thousand bravely defied the authorities to lay flowers in memory of Navalny, the last remnants of the freedom of public expression granted to Russia by Gorbachev have been stamped out. The death of Navalny and imprisonment in horrific conditions of such critics of the war as Vladimir Kara-Murza (for 25 years), Ilya Yashin (for 8 ½ years) and Oleg Orlov of the suppressed Nobel prize-winning Memorial society (for 2 ½ years), among many others, have confirmed that organised opposition is currently impossible.

The easiest problem Putin will solve is his own re-election.

The Kremlin fixes elections by selecting the candidates. It doesn't like to be seen to be massaging the voting figures too obviously (I was once told in Moscow that it was difficult to rig the ballot by more than ten per cent, though in regions such as Chechnya the numbers will be farcically high). This was why a little-known journeyman politician, Boris Nadezhdin, once of the pro-Putin party, had to be excluded from the March poll when there was a surge of support for him.

Why hold a Presidential Election when the result is a given? Partly because Putin likes to maintain an illusion of democracy. He still declares, as he did on 29 February, that "we will continue to develop democratic institutions". More importantly, especially in wartime, the function of the election is to legitimise Putin's Presidency and demonstrate that he enjoys overwhelming popular support for his war.

There is always a degree of nervousness in the Kremlin ahead of elections, in case they become a focus for dissatisfaction (as in 2012). Each result needs to be better than the last. Every "administrative resource" will be used to give Putin a victory exceeding the 77% he scored in 2018 and a turn-out at least matching the previous 67.5%. Any outcome significantly lower would raise awkward questions. Kremlin insiders will be given a truer picture than the published results, and will be wary of what it might say about the public mood.

The two problems to which Putin will not find a solution are the consequences of the war and the creeping mortality of his regime.

The war will shape Putin's dying years in power. He cannot step back from his objective of emasculating Ukraine. He may gain more territory, but the Ukrainians will never willingly surrender their freedom and sovereignty. Putin has therefore condemned Russia to a long war, a war with no visible end point, and a conflict for years ahead with the West as well as

with Ukraine. The intensity will likely reduce over time. The Americans may lower their involvement; but a core of European support for Ukraine will remain because a Russian victory would pose an existential threat to Central and Western Europe. Ceasefires are possible, but a lasting peace settlement will not happen until there is a regime in Moscow prepared genuinely to recognise Ukrainian sovereignty. This Putin will never do.

The battle for territory at the front line is a zero/sum struggle in which Russia has made small gains (at great cost) and may make more. From daily reports, we are conscious of the huge strains on Ukraine and a perception that Russia is “winning”. The war, however, is not zero/sum but lose/lose. It is debilitating Russia as well as Ukraine. For all Russia’s age-old resilience, there is a question of how long the country can sustain the human and economic costs of a protracted war.

After the failure of the first stage of the “Special Military Operation” in February and March of 2022, Putin had to put the country onto a war footing with his partial mobilisation of September 2022. He had to drop the pretence that Russia was not at war. Now he has had to dig deeper. His Annual Address was an appeal to all sectors of society to involve themselves in the heroic war effort. As the commentator Tatiana Stanovaya put it, *“Russia is gradually entering into an all-encompassing political and military mobilisation...the front-line context is beginning to permeate all aspects of civilian life”*.

The 2022 mobilisation was deeply unpopular. It triggered attacks on recruiting centres, a mass exodus of draft-age men and a spike to nearly 60% in Russians supporting peace talks in opinion polls. Putin will be reluctant to risk another compulsory mobilisation. By paying contract soldiers up to four times the average wage in Russia’s backward regions, and by offering freedom to convicts (Russia’s prison population has reportedly fallen by over 150,000 since the invasion), the army and the Wagner group managed to fill the ranks last year. The army is thought to need another 400,000 this year, and more for the years beyond. While the Ukrainians are striving to raise similar numbers from a much smaller population, the pool of Russians willing to risk their lives for money rather than for the defence of their freedom and their families is not bottomless.

Western estimates of Russian losses, killed or seriously wounded, range between 300 and 350 thousand, with over a hundred thousand dead. According to one report, there are now 65,000 Russian amputees from the war. Casualties are set to approach half a million by the end of this year. Whatever the precise number, this massive toll cannot be concealed, least of all in

the age of the smart phone and internet. Open questioning from the bereaved and from soldiers' families has grown. There is evidence to suggest that only about one fifth of Russians strongly support the war while (in the words of two exiled Russian commentators) *"the vast majority is apathetic, and simply passively and automatically 'mostly supports' what the regime is doing while waiting for 'all this' to end"*.

The human cost will strain support for the regime. In the words of The Economist's Arkady Ostrovsky, *"the gap between Mr Putin's militarism and people's wish for life to get back to normal will only grow"*.

And the war is hugely expensive. The Russian economy is nowhere near the cliff edge, but it was not in good shape before the war began. It is now overheating and will be severely strained by a protracted conflict. GDP growth of 3% in 2023 and a forecast (by the IMF) of 2.6% in 2024 has been generated by record levels of war-related State spending and is set to fall from 2025.

A third of the budget is being spent on defence, which may account for 8% of GDP by the end of the year. If spending on internal security is added, the figure amounts to a whopping 40% of budget expenditure, while lower receipts from hydrocarbons exports will reduce revenue. This will squeeze the much-needed funding for regional infrastructure and social programmes. The government will have to choose between cutting expenditure on items like education, healthcare and regional support; or raising taxes; or drawing down reserves and increasing debt; or, most likely, a combination of all three.

Meanwhile Putin is throwing money at the population to buy quiescence. The families of dead soldiers are promised five to eight million roubles (£43,000-80,000) and the wounded receive three million roubles or more. Pensions have been raised; mortgages subsidised; and a range of additional benefits was promised in Putin's Address. The defence industry has sucked in an additional half a million workers on high wages, creating labour shortages and wage inflation in the civilian sector (and also reducing incentives to volunteer for the army). Inflation is above 7% and rising, against a Central Bank rate raised in the second half of 2023 from 7.5% to 16%.

While sanctions have certainly not crippled Russia, they are having an impact. The loss of almost all of the European natural gas market has caused the profits of Russia's largest company, Gazprom, to crash. Overall revenues from the sale of hydrocarbons are falling and

set to fall further as the West introduces new measures to tighten sanctions. The economist Sergei Guriev estimates that Russia has lost 3% of GDP to hydrocarbons sanctions. Industrial companies are impeded by shortages of Western-made equipment.

Russia will not face a financial crisis in 2024, but a wartime economy cannot be sustained indefinitely. Two decades-worth of fiscal probity are under strain. Muscovites will continue to live well, but families in the boondocks will feel the effects.

In a tribute to Alexei Navalny, the author Owen Matthews wrote that Putin “has turned Russia into a dead end, cut off from its natural trading and cultural partners in the West and forced into an autarchy sustained only by delusion. The final episode of late-stage Putinism promises to be brutal and increasingly irrational. But it’s also unsustainable – morally, intellectually and (eventually) financially bankrupt.”

Beyond the Gerontocracy

Hanging over the regime is the question of the succession, the dominant but unspoken issue in Russian politics. A generational change of leadership is approaching.

As Putin starts his new term, there will be some reshuffling of seats within the government (possibly including the Prime Minister’s) and among regional bosses, eagerly scrutinised for clues to the future; but the tight circle of Putin’s closest accomplices is unlikely to change. They are there because he relies on their loyalty and because they are implicated in his criminality and spoils system. They hold all the levers of security.

The leadership group is ageing and sclerotic. Putin is 71. The average age of his Security Council of thirteen (the nearest equivalent to the Soviet Politburo, but without the Politburo’s capacity to constrain the leader) is 66. Key securocrats sharing a Leningrad background with Putin – Patrushev (Security Council Secretary), Bortnikov (FSB head), Naryshkin (SVR: foreign intelligence), Bastrykin (Investigative Committee) and Zolotov (National Guard) – are all between 69 and 72.

Defence Minister Shoigu (68), Chief of the General Staff Gerasimov (68) and Interior Minister Kolokoltsev (62) have been in their positions for twelve years. Leading decision-makers in the economy have been in place for decades: Gazprom CEO Miller for 23 years, VTB head Kostin for 22, Rosneft chairman and former Putin aide Sechin for 20, Finance

Minister Siluanov for 13 and Central Bank Governor Nabiullina for 11 (having reportedly tried to resign after the invasion of Ukraine).

By no means all of these gerontocrats will see out Putin's six-year term. Putin's "Vertical of Power" shook during Prigozhin's mutiny. His multiple security forces were slow to act. After Putin's first, panicky broadcast, he went silent and invisible for a day and no other leading figures spoke out. It felt as if the temporarily leaderless elites were waiting to decide which way to jump.

As age takes its toll, the cracks will widen. And this is not a regime standing on a strong foundation. The people accept it because they are cowed by force and fear; because they have a history of obeisance to a tsar; and because they are not offered an alternative. Putin warns them that in place of his "stability" Russia would risk a return to the grim collapse of the early 1990s; but eventually, if for no other reason than mortality, the regime will be gone.

If the President dies or leaves office mid-term, the Prime Minister takes over pending a Presidential election, as Putin did in 2000. In practice, as this regime crumbles, probably between five and ten years hence (perhaps sooner, were Putin's health to fail or the war to swing sharply against Russia), there is likely to be a fierce struggle for control between rival clans, using their current stranglehold to try to retain dominance.

The next leadership will not be liberal democratic and will not feel warmly towards the West. It will most likely be drawn from a class of mini-Putinists now rising within the system, mostly in their late 40s or early 50s, in central government positions or serving as regional governors. But it will be a leadership from a different generation within the authoritarian elite: not shaped by the Soviet Union, more widely travelled and broadly educated than their predecessors, and not bound by Putin's decisions.

They will inherit a war-weakened, State-dominated, criminalised economy with a bloated defence sector and wide regional and income disparities. There will be pressure to reverse Russia's downward slide by reviving the modernising approach of Putin's first three years. As those years showed, there is a better option for Russia – but it requires peace.

They will be drenched in Putin's ideological re-education of the populace; in his concept that Russia is a "civilisation" distinct from Europe; and in the anti-liberal values which he, in association with the Orthodox Church, has sought to impose on Russian society (in marked contrast to his initial emphasis on Russia's European identity). Will they prolong Putin's

“Stalinist nationalist imperialism” and the triad of “Orthodoxy, Autocracy and Nationality”? Or will they progress beyond Tsar Nicholas II and Stalin?

They will face a permanent headache in the North Caucasus, which is barely under Moscow’s control; and will struggle to keep Belarus and Georgia in hand when current leaders move on.

Above all, they will have to ask themselves how to position Russia between East and West.

The decision to invade Ukraine was not theirs but Putin’s, driven by paranoia and misjudgement rather than a rational appraisal. His successors will have to review the costs and benefits of enduring conflict with Ukraine and the West. They will have the option of extricating Russia on the best terms they can obtain.

They may wish to find a way out of China’s suffocating embrace, but will this be possible? If the contest between the USA and China shapes the 21st century (as Sir Robin Niblett argues in “The New Cold War” , the Russians would have little choice but to keep their rusting trailer hitched to China’s pantechinon. This is not the position to which Russia aspires, but they would not side with America. An anecdote from the late Soviet period held that “an optimist learns English; a pessimist learns Chinese; and a realist buys a Kalashnikov”. The outlook is pessimistic.

To conclude, we cannot expect Russia to turn around quickly after Putin. It will take a long time to overcome the psychological, geopolitical and economic consequences of a bitter, bloody and traumatic war. For a number of years Russia may remain backward and potentially unstable, beholden to China, hostile and disruptive towards the West, but with its capacity for further aggression constrained. If, in time, Russia chooses to accept the sovereignty of its neighbours and rebuild bridges to Europe, reconciliation will be much slower and harder than after the Cold War.

Eventually and slowly, I believe the de-Putinisation of Russia will happen. When Putin labelled the collapse of the Soviet Union as the greatest geopolitical catastrophe of the 20th century, he spoke for most of his generation of Russians (though not, of course, for the non-Russians of the USSR). For Europe at least, Putin’s invasion of Ukraine has been the greatest geopolitical catastrophe since the Second World War. Putin says that the West wants a Russia which is a “dependent, fading, dying place”. Because of his actions and not those of the West, that will be his bequest.

