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# Putin Has Trapped Russia in a Vicious Circle (Op-Ed)

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The 2015 St. Petersburg Economic Forum will be remembered for two things: the short list of foreign participants and former Finance Minister Alexei Kudrin's proposal to hold early presidential elections. (By the way, the few foreigners present were reminiscent of the handful of foreigners from exotic lands who stood by President Vladimir Putin as he reviewed the Victory Day parade on Red Square this year.)

The two are connected. The number of foreign guests daring to visit Russia is shrinking as a direct consequence of the decisions that Putin has made over the last 18 months.

Kudrin's proposal for early presidential elections is designed to give Putin's regime an extra margin of safety and to enable him to once again draw on a broad social consensus to enact and give legitimacy to a new series of reforms capable of reviving the Russian economy and political system.

However, if Putin had wanted to start reforms to revive the economy and political system, he

would have implemented them much earlier — perhaps as early as the mid-2000s. No matter how his political career develops from this point on, Vladimir Putin is likely to become yet another example of a leader who tragically disappoints the expectations of all those who originally welcomed his rise to power.

Putin first appeared on Russia's political horizon when the country was just recovering from the economic crisis of 1998 and its first president, Boris Yeltsin, was politically unpopular and physically unhealthy. The young and vigorous former KGB officer, with experience working in the democratic administration of former St. Petersburg Mayor Anatoly Sobchak, seemed to many like the country's best chance for positive change.

Putin also benefited from the favorable economic situation: higher gas and oil prices meant that for the first time in a quarter of a century the government did not have to look at every budgetary ruble as if it were the last.

By dismissing former Prime Minister Mikhail Kasyanov in 2004, Putin freed himself from the last informal commitments to Yeltsin's inner circle and was positioned to make a clean start toward possibly turning Russian into one of the most dynamically developing countries of the world. If he succeeded, Russia could become a "beacon" toward which other post-Soviet republics would naturally turn, without coercion.

Instead, we now see the rather deplorable results of the last 15 years — Russia's growing international isolation and risk-taking coupled with the declining prospects for its national economy.

This is because leaders managed the economy all those years not so as to achieve strategic growth, but to enrich a narrow circle of Kremlin cronies. Their oversized fortunes are not immediately evident because each of them, as in any feudal system, is surrounded by his own circle of dependents and confidants.

They, in turn, act as "feeders" for much of the Moscow and regional capitals' populations — people who mistakenly think of themselves as the Russian middle class when they are, in fact, merely auxiliary staff serving the vassals in this vast feudal system.

Below them are many millions of Russians who are dependent on a variety of budget payments — from monthly salaries for officials, doctors, teachers and military personnel to pensions for the elderly and benefits for those on maternity or disability leave.

In the Marxist scheme of feudalism, the redistribution of wealth proceeded from the disenfranchised tax-paying classes at the bottom up to the privileged elite. That system is reversed in modern Russia.

The privileged groups at the top of the ladder must share their income with their attendants to ensure their continued service, and with the army of citizens reliant on budgetary funds so that they continue believing this form of stability is better than the wild 1990s that literally nearly killed them 25 years ago.

The main problem with this paradigm is not only that it provides for the needs of a select few while doing nothing to ensure the country's development, but that it only works properly

when those in power have surplus wealth. When resources are limited — as they are now as a result of Russia's increasing isolation — the system begins to break down.

Even if the privileged groups dutifully continue passing along the money even during difficult times, there simply isn't enough cash to fill every outstretched hand.

When, in the equation "money + television propaganda = social stability," the variable "money" is removed, people switch off their televisions. No matter how great the emotional intensity and apparent effectiveness of government propaganda, that moment is not far off.

In proposing early presidential elections, Kudrin is essentially suggesting that Putin carry out a federal political campaign for change before that dark day comes. Otherwise, the situation could become unpredictable and spin out of control.

It is tough to argue with that logic: Putin has so denuded the political playing field during his years in power that no mature candidate offering an alternative to his rule now exists. All that remains are a few marginal, radical groups that gained some notoriety during the conflict in eastern Ukraine.

Unfortunately, this political landscape gives little cause for optimism if Putin does not take part in the next presidential elections, early or otherwise. At the same time, even if he runs for president and wins, what optimism can there be considering that Putin himself built and maintains the existing political system, and has shown no signs of wanting to implement the reforms that Kudrin proposes.

What began as a serious dilemma has now degenerated into a vicious circle. To save the situation, Russia needs reforms. Only Putin has the authority and power to carry them out, but judging from his public statements, Putin shares the opinion of most Russians that a second attempt at perestroika could finish the country off. Therefore, if Putin remains president, he will not implement reforms and the situation will only grow worse.

Although the Russian political elite retains the outward signs of solidarity and even enthusiasm, it is showing internal signs of anxiety due to the obviously inevitable and traumatic end of the current political course. However, it would be a mistake to assume that this signals the imminent awakening of a deeper political awareness.

Within the framework of the political system that has developed in Russia, there are very few solutions to the current problem that the privileged ruling class would accept. That scant number roughly equals the number of potential presidential candidates who could win approval from all segments of the privileged class as well as the many voters who feel a sense of personal gratitude to Putin for the opportunity to buy a Ford Focus assembled in Russia.

But that is only a new means for again preserving the status of the privileged group, albeit with a slight change in membership, and not for advancing the public good through structural economic reforms and ending Russia's international isolation. What's more, there is no guarantee that even a single presidential candidate exists in reality who could satisfy such a complex political compromise.

Taken together, this means that we are likely to witness and participate in the final act of this

episode in Russian history. The drama might drag out a little longer than anticipated, but once the curtain rises the next time, the country as it now exists will be gone forever. And there is no guarantee whatsoever that we will like that "production" more than this one.

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

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