



PISM

POLSKI INSTYTUT SPRAW MIĘDZYNARODOWYCH
THE POLISH INSTITUTE OF INTERNATIONAL AFFAIRS

BULLETIN

No. 49 (1295), 24 April 2019 © PISM

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The Influence of the Domestic Situation on Russia's Foreign Policy

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The increasing dissatisfaction of the Russians due to the deteriorating socio-economic situation in their country has resulted in declining support for President Vladimir Putin and the government of Dmitry Medvedev. To strengthen their position, the authorities may be more inclined towards confrontational foreign policy, which corresponds to the great-power ambitions of Russian society. If so, the EU might expect more intensive actions aimed at weakening its unity, and for Poland specifically (indicated in the polls of the Russian public as one of their country's greatest enemies) there could be a continuation of the campaign that disavows its "anti-Russian" foreign and historical policy.

In this year's address to the Federal Assembly, Putin focused on increasing social spending and raising the living standard of Russians, dedicating less time than usual to defence and security policy. At the same time, the government allocated 27% of the budget for social spending and 10% for the implementation of Putin's social and economic "May decree" (2018). Furthermore, it announced a six-year tax freeze and implementation of programmes such as cheap loans for family cars. This is the response to a several-year collapse in the material situation of Russian society and growing expectations of its improvement.

Social Dissatisfaction. The plan to raise the retirement age for women from 55 to 63, and for men from 60 to 65, triggered protests of several hundred to several thousand people in more than 20 Russian cities between June and September 2018. Unlike the demonstrations in 2011 and 2012, participants were not only middle class residents of large cities (including, for the first time, public officials), but also manual workers. Of Russians polled, 90% were against the reform, blaming Putin (43.7%) and Medvedev (22.4%) for it. As a result, on 2 October, the president signed a compromise bill, keeping the new retirement age at 65 for men, but lowering it to 60 for women.

The authorities also faced image problems. In March 2018, 69 people died in a fire at a shopping centre in Kemerovo, including 41 children. In the official version, the fire was caused by a faulty electrical installation. However, 41% of Russians did not believe the authorities' explanation, pointing out that the tragedy was due to, among other things, corruption in administrative bodies. Moreover, in the September regional elections, the ruling United Russia party lost three out of 16 regional parliaments and four out of the 22 heads of federal subjects. In addition, the second round of the Primorsky Krai election was repeated due to protests against election fraud. Although United Russia still governs in most federal subjects, its losses in these elections were unprecedented, and an election had never before been repeated in Russia.

As a result, support for Putin was by the end of 2018 at its lowest for 18 years (66%, compared to a high of 88% in October 2015), and 61% of Russians blamed him for the country's problems. During the last year, trust in foreign minister Sergei Lavrov and defence minister Sergey Shoygu has also fallen (from 25% to 14% and

31% to 19%, respectively), and approval of United Russia has reached its lowest level 32%). In addition, compared to 2016, the number of Russians willing to participate in social protests doubled from 15% to 37%.

Socio-economic Stagnation. In 2018, Russian nominal GDP increased by 2.3%. This was due to relatively high crude oil prices (about \$70 per barrel), among other things. This generated an increase in GDP at purchasing power parity per capita by 1.5%. However, this did not halt the five-year decline in real incomes (-0.2% in 2018), and earnings remain low. The median wage fluctuated between RUB 27,000 and 28,000 (\$420–435), and the minimum wage between RUB 17,000 and 35,000 (\$265–545). The average household income per person is RUB 32,635 (\$507), and the pensioners constituting one-third of the population received RUB 13,360 (\$208) on average.

Economic stagnation is reflected in the Russians' declarations regarding their material situation. For 51% of respondents, there was no improvement in 2018, while 39% said their situation had worsened during the year; 52% declared that their earnings do not exceed RUB 30,000 (\$466). In addition, two-thirds of the population felt uncertain about the future, discrediting the main slogan of Putin's social policy, which is "stability".

The inequality of wages in the regions is also a perceptible social problem, which hinders the creation of a middle class. The lowest average salary was in the Oryol Oblast (RUB 16,830, or \$261), and the highest was in the Yamalo-Nenets Autonomous Okrug (RUB 70,620, or \$1,097). Thus, the middle class make up only about 15% of Russian society, compared to 59% in the U.S. and 72% in Germany (based on the property criterion).

Social Reception of Foreign Policy. Despite economic difficulties, the Russians expect decisive foreign policy. 75% believing that their country is a superpower and should remain one, and more than half being ready to accept foreign sanctions and strained relations with Western countries if Russian interests require this. Trust that the Russian armed forces will ensure security and protect the state in the event of armed conflict stands at 88%.

The anti-Western mood caused by sanctions favour readiness to confront. In 2018, Russians listed the United States, Ukraine, the UK, Latvia, and Poland as their greatest enemies, and more than half of expressed hostility towards the EU. This legitimises potentially risky actions against Western states, with which the Russian authorities could attempt to strengthen the "besieged fortress syndrome" and consolidate the electorate.

Xenophobic and anti-immigration sentiment also increased in 2018 (from 10% to 19% and 58% to 67%, respectively), which is a social response to the five-year economic stagnation and indicates the need to channel social frustration outside.

Foreign policy is also a convenient area for the authorities to influence public opinion, because the Russians pay attention only to successes, ignoring failures. The biggest defeats in the international arena in 2018 were the creation of an [Orthodox Church of Ukraine independent from the Russian organisation](#), the unsuccessful poisoning of former Main Intelligence Directorate agent Sergei Skripal, and disclosure of details about officers of The Main Directorate of the General Staff of the Armed Forces of the Russian Federation operating in the EU. None of these entered public debate among Russian society.

Conclusions and Prospects. Despite the increase in spending on social programmes, the living conditions of Russians will not improve in the near future. According to World Bank forecasts in 2019, the price of crude oil (the most important indicator for the Russian economy) will not change significantly (\$71 per barrel), so GDP growth in Russia will not exceed 1.5%. Unlike 2018, there will be no major sporting events that the Russian authorities could harness for propaganda purposes. Thus, there is a growing likelihood that they will seek to improve public opinion via confrontational foreign policy. This is likely to bring further military incidents in the Baltic Sea and Black Sea, which will give credence to the strength of the Russian army and the authorities in Moscow. Russia will also increase its activity in the Middle East and North Africa. It could expand its military bases in Syria and attempt to create new ones in Libya. Apart from image-related success, this would increase control over the south-east Mediterranean basin, which in turn will give Russia an opportunity to reduce EU energy diversification opportunities and influence migration to the EU through the Mediterranean Sea.

Russia will strive to open Turkish Stream as soon as possible, and will highlight the success of Nord Stream 2 in media coverage, presenting it as an infrastructure project undermining opinions on "Russian isolation". With Eurosceptic parties expected to make gains in the forthcoming European Parliament elections, Russia will actively support separatism and radical parties in EU countries. In this way, Russia hopes to contribute to breaking EU unity, striking, among other things, at sanctions policy.

As discussions continue on the extension of the sanctions period, Russia will intensify anti-Polish rhetoric by emphasising the image of "Russophobic Poland and the Trojan horse of the U.S.", and turning historical disputes between Poland and Israel or Ukraine to propaganda purposes. During the Polish parliamentary election campaign, Moscow may support pro-Russian nationalist groups, and could back or inspire acts of provocation, such as vandalism at the cemeteries of Soviet soldiers in Poland in order to strengthen the message of "hostile Poles".