



TRANSITIONS  *forum*

# Five Traps for Putin

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By Ben Judah



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# Five Traps for Putin

## INTRODUCTION: A LOWERED SENSE OF DANGER

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Vladimir Putin has been president of Russia for 13 years. Thanks to his reinterpretation of the constitution, he may remain president for a further eleven years, until 2024. If his grip over the establishment remains as tight as it is now, many fear he could reign for the rest of his life. The current era already bears his name and soon, an entire generation of young people will be unable to imagine the country without him. His longevity creates an impression of permanence. Yet it is unlikely his second presidency will be as calm and as relatively secure as his first eight years in power.

At the moment he seems very much in charge. Since December 2011, when more than 100,000 protesters gathered in Moscow demanding genuinely free elections, Putin and his colleagues have regained control of events and the crowds have all but disappeared. "The opposition," Putin taunted, "always demand the impossible and then never do anything."<sup>1</sup> Oil prices have remained consistently high and the oligarchy has fallen into line behind the Kremlin. The regions are quiet and organized resistance is minimal. For the Moscow groups behind the mass rallies, the euphoria surrounding the expectation of imminent change in December 2011 has given way to despair.

However, the disintegration of the Moscow protest movement is not the same as the return to stability. The KGB always thought Putin was flawed and his professional instructors evaluated the future leader as suffering from a "lowered sense of danger"<sup>2</sup>. Currently, this is truer than ever. Though it may not appear so on the surface, the era of 'managed democracy' and 'Putinism by consent' is coming to an end.

This report identifies five risks to Putin's grip on power and to Russia's stability in general.

## 1. THE AFFLUENCE TRAP

Putin's popularity was once easy to explain: the richer Russia became, the stronger his regime. At the end of the 1990s, the old Soviet middle class—intelligentsia and managers employed by the state—had been destroyed, but a new middle class was yet to be born. Putin's political rhetoric was designed to appeal to losers of market reform—déclassé former soviet bureaucrats and others who had lost their positions since 1991. The leading Kremlin spin-doctor, Gleb Pavlovsky, described the regime's political vision as:

"What made it possible for us to create such a long-fixed Putin majority? The victorious majority of the 2000s was built on vengeful losers—state employees, pensioners, workers, and the unanimously cursed and universally despised bureaucratic power structures."<sup>3</sup>

In order to win their support, Putin crafted his public persona and propaganda in their image. This determined both his language and the design of his party, United Russia, which was intended to be hegemonic from its beginning. The slogan "Putin—Stability!" resonated in a society with vivid memories of the 1990s, when more than 40 percent of wages were, at one point, going unpaid, and where the official murder rate had peaked to 30,500 a year.<sup>4</sup> The restoration of regular state pensions and state salaries under Putin—for the first time since the mid-1980s—guaranteed those long-unpaid state employees, who had suffered the most in the transition away from central planning, would become supporters of the government. Initially, the tiny financial elite, the equally tiny new middle class, and the intelligentsia in major cities also supported Putin. The newly prosperous felt vulnerable to populists of various kinds, and they preferred the certainty of Putin's 'managed democracy' to the prospect of nationalists or communists winning power through fair elections.

In the early 2000s, the Russian state got lucky. Oil production rose by two-thirds during this period, and oil prices rose 13 times.<sup>5</sup> As a result, Russians experienced a consumer revolution. Real incomes rose by 140 percent and unemployment slumped.<sup>6</sup> In PPP terms, GDP per capita jumped from \$5,951 in 1999 to \$20,276 by 2008.<sup>7</sup> According to official statistics, the number of Russians living below the poverty line fell from around 30 percent in 1999 to about 13 percent in 2008.<sup>8</sup> This was an unprecedented jump in living standards. Even Yegor Gaidar, the economist who also served as President Boris Yeltsin's neo-liberal prime minister in the early 1990s, grudgingly admitted that, "It is not hard to be popular and have political support when you have ten years of growth of real incomes at 10 percent a year."<sup>9</sup>

There were also concrete improvements in Russian health. Official estimates of male life expectancy soared between 2005 and 2012 from 59 to 64. Russia's demographic crisis was brought under control. According to official estimates in 2005, the population fell by more than 700,000, but in 2012 it had all but stabilized, shrinking by only 2,500 people.<sup>10</sup> The then Kremlin spin-doctor Gleb Pavlovsky perfectly understood that rising living standards were the secret to Putin's success:

"It was significant that he was the insurer, the guarantor of slow but definitely rising living standards. Broadly in Putin's



*Putin is facing many traps. If he falls into any one of them, his regime could be destabilized.*



system, precisely because it turned out to be more financial, than administrative or political (the administration here is pretty bad) —this insurance guarantee was crucial.”

In per capita terms, Russia is now the richest major country in the world that is not a democracy. The only wealthier authoritarian countries are small petro-states or city-states, such as Singapore.<sup>11</sup> Russia is also, in per capita terms, by far the richest of the BRIC economies: incomes are over twice those of China and the middle class is proportionally double in size.<sup>12</sup> This new Russian middle class has swelled—now making up over a third of the population. Some 15 percent of Russians earn over \$50,000 a year.<sup>13</sup> Russians are also connected to the rest of the world: every year more than 10 million Russians travel abroad<sup>14</sup> and as many as 1 million are living or studying in the European Union.<sup>15</sup>

But as living standards rose over the past decade, the bureaucracy did not improve and the state did not modernize at the same rate. On the contrary, when the country experienced a sudden wave of prosperity in the 2000s, Putin massively expanded the bureaucracy. The number of government officials grew by two-thirds.<sup>16</sup> Most of these new officials, who owed their jobs to the Kremlin, were encouraged to join Putin’s United Russia party. At the same time, the authorities gutted the institutions that could provide bureaucratic accountability, such as independent courts, parliament, and regional assemblies.

In practice, this meant that officials, often carrying United Russia membership cards, could demand bribes from businessmen without fear of constraining institutions. Over time, officials replaced gangsters as the main orchestrators of protection rackets. They invented other, legal means of extracting money as well: one in six Russian businessmen has been accused of ‘economic crimes’—a Soviet legal category still on the books which can be used to harass anyone with money.<sup>17</sup>

In other words, Putin botched his state building: the richer Russians became, the more resentful they were. Levada polls have recently found that more than 29 percent of the population believe officials use public funds for personal gain, a nine-fold increase since 2000. Yet the Kremlin was not blind to this looming affluence trap. Vladislav Surkov, the influential Kremlin insider and current deputy prime minister of Russia, warned in 2008 that “the 1980s were the time of the intellectuals, the 1990s were the time of the oligarchs and the 2000s can be seen as the time of the middle class.”<sup>18</sup>

The appointment of Dmitry Medvedev to the presidency in 2008 was an attempt to mollify the new middle class. A younger man, Medvedev positioned himself to appeal to young people, Internet users, and new financiers. Yet in trying to attract such people, Medvedev accidentally helped build the intellectual infrastructure, the constituency and the momentum for deeper democratic and free market reforms. In public, he attacked inefficiency and corruption, championed liberalization and implicitly divided the upper ranks of the elite into conservatives and modernizers. Medvedev went as far as warning that “a man who thinks he can remain in power forever is a danger to society.”<sup>19</sup>

Public criticism of corruption increased, but corruption itself persisted. So did the perceived links between corruption and Putinism. According to estimates from



*“It is not hard to be popular and have political support when you have ten years of growth of real incomes at 10 percent a year.”*

the Ministry of the Interior, the average bribe soared during Medvedev's presidency, from the equivalent of \$292 in 2008 to over \$32,400 in 2012.<sup>20</sup> Leading members of Putin's party, United Russia, were perfectly well aware of this systemic flaw. As Vladimir Burmatov put it:

"The main problem in our country is the relationship between people and power. The people don't have a problem with Putin. They have a problem with the tax inspector, the traffic cop and with the local housing official. They then associate their misdeeds with Putin and United Russia. And this poisons everything."

Medvedev's presidency destroyed the Kremlin's attempt to win the new urban middle class. The 'tandem swap'—when Medvedev announced that Putin would be the United Russia presidential candidate in the 2012 election, and he would become prime minister—exacerbated the problem. By closing down Medvedev's apparent 'modernization candidacy' without a clear narrative of his own, Putin became framed as the 'stagnation candidate'. This was a PR disaster for the Kremlin. It enraged the very constituency Medvedev has been designed to appeal to by inferring they had been duped. Even top United Russia lawmakers like Vladimir Burmatov admit the swap was bungled:

"The people simply did not understand the place of Putin in politics after his return. The people did not understand why the swap with Medvedev had happened. And as a party we felt we were the strongest, incontestable and stopped speaking to certain sectors of society. In the elections that followed we lost them completely: the intelligentsia, the middle class and the young. Especially in Moscow."

The December 2011 protest movement stunned the Kremlin, which had not yet reckoned with the opposition of the Moscow bourgeoisie. At the largest rally on December 24, 2011, more than 100,000 people gathered to demand fair elections. Russia had its breath as the opposition leader Alexey Navalny and the former finance minister Alexey Kudrin spoke from the same stage, as the billionaire Mikhail Prokhorov watched from the crowd. Much of Moscow's cultural elites and its most iconic celebrities rushed to associate themselves with it. Levada polling on the date showed that over 70 percent of protestors considered themselves well off, whereas only a quarter of the total population did. Some 80 percent had post-secondary education, something only 30 percent of all Russians can claim.

The 'new opposition' that came together in December 2011 was a broad, but vague, movement for reform. It brought together most of the wealthier parts of the country including intellectuals from liberal universities such as the European University of St Petersburg, the New Economic School and the Higher School of Economics in Moscow, as well as entrepreneurs from big regional business forums, such as in Krasnoyarsk and Perm. Civil society groups and charities, the number of which had boomed in the previous decade, identified with the movement, too.

Some of Russia's wealthy business elite may also have contributed, including the billionaire Alexander Lebedev. The oligarchs of the ALFA group for a brief moment hinted at support. Kudrin has played a financially supportive role—but at arm's length. Nationalist and neo-communist figures were active. The leadership of this diffuse coalition fell by default to a new generation of young Russian editors at *Bolshoi Gorod*, *Afisha* and *Dozhd*. They worked alongside the marginalized opposition figure from the 1990s, including politicians such as Boris Nemtsov. The hero of the movement was Alexey Navalny, who positioned himself as both a liberal and a nationalist. His online campaigning techniques and powerful slogan "United Russia is the party of crooks and thieves" became that of the movement as a whole. He quickly became its preeminent leader.

The authorities responded harshly with propaganda warning that without Putin the country would collapse, and with new forms of legal harassment, detailed later in this report. Their efforts were successful.



Business quickly withdrew its support and serious funding dried up. Tempted oligarchs broke ties or faced legal harassment. Given some 40 percent of the new middle class works in the public sector, many avoided becoming involved in the movement or contributing to it financially. The opposition meanwhile failed to campaign beyond Moscow and failed to link up with the civil society initiatives that had been created in other regions, nor did they develop a language that could appeal to the provincial or the poor. Self-consciously elitist, it was easy to caricature. Despite successful online elections, the Opposition Coordination Council, created to manage the movement, was widely mocked as a pointless talking shop.

Yet the opposition's failure does not necessarily spell Putin's triumph. In late 2012 the Centre for Strategic Research, a think tank originally created to advise Putin, warned that "data from the Moscow middle class focus groups suggest that attitudes towards Vladimir Putin among the members of that strata have changed from negative to hostile and alienated".<sup>21</sup>

## 2. THE TECHNOLOGY TRAP

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In the 2000s, the Kremlin set out to exert control over the Russian media through the outright acquisition of newspapers and TV stations, and through using its influence on friendly oligarchs who controlled the rest. As a result, some 90 percent of Russian media was under direct or indirect Kremlin control by 2008.<sup>22</sup> The free press was never formerly eliminated, but it was tiny, consisting of blogs, a few radio stations and small circulation broadsheets, largely read by educated intellectuals in major cities. Journalists working in the free press could indeed say and write what they wanted, but only as long as not too many people were reading or listening. Those who became too well known, or whose writing became too potentially damaging, sometimes ran into legal trouble—or worse. In circumstances that still remain unexplained, the journalist Anna Politkovskaya was murdered in her Moscow apartment building in 2006.

This form of media control was effective. In the election campaign of 2000, 83 percent of the population got their information through TV, which soon became de facto state-controlled,<sup>23</sup> while only 19 percent read the national press.<sup>24</sup> At that time less than 2 percent of the population had access to the Internet or satellite TV.<sup>25</sup> Control of TV therefore meant control of most Russians' access to political information.

That model has now collapsed. TV news audience figures have been dropping, falling by 40 percent from 2000 to 2006. Meanwhile, Internet use has grown to over 40 percent of the population between 2000 and 2008.<sup>26</sup> Today 60 percent of households have personal computers, up from 25 percent in 2006.<sup>27</sup> By 2010 Russia had the largest Internet market in Europe, the greatest rate of online penetration among the BRIC developing countries, and one of the most engaged social networks on earth.<sup>28</sup>

The explosion of Internet use means that control of national TV no longer gives the Kremlin a monopoly over political information. At the same time it gives the opposition a huge new platform. In the 2000s, most Russians had never seen any articles or programmes critical of Putin, and they read little reporting about corruption. To see opposition campaign literature, they had to go to a dissident rally or pick up a poor quality home-printed leaflet. But social media has meant that opposition information can now go viral. The boom in smartphones and dashboard cameras has also flooded social media with footage of official corruption, abuse, ballot stuffing, and indecency.

Alexey Navalny was the first opposition leader to take advantage of this new situation. Whereas the 'old opposition' dating from the late 1990s had tried and failed to organize political parties, he used the Internet to establish his reputation as an anti-corruption activist. By 2012, his blog was read by over 1.3 million people per month.<sup>29</sup> His main website, Rospil used crowd sourcing to find evidence of corruption in government contracts, which he then used social media to expose. "The Internet was crucial," explains Navalny's partner Vladimir Ashurkov, "as it dramatically lowered the barriers of entry to politics."

He is not alone. The Russian blogosphere has developed into a large and powerful alternative mass media. Research points to a clear liberal and nationalist cluster among online sites, but not to a 'Putin' cluster. Some popular bloggers have acquired millions of monthly readers. Navalny has never appeared on national TV except when he is condemned as provocateur on state-controlled news broadcasts, yet he was the tenth most discussed topic in 2012 on Russian Facebook.<sup>30</sup> Ksenia Sobchak, the glamorous celebrity turned opposition activist, was seventh. The anti-Putin protest group Pussy Riot were second.<sup>31</sup>

The authorities are trying to build a new repressive toolkit—the FSB has expanded its teams working on the Internet and a list of banned websites is being drawn up and expanding rapidly—but for the moment, it does not seem to have technical capacity to copy Beijing and impose full Internet search censorship. As Internet use continues to increase and as TV news audiences continue to drop, the Kremlin's monopoly on information, so important to maintaining Putin's power in the 2000s, will also decline further. A real clampdown on the Internet would also be such an assault on how Russian life has evolved since Putin assumed power that it would likely reignite social protest.

### 3. THE CULTURE TRAP

Putin is becoming out of date. He campaigned for the presidency in 2012 using nostalgic Soviet slogans. He regretted that soviet leaders did not “fearlessly and steadfastly—without burying their heads in the sand—fight for the territorial integrity of our country”.<sup>32</sup> He called on Russia to “re-establish its labour aristocracy,” and asked the country to make “the same powerful, all embracing leap forward in the defense industry as the one carried out in the 1930s”.<sup>33</sup> Yet Russia is becoming less “Soviet” all of the time. Anyone old enough to have been a working adult in the USSR is now aged 40 or older. By 2009 the majority of Russians were already ‘post-Soviet’, aged below 39.<sup>34</sup>

As the population has aged, nostalgia for the USSR has collapsed. The numbers of Russians who now say they regret the end of the Soviet Union has fallen from 75 percent in December 2000 to 49 percent in December 2012. The once widely-held faith in a strong state is waning, too. In October 2001, 54 percent of Russians believed that it was more important to strengthen the authorities than make them accountable. By December 2011, 60 percent of those polled thought accountability came first. The majority now even favour removing the body of Lenin from his mausoleum on Red Square. Levada polls show Russians are increasingly sceptical of centralized government, and more inclined to see the value of a political opposition.

At the same time, Putin's own ratings have slumped from 70 percent who said they trust him in 2008 to 44 percent in late 2012.<sup>35</sup> The same trend is clear on TV viewing figures. Ratings for hagiographical TV specials chronicling Putin's daily life and PR stunts have collapsed by two-thirds.<sup>36</sup> “Russia is quietly undergoing a values shift,” notes the analyst Kirill Rogov. “These values made Putin legitimate and, as they dissolve, it will make Russian unstable.”

At the elite level, the once cohesive cadres of Soviet bureaucrats and ex-KGB officials are being replaced too. The number of former spies and Soviet security men in the most powerful official positions has fallen from 30 percent in 2008 to 20 percent



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today.<sup>37</sup> Young politicians, men who have grown up in either business, or youth groups like Nashi, are replacing them. They lack the old Soviet 'esprit de corps' and feel frustrated that men Putin's age have been occupying the top positions for so long. A new generation of oligarchs is now also snapping at the heels of its predecessors. They cannot be relied on to cling to Putin forever.

At the same time, Putin has launched a culture war, which is likely to backfire. Having lost the support of the wealthiest part of society, and having lost the support of the educated middle class, the Kremlin is now forced to find support among the poor. This is not a small constituency: the majority of Russians receive benefits, pensions or state salaries. In an attempt to reach this group, regional officials have received orders to stress spirituality and patriotism in their work. One staged TV broadcast, claimed that the workers of the Ural city of Nizhny-Tagil were ready to come to Moscow to "defend stability" by beating up protestors if necessary. The Russian Orthodox Church has been called upon to make pro-regime statements, and it has complied. The Patriarch called the Putin era, "a miracle of God".<sup>38</sup>

This kind of language has succeeded in persuading some orthodox believers to back Putin, and persuaded others to stay away from the opposition. But it converted very few into feverish Kremlin supporters and has further alienated the Moscow middle class. At time of writing 52 percent of Russians expect growing dissatisfaction of greater or opposition radicalization. Only 29 percent believe government claims that the opposition is financed from abroad. Some 41 percent thinking this is a horror story deliberately designed to scare the population.

As it has become clear that this rhetoric will not win the regime mass support, the regime has used harsher language, and also launched a new cycle of repression. In recent months, the newly appointed 'manager' of the domestic political situation, Vyacheslav Volodin, has overseen an extensive propaganda campaign that smeared the opposition as "orange revolutionaries", "western spies" and "enemies of Russia". Together with Alexander Bastrykin, the head of the investigative committee, a police force sometimes described as the Russian FBI, he also launched a harassment campaign against opposition leaders.

Following clashes between protestors and police in May 2012, for example, over a dozen activists faced potential jail terms for plotting 'mass unrest'. Police raided the homes of opposition leaders and launched several criminal cases against Navalny, who was barred from leaving the Moscow region. Gennady Gudkov, a dissenting member of the tightly Russian parliament who backed the protests, was expelled from the Duma and forced to sell his business. The neo-communist activist Sergey Udaltsov is now under house arrest. The police also launched an investigation of Alexander Lebedev, the oligarch who had funded Navalny, and accused him of 'hooliganism', which carries a jail sentence. The moment of truth for the crackdown is fast approaching: if the regime carries through and imprisons key leaders, the political atmosphere will darken dramatically, but if it does not it risks being seen as making empty threats.

The culture trap is coming together in Moscow. Whereas Russia may be an ageing society the capital is remarkably youthful due to an exodus from industrial and rural regions—over a third of its population is aged under 35.<sup>39</sup> This leaves the city vulnerable to sudden youth-led protests. The crackdown cowed the opposition but humiliated its supporters among the city's middle classes. The latter now feel even



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more resentful. They may also be further radicalized, which could persuade the government to use even more repression, creating a vicious circle.

#### 4. THE FINANCIAL TRAP

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During the decade following the dramatic default of 1998, the Russian regime, buoyed by high oil prices, kept budgets balanced. The state could do this thanks to the natural resources windfall: Russian oil production rose by two thirds, but oil prices rose thirteen times.<sup>40</sup>

More recently, Putin has abandoned carefully balanced budgets, largely for political reasons. Although currency reserves remain high—Russia has the third largest reserves in the world—and government borrowing is still relatively low, state spending has been rising steadily since the 2009 crisis, and now accounts for 41 percent of GDP.<sup>41</sup> Between 2007 and 2010, funding for the Russian provinces increased by \$58 billion, rising from 5.7 percent to 9.2 percent of GDP.<sup>42</sup> Again in 2010, pensions were hiked 50 percent. The following year pensions were raised by 10 percent again with a 6.5 percent across the board increase in public sector wages.<sup>43</sup> The Kremlin has also announced a ten-year, \$613 billion spending programme for the military, a policy largely designed to maintain employment in Russia's many single-industry military production towns.<sup>44</sup> During the 2012 campaign, Putin doubled military and police salaries and promised \$160 billion worth of giveaways.<sup>45</sup>

As a result, the Kremlin now must rely on a much higher oil price in order to balance its budget. In 2007, \$40 a barrel would have sufficed.<sup>46</sup> By 2012, more than \$110 was required.<sup>47</sup> Should the price of oil now fall for any substantial length of time, Russia could be forced to return to large scale borrowing, even cut benefits or implement some form of austerity, thus undermining support for the regime in the provinces and among low-wage earners. It is ironic, but Putin's support now depends upon the one thing he cannot control: the price of oil.

This economic populism looks particularly reckless in the light of Russia's unreformed pension system, its slowing growth and its shrinking trade surplus. If no alterations are made, government expenditure on pensions alone will rise from 9 percent of GDP to 14 percent of GDP by 2030.<sup>48</sup> Adding further uncertainty is the fact that Russia is slowly running out of cheap oil. Its current reserves are of declining quality and its huge potential fields lie in extremely difficult terrain in Eastern Siberia or under the Arctic Ocean. Similar problems are looming in the gas sector as LNG and shale gas pose long-term problems for Gazprom's business model. Russia is set to stay an energy superpower, but the best years of the "double boom"—high oil production and high oil prices—are over. At the a VTB bank investor conference in 2012 there was much talk about Russian growth slowing, perhaps as low as an annual 2 percent.

As a result of these changes, economic policy, once a source of stability and consensus, has increasingly divided the Russian political and business elite. Not since the arrest of Mikhail Khodorkovsky in 2003 have there been such vocal disagreements. Alexey Kudrin, the former finance minister, has publicly warned that unless the Kremlin reigns in spending it will be exposed to dangerous economic shocks. Igor Sechin, chief executive of the state energy giant Rosneft, has also gone out of his way to obstruct Medvedev's ambitious privatization agenda. Other leading officials have been openly at odds with one another as well. These bitter disputes are corroding Putin's once unchallenged role as arbiter in chief. Not only is the Russian economy vulnerable to an economic crisis thanks to state spending, in other words, but the Russian president is vulnerable too.

#### 5. THE ANTICORRUPTION TRAP

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Corruption poses an almost intractable dilemma for Putin. In order to regain popular trust he needs to root out corruption. But if he does so, he will undermine the very foundations of his regime, which has used corruption to secure the loyalty of the elite. In fact, a test case has arisen: in February 2013, Putin proposed

a law to the Duma banning senior government officials from holding foreign bank accounts or stocks, or having a spouse or children doing the same. The law is very popular among the public, and would provide an answer to those who accuse the Kremlin of having fostered an 'offshore elite'—but it is highly unpopular inside the government, precisely because so many officials keep their money abroad as an insurance policy. Should Putin push ahead and enforce the law, he might create resentment and disloyalty at the heart of the very clique his power is based on.

Corruption in the Caucasus could also damage Putin's credibility. Putin views the retention of Chechnya within the Russian Federation as one his finest achievements, and has spoken of his "historic mission" in the North Caucasus.<sup>49</sup> But the price for pursuing that mission has become much higher. "Stop Feeding the Caucasus" has become one a popular anti-Putin slogan, and no wonder: the state has earmarked \$141 billion for the North Caucasus development plan, to be spent between 2011 and 2015.<sup>50</sup> The plan even includes the construction of several ski slopes in Chechnya. Moreover, Grozny's own internal budget is 90 percent covered by federal funds, roughly double the national average for federal funding for a given region.<sup>51</sup> Public and tabloid attention to Ramzan Kadyrov, the playboy Chechen leader whose expenditures vastly exceed his official salary, have fed the discontent.

Putin is now seen as paying ever-growing 'bribes' to keep Kadyrov loyal. As a result Levada reports 51 percent of Russians would not care if Chechnya became independent. This places Putin in a quandary. Either he can continue to pump federal funding into the North Caucasus and risk unpopularity, or he can cut Kadyrov's budget and risk his loyalty. Neither choice leaves him with a good outcome.



## CONCLUSION: THE END OF CONSENT

At all levels of the system 'Putinism by consent' is slowly eroding: Protests are now a routine part of Moscow life; There are growing disputes and clashes inside the power elite over policy; The independent media is growing increasingly abrasive and anti-Putin; Moscow's cultural elites and fashion icons have embraced a shallow but pervasive anti-Putinism; None of the causes of the protest wave have gone away. This is why as Putin grows less legitimate, he grows more aggressive.

Across Russia public discontent is now at its highest level since 2000—higher than it was when the protest movement began in December 2011. Polls show a continued deterioration of faith in public authorities. While conducting a recent survey, the Center for Strategic Research, found that "respondents in all focus groups talked spontaneously about the possibility, even desirability of a revolution".<sup>52</sup>

At the moment, the opposition is not strong enough to oust Putin, but Putin is not strong enough to destroy the opposition either. No longer able to control the country through careful manipulation, Putin is now deploying classic police state methods against his opponents. There is no guarantee he will succeed: never before has the country had such a large, politically astute middle class. The more coercion is used against its members, the more they may fight back. But one thing is certain—Putin's current tactics trade long-term stability for short-term security. As the establishment liberal Igor Yurgens laments:

"The political system is not capable of fitting with post-modern forces already at work inside Russia. The political system is feudalizing whilst the productive forces, or at least the best part of them, are in the post-industrial epoch. We are awaiting a shock like something out of Hegel. This shock—it can be an event, it can be a person—it's synonymous."

Alternatives are beginning to emerge within the establishment. Kudrin, and other leading members of the business elite have laid out liberal economic and political alternatives to the 'high spending, high repression' formula currently in place. Other challenges may come from other parts of the political spectrum.

Any one of a number of potential shocks could lead either to more public protests, or to an internal coup. A fall in the oil prices, the next major election, or another mismanaged natural disaster, could lead the Russian elite to view Putin as a liability, not an asset. "What I am waiting for?" explains Navalny. "What everyone is waiting for, what I am hoping for is the event that triggers this discontent into protests. It could be a child being run down by an official's car, or it could be a collapse of the oil price. But it will come. The system is fragile." The end of 'managed democracy' and the return of messy, unpredictable politics in Russia may be arriving sooner than expected.



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