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## Setbacks at home, successes abroad: The mixed fortunes of Vladimir Putin<sup>1</sup>

Vladimir Putin will be viewing his date with the Russian voters on 4 March 2012 with some apprehension. The presidency seemed his for the taking, and it still seems most unlikely that anyone will be allowed to defeat him. But what should have been another victory lap before a grateful public is starting to look more like an ordeal, in which he is on a hiding to nothing. The first-round victory that he took for granted may slip beyond his reach unless Vladimir Churov, the ‘magician’ (Dmitry Medvedev’s term) of the Central Electoral Commission, can pull off another miracle. Opinion polls are suggesting that Putin’s percentage of the votes in the first round will be only in the 40s. The veteran Communist boss Gennadi Zyuganov, who is again standing for the presidency, may well pick up some of the anti-Putin protest vote, making him a likely second-round opponent. A run-off against Zyuganov more than 20 years after the fall of communism could prove uncomfortable from various points of view.

But the candidates of the officially tolerated ‘establishment’ parties, which have the resources (and the privileged access to the media) to run a presidential campaign, are unlikely to go all out against Putin.

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The billionaire Mikhail Prokhorov is offering himself ostensibly as a non-establishment candidate, but many have their doubts about how genuine an oppositionist he is. The A Just Russia party has put forward its leader, Sergey Mironov, who has made conciliatory noises to the Kremlin since the ruling United Russia's reverse at the parliamentary polls on 4 December. Many in and outside the party would have preferred to see the much more popular Oksana Dmitriyeva from A Just Russia's Petersburg machine stand for the top job.

The growing numbers of voters who are sceptical about Putin do not have an obvious alternative in view. For its part, the Kremlin will do whatever is necessary to keep potentially dangerous wild cards, like the charismatic anti-corruption blogger Aleksey Navalny, out of the contest. One way or another, Putin should get over the line in the second round, even if Churov is unable to award him victory in the first.

After he was publicly booed at a martial arts event on 21 November, Putin postponed his annual televised Q&A session until after the elections. When it was finally held on 15 December, he appeared less assured than usual. He was certainly very angry, however, especially with Hillary Clinton for her criticism of the conduct of the elections. While he made a show of accepting that the protesters on the streets of Moscow and St Petersburg were moved by honest democratic emotion, he also asserted that many of them were working for or inspired by Western governments, and made his usual suggestion that such people were traitors.

Putin expressed particular passion, and compassion, about the tragic fate of Libyan leader Colonel Gaddafi, for whose death he blamed US drones. And he returned to his obsession about 'colour revolutions' (like the Orange Revolution in Ukraine) instigated by sinister forces abroad. In other words, he seems unable to accept that many of his constituents might simply be getting sick of him. None of this bodes well for a peaceful resolution of the situation if the unrest and dissatisfaction with Putin's re-election plans persist.

Since the severe crackdown on the first post-election demonstrations, the regime has pursued a more moderate approach. It avoided repressive measures against a big Moscow protest on 10 December, and permitted some more honest media reporting. But there is no sign of any serious

move towards reconciliation or reform. It appears, rather, that the regime simply wants to avoid provoking public opinion while it waits for the protest momentum to subside.

On 20 December a website owned by one of Putin's extremely wealthy friends published transcripts of one of the leading opposition figures, Boris Nemtsov, making derogatory remarks about a fellow oppositionist in a private phone call obviously tapped by the security organs. Nemtsov apologised, his apology was accepted and the two made an amicable joint appearance. While the opposition is notoriously divided, this incident was hardly helpful, although the restive urban intelligentsia may not be impressed by the regime's nakedly dirty tactics.

If the opposition cannot get substantial numbers out on the street at the next big demonstration on 24 December, however, the regime will start to breathe more easily. For the moment they are comparing the demonstrators with the international Occupy movements, which may prefigure the kind of endgame they are planning.

On 22 December, Medvedev unveiled a package of electoral reforms, which included easing the criteria for forming a new party and restored elections for the position of regional governor. This looks very much like dangling a few carrots to weaken the protesters' resolve, especially as the reforms are not to take effect until after the presidential election on 4 March and Putin has said that candidates for the governors' positions will still need to be approved by the President (that is, him). And, above all, these proposals come not just from a lame-duck president, but from one who has repeatedly called for reforms that have never eventuated. Medvedev's undertakings have lost all credibility since he declared publicly that he had only served as a placeholder while Putin took leave from the job. Medvedev also said that there must be no threats to stability – that troublemakers and 'extremists' would not be tolerated, particularly those who have foreign connections. The intention is transparent, but if it gets a few people off the streets then it will have served its purpose.

In the two months between his 23 September announcement of his intention to resume the presidency and the booing incident on 21 November, Putin had seemed full of self-confidence and eager to pursue his key foreign-policy objectives, notably restoring strong

Russian influence over the former Soviet republics. His trademark truculence towards the West, perceptibly distinct from Medvedev's more emollient approach, was again in evidence. He took great pleasure in making allusions to the West's economic difficulties, particularly the euro crisis. And recently he has been able to chalk up quite a few successes.

Putin has always deeply regretted the collapse of the Soviet Union and said so again in his Q&A session. He has always tried to do whatever he can to create and advance multilateral structures that bring as many as possible of the former republics together under Moscow's leadership. His 'energy diplomacy' involves manipulating the supply and pricing of Russia's abundant oil and gas exports to favour the cooperative and punish the others. Similar trade practices involving commodities like wine, and even mineral water, exploiting sometimes imperial monopsony rather than monopoly, have been routinely deployed against recalcitrants like Georgia and Moldova. Nor have these tactics been confined to the former republics or non-European Union members. Poland and the Baltic states, for example, have often been on the receiving end.

Fearing, with good reason, that Moscow's leadership will mean domination, some former vassals have sought safety in the European Union, where possible, or have at least avoided joining the various trading or security acronyms that Russia has established. In consequence, progress for Moscow has been slow. But now, with the European Union less able to attract and less willing to accept new members, and with Washington under President Obama pursuing more pressing priorities elsewhere, Moscow's opportunities have expanded.

The most recent of the multilateral bodies that Moscow is pressing on its neighbours are the Eurasian Customs Union and the newly minted Eurasian Union, a concept Putin elaborated soon after announcing his intention of resuming the presidency. Very roughly, he envisages the Eurasian Union as a kind of European Union to the Customs Union's Common Market. In addition to former republics of the Soviet Union, Moscow has spoken about the desirability of attracting countries that are traditionally sympathetic to Russia and its culture; for example, Venezuela and Cuba, Serbia and Montenegro, and even Finland and Hungary.

Putin is also declaring that the Eurasian Union, as the final step in the process, would seek collegial relations, trade agreements and so on with China on the one hand and the European Union on the other. Moscow clearly expects that Russia will dominate its union far more than Germany, for instance, dominates the European Union. And it will undoubtedly continue the policy, extending back to Soviet times, of seeking to divide EU members the better to influence them and weaken transatlantic ties. Presumably, too, Putin would wish to establish international arrangements that would preclude any contact between these supposedly friendly blocs in the new multi-polar world that might lead to greater electoral transparency or more coloured revolutions.

To date, Belarus and Kazakhstan have signed up to the Customs Union and Kyrgyzstan and Tajikistan have expressed interest. Moscow is working on other republics to join, but is focusing particularly on Ukraine, potentially the jewel in the crown. The biggest country in Europe (if European Russia and France's overseas territories are excluded), it has large Russian, Russian-speaking and Russophile communities, and is seen by most Russians as the historic core of Russia and quite simply 'ours'. Together with the largely Russian-speaking Belarus, and Kazakhstan, which is the most Russified of the 'Stans', this would give Russia a kind of Slavonic Union, the dream of many Russian nationalists, and a unit with well over 200 million inhabitants, and most of the resources and industrial capacity of the old Soviet Union.

But even the Yanukovich administration, the most pro-Russian in Kyiv in the post-Soviet era, has been reluctant to join the Customs Union, preferring instead to continue its predecessors' quest for an Association Agreement (AA) with the European Union, which would incorporate a comprehensive free-trade agreement. Negotiations for such an agreement were finalised in the last days before the Ukraine–EU summit in Kyiv on 19 December. Some months ago it seemed likely that the AA would be initialled at the December summit and possibly come into force in 2012. The European Union was keen for this to happen, though some lingering scepticism remained about Ukraine's suitability. But it was not to be, at least not yet, and not perhaps for quite some time to come.

Yanukovych has long been under fire for eroding the democratic gains of the Orange Revolution of 2004. But what comprehensively undermined his standing with the European Union was his decision to launch a criminal prosecution against Yulia Tymoshenko, the Orange leader and ex-prime minister, whom he narrowly beat for the presidency in 2010. Tymoshenko was charged with exceeding her powers as prime minister in concluding an allegedly unfavourable deal on gas prices with Moscow in early 2009, a deal meant to end a punishing 'gas war' that was threatening to freeze much of Western Europe. On 11 October, she was sentenced to seven years' jail, disqualified from public life for a further three years beyond that, and ordered to 'repay' US\$186,000,000. Innumerable representations were made to Yanukovych by senior EU figures making clear that this decision could block his EU aspirations. Kyiv's response was to prepare a further nine (sic) criminal cases against Tymoshenko and to subject her to various other chicaneries.

The Tymoshenko/gas deal saga is part of a complex story. Much has been made of the argument that Kyiv was convicting Tymoshenko to show Moscow that the current gas deal was 'illegal' and should therefore be renegotiated. Some were impressed by an alleged Putin preference for Tymoshenko over Yanukovych as an opposite number, despite her strong Western sympathies. Others have claimed that the poor president is powerless in the face of an overwhelmingly strong pro-Moscow lobby in his ruling Party of Regions. Much of that seems increasingly implausible as the persecution of Tymoshenko continues.

Concurrently with its EU bid, Ukraine has been pursuing sometimes acrimonious negotiations with the Russian gas giant Gazprom (essentially an instrument of Kremlin policy), seeking lower prices for its vital gas imports. The current prices for Ukraine are higher than for most Western European customers, some of whom have succeeded in getting price concessions from Gazprom in recent months.

It does seem, however, that Yanukovych was not using the EU bid simply as a bargaining chip in his negotiations with Moscow. Ukraine's trade with Russia and the European Union is roughly equal, and a majority of Ukrainians and many heavyweight local oligarchs now want EU integration. But his pursuit of Tymoshenko in the face of all the warnings does make one wonder how serious Yanukovych's commitment really is. To compound matters, in the last weeks

before the summit he began to demand that the AA provide a clear 'perspective' of EU membership down the track. Had it not been for the Tymoshenko case and some others like it, this might conceivably have been doable. As things stood, it was just the kind of negotiating gambit to raise EU hackles even higher. In the end, a drafting fudge was devised to get past that problem. But while the agreement was ready, it was not even initialled at the summit, though another fudge was deployed to hold out the prospect of that happening in the early months of 2012.

And so the long-running story of Ukraine's two-faced relations with Russia and the European Union remains open. But the balance has swung markedly towards Moscow. There have been hints lately that a deal on gas prices is imminent. Some expect this will be paid for by the surrender of more sovereignty by Kyiv, perhaps in the form of conceding Gazprom a controlling interest in Ukraine's gas pipelines, which is a key objective of Putin's energy diplomacy. Russia is also eager to take over Ukraine's struggling and much smaller Gazprom equivalent, Naftohaz. But despite both inducements and threats from Moscow, whatever else he concedes, Yanukovich is likely to continue holding out against joining the Customs Union, aware that joining would preclude integration with Europe.

Ukraine's northern neighbour, Belarus, provides some oblique insights into Yanukovich's dilemma. Since the brutal crackdown in December 2010 on the large demonstrations in Minsk against falsified election results, Belarus has experienced spectacular economic decline, thanks partly to irresponsible election promises by the incumbent, with average purchasing power declining by about 50 per cent. President Alexander Lukashenka has responded to the resulting discontent by thoroughgoing neo-Stalinist repression, proscribing even 'silent protests' by tiny groups of people. This has worked well for him, and his loyal security organs, headed by the local KGB, ensured that only small numbers of people turned out on the first anniversary of the crackdown, 19 December, to renew the protest.

But Lukashenka has decided that his own stalwart defence of Belarusian sovereignty (which translates essentially into defence of his own power and importance) should not be taken to pedantic extremes. The European Union had offered him generous inducements to repent, but they also demanded some democracy and human rights in return,

which Lukashenka decided he would prefer to do without. Having failed also to win unconditional sympathy from the International Monetary Fund (IMF), which had demanded the quid pro quo of serious economic reforms, he decided to throw in his lot with Moscow. As a reward he was given a very generous package consisting of loans and a much reduced gas price of US\$165 per thousand cubic metres, a long way below market rates. This deal by one estimate is worth in total more than US\$14 billion.<sup>2</sup> In exchange, Lukashenka sold off to Gazprom the rest of Belarus's gas pipelines, hitherto rightly regarded as a vital strategic asset, and became much more cooperative and respectful towards Moscow on other issues.

This reward was also intended as bait for Ukraine, which, even with its discount granted for extending Russia's lease of Crimean naval facilities, is currently paying US\$400 per thousand cubic metres for gas, with the prospect of further hikes ahead. By that reckoning, membership in the Customs Union must look much more attractive to the leadership in wintry Kyiv.

Moscow's pacts hold other attractions for distressed autocrats. At its August summit this year, the Collective Security Treaty Organization (of which Ukraine is not a member) discussed proposals to use the organisation to strengthen the defences of all member states against colour revolutions or any spillover of the Arab Spring. Lukashenka seemed particularly interested in this idea, which he and others saw as an invaluable security guarantee for any member leader under domestic threat.

Another leader who was reportedly keenly interested in this issue was President Nursultan Nazarbayev of Kazakhstan, immediate past chairman of the Organization for Security and Co-operation in Europe. In power for over 20 years, Nazarbayev has in recent days put down a workers' uprising in a town in the west of his country by armed force and a total blockade of telecommunications in the region. Initial reports spoke of at least 10 fatalities, but the information blackout has effectively reduced the flow of reliable news. How far the ideas under consideration in the Collective Security Treaty Organization will go

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<sup>2</sup> See Andrew E. Kramer, 'Gas deal with Belarus gives control of pipeline to Russia', *New York Times*, 25 Nov. 2011, [www.nytimes.com/2011/11/26/world/europe/in-deal-with-belarus-russia-gets-control-of-yamal-europe-pipeline.html?\\_r=0](http://www.nytimes.com/2011/11/26/world/europe/in-deal-with-belarus-russia-gets-control-of-yamal-europe-pipeline.html?_r=0).

towards becoming a new Brezhnev doctrine remains to be seen.<sup>3</sup> If so, it could be very attractive to some potential new members as well as veterans like Lukashenka and Nazarbayev.

Moscow has had some successes on other fronts. In Kyrgyzstan, for example, a strongly pro-Russian President, Almazbek Atambayev, came to power last October. One of his first public statements was to foreshadow that he would terminate US access to the Manas air base, a vital supply link with Afghanistan, when the lease runs out in 2014. Observers take differing views about how serious a threat this is. But should Moscow ever wish to apply pressure to their 'reset' partners in Washington, having such a president as a warm and cooperative Eurasian Union colleague in Bishkek would clearly be advantageous. Atambayev's predecessors were much less accommodating towards Moscow in that respect.

Putin's energy diplomacy received a big public boost with the 8 November opening of the Nord Stream gas pipeline to Germany. The pipeline, in which Putin's key collaborator has been his close friend the former German Chancellor, Gerhard Schröder, bypasses Belarus, Poland and Ukraine and gives Russia a capacity to cut off gas supplies to those countries temporarily without incommoding their more important customers further west. It also serves as a warning to Ukraine and Belarus that they can expect to earn much less for transit fees in future.

Despite desperate assurances from Yanukovich of his readiness to cooperate in delivering gas exports for Gazprom, Moscow has also persisted with its plans to develop a southern equivalent called South Stream, which would further deprive Kyiv of income and energy security. The objective of South Stream, which would be much more expensive than any purely economic alternatives, is to draw countries of south-eastern Europe into closer energy links with Russia, and at the same time to pre-empt the Nabucco project.

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3 The Brezhnev doctrine was an ex-post facto ideological doctrine developed after the Soviet-led military intervention in Alexander Dubček's Czechoslovakia in 1968 that other 'socialist' countries in the Warsaw Pact had the right to deliver fraternal support to (read: invade) any member state where socialism was threatened.

Nabucco is a planned strategic pipeline intended by the United States and the European Union to weaken the Kremlin's strong grip not only on gas exports to southern Europe, but also on potentially competitive gas supplies originating in Azerbaijan and Turkmenistan. Nabucco has had a chequered career thus far, with many EU members and would-be members quite happy to conclude bilateral deals with South Stream that ignore Brussels's endorsement of Nabucco as vital for EU energy security. Nabucco has suffered a few defeats in recent months and Moscow will certainly see all these as important victories in its long-running South Stream campaign.

Putin might well have felt satisfied with the way his domestic and foreign priorities were shaping up in the weeks before the boogie. As another noted Russian leader once said, life had become better, life was becoming more cheerful. But then came the domestic setbacks, which revealed again Putin's very strong anti-Western instincts. With his overt takeover of Medvedev's supposed bailiwick, foreign policy, we have seen a growing inflexibility and sharpness of tone in relations with the West, reminiscent of pre-Gorbachev times.

Putin is worried about China, but he tries to keep it well hidden. He never uses the belligerent, mocking or contemptuous accents with Beijing that have become almost routine in his public comments about the West. After 11 years it is perhaps time to say that this is the real Putin standing up. Strong rumour has it that he will appoint the obsessively anti-Western ultra-nationalist ambassador to NATO, Dmitry Rogozin, as defence minister. With a resentful Putin – convinced that his domestic troubles are all a Western conspiracy – in the presidency for at least another six years, expect strains in East–West relations to increase further.

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