

The 'Imminent Collapse of Russia'

Written by David R. Marples

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DAVID R. MARPLES, JUN 9 2017

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Alexander Motyl's most recent commentary on the imminent demise of Vladimir Putin's Russia[1] provides a now familiar synopsis, based on broad simplifications, innuendos, and precious little hard analysis. Almost exactly one year ago, he provided a similar offering[2] and in mid-December another editorial in which he described Russia as a 'failed state' in contrast to Ukraine's progress toward a 'normal Western market democracy' (a concept he chooses not to define).[3] None of this is to say that one should not criticise a leadership that has dropped any pretence of respect for human rights or international borders. But that is a far cry from making unwarranted statements about Russia's imminent collapse, based on very little, if any, real evidence.

Here is a direct quotation from the opening of the current article:

Last year, Russia was basking in the glow of its annexation of Crimea and aggression in the Donbas. The economy, although stagnant, seemed stable. Putin was running circles around Western policymakers and domestic critics. His popularity was sky-high. Now it is only his popularity that remains; everything else has turned for the worse. Crimea and the Donbas are economic hellholes and huge drains on Russian resources. The war with Ukraine has stalemated. Energy prices are collapsing, and the Russian economy is in recession. Putin's punitive economic measures against Ukraine, Turkey, and the West have only harmed the Russian economy further. Meanwhile, the country's intervention in Syria is poised to become a quagmire.

If one delves a little further into the sources of the above statements, one finds that 'economic hellholes' and 'huge drains' on Russian resources are both derived from the German tabloid *Bild*, hardly a reliable source of information and not one a scholar would normally cite. All the others are based on comments in earlier articles in *Foreign Affairs*. They in fact offer very little evidence to support the sweeping statements made in the article, the purpose of which appears to be to create an image of Russia as a state on the verge of collapse.

It is true that Russia's GDP declined last year. But the decline of 3.7%[4] was far below its peak crisis years of -7.8% in 2009 and -5.3% in 1998, a year of financial collapse, a sharp fall in the values of the rouble, and a run on banks. Even in those two years there were no signs of state collapse. Most analysts anticipate modest growth in 2016.[5]

Admittedly Russia has opted to wait out the economic downturn caused by the fall in world oil and gas prices by relying on its foreign exchange reserves. Yet according to the IMF and other sources, it still ranks seventh in the world in reserve holdings, well ahead of the United States (18th), and local neighbours Ukraine (66th) and Belarus (95th), which are suffering from related problems.[6]

As for the areas that have 'turned for the worse', it rather depends on the object of the exercise. Clearly the initial

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concept of 'Russkiy Mir' indeed failed to materialise, mainly because it was based on a fundamental misreading of sentiment in the cities and towns of eastern and southern Ukraine, and perhaps partly in Donbas as well. Such misreading was evident much earlier, prior to the Orange Revolution, when Putin failed to comprehend Ukraine beyond the familiar canards of a common history and religion.

Yet the adaptation to the status quo on the part of Russia has been relatively painless. Two military victories at Ilovaisk (August 2014) and Debaltseve (February 2015) that owed more to the incompetence of the Ukrainian High Command than Russian efficiency have in fact placed Russia in a strong position in terms of achieving more basic objectives. Ukraine signed the Minsk Accords with Russia and the separatist 'states', thereby committing itself to drastic revisions in the Constitution to accommodate the special interests of Donbas, as well as decentralisation generally.[7]

Neither Poroshenko nor Yatseniuk can be sure of their political futures, no matter whether or not the Decentralisation bill passes its second reading later this year. If it passes, more radical sources have threatened a 'third revolution' against abandonment of the ideals of the Euromaidan protests;[8] if it fails, they will likely fall with it. Putin is under no such domestic pressure.

In turn, the Russian commitment to the so-called Donetsk and Luhansk republics is relatively low, provided that they remain within a unified Ukraine where they can be a source of endless headaches to the Kyiv government. Putin can in fact pose as a mediator, sacrificing if necessary the nondescript leaders of these republics if needed.

Professor Motyl appears to be on sounder ground in his remarks on the costs to Russia for the invasion of Crimea. But this factor has to be qualified by the removal of the considerable costs for the rental of the two bays in Sevastopol in Ukraine, confirmed by the Kharkiv Accords of 2010, at around \$4 billion annually and not due to expire until 2042.[9] Moreover, as yet we do not know the true values of Crimea's offshore hydro-carbon assets, other than that they are considerable.[10] Crimea also has a valuable wine industry as well as potential tourist dollars if it is ever demilitarised. In short, Crimea is hardly an 'economic hell hole'.

Ironically, Motyl does acknowledge what is perhaps the most vital factor in the survival of the Putin presidency, namely the popularity of the president himself. The sources of such popularity are regularly debated – from the president's physical prowess and strength to the image of a leader fighting against the odds, or reversing the 'losses' incurred at the end of the Cold War. Whatever the illusions of the population and the role of propaganda, the fact remains that presidents anywhere with ratings of over 80% rarely are removed from power (at least from within) – in Putin's case the rating is closer to 90%.[11]

In the case of Putin, though he has been in power (albeit with a short hiatus as Prime Minister) for over fifteen years, the population can still recall the anarchy and insecurity of the Boris Yeltsin years, with a president mainly confined to the sanatorium after 1996, and the perceived failures of Western-style democracy when applied to Russia. Even Putin's support for a tyrant like Bashar al-Assad of Syria indicates that unlike Yeltsin's Russia, the current regime does not abandon its friends.

Notes

[1] *Foreign Affairs*, 27 January 2016: <https://www.foreignaffairs.com/articles/russian-federation/2016-01-27/lights-out-putin-regime>

[2] <https://www.foreignaffairs.com/articles/russia-fsu/2015-02-05/goodbye-putin>

[3] <http://www.worldaffairsjournal.org/blog/alexander-j-motyl/putin-steering-russia-collapse>

[4] <http://www.ft.com/fastft/2016/01/25/russian-gdp-contracted-3-7-in-2015/>

[5] See the analysis by Martin Gilman of the IMF: <http://www.themoscowtimes.com/opinion/article/can-russias->

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economy-recover-in-2016-op-ed/553709.html

[6] <https://www.imf.org/external/np/sta/ir/IRProcessWeb/data/rus/eng/currus.htm>

[7] http://news.liga.net/news/politics/5077595-polnyy_tekst_soglasheniya_podpisannogo_kontaktnoy_gruppy_v_minske.htm

[8] See for example Deputy Speaker Oksana Syroyid's comments at <http://gazeta.dt.ua/internal/sche-raz-pro-osoblivosti-osoblivostey-samoupravlinnya-.html>

[9] http://www.km.ru/news/teksty_soglashenij_ukrainy_i_ros

[10] <http://expert.ru/south/2014/24/shelfoviyj-prirost/>

[11] http://www.bbc.com/russian/international/2015/10/151022_putin_highest_approval_rating_list

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