

Putin to run for Russian presidency

Clara Weiss, Andrea Peters
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On September 24, Russian President Dmitri Medvedev announced that he would not run in Russia's 2012 presidential elections, instead proposing that Prime Minister Vladimir Putin seek office. Medvedev's announcement and Putin's subsequent confirmation of his intention to run for president next year put an end to longstanding speculation about which figure within the so-called "ruling tandem" would become Russia's leading candidate.

The decision, announced at a congress of the ruling United Russia party, comes amid an intensifying world economic crisis. It was a response by the Kremlin to growing threats to Russia's economy, rising social tensions domestically and increasing international frictions. The ruling elite in Russia has apparently determined that it is best to have Putin—who has played the central role in adjudicating disputes among the various factions of the country's oligarchy while suppressing popular opposition—directly in control of the presidency.

The election, to be held on March 4, 2012, will follow parliamentary contests in December of this year. Putin is widely expected to win the race, with Medvedev becoming prime minister.

Putin said he would run for the presidency as a deep recession has become ever more likely. The debt crisis in the Eurozone and the problems of the US economy are sparking turmoil on world markets. Falling energy prices are undermining Russian state finances, which are highly dependent on revenues from oil and gas sales. Rumors of a Greek state bankruptcy and European economic turmoil also confront Russia with the risk of further losses, as trade with Europe makes up a significant portion of its energy sales.

A September 26 article in the *New York Times* pointed to Russia's bleak economic prospects: "Over the next decade, oil output in Russia is projected to be flat, at about 10 million barrels per day. Meanwhile

rising demand for consumer goods will outpace Russia's ability to pay for them, opening a current account deficit by about 2014. Then Russia, like the United States, will rely on foreign lending to finance a trade deficit."

Spiraling food and utility costs are impoverishing the population. According to official government statistics released at the end of September, two million more people entered the ranks of Russia's poor in the first half of 2011. Currently, 14.9 percent of the population is officially poor, up from 12.8 percent in 2010. Meanwhile, the number of billionaires in Russia has increased from 62 to 101, according to *Forbes* magazine.

Growing social inequality threatens to provoke significant popular protests in Russia, as it has throughout the Middle East and North Africa this year. The Russian ruling elite is extremely concerned about what the overthrow of Mubarak and Ben Ali portend for Russia.

In June 2011, 42 percent of the population expressed their readiness to take part in protests in a survey conducted by the Public Opinion Fund. Approval ratings for the ruling party, United Russia, are low: in early October, only 45 percent of respondents indicated they would vote for United Russia in parliamentary elections, according to the Russian Public Opinion Research Center.

Initial signs of social protests looming on the horizon could be seen in the Russian rust-belt town of Pikalevo in 2009, when mass demonstrations erupted over job losses, wage arrears and miserable living conditions. At the time, Putin was called in to calm the situation, which he did with a mixture of populist demagoguery, repression, and the implementation of minimal measures to address protesters' demands.

Particularly in the lead-up to the 2012 elections, the Russian ruling elite determined it was necessary to run

a presidential candidate with populist credentials, which Medvedev lacks in comparison to Putin.

While Putin's reign as president (2000-2008) and prime minister (2008-present) has witnessed the further dismantling of social rights in Russia, it has been done in a carefully crafted manner. This year, Putin oversaw a minimal raise in pensions and opposed calls by Kremlin "liberals" to raise the retirement age. While the vast majority of Russia's pensioners remain destitute, Putin has portrayed himself as sympathetic to ordinary people's concerns, against political figures calling for the implementation of austerity measures.

Shortly after it was announced that Putin would run for president in 2012, Finance Minister Alexei Kudrin declared he would not serve in the next administration because of his opposition to its policies on military and social spending. Within days Kudrin, a vocal advocate of austerity, was forced out of office.

The decision to return Putin to the presidency in 2012 also highlights growing nervousness within Russia over the international situation, in particular Russian relations with the US.

The past several years have seen a *rapprochement* between Moscow and Washington, with Medvedev playing a leading role in what has been called the "reset." In particular, the two countries have cooperated in Afghanistan, with Russia providing NATO forces with access to key supply routes across Russian territory. Russia has also deepened ties with leading US oil companies, part of its plan to boost oil and gas extraction in the Arctic.

Nonetheless, the two countries remain at odds over a number of critical issues. The war in Libya saw open disagreements between Moscow and Washington over the removal of Gaddafi. Russia's objections were rooted in concerns over the fate of Russia's extensive energy interests in Libya, as well as anxiety over the speed with which Gaddafi, who had recently reestablished positive relations with the US and other Western powers, was tossed aside and his rule subverted.

Putin and Medvedev themselves publicly split on the matter. In March, differences arose between the two over whether to veto UN resolution 1973 that paved the way for NATO intervention. Putin advocated a veto, while Medvedev, seeking to appease Washington, carried the day with his position that Russia should

abstain in the Security Council.

Furthermore, there are ongoing differences between Russia and the US on Syria, Palestine and a host of other matters. The scramble for control over the Arctic, which Russia views as a region key to its geopolitical and economic interests, is also a looming flash point in relations between Moscow and Washington. Furthermore, the US-backed "color revolutions" in Ukraine and Georgia, which saw the substitution of regimes friendly to Moscow with those allied to the US, have not faded from the Russian ruling elites' memory.

Even as Medvedev pursued the "reset" with Washington, Putin continued to make critical statements about US policy. Putin's return to the presidency in 2012 signifies a reassessment on the Kremlin's part of its *rapprochement* with the White House, and renewed concerns over conflicting interests between the two countries.



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