Russian Prime Minister Putin appeals to middle-class protesters

Clara Weiss 24 January 2012

Russian Prime Minister Vladimir Putin presented his election program in an article published January 16 in the Russian daily *Izvestia*. In the article, which Putin describes as "an invitation to [a] dialogue," he appeals to the predominantly middle-class protesters who took to the streets in December to demonstrate against alleged vote-rigging in that month's parliamentary elections. Warning of a revolution, Putin promises these layers a stronger position in the economy and society.

The opposition has announced another major rally for February 4. After the protests of December 24, the organizers were anxious to give the Kremlin time to respond and offer concessions so as to avoid a serious political confrontation that could draw the working class into struggle. Alexey Kudrin, a former finance minister and close confidant of Putin, had proposed to act as mediator between the government and the opposition. So far, however, his talks with opposition leaders have failed to bring any results.

Last Wednesday, Putin announced that he wanted to meet with representatives of the opposition parties, particularly the writer Boris Akunin and the journalist Dmitry Bykov. Both have repeatedly stressed their desire to keep the protest movement peaceful.

In his article, Putin states: "A recurring problem in Russia's history is the desire of part of the elite to take a leap towards a revolution, rather than work for sequential development." He then proposes to have a discussion on the future of Russia after the election.

Suggesting that one of the main developments of the past ten years was the emergence of a middle class, he writes that "the middle class must continue growing." Putin vaguely outlines a new economic model that would not be based on the export of oil and gas, but on a strong middle class, without explaining how this

should be achieved in the midst of a deepening economic crisis.

He states: "The economy must be built in a way that citizens with high education and aspirations can find a worthy place in it," and promises to create 25 million well-paid jobs for people with higher education and for skilled workers.

The appeal of Putin is driven by his fear of losing the support of the urban middle class in the run-up to the presidential elections, to be held March 4. In earlier statements in December, Putin dismissed the protesters, rudely rejecting their demands for new parliamentary elections.

The middle classes have been the main social prop of his régime so far. However, a large section of the middle class is sinking into poverty and is infuriated over corruption and the lack of democracy. The protest movement that emerged in the aftermath of the parliamentary elections of December 4, alleged to have been rigged by the regime, signals a significant shift in the political climate in Russia.

Russia is under pressure because of the preparations of the US and Israel for wars in Syria and Iran that could spark a regional conflagration, potentially drawing in both Russia and China.

Outlining the crisis in both domestic and foreign policy, Putin writes in his article: "It should be acknowledged that the scale of today's global imbalances is such that they are unlikely to be eliminated within the current system... Generally speaking, what the world faces today is a serious systemic crisis, a tectonic process of global transformation. It is a visible manifestation of transition to a new culture, a new economic, technological and geopolitical era. The world is entering a zone of turbulence. And, naturally, this period will be long and

painful. There is no need to harbor any illusions here."

Preparing for major attacks on the living standards of the working class, the government needs the support of middle-class layers to push through its anti-working class agenda. In a national TV appearance in December, Putin signaled the possible implementation of a pension reform that would increase the retirement age and dramatically reduce pensions. This has been a long-standing demand of the liberal opposition that has dominated the protest movement.

In his preliminary election program, which was published on January 12, Putin suggested a probusiness agenda, advancing as its main goals the encouragement of investment, "modernization" of the economy, and the guarantee of "entrepreneurial freedoms, above all, the defense of private property against any and all attacks."

Despite hollow promises to improve the living standards of the general population, Putin's program is a warning that the ruling elite will continue to make the working class pay for the economic crisis while facilitating the criminal activities of the oligarchy.

Putin is facing growing popular discontent in Russia. His approval ratings fell continuously throughout 2011, dipping by another 9 percent to 51 percent in the two weeks after the parliamentary elections. Although the percentage of those planning to vote for him in the presidential election has increased by 6 percent to 48 percent in the past six weeks, it remains uncertain if he will be able to win the presidential election in the first round.

When Putin's campaign web site was opened to bloggers last Thursday, it was soon swamped with comments demanding his resignation. The web site was quickly shut down and opened again after a couple of hours with the critical commentaries deleted.

Russia has been hit hard by the economic crisis, with social tensions nearly reaching the boiling point. According to the government agency *Rosstat*, poverty increased by 6.3 percent between January and September 2011 compared to the same period in 2010, reaching 14.3 percent of the population, or 20.2 million people. The real numbers are likely much higher.

The Russian economy remains extremely vulnerable to any fluctuation on the world markets as it largely depends on oil and gas revenues. Last week, the rating agency Fitch downgraded Russia's creditworthiness from "positive" to "stable," citing the global economic slowdown and political instability in Russia.

While gross domestic product (GDP) growth in 2011 was moderate at 4.2 percent, capital flight from Russia more than doubled in comparison to 2010, reaching \$84.2 billion. In the fourth quarter of 2011 alone the amount of capital withdrawn was \$38 billion. As a result, the overall balance of payments deteriorated in the first half of 2011, despite high oil prices, according to the World Bank Report of September 2011.

The World Bank also noted "a broad-based slowdown in economic activity during Q2 2011," with growth grates in manufacturing, construction, transport, and wholesale as well as retail trade dropping significantly.

Last week, Putin warned that the year 2012 would be even more difficult than 2011, given the increasing probability of a global recession. At the end of last year, Deputy Finance Minister Sergei Storchak highlighted the risk of a recession in Russia, advising people to "hurry up and live."

Pointing out the deepening economic and political crisis in Russia, Vladimir Nazarov wrote in the daily *Vedomosti*: "A pre-revolutionary situation has developed in Russia, with the government incapable of solving a whole bundle of contradictions in a divided society... As a result, it is only a matter of time until the further de-legitimization of the Russian leadership coincides with another wave of the world economic crisis, and then we will have the classical Leninst formula of revolution: the elite can't, and the others don't want."



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