

Putin's speech: praise, promises and threats

Zespół OSW

On 21 April, President Vladimir Putin delivered his annual address to the Federal Assembly (the joint chambers of parliament). The speech consisted of three thematic sections: social policy, economy, and foreign & security policy. The speech began with, and was dominated by, the social policy section. Foreign, security and defence issues were treated succinctly but Putin nevertheless took the opportunity to make vague threats against the West.

Foreign and security policy

The section devoted to foreign policy contained four main theses. First, Russia is pursuing a peaceful policy and is willing to develop correct relations, even with those states that have a negative attitude towards it. Secondly, the Russian Federation has its own vital interests and will defend them resolutely. Third, it is confronted by other states, whose policies are guided by an irrational hostility towards Moscow and employ unprecedentedly drastic methods (including assassination attempts on foreign leaders, staging internal coups, as well as large-scale cyberattacks). Fourth, Russia's international agenda is primarily aimed at the pragmatic development of cooperation and economic integration within the Greater Eurasian Partnership, as well as the Eurasian Economic Union, the Shanghai Cooperation Organisation and the BRICS.

The narrative of this section was built on the contrast between Russia – portrayed as the innocent victim of slanderous attacks and unfounded accusations – and its opponents, who are determined to impose their will on it by resorting to the use of force, economic sanctions and provocations. Russia seeks reconciliation and mutual understanding; however, it will react “rapidly, asymmetrically and sharply” to provocations and any violation of its “red lines”, so that provocateurs will “regret their actions like they have never regretted anything before”. Putin emphasised that Russia will determine for itself where these “red lines” run in each specific case. To illustrate the policy of the West, “which has crossed all limits”, the president referred to an alleged conspiracy, publicised last Saturday by President Alyaksandr Lukashenka and the Russian and Belarusian security services, supposedly aimed at fomenting an armed coup in Belarus and the murder of its leader & members of his family. Putin linked the case to the Kyiv coup in February 2014, when President Viktor Yanukovich lost power and fled to Russia, and to the Venezuelan opposition's attempt to oust President Nicolás Maduro from government. In passing, referring to Rudyard Kipling's *Jungle Book*, he mocked the smaller allies of the United States, comparing them to the “jackals” sucking up to the “tiger”.

According to Putin, the West's aggressive policy contrasts with Russia's restrained and pragmatic approach aimed at resolving conflicts, as exemplified by its actions in Syria, Libya

and Nagorno-Karabakh. The president complained that Moscow has repeatedly offered the West consultations on cybersecurity, but its initiatives have been ignored. He also re-publicised his initiative to hold a summit meeting of countries with permanent seats at the UN Security Council to negotiate an arms control agreement. Its aim would be to create “an environment of conflict-free coexistence on the basis of equal [literally, levelised] security” – covering all offensive and defensive systems. The president also said that the aim of Russian policy was to build up practical cooperation in the economic sphere (infrastructure projects, economic integration) to serve the public’s wellbeing and global stability.

The section dedicated to the armed forces was subordinated to the validation of the threats contained in the foreign policy part. Putin made it clear that Russia now has a military advantage: the new strategic and tactical missile weapons systems which he unveiled in his previous address are either coming into or have already entered service. He announced that the armed forces’ rate of saturation with modern weapon systems has already reached 76% (88% in the nuclear triad). Of the previously advertised systems, the Avangard hypersonic glide vehicle has already entered service, and the Sarmat system is to be deployed by the end of 2022. The number of Kinzhal systems in service is increasing, and the Zircons will soon join them. The president emphasised that providing military security is the priority of the state.

The social sphere

Putin assessed the results of Russia’s fight against the pandemic in positive terms, and stressed that it has been doing better than many other countries. He noted the negative demographic trends, which have been exacerbated by the pandemic, and therefore made it a priority to extend the average life expectancy of the Russian people to 78 years by 2030 (in the ‘pandemic’ year of 2020 it fell to 71.9 years). To this end, he announced an increase in support for families with children and single parents. It is principally intended to provide additional benefits for each school-age (a one-off payment of 10,000 roubles, around US\$130) and pre-school child; aid for pregnant women in difficult life situations; and it will be part of the government’s comprehensive strategy for supporting families with children, to be prepared by 1 July 2021. The president also announced that funding for vacations in the country would be provided by the end of this year. Citizens are to be reimbursed 20% of the cost of their stay in sanatoria, and children will have 50% of the cost of summer camps reimbursed (students and volunteers are also to receive funding).

As is usual on this occasion, Putin emphasised the importance of the accessibility and modernisation of healthcare, education and culture, and announced spending increases on these spheres, including an increase in the number of free places at universities.

The economy

With regard to the economy, the president limited himself to just a few issues: above all the fight against regional debt, state support for infrastructure projects, the revival of the labour market, the fight against inflation, Russia’s adaptation to climate challenges, and the development of the tourism market.

Putin also announced that part of the commercial debt of the Russian Federation’s regions (exceeding 25% of their income) would be converted into budget loans to be repaid by 2029, and that loans taken out to fight the pandemic would be restructured (by extending

repayments until 2029). The regions will also be able to take advantage of new government loans to develop their local infrastructure: 500 billion roubles are to be allocated for this purpose by 2023. In addition, savings from the National Welfare Fund are to be allocated for the modernisation and expansion of key road and rail lines) in the country: for instance, the Moscow-Kazan highway is to be completed by 2024 (and then extended to Yekaterinburg). The president committed the government to prepare the appropriate plans by this July, the plan being to return the labour market to the level it was at before the pandemic, and to rebuild the small and medium-size business sector.

Commentary

- The speech was an important part of the government's campaign ahead of the September parliamentary elections. The social aspects were addressed to the general public, while the aggressive anti-Western narrative was primarily targeted at Putin's core electorate, who are more susceptible to the 'besieged fortress' rhetoric, and who value stability above all (these are mainly people of retirement age, as well as certain categories of state and public sector employees), and to the wider world. The announcement of the plan to develop health care was designed to neutralise the social frustration caused by the many years of deterioration in this area: the effects of the health system's chronic under-financing have become fully visible during the pandemic.
- The tone of his statement addressed to the West should be judged as being very harsh. On the one hand it followed the usual Kremlin's logic of blackmail and a show of strength, which was also manifested by the recent escalation of tensions around Ukraine. On the other, it was a response to Joe Biden's recent moves (further sanctions against Russia, accompanied by an invitation for Putin to a bilateral meeting and the international climate summit). The speech indicates that the Russian Federation does not intend to change its current foreign policy; nor is it willing to make any real compromises. In particular, the statement about the self-definition of "red lines" means that Moscow is uninterested in stabilising relations with the West, but is rather demonstrating its ability to destabilise both the West itself and the regions where it dominates. Russia's readiness for "asymmetric" reactions, as signalled in the speech, may indicate an intention to radicalise its actions. The declared willingness to negotiate and the assurances of the peaceful nature of Russian policy are ritual and propagandistic in nature, but they are also intended to encourage the Western side to make concessions.
- Putin's validation of the alleged conspiracy against Lukashenka and his declarations that Belarus will be defended suggest that in the near future Belarusian-Russian relations will be dominated by security issues, including possible Russian guarantees to Minsk. Thus, it seems likely that Russia may soon make a demonstration of transferring a limited contingent of armed forces to Belarus as part of the two states' cooperation (the planned Russian-Belarusian training centre). This will primarily serve as a political signal to the West that its support for the Belarusian opposition will meet with a decisive response from Moscow. The intensification of Russian-Belarusian talks in recent days (on subjects including the harmonisation of tax systems and the creation of a common energy market) may also indicate that preparations are underway for the announcement of a more comprehensive agreement deepening the integration of both countries within the Union State.

- Putin's statements on strategic arms control show that Russia continues to adhere to a 'package' approach, i.e. the joint consideration of both offensive and defensive systems. As for the latter, the Russian Federation's aims to thwart NATO/US plans for missile defence system in Central Europe and prevent the possible deployment of US medium-range missiles on the continent (in response to Russia's previous deployment of such systems).
- Based on the content of the speech, it can be concluded that Russia's economic policy will not change in the immediate future. The dominant roles of the state and the centralised management system will be maintained. The economic threads discussed focused on matters which are important for the general public. Putin devoted much time to enumerating the specific regional projects that could be implemented with the support of the federal budget (including extending gas supply networks, modernising municipal infrastructures, and implementing eco-friendly solutions in the cities most affected by harmful gas emissions). The president essentially ignored macroeconomic issues. Contrary to previous occasions, he did not set specific goals for GDP growth, investments, income or inflation; he merely presented the general outlines of the government's plans to raise the public's standard of living and develop & modernise the economy thanks to the increase in investments, including from public funds. Putin's social promises are not excessively generous, and their cost would be relatively low: the finance minister estimated them at around 400 billion roubles (less than 0.5% of GDP) over two years, most of which (270 billion roubles) will be paid out during 2021. The biggest expense will be the payments of 10,000 roubles to each pupil: in total, these will mean an expenditure of around 170 billion roubles. Although the president did draw attention to the importance of the challenges of climate change, the actions he announced are very general and not very ambitious (monitoring the scale of greenhouse gas emissions and reducing emissions below the level of three decades ago, when it was the highest in the history of the USSR/Russia); in fact, they open the way to actually increasing the level of greenhouse gas emissions in Russia over the coming decades.
- The absence of domestic political topics in the speech (elections, the opposition, protests) was very telling, especially considering that on the same day a national series of demonstrations in support of Alexei Navalny were held, accompanied by a wave of repression against organisers and participants alike. Putin's ostentatious omission of these important elements from his address is part of the Kremlin's strategy of ignoring the regime's opponents and creating the illusion that the interests of the government and the nation are fully convergent. At the same time, the subject of political opposition, while not mentioned explicitly, was interwoven between the lines in Putin's accusations that the West was attempting to destabilise Russia, including by preparing 'provocations' aimed at the security of the state.