

After Two Years of War, What's Next for Vladimir Putin?

By David Lingelbach & Valentina Rodríguez Guerra, 2024-01-28



Russian President Vladimir Putin grimaces during his call-in show and annual press conference on Dec. 14, 2023 in Moscow. Contributor/Getty Images

Vladimir Putin's war with Ukraine is closing in on its second anniversary. We see no realistic prospects that the war will end decisively anytime soon. But while there is a military stalemate, we see lots of evidence that Putin has helped rewire the international order. He has seemingly helped make oligarchs the new normal in that order.

Putin has accomplished this in part by following the four-stage model we outlined in our book, [The Oligarchs' Grip](#):

- 1) He's entrepreneurial and always willing to exploit new opportunities.** For example, in September, he met with North Korea's Kim Jong Un in the Russian Far East. That meeting led to North Korea becoming Russia's new armaments supplier.
- 2) Putin has built new temporary strategic alliances, demonstrating what we call oligarchs' "friends with benefits" strategy.** Aside from his closer relationship with Kim, in July, Putin visited Crown Prince Mohammed bin Salman (MBS) in Saudi Arabia and President Mohamed bin [Zayed Al Nahyan](#) of the United Arab Emirates. These are two of the wealthiest national leaders in the world, and increasingly powerful. These moves came in a year when he lost important former allies, such as [Yevgeny Prigozhin, leader of the Wagner Group](#).
- 3) Our model suggests that oligarchs like Putin wait for their main chances.** That time has now come for him. Putin likely sees himself in a once-in-a-century opportunity to go to war with the West.
- 4) Putin remains secretive and stealthy, just like most effective oligarchs tend to behave.** With all the books written about him of late, his essence remains elusive, even as other observers double down on a simple cartoonish evil villain caricature of him.

Aside from closely following the strategies of effective oligarchs, Putin has also made oligarchs seem normal through five sets of actions. First, he provides legitimacy to oligarchs everywhere by remaining the world's most consequential political oligarch. His combination of power and wealth is unmatched by any other decision-maker in the world today. He is likely to remain in this position for some time to come. His example has created shade for new political oligarchs to rise: MbS, Recep Tayyip Erdoğan in Turkey, Viktor Orban in Hungary, and, most importantly, Xi Jinping in China. Putin's invulnerability also gives heart to other actors who, while not oligarchs themselves, wish to act with impunity. Israel's Benjamin Netanyahu comes to mind, as does former President Donald Trump. [As we have written previously](#), Putin's example seems to help power the continuing rise of powerful and wealthy national figures.

Second, Putin's expected reelection to a [fifth term in office](#) in March is a strong data point supporting continued illiberal and, in some instances, openly anti-democratic moves to power by oligarchs. A [significant number](#) of Trump's supporters remain comfortable with the former president's [return to power by whatever means necessary](#). Nayib Bukele's supporters in El Salvador and Prabowo Subianto's in Indonesia feel much the same way. And, in Panama, Ricardo Martinelli remains the favorite to be reelected as president, despite a [10-year sentence for money laundering](#). Along with Putin, these leaders have helped make behavior that pushes the legal boundary seem cool to many of their followers.

Third, Putin's wealth has remained stable despite nearly two years of international economic sanctions against Russia. While some of that net worth may be offshore and, therefore, vulnerable, the bulk is believed to remain in Russia, centered in the oil and gas industry. This [industry is expected to recover in 2024](#). Putin has seemingly shown oligarchs — current and aspiring — how to construct a bulletproof portfolio.

Fourth, Russia's economic indicators on balance remain positive, lending popularity and credibility to Putin. In 2023, GDP growth is estimated at 3.1% and is expected to slow to a projected 1.1% in 2024. Inflation in 2023 stood at a moderate 7.6% and is projected to decline somewhat to 5.4% this year. Over the past year, the ruble has weakened somewhat against the dollar (89 to the dollar today versus 69 a year ago), but that helps with the country's international competitiveness. Broadly positive economic news continues to help Putin's popularity, with a stable reported [approval rating of 83%](#) in December 2023.

Fifth, while the past year of the war has been a bit rough on Putin personally — an International Criminal Court arrest warrant in March and Prigozhin's rebellion in June — he has bounced back on the international front, resuming international visits in October. Despite the ongoing war, he has projected a sense of normalcy by hosting the Russia-Africa Summit in June, the Russia-Latin America International Parliamentary Conference in September-October, and the annual Valdai Discussion Club in October.

Having apparently rewired the international order, what's next for Putin? First, we expect more potentially high-payoff surprises from him. Since the epicenter of the oligarch world is likely rapidly moving to artificial intelligence, we assess that he is already active in this industry. Geopolitically,

Putin will likely seek ways to increase pressure on his Western adversaries. For example, the Korean peninsula may be a possible venue for action if China permits it. He may also move more decisively into Latin America in surprising ways. For example, he and Nayib Bukele, El Salvador's soon-to-be reelected president, have much in common, including a disregard for the United States. Could these two "snarkigarchs" find common cause?

While Putin has no plans on leaving office in the foreseeable future, we are intrigued by a recent story suggesting that [Putin may be positioning a family member to succeed him](#). We don't want to make too much of this. Like Stalin, we'd wager Putin is likely to die in office (and possibly in his own bed). Still, such a move would solve the interest group conflict involving more traditional successors (like Prime Minister of Russia Mikhail Mishustin, Secretary of the Security Council of the Russian Federation Nikolai Patrushev, Russian businessman Yury Kovalchuk or Deputy Chairman of the Security Council of the Russian Federation Dmitry Medvedev). It may also reduce the odds that Russia descends into warlordism. And it's the kind of surprise that Putin is known for.

Also, the threat of Russian-initiated nuclear conflict remains significant. This is a view shared by the [Federation of Atomic Scientists](#). Earlier in the war with Ukraine, Putin experimented with [novel uses of nuclear threats](#) involving the Chernobyl and Zaporizhia nuclear facilities. While he did not choose to take these experiments to their horrific conclusions, it does suggest that there are few limits to his actions in this sphere. Would he consider an "own goal" scenario, where a nuclear "accident" on Russian territory spreads radioactive fallout to Europe? Several of Russia's nuclear power plants are located along its western borders, including [one under construction in strategically important Kaliningrad](#).

So, it has been an interesting and tragic two years for Putin in Ukraine, and likely another one ahead. He continues to play a masterly oligarch's game, no matter how awful the outcome may be for so many.

David Lingelbach is a professor of entrepreneurship at The University of Baltimore. He lived and worked in Russia from 1994 to 1999, where he served as president of Bank of America — Russia and worked with Vladimir Putin.

Valentina Rodríguez Guerra is an author and oligarch researcher.

Their book, ["The Oligarchs' Grip: Fusing Wealth and Power,"](#) is published by De Gruyter. They are the founders of [The Center for the Study of Oligarchs](#).