



No shock in Russian election: But can Europe surprise Putin?

by Ian Bond
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After his re-election, the West is more likely to face Putin the aggressive nationalist than Putin the economic reformer. It should respond firmly.

Russia's presidential 'elections' lacked the element of suspense that most democratic elections have. Russians, and the rest of the world, have known ever since President Vladimir Putin said that he was running again that he would win. The only question was by how much, and how many people would vote. The more interesting – and worrying – questions for the West are first, what he will do with his new mandate; and second, how to respond.

By preventing the only credible opposition candidate, Aleksei Navalniy, from standing, Putin ensured that his margin of victory would be very large. He won more than 75 per cent of the votes cast, compared with 64 per cent in the 2012 election. Turnout was also higher than last time, at 67 per cent, versus 65 per cent. This is a suspiciously high figure, given Navalniy's call for a boycott, the lacklustre campaign and the obviously predetermined result. It relied at least in part on blatant ballot stuffing, some of it carried out right in front of the [CCTV cameras](#) in polling stations.

The cameras were installed to prevent a repetition of the electoral fraud that took place in the Duma (parliamentary) elections in 2011. Then, election rigging led to street protests in Moscow. This time, the population seems to be entirely apathetic, resigned to six more years of Putin.

According to the Russian constitution, this should be Putin's last term in office. He himself indicated in post-election comments that he did not want to stay in power till he was 100 (he is currently 65), and that he was not planning to change the constitution "for now" – which perhaps gives him room to change his mind later. But he has returned to power without having had to defend his record over the last 18 years, let alone set out a manifesto for his next term. Apart from finding a successor who will protect his interests – or concluding after a search that he cannot risk stepping down – does Putin have a 'Six Year Plan'?

In his first dozen years in office (including the period when he was prime minister and Dmitri Medvedev was his puppet president), Putin was very lucky with the economy. His predecessor, Boris Yeltsin, had to try to keep the Russian economy afloat when the oil price only averaged above \$20 per barrel for one out of the eight years he was in office. In the crisis year of 1998, when Russia defaulted on its debts, it averaged \$12.72. In Putin's first year in office it averaged \$28.50; from 2011 to 2013 it averaged over \$100. That enabled Putin to increase both social and defence spending, while masking the fact that, if hydrocarbons were stripped out of the statistics, the Russian economy was not developing much. By 2011, growth was very healthy – over 5 per cent – but thereafter it fell significantly, in line with the oil price. In 2015 and 2016 the economy shrank. [Poverty rates](#), which had fallen sharply since 2000, have risen every year since 2012, and [gross national income per capita](#) has fallen every year since 2013 (according to World Bank data).

As he enters his final term, Putin faces a choice: he can try to modernise the Russian economy, reducing its reliance on hydrocarbons, and shifting spending away from defence and security, aiming to restore growth and make the population feel more comfortable. Or he can leave the economy as it is, keep defence spending high and portray hardship as the price Russia must pay for defending itself against Western enemies.

Putin's difficulties with real economic reform are two-fold. First, he has built a system that relies on buying elite support by allocating Russia's national resources to those who back him. If Putin invested in new technology, better infrastructure, education and healthcare, in order to make the Russian economy stronger in the medium to long term, he would have to restrict rent-seeking behaviour by the elite – a dangerous move, especially for a president who might soon become a lame duck.

Second, real economic reform would only be sustainable if it was backed up by stronger institutions. Above all, entrepreneurs and foreign companies would have more confidence to invest if they could rely on courts to enforce the rule of law in Russia. But Putin has done more to dismantle institutions than establish or strengthen them. The law in Russia is at the service of the state; it does not restrain the Kremlin. Putin has given no indication that he wants Russia's system to involve the same sorts of checks and balances that liberal democracies depend on.

Putin sees economic and political reform as inherently risky, potentially threatening his control. But his economic record in recent years has made it difficult for him to maintain the bargain of his first decade, whereby the government provided increasing prosperity and the population accepted decreasing freedom. As a result, he has had to fall back on nationalism, patriotism and paranoia as motivating forces.

Putin has shifted from pacifying the population with economic success to turning its disappointment and frustration against external enemies. His new narrative has already contributed to more assertive policies, including the annexation of Crimea, the invasion of eastern Ukraine and the military intervention in Syria. Putin drew on the image of a besieged but powerful Russian fortress in his March 1st [Address to the Federal Assembly](#) (the equivalent of an American president's 'State of the Union' address). Putin unveiled a range of new weapons systems, in existence or under development, capable of striking the US (in particular) and invulnerable to American counter-measures.

The West must face up to the likelihood that it is this nationalist, aggressive Putin, not a man interested in far-reaching economic reform, who will be in power for the next six years. How should it respond? It needs to work on three key areas: knowledge; defence and deterrence; and outreach.

Even after 18 years, the West does not know enough about Putin's system. Experts speculate about who influences Putin, and why certain things happen. Did Putin order the murder of opposition politician Boris Nemtsov, or did the Chechen leader Ramzan Kadyrov order it, as a 'gift' to his patron, Putin? Did Putin authorise the murder in London of Aleksandr Litvinenko, as the British government believes, or was the decision taken by one of Russia's intelligence agencies independently? Did Putin sanction the attempted murder of the former Russian military intelligence officer and British agent Sergei Skripal, or was it a rogue operation? Since the end of the Cold War, intelligence priorities in the West have shifted from Russia to other targets. That has left Europe and America unsighted and unprepared as Russia has mounted cyber-attacks against critical infrastructure, assassinations, propaganda attacks and election interference.

The relative success of Russian assaults on Western interests over recent years reflects weak defences and the break-down of deterrence. In the Cold War, deterrence was seen largely in military terms: each side had the nuclear capability to wipe the other off the map, so neither dared risk a step that might lead to that outcome. Deterrence in the 21st century is a broader concept.

NATO (and especially its European members) needs to ensure that its defence capabilities are robust, and deployed to deter any Russian adventurism in the Baltic States or elsewhere. But when non-military attacks can also cause financial, political or physical damage, the West needs different defence and deterrent capabilities. These may cross the institutional barriers between the EU and NATO. The two organisations have begun to co-ordinate their responses more, having agreed on more than 70 common action points in [June](#) and [December](#) 2017. They should use the next NATO Summit in July 2018 to take their co-operation further. They have a shared interest in protecting communications and energy infrastructure, critical to both the military and civilian sectors, against physical or technical attacks. There is already some co-ordination of their efforts to counter disinformation, but there may be scope for more joined-up messaging.

Russia is much more integrated into the global system than the Soviet Union was, which gives Moscow opportunities for mischief-making, but also gives it an interest in not causing disruption that rebounds on Russia. Some EU member-states, particularly in Central and South-Eastern Europe, are excessively dependent on Russian gas supplies. But Russia also needs the income from those sales; Europe should diversify its sources of supply and improve its energy efficiency to reduce Russia's leverage.

The Russian elite sometimes preaches against the evils of the West, but it loves its flats in London, its condominiums in Miami and its villas on the Cote d'Azur. Western governments should be more willing to use anti-money laundering laws against Russians with good political connections and inexplicably large assets; and they should be more willing to tell the Russian people that they are (belatedly) trying to stop Putin's cronies looting Russia.

Western media regulators should not feel obliged to treat Russian state propaganda channels like RT and Sputnik as independent media outlets, and should be willing to penalise them for false, misleading or unbalanced reporting. Western agencies should work with the private sector to improve companies'

cyber defences (as Britain's National Cyber Security Centre does); and they should sharpen their offensive capabilities, and ensure that Russia knows that cyber attacks might result in retaliation, in extremis.

None of this means that the West should break off contact with Russia. NATO and the EU have no choice but to regard the Russian state as an adversary, in the light of its actions against their interests; but the Russian people should not be seen as enemies. It is telling that in the context of the Skripal case, the Kremlin's response to Britain's expulsion of Russian spies included closing down the British Council in Moscow. The UK's cultural diplomacy agency in Russia was responsible for teaching English, and for organising art, theatre and musical exchanges between the two countries. The Russian government had previously shut down its offices elsewhere in Russia; Moscow was its last foothold. It seems clear that the Putin regime fears that ordinary Russians might get an independent perspective on what the UK is really like. Western countries need to use every possible tool – social media, student scholarships, scientific collaboration and the like – to keep open channels of communication that bypass state interference and reach Russians outside the elite.

There is a risk that Putin will read the congratulatory messages from Western leaders as a plea for a return to business as usual: European Commission President Jean-Claude Juncker, German President Frank-Walter Steinmeier and Hungarian Prime Minister Viktor Orbán all hinted at that, as did US President Donald Trump.

It would be better for the long-term security of Europe, however, if the EU and NATO now showed their determination to defend Western values and interests, and not to act as though Putin's re-election had wiped the slate clean of all his previous misdeeds, foreign and domestic. The European Council took a significant step in the right direction on March 22nd: [Council conclusions](#) offered "unqualified solidarity with the United Kingdom in the face of this grave challenge to our shared security", and leaders agreed to recall the EU ambassador from Moscow for consultations. Putin will not have been shocked by his re-election; continued Western firmness might come as more of a surprise.

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