

Policy Watch: Assessing Putin's legacy

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With Russian President Vladimir Putin slated to leave office in less than a year, what can be said about how history will judge him? He definitely has positive accomplishments to boast about: restoring order after the chaos of the Yeltsin years, presiding over an era of economic growth and prosperity, and doing much to re-establish Russia as a great power internationally.

Some might argue that much of what he accomplished has been due to the fortuitous rise in oil prices that occurred -- and has been sustained -- after he came to office. Not every leader of a petroleum-producing country, though, has been able to take advantage of increased oil prices to increase his country's political clout the way Putin has.

Putin's positive accomplishments, though, have come at a high price. Under him, the Russian media has increasingly come under Kremlin control or influence, the Russian Duma (Parliament) and political parties have become largely meaningless, and the influence of the security services has grown markedly.

Putin's successor is highly likely to be chosen not on the basis of a competitive election, but by Putin himself. Indeed, it is still possible that Putin might decide to stay on for a third term. Far from stopping him from doing so, the members of the Duma would undoubtedly compete with each other to make whatever constitutional changes are necessary for Putin to remain president for a third or even indefinite term.

Putin's defenders, though, would argue that these negatives are not so negative. For despite them, Putin remains highly popular with the Russian public. Indeed, the Russian public seems to be quite willing to sacrifice political freedom for order and prosperity -- even if neither of these is evenly distributed. During the Yeltsin era, they came to associate democracy with disorder and poverty. There are many Russians who argue that it is necessary to have order and prosperity firmly in place before democracy can work. But even economic growth without democracy is better than economic stagnation or decline with it.

There have been examples of countries where economic growth occurred under authoritarian rule that later made a successful transition to democracy. These include Spain, Chile and South Korea -- three cases often cited by Russians as successful models for Russia. There have also been examples of countries where economic growth has occurred while more or less authoritarian rule has remained, such as in Singapore, Malaysia and China. Many Russians would be satisfied with emulating any of these.

Has Putin put Russia on course to replicating either the authoritarian-led growth leading to democracy model or the authoritarian-led growth leading to a stable, prosperous autocracy one? He clearly does not favor the former. Indeed, Putin does not appear interested in laying the basis for a successful transition to democracy but in preventing that from occurring. And he may well have put in place a political system that is strong enough to stifle Russia's relatively weak democracy movement for years or decades to come.

But what about the second model -- authoritarian-led growth leading to a stable prosperous autocracy? Despite its success so far under Putin, the problem with sustaining this model is that Russia's recent prosperity up to now has derived mainly from petroleum and other natural

resources. He has benefited from the fact that the price for these has been high since he came into office. Should the price of these -- especially oil -- fall dramatically and remain low for a long period of time, Russia's prosperity -- and hence its political stability -- will be threatened.

Oil prices, though, do not seem likely to fall any time soon. The increased demand for oil from rapidly growing countries such as China and India combined with continued instability in the oil-rich Middle East could lead to the price of oil remaining high indefinitely. This would certainly benefit Russia, but would it do so enough to allow for the sustained authoritarian-led growth that would result in a stable, prosperous autocracy?

There is reason to doubt this. Countries such as China, Malaysia and Singapore, which have succeeded in pursuing rapid economic growth while avoiding democratization (at least so far), have been able to export a wide variety of products -- not petroleum -- to other countries, especially the West. Most oil-rich autocracies, by contrast, have not done this. For some -- such as Saudi Arabia, Kuwait and the United Arab Emirates -- this does not matter since their proven oil reserves are enormous and will last a century or more at current rates of production.

Russia, though, is in neither category. Besides petroleum and other natural resources, it exports very little. It does, of course, sell arms and nuclear reactors to some countries -- but mostly to ones that either the West will not sell them to or that buy them from Russia more for political than economic reasons. Nor does Russia have the proven oil and gas reserves that will allow it to produce these indefinitely.

More oil and gas is undoubtedly awaiting discovery in Russia, but the Putin administration's increasingly negative attitude toward Western investment reduces the likelihood that these will be discovered and exploited. This is important because the increasingly Kremlin-controlled petroleum industry is either unwilling or unable to do so.

What Putin appears to have done, then, is not create the conditions necessary for long-term prosperity under stable authoritarian rule as to rely on oil and gas exports in order to avoid opening the Russian economy sufficiently to allow for this. But because Russia's oil and gas reserves are limited, Moscow may be unable to sustain the production levels underpinning what prosperity Russia has been enjoying even if oil prices remain high. What is more, Putin's recent moves to place greater limitations on foreign oil companies as well as private Russian ones may only result in hastening the decline in Russian oil and gas production.

Putin's legacy, then, may be that while he appeared to bring prosperity to Russia while he was in office, his policies actually undermined it in the long run. Of course, if undermining Russian prosperity results in shattering the Russian public's illusions about autocracy being a better system of government for Russia than democracy and to try democracy once again under a more competent leader than Yeltsin, Russia will ultimately benefit.

This, however, is not the legacy that Putin seeks to leave Russia.

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