“Perfection Has No Future Tense:” Putin’s Legacy

By Sir Roderic Lyne

It is a Russian paradox that, while the results of elections since 2000 have been known in advance, the year before the election is a time of tension and uncertainty. Elections, even rigged elections, act as a focal point for grievances.

This year has followed the pattern. Anti-corruption campaigner Alexei Navalny’s success in orchestrating demonstrations across Russia has set nerves jangling. Russia’s Central Election Commission barred Navalny from running for the presidency. President Putin won a fourth term on March 18, 2018 with over three-quarters of the vote; the Organization for Security and Cooperation in Europe said that the election lacked “genuine competition.” Putin is sixty-five. He will have overtaken Brezhnev’s eighteen years and a month in power. By the next presidential election in 2024, he will have almost equaled Stalin’s quarter-of-pre-eminence. My interlocutors in Moscow in January 2000 mostly described their new leader as a transitional figure, selected by the Yeltsin “Family” because he was sober and competent, but also pliable. He had scant political experience or public stature and was described by those who had worked with him as dull and unimpressive. They underestimated him badly.

As Putin enters his next six-year stretch — which will be punctuated mid-term by Duma elections in 2021 — two related questions will arise. First, can Putin, a man who trusts few people, develop a successor from the next generation who is strong enough to control Russia’s baronies, and whom he can trust to protect Putin himself, his family, his associates, and their vast wealth? Second, what will Putin seek to achieve in his possibly his last term in office? (Many people doubt whether Putin will ever voluntarily hand over power. He could choose to step down before 2024, or devise ways of remaining in effective control after that date. Events could force his hand.)

This article is a speculative attempt to ask what legacy Putin will leave to his successors.


Putin came to power promising to restore order in Russia and rebuild a strong state.

As prime minister, Putin exploited the bombing of four Russian apartment buildings in September 1999 to justify a renewed war against Chechen separatists. In Chechnya, there was an evident rationale for opposing terrorism and attempts...
to force secession, but military power was used without regard to international humanitarian law and the requirement to limit civilian casualties. Moreover, Russian forces failed to achieve the objective of regaining control. By February 2000, they had recaptured and largely destroyed the capital, Grozny, with heavy loss of civilian life. But the separatist fighters withdrew to the mountains in the South and continued to mount sporadic attacks against the forces unable to suppress them.

More widely, Putin began to develop a muscular approach to governance that emphasized order after a turbulent decade. He declared that he would establish a “vertical of power” and a “dictatorship of the law.” In a country where national television remains the prime news source for the population, he took the most widely viewed channels out of the hands of Boris Berezovsky and Vladimir Gusinsky and under the supervision of the Kremlin. He began to tighten control over the legislature and political parties, the security organs, the bureaucracy, the judiciary, the media, and regional authorities. He sowed the seeds for what became personalized rule — a system that may have been governed by the law, but in which the law was, in turn, governed by Vladimir Putin.

However, Putin did not simply promise to restore order. He set out to modernize Russia and integrate his strong state ever more closely with the advanced countries of the world. His declared objectives included:

“a democratic, law-based, workable federal state;”

“control” by society “over the executive to preclude arbitrariness and the abuse of office;”

political parties with mass support — not “parties of officials which are attached to the government;”

“truly free media”, without which “Russian democracy cannot survive and a civil society cannot be created;”

“supranational universal values, including freedom of expression and fundamental political rights and liberties;”

“a truly independent legal system;”

“protection of property rights;”

“an active and merciless struggle against corruption;”

and an attractive investment climate and diversified economy, integrating into world economic structures.²

In pursuit of these ambitious goals, reformist ministers implemented some significant changes during Putin’s first term, embracing macroeconomic policy, tax and land reform, foreign trade and investment, privatization and competitiveness.
Putin argued, in this first phase, that power in the world depended more on advancing technology and economic prosperity than on military strength. Russia, he declared, would remain a great power; however, it would be “strong not in defiance of the international community, not against other strong nations, but together with them.” Consistent with this vision, he worked for closer relations with NATO (publicly acquiescing to the accession of the Baltic States to NATO in 2002) and a strategic partnership with the European Union. He hastened to offer help to the United States after 9/11. He was rewarded with full membership of the G8.

If the clock had stopped at the end of Putin’s first term in March 2004, he would be remembered as a leader who had stabilized Russia — albeit with reservations about Chechnya and civil rights — and been welcomed by the West as a partner in the international status quo.

2017

Winding the clock forward to the present day, what has the Putin administration achieved?

Many Russians would reply “strong and stable leadership.” Stability is what many Russian people desire most. The yardstick for the middle-aged and older people is the bad times of the 1980s and 1990s, when their wages and pensions were often not paid. Opinion polls show that two thirds of Russians regard stability as more important than reform.

They would also say that Putin has restored traditional Russian values: patriotism and the social conservatism promoted by the Russian Orthodox Church.

They would be pleased to say that Russia is respected again. No longer, they say, does Russia have to plead for loans from the West. No longer can Russia be ignored or taken for granted, as it was in the Balkans in the 1990s. They are proud that Putin has stood up to the West: in Georgia, in Ukraine, and in the Middle East. They see the restoration of Crimea to its “proper” place within Russia as the correction of an historic injustice — albeit self-inflicted, as it was the former Soviet leader Nikita Khrushchev, who transferred Crimea to Ukraine in 1954.

Russia’s capital has been transformed into a well-ordered and attractive city with modern infrastructure. Russia held the Winter Olympics in 2014 and will host the Football World Cup in 2018.

Measured against the background of the 1990s, Russia’s pride and prestige have been restored.

Measured against Putin’s original template, however, the picture is very different. Of the nine objectives from 2000 listed above, Putin has fulfilled none. On each point, Russia has regressed since 2004. The direction of travel changed sharply in
the course of that year. The wealth flowing in from rising oil prices undermined those promoting reform and competitiveness rather than rent-seeking and state control. The Orange Revolution in Ukraine turned Putin against the West and made him fearful of his own hold on power.7

As a consequence of this regression, Putin’s successor will have to deal with four key areas, in which Russia is less strong than it appears: institutions, the economy, the North Caucasus, and Russia’s place in the world.

INSTITUTIONS

Putin declared in 2007 that “We cannot build Russia’s future by tying its many millions of citizens to just one person or group of people. We will not be able to build anything lasting unless we put in place a real and effectively functioning multi-party system and develop a civil society that will protect society and the state from mistakes and wrong actions on the part of those in power.”8

He diagnosed precisely the fatal flaw in the system, which he himself had refined: that Russia has only one effective institution — the executive power of the presidency.

This is not a recipe for long-term stability of governance. In the absence of a separation of powers, corruption has flourished. The lack of viable institutions has deprived ordinary citizens of channels for voicing discontent. It forces activists to take to the streets, not just over political issues, but to lobby against bureaucratic, municipal or environmental actions.9

Today’s Russia is institutionally weaker than the Soviet Union. There is no Communist Party, no central committee to elect the ruling group, no Politburo to hammer out policy, and to eject a leader if necessary. There is no mechanism, other than Putin himself, to select his successor; and no guarantee that the successor will be able to exercise the same degree of control.

A period of turmoil after Putin is likely.

THE ECONOMY

In 2009, Dmitry Medvedev (notionally the President at the time) asked: “Should a primitive economy based on raw materials and endemic corruption accompany us into the future?”10 So far his question has been answered in affirmative.

Russia has not diversified. The economy remains dependent on hydrocarbons, and other extractive industries, and on the military-industrial complex.11 State or state-controlled corporations account for over half of output — some estimate as much as 70 percent.12 Small and medium enterprises face daunting obstacles and play a much smaller part in the economy than in most other emerging or transitional economies.13

GDP per head, in dollar terms, has flatlined since 2008.14 The Russian economy
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administration from 2004, and above all of the abandonment of structural reform.

THE NORTH CAUCASUS

In a ten-year conflict, the Putin administration failed to bring Chechnya under proper control. It handed over to the strongest local warlords: the Kadyrov clan. Many senior Russian officials have privately expressed concerns to the author that Ramzan Kadyrov is untouchable, out of control, and using thuggish behavior without restraint.

The other republics of the region including Dagestan, Kabardino-Balkaria, and Ingushetia are plagued by insurgency and ethnic conflict. Islamic State (ISIS) has tentacles across the Caucasus. Syria has provided a theater for continuation of the Chechnya conflict, with Chechen militias deployed as part of Russia’s support for Bashar al-Assad while, on the other side, several thousand Russian speakers, mostly from the Caucasus and Central Asia, have fought with ISIS. The eventual return of these hardened warriors to their home regions is a menacing prospect.

The limited aims of the Putin administration have been to prevent the insurgency from spreading into mainland Russian cities — toward which it has been partially successful — and to keep a lid on reporting by Russian and foreign media. It has developed no strategy to deal over the longer term with this zone of low-intensity conflict and ungoverned spaces.

RUSSIA’S PLACE IN THE WORLD

Having begun his reign with broadly amicable relations with Russia’s former Soviet neighbors and by seeking partnership with the West, Putin reversed his strategy during his second presidential term (2004-2008).

With huge soft power at its disposal, Russia had the option of hugging its former Soviet neighbors closer. But alarmed by “color revolutions” and fearing Western
intrusion, Putin chose to use hard power against Ukraine, Georgia, the Baltic States, and even Belarus.

Putin’s supposed victory in Crimea has come at a high cost, which includes billions of rubles now being spent on a bridge. The Russian Navy already controlled the strategic port of Sevastopol prior to the annexation of Ukraine’s sovereign territory. That annexation was seen as a flagrant breach of international law and condemned by one hundred member states of the United Nations. By this action, Putin not only isolated Russia, but lost Ukraine as the country’s most important neighbor. The Ukrainian people were not merely friends; many have Ukrainian and Russian relatives. Now, in the fourth year of an unfinished conflict, many such families have become alienated. Russia’s incursion has consolidated Ukraine’s sense of nationhood.

Putin’s vaunted project to build a Eurasian Economic Union as a counterpart to the EU has been a failure. Ukraine refused to join it. Belarus and Kazakhstan have wriggled away from it. Armenia and Kyrgyzstan are weak states making up the numbers.

Meanwhile, in contradiction of his earlier position, Putin has chosen military strength and defiance of the international community as his instruments to re-establish Russia as an independent power.

Putin hoped that he could persuade his Western partners tacitly to accept a Russian “droit de regard” over the former Soviet republics — a modern version of the Yalta and Potsdam understandings that defined zones of influence after the Second World War. The Western response to the Rose Revolution in Georgia in 2003 and the Orange Revolution in Ukraine a year later, and also to the Kremlin’s attempt to impose a settlement on Moldova, showed that the NATO and EU countries were not prepared to accept limitations on the sovereignty and territorial integrity of independent UN member states. In response, Russia has reverted to the use of force — military, economic or cyber — to impose its will within its claimed zone of influence.

The rules of the post-Cold War international order conflicted with what Russia saw as a vital national interest in its neighborhood. If Russia cannot achieve its aims by becoming a senior player within the status quo, it will seek to change the status quo. In contrast to its partners in the BRICS association — China, India, Brazil and South Africa — Russia has set out not to negotiate a larger role in the international order, but to disrupt it.

The disruption has not been confined to the former Soviet Union. Russia has opportunistically exploited tensions within the EU and the NATO Alliance and a wave of populism in the West.

Likewise, in the Eastern Mediterranean and Middle East, Russia is seeking to change the balance of forces — not just in the Syrian conflict but by developing an axis with
Erdogan in Turkey, meddling in Libya, maneuvering among the Gulf States and signing deals with Iran. Putin has seemingly moved into spaces that were left vacant by the United States.

In the short term, Putin’s disruptive tactics have chalked up a number of successes; but many of the wiser heads in Moscow are worried about the long-term consequences. Fifty-two percent of Russians, according to a recent poll, saw a real threat of large-scale war between Russia and NATO. That does not reflect a sense of security.

Russia’s growing dependence on China is another source of concern. The Russians are deeply uncomfortable about their position as the junior partner. They see China’s growing strength and assertiveness as a long-term threat to the far east of Russia, where a shrinking population of six million Russians neighbors 140 million inhabitants of China’s northern regions on land partly extracted from China in three unequal treaties in the 1860s. In Central Asia, China’s One Belt, One Road initiative is developing energy and infrastructure projects which will bypass Russia.

All of this reflects a confrontational but insecure Russia. It may not be powerful enough to regain center stage internationally but it is certainly powerful enough to do damage while it tries.

THE 2024 QUESTION AND BEYOND

The beginning of a new term of office in the spring of 2018 is seen as the next, and probably last, opportunity for the Putin administration to change its legacy. After Putin 1.0 the outward-looking modernizer, and Putin 2.0 the authoritarian and isolationist disrupter, could a third version emerge in the period to 2024?

Would-be modernizers within the Russian political and business orbits, many in senior positions, have been thinking deeply about the question of how to modernize Russia when the opportunity next occurs.

Prime Minister Medvedev has argued that it was “obvious to everyone” that “serious reforms” and a different model of development were required – calling for resumed cooperation with the West, conditions to promote foreign investment and technology transfer, improved governance and accountability and “all-round liberalization of the economy and the reduction of red tape. There is no other way.”

In a joint paper, two state-sponsored Russian think-tanks have declared that Russia’s fundamental problem is economic backwardness, which “undermines Russia’s sovereignty, restricts its foreign policy potential, and limits the available foreign policy arsenal to a narrow choice of instruments.”

Notwithstanding the force of the modernizers’ arguments, expectations that Putin will embrace their approach are vanishingly low. He may cherry-pick some items from the menu. Perhaps he will implement the long overdue changes to retirement and pensions and (the retirement age for women in Russia remains at fifty-five
and for men at sixty) and measures to improve transport, infrastructure and labor productivity. But structural reform is anathema to Putin and his close associates. Institutional change would undermine his perfected authoritarian system of power. The Kremlin asserts that “perfection has no future tense.” Tinkering and incremental steps are possible. Systemic change is not.

Whenever the change of leadership happens, there will inevitably be a struggle for supremacy between competing clans and sectoral interests, between conservative nationalists and the liberally inclined proponents of competitive markets.

The successor generation will be the first to have lived their adult lives in post-Communist, post-Soviet Russia, and will have a somewhat different outlook. They will need to halt the downward slide. While the case for reform seems self-evident, the obstacles are formidable. It will be no easy task to curb the power of the immensely wealthy new class of oligarchs and multi-millionaires created by and under Putin. The state bureaucracy, state corporations and multiple security agencies will also bitterly resist any diminution of the power they have accumulated. And the populace, though not happy with the current state of affairs, are nervous of change after the chaos of the 1990s.

This leads to the rather gloomy conclusion that things will probably have to get worse before they get better. It may well take a crisis to create the opportunity for change.

In time, the manifest underperformance of the current model will demand a different approach. Russia is populated with proud and intelligent people who do not wish to live in a third-class, isolated country. There will need to be a debate about the Constitution, which vests too much power in the President; about an independent judiciary and legislature; about the balance of power between the center and the regions; and about the future of the North Caucasian republics.

Under Leonid Brezhnev, the Soviet Union became the world’s acknowledged second superpower. But his era of stagnation led to its collapse a few years after his death. Putin has forced Russia back onto the world stage, but he is on the way to bequeathing a second era of stagnation to his country. The longer Putin clings to power, the more the law of diminishing returns will bite into his legacy and the more onerous will be the tasks of his successors.
ABOUT THE AUTHOR

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ENDNOTES

1 Responsibility for the bombings remains a matter of controversy: accusations have been made that they were acts of provocation by the FSB, the Russian internal security service See, for example, David Satter, “The Unsolved Mystery Behind the Act of Terror That Brought Putin to Power”, National Review, 15 August 2016.

2 See Putin's statement of 29 December 1999, “Russia at the Turn of the Millennium,” and his Annual Address to the Federal Assembly of 8 July 2000.

3 “Russia at the Turn of the Millennium.”

4 Annual Address to the Federal Assembly, 8 July 2000.

5 It was announced at the Summit in Kananaskis, Alberta, in July 2002 that Russia had been invited to host its first G8 Summit in 2006.

6 See, for example, Larissa Pautova, “In Stability We Trust?” Russia in Global Affairs, June 2016.


8 President Putin’s meeting with the Valdai Club, 14 September 2007.


10 Internet article by Dmitriy Medvedev, 10 September 2009.

11 In 2014 energy accounted for 65% of exports by value and 52% of Federal Government revenue. Despite the fall in oil prices, the comparable figures for 2015 were 58% and 43%. (Sourced from IMF data in IMF Country Report 17/197 of July 2017. The Report “stressed the need to reduce the economy’s dependence on oil and rekindle structural reforms.”)

12 Estimate by the Russian Federal Anti-Monopoly Service quoted by Kolesnikov, op.cit.

13 According to a paper by Sergei Safonov of EY presented to the EIB Luxembourg Round Table in March 2014, employment in Russian SMEs fell from 16.7 million in 2008 to 16.1 million in 2012.

14 Russian GDP per capita was $11,089.9 in 2008 and $11,099.2 in 2016. (TradingEconomics.com citing World Bank.)


16 The Russian Navy’s lease on its base in Sevastopol was extended until 2042 in an agreement of 2010 with the Ukrainian government.

17 See UN General Assembly Resolution 68/262 of 27 March 2014, adopted by 100 votes to 11, with 58 States abstaining. Russia was supported only by Armenia, Belarus, Bolivia, Cuba, Nicaragua, North Korea, Sudan, Syria, Venezuela, and Zimbabwe.

18 Quoted in Larissa Pautova, “In Stability We Trust?” Russia in Global Affairs, June 2017.

19 In 1992, Russia’s GDP in dollar terms exceeded that of China. In 2016, in the same terms, Russian GDP was 11.4% of China’s. (IMF and World Bank.) In 1992, China’s estimated defense spending was 68% of Russia’s. In 2016 China’s estimated defense spending was over 3 times that of Russia. (Data from SIPRI, the Stockholm International Peace Research Institute).


21 “Theses on Russia's Foreign Policy and Global Positioning (2017-2024);” Centre for Strategic Research and Russian International Affairs Council, June 2017.