

## **Executive Summary**



## Strategic Studies Institute and U.S. Army War College Press

## **RUSSIA AFTER PUTIN**

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Note: This research was completed in the fall of 2013, which was obviously prior to the recent crisis in Crimea and Ukraine.

In 1999, after Boris Yeltsin appointed Vladimir Putin Prime Minister, the former KGB agent pledged to create a powerful state at home and to project Russia's influence abroad. He spoke favorably about democracy but soon indicated by his actions that political authority would be concentrated in his hands alone, although he surrounded himself with a medley of supporters: members of the security services and military-collectively known as the Silovikibusiness tycoons, high-level government officials, and thugs belonging to criminal organizations. The state's resurrection-what became known as the Power Vertical – was made possible largely through surging gas and oil revenues and Putin's tight hold over the reins of power. The revenues that they produced, in turn, expanded the urban middle class, and provided jobs for those working in Soviet-era enterprises and entitlements for retirees. In return, Putin enjoyed unprecedented approval in the eyes of most Russians, so that after serving two terms as president, he felt comfortable passing the job off to his young assistant — Dmitry Medvedev.

But in the winter of 2011-12, massive public demonstrations in Moscow and St. Petersburg revealed that the nation's university educated urban middle class—the Cosmopolitans—were disenchanted with his rule. (Note: This term is not associated with Stalin's anti-Jewish campaigns.) They were joined by a small number of communists, nationalists, and other opponents of his Power Vertical. Staunch supporters who lived in the hinterland and occupied the lower rungs of the socio-economic ladder, the Provincials, were also getting restive. Even some members of

Putin's own team deserted him; for example, his former economic Czar, Alexei Kudrin, resigned rather than support the dramatic increase in the defense budget, and he was joined by some oligarchs and celebrities.

This medley of opponents accused Putin of rigging the 2011 Duma elections and his own re-election in 2012. To make matters worse, it was forecasted that Russia's hydro-carbon production would decline, while outmoded enterprises would prove incapable of surviving global competition. Henceforth, revenues would neither sustain social services nor an expanding defense budget, so both Putin's domestic and foreign policy agenda was in peril. It was only a matter of time before his reign expired along with the Power Vertical.

But soon after Putin began his third term, analysts claimed that predictions of his imminent demise were premature. In spite of a slippage in the polls, he remained the most popular politician in Russia, while his opponents were divided, demoralized, and leaderless. Measures he took to silence them—including restrictions on public demonstrations and the arrest of opposition leaders—convinced many middle class protestors that they had been too hasty in openly demanding his ouster. In an attempt to secure the Provincials support, Putin exploited anti-Americanism sentiment that resonated among millions of Russians and portrayed his democratic detractors as agents of foreign governments.

As the United States reassesses relations with Russia and develops a strategic doctrine that addresses a turbulent international security environment, a brace of pivotal question remains to be answered: What is in store for Putin's future and for the fate of the Power Vertical?

The purpose of this monograph is to address this two-fold question and provide conclusions and recommendations to help U.S. policymakers provide appropriate answers. To accomplish this ambitious undertaking, two sets of scenarios will be considered. The first set is benign and includes "The Status Quo" and "The Western Path to Development." The second set is malignant and includes what has been called, "Stalin Lite" and what amounts to a worst case scenario, "Russia in Chaos."

In looking at the first set of benign scenarios, the following observations are pertinent:

- Status Quo: A broad range of economic and political circumstances support the notion that in spite of a multitude of challenges, the Power Vertical will persist even beyond Vladimir Putin's tenure. It is against this backdrop that a re-balance in U.S.-Russian relations will be evaluated.
- The Western Path to Development: A faltering economy, pressure from progressives in the Kremlin, a revitalized "democracy movement," and disgruntled business oligarchs and grassroots upheaval in the provinces will ultimately produce a more open political system and law-based society. Under these circumstances, Russia's ultimate integration into the Euro-Atlantic community is plausible.

In addressing the second set of malignant scenarios, the following observations are pertinent:

- Stalin Lite: In keeping with the crackdown that began soon after Putin was elected in 2012, a host of opposition figures are arrested, a number of oligarchs flee the country, new restraints are imposed upon the media and non-governmental organizations (NGOs), and members of the inner circle whose loyalty is suspect are removed from office. Under these circumstances, the prospects for a re-balance in U.S.-Russian relations are slim.
- Russia in Chaos: Here there is a collapse in the Power Vertical along with a dramatic economic decline, and Russia appears to be following the path of the former Soviet Union. This outcome may be less plausible than any outlined above but, should it materialize, it will have significant

and dangerous implications for international stability in general and U.S. international interests in particular. What happens next in Russia will have profound consequences for the security of the United States and its allies. It remains the largest country in the world; most of the earth's population and resources are found near it; and it is the only power that has the capacity to destroy the United States in a nuclear strike.

Russia must remain a major concern of the United States as American policymakers address two pivotal security challenges: a rebooting of the Euro-Atlantic security system that may ultimately include Russia, and an Asian Pivot that acknowledges that Russia is a major player in the Far East. While some analysts claim that clashing values necessitate a pause in relations, U.S.-Russian leaders must work toward a peaceful resolution of the crises in Syria, Iran, and North Korea. Not to do so is to run the risk of latent disasters becoming manifest calamites that threaten the security of their respective countries.

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