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Less May Be More for Protesters

By Alexei Bayer

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Pro-democracy protests in Russia are being organized by writers, journalists, artists and other cultural figures. There are few businesspeople among them who understand the concept of risk-adjusted returns.

In any investment, the greater the risk of losing money, the higher the profit that investors demand. For example, Greek and Portuguese bonds offer high yields precisely because there is a high probability that their governments will default on their debt.

Similarly, if real estate prices double in a year, it is less likely that they will go on climbing and more likely that a speculative bubble will develop. If prices continue to rise, every new real estate deal will have a lower upside potential and a larger downside risk, meaning that investors will face larger losses when the bubble eventually bursts.

Such risk-return calculations can be applied to the Feb. 4 rally to be held in Moscow in support of free and fair elections. Its organizers are clearly taking a major risk. If the weather stays cold, if the sense of euphoria engendered by the earlier protests wears out

— or if Muscovites, who have children, families and jobs, and face all the usual pressures of middle-class life, suffer a bout of protest fatigue — the number of participants may fall short of the rally on Prospekt Sakharova on Dec. 24, or even the smaller demonstration on Bolotnaya Ploshchad on Dec. 10. That would be a defeat, corroborating the Kremlin's claim that the protest movement doesn't represent the country.

The risks are huge, while likely benefits are small. If some 120,000 people march on Feb. 4, it will be considered a major success. Yet, this number represents just 1 percent of Moscow's population. Such a rally will add little to what was demonstrated in December — that Russia has shaken off its political apathy, that its citizens demand a voice in how their country is run and are willing to raise their voice to be heard by their government.

After December, the government has clearly become apprehensive. It is unsure how to react to the largest street protests since 1993. Prime Minister Vladimir Putin remains defiant, but his entourage has been sending conflicting signals, one day offering to negotiate with protesters and then ignoring their demands. There seems to be members of the political and business elite who are preparing to detach themselves from the unpopular regime. They don't want to do it too early, but they don't want to stay too long either.

In this environment, a strategy of lower risk and higher reward for the opposition would be to bide its time and do nothing else. It has already shown the government how strong it is by producing a mass protest movement. It should quietly solidify its gains by building political parties and a broad alliance of opponents to the regime. It should draft a set of demands, develop a strategy for the March 4 election and beyond, and build a network of political organizers and election monitors around the country.

This would leave the ball in the government's court, forcing it to make a difficult choice: whether to have an honest election and risk revealing Putin's shrinking base of support, while also caving in to protesters' demands, or else rig the vote once again, as it did during the voting to the State Duma on Dec. 4. Of course, if Russians feel that their votes were stolen once more, it will be easier to lead hundreds of thousands of them in an angry protest.

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The views expressed in opinion pieces do not necessarily reflect the position of The Moscow Times.

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