

# Putin's Annual Address : "We are strong and we believe in ourselves"

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*Disturbing news about terrorists and deaths in Grozny dominated the Russian news as President Vladimir Putin delivered his annual address to both houses of parliament, the Federation Council and the Duma, on 4 December. This was a stark reminder that the North Caucasus is still a volatile region of the Russian Federation. Earlier the same week, the rouble had reached a record low against the dollar and the price of oil dropped below USD 70 per barrel.*

Russian media had been abuzz with expectations about how Putin would change or add details at the very last minute. In the end, Putin only turned up the volume, while reiterating old approaches under new banners, so as to mobilize the population and the elites. There were no changes in the course of foreign policy, nor any initiatives on much-needed structural reform.

The speech left no room for compromise regarding Crimea and Ukraine. The tone was tough and emotional. Crimea has an 'enormous civilizational and sacral importance to Russia'. It is just as holy as the Temple Mount in Jerusalem is to Muslims and Jews, said President Putin. The West, in general—and particularly the USA—was portrayed as an enemy who wanted to undermine and ultimately destroy Russia. If it had not been for Ukraine, the US and its partners would have found other means of containing Russia. Putin even claimed that some Western countries are trying to build a new Iron Curtain around Russia.

In brief, all the elements of the current political leadership's views on Russian nationalism, history, and the armed forces were present in the address. The victory in the Second World War remains a prominent part of nation-building in Russia, and Putin raised expectations for next year's 70th anniversary.

The anti-Western tone from speeches earlier this year, most notably the Crimean annexation speech, on 18 March, and the Valdai speech, on 24 October, remained.

But those who had seen the Valdai speech as an opening and a softening of the hard line rhetoric must have been disappointed. 'We are strong and we believe in ourselves,' Putin stressed. Russia, according to this view, is surrounded by enemies that are trying to tear it apart and Russia is defending itself.

Once again, the philosopher Ivan Ilyin was quoted by Putin, for at least the third time, in an annual address. Ilyin was deeply conservative and claimed a global destiny for the Russian nation. Those thoughts are cherished by the current political leadership in Russia. The Bolsheviks sent Ilyin into exile, but his ultra-patriotic writings were at one point useful to the German propaganda chief, Joseph Goebbels.

From the annual address, and not least the Valdai speech, a few things are clear. Putin's view on global affairs is one of competing interests and recognized areas of interests, i.e. a classic geopolitical, realist view where small states have no rights. As Putin recently expressed it in an interview: 'We are stronger, because we are right'.

Since Putin's return to the Presidency, the authoritarian style of government has become apparent. In his address, Putin talked of reindustrialization, of how off-shore capital would receive amnesty if brought back home to Russia, of how speculation against the rouble must be stopped, and of more control. Anyone expecting a vigorous economic programme for Russia was disappointed.

Indeed, the things that were not mentioned are worth pointing out. The need to continue reform of the judicial system and the strengthening of rule of law were conspicuously absent in Putin's address. Nor were the other democratic institutions that are enshrined in the Russian constitution, such as media freedom, or the right to replace corrupt politicians in free and fair elections. And the overall rhetoric on economic affairs suggests a basic mistrust of market mechanisms.

Thus, to come to terms with capital flight, Putin's speech suggests a 'complete amnesty' for money repatriated

to Russia, and that this will entail ‘firm legal guarantees’, admittedly not perfect, but better than becoming the victim of sanctions. To stimulate growth in small- and medium-sized businesses, he promised a three-year ‘holiday from inspections’ if they meet certain requirements, while start-ups will receive a two-year ‘tax holiday’. For backward regions, he offered funding for the construction of ‘industrial parks’, Crimea will become a special economic zone, and “monocities” will benefit from a specific programme for entrepreneurs.

In other words, Putin is trying to command an attractive investment climate, in order to turn the money flow back towards Russia. Targeted sections of society and backward regions are to flourish in artificial zones, away from the harsh reality of Russian economic life.

Similarly, Putin’s medicine for the weak rouble is especially telling. Instead of building confidence in the Russian economy, the Bank of Russia and the government are to coordinate activities in order to prevent speculation. ‘The authorities know who these speculators are and there are instruments to influence them, the time has come to use these instruments.’

During the Putin era, there have been infringements on the judicial branch, media and the legislative branch, the very institutions that, according to the constitution, should scrutinize the government. Putin, in his talk, proposes a long list of new or invigorated control mechanisms; to mention a few: centralised state control of the quality of physicians’ work; a new harsh control system for defence procurement; and a control registry of official inspections of small- and medium-sized entrepreneurs.

Putin’s address continues Russia’s trajectory of inventing ever-new institutions to replace the constitutional ones that have become incapacitated by the introduction of an authoritarian system. Instead of economic incentives, Russia’s citizens are offered patriotism, and images of an enemy, as reasons for working more. The Russian people are asked to put a shoulder to the wheel, while their political leadership will not put in the arduous work that the much-needed reforms require.

One thing is evident as 2014 draws to a close. Russia is prepared to use military means to achieve its foreign policy goals—and to re-draw the map of Europe in the process. This is a severe challenge to the entire European security system.



Foto: Alexei Druzhinin, Russian presidential press service/TASS