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After the Battle: What the August Conflict will mean for Russia's Domestic Politics

Lilia Shevtsova

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Within the past 15 years the Russian Federation has crossed three significant thresholds. When Boris Yeltsin shelled his own parliament in 1993 he launched a new era of personalized power in Russia. The arrest of oligarch Mikhail Khodorkovsky and destruction of his company, Yukos, in 2003 propelled Russia down the road to bureaucratic capitalism. The August 2008 war between Russia and Georgia — a proxy war between Russia and the West, with Georgia serving the role of whipping-boy — crosses the third threshold. It ends the Perestroika experiment begun by Mikhail Gorbachev in the 1980s. In so doing, it marks the end of Russia's latest attempt to secure a firm place for itself within Western civilization.

The August war had a number of causes: continued fallout from the Soviet collapse; the Kremlin's dedicated efforts to turn the Caucasus into a black hole of instabilities; threats and pretexts for intervention; the emergence of corrupt, separatist regimes parasitically dependent on Moscow; personal animosity between the leaders in Moscow and Tbilisi; the struggle to control energy transit routes; and Tbilisi's unwillingness to give the Abkhaz and South Ossetians broad autonomy within Georgia. All of this might have carried on indefinitely, keeping the region in a state of ferment and providing multiple opportunities for various political forces in Russia to advance their own economic and political interests. But in the end, the desire of Georgia and Ukraine to join NATO and their apparent chances of success made it necessary to destroy this malign equilibrium. The NATO summit in Bucharest marked a turning-point after which Moscow was prepared to take every possible step to prevent further losses in the former Soviet Union. All that was needed was the right pretext, real or artificial. Saakashvili's attempt to take South Ossetia back into the Georgian fold by force furnished that pretext.

Nevertheless these foreign policy and geopolitical drivers are of secondary importance, because they arise from deeper systemic causes. They are but symptoms of the determination of Russia's ruling class to restore the traditional model of the Russian state: a state that cannot exist and maintain itself without spheres of influence, macho posturing and the search for an enemy. Such a state, based on highly centralized and personalized power with strong elements of coercion, can exist only as a besieged fortress. For this state's authorities, the aspirations of Russia's former 'little brothers' to seek NATO membership and the West's protection pose an existential threat. When it comes to Ukraine, still seen by the Kremlin as part of a 'Greater Russia', the Russian elite has even more trouble digesting that country's turn towards the West.

Russia's return to the traditional matrix of power has progressed gradually throughout Vladimir Putin's presidency. The events of August 2008 leave no doubt that this state matrix has acquired its own self-sustaining logic. In one sense, what happened in the Caucasus was inevitable. The beast needs to be fed, and had Georgia not decided to throw down the gauntlet in South Ossetia, the Kremlin would have found some other pretext to show that it would not allow any attempts to undermine what it believes to be the essential condition of its survival: power to dictate the rules of the game in its own backyard. The August developments have shown that foreign policy has become the crucial means of carrying out an essentially domestic agenda. Attempts to explain the August events and their consequences in terms of geopolitics are, on their own, incomplete. We must first identify how these interests are linked to Russia's domestic trajectory and the regeneration of the statist–military paradigm.

The idea that the current 'hegemonic' international system must be superseded by a new, multipolar and more just world order has become popular in Moscow. But this language merely conceals the Kremlin's desperate desire to return to the Yalta principles of spheres of influence, which, like the Kremlin's risky foreign policy decisions, are motivated by a determination to preserve the status quo inside Russia itself. In demanding international respect, the Kremlin is asserting Russia's right to act as an independent power centre, unaccountable to outsiders, and thereby solidify its internal system of personalized power. What happened in the Caucasus in August bears all the appearances of geopolitical confrontation, but in reality signals a new clash of civilizations, even though the Kremlin is not advancing any new messianic idea. Russia's ruling elite is trying to present the country not only as an opponent, but as an alternative to the West. It is advancing its right to pursue its own 'sovereign' interpretation of democracy.

Ironically, the West, above all the US, which set about undermining the already weak institutional basis of the world order in Serbia and Iraq, has made the Kremlin's return to its old matrix easier. Slogans of 'regime change', 'humanitarian intervention', 'pre-emptive strikes', 'genocide', and also the recognition of Kosovo's independence, are now being used to legitimize Russia's war in the Caucasus and its new policy direction. Russian analysts now boast about how Russia has achieved a 'Western-style' solution to its geopolitical problems. But the West has no reason to flatter itself. The Kremlin is merely using a Western-style justification for a distinctly anti-Western model and course.

What are the war's consequences? It has shown that the question of who rules Russia is not so important: the Medvedev–Putin tandem has devised a format for collective rule and managing their differences. More importantly, they pursue the same course. Vladimir Putin was at the forefront during the first stage of the war, not even bothering to hide his role as leader in the tandem. But as the war drew to a close it was Dmitri Medvedev who took centre stage, displaying an even more confrontational leadership style. Medvedev himself has done everything he can to dash hopes that he would be a pro-Western politician. Whether he deliberately set out to become a 'war president' or whether circumstances forced him into it is not what matters. What matters is that it has fallen upon Medvedev to play a key part in Russian history: he has ended the period ushered in by Mikhail Gorbachev and has become his antithesis. It will not be easy for him to abandon the role of anti-Western 'war president' now, even if he wants to.

The war has created a national consensus in Russia by uniting the elite and a large part of society against the West, or more specifically the United States, as the Kremlin does not consider Europe worthy of particular attention, believing it easy to co-opt and/or manipulate. Even a significant portion of the liberal community has joined this consensus. As one Russian democrat put it, 'regardless of whether Russia is right or wrong, I stand with my country'. These events have shown that officially sponsored patriotism, based on the ideal of a strong state able to flex its muscles, remains a powerful uniting force in Russia. Popularity ratings for the ruling tandem reflect this consensus. Putin's approval rating has increased from 80% to 83% since the war, while Medvedev's has risen from 70% to 73%. The number of Russians who believe that Medvedev will continue the course that Putin started has increased from 82% to 86%.

This new Russian consensus based on containing the West is a means for the Russian elite to maintain the current status quo. It cannot provide a foundation for Russia's modernization. On the contrary, a state based on the merger of power, ownership and the suppression of competition destroys all reforming impulses. Such a state obstructs modernization by its very nature. So far at least, history has not produced an example of post-industrial modernization achieved through divergence from the West, let alone confrontation with it.

We cannot fully rule out the possibility that this war, which the Kremlin has used to bolster its role as an anti-Western power centre, has become a means for the Russian tandem to divert attention from growing problems at home and its inability to resolve economic difficulties arising from a stagnating

petro-economy. Russia's economic model, based on energy resources, has not led to an 'innovation economy' and intensive growth, and its limits are already making themselves felt. The ruling team is very much aware of these problems but, for self-interested reasons, is unable to offer solutions. Economic reform cannot proceed without competition, entrepreneurship, the rolling back of bureaucracy and state intervention in the economy. It also cannot proceed without property rights and the supremacy of the law. But these changes would force the Kremlin to abandon the very state paradigm that it has done so much to strengthen. In other words, they would be a form of suicide for those who run the country. Instead, a different dynamic is in prospect: economic decline, a crackdown on remaining centres of pluralism and a search for enemies and scapegoats, domestic and foreign, in order to head off social discontent. Reformist rhetoric will substitute for real reform, which cannot proceed without the dismantling of the predatory state.

Finally, what is in store for Russia's relations with the West? We should remember that the Russian elite is a *rentier* class, living off energy sales to the West. It has reason to avoid escalation of the current confrontation, as this would threaten the advantages it gains from its personal inclusion in the West. It therefore must find a way of resuming dialogue with (and extracting benefits from) the West without abandoning an anti-Western programme of consolidating Russia. Visible concessions will undermine this programme and force the elite to lose face. The hope, therefore, is that such concessions will not prove necessary. So far, the Kremlin is confident that they will not. It sees the West – and especially the EU – as weak, divided, not ready to take a tough line and afraid to drive Russia into a corner. The West's absence of a common strategy towards Russia only prolongs this game of 'Russian roulette': risking a new Cold War, but not desiring one. This is a dangerous, macho game, and it might become more difficult to play, let alone stop.

For its part, the West seems to be considering only two options: containment and engagement. Neither is adequate, and the West has not yet learned how to combine them into an effective strategy that will stimulate transformation and create incentives for the elite to open up Russian society. Western attempts at Realpolitik have not prevented confrontation with Russia. On the contrary, they have created perfect opportunities for the elite to backtrack and invoke Western policy as legitimation for its own.

Russia has entered a dramatic time in its history, and it is not yet clear how its elite will get out of the trap into which it has driven itself. High oil prices and Europe's dependence on Russian energy resources make the Kremlin confident that it still has time to continue the game for now. But the internal

reserves needed to sustain the matrix of power are not without limit and the fortunate turn of circumstances that has helped the elite preserve its grip on Russia through mobilization mechanisms and parasitism cannot last forever. Russia is approaching a new moment of truth when the elite discovers that the petro-economy no longer works and when it becomes too difficult to co-opt the West or mobilize Russian society against it. It is unclear whether the Russian elite will be able to rescue the state by reform before it collapses. Can the scenario of the 1970's and early 1980s re-emerge? By reverting to the statist and militarist paradigm, the elite has revived this possibility and brought forward the time when it might become a reality.

Lilia Shevtsova is an Associate Fellow of the Russia and Eurasia Programme at Chatham House, and a Senior Associate at the Carnegie Moscow Center.