

BULLETIN

No. 46 (263) • May 11, 2011 • © PISM

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Putin or Medvedev? Russia One Year before Presidential Poll

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Last weeks saw an intensification of differences of opinion within Russia's ruling tandem of Dmitry Medvedev and Vladimir Putin, which may indicate that both politicians plan to run for president in next year's election. It is up to the elites which control the country to decide whether the next head of state will be an advocate of evolutionary political and economic liberalization, that is Medvedev, or perhaps the status quo man, Putin, will return to the Kremlin. Russian society's growing discontent will also be a factor.

A year before the Russian presidential election, slated for March 2012, both President Medvedev and Prime Minister Vladimir Putin signal their intention to seek the state's highest office. Instead of reaching an unequivocal decision, the ruling duumvirate gives signs of growing differences of opinion which testify to increasing weaknesses of the system of Vladimir Putin-dominated diarchy, developed after the 2008 election.

Background. The economic crisis of 2008 had the effect of undermining the bureaucratic, energy resources exports-based model of the economy, promoted by Putin, under which the society acquiesced in a restriction of civil liberties in exchange for improved living standards. In the spring of 2010, Russia saw a wave of public protests against an authorities' incompetent handling of the consequences of the crisis. There has been a growing resentment against the political and economic system fashioned by Putin, as marked by an omnipotent bureaucracy and wide-spread corruption (which put a drag on economic development and civil society) and absence of any influence by the citizenry on the selection of those in power. Putin's policies also led to a drastic stratification of Russian society and hampered natural processes of upward mobility.

The result is a steady decline in support for the president, the prime minister and the governing party United Russia. Last March, Putin's and Medvedev's opinion-poll ratings dropped to record-low levels of, respectively, 57% and 51%. It is true that Putin remains the leader of preferred election candidates, but his result of 27% is 3 pts lower than in July 2010. President Medvedev's score improved over the period, from 14% to 18%. The proportion of respondents opposing both politicians rose from 19% to 25%, indicating that more and more voters are wary of Vladimir Putin's come-back to the presidential office. And the results of last March's local elections, where the United Russia lost up to 20% of support in individual regions (against the 2007 parliamentary poll) should be seen as a vote of censure for the prime minister.

Russian Duumvirate. Widely seen as playing second fiddle, Medvedev has been marking his political autonomy of Putin — in a slow but consistent process that has been aided by the constitutional position the president holds in Russia and also by the economic crisis, which laid bare the weaknesses of the Putin-sponsored economic model. The call for Russia's modernization, made by Medvedev in 2009, was in fact identical to criticizing the outcome of his predecessor's eight years in power. The president did not hesitate to make far-reaching changes in the upper echelons of the Police, or to sack the powerful chief executives of the Federation's constituent republics, including the presidents of Tatarstan, Mintimer Shaimiev, and Bashkiria, Murtaza Rakhimov, and the Mayor of Moscow, Yury Luzhkov. He also banned combining a ministerial position with sitting on the boards of large state companies — a practice which sanctioned the close ties between the political class

and business. And the visions of Russia's development, presented by both politicians, have been perceptibly growing apart over the past weeks.

In looking for Medvedev's election manifesto, one can turn to the report "Attaining the Future: Strategy2012" released on 16 March by the Institute of Modern Development, a think-tank providing intellectual ammunition for the president. As a condition of effective modernization, it proposes political liberalization: restoration of direct elections to the posts of regional chief executives and members of the Council of the Federation; development of direct democracy, a more pronounced separation of powers between the three branches of government, stronger party pluralism (lowering to 5% the parliamentary threshold, restoring the option to form election coalitions, and abandoning the requirement of collecting a certain number of signatures). The paper also calls for a revision of Putin's 2020 strategy for the economy, by reducing the state treasury's dependence on revenues from energy resources exports, scaling down red tape in the economy, and abandoning conscription. The report fits in with Medvedev's address to a 3 March conference commemorating the 150th anniversary of the abolishment of serfdom in Russia by Czar Alexander II. Civilization progress, the president argued, is contingent on a stronger civic society and individual freedoms.

Prime Minister Putin's undisguised polemical response came on 20 April, in his annual report to the State Duma in which he focused on a vision of Russia in 2020. Putin put emphasis on the need for stable development, free of any "ill-considered liberal experiments," and he presented a concept of conservative modernization, virtually confined to the economy which would be driven by the fuels and energy sector. The prime minister's speech was in fact nothing less than a tribute to the status quo.

Forecast and Conclusions. The unmistakable decline in support for the pillars of Russian authority — the president, the prime minister and the United Russia party — poses the threat its de-legitimization and a major political crisis, if growing public dissatisfaction continues to be ignored. The need for a third candidate, felt ever more strongly, shows that the institution of duumvirate has had its day. The threat of total de-legitimization of the present authority can only be defused by the emergence of true competition between Russia's two top politicians, which would provide an authentic electoral alternative.

However, a hypothetical run for presidency by both Medvedev and Putin would spell a major conflict, not only for the two but, primarily, for the political and business groupings that would rally around each of them, thus posing a threat to Russia's internal political stability. As such, this scenario is highly unlikely. On the other hand, the growing differences in the positions taken by both politicians — as exemplified by Medvedev's criticism of Putin's pronouncements about a "crusade" waged by the western coalition in Libya — indicate that Medvedev is prepared to challenge Putin and fight for nomination by Russia's ruling political and business clans. The coming months should thus see an intensification of president-prime minister polemics over the pace and extent of economic and political modernization.

Medvedev can't hold a candle to Putin in terms of the political base, which consolidated when the current prime minister was in office, but his chances to win electoral support from Russia's ruling elites are by no means destroyed. This is because the elites' priority remains to stay in power and keep their interests secure — and this requires political stability. No such guarantees are offered by the present system, as reflected in the fact that more than 70% entrants on the list of Russia's largest corporations are registered in tax havens, with \$50 billion worth of capital leaking out of Russia every year. The Russian oligarchs, just as foreign investors, are scared off by the red tape, corruption and a very poor protection of property rights under Russian law. In Russia's changing political situation, it seems, only a top-down evolution of the system can promise seamless political, economic and social changes that would not involve major destabilizing upheavals, while going some way towards meeting society's expectations.

Medvedev's reformatory credentials, despite fairly minute modernization results under his term in office so far, are much stronger than Putin's. In the months to come, the president has a sporting chance to win over the middle class, whose proportion of the total population runs at 40% in Moscow and 30% in other large cities (according to the Center for Strategic Studies). The middle class is not only the best educated and relatively affluent segment of Russian society, but it is also the most interested in Russia's modernization. Its oppositionist sentiments largely manifest themselves in staying out of the vote, increasingly turning to the internet and emigrating. This hurts the Russian companies, forced to seek foreign managers to fill the place of the emigrants, and the economy as a whole, in view of a diminishing internal market. Medvedev's victory would give him an incomparably stronger position in his second term and a much wider room for an evolutionary liberalization of Russia's political system and a genuine modernization of its economy.