



# Our Man in Moscow

**What is Russian President Vladimir Putin like in person? What would surprise Americans to learn about him?**

President Putin gives the impression of someone who is very self-assured and intensely focused. I sat just three feet away from him for nearly three hours and as he answered our many diverse questions, I was struck, as many observers are, by his mastery of detail. He went on at great length about topics ranging from the biography of his new prime minister, to the latest proposals to resolve the dispute over Kosovo, to the current status of Russia's oil reserves—all without any notes and hardly pausing between his replies. It was a most impressive performance.

**What has the Putin presidency accomplished?**

The "Putin Plan" rests on two pillars: stable economic growth and a stable legal environment. The task of turning the country around from instability to stability was in turn divided into two phases, consolidation and reconstruction. The consolidation phase is now largely complete, while the reconstruction phase is just beginning.

His major accomplishment has been to revive the Russian economy, upon which all else rests. During the past nine years Russia's GDP has increased nearly seven-fold in dollar terms, and this goes a long way to explaining Putin's popularity in a country that is notoriously skeptical of its politicians. Looking toward the future, he has set aside 80 percent of the windfall profits from high oil and gas prices for long-term economic reconstruction, creating a "Reserve Fund" and a "Fund for Future Generations" with more than \$150 billion in it. This money will be used to leverage government funding, and over the course of the next decade more than \$1 trillion will be invested to rebuild the country's infrastructure.

In the legal arena, during the past eight years Russia has introduced a new criminal code, habeas corpus rules, a juvenile justice system, nationwide trial by jury, free legal aid for the indigent, a nationwide system of bailiffs, and a new Special Investigative Committee that has been compared to the FBI—institutions that have taken other countries decades, if not centuries, to put in place.

**What is Putin's leadership style?**

Putin likes to give his closest and most trusted advisors considerable leeway, even to the extent of publicly disagreeing with each other and with the policies of the government. As a result, the Russian press is full of speculation about who is "up" and who is "down" inside the Kremlin. In its fascination with political scandal, the Russian Press now resembles the British tabloid press.

The fact that Putin's style, words, attire, and behavior are the focus of constant media attention has increasingly led his political handlers to borrow media management techniques from the West. As a result, government officials have started to be much more on "message," even though their natural tendency, like most politicians, would be to avoid the press entirely, if they could.

**Political Science Professor Nicolai N. Petro, a scholar of Russian politics and culture, was among 40 academics, international political analysts, and foreign journalists invited to participate in a series of high level talks with Russian religious and political leaders, including President Valdimir Putin, last September. He shares his thoughts about the evolving country.**



**Is Russia becoming a threat to the U.S. again, or is it just flexing its muscles?**

I would not cast the issue in such Cold War terms since no senior American or NATO official regards Russia as a military threat. Quite the opposite in fact. Moreover, even with all the projected increases in defense expenditures, the Russian military will be only half the size it was at the end of the Soviet era, and much of this spending will go to salaries, housing, and basic supplies that the Russian military now has to pay for, just like everybody else.

Having said that, the question of what sort of world order Russia would like to see is a very important one. Simply put, Russia seeks a multipolar world in which no one nation or group of nations can run roughshod over national sovereignty. Putin has clarified that he does not mean that the international community should ignore massive human rights violations or imminent threats to global peace, but that any action taken must truly represent a global consensus and not merely the preferences of a small coterie of states, no matter how wealthy or powerful. To promote its vision of multipolarity, Russia is forging strong alliances with India and China, who very much agree with Russia's views.



**What is the business climate like in Russia? In the last decade, news reports have addressed the Russian black market, the Russian mafia, and other challenges to doing business there.**

The bureaucratic and legal difficulties facing businesses have diminished, while the problem of corruption appears as intractable as ever. Many observers link this to the staggering amount of wealth that is now flowing into and through Russia.

Overall, Russia's business environment has become steadily more attractive for foreign investors. In 2006, foreign direct investment totaled more than \$26 billion, a figure that more than doubled in 2007. For the first time since the collapse of communism, major western companies are investing in construction in Russia—10 new foreign automobile plants alone are being planned!



Unfortunately, American investors have been slower than most to wake up to the reality that Russia is likely to be one of the world's five largest economies by 2020, and that personal wealth in Russia is projected to grow faster than anywhere else on the planet, save perhaps India.



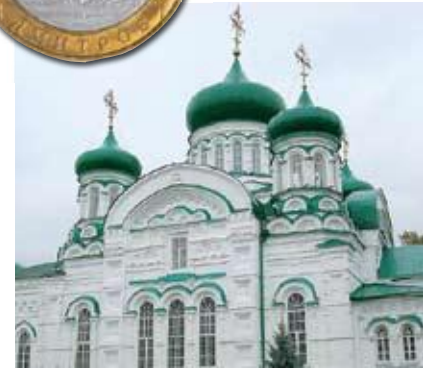
**How does the middle class of Russia compare to the middle class American family?**

The Russian middle class (with an annual income of \$2,000–\$5,000) has grown to over 40 percent of the population, while another 20 percent earn more than \$10,000 annually (up from 1 percent in 1998). Meanwhile, the percentage of Russians living below the poverty line has fallen below 12 percent, which is below the average for the European Union.

These raw income figures may seem low by American standards, but thanks to very low living costs (outside of big cities); a flat tax on income of 13 percent; the persistence of extravagant state subsidies in areas like education, medicine, and housing; and the near total absence of personal debt; many Russians have a disposable income that is actually higher than their middle class American or European counterparts. Increasingly, they use it to travel abroad, send their children to private schools, and for the purchase of cars, computers, and other high-end manufactured products.



**Top to bottom: The Cathedral of Christ the Savior in Moscow, where the delegation met with Patriarch Alexei II. Members of the delegation walking with President Putin back to his residence. The press conference with Putin (photo by Dmitry Azarov of the newspaper *Kommersant*). Petro being interviewed on *Russia Today* by news anchor Evgeny Sukhoi.**



**What is the state of religion in Russia and are there conflicts among the faiths? Is Muslim extremism a concern?**

Religious communities have grown almost ten-fold since the collapse of communism. Numerically by far the largest traditional religions in Russia are the Russian Orthodox and the Muslim faiths. Although tensions periodically emerge between them (most recently, for example, on the issue of religious instruction in public schools), Orthodox and Muslim religious leaders both agree on the need to promote religious values in what is still a very secular society.

Islamic extremism posed a serious threat in the 1990s when, because of the near total absence of religious seminaries after the fall of communism, Muslim communities often sent their young men to the Middle East for instruction. When many of them returned radicalized, the leadership of Tatarstan isolated them and set up local seminaries to counter the appeal of Muslim extremists. This model, a combination of strong nationalism and religious moderation, appears to have kept most Muslims in Tatarstan loyal to Moscow and now seems to be working in Chechnya, where more than 7,500 rebels have laid down their arms and terrorist attacks have fallen to almost nil. After a decade of war in the region, *The New York Times* recently reported that the Chechen capital is rebuilding “more swiftly than European cities revived by the Marshall Plan.”

**What do you expect will be the results of the Russian election in March, and what role do you expect Putin to play after the election?**

Given Putin’s enormous popularity, it is logical to assume that favorite Dmitry Medvedev will win the presidency. This is the typical pattern for European parliamentary politics, which we saw again recently in the United Kingdom where Tony Blair anointed Gordon Brown as his successor, albeit without an election.

This will be the first time in modern democratic experience, however, that a Russian leader leaves office more popular than when he came in, and it will be interesting to see how this novel situation is dealt with. I suspect that Putin will do his utmost to strengthen the position of prime minister without undermining the new president.

Two thousand and eight is a presidential election year in both Russia and America. Let us hope that nearly two decades after the collapse of the USSR, both countries can finally move beyond the rhetoric of “good guys” and “bad guys” and learn to work together on the challenges that face our interdependent world.

– By Todd McLeish

**Top to bottom: A frieze on the walls of the Cathedral of Christ the Savior depicting Prince Pozharsky and Citizen Minin as they receive the church’s blessing to liberate Moscow from Polish invaders in 1612. The Cathedral of the Mother of God of Georgia, at Raifa Monastery in Tatarstan. Monument in Moscow to Tsar Alexander II, “Liberator of the Serfs.”**