

Testimony

By Leon Aron, Ph.D.

**Threat Panel Hearing
Armed Services Committee
U.S. House of Representatives**

September 22, 2005

Mr. Chairman:

In its politics, economy and social life Russia today is very much a “coat of many colors” running the a gamut from bright to gray to black.

But given the nature of these hearings, which I understand to be explicitly geared toward assessing potential threats to the security of the United States (and given a 10-minute format I have been asked to fit in), I will concentrate on what I consider the most disturbing trends in Russian politics and on their worse-case effects.

It is clear by now that, looking back at the 1990’s, Vladimir Putin and his closest advisors and allies perceived the turmoil and the social an economic breakdown not as a creative chaos that accompanies every great revolution. Nor did the see it as a consequence of the spiritual and economic devastation and bankruptcy, inherited from the Soviet Union; of the total absence of the institutions, traditions, and political culture of liberal capitalism and democracy; or, despite unprecedented privatization notwithstanding, of an economic system still tied too closely to the

state and thus prone to corruption. On the contrary, they ascribed the hardships, disorder and confusion of the 1990's to *too much* freedom and *too much* independence of politics, economy and society from the state.

Their response was a gradual, deliberate and broad policy toward a greater state control and recentralization in politics, legal system, federalism, and economy. It is this tendency that is fraught with medium- and even short-term risks.

The economy remains structurally vulnerable because of the increasing dependence on commodity (especially energy) exports and because the huge areas, like housing and utilities, education, and healthcare, remain essentially unchanged from the Soviet days, threadbare or collapsing and badly in need of market reforms. Yet with the oil prices what they are, and likely to remain for at least a few years, the government may be able to stave off a major slowdown or a crisis with periodic, although wasteful and inefficient, injection of large amounts of cash, as it has done recently by raising the salaries of medical doctors (without doing anything to reform the Soviet-style healthcare system which continues to be a source of immense social tension.)

By contrast, potential dangers of the Kremlin's proto-authoritarian project in politics and federalism are much more proximate (short-term). Although officially justified as necessary to "strengthen" state and society, the steady expansion of the executive branch's control over mass media, the parliament, and the judiciary, and the retreat to a Soviet-style unitary state through the erosion of federalism and regional autonomy, particularly the abolition of direct election of regional governors, have had an opposite effect. Putin's re-centralization has raised the center of

political gravity to the very top, eroding or eliminating altogether institutions and structures that help provide democratic equilibrium and absorb shocks by sharing responsibility and minimizing grave errors.

In the absence of societal feedback and the erosion of checks and balances, the government policies are increasingly an explosive mix of the unpopular and the ineffective. The nation-wide protests this past January and February against the bungled monetization of in-kind benefits is case in point. The planned abolition of draft deferments for college students is likely to unleash another, perhaps even heavier political storm.

A country as huge and ethnically, socially and economically diverse as Russia can be governed as a unitary state only as an autocracy or dictatorship. The only other alternative to disintegration is the kind of federalization and regional autonomy that occurred in the 1990's and that, contrary to many a dire prediction, has preserved Russia's territorial integrity. Yet, blindly ignoring the four centuries of Russian modern state's history, the Kremlin finds itself in the most dangerous no-man's land: it cannot hold Russia together by force, yet it seems determined to re-make it into a unitary state. For the first time since the collapse of the Soviet Union, I heard some leading observers of Russian politics in Moscow last July compare the present situation to August 1991, when the unsuccessful hardline putsch to save the Soviet Union instead brought about its disintegration.

Let me, in conclusion, add one particularly disturbing consequence of this creeping destabilization, a scenario, which keeps me awake at night. It is a possibility, indeed a very high probability, of another large-scale terrorist act by Chechnya-based militants.

It is the context that might make such an attack politically devastating. Most Russians are for a quick solution to the Chechen conflict, including peace negotiations with the separatists. Indeed, over half of Russians, according to recent polls, would be ready to accept Chechnya's independence as a price for ending terrorist attacks. Yet the government stubbornly pursues the opposite policies of "Chechenization" of the conflict and the deployment of over 100,000 Russian troops in the area.

This policy is not working. More people, Russians and Chechens, are likely to have been killed under Putin, than in the 1990's. Moreover, the entire Northern Caucasus region, as the government itself admits, is becoming increasingly ungovernable, especially the largest ethnic republic of over two million people, Dagestan, which borders on Chechnya.

Add to this the government's abandonment of yet another absolutely central (and widely supported by the people) reform: the abolition of the draft-based armed forces and their replacement with a professional volunteer army. The absence of a modern, well-trained and mobile defense force is one of Russia's most glaring vulnerabilities, which makes another humiliating show of incompetence, defeat, and civilian casualties very likely indeed..

Imagine now, that the Chechen warlord Shamil Basayev, who masterminded the bloody attack on a school in Beslan a year ago, carries out another successful assault on or a seizure of a public building—or, worse yet, a chemical plant, a dam, or even a nuclear power plant, with a potential loss of lives in thousands, or perhaps even tens of thousands.

In the wake of such an attack, all the structural vulnerabilities brought about by the Kremlin's recentralization policies, particularly its neglect of public opinion and the effective absence of checks and balances, may come home to roost with devastating effect.

Although Putin's popularity has recovered after Beslan, it is likely to plunge after another similarly horrific terrorist attack. As result, the system that he has created—a kind of plebiscitarian authoritarianism in which the entire state is held together almost exclusively by the popularity ratings of one man—is likely descend into a major crisis, perhaps even a paralysis or chaos.

One of the worst possible effects of such a scenario might be a quick and disorderly retreat from Chechnya, which, in effect, will hand over the entire Northern Caucasus to the al-Qaeda-allied local war lords, like Basayev, making the region in effect a new Afghanistan under Taliban, with all the obvious and extremely adverse consequences for the national security of the United States.

Thank you, Mister Chairman.