

Putin's Lurch toward Tsarism and Neoimperialism: Why the United States Should Care

ANDERS ÅSLUND

Abstract: An analysis of Russian President Vladimir Putin's policy shows that he has a strong habit of doing the opposite of what he says. He has persistently advocated pure democracy, while actually building an authoritarian rule. Fortunately, this authoritarianism is more reminiscent of tsarism than Soviet dictatorship. Russia's impressive economic growth arises out of the construction of a normal market economy based on private enterprise in the 1990s and its cleansing of the market economy through the financial crash of 1998, while Putin's contribution is limited and mixed. In foreign policy, Putin has cleverly displayed power but minimized risks. His personalized authoritarian system gives him little choice but to retain power, although we cannot know by what means.

Keywords: authoritarianism, democracy, economic policy, foreign policy, politics, Russia

Introduction

The permanent question during Putin's first term was "Who is Mr. Putin?" As a trained KGB agent, he was all things to all people. He appealed to Russian nationalists and the Orthodox Church, but he also saw and nurtured Western leaders. Unlike Yeltsin, Putin did not antagonize the communists, but he also appealed to economic liberals with more market reforms.¹ His open-to-all attitude did not seem convincing. It looked like a waiting game. Everybody wondered what Putin would do when he had consolidated power.

Systematic Establishment of Political Authoritarianism

Only in one regard was Putin completely clear: he was a political authoritarian, but he did not say so. He muzzled the media, starting with television and proceeding with one newspaper after the other. He had brought the State Duma under control, partly through democratic means, partly through gross corruption. The regional governors were brought to heel by all means.² Putin's loyalty to the KGB and its predecessors was unwavering, demonstrative, and frightening.

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The clearest indication of Putin's direction was his appointments. They all came from a very narrow stratum of former colleagues in St. Petersburg, mainly from the KGB. (KGB people are called *siloviki* in Russian, which means people belonging to the power ministries—the KGB, the military, and the police.) Putin's associates were both from the FSB and the foreign intelligence service (SVR), but the FSB people dominated.³

The fundamental question is: What kind of Russia has Putin created? Before the presidential elections in March 2004, as in 2000, Putin thrived on the postrevolutionary contempt for politics and refused to debate any competitor, but he actually made a public policy declaration on television. He surprised with a Jeffersonian declaration of freedom:

We must continue work to create a genuinely functioning civil society in our country. I especially want to say that creating a civil society is impossible without genuinely free and responsible media. . . .

I firmly believe that only a developed civil society can truly protect democratic freedoms and guarantee the rights and freedoms of the citizen and the individual. Ultimately, only free people can ensure a growing economy and a prosperous state. . . .

I would like to stress once more that the rights and freedoms of our people are the highest value that defines the sense and content of the state's work.

Finally, we will most certainly complete the transformations currently underway in the judicial system and the law enforcement agencies. I think this is a truly important area that is decisive for building up real democracy in the country and ensuring the constitutional rights and guarantees of our citizens.⁴

Putin did none of this. As usual, when he said something, he was preparing to do the opposite. He is known for two political concepts. The first is "managed democracy" and the second is the later "sovereign democracy." In 2002, Putin denied ever having used the expression "managed democracy," and a careful search suggests that he might be correct. Similarly, a search suggests that he has never used the words "sovereign democracy" in public.

In his annual address in 2007, Putin attempted an answer.⁵ First, he claimed to "achieve real democratisation of the electoral system. . . . The proportional system gives the opposition greater opportunities to expand its representation in the legislative assemblies. . . . I am certain that the new election rules will not only strengthen the role of political parties in forming the democratic system of power, but will also encourage greater competition between the different parties." Yet, Putin has systematically eliminated democratic electoral competition.

Second, he said, "Decentralisation of state power in Russia is now at a higher point today than at any other time in our country's history." Yet, Russia is far more centralized under Putin than it was under Yeltsin.

Third, Putin stated that the "rapid expansion of our national information and media space is also having a beneficial effect on the development of democratic institutions and procedures." But he has suppressed the freedom of all major media.

Fourth, "it is impossible to imagine the democratic political process without the participation of nongovernmental organizations [NGOs], without taking into account their views and opinions. . . . This exchange of views, this dialogue with the NGOs, is developing consistently today."⁶ Yet, Putin has stifled independent organizations with arbitrary regula-

tions. Less than one-quarter of Russia's 200,000 NGOs have succeeded in submitting the exceedingly bureaucratic re-registration requirements imposed in early 2006.

For eight years, Putin has talked about the reinforcement of democracy, and even after having abolished every bit of it, he cannot stop talking about his democratic ambitions. Apparently, Putin uses public statements as disinformation. He has restored the Soviet tradition of "newspeak," calling everything its opposite, as George Orwell described in his novel *1984*.⁷

To understand what is happening in Putin's Russia, we must not believe Putin's public or private statements, but examine his actual policy. After eight years of Putin, it is evident that his main endeavor has been to dismantle all democratic institutions and build an authoritarian system.

First, Putin strangled major media. Putin can still manipulate the population through television, although the political reporting of the two central state channels, First Channel and Rossiya, is perfectly Soviet. The strength of the Putin regime lies in its skill to manipulate the elite, the media, and civil society, but if this propaganda deviates too much from reality for too long, it will eventually lose credibility.

Putin's second step was to rein in the regional governors. He appointed presidential representatives to supervise them and enforce federal legislation. He deprived the governors of their seats in the Federation Council. As their members were appointed, the upper chamber lost significance. Next, Putin abolished gubernatorial elections, appointing all governors himself. Russia's traditional centralization of power has been restored.

Third, he stifled the political influence of the oligarchs through the long and tortuous Yukos affair. If not even the property rights of Russia's richest man were safe, all property rights were unsafe. Not only individual oligarchs, but also their organizations, such as the Russian Union of Industrialists and Entrepreneurs, lost out.

Fourth, although Putin appeared to improve Russia's courts through judicial reform, he subordinated the judges to the presidential administration rather than to regional governors.

Fifth, the Duma elections have lost all democratic content. A wide range of means have been used—refusal to register parties, the disqualification of candidates, illegal harassment, temporary arrests, and prohibition against public meetings. Each measure in itself might not appear all too arduous, but taken together they are overwhelming.⁸ As a consequence, both liberals and communists have been marginalized.

A sixth step was to transfer power from the Council of Ministers to the presidential administration. The two most important measures came in early 2004: the appointment of the weak Mikhail Fradkov as prime minister and the government restructuring that minimized its policymaking capacity.

All these profound institutional changes have gone in one direction. Putin has centralized power to the presidential administration and relied on KGB veterans to control the country. These secret policemen control much of the economy through the big state-owned corporations. Checks and balances have been minimized. Putin has deprived the formal institutions—the Federal Assembly, the Council of Ministers, and the regional governors—of any real power. As camouflage, he has set up informal advisory institutions, such as the State Council and the Public Chamber, which are of little or no consequence. As a result, Russia has suffered a far-reaching deinstitutionalization. Putin has concentrated power in his own hands, trying to micromanage everything. He and a handful of his closest aides make far too many decisions about things that they know far too little about.

Economic Luck

Paradoxically, Russia's economy is doing very well with a steady growth of 6.7 percent a year for the last eight years, and the standard of living is rising considerably faster.

Three fundamental conditions make it possible for Russia to generate this steady and high economic growth. First, Russia has established a normal market economy based on predominant private enterprise. It has adopted a liberal tax system with moderate and relatively flat tax rates. The overall lesson from transition countries is that public expenditures must not exceed 35 percent of gross domestic product (GDP), as is the case in Russia.⁹ In general, a higher tax level is neither justified nor beneficial for economic growth.¹⁰

Second, the financial crash of 1998 was so severe that Russia is likely to maintain strict macroeconomic balance for a generation. The current macroeconomic policy is, if anything, overly cautious with budget surpluses of 7.5 percent of GDP in 2005 and 2006 and current international reserves of 40 percent of GDP.

The third factor that underlies Russia's dynamism is the single-minded focus on economic growth of not only the president but also the intellectual establishment. Russian economists of all stripes are preoccupied with economic growth. The peer pressure from neighboring countries is strong as well. The entire Eurasian region from China via India to the Baltics has been growing steadily by 7–11 percent a year since 2000. Russia is actually comparatively less dynamic.

Of these three factors, Putin can claim the focus on growth and the conclusion of the economic reforms, but the systemic transformation was largely done in the 1990s, and the respect for macroeconomic stability resulted from the crash of 1998.

Thanks to the extensive market reforms in the 1990s and during Putin's first term, dominant private enterprises have driven growth, and high oil prices have added impetus. No new reforms are in the offing, but the petrification of decision making has also safeguarded the survival of most reforms already adopted. Russia's market economy, solid macroeconomic stability, and focus on economic growth appear secure.

Since 2003, however, Putin's KGB friends in high positions have started a massive renationalization of large privatized corporations. Considering the absence of explicit ideology, the most plausible explanation is corruption. As Russia's political system and rulers change, so do its interests. Putin's KGB friends dominate the state administration and the big state enterprises, which badly need reform, but few reforms can occur contrary to the ruling interests. These hungry secret policemen accept few limits, least of all the private property of others. They take over one big enterprise after another. Sooner or later, the squeezing out of good enterprises by bad ones will be reflected in the growth rate. The threat is that inefficient state giants will gobble up efficient private corporations and promote old-style overregulation and corruption.

The best documented case is Minister of Communications Leonid Reiman, a close friend of Putin from foreign intelligence in St. Petersburg. In May 2006, Reiman lost a civil case in Zurich, Switzerland. The court established that Reiman had committed major crimes in Russia; that he owned large chunks of Russia's telecommunications, which he oversaw as minister; and that he created a vast international money-laundering scheme to conceal his diversion of state assets.¹¹ The news was suppressed in Russian media and Reiman remains at his post. In 2007, his apparent assets were assessed at \$5.9 billion, when Reiman capitalized his fortune by selling it to a friendly oligarch.¹²

SPS leader Boris Nemtsov did not mince his words when commenting on renationalization: "It is offensive that under Putin the state has taken on the role of plunderer and racketeer

with an appetite that grows with each successive conquest. . . . But the greatest calamity is that nobody is allowed to utter a word in protest regarding all this. 'Keep quiet,' the authorities seem to say, 'or things will go worse for you. This is none of your business.'"¹³

Back to Tsarism

Putin is the master of good feelings. One of his outstanding political strengths is to reflect in himself everything that people want to see. His main political achievement is that he has made Russians feel good about their country again.¹⁴ Gorbachev dug up all the tragedies in Soviet history and society. Yeltsin was perceived as drunk, corrupt, and just embarrassing. Putin is controlled and so is his media environment. Russia exudes strength and dynamism. Russia wants to be truly sovereign, and Putin plays with foreign policy as theater for the masses, providing amusement and projecting Russia's rising power, because Russia has no enemies. But nor does it have any real friends.

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In his excellent book on Russian conservatism, Richard Pipes concludes: “The dominant strain in Russian political thought throughout history has been a conservatism that insisted on strong, centralized authority, unrestrained either by law or parliament.”¹⁵ Along these lines, current First Deputy Prime Minister Sergei Ivanov published an article in *Izvestiya* in 2006.¹⁶ In a Soviet manner, Ivanov presented the current world as a competition between different value systems. He drew on Count Sergei Uvarov’s famous triad of “Orthodoxy, Autocracy, Nationality,” which became the ideological foundation of Tsar Nicholas I.¹⁷ He argued that the “new triad of Russian national values is sovereign democracy, strong economy, and military power.”

The Putin regime’s new concept of “sovereign democracy” is no democracy, but the autocracy in Uvarov’s triad. Russia’s new strong economy is for real, but state monopolies are on the offensive. The military, however, is weak, not least because Ivanov failed to reform it during his five years as minister of defense. Today’s real triad is “autocracy, secret police, and state monopolies,” and it is difficult to see any spiritual value embedded in either that or Sergei Ivanov’s triad.

This is a time of cynicism. No ideology or values are apparent. Putin pampers the Orthodox Church, but it remains a symbol and a privileged cast rather than a force. At one moment, Putin appeals to populism and nationalism, but in the next he criticizes nationalism and demonstrates ethnic tolerance.

The period just before World War I is embellished, and Putin seems to be returning Russia to this presumed ideal state.¹⁸ Fortunately, this is neither Soviet restoration nor fascism. Russia might need to return to the point where its development was so violently aborted. Yet, non-Russians would hardly regard the political system of the Russian Empire of 1913 as ideal or even viable. This reactionary project has been possible because Russians are tired of politics in their postrevolutionary stabilization. With its deinstitutionalization and dominant secret police, Putin’s regime is more reminiscent of Tsar Nicholas I (1825–55)

than Tsar Nicholas II (1894–1917). Neither regime ended well, and ill-fated wars were only one cause of their downfall.¹⁹

Russia has entered the twenty-first century professing the creed of long-gone tsars. Putin's Russia is marked by a profound contradiction between an obsolete, overcentralized, authoritarian state and a swiftly modernizing market economy. Politically, Putin has deprived Russia of all relevant institutions, which will leave him alone before the people in a severe crisis. This revival of the long-dead tsarism is a monstrosity of nostalgia.

Clever Foreign Policy

During his first term, Putin's relations with Western leaders were excellent, although not very important for anything but his domestic image. He pampered four Western leaders with whom he got on royally: German Chancellor Gerhard Schröder, French President Jacques Chirac, Italian Prime Minister Silvio Berlusconi, and U.S. President George W. Bush.

Although Bush embraced an international democracy agenda, he refrained from uttering a word of criticism of Putin's systematic dismemberment of democracy in Russia. On the contrary, on September 27, 2003, after having hosted Putin at Camp David, Bush stated: "I respect President Putin's vision for Russia: a country at peace within its borders, with its neighbors and with the world, a country in which democracy and freedom and rule of law thrive."²⁰

Western leaders treated Putin as Yeltsin. They saw him as a man of similar values but unable to fully see their point of view and understand how things should be done. To a considerable extent, this had been true of Yeltsin, but Putin was the opposite. He was a man who knew the West quite well but opposed its values. Western leaders failed to notice the difference and misread Putin.

Putin's underlying worry was that the West would instigate an Orange Revolution in Russia. Most of the *siloviki* around Putin dislike the West, and increasingly Putin has let them take over. Their idea is that Russia is strong enough on its own. Judging from his public statements, Putin is caught in "growth Darwinism," contemptuous of the slowly growing West, while enchanted with the dynamic (and authoritarian) China. Meeting with prominent international journalists before the G-8 meeting in Heiligendamm, Germany, in June 2007, Putin clarified his international outlook:

DER SPIEGEL: Mr. President, former Federal Chancellor Gerhard Schroeder called you a "pure democrat." Do you consider yourself such?

VLADIMIR PUTIN: (laughs) Am I a "pure democrat"? Of course I am, absolutely. . . . The problem is that I'm all alone, the only one of my kind in the whole wide world. Just look at what's happening in North America, it's simply awful: torture, homeless people, Guantanamo, people detained without trial and investigation. Just look at what's happening in Europe: harsh treatment of demonstrators, rubber bullets and tear gas used first in one capital then in another, demonstrators killed on the streets. That's not even to mention the post-Soviet area. Only the guys in Ukraine still gave hope, but they've completely discredited themselves now and things are moving towards total tyranny there; complete violation of the Constitution and the law and so on. There is no one to talk to since Mahatma Gandhi died.²¹

No doubt this sarcastic tirade went down well with the Russian populist electorate, but it raises the question: About what does it make sense to talk to Putin?

U.S. President George W. Bush, however, has not wavered in his confidence in Putin. On July 1 and 2, 2007, Bush honored Putin by inviting him to his father's summer house in Kennebunkport, Maine. At the ensuing press conference, Bush revealed: "But one thing I've found about Vladimir Putin is that he is consistent, transparent, honest and is an easy man to discuss our opportunities and problems with." "I know he's always telling me the truth."²² This statement was not quite true. What Bush needs to explain is why he meets Putin for long hours on his own, even without an interpreter, after Putin has compared the United States with Nazi Germany, and accomplishes nothing. After all this, he praises Putin, whose main accomplishment is to abolish political freedom in Russia.

Putin's Plans

It is evident that Putin's public and private statements provide little direct guidance to his future behavior. If he says something on a sensitive topic, he is likely to do the opposite. Given, that he has said so many times that he will leave politics after two terms as president, he is likely to stay on. Moreover, the constitution states that he must step down, and since Putin does not act in accordance with any other part of the constitution, why should he accept this article?

In June 2007, Putin started toying with the ideas of prolonging the presidential term to seven years and that he may come back after one term. In September 2007, he took three more steps. First, he appointed a loyal nobody as prime minister, clarifying that he can appoint whomever he wants to any post. Next, he "accepted" heading the party list of United Russia in the December Duma elections. Finally, he speculated that he might become prime minister after his presidency and made clear that he is intent on maintaining dominant political power after having stated for years both in private and public that he will definitely retire. The problem with current Russia analysis is that observers believe that Kremlin information are leaks and rumors, while all evidence suggests that they are little but disinformation. Another problem is that people take Putin's statements seriously, although he usually acts contrary to what he says, as is most evident from his extensive democracy advocacy. In December 2007, he named First Deputy Prime Minister Dmitri Medvedev as his successor, but said that he would become prime minister himself. Is this really his last word?

Putin has created a political system that is completely personalized and centralized, which means that its sustenance is entirely dependent on Putin's person. Several of his supporters have stated that this system will collapse if he leaves. They might be right. Putin has created a system that not only makes it possible but demands that he stay in power. Commercial corporations in different industries in a world without law, only a godfather, cannot thrive without the godfather.

We cannot answer the question of when or how this will happen because Russian politics is all about surprise, and Putin loves to surprise more than most. But Putin's two previous campaigns suggest how it might occur. He ran his first election campaign on the war in Chechnya. He ran his second campaign on the confiscation of Yukos. It would be natural if he choose a new topic for his third campaign, and one that could justify a state of emergency. Russian television has recently shown how World War II forced Roosevelt to stay on for a third and fourth term because of national emergency. Foreign policy involving military action appears Putin's most obvious choice, and our worry today should be what "national emergency" Putin may invent.

The most obvious target of neoimperialist action in Putin's recent rhetoric would of course be Georgia, where Russia has long supported the secessionist territories Abkhazia and South Ossetia. Now Russia could take one of many steps further. It could step up the recent military aggression. It could even recognize either territory in consort with Belarus, Iran, Venezuela, and similar anti-Western countries.

Considering President Bush's recent statement about how wonderful Putin is, Putin can rest assured that the United States will not lift a finger. Alas, then, the neoimperialism that Gaidar warned about in his book *The Collapse of Empire* would come to pass without the West even realizing what is happening.²³

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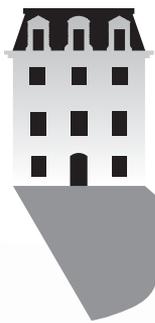
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