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“Understanding Authoritarianism and Kleptocracy in Russia”

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Written testimony

Chairman Keating, Ranking Member Fitzpatrick, Members of the Subcommittee, thank you for the opportunity to appear before you and speak about “Understanding Authoritarianism and Kleptocracy in Russia.”

I’m excited to be with you because I have devoted my entire professional career to the study of Russia and to finding peaceful understanding between our country and theirs.

My research covers a number of the topics we’ll touch upon today, including a forthcoming book from Agenda Publishing and distributed by Columbia University Press that the tensions between economic modernization and the security state in Russia since the late 19th century. It argues that Russian leaders, whether they are tsars, general secretaries, or presidents, have pursued several episodes of pro-market economic reform in Russia, but only when the economy itself becomes a geopolitical security risk. They pursue

reform only to alleviate domestic pressure, but as soon as the crisis passes, they dispense with the reform.

I am also working on a Department of Defense-funded Minerva Research Initiative grant (#W911NF2110107) on “Hierarchy and Resilience in Great Power Politics” that defines and measures great power competition. While the focus today is on Russian domestic affairs, Russia’s core grand strategy is about revising the international order to be acknowledged as a great power by the United States. The domestic uses of authoritarianism and kleptocracy are to limit political and economic competitors to Putin and his elite for the express purpose of being able to wage an indefinite revisionist struggle against the U.S.-led international order. The Minerva project measures how Russia (and other states) influence target countries along Diplomatic, Informational, Military, and Economic indicators. The Great Power Influence Index that I am overseeing will be the first tool available for the military and U.S. government policymakers that can show—at a glance—the extent to which outside states are able to influence other countries politically, economically, militarily, and technologically both in a bilateral setting and as compared to other great powers. It will show the military, the Department of Defense, and other national security analysts and policymakers the real-time conditions of American versus Chinese versus Russian alliance networks.

My interest in Russia is longstanding and from 2012 to 2016 I lived in Russia and there are many wonderful things to say about its culture, people, language, and nature.

But I also experienced first-hand the grinding and depressing effects of authoritarianism and kleptocracy: people facing jail for trying to exercise their constitutional rights and the best and brightest leaving the country to strike their fortunes abroad rather than having

businesses expropriated or limiting their ambitions before they even start their careers.

The bulk of my testimony today is to describe the nature of power and politics in Russia, about which my written testimony goes into much greater detail. I will conclude by describing avenues for U.S. policies that could directly support peaceful democratic and economic change in Russia consistent with American values without putting individuals at risk—a serious concern in the current repressive environment.

The picture presented as part of this testimony depicts Vladimir Putin's latest inauguration in 2018. Unlike the joyous public events here in the United States and in many other countries, the general public in Russia is kept far away from the inauguration.

Instead, the very top echelon of Russia's elite—its political, military, economic, and cultural leaders—all fit into one very ornate room.

I'd like you to keep this picture in mind as I describe to you Putin the politician. In addition to acts ordered or sanctioned by Putin, such as invading neighbors like Georgia and Ukraine, interfering in democratic elections abroad through cyber and information operations, poisoning opponents like Alexei Navalny, and supporting some pretty grim client states, I'd like to pose and answer a seemingly simple question: how has Vladimir Putin held onto power for more than twenty years and counting at this point?

The short answer is that practicing politics and representation in Russia means making sure there's enough authoritarianism and kleptocracy to keep the people in room happy.

The approach has been successful, as Putin has already served 21 years as the president or as prime minister as part of a so-called

“tandemocracy” with Dmitri Medvedev. Should he serve two more six-year terms, as recent changes to the Russian constitution have permitted him to do, he will end up with at least 36 years ruling Russia. That would make him the third-longest ruling leader of Russia of all time, going back to the medieval days of Muscovy. Only Peter the Great (51 years) and Ivan the Terrible (43 years) would have ruled longer.

The longer answer is in three parts:

First, authoritarianism and kleptocracy are important tools for Putin because limiting the ability of regular Russians to participate in their country’s political and economic life is the very mechanism by which Putin has held onto power for two decades and counting.

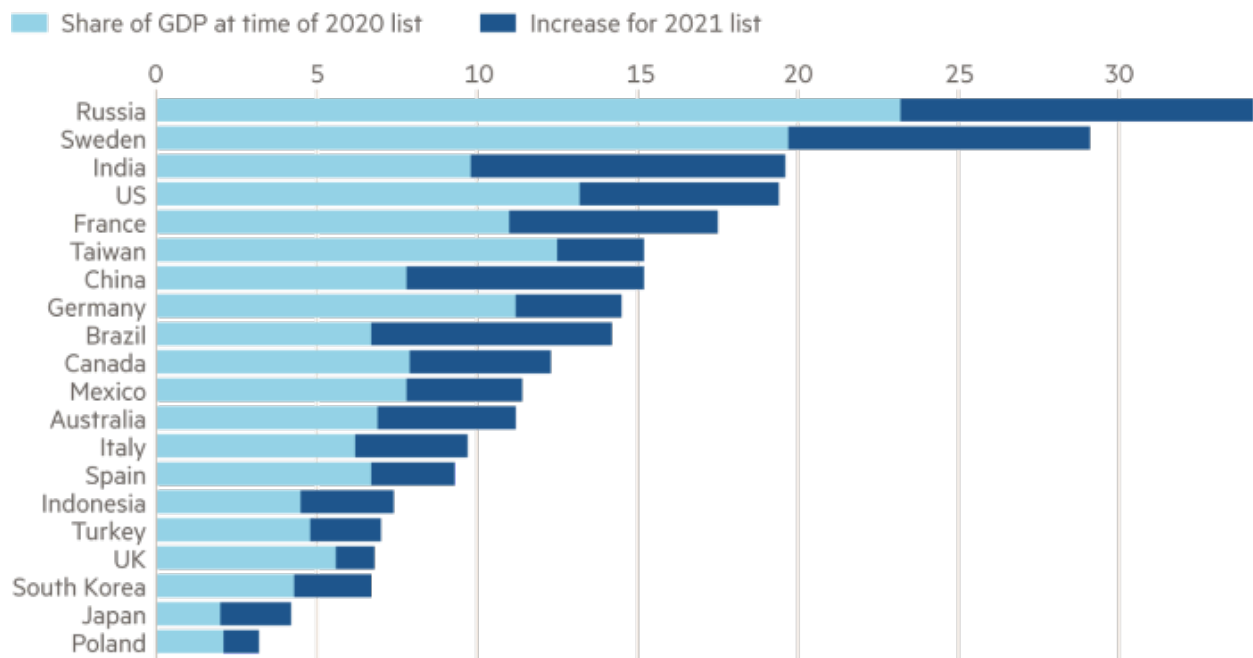
Second, Putin’s hold on power is based on optimizing for stability and not growth. Those elites value Putin because he performs a critical service: he resolves their disputes so that they don’t have to. Whenever those people have a problem with each other, they can go to Putin instead of fighting it out in parliament, in court, or with guns.

Too much democracy or economic openness would limit Putin’s ability to be useful because that would mean more constituencies to please and being less able to pick and choose winners and losers in the economy.

According to Forbes magazine, Russia’s 117 billionaires (fifth highest in the world) control more than a third of Russia’s entire GDP, the highest such percentage in the world, so Putin knows exactly whom to please.

The super-rich have increased their wealth during the pandemic

Billionaires' wealth as a % of GDP



Source: Ruchir Sharma team research using data from Forbes world's billionaires list

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Source: Ruchir Sharma, "The billionaire boom: how the super-rich soaked up Covid cash," *Financial Times*, May 14, 2021.

<https://www.ft.com/content/747a76dd-f018-4d0d-a9f3-4069bf2f5a93>

Third, Putin "wins" when the Russian population and the outside world think he's so strong that change is impossible. He relies on a perception of inevitability that keeps everyone believing that no change is forthcoming—good if you're in that room and bad if you're not.

Power in Russia is practiced through two different tasks: seizing and consolidating the formal levers of governance to impose top-down vertical rule and then keeping horizontally balanced all the elite factions inside government, such as the security services and military, with those outside government, such as the oligarchs mentioned

above. Putin can continue indefinitely if his supporters believe that life without him is worse than life with him. Moreover, if both his supporters and opponents believe that can make the future look like the present, then why bother changing anything?

Consider, as a counterexample, Boris Yeltsin. He was able to face down a coup attempt in August 1991 not least by bravely standing on a tank that was threatening Russia's "White House" where its parliament sat and challenging the coup plotters directly. In less than six months, he had overseen the end of the Soviet Union and became Russia's first president. However, he was unable to manage the day-to-day grind of managing the policy interests of many competing factions in a very difficult environment and by October 1993 ordered the military to fire on his opponents in that same building. Seizing power was one thing, holding onto to it was another.

Yeltsin failed to consolidate democracy in Russia, but he also failed to consolidate authoritarianism. That is Putin's major, albeit unfortunate, achievement. Putin eliminated his rivals one by one and consolidated authoritarianism: balancing all the elite factions, enforcing order upon the state through violence or the threat thereof, and defining a clear grand strategy—make Russia a great power by any means necessary or else it'll all come crashing down without him.

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So, what can the U.S. Congress do?

A lot, actually.

First, in terms of authoritarianism, when I asked friends and colleagues in Russia for their advice on my testimony, the most pressing requests were not to forget about them because international attention is one of their primary defenses; to keep

names of individuals and organizations receiving US government assistance private because the government there uses that to target people; and to help, honestly, with small-bore stuff like subscriptions to paywalled media, professional tools, and professional development courses.

In a broader sense, the surest long-term inoculation to authoritarianism is education.

I would call upon the US Congress to fund online educational services for students in Russia, such as spoken English lessons and preparation for standardized and college entrance exams such as SAT, GRE, LSAT, and AP tests. It would create positive interest in the United States and given what we've experienced over the pandemic, we all now have the online learning figured out. Such a program would export education, one of our greatest assets, without having to send any money abroad.

Second, the other issue is kleptocracy. There are numerous acts already in Congress, such as the CROOK, TRAP, Combating Global Corruption, and Global Magnitsky reauthorization Acts. The REPEL Act and others such as Justice for Victims of Kleptocracy, Foreign Corruption Accountability, Golden Visa Accountability, and Foreign Extortion Prevention that are all critical to making the authoritarian rule of individuals like Putin harder to accomplish by making kleptocracy harder to pull off.

The reason these measures are important to changing politics in Russia is that the elites Putin needs to govern at home also want to take their money out of the country. As long as they can engage in all the capital flight they want, they have no incentive to change any aspect of politics at home. That matters to them even more than sanctions because Putin can compensate them for being sanctioned, but not for being unable to enjoy their money abroad.

With that, I thank you for your attention.