

Luke Harding

## Putin and his circle have one weak point: assets and bank accounts in the West

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**I**t was Vladimir Putin's Brezhnev moment. The 2012 presidential election was when Putin ceased simply being an elected leader and segued towards a lifetime presidency. Having neatly sidestepped the rules by doing a stint as Prime Minister (no Russian leader can serve more than two consecutive presidential terms) Putin can now go on and on. Brezhnev did 18 years, Stalin 31. Despite the whispers of revolution lapping at the Kremlin's walls, who would bet against Vladimir matching Leonid?

The election – more of a coronation, really – differed from previous Russian polls in one respect. After the public outrage that followed the rigged parliamentary vote of December 2011, Putin ordered that live web cameras were to be fitted in each of the country's 91,000 polling stations.

During the voting process, these cameras offered up a fascinating slice of Russian provincial life. We saw cleaners mopping the floors of sports halls, election officials dozing on the job, even a jolly Saturday evening disco at a polling station in sub-zero Siberia. Chekhov, that great chronicler of the ordinary, would have cheered.

But the cameras didn't do what, superficially at least, they were "intended"

to do. They didn't stop the fraud. Opposition activists posted video footage of a host of electoral violations including ballot-box stuffing and paid supporters of Putin being ferried around in an armada of buses to vote in multiple locations. The cameras did not catch election officials who fudged totals once polls had closed – the most common form of cheating in the Duma vote.

For a long time now, “elections” in Russia’s ritualised imitation democracy have lacked one crucial element: drama. This time was no different. Since his announcement in autumn 2011 that he was standing for a third time to be president – taking his chair back from Dmitry Medvedev – Putin’s victory was a foregone conclusion. It was achieved against a bunch of uninspiring hand-picked opponents, and with the impregnable advantage of 24-hour pro-Putin state television. There was never any doubt about the result.

But the Putin who returned to the Kremlin a year and a half ago faces a radically different Russia from the quiescent one he had ruled in his previous two presidencies. Although he still enjoys support in the provinces, for the tens of thousands of protesters who took to the streets of Moscow during the winter of 2011-2012 he has become a figure of loathing and derision. Mass protests accompanied his third inauguration. There were similar, if smaller demonstrations, in Moscow in 2013.

Russia’s urban middle class has led this public outpouring of dissent. But these protests have also attracted all kinds of Russians fed up with the falsehoods, feudal condescension and thieving that have defined the Putin era. The unspoken Kremlin contract of previous years – “we promise you improved living standards, but in exchange give up your rights” – no longer works. The demonstrators don’t agree on who should replace Putin. They include liberals, democrats, nationalists and others. But they are united in their desire to be rid of him.

Confronted with the spectre of this protest morphing into revolution, Putin has used the same lugubriously repressive KGB tactics that have served on previous occasions: black PR against key opposition figures; arrests; and the perennial libel that his enemies are traitorous western stooges and US-backed “fifth columnists”. The Kremlin has sent hundreds of riot police and grey army vans to encircle demonstrators in Red Square.

More broadly, Putin has set out to destroy Russian civil society. Its crime? To call for fair elections, an end to government repression, and respect for Russia's constitution. As Lyudmila Alexeyeva, the chairwoman of the Moscow Helsinki Group, puts it: "During the short period from the end of the 1980s through the middle of the first decade of the 21st century, a lively and active civil society formed in Russia. Today, it is an obstacle in the path of Putin and his circle, who aim to form a harshly authoritarian, perhaps even totalitarian, regime if they succeed."

The president has forced Western-funded NGOs to register as "foreign agents" - in other words, to brand themselves falsely as spies. Those who refuse to comply, face being shut down. The move comes straight from the KGB's handbook; the idea to punish, humiliate and silence critical voices. He has detained opposition activists including the anti-corruption blogger Alexei Navalny, the closest thing Russia's protest movement has to a charismatic and popular national leader. At the time of writing, Navalny's show trial in provincial Kirov is still ongoing. It seems certain to end with his imprisonment, probably for a ten-year term.

With his grip on power challenged as never before, Putin has launched an internal Russian "culture war". This pits his conservative base - retirees, state employees, bureaucrats, army veterans, factory workers - against Moscow's educated classes. He has used the state budget to shore up support: doubling salaries for riot police; increasing regional investment; and boosting pensions. Three members of the radical feminist group Pussy Riot have been jailed for staging an anti-Putin "punk prayer" in Moscow's Christ the Saviour cathedral. The Orthodox Church has given its blessing to Putin in his battle against Russia's revitalised protest movement.

How, then, should the West react to this unprecedented clampdown on civil society? And, more generally, to what the former US Secretary of State Hillary Clinton dubbed Russia's "re-Sovietisation"? In the past, Putin has played his hand adroitly: dividing European Union member states by striking bilateral energy deals, and by co-opting European chiefs. For instance, we know from WikiLeaks that Italy's former Prime Minister Silvio Berlusconi was on Moscow's payroll, benefiting "personally and handsomely" from lucrative energy contracts, according to US diplomats; Putin also hired Germany's former chancellor Gerhard Schröder to sit on the board of the Nord Stream gas pipeline.

But Putin and his circle have one weak point: their assets and bank accounts in the West. Nobody knows the exact figure, but the group at the top of Russian power are worth many, many billions. In Soviet times, Kremlin bureaucrats could expect a comfortable Moscow flat, holidays on the Black Sea, and access to a few special luxury shops. Now they enjoy much more. As Garry Kasparov says: “Putin’s oligarchs own global companies, buy real estate in London, Biarritz, New York. The money they have pilfered from Russia’s treasury goes to buy art, yachts and American and British sports teams. In short, they wish to enjoy the spoils and that makes them vulnerable.”

To track down this wealth doesn’t require the skills of Sherlock Holmes: a stroll through the streets and luxury mansions of London’s Kensington or Hyde Park is sufficient. The sons and daughters of Russian officials (as well as the offspring of legitimate Russian businessmen) now attend top UK private schools; numbers shot up by 27 percent in 2012. During winter these officials ski in the French resort of Courchevel; summer finds them on the Côte d’Azur or in the pleasant Latvian seaside town of Jurmala, where wealthy Russians gather for a music festival; they are frequent visitors to the European Union.

The Sergei Magnitsky Law - which envisages banning Russian officials engaged in human rights abuses, and freezing their bank accounts - is the West’s most potent weapon. The Kremlin’s neuralgic reaction to its passage through the US Congress in November-December 2012 tells its own story: Russia responded by ending the adoption of Russian children by US citizens; it also released its own list of 18 Americans banned from the Russian Federation. The way forward is clear: Britain and other European countries now need to follow suit by adopting similar Magnitsky legislation.

At home, Putin has failed to explain why he wants to stay in power for another six years, with the option of another six in 2018. In the absence of any fresh leadership, Russia faces a period of stagnation, frustration and emigration - similar to Brezhnev’s Soviet Union. In international relations, Moscow will continue to play a spoiling role, on Syria and other matters. Many of the best and brightest Russians are already leaving. This will continue to happen if the protests fail to deliver any tangible political change. The phenomenon is understandable - who would stick around waiting for Russia to become democratic? But this is a grievous loss for Russia, and robs the protest movement of some of its most articulate voices.

For those who continue to demonstrate in Moscow, the difficulty is this: how to bring about the end of the regime? There is no easy answer. Putin has no desire to step down, given the personalist nature of the system he has created there isn't anybody who can make him. Moreover, Putin understands only too well the logic of the corrupt government model he has created. Any real successor would seize his assets, which total billions of dollars, and put him in a jail cell. Or worse.

Russian politics, then, is entering a period of uncertainty. We can assume for now that Putin will carry on, as will those who oppose him. Passing the Magnitsky law is the best way the West can support them.