

Foreign Affairs

Putin Is Going to Lose His War And the World Should Prepare for Instability in Russia

By Anders Åslund

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Russian President Vladimir Putin could hardly have used his May 9 Victory Day address, an annual holiday marking the Nazis' surrender to the Soviets, to declare victory in his military campaign against Ukraine. Neither did he use the occasion to declare a general mobilization, as some analysts had predicted. Instead, speaking from a podium in Moscow's Red Square, Putin sounded like a sore loser, whining that NATO's threats had "forced" him to act preemptively in the Donbas.

Three months after launching his ill-conceived invasion of Ukraine, it seems increasingly likely that Putin's bid to liberate the Donbas from Kyiv will be remembered as one of the most spectacular failures in contemporary military history. Russian troops lost the battle for Kyiv within the first month of the conflict and are now struggling to make any headway in eastern Ukraine. Meanwhile, they continue to suffer devastating losses: by May 16, according to Ukraine's Ministry of Defense, Ukrainian forces had killed more than 28,000 Russian soldiers. The question now is whether the national humiliation Russia faces more closely resembles the 1905 Russo-Japanese war, which marked the beginning of the end of the Tsarist era, or Josef Stalin's failed attempt to seize Finland in the Winter War of 1939-1940.

CRIPPLING GRAFT

Systemic corruption has hobbled Russia's ability to fight a war successfully. Since 2013, for example, Putin has awarded at least \$3.2 billion in military procurement contracts to his friend Yevgeny Prigozhin—who has provided Russian troops with such meager food supplies that they have resorted to looting grocery stores simply to feed themselves. Cheap, poorly-made Chinese tires have been blamed for slowing the advance of Russian military convoys. According to reports by Ukraine's anti-corruption agency, one contractor supplied Russian troops with what were advertised as bulletproof vests but which turned out to be filled with cardboard instead of armored plates.

Ukraine's military, by contrast, has exceeded all expectations. Hundreds of thousands of Ukrainians have volunteered to defend their motherland. Thanks to the eight-year war in the Donbas, tens of thousands of Ukrainian soldiers have combat experience, and many have benefited from U.S. and British training. Ukraine's Western-made anti-tank weapons and Stinger anti-aircraft systems have proved highly effective, and its Western allies are stepping up supplies of arms and military equipment.

After Russia's invasion on February 24, the United States and its allies quickly imposed sanctions to choke off Russia's economy. Western sanctions no longer aim to deter Russia but to weaken the Russian economy and reduce its ability to pursue wars. Critically, Western sanctions are now targeted against major Russian state banks. The G-7 froze the Russian Central Bank's international currency reserves and removed many Russian banks from SWIFT, the international messaging system for interbank transactions. In response, the Russian government is regulating the economy ever more, further damaging Putin's war effort. In a single day, Putin wiped out most of the economic gains Russia had made since 1991.

SHIFTING TIDES

The tide of Putin's war in Ukraine is increasingly shifting against Russia, and it will almost certainly end in a devastating Russian defeat. This would not be the first time Moscow has launched an ambitious military adventure in search of additional territory, only to find itself outmatched and humiliated.

One parallel that comes to mind is the Winter War of 1939-40, a campaign on the sidelines of World War II, in which Stalin himself decided to invade Finland and establish his own Finnish government. The Red Army failed to make any headway against the small but brave Finnish army, and it suffered horrendous losses. But the parallels end there. When the effort failed, Stalin let professional generals take over the command, giving the Soviet army's chief of staff, Marshal Boris Shaposhnikov, full authority over operations in the Finnish theater. After three months, Stalin settled for a peace treaty with limited gains at an enormous price. Putin, by contrast, has not relinquished command to his generals. On the contrary, he has reinforced his control of detail, and Ukrainian leaders are not prepared to give up any land lost after February 23.

The more plausible parallel is the Russo-Japanese war of 1904-5. Its origin was imperial rivalry. Russia sought a warm-water port on the Pacific Ocean, colliding with Japan's imperial ambitions. The war started off poorly for Russia, but Tsar Nicholas II insisted on fighting on, while the hope of victory dissipated. Even so, he continued the war to preserve the dignity of Russia by averting a "humiliating peace." But Russians were humiliated by the defeat and rose against Tsar Nicholas II, extracting a more liberal regime.

ECONOMIC WOES

Today, Russia is facing not just a humiliating defeat but also a horrendous economic collapse, for which Putin bears full responsibility. Russia's official predictions are an 8-12 percent decline in GDP, but it might become twice as large. In August 1998, after six days of a far less severe financial crisis, Russian President Boris Yeltsin dismissed his government. Putin, by contrast, has not allowed anyone in his government to resign, compelling everybody to be with him until the bitter end. Needless to say, fear appears to prevail among the Russian government elite.

The conventional wisdom is that Putin's Praetorian Guard, the Presidential Protection Service, is so strong, well paid, and loyal to Putin that it will protect him against any coup attempt. However, the cost of Putin's continued leadership to Russian society is so great that it would be surprising if no group would mobilize against him. Sudden ample leaks from the otherwise secretive intelligence community suggest an elevated degree of interagency rivalry. Even if Russia continues to censor news of the war and the scope of its loss in Ukraine, the truth will eventually become obvious. During a decade of war in Afghanistan, 15,000 Soviet soldiers were killed, a failure that contributed to the collapse of communist rule, but more Russian soldiers than that were killed in the first two months of fighting in Ukraine.

Russia's domestic environment looks explosive at every level. Plausible rumors are spreading about arrests and sacking of top security officials; at least seven top Russian businessmen have reportedly committed suicide after first having killed their families, making these appear like executions. Social unrest has not been widespread in recent years, but it does occur, and the level of anticipated decline in output and living standards has not been recorded since the early 1990s. A natural popular reaction would be widespread social unrest, which would aggravate the tensions among the security services.

Eventually Russia's Security Council could oust Putin. This body meets once a week, but in the last two years it has only convened in person once, on February 21, when Putin demanded approval of his war against Ukraine. They met in one of the big halls in the Kremlin at a distance of many meters from Putin. Initially, Putin's reticence to meet with his colleagues was attributed to his extreme fear of the coronavirus, but now he appears most of all scared of his collaborators, as indicated by his predilection for sitting at the end of a long table.

The Security Council has replaced the Politburo as the highest decision-making body, but it enjoys no popular authority. If the Security Council were to take over, Russia might once again see a collapse of political power, as in the coup attempt in August 1991, and power could end up in the street. A couple of years of unpredictable disorder might ensue. The alternative would be that Putin succeeds in mobilizing his secret police and transforms Russia into a new North Korea, which would be much worse. It is difficult to discern any middle road in this dramatic situation.

Whatever the outcome, the West must begin to plan for the collapse as well as the reinforcement of Putin's regime. If Putin reinforces his power, Western policy needs to act correspondingly. Its sanctions on Russia need to be maintained until all Russian troops have left Ukraine. While the West should offer Ukraine substantial material support for its reconstruction, sanctions on Russia should be maintained until Russia has agreed to make reparations for the horrendous damage it has caused to Ukraine. Future flows of Russian émigrés are likely to exceed the millions currently streaming out of Ukraine.

If Putin loses power, however, Russia's future looks much more hopeful. A time of disarray would be to be expected, but if Russia eventually achieves a decent democratic regime, the West should stand up and deliver a proper Marshall Plan, as it did not do in 1991. Hopefully, a preceding Western reconstruction of Ukraine can serve as a master plan.

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