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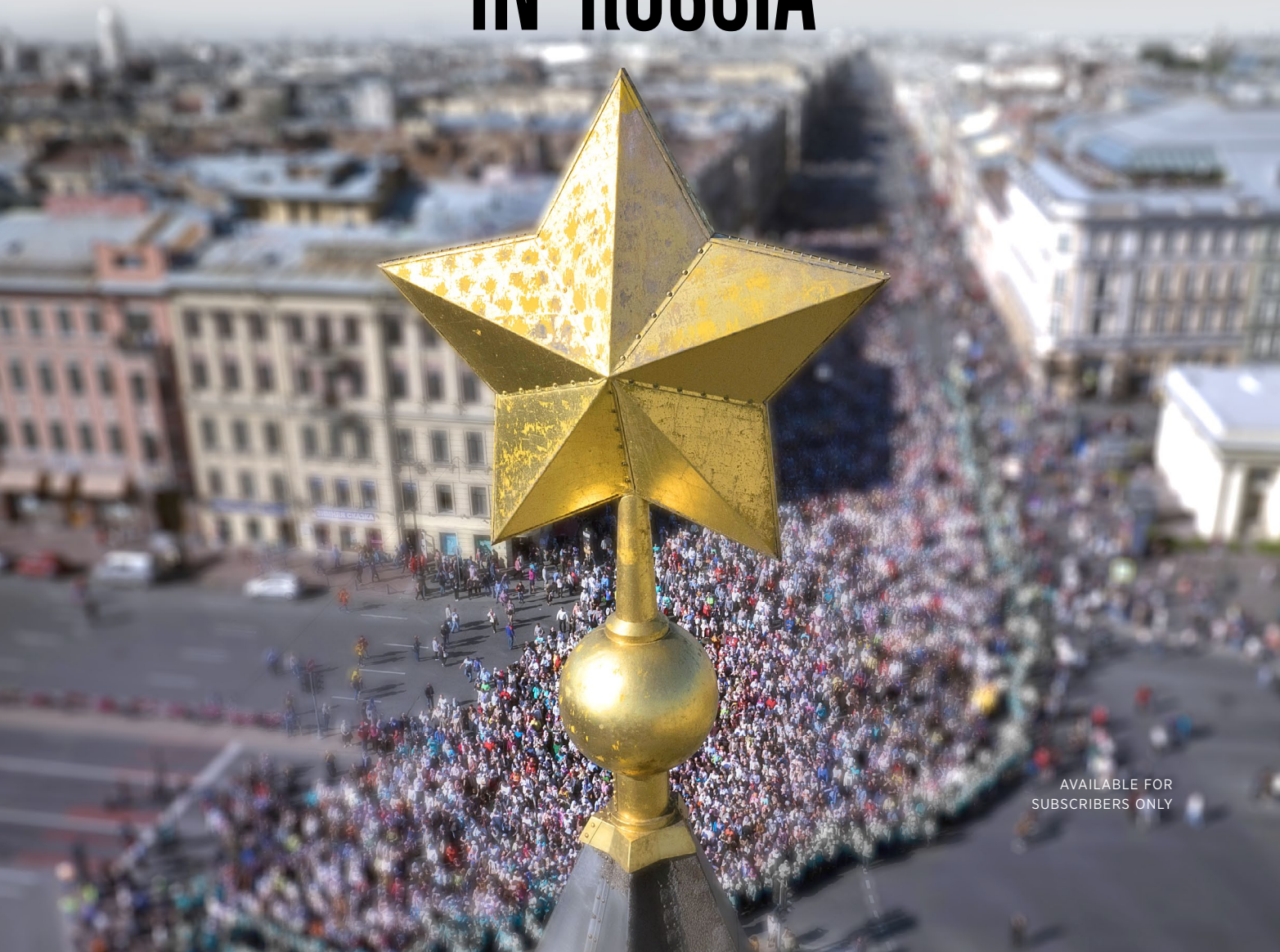
DECODING SOCIAL TRANSFORMATIONS IN RUSSIA



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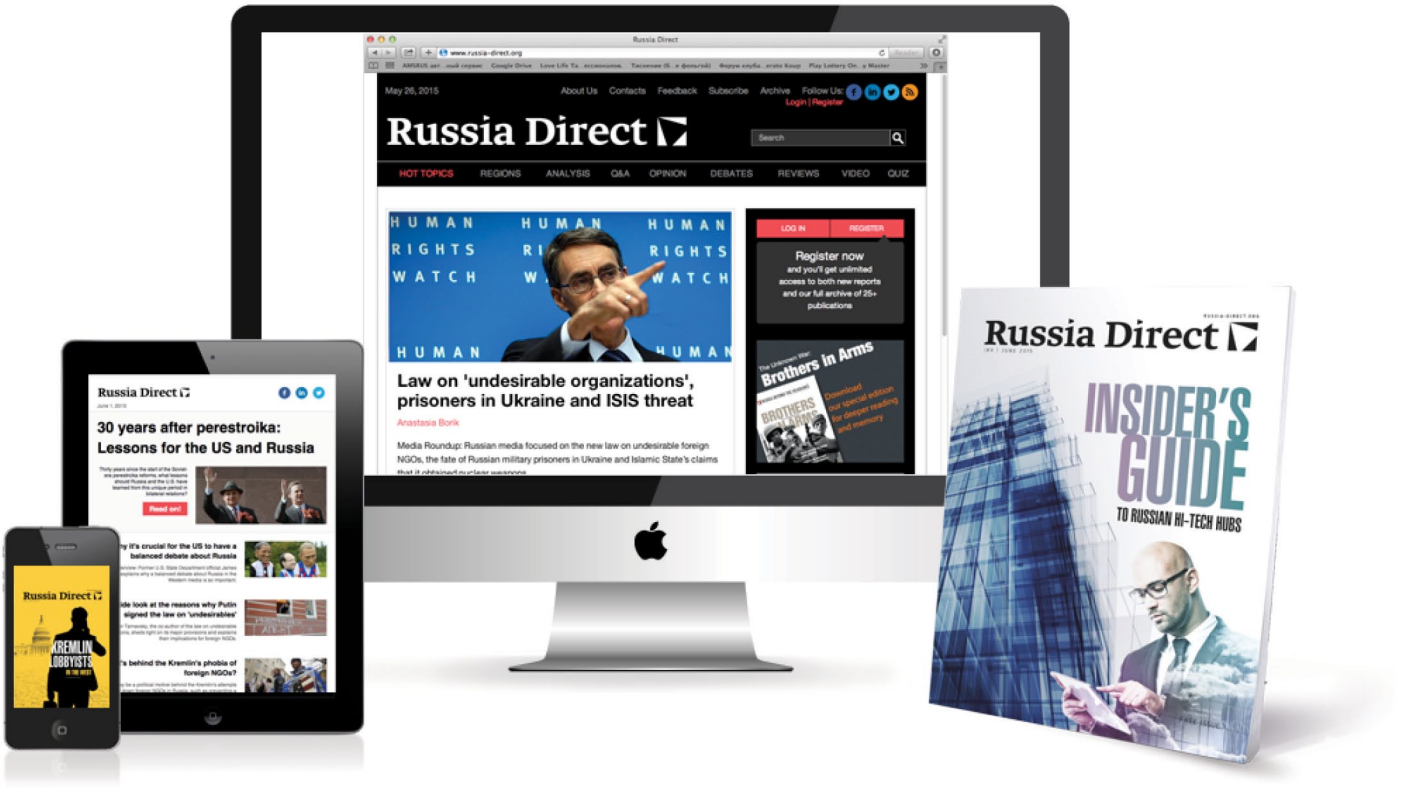

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CONTENTS

EXECUTIVE SUMMARY

In this new RD report, we take a closer look at the political, economic and social transformation that has occurred in Russia over the past 18 months. While many of these changes had already been in process before the start of the Ukraine crisis, the events in Crimea and Donbas have given them even greater momentum and integrated them into the broader foreign policy debate that is taking place within Russia about the future of the nation's relationships with both Europe and Asia.

Most notably, Russia has experienced a political transformation, led by a new emphasis on conservatism in the national political debate. In addition, Russia has experienced transformation in the socio-economic sphere, driven by factors such as the new influx of Ukrainian migrants from the conflict zone and the country's deteriorating economic condition brought on by sanctions and falling oil prices.

The report considers to what extent these transformations have been encouraged and managed by Russia's political elite, and to what extent they have organically appeared as the result of longer-term political, social and economic factors that were set into motion by the collapse of the Soviet Union in 1991.

FROM THE EDITOR

INSIDE RUSSIA'S SOCIAL TRANSFORMATION

The transformations in Russian society in recent years have been striking and in many ways paradoxical, especially in the context of the Ukraine crisis and Crimea. Despite the biggest fall in income since 1998, Russians show a high level of optimism about the future, and President Vladimir Putin's approval ratings have skyrocketed. While transitioning from the "fat 2000s" to the current economic downturn caused by low oil prices and Western sanctions, Russian society went from the "white ribbon" protest movement of 2011-2012 to political indifference and civic apathy.

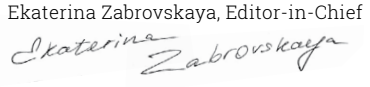
Can this all be explained by domestic propaganda and the authorities' grip on public debate? How genuine are these approval ratings and where are they coming from? This Russia Direct report draws a much more complex picture than presented in the mainstream media and comes to unexpected conclusions.

In the first part of the report, Svetlana Bardina, Victor Vakhshtayn, and Pavel Stepantsov look into the reasons behind the surprising optimism of Russians during a period of crisis. Ivan Tsvetkov then takes a deeper dive into the ideological transformation taking place in Russia today. His main focus is on the so-called "conservative revolution" that drives Russians further from the West. Vasil Sakaev examines the influx of refugees from Ukraine and tries to predict the upcoming social dynamics of this new challenge, while Yuri Korgunyuk looks into the main divides in Russian society in an effort to predict further social unrest.

Finally, this report features an interview with Andrei Kolesnikov of the Carnegie Moscow Center as well as analysis of the latest public opinion numbers reflecting the hopes, fears and aspirations of Russia's population.

I hope you will enjoy this thought-provoking report. Please do not hesitate to reach me directly at **e.zabrovskaya@russia-direct.org** with your questions or suggestions.

Ekaterina Zabrovskaya, Editor-in-Chief



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IVAN TSVETKOV is an associate professor of American Studies in the International Relations Department of St. Petersburg State University. He is an expert in the field of historical science and contemporary U.S. policy and U.S.-Russian relations. Since 2003, he has been the author and administrator of the educational website "History of the United States: Course Materials" (http://ushistory.ru). | **Page 14**

VASIL SAKAEV is an associate professor in the Institute of International Relations, History and Oriental Studies at the Kazan Federal University. He is also a member of the International Studies Association (USA), and a member of the Russian Association of Political Science. Sakaev has authored more than 50 publications on demography and migration trends in Russia and abroad. | **Page 24**

YURI KORGUNYUK, Ph.D. in History, Doctor of Political Science, is the head of the Political Science Department at the Moscow-based Information Science for Democracy (INDEM) Foundation. Since 2012, he has been chairman of the Scientific Council for the Comparative Study of Party and Electoral Systems at the Russian Association of Political Science. Korgunyuk is the author of numerous publications on the Russian political system and domestic politics. | **Page 26**

EPA/VOSTOCK-PHOTO

RUSSIAN OPTIMISM IN A TIME OF CRISIS

Despite the economic downturn, a mere 9 percent of Russians assess the situation in the country as being negative. What is the reason for this paradox?

BY SVETLANA BARDINA, VIKTOR VAKHSHTAYN, PAVEL STEPANTSOV

According to virtually every sociological research center, 2015 has become a year of economic hardship for Russians. Yet, even with a visible decline in incomes, Russians continue to evaluate the situation in the country and their personal prospects quite positively. That is the paradoxical conclusion that can be drawn from the results of the recent public opinion surveys.

SIGNS OF ECONOMIC OPTIMISM

According to a recent survey by the Russian Public Opinion Research Center (WCIOM), no more than 9 percent of the population assesses the current situation as being "bad" or "awful." An overwhelming majority of the respondents believe that things are "normal" or "good." As

they assess the situation in the country as a whole, almost half of the respondents say that things are going the right way.[1]

The economic optimism index computed within the study "Russian barometer" is also quite high. Almost 50 percent of the respondents believe that the following year will turn out better for them than this one, while only 16 percent expect the next year to be worse.[2]

For all that, the real income level of the population has been declining since October 2014. According to the Russian Federal State Statistics Service (Rosstat), although nominal salaries have grown a little compared to the past year, the population's real income (calculated with regard to mandatory payments and inflation) dropped by 9 percent in July 2015.[3] Economists point out that such a reduction in income has not been recorded since 1998.[4] Over 50 percent of the population has started saving when shopping.[5]

A positive assessment of the situation does not at all mean that Russians are not aware of the problems in the economy. According to the latest numbers of "Russian barometer," 45 percent of Russians have noted a change for the worse in their personal financial position. The proportion of those who consider that the economic situation in the country has changed for the worse over the past year is as high as 70 percent.

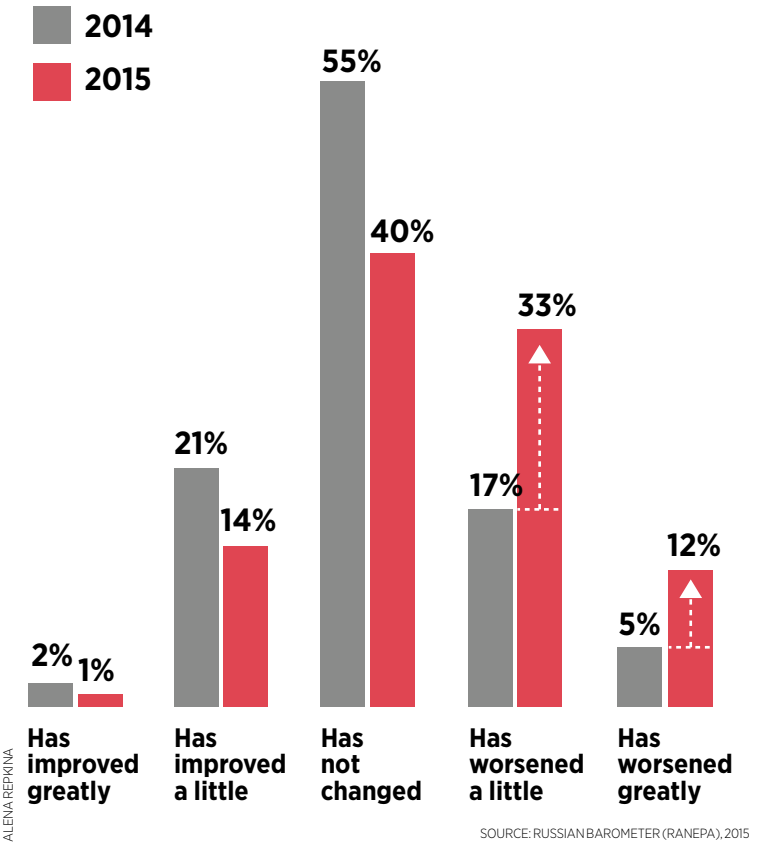
According to a survey by the Public Opinion Fund, over half of Russians believe that they have been severely affected by the change in the ruble exchange rate. Moreover, almost every third respondent admits to having been anxious recently about the deterioration of the ruble exchange rate.[6]

Also, there has been a drop in the consumer confidence index, which reflects the population's attitude to the recent developments as well as to the potential changes in their own financial position, the economic situation in the country and conditions for making purchases. It dropped by 11 points in the fourth quarter of 2014, and by 14 points in the first quarter of 2015.[7]

A paradoxical situation has emerged. Despite running up against real economic hardships, a considerable proportion of Russians retain optimism about their future. This is in contrast to the global trends.

A comparison with the "Eurobarometer" survey data regarding the countries of the European Union shows that Europeans' evaluation of the economic situation in their countries is closely linked with their expectations about their personal welfare. The population's opinion of the economic situation is more negative in Russia than in the European countries while the proportion of optimists in Russia is double than that of the EU.[8]

How has the financial position of your family changed over the past year?



ALENA REPKINA

SOURCE: RUSSIAN BAROMETER (RANEPA), 2015

[1] *Russian Public Opinion Research Center (WCIOM). Press release No. 2896, August 5, 2015. http://wciom.ru/index.php?id=236&uid=115341.*
[2] *Russian barometer. Russian Presidential Academy of National Economy and Public Administration, 2015.*
[3] *Russian Federal State Statistics Service. Preliminary data for July 2015. http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/ru/statistics/population/level/.*
[4] *"Bednost ne porog" ("Poverty is not a threshold"), Kommersant, July 20, 2015. http://www.kommersant.ru/doc/2767503.*
[5] *Russian Public Opinion Research Center (WCIOM). Press release No. 2908, August 18, 2015. http://wciom.ru/index.php?id=236&uid=115356.*
[6] *Public Opinion Fund, August 21, 2015. http://fom.ru/Ekonomika/12287.*
[7] *Russian Federal State Statistics Service. May 2015. http://www.gks.ru/bgd/free/b04_03/Isswww.exe/Stg/d05/66.htm.*
[8] *Public Opinion in the European Union. Standard Eurobarometer 83, spring 2015. http://ec.europa.eu/public_opinion/archives/eb/eb83/eb83_first_en.pdf.*

TWO MODELS OF BEHAVIOR UNDER CRISIS

The paradox can be explained in the following way. People's confidence in their future depends directly on how they assess their ability to adapt to economic hardships. If the economic situation is deteriorating from one day to the next but a person has the resources to improve their position (even if the resources are not used currently) their view of things tend to be positive.

Russians respond to the economic crisis in various ways. Some seek an additional source of income (or at least plan on doing so in the nearest future), or try to get an additional education and improve their position at work. Exactly those people are the greatest optimists. By contrast, another group switches to new behaviors that encourage saving.

Curiously, these two groups practically never overlap: Those who strive to improve their financial position are not going to reduce their expenses even if their attempts to improve their situation have not been successful so far.

The choice of strategy depends directly on the assessment of one's prospects in the labor market. If a person believes that, if dismissed, they will find a job no worse than the current one, they tend to favor an active behavior model.

EXPLANATION OF THE ECONOMIC OPTIMISM PARADOX

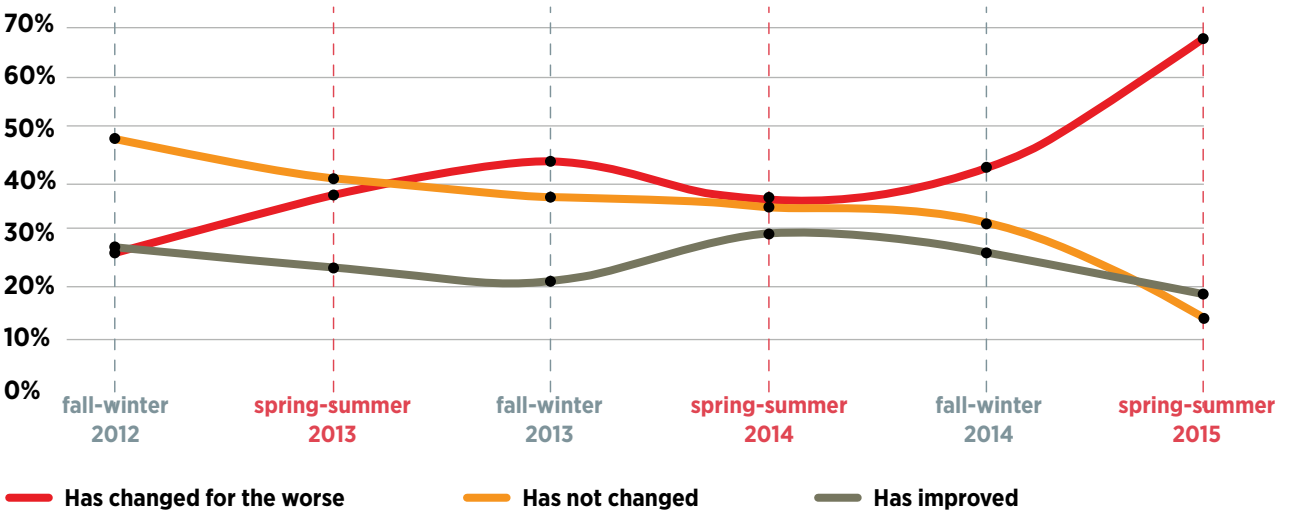
However, the Russian labor market has its peculiar features. The success in getting a job is determined primarily by one's informal contacts. The most efficient and popular way of finding a job is through personal connections. Almost half of all Russians find a job with the help of relatives or friends, while 20 percent do that by applying directly to the employer.

As a consequence, the more acquaintances one has, the easier it will be to find a new job, if the need arises. Also, the presence of a large number of acquaintances increases one's chances of getting a promotion or a raise in salary. The data by the "Russian barometer" indicate that individuals that have over 100 active social contacts get promoted twice more often than those with less than 25 active contacts.

For that reason, studying the dynamics of the population's social capital helps explain a paradox of a high level of optimism under a situation of crisis. Within the study "Russian barometer," the amount of social contacts in the population has been measured since 2012. Social ties can be "weak" or "strong."

"Weak ties" refer to acquaintances, pals, and work colleagues, while "strong ties" exist between people who are ready to come to each other's help when

Public view on the changes in the country's economic situation in 2012–2015



ALENA REPKINA

SOURCE: RUSSIAN BAROMETER (RANEPA), 2015

> "Loyalty [of Russians] in exchange for stability was the [old] social contract that had been based on the previous global situation and high oil prices. Yet the new social contract – self-restraint in exchange for the feeling of belonging to a great power – should be nurtured either by military victories or ostentatious projects."
>
> **Alexander Auzan, dean and professor at the Moscow State University's Faculty of Economics**

necessary. Most often, "strong ties" refer to relatives and close friends.

A considerable growth of the amount of social contacts has been observed in Russia in recent years. From 2012 to 2014, the number of people whose support an average Russian can rely on doubled, from four to eight, while the number of acquaintances increased almost one and a half times, from 25 to 37.

Over the past year, the growth of the number of acquaintances has stopped, and some insignificant reduction in the number of acquaintances and friends has occurred, the figures returning to the levels of 2014. This could be attributed to the fact that the crisis has affected the ways people spend their spare time, leading to the shrinking of channels used to seek new acquaintances.

The dynamics of optimism correlates with the amount of social links. The level of well-being of the population has dropped greatly, but the amount of active social links remains rather high. Having a large number of acquaintances makes one confident that any difficulties that may be coming will be overcome. If one loses their job, a new one can be found using a wide network of contacts, and if a temporary distress happens, some money can be borrowed from friends.

Thus, it turns out that the main resource for solving problems and overcoming difficult life situations is a wide network of personal contacts. This has a significant impact on the population's behavior strategies and trust patterns.

RUSSIA'S UNIQUE CULTURE OF TRUST

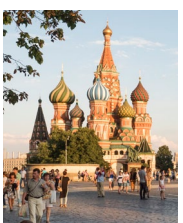
Social ties imply relations of trust. The conventional wisdom is that the indices reflecting the level of people's trust in acquaintances and strangers, institutions and society as whole are all interrelated. Thus, a study within the World Values Survey (WVS) indicates that the more a person is inclined to trust their immediate circle, the more likely they are to believe that strangers and representatives of official structures are also trustworthy. However, some research data indicate that things are essentially different with Russians.

As indicated by international research, Russia is among the countries with a low generalized trust level. In particular, the research conducted by the ASEP/JDS shows that Russia belongs to the category of countries whose inhabitants are inclined the most to distrust those around them.[9]

Russian's trust index has a value of 55 points. The group of countries whose inhabitants are even more distrustful includes only Brazil, Turkey, Malaysia, Indonesia, Cambodia and some African countries. About the same level of trust as in Russia is observed in most countries of Latin America and many countries of Eastern Europe.

By comparison, this index is 85 for Canada, 120 for China, and 148 for Norway. Therefore, it is evident from the data of recent research of the Russian population in comparison with the trust index in other countries, Russia is not among countries whose population is characterized by a high general level of trust.

The trend of suspicion towards strangers is confirmed by the data obtained in the research, "Russian barometer." Thirty-seven percent of Russians respond negatively to a request by a stranger in the street (such as a request to look after the bags or give some money). Moreover, about 40 percent of Russians report that they are afraid to walk alone in their neighborhood at night, 4 percent are afraid to go out even in the daytime, and 27 percent say that the streets of their city "are not safe." All that indicates that the basic attitude towards those around can be characterized as suspicious.



ALSO READ

More analysis on Russian conservatism and social trends at www.russia-direct.org/tags/society.

[9] *Jaime Diez Medrano. "Interpersonal Trust", ASEP/JDS. http://www.jdsurvey.net/jds/jdsurveyMaps.jsp?Idioma=I&SeccionTexto=0404&NOID=104.*

Still, more detailed research looking at different types of trust attitudes reveals that the comparatively low trust level is combined with quite high indices of trust towards familiar people. Only 2 percent of Russians report that they are not ready to trust those around with whom they maintain some sort of relations: close or distant relatives, acquaintances, friends, or colleagues.

For that reason, a rather unusual situation exists in the Russian society. Those who have a large network of contacts and trust the people within that network are not inclined to trust government institutions, strangers or representatives of the official authorities.

This trend can be illustrated by region-specific material. The lowest generalized trust level is observed in the residents of the Republic of Dagestan in the south of Russia. Thirty-two percent of Dagestanians believe that most people can be trusted. In the whole of Russia, 40 percent share this opinion. Yet, it is the residents of the region that are the most communicable and have the highest social capital. Twenty-five percent of Dagestanians know at least 20 people who are certain to come to their help in a difficult situation, which is 4 times the country average.

This phenomenon is due to the fact that the inhabitants of Russia attach great importance to intra-group ties: people trust their contacts within their "network" while being suspicious of outsiders.

RUSSIAN ATTITUDES TO OFFICIAL INSTITUTIONS

A similar trend works for trust in institutions. People who have a lot of social contacts do not trust as often the official institutions (health care, law and order, etc.) This is due to the fact that the high level of social capital enables them to compensate for the ineffective operation of the institutions in various spheres, which is all the more evident in a time of crisis.

This can be exemplified by the situation that exists in health care. Most Russians are not inclined to trust official medical options. According to a survey by "Russian barometer", 47 percent of the respondents prefer self-treatment when they have a not-very-serious illness for which they use advice from friends and relatives, or else recommendations found on the Internet.

Even if a person faces a serious illness, turning to the local clinic still does not seem an optimal choice; instead, a private clinic is preferred. However, this choice is not universally affordable. For that reason, among the responses to the question on what to do in the event of illness, such pessimistic statements were recorded as "I'll be praying," "I'll not turn to any institution as we don't have anything, there's nobody to turn to," "you can't but hang yourself," "those services are a terror to use," "I won't be seeing any doctors."

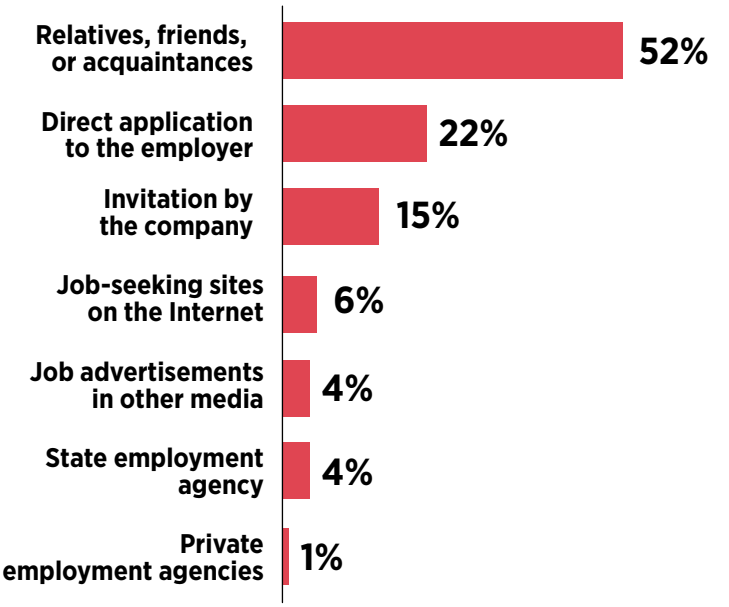
In the situation where "official medicine" does not inspire trust and private medicine is inaccessible for its high prices, the only solution for many is to turn to a familiar doctor. Many consider it the most appropriate thing to do, no matter whether the familiar doctor works in a private or public clinic.

Turning to a familiar doctor is a choice that is practically unrelated to the respondent's income. People resort to it regardless of their financial resources. Thus, this option is appealing both to those who can afford visiting a private clinic and to those for whom turning to a familiar doctor is the only alternative to the official, free medicine.

The popularity of this option is due to the specific character of trust attitudes in the Russian society. A considerable part of the population distrusts official institutions and their impersonal representatives.

At the same time, the mere fact of familiarity (although it does not help evaluate the professional

Top channels for finding a job in Russia (survey data)



ALENA REPKINA

SOURCE: RUSSIAN BAROMETER (RANEPA), 2015

There were 88 dollar billionaires in Russia as of February 2015. Together, they held assets worth 34 percent of Russia's GDP (by way of comparison, the value of assets held by 537 billionaires in the U.S. was just below 14 percent of U.S. GDP). In addition, the average salary, if converted to U.S. dollars, decreased from May 2014 to August 2015 by 43.5 percent, while the number of people earning less than the minimum living wage amounted to 22.9 million people (16 percent of the Russian population).

Notwithstanding Russia's position among the leading countries with the highest number of rich people (even though the country has fallen from 2nd place to 6th place), the social welfare system in Russia defies the imagination: the minimum unemployment benefit in 2015 was 860 rubles ($13) per month, the child care benefit — 2,576 rubles ($39) per month, etc. These indicators are 12-16 times less than, for example, in France (where the number of billionaires is two times less than in Russia).
Source: Slon Magazine, Vladislav Inozemtsev

competence of a specialist) becomes a sufficient reason to use the services of the same person.

It is curious also that, when defining criteria for choosing a medical institution, Russians most often mention "recommendations from friends," friendly advice playing a decisive role for 40 percent of the population. "Professional competence" was far less often cited as a key factor.

The main resource that enables one to use the services of a familiar doctor is the amount of social ties. The chances that turning to a familiar doctor will be a person's preferred strategy depend directly on the size of their social capital. The proportion of those who choose this option increases, almost 7 times, with the increase in the amount of "weak connections."

With the growth of "strong ties", this characteristic grows as well, but not as markedly. Obviously, the reason is that, in that case, the diversity of the contacts is more important than their closeness. A familiar doctor does not have to be a close friend who can be relied on. However, the availability of a wide circle of contacts increases the likelihood of being familiar with a doctor or with someone who can recommend a specialist.

44%

of Russians believe they can provide for themselves and their family without the state support, according to the Russian Academy of Sciences.

RUSSIAN SOCIETY'S 'DISTRUST LOOP'

As a result, a curious situation arises which can be thought of as a "distrust loop." Suppose your circle of contacts grows, incorporating finally "your own" doctor, "your own" teacher, "your own" policeman, etc. You go to a familiar doctor because you trust them rather than the health care system as a whole. Suppose the familiar doctor is able to solve your problem and give you real help. Are you going to trust more the health care system as a result? No. You are going to have still greater trust in "your own" doctor and still greater distrust of the clinics.

Suppose now that the familiar doctor is not able to help you or gives you inadequate help. Are you going to trust them less? In part, yes, you are. At the same time, the health care system is going to instill even greater distrust in you now. In other words, it is a negative-sum game for the health care institutions.

Whatever the outcome of your visit to the familiar doctor, you distrust of the clinic will grow.

This effect strengthens the popular conviction that the state institutions are ineffective, since help is received thanks to the network of connections. The fact that sometimes the person formally uses the services of the state medicine is not taken into account. In Russia, trust in institutions and trust in people are reversely proportional to each other.

A similar situation can be observed with regard to other institutions. People who have a wide network of connections tend to use it to solve most of their problems. Socially active people can easily borrow a large sum of money from their friends, if necessary. As a consequence, they are comparatively rare users of bank services. Most often, those who open a deposit account with a bank have less than 10 active contacts.

With the increase in the amount of connections, this number falls 1.6 times. Those who have a lot of acquaintances can effectively seek a job using their personal connections. The demand for the services of official employment centers is the least in this group. People who expect that their economic future will be secured by a large number of acquaintances tend to believe that the official pension system is an ineffective means of providing for old age.

DISTRUST OF INSTITUTIONS IS THE REVERSE SIDE OF PUBLIC OPTIMISM

Situations when a person solves certain problems relying on their network of personal contacts have twofold consequences. On the one hand, the trust networks are aimed at correcting the ineffective operation of the official institutions, similar to the late-Soviet "blat" (string-pulling). People are not trying to replace the system of education, health care, or law and order with informal mechanisms.

Still, in some cases, the networks of personal contacts act as an effective compensatory mechanism when an official institution is unable to satisfy the needs of the population. Thus, the institution's functions get shifted partly onto the person's circle of acquaintance and are carried out by other agents.

On the other hand, the use of personal connections impacts negatively the popular attitude to official institutions. People get the impression that the official mechanisms cannot be effective in solving serious problems. In sum, on the one hand, the networks of informal contacts complement and support the operation of the institutions, while on the other hand, they contribute to the general decline of institutional trust.

On the one hand, the networks of informal contacts complement and support the operation of the institutions, while on the other hand, they contribute to the general decline of institutional trust.

AP/EASTNEWS

This is confirmed by the fact that the level of trust in the formal institutions falls with the growth of social capital. For example, the level of trust in the local authorities does not exceed 10 percent among the group of those having a large amount of "weak ties" (over 100 contacts), while it reaches 22 percent among those with few contacts. The reason is that a wide network of contacts can be used effectively to solve the problems that belong to the competence of local authorities, and such instances convince people of the poor performance of the institution.

Thus, the high level of optimism has a reverse side in the growth of institutional distrust. The crisis in the economy strengthens this trend. People are aware of the negative processes under way in the country's economy but they do not tend to associate these developments with their personal situation as they are used to solving their problems by working through informal channels. The positive view of one's own prospects impacts the assessment of the situation on the whole.

PUBLIC TRUST IN THE RUSSIAN PRESIDENT IS AN EXCEPTION

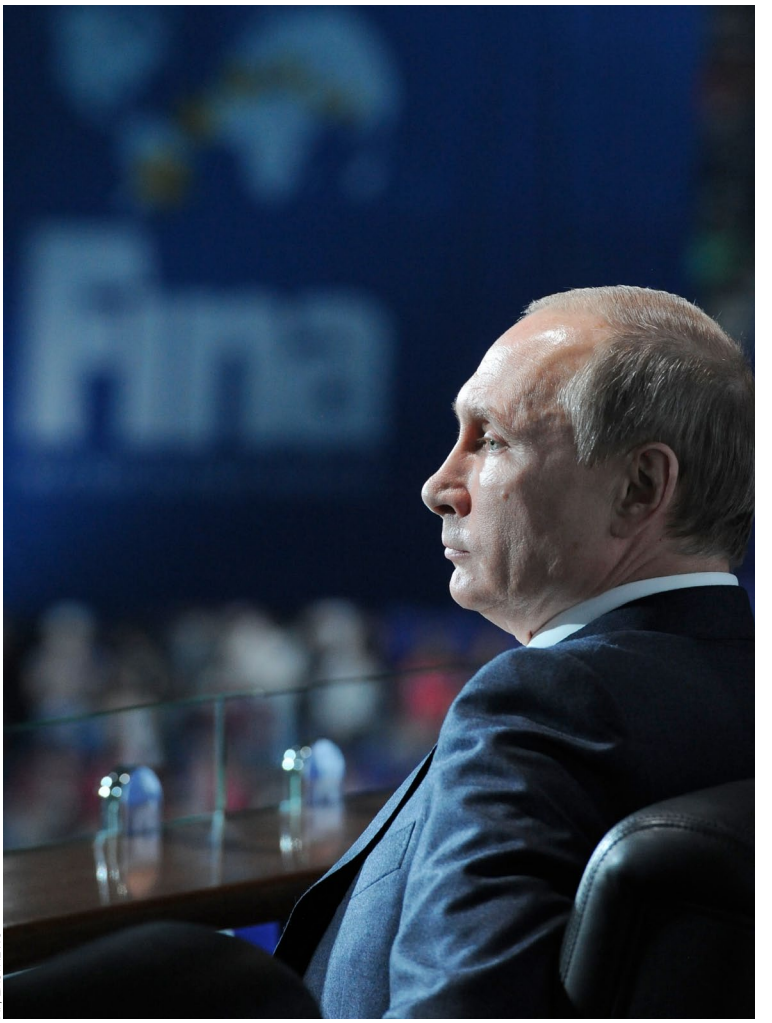
For all that, the low level of institutional trust does not extend to the bodies of highest governing power. As indicated by surveys, the rating of trust in the president has not dropped below 83 percent in the current year.[11]

At the same time, the invariably high level of trust in the president goes along with a low level of trust in the other governmental structures. The comparison of the relative levels of trust in the official institutions (from the local outpatients' clinic to the tax inspection) shows that people's trust is the lowest in those of them with which they come in contact the most often.

This trend contrasts with the pattern of institutional trust in European countries. According to the data of the European Social Survey, the greatest trust is enjoyed by the police and judicial system, while Europeans are less inclined to trust separate politicians.

This is due to the trend that was described earlier. The day-to-day interaction with various institutions and their representatives, instances of their ineffective operation means that they resort to informal connections — all that results in the reduction of the level of trust in those institutions. However, this effect does not cover the attitude to the government, and the president in particular, because people do not interact directly with those institutions and cannot substitute for their operation with resources created through personal connections.

In sum, the extremely low evaluation of the work of the formal institutions and the dissatisfaction with their operation does not extend to the assessment of the situation in the country as a whole. The problems that arise are associated with separate formal structures. The confidence that all the difficulties will finally be solved through personal connections lies at the basis of this paradox: high optimism against a backdrop of falling incomes and worsening future economic prospects.



AP/EASTNEWS

69%

of the public think that the changes happened over the past year are for the worse, according to the Russian Academy of Sciences.

[11] *Levada Analytical Center. "Avgustovskiye Reitingi Odobreniya i Doveriya" (August approval and trust ratings), August 26, 2015. http://www.levada.ru/26-08-2015/avgustovskie-reitingi-odobreniya-i-doveriya.*

UNDERSTANDING RUSSIA'S IDEOLOGICAL TRANSFORMATION

Given the ideological transformation that has taken place in Russia after Crimea, the West should rethink its strategy towards Russia to better deal with the new priorities of the Kremlin's leadership.

BY IVAN TSVETKOV

AP/EASTNEWS

Since the incorporation of Crimea, Russia has been undergoing a radical political transformation. The changes in the country's foreign policy are striking, although an overarching strategy is not easily discerned beyond the façade of abrupt turns and resolute new policy initiatives.

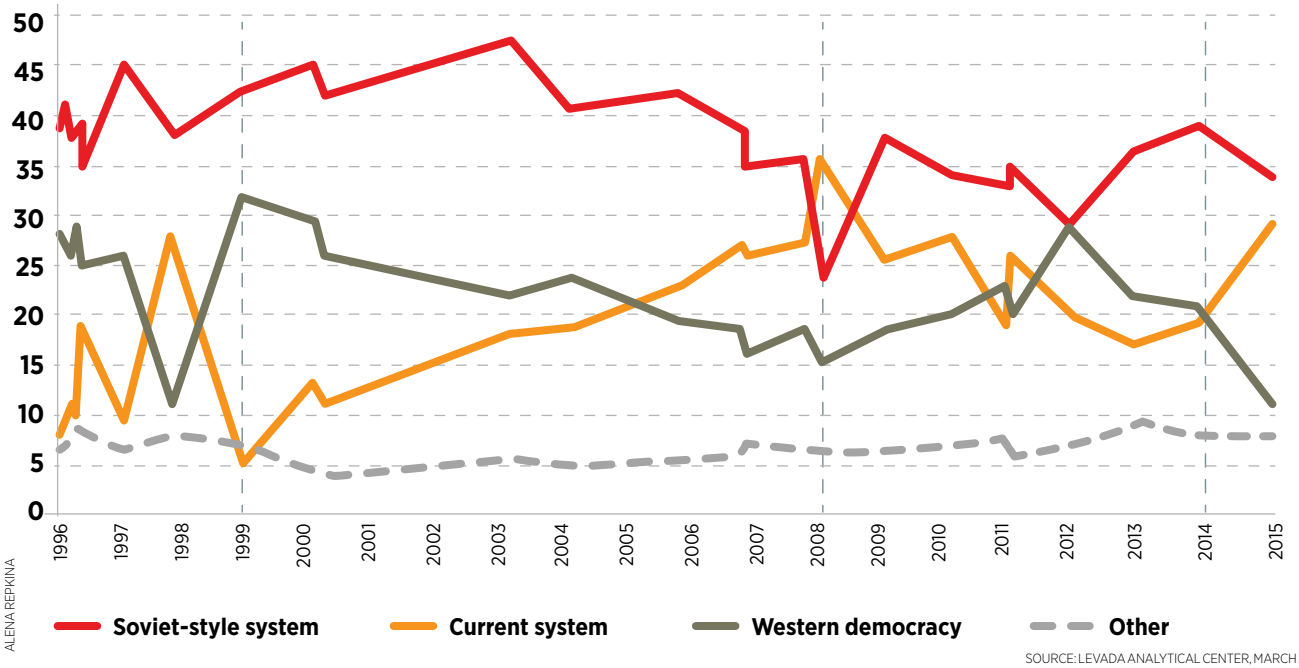
The decisions taken by the Kremlin in response to the sanctions and external pressure from the West are for the most part nothing but a forced reaction and cannot be regarded as the foundations of Russia's behavior. Once the pressure is gone, the foreign policy priorities will change.

Of a far more substantial nature are the changes in domestic policy and ideology since it is those changes that are capable of changing radically the nature of Russia as a subject of international relations by forming new priorities and setting guidelines in terms of ideology and social values for decades ahead.

While today's international behavior of Russia depends to a great extent on the decisions made by President Vladimir Putin personally, the future of the Russian foreign policy agenda depends more on the general trend of the country's internal development than on any one individual.

In the final account, it is this internal development that will create conditions for the transition of power into other hands and set limits for

Public opinion poll: What political system do you think is the most suitable for Russia? (%)



ALENA REPKINA

SOURCE: LEVADA ANALYTICAL CENTER, MARCH 2015

Russia's foreign policy ambitions abroad. As can be seen from the example of the Ukraine crisis, these ambitions can be frightening to some and inspiring to others.

KEY EVENTS IN THE CONSERVATIVE TRANSFORMATION OF RUSSIA

The incorporation of Crimea, together with the events that followed, have strengthened the conservative trend in Russia's domestic policy, which became evident already in 2012, at the beginning of Putin's third presidential term.

Over the past few years, a genuine conservative transformation has occurred in the country. Liberal ideology and its proponents have been finally discredited. The few liberal government officials who have retained their posts owing to their membership in Putin's team of the early 2000s turned into humble technocrats devoid of all political claims.

Figures that a mere few years ago could only have been categorized as elements of the political fringe have grown into major players in the political arena. Examples include Vitaly Milonov, a member of the Legislative Assembly of St. Petersburg, who sponsored a ban on homosexual propaganda, as well as Duma members Irina Yarovaya, Elena Mizulina and Yevgeny Fyodorov.

Vying with each other, these individuals have put forward bills on various bans and restrictions. In addition, they advanced often far-fetched theories about insidious intrigues by the West against Russia.

It is not about some marginal political group, either. In a recent article published by Rossiyskaya Gazeta, Sergey Naryshkin, the speaker of the State Duma and the fourth highest-ranking person in the governmental hierarchy, discoursed in earnest of the U.S. preparing "bandit provocations" in August 2015 with the purpose of annihilating competitor states capable of jeopardizing the American dollar monopoly.

Within the lifetime of one generation, Russia has made a transition from mass enthusiasm about democracy and liberal values that were popular during perestroika to a strident conservatism. While the laws of history tell us that this political pendulum will eventually shift, there is no telling when this can happen and what may be the cause of the next turnaround.

Still, the causes of the Russian counter-reformation are more or less obvious even now. Equally evident are the internal factors that have an impact on Russian foreign policy. An examination of those causes and factors makes it possible to draw conclusions about the prospects of Russia's behavior and answer the question, troubling to many, whether today's Russia poses a threat to the existing world order.

THE ORIGINS OF RUSSIA'S CONSERVATIVE TRANSFORMATION

The most fundamental factor impelling modern Russia to move from democracy to authoritarianism and from a liberal ideology to a conservative one is the force of historical inertia which, in various epochs, made Russia abandon liberal experiments of varying degree of radicalism to return to the patriarchal, state-centric model.

In this context, Putin and the United Russia Party appear as mere cogs in the powerful machinery of history whose cyclical movement cannot be altered by either a political party or an individual.

Along with that, attempts to break away from the despotic rule of the state and the bureaucratic class and secret police at its service have been made in the history of Russia with remarkable frequency. Therefore, movement towards greater liberalism is as natural for the Russian public consciousness as the "tightening of the screws" is for Russia's conservatives.

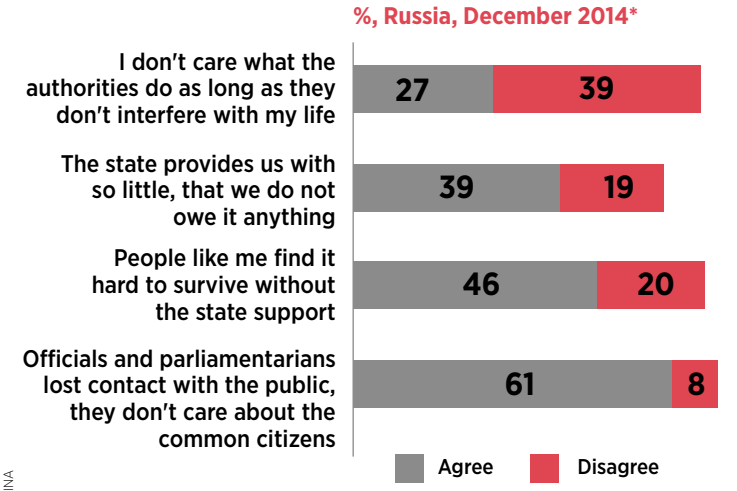
For that reason, it would be futile to explain the conservative wave in Russia merely by the objective factors and the "unique path" the country's development follows. The U-turn from liberal to conservative values that occurred in Russia early in the second decade of the 21st century was a conscious act, with the interests of very definite persons and groups forming the basis for it and supporting it.

There can be no doubt that the key role in that was played by Putin and a few persons from his inner circle who deemed that the mildly liberal model which, despite the steady slide towards authoritarianism, had been the basis of the official ideology from 2000 through 2012, was to be rejected finally against the growing external challenges and economic instability.

Already since 2004, the Kremlin had seen the main external challenge as the threat of a "color revolution," that is, a political upheaval inspired by the U.S. and their allies within the context of the West's so-called "democracy promotion" policy.

The state's official propaganda organs used NATO's expansion to the east and the deployment of missile defense systems in Europe as an external cause for the curtailing of ties with the West. The real threat was not seen in missiles, but rather in Western soft power, capable, as evidenced by the sad examples of the authoritarian governments throughout the world, of paving the way to the growth of popular discontent and the fall of regimes objectionable to the West.

How Russians perceive the state and other authorities



ALENA REPKINA

*Only the answers of those who clearly agree or disagree are shown.

SOURCE: LEVADA ANALYTICAL CENTER

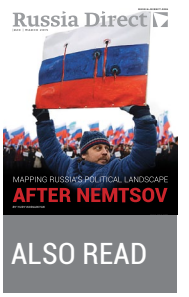
To resist the Western influence that, in the Kremlin's view, posed a real threat to Putin and his team in keeping their position of power, various prohibitive and restrictive measures were initiated and pressure was stepped up abruptly on the non-systemic opposition (a key player in every "color revolution").

Conservatism was used as a convenient ideological justification of these prohibitions. Thus, they should not be seen as the mere struggle of a part of the political elite to retain power, but as something more.

Many of the adopted laws (for instance, the law banning gay propaganda among minors) were not directly linked with the objective of retaining political control; instead, they appealed to deeply embedded popular prejudices and thus served to create the semblance that the whole of the Russian people rather than just the country's political elite was interested in the struggle against the West and its "pernicious influence."

The incorporation of Crimea was an important step on this path. Putin's post-Crimea rating soared to unimaginable heights, and it seemed that Kremlin could take a breath in peace. Any attack against the Russian president would now be perceived by 86 percent of his countrymen as an attack aimed at them personally.

Such a high rating was a mixed blessing, though. Any drop in it, say, to the 50-60 percent level (a level that is quite respectable by Western standards) could spell a reputational catastrophe for Putin and his losing political influence without any "color revolution" needed.



ALSO READ

Russia Direct Brief "Mapping Russia's Political Landscape After Nemtsov." Download at www.russia-direct.org/archive.

To avoid that, the Kremlin had to set into motion the state propaganda machine and continue to toe a hard line in foreign policy, not giving the liberal opposition the slightest chance.

Of course, the will of Putin and the members of his inner circle alone would not be enough to set the ship of Russian politics on the course of reactionary nationalism and self-isolation if it were not for other favorable conditions.

Remarkable is the enthusiasm and delight with which the Russian officials set to implementing the policy of bans and restrictions. Departing from their habitual but rather boring role of a "rubber stamp" for the President's laws, the members of the Duma suddenly started displaying wonders of ingenuity while inventing the most unimaginable prohibitive bills.

In doing so, one of the most powerful traditions of Russian officialdom manifested itself — the tradition of fawning on the higher-ups. It should also be kept in mind that regulating of everything and anything (and in Russia, "regulate" almost always means "prohibit") is exactly what grants a raison d'être to the bureaucracy by turning it from a technical structure into a true ruling class.

Practically the same applies to Russia's Federal Security Service (FSB), successor to the Soviet KGB. It is only in the environment of a "tightening of the screws" that the officers of the FSB and other special services feel their relevance and importance as part of the state mechanism. President Putin, himself a former KGB officer, understands it better than anyone.

Russian society, which had passed through an epoch of political and economic shocks in the past decades and partaken of the fruits of the modern civilization in the "fat" years of high oil prices, suffering badly from the post-empire syndrome, responded with enthusiasm to the conservative revolution, which does not hold a candle, though, to the liberal perestroika enthusiasm of the 1980s.

Despite the vehement discontent at the goings-on voiced by the liberal public (which the authorities are trying hard to reduce to social network discussions) the developments of 2014-2015 have shown that civil society as a significant force capable of countering the policy led by the authoritarian state has never formed. The situation, customary for Russia, when the supreme ruler proclaims a course and the people support it more or less enthusiastically reproduces itself at this present time.

If anything, a distinctive feature of today's Russia is the special attention given by the authorities to political propaganda, primarily on the leading national TV channels.

46%

of Russians believe that TV shows offer useful and objective information about events happening in the world, according to Levada.

Arguably, the information "pumping" of the population had never in Russian history, not even in the Stalin epoch, been as intensive as in 2014–2015.

Moreover, the attempt to control the flow of information as a political tool becomes inevitable and necessary for the current political leadership. This is especially true, given the circumstances of economic and technological backwardness as well as the weakness and inarticulateness of the key ideological-political constructs of the new conservatism.

To counter the harmonious liberal-democratic ideology refined by the most progressive minds of humanity over the past centuries, one has to turn to the rather primitive, clumsy tools of counter-propaganda.

DOES RUSSIA POSE A THREAT TO THE OUTSIDE WORLD?

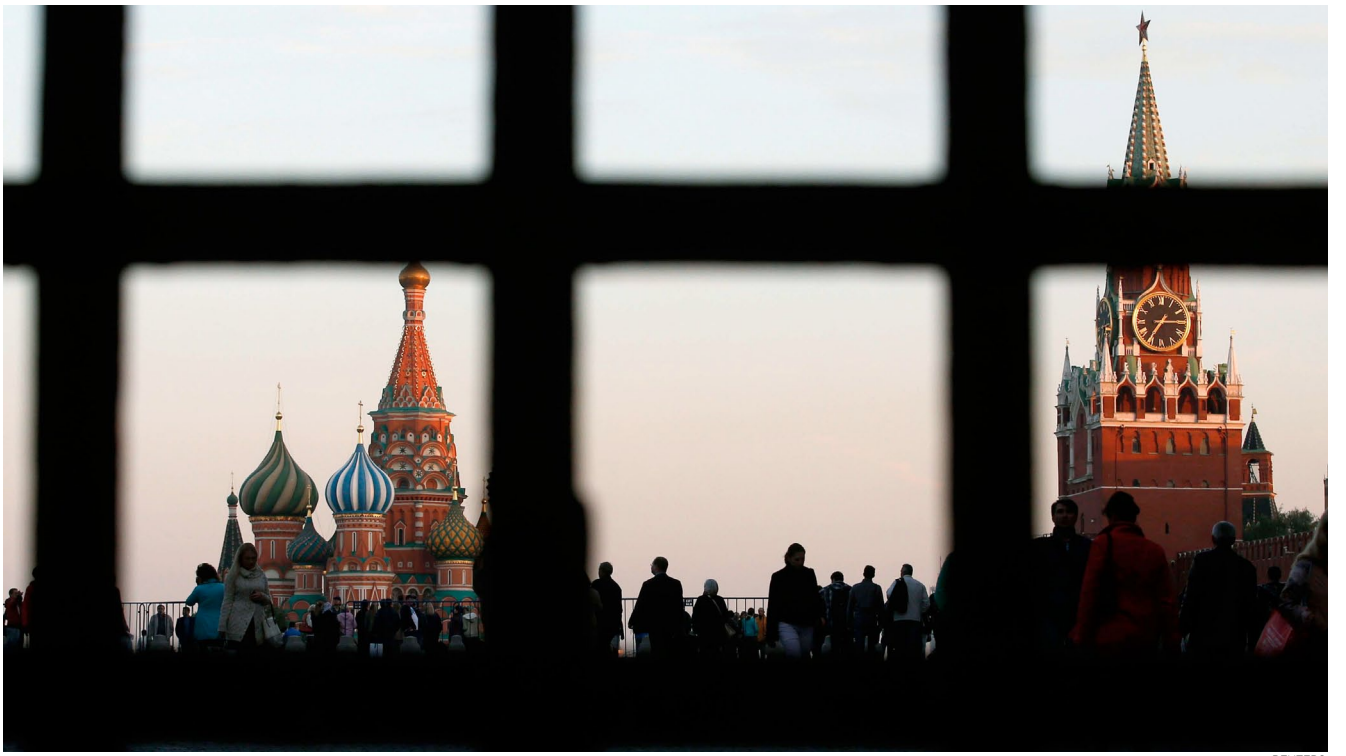
The current Russian wave of conservatism and anti-Western xenophobia is only partially due to natural social dynamics. It was initiated by the country's top leadership, which relied on the support from the bureaucratic class and a massive propaganda campaign in the media.

Had a hypothetical Mikhail Gorbachev been in power in present-day Russia, Russian society would have hardly refused support for initiatives of the liberal-democratic kind sponsored by the new political leadership. However, the scale of that support would not be anything like that in the 1980s and could be even less than the national-patriotic enthusiasm of the first months after the incorporation of Crimea.

If the condition of the Russian society is determined by a political tradition, it is not the tradition of conservative nationalist policies but, rather, the tradition of a paternalistic state and social passivity. The citizens cede their right to political initiative and the choice of course of the national development to any top leader who has established himself in the Kremlin by whatever means.

A Russia that has wagered on anti-Americanism and nationalism should not cause alarm for other key geopolitical players. According to a recent survey by Pew, Russia is swiftly losing the support of the international, and not only Western, audience.

On the other hand, it is hard to agree with the assessments by the experts prone to hyperbole who maintain that an offended, embittered Russia is fol-



REUTERS

lowing steadily the path walked a century ago by Germany and Japan and will in a short period of time turn into a threat not only to its nearest neighbors but to all of humanity.

Such a scenario is hardly possible, although not for the reason that Russia is "good" while Germany and Japan of the first half of the 20th century were "bad." This scenario will not repeat itself primarily because, unlike Germany and Japan, a nationalist and conservative Russia is a weak Russia.

By opting to break with the West, Russia cut itself off from critical sources of economic and technological growth. In the modern global system, there can be no great powers that fence themselves off from the outside world and rely on themselves alone. The mere fact of nuclear potential and the right of veto in the UN is not enough to take the lead over the competitors that have passed on to a qualitatively different level of development.

Even China, whose experience and support the Russian leadership is trying to lean on, has achieved its success not through making rows with the West but through successful integration into the Western economy and technological domain.

Therefore, by opting for the course of traditionalism and anti-Americanism, Russia dooms itself to the status of a regional power, a status that the American President Barack Obama has already conferred upon it in one of his speeches. It is a poor consolation prize, though, for quite a number of countries including the Eastern European neighbors of Russia, for whom the weakened Russian bear is even more dangerous and unpredictable than a placated and contented one.

In view of this, it is surprising that it is the nearest neighbors of Russia that are the most active supporters of the sanctions and the intensification of external pressure on Russia. The sanctions policy was designed as a long-term strategic project capable, in prospect, of shattering the political stability in Russia and leading to a change of the regime. However, in the course of 2014-2015, it has only helped President Putin get his ideas across to the Russian audience and strengthened his political positions.

HOW TO FIX RUSSIA'S TROUBLED RELATIONSHIP WITH THE WEST

For a considerable portion of the Russian population, an abstract aversion to the West which previously was difficult to justify (as the West was not doing Russia any harm, quite the contrary), gained a firm foundation with the introduction of the sanctions. The thinking is now: "They put pressure upon us, so they must be our enemies."

Only a small minority of Russians is ready to recognize the role of the West as that of a solicitous doctor who is attempting to cure Russia through painful methods, solely out of concern for its recovery. Even sound history textbooks contain too many references to episodes when trouble came to Russia from the West, to say nothing of today's propaganda, which does not give the good Western "doctor" a single chance.

Another consequence of the sanctions — the precipitous decline of the ruble — has not resulted in any mass disappointment in the government's policy, either. Judging by the fact that the Russian authorities aggravate the situation by introducing anti-sanctions and a food embargo, the Kremlin sees these economic hardships as a political resource rather than a problem. In any case, it manages to present the hardships as a result of external pressure rather than erroneous decisions by the leadership.

As a result of the sanctions and economic recession, the tourism flow from Russia abroad has decreased sharply. There has been a radical reduction in people-to-people contacts as well as educational and cultural exchange. To think that exactly this used to be regarded as the main achievement of perestroika and a guarantee against a return of the Cold War. The Kremlin does not even have to take any special measures to set up a new Iron Curtain as it arises of its own accord in the form of the dollar at 66 rubles and euro at 74 rubles.

Russia, which has entered a spiral of nationalism and xenophobia, is frightening because of its weakness and unpredictability. It is in the interests of the entire world and the Russian people themselves to put it out of this state of free fall. However, it is rather naïve to count on things getting sorted out as a result of sanctions and external pressure.

The Russian authorities have sufficient resources, both material and other kinds, to retain domestic political control for rather a long period of time. Lenin's classic formula of a revolutionary situation when "the upper strata cannot, while the lower strata will not, go on living in the old way" is ill suited to the current situation in Russia. The upper strata feels quite comfortable in the existing atmosphere, while the lower strata only dreams of living as formerly, with incomes as in the "fat" 2000s and imperial grandeur of the times of the Soviet Union.

Only the gradual formation in Russian society of new power centers capable of proposing something to counter the conservative-traditionalist ideology of the ruling class of officials can lead Russia out of the impasse and enable it to join the ranks of successful, rapidly developing countries.

After Crimea, this truth — banal as it is — is seen by many as an unattainable utopia; nonetheless, it has not lost any of its logical cogency. No reshuffling of figures in the Kremlin, or even assigning liberally minded officials to positions of authority throughout the country, can change the general predisposition of the bureaucrats to conservatism and screw-tightening or deliver the political system from instability and unpredictability.

This means that, if the West really means to play the good doctor towards Russia, it should re-think its opposition to the Russian ruling class and think of a way to stimulate the development of Russian civil society under the current problematic conditions. It is quite obvious that the implementation of such a policy requires a carrot rather than a stick.

INTERVIEW

DOES THE KREMLIN AVOID STRATEGIC THINKING?

Carnegie Moscow Center's Andrei Kolesnikov argues that the re-emergence of nationalism and conservatism in post-Crimea Russia is a long-term trend and that the Kremlin is shying away from strategic thinking.

ANDREI KOLESNIKOV

Senior associate and the chair of the Russian Domestic Politics and Political Institutions Program at the Carnegie Moscow Center. Kolesnikov also works with the Gaidar Institute for Economic Policy and is a frequent contributor for Vedomosti, Gazeta.ru, and Forbes.ru. He sits on the board of the Yegor Gaidar Foundation and is a member of the Committee of Civil Initiatives (the Alexei Kudrin Committee).

BY PAVEL KOSHKIN, RUSSIA DIRECT

Russia Direct recently sat down with Andrei Kolesnikov of the Carnegie Moscow Center in an effort to understand better Moscow's current strategic priorities, as well as how the Kremlin may attempt to manage current perceptions within society in order to achieve those priorities.

Russia Direct: *Given that the Russian authorities are often accused of lacking strategic thinking, how do you assess attempts such as Strategy 2030 to come up with a comparably long-term strategy?*

Andrei Kolesnikov: As many experts joke, it is easier to develop Strategy 2030, 2040, 2050 than Strategy 2016, because it is absolutely unclear what is to be done in the framework of the current political situation. But, on the other hand, long-term thinking is highly important, because government and society should understand the goals set for the future. Even discussion on this topic is crucial. Sooner or later, we will need to understand how to live in the future.

But this strategic thinking is foreign to the current authorities and they don't need it at all for several reasons. One could illustrate this trend with the example of Strategy 2020, which, in fact, wasn't very strategic. It contained neither political nor social components. It deals with just economic aspects and budget policy.

But in the end it failed to come to fruition. Instead of low military spending we have seen high spending on [army and defense]; instead of high level of spending on human capital, we see low spending on health and education. So, all these initiatives remained on paper and had lost their relevance by the end of the presidential tenure of Dmitry Medvedev.

So, the Russian authorities do not take the modernization vector seriously. What they take seriously is the vector to resolving current, day-to-day tasks. This results from the assumption of the Russian political elites that Russia has already reached a new level of development. They believe that there are no strategic tasks and, instead, they should maintain a certain level of income and expand the middle class, develop the economy in its current condition, all while overcoming the economic crisis. They just believe that the downturn will go away.

RD: *Where does such confidence come from?*

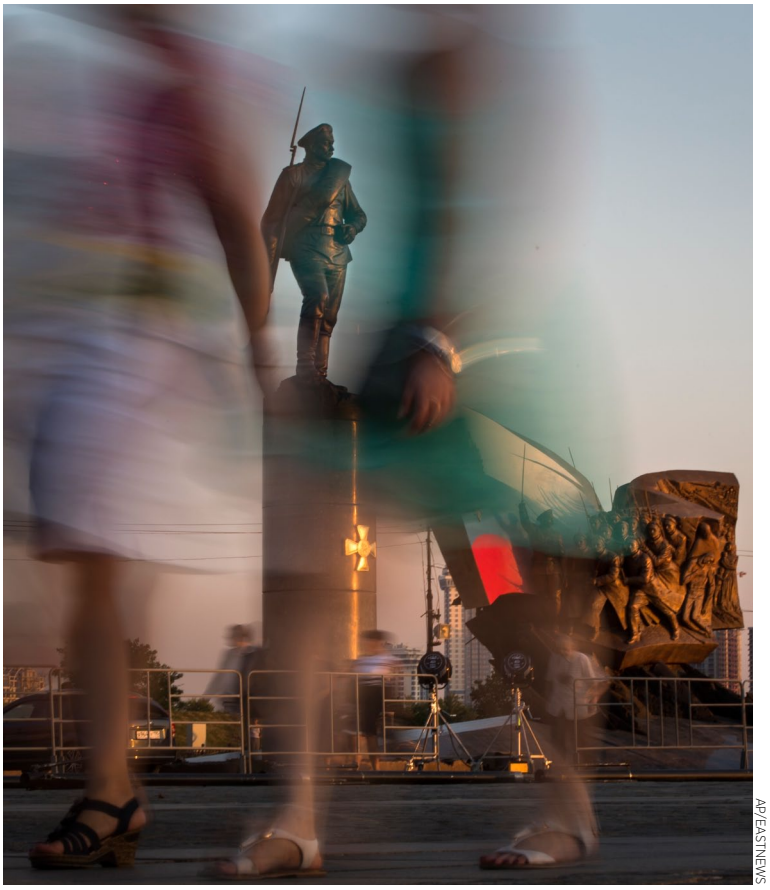
A.K.: It is related to a very important trait of Russia's political elites and, particularly, its president: There is no strategic vision of the future, no adequate assessment of reality. It might stem from the fact that people [at the helm] are not rotated for a long time and their perception of reality has been changed.

Or it is because the president looks through primarily three folders that come from the FSB (Federal Security Service), SVR (Foreign Intelligence Service) and FSO (Federal Protective Service) and, thus, has an absolutely distorted picture of the world.

Or it might be related to the anti-Western — half-nationalistic and half-imperialistic — outlook, which hampers the ability to perceive reality adequately.

RD: *Some argue that Putin should step down so that the situation in the country could improve. Is it really possible that Putin will leave and promote his successor while leading from behind?*

A.K.: In 2018 it is impossible. It is rather a question of the next political cycle, when Putin will



AP/EASTNEWS

physiologically become very old and when it will be physically difficult to rule the country. So, this political swap is impossible now. Looking for the successor will be relevant for him approximately in the 2020s, when we will see a huge reshuffle of everything. Currently, there is no eligible figure to replace Putin as successor.

RD: *One argument that even some opponents of Putin worry about is the assumption that today there is no alternative to Putin among the current political elites. Is it really the case?*

A.K.: First, all 15 years [of Putin's presidential term] have been spent narrowing down alternative political candidates to only one figure, because this figure is politically encompassing and many-sided — he is the main communist, the main liberal or the main nationalist, the rest of the political forces are like supporting blocks.

Let's imagine a situation in which Putin is no longer the president: He steps down, observes the law and doesn't announce a presidential bid in 2018. In the beginning it won't be easy to elect someone. The election is always a difficult process. But in this situation an alternative figure might emerge very fast. In this case, there will be just another picture [of the political landscape].

RD: *But there is another argument that Russia is historically a very paternalistic country, with the origins of this paternalism coming from the 13th century.*

A.K.: This problem does exist and is related to the so-called "path-dependence problem," when modern people think in the same way as they did in the times of Ivan the Terrible. But as the experience of the Russian people indicates, they can successfully adjust to new [political] conditions and be creative. After all, Russia is a very urbanized and well-educated society and I believe that this society can produce everything in terms of political freedom — from political democracy to economic efficiency.

RD: *Nevertheless, a number of pundits warn that radically minded groups like nationalists might come to power and bring more instability in Russia, like it was in 1917. Do they really pose a threat in the long run as some fear?*

A.K.: They can influence more on Putin's agenda, so that he can become even more aggressive, anti-Western and more repressive. But they can't replace him. They are not so popular among ordinary people.

RD: *How can you account for the high approval ratings of Putin despite Russia's current economic woes?*

A.K.: Actually, the crisis is contributing to Putin's high approval ratings: People look for a person to find support. And the figure of Putin or his brand is becoming the symbol of their only hope that they will be fed by somebody at the helm. And this is the very manifestation of the paternalistic mentality.

RD: *To what extent is Putin's approval rating real?*

A.K.: It is real. It just reflects the desire of people to live their day-to-day life, not to bother the authorities and not to be bothered by the authorities. It is not an active support, it is a passive conformism; it is the support not of the person, but of the symbol.

RD: *Is the Kremlin ready for the decline in Putin's ratings?*

A.K.: Psychologically, the authorities are absolutely not ready to tolerate a drop in the ratings because of the habit of getting high results. The decline is perceived as a serious signal of a catastrophe. They are addicted to the high rankings and this is the problem: It means that they will step up tightening the screws only to maintain the ratings above 80 percent.

RD: *Due to Russia's economic challenges many, including you, talk about social protests. But*

generally there is a great deal of doubt that social protests will turn into political ones in the current situation. What are the reasons of this trend and what should happen to transform social unrest into political unrest?

A.K.: Social protest is not turning into political protest because people are waiting for different perks from the president and nobody is protesting. After all, nobody bites the hand that feeds it. Putin in this case is the hand that feeds. Converting social protests into political ones might take place when a serious economic catastrophe happens that significantly affects the entirety of Russia; when social thinking turns into political protests in Moscow; when the 2011-2012 protests repeat. Clearly, it is impossible now, but it should take time to happen.

RD: *2018 is seen as a sort of a crossroads, when the presidential elections take place. Given the skyrocketing increase in conservatism in Russia now, what should we expect and when will the pendulum sway in the opposite direction?*

A.K.: I assume that the inertia for maintaining stability will be enough until 2018, but afterwards [the Kremlin] will need strategic decisions, which it doesn't have. After 2018, given a great deal of uncertainty, the political and economic collapse might happen.

RD: *So, you mean that the re-emergence of conservatism is going to be a long-term trend.*

A.K.: Yes, it won't be necessarily abrupt and catastrophic, but it will be very long and gradual like the economic crisis.

RD: *Let's imagine the situation that the West is going to ease the sanctions. Can this move reverse the trend of increasing anti-Western and conservative sentiments and change Russia's political situation?*

A.K.: When sanctions were toughened, this helped to mobilize people around the governor of the besieged fortress [Putin]. But when the sanctions weaken, there is no guarantee that this mobilization will become weaker. The authorities could be intransigent as well as the population. I don't believe in a fast restoration.

RD: *There is a lot of talk about the so-called inertia scenario of development of Russian in the current situation. Could you specify what it really means?*

A.K.: It means there will not be democratic freedoms — a slow and gradual "tightening of the screws", economic depression accompanied by mental depression. But there won't be any catastrophes and political protests. This is the inertia model, a sort of frozen condition, which the current authorities are seeking to prolong until 2018.

84%

of Russians will not choose to take part in a mass political protest, if it happens, according to Levada.

RD: *What about the scenario of the besieged fortress: Is it still relevant today and how has it been evolved since last year? What place does it take in the priorities of the Kremlin?*

A.K.: This metaphor is still working as well as the other metaphor "Stockholm syndrome," felt by the inhabitants of the besieged fortress toward its governor. As long as the authorities are maintaining a half-cold and half-hot hybrid war and sanctions exist, people will feel that they are living inside of this fortress. And it is important for the mobilization of the people around the authorities.

RD: *There are claims that Putin is just responding to the demand of the people to be more nationalistic and patriotic and that's why he fuels anti-American and conservative sentiments. Meanwhile, some counter that the rise of nationalism and conservatism is a result of a large-scale information campaign. In fact, it is the "chicken-and-egg problem," a matter of demand and supply. What emerged first? Did Russian's inherent conservatism and patriotism lead to the increase of propaganda or vice versa?*

A.K.: Looking at social polls, one can assume that there is a balance between demand and supply. Demand for patriotism has always existed in its dormant condition. But only a very, very big supply in such aggressive and extreme forms could "wake up" or fuel this demand. That's why supply is primary in this situation, as indicated by the abrupt changes in public opinion.

RD: *Such trend may stem from the inferiority complex that resulted from the collapse of the Soviet empire. Some even argue that it lead to the problem of an identity crisis for Russians. Do you think it is really the case?*

A.K.: In general, the problem of self-identification is artificial. And it is used by those who offer this supply [through informational campaigns]. The post-Soviet man hasn't had the problem of self-identification: The collapse of the Soviet Union was actually a victory for him. He stopped being Soviet and became a man who lived according to the terms of the market economy, felt free, had certain problems, but nevertheless he was a typical European man. And now he is persuaded that he is not European, that he is unique and exceptional. And this is the reverse movement from progress and modernization, the so-called archaization of conscience.

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UKRAINIAN REFUGEES: A NEW CHALLENGE FOR RUSSIA?

With the economic slowdown and the still unresolved conflict on Russia's borders with Ukraine, the migration problem might be potentially dangerous if not properly addressed. Here's what the Kremlin could do to minimize the risks and turn a potential negative into a positive.

BY VASIL SAKAEV

STANISLAV KRASILNIKOV/TASS

All the polls show a high level of approval of President Vladimir Putin, but the irritation in Russian society is growing. The situation with Ukraine, sanctions, the economic crisis — all worsen the general lack of understanding of the country' perspectives and lead to irritation. Non-effective actions of the government also increase the dissatisfaction. The financial reserves of the population are running out while the economic situation does not improve, especially in the provinces. This already difficult situation does not get better with the flow of migrants from eastern Ukraine to Russia.

Currently there are about 2.6 million Ukrainian citizens in Russia, including about 950 thousand refugees from the conflict zone. The flow of refugees has decreased now but has not stopped completely and, apparently, will continue in the short term. Its future will depend on the intensity of the conflict.

A significant part of those who were able to leave and could leave — have already left the conflict zone. Only the sharp escalation of the conflict and disaster of the Donetsk and Luhansk People's Republics could provoke a new wave of mass migration into Russia.

Of the nearly 1 million refugees, more than 20 thousand are now in temporary accommodations, the rest were placed in private accommodations. Officially, the Federal Migration Service (FMS) spent more than 11 billion rubles for hosting of refugees in 480 places of temporary accommodation for 2014-2015 [At today's currency exchange rates, 11 billion rubles is equivalent to approximately $157.14 million. – Editor's note]. In addition, FMS paid a one-time allowance amounting to several billion rubles to the persons who applied for temporary shelter (more than 355 thousand Ukrainians have the status of asylum seekers).

A POTENTIAL DEMOGRAPHIC DIVIDEND

According to the latest numbers available, 6 thousand Ukrainians have requested refugee status; 76 thousand have decided to take part in the state program of the resettlement of compatriots; 53.6 thousand have requested permanent residence; and 95.8 thousand have received citizenship of the Russian Federation.

But we must understand that not all Ukrainian citizens (even those who received temporary asylum or temporary right of residence) can be considered as a real demographic dividend for Russia. The majority of them will return home in the event of a cessation of hostilities or even a "frozen" conflict, especially as a significant number of them were hosted in the border regions of the Central and Southern Federal Districts (more than 160 thousand people).

To date, only one out of five Ukrainian refugees has demonstrated the desire to link his or her life with the Russian state. And, even then, the Russian government must support this intention.

If the government wants to keep them as a part of the permanent population of the Russian Federation, it is necessary to take measures for their further integration. It is not only a question of employment, but also support in the acquisition of housing, facilitation of the procedures for diploma recognition, assistance in gaining access to education and health services, and facilitation of the procedures for obtaining citizenship.

Certainly, refugees and migrants from Ukraine are a less controversial part of the foreign labor force than immigrants from Central Asia or the Far East. Russia's census for 2002 and 2010 showed that Ukrainians changed their identity quite easily and were established as ethnic Russians. That is why the Ukrainians represent a potential demographic dividend.

WHAT THE GOVERNMENT SHOULD DO TO INTEGRATE UKRAINE'S MIGRANTS

Ukrainian refugees have a higher level of education and greater potential for integration in Russian society than, for example, migrants from Central Asia or the Far East. The most part of them are related to the coal industry and metallurgy, which could be in demand only for some regions of Russia. There are many doctors, teachers, scientists and service workers among the refugees, which can successfully find a job in many regions.

41%

of Russian respondents think that illegal immigrants from the Near Abroad should receive better government support, according to Levada.

To integrate them, the Russian government needs to create additional mechanisms, for example, to create the mechanism for obtaining mortgages on affordable terms. Most of the Ukrainian refugees want to return home because in Russia they met some disappointment: The housing problem was not solved (with the exception of housing in temporary accommodations), wages and the standard of living in Russia are higher than in Ukraine, but also the cost of living is higher.

Given the fact that many of the refugees are renting apartments, they spend the significant share of their wages for these purposes. Russian government can understand that these groups do not have the possibility to make an initial payment for a mortgage. The state insurance should provide the bank risks for a mortgage also. Then, these categories of Ukrainian migrants will link their fate with Russia.

In addition, it is necessary to solve the problem with the recognition of educational documents. Without these measures, it will be impossible to use their skills and knowledge fully for the Russian economy. The situation with refugees was seriously affected by the economic crisis, namely a reduced number of job offers, the decline of salaries, and a decrease of support from public charities.

The further intentions of the refugees will depend on the development of the Ukrainian conflict. In the case of further escalation of the conflict, they will remain in Russia and in the case of the "freezing" of the conflict, most likely, a significant share of refugees will come back, because they have real estate there, and the rest will remain in Russia. In the event of termination of the conflict and the return of the southeast to the jurisdiction of Ukraine, it is likely that a large share of the refugees will come back. Most likely at the current moment are the first and the second scenarios; thus, many refugees will remain in Russia for a short term (1 or 2 years) as a minimum.

POTENTIAL RISKS FROM THE MIGRATION FLOWS FROM UKRAINE

- **#1:** Additional pressure on the social infrastructure in the border regions of Russia.
- **#2:** Additional pressure on municipal and regional budgets, especially of the border regions with existing budget deficits.
- **#3:** Increase of competition in the Russian labor market and new risks of "dumping" by Ukrainian citizens on the territory of the Russian Federation.
- **#4:** The danger of the arrival of criminals, extremists and terrorists together with the refugees.

IS A NEW WAVE OF PROTESTS IN RUSSIA POSSIBLE?

AP/EASTNEWS

In times of acute economic hardship, the possibility of the re-emergence of the Russian protest movement becomes more likely. What might become a new starting point for social protests in Russia?

BY YURI KORGUNYUK

Russia's regional elections held on Sept. 13 in more than a third of the country's constituent entities continued the recent trend of voter apathy in which political choice is, by and large, controlled by the ruling bureaucracy.

But apathy and political indifference in society, though common, are nonetheless a temporary phenomenon. A sudden change in the economic climate could remove all trace of it, whereupon the state's supposed "iron grip" on society turns out to be nothing more than a convenient fiction.

Even in times of peace and tranquility, society continues to evolve, drawing inspiration for its development from internal contradictions. No society is spared these contradictions: neither the most primitive, nor the most advanced, nor the most democratic, nor the most totalitarian.

It is merely that in developed democracies, such contradictions, far from receding, become the subject of open political debate. In totalitarian societies they are locked inside, but from the outside, the unbridgeable chasm between the ruling and the ruled is all too discernible.

TWO TYPES OF SCHISMS IN MODERN SOCIETY

Today's Russia is not a democratic society, but neither is it totalitarian. It is more of a system of open (i.e. electoral) authoritarianism. The schisms are visible to the naked eye, yet are unlike those that prevail in developed democracies.

In modern democracies it is customary to mark out two dominant cleavages.

The first is the so-called "socio-economic" cleavage between advocates of low taxation, on one side, and of generous welfare programs, on the other. Both parties are guided in their choice by pragmatic considerations. Taxpayers naturally want taxes kept at a minimum, while dependants on the state budget, on the contrary, would like to see more spending on benefits.

The second cleavage is between supporters of "materialistic" and "post-materialistic" values. The former are guided in their political choice again by pragmatic considerations, the latter by more altruistic ones: they are concerned about environmental issues, minorities' rights and public wellbeing.

Despite being in the minority, the "post-materialists" have enough clout to play a decisive role in many cases.

Modern Russian society is also split by two prevailing divides, although there is no place for the materialist/post-materialist confrontation — Russian society is not mature enough for that. More precisely, Russia is home to an altruistic minority, but one that is far less powerful than in the West and its battles are less idealistic.

The primary cleavage, as in the West, is social and economic in nature, but modified for the specifics of Russia. This confrontation is between supporters of a liberal market economy and social paternalists, i.e. those who support the paternalistic role of the state in the social and economic life of the country.

Whereas in the West the two sides of the socio-economic confrontation are roughly equal in strength, in Russia the liberal advocates of a market economy are very much a minority — somewhere around 10-15 percent of the population. Their outspoken opponents number roughly twice as many, around 20-30 percent. The rest of society oscillates between these two poles, but mostly gravitates towards the social-paternalistic.

The second cleavage in Russia is between the authorities and the public (specifically educated, politically active people barred by the ruling bureaucracy from political decision-making). In the West this cleavage is already historical: Most party systems there were formed when the question as to whose interests should take priority (those of government or society) was settled in favor of society.

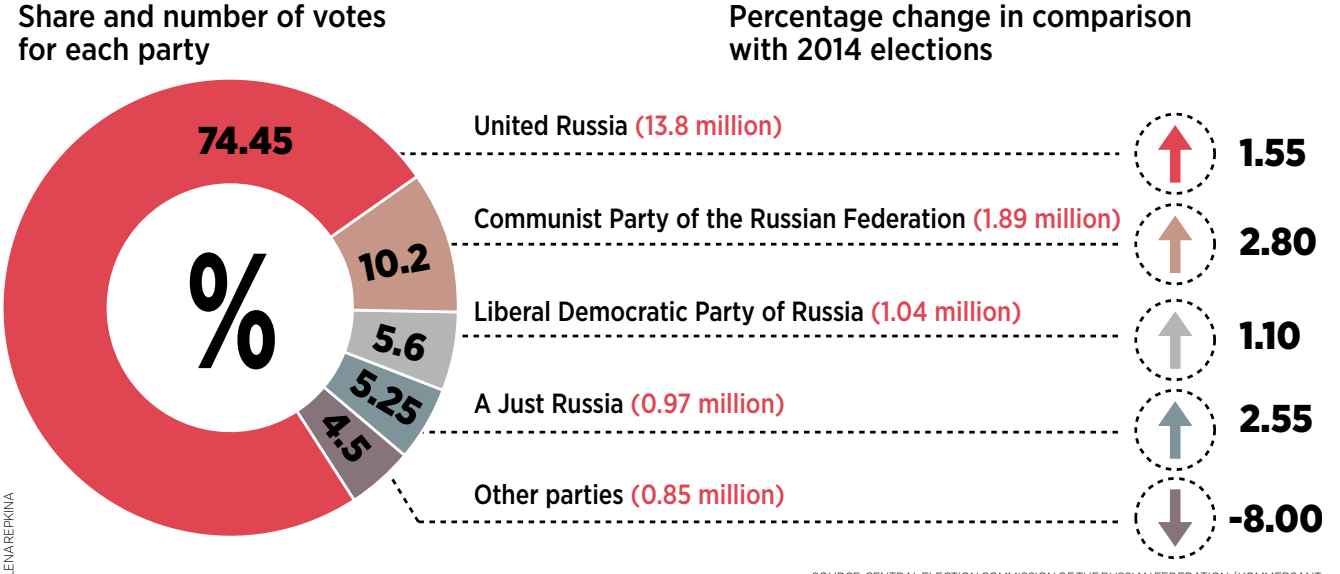
In Russia, meanwhile, the scales are still tipped in favor of government. Therefore, not only is this cleavage not a thing of the past, it is, on the contrary, of burning relevance.

The primary cleavage, as in the West, is social and economic in nature, but modified for the specifics of Russia. This confrontation is between supporters of a liberal market economy and social paternalists.

How Russian political parties performed in the regional elections (Sept.13, 2015)

18.55 million people took part in the elections of the regional parliaments and heads of regions

48.33% voter participation rate in all regions



ALENA REPKINA

SOURCE: CENTRAL ELECTION COMMISSION OF THE RUSSIAN FEDERATION / KOMMERSANT

THE HISTORY OF CLEAVAGES IN RUSSIAN SOCIETY (1991-2015)

In the 1990s, when the level of political competition in Russia was still quite high, the top spot in the structure of electoral cleavages belonged to the socio-economic. At one end of the spectrum were supporters of liberal market reform (the Democratic Choice of Russia and Yabloko parties); at the other were their opponents (communists and agrarians). In between were the vacillators, who, despite being hit hard by the economic changes, were not overly keen on a return to the Soviet planned economy with its eternal queues and shortages.

The conflict between government and society made itself felt in the 1990s, but more at the regional level than at the national.

There were regions in Russia where the electorate voted quite freely and other regions where the vote was strictly controlled by the local bureaucracy (mainly ethnic republics). Since local heads in different regions were focused on various political parties, the use of administrative resources was largely decentralized and not overly conspicuous.

With the coming to power of Vladimir Putin in 2000, administrative resources were concentrated in one pair of hands, whereupon the government-society divide immediately came to the fore. As early as the 2003 State Duma elections, the main swings in voting for different parties pertained to the level of support enjoyed by the newly formed ruling party United Russia. In rural areas and the ethnic republics this support was greater than in cities and the regions, where Russians constitute the majority of the population.

The socio-economic cleavage has not gone away; it has faded merely into the background. Its weakening has caused one side of the conflict, the liberal parties, to lose all representation in the federal parliament.

This cleavage structure lasted throughout the 2000s, during which time it underwent certain changes mainly related to the consolidation of United Russia.

Up to 2007 the party's positions became ever stronger, but in 2009 they began to gradually decline. Following the elections in 2011 the "party of power" no longer had a two-thirds constitutional majority in the State Duma, just a normal one. But bolstering of the opposition did not lead to strengthening of the socio-economic cleavage, since one of

its sides, the liberal parties, did not get parliamentary representation at the federal level.

Yet it is the liberals who form the backbone of "society" in the struggle against the ruling bureaucracy's monopolization of the political sphere. It is not surprising, therefore, that they were the nucleus of the "white ribbon" protest movement of 2011-2012, which called for changes to the rules of the political game and new elections in fair and equal conditions.

The start of Putin's third presidential term in 2012 marked a new era in Russia's political life. The falling popularity of the "party of power" meant that administrative resources alone were not sufficient for the Kremlin to retain its former positions. So it chose a new tactic. It began to hijack the political agenda of the left-conservative opposition. This tactic culminated with the incorporation of Crimea (one of the longstanding mantras of the communists and "patriots") and the support of military hostilities in southeastern Ukraine.

The tactic proved quite successful — at least in the short term. Putin's rating shot up from 42 to 86 percent, improving the standing of the "party of power" in the process. During the regional campaigns of 2012-2015, the Kremlin managed to maintain United Russia's dominance in all regional legislatures and ensure victory for its candidates in the newly resurrected gubernatorial elections, seven years after their abolishment.

THE DOMINANT SCHISMS IN TODAY'S RUSSIA

The present cleavage structure in Russian society is of a quite specific nature. The government-society divide is still in the foreground, yet through its Crimea-Ukraine policy the Kremlin has won over a significant part of the opposition electorate, having tethered to its side not only United Russia, but the other parliamentary parties as well, namely the Communist Party (CPRF), the Liberal Democratic Party (LDPR) and A Just Russia (AJR).

Nor, too, has the socio-economic cleavage vanished. For the vast majority of the population, not only have issues of social and economic policy not lost their primary importance, but also with the deepening economic crisis, they have become even more top-of-mind. However, political parties, whose job it is to express the interests of all segments of the Russian population, are either not represented at all in the federal parliament (the liberals) or are tied so closely to the Kremlin that their claims to represent the interests of society look increasingly dubious (the parliamentary opposition: CPRF, LDPR and AJR).

It is this situation that creates the illusory absence of major conflicts in the political space and, consequently, of schisms in the structure of society. In actual fact, this apparent "absence of conflict" means only that the structure of the political space has ceased to reflect the structure of social cleavages. But the latter have not gone away, and the worsening economic crisis will only exacerbate and nourish them as public discontent rises in the light of declining living standards and the authorities' inability to halt the slide.

HOW WILL THE KREMLIN REACT TO NEW SOCIAL CLEAVAGES?

Hence, the question of aligning the political forces with the structure of social cleavages is very much on the agenda. The current lie of the land is such that only the liberals continue to express the interests of the public in the standoff with the authorities. It is logical to assume that the deepening crisis will spur an increase in their rating. But any such rise will be limited by the mismatch between the liberals' political programs and the socio-paternalistic sentiments of most voters.

Consequently, one of two things will happen: either the liberals will be able to adjust their positions (at least in tactical terms) so as to make them more acceptable to a wider circle of potential supporters, or a new political force will enter the arena — one that champions socio-populist views, yet is not associated with the discredited parliamentary opposition.

The Kremlin is well aware of the threats posed by both scenarios and is doing all it can to prevent either one of them from materializing. The emphasis here is on both public propaganda tools and purely administrative methods. The political scene is being purged of non-systemic liberals, such as corruption fighter Alexei Navalny's Progress Party, and left-populist projects, such as Sergei Udaltsov's Left Front.

The problem, however, is that sooner or later these methods could begin to malfunction. In times of acute economic hardship, not only can propaganda become tiresome, it can lead to the opposite effect, as it did in the dying days of the Soviet Union in 1989-1991. In such circumstances, the use of administrative resources will be effective only if it escalates into mass persecutions of political opponents of the regime. Whether or not the Kremlin has the willpower for such repression will determine Russia's future development scenario.

FROM THE EDITORS

KEY TAKEAWAYS FROM THE DEBATE ON RUSSIAN SOCIETY

1 Russians are aware of the negative processes under way in the country's economy but they do not tend to associate these developments with their personal situation as they are used to solving their problems by working through informal channels.

2 The extremely low evaluation of the work of formal institutions and the dissatisfaction with their operation does not extend to the assessment of the situation in the country as a whole. The problems that arise are associated with separate formal structures.

3 The U-turn from liberal to conservative values that occurred in Russia was a conscious act, with the interests of very definite persons and groups forming the basis for it and supporting it.

4 The sanctions regime helped President Putin get his ideas across to the Russian audience and strengthened his political positions.

5 The Russian authorities do not take the modernization vector seriously. What they take seriously is the vector to resolving current, day-to-day tasks.

6 Putin's high approval rating reflects the desire of people to live their day-to-day life, not to bother the authorities and not to be bothered by the authorities.

7 As long as the authorities are maintaining a half-cold and half-hot hybrid war and sanctions exist, people will feel that they are living inside of a fortress.

8 The structure of the political space has ceased to reflect the structure of social divides in Russia. The worsening economic crisis will only exacerbate and nourish them as public discontent rises in the light of declining living standards and the authorities' inability to halt the slide.

FURTHER READING

TWITTER ACCOUNTS FOR #RUSSIANSOCIETY

@levada_ru Levada Analytical Center carries out monthly polls in Russia covering a variety of issues – from cultural preferences to the rise of potential protests.

@fom_media Public Opinion Fund is an independent sociological agency that conducts public opinion research not only for Russian companies, but also for foreign clients, including the BBC, Stanford University and the World Bank.

@russiabeyond News and analysis on Russian domestic developments from Russia Beyond The Headlines.

@meduza_en Updates on what is happening in Russia right now from Meduza Project.

@Navalny_En Tweets (in English) from key Russian opposition figure Alexey Navalny.

@WCIOM_ Russian Public Opinion Research Center (WCIOM) is the oldest and the leading marketing and opinion research company in the post-Soviet space.

@GovernmentRF Tweets on domestic policy initiatives from the government of Russia.

@snob_project Snob Project provides a platform for the Russian-speaking community in Russia and abroad to discuss urgent political and social issues.

@hrw Human Rights Watch provides information on human rights issues around the world and in Russia.

@pewresearch Pew Research Center offers data and analysis on the issues, attitudes and trends shaping the world.

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8. Gregory Feifer. Russians: The People Behind the Power. New York: Twelve, 2014.

9. Andrei Tsygankov. "A Strong State: Theory and Practice in the 21st Century", Valdai Paper #15, May 13, 2015. http://valdaiclub.com/publication/77420.html.

10. Vladimir Gel'man. Authoritarian Russia: Analyzing Post-Soviet Regime Changes. Pittsburgh: University of Pittsburgh Press, 2015.

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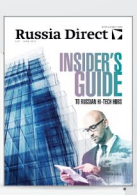

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