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[A collapse that did not happen](#)



If we look at assessments published by renowned experts about Russia back in early 2015, we would most likely question the validity and bias of the prognosis made two years ago. After 2014, with the aggression against Ukraine, “isolation of Russia”, significant drop in oil prices, and the crash of ruble in December, it seemed as though there would be nothing good in store for Russia in the distant 2017. Numerous analogies with 1917 were made. But it is quite clear today that what seemed like a justifiable pessimism, bordering on fatalism, was nothing more than an emotional event that took into account neither the “black swans” nor the endurance of Russians.

It's not the economy, it's the patience

Despite the fact that Russia's GDP dropped from \$2,230 billion in 2013 to \$1,326 billion in 2016, all budgetary expenses are being cut, taxes are growing across-the-board, and key figures of economic (thus social as well) stability as seen by the government are standing firmly. Russia's international reserves [declined](#) only by 0.001% from January 2015 to December 2016, from \$385 460 million to \$385 288 million; inflation [dropped](#) from 12.91% to 5.38%; foreign debt shortened from almost \$600 billion in January 2015 to \$523 billion in July 2016 (including state debt from \$41 billion to \$35 billion).

Nevertheless, this does not mean that Russian economy came out of recession or found new ways to stimulate economic growth – a large part of this improvement should be attributed to rising oil prices which [grew](#) from its lowest point in January 2015 at \$32.13 per barrel to \$55 per barrel by the beginning of 2017. Also, it should be attributed no less to the adaptability of Russians to the ever, but slow, decline of their standards of living.

This chain of events led Putin to believe to an even larger extent that there is no justifiable reason to listen to warnings of liberals that “everything will inevitably collapse if it is not reformed”.

In the face of the motto [“modernization or death”](#), and various other proclamations made by respected economists that without the implementation of economic reforms (coupled with political reforms), Russia will fall into decline, Putin has built a strong disregard to any form of radical economic advices or prognoses. From Putin's perspective, the 2014 pessimistic wave was yet another episode of “smart guys overdramatizing”. For him, it was quite possible to move on without liberalization and reforms while withstanding a two-fold drop in oil prices and western sanctions. It is of no consequence to Putin that the effects of those issues are in fact being postponed to tomorrow, and that it is Russians who are paying for it. For the Kremlin, “tomorrow” is not an issue to be dealt with today, and Russians should be good patriots who tolerate all the losses in the name of their homeland.

This is a good time to raise the problem of historical analogies, which, as a rule, as illustrative, but most of the time inaccurate. While particular elements allow for comparisons between the Russian economy to that of the Soviet Union of the late 1980's, or Russia's intervention in Syria to Afghanistan, or Putin to Brezhnev, the general picture is principally different. Today, Russia's economy is more flexible, and its ruling class is far more educated than its Soviet predecessors (at least with respect to economy and finance). The 1917 analogy, although entertaining, is useless. Even if the events of 1917 were to be repeated it would happen in a different form and in a different time.

The triumph of cynicism

What is even less convincing today than it was in early 2015, is the position of some Russian experts and much of the western establishment, that Putin will pay for his actions in Ukraine, and will fail in Syria.

As of today, Syria is by far the most vivid example of western failure to protect human life beyond its direct sphere of influence. Passive participation of western nations in the resolution of the Syrian question made it possible for Russia to take a lead in Syria, forcing others to accept its rules of the game and its values. Moreover, Moscow has proven that the dialogue with the western world does not end after the “liberation of Aleppo” - quite the contrary - tactical success on the ground almost certainly guarantees total irrelevance of political statements made by Western leaders who are condemning Russia’s methods of war. Dialogue is continued, and Moscow controls the most valuable resources that allows it to reduce Western remarks about Ukraine to rare critical statements and awkward affirmations of the facts on the ground.

No matter how Russia’s Syria intervention ends, or how it will be assessed by future generations of politicians, today, it is living proof of Moscow’s ability to force the West to accept and discuss Russia’s agenda.

Moscow has no reason to doubt its policies are effective. Trump’s election in the United States, together with the ever-growing role of right wing political forces in Europe, convinces the Kremlin of the success of its influence and disinformation operations, and sponsorship of anti-liberal forces throughout the Western world. After annexing Crimea, it is too late for Moscow to be concerned with losing its credibility and trustworthiness which is why neither are a priority for the Kremlin. Moscow reaps colossal benefits from its relatively cheap operations. In 2015, few predicted the results of the American elections, and the ensuing chaos surrounding Russia’s interference with the U.S. electoral process.

Neither victory, nor defeat

It is not apparent or evident if Russia’s actions of the past few years will yield strategic victories for the Kremlin. However, if the purpose was to make Russia the most mentioned nation in the world, then Putin has executed his task perfectly. It is likely the cost to Russia for its actions since 2014 will continue to grow. However, this cost will not be borne today, but tomorrow, and as stated above - deferring punitive consequences to the people tomorrow is of no interest to the Kremlin today.

Nevertheless, we cannot ignore the fact that Putin proved wrong many bright minds who argued in 2015 that his defeat was near. Moscow’s resources are seemingly limited, but in reality, are much greater than recognized.

2017 begins with Moscow experiencing an unprecedented increase of its influence, now reaching the very heart of the free world, primarily because the West was ill-prepared to defend it. Still, this does not translate into economic prosperity or new sources of growth for Russia, which leaves all known problems unresolved. But, as stated above - Putin is quite successful in postponing the resolution of complicated matters.

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