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Russia in 2020. Like 2019, But More So

Putin and his entourage seem to think "better safe than sorry."

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In many ways, Putin's recent marathon press conference set the tone for the new year. It felt like a four hours and eighteen minutes long trailer to a new series of a long-running TV franchise that has run out of new ideas. There was a hint of a resolution of the perennial question of succession, but only a hint, such that it could still go in any direction. There were the usual complaints about how Russia is treated by the rest of the world. There were suggestions that the economy and people's quality of life would improve in due course, but no real ideas. In short, it was a re-run rather than a re-boot.

This is probably going to prove a decent encapsulation of 2020 for Russia: like 2019, but more so. Of course, making predictions about the future is an activity inevitably leading to disappointment and error, and Putin and Russia is, like everyone else, subject to the whims and vicissitudes of fate and the rest of the world. Stuff happens. Yet the irony is that while

Putin's power within the system and also Russia's agency in the world are still relatively great, the ideas, the resources, the courage to do much that is different largely appear to be lacking.

United Russia

In domestic politics, more of the same: increasingly open debate about a potential succession on or maybe even before 2024, about the contours of a post-Putin Russia, about who might be the next boss, but no actual decision or even clarity about a timeframe for that decision.

Speculation about electoral reform or whether to ditch, reform, replace or clone the United Russia "party of power" still have got nowhere, and although things can happen quickly, the closer things get to the 2021 parliamentary elections, the less likely such major transitions become. Often, the calculus seems to be not whether or not the current model could be bettered — it absolutely could — but whether the risks of change are too great, or too unpredictable, to be worth chancing.

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United Russia is a pretty tarnished brand, and its share of the vote eroding, but creating a new party — let alone more than one — is likely to generate considerable political uncertainty. It is likely to spark greater intra-elite rivalries and hungry politicians seek to use the chaos of any transition to their advantage, it may lead to a further bleed across of voters who had been held simply by residual "brand loyalty" to opposition parties. Even the so-called "systemic opposition" parties such as the Communists might become less docile if they spot the opportunity to win over disconcerted and disgruntled voters, let alone true anti-Kremlin forces.

So, better be safe than sorry and continue the current approach. After all, the economy is going to improve and with it the public mood, right?

Economic malaise

Maybe not so much, but once again, the dangers in a change in approach are likely not to commend themselves to this eminently risk-averse leader. In keeping with this, a great deal has been done to "crash-proof" the economy, and especially to protect it from the possible impact of sanctions. However, one of the corollaries is also to allow it to stay mired in near-stagnation. Russia's economy grew probably no more than 1.3% in 2019 – up, yes, but not even the 1.8% Putin was originally suggesting, let alone the 3% of his target.

This is not likely to be met in the foreseeable future, unless and until a series of important reforms are introduced, the most important of which is the imposition of real and meaningful rule of law. Since 2014, the scourge of "raiding" — the seizure of assets and virtual protection-racketeering through corrupt use of political and legal influence — has again been on the rise. Instead of addressing this, and the diversification of the economy, the Kremlin has reverted to a cult of 'gigantism' and modernization-by-showcase-project reminiscent of Soviet times.

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The twelve extremely ambitious National Projects are by no means useless, although it remains to be seen whether the more granular ones relating to ecology and education will get the same attention and focus as the dramatic infrastructure projects like bridges and railways. Nonetheless, the planned investment of 25.7 trillion rubles (€373 billion) will have an impact, but likely not one adequately spread across the country, let alone one truly producing a meaningful back for buck in terms of economic development: one recent estimate is that it likely is worth perhaps a 0.2% bump in GDP annual increases.

But what is the alternative? Tackling the true malaise at the heart of the economy means addressing the corruption not just of middle managers and the like (which is genuinely being tackled) but the big beasts of the system, and they are big beasts precisely because they are Putin's people, or at least have made their peace with his order. True reform means in the short term likely more pressures on ordinary consumers – remember 2021 parliamentary elections, 2024 presidential — as well as further diversions of government spending away from defence and security. It means breaking up monopolies and informal cartels and empowering and liberating the courts, and once you do this for business, you need to accept that it will spread and mean you may not be able to count on the courts to jail your rivals and block them from standing in elections.

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Ukraine

Maybe not so much, with the USA probably locked into Congress-driven sanctions that likely do deserve the label 'Russophobic' these days, progress on Ukraine depending on concessions Putin is unlikely to be able to stomach, and the great frenemy Beijing frankly not that interested in Moscow.

One of the current clichés is that Putin is successful abroad, unsuccessful at home. But successful at what? Syria certainly counts as a success, but one that continues to hold potential dangers and more to the point one that offers little domestic advantage or even foreign leverage. Most of Russia's perceived triumphs are really failures of the West or else are of only marginal relevance. The new "scramble for Africa" is an opportunistic attempt to make a few friends and a bit of money, but is dwarfed not just by the commitment of the USA and Europe but especially by China's burgeoning presence. A few mineral deals and some arguably low-grade mercenary deployments do not change that.

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The foreign policy issue that overshadows all else is Ukraine, and here it is hard to see 2020 offering much hope of any dramatic changes. The recent Normandy format summit was by no means useless and established a baseline relationship between Putin and Zelensky from which some useful moves such as the ceasefire and potential prisoner swap could flow. The improved atmospherics may also have helped the Russia-Ukraine gas deal negotiations.

However, Zelensky cannot and will not make any substantive concessions towards what is, after all, the aggressor, and there is no sign of any substantive shift in Moscow. At his press conference, Putin urged "direct dialogue with Donbas. There is none so far." Ironically enough, he is right, and there are all kinds of reasons why it actually would make sense for Kiev to talk directly with self-proclaimed Donbas and Lugansk People's Republics. One of the main ones, though, is to see if the government can detach them at all from Moscow (this is a complex war: it is not a simple civil war, but nor are the rebel forces wholly dominated by the Kremlin).

Unless the Kremlin were willing to let this process happen as part of a wider peace plan, then it likely would seek to stymie the very activity Putin advocated. In other words, Russia needs already to reconcile itself to "losing" the Donbas. It is not that it actually cares about the region itself, this has always been about exerting leverage on Ukraine as a whole. But it will either feel it is getting something it wants in return – which essentially means some form of recognition of its annexation of Crimea and the lifting of some European sanctions, at least – or that it absolutely cannot afford to continue the undeclared war.

The former seems well over the horizon and the latter implausible. So, for the moment, the best and most likely fate of the Donbas appears to be that it will become another frozen conflict, and with it so too the essentials of Russia's relations with the West will freeze.

But this is one area of policy in which Putin can feel he can make an impact and that there might be some scope for positive change. He is probably wrong on both counts, but all the same — especially given the relatively meek German response to the Khangoshvili shooting — it likely means that there will be no let up in Russia's political war against the West. There may well be, as there has been already, constant changes in targets and tactics. Attempts directly to meddle in elections appear to have given way to maximizing the inevitable political divisions they generate, instead.

The essence, though, will hold true: Putin feels the West wants to isolate and denigrate Russia, and to undermine and demonize his regime, and in response, he must divide, distract and demoralize it, either to force it to come to terms or at least to neutralize it. Not to fight this 'war' risks allowing the imposition of an American "unipolarity" on the world (or, perhaps just as alarming, a US-Chinese bipolarity in which Russia simply has a choice of overlords) and allowing the West to continue its pernicious attempts to subvert Russia with its weaponized values and norms.

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