

OPINION

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# Is Putin Done After Prigozhin's Uprising?

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David Lingelbach and Valentina Rodríguez Guerra



*Russian President Vladimir Putin attends a ceremony marking the Day of Remembrance and Sorrow, on June 22, 2023, in Moscow. Getty Images*

Mercenary leader Yevgeny Prigozhin's attempted insurrection in Russia has renewed questions about Vladimir Putin's staying power as head of state. Is Putin's power slipping away? Is he done?

Our perspective on these questions is somewhat different from other observers, and readers deserve to know where we are coming from. First, we try to take an independent, objective and dispassionate view of Putin. Second, in the past, we have been skeptical about claims that Putin was on the verge of defeat. And third, we see Putin as an oligarch whose multiple control mechanisms of wealth and power improve his chances for not just survival but continued success on his own terms.

Why is Putin an oligarch? And why is he one of the most consequential oligarchs since World War II? First, he continues to possess substantial decision-making power, including undisputed control over Russia's stock of nuclear weapons. Second, Putin has used his power to gain control of a stock of wealth (managed by trusted associates) that we value conservatively at \$6 billion. Holding high levels of both power and wealth makes Putin a consequential oligarch and one who continues to possess tremendous freedom of action, even as he faces growing internal and external challenges. Those challenges increase the uncertainty he faces.

Unlike most other political and economic actors, but similar to most oligarchs, Putin is likely to see this increased uncertainty as opening new windows of opportunity to enhance his power and wealth. How might he exploit this new uncertainty to his benefit? First, Prigozhin's attempted insurrection represents a stress test on Russian elites, the most important one since the 1993 attempted coup against then-President Boris Yeltsin. Putin is likely to be monitoring closely how those elites respond, not only to gauge their loyalty but also to assess whether new opportunities emerge for him to enhance his power or wealth by extracting either or both from those elites.

The new uncertainty also creates opportunities to further Putin's project to alter the international order. In our view, other observers have overemphasized the reluctance of allies like China, Turkey and Iran to leap to his support during the attempted insurrection. Instead, we took note of how Prigozhin's move quickened and strengthened the consolidation of Belarus as Russia's de facto 90th federal subject. Belarus' gradual incorporation into the Russian Federation is of a piece with Putin's attempt to bring Ukraine back into the Russian fold.

As business and management researchers, we are also mindful of the opportunities for Putin to create new wealth from Prigozhin's abortive march to Moscow. For example, it's an old investing adage to "buy when there is blood in the streets." While the prices of traded Russian assets have been less volatile during and after the insurrection than they were at the time of the 2022 invasion of Ukraine, and global markets have so far not reacted to Prigozhin's actions, private asset prices may react differently. Putin and his associates have first dibs on the opportunity to buy the dip on those assets.

So, uncertainty creates opportunities for Putin. What about the downside? He has failed before and reacted by employing increasingly authoritarian measures. While we don't share the view of other respected observers that Putin is on the verge of a massive purge, there seems to be little doubt that the screws are tightening across Russian society. This is a view we share with other observers. And our view is that those measures will be sufficient for Putin to maintain his position as head of state and Russia's leading oligarch for the time being.

However, it is prudent to take stock again of who might replace Putin. We've previously raised three possible scenarios: the caretaker, Putin 2.0, and the reformer. We identified Mikhail Mishustin, the current prime minister, as an example of the caretaker scenario. We remain comfortable with that pick. Mishustin has largely stayed out of the war effort, has built a reputation that has been recognized favorably by Russia's key ally China and has been a public voice for unity during and after the attempted insurrection.

For Putin 2.0, we focused on Yury Kovalchuk, Putin's COVID-19 isolation buddy and trusted custodian of some of his wealth. We are less convinced of that pick than before. Now, we believe that Putin 2.0 has to be someone even more brutal in the exercise of power than Putin has been and also more skilled at wealth accumulation. Someone who will continue Russia's intelligence service-dominated political and economic structure. Someone who could out-Putin Putin. Is that person someone close to Putin, like Igor Sechin (Rosneft CEO) or Nikolai Patrushev (Russian Security Council secretary)? Or someone more distant but perhaps more brutal, as Prigozhin was until his send-off to Belarus? In our view, a figure more like Stalin than Putin could ultimately carry the day.

As to the reformer scenario, our original optimism now seems unwarranted. We see no path to additional power and wealth for any of the individuals representing this scenario, including opposition activists Alexei Navalny, Mikhail Khodorkovsky and Vladimir Kara-Murza. Nor do we see

this scenario as having significant support amongst the Russian people. Their preference is for someone who is strong, competent, and able to provide stability. Reform implies chaos to them.

As the flawed but sole figure who can still provide some kind of stability, Putin is not done yet. He has lost some power due to the attempted insurrection. But he remains one of the most consequential oligarchs of our time. Don't count him out.

David Lingelbach is a professor of entrepreneurship at the University of Baltimore and an author. 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," will be released in November.

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