

Weekly Geopolitical Report

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July 15, 2019

Russia's Local Elections

Although Russia hasn't been in the Western news very much recently, there's been plenty of action "under the radar" related to the country's regional and municipal elections this fall. On September 8, governors will be elected in 16 of the country's 85 regions, including the important city of St. Petersburg. Legislative assemblies will also be elected in 14 regions, the capitol Moscow, and many other municipalities. In this week's report, we'll review the Russian government's security goals and show how domestic political security is one of its most important priorities. We'll also discuss the domestic political challenges faced by the government and how it is attempting to control the regional and local elections to ensure President Putin and his United Russia Party retain power. As always, we'll conclude with market ramifications.

Russia's Traditional Security Goals

In recent years, we've explored Russia's security concerns in detail (see our Weekly Geopolitical Report from February 8, 2016). We've emphasized that Russian security concerns stem largely from the fact that the country has few natural defenses and is essentially landlocked. Russia's European territory is open to invasion through the northern European plain, as illustrated by the invasions of Napoleonic France and Nazi Germany. Meanwhile, Russia's primary outlets to the sea can be blocked with relative ease. Such landlocked isolation, restrained foreign trade, and limited arable

land have left Russia relatively insular and poor, with an economy focused on natural resources.



The North European Plain, extending from Western France to the heart of European Russia (WordPress.com)

Reflecting Russia's exposure to foreign invasion, Moscow has developed a unique set of defense goals and strategies over the centuries, including an outsized concern for domestic security and regime preservation. Like all leaders, President Putin has his own unique style and idiosyncrasies, but his approach to national security is entirely consistent with the country's traditional policies. In contrast, Russian security policy in the Soviet era was in some ways an aberration, in that it infused the country's defense effort with a messianic, global goal of expanding communism worldwide. Even then, many Russian elites probably recognized that the communist ideology was merely an unnatural mask over traditional defense policy and nationalism. President Putin and the rest of today's Russian elite

have jettisoned the messianic, ideological goals of communism and refocused on Russia's core defense priorities and policies, including their emphasis on domestic stability and the continued survival of the government.

A recent Rand Corporation study of Russia's developing military capabilities provides a handy summary of the country's specific security goals under President Putin. The study finds that Putin and the Russian elite embrace a consistent, logical, and quite traditional set of security goals that reflects a "hard realist" view of power. The overriding aim of these security goals is to ensure broad stability for the leadership and the country at large. The aim is to achieve predictability and minimize uncertainty about the leadership's hold on power and the country's independence. The approach recognizes that foreign and domestic adversaries can put the regime and country at mortal risk, so all levers of military, political, economic, and social power may need to be employed for purposes of defense. Specifically, Russia's security goals are as follows:

Maintain Strategic Deterrence. Faced with its exposure to foreign attack, the Russian leadership's top security goal is to maintain strategic deterrence, i.e., to have sufficient military and other power sources to deter any foreign adversary from contemplating aggression against the Russian homeland. A key part of Russia's strategic deterrence is to maintain, modernize, and improve the nuclear weapons it inherited from the Soviet Union. Maintaining this deterrence capability is probably a key reason why the Putin government was willing to risk developing its new, nuclear-capable, ground-launched cruise missile (known as the 9M729) that the United States claims is

in violation of the Intermediate-Range Nuclear Forces (INF) Treaty.

Control the "Near Abroad." Consistent with its traditional reliance on buffer regions to shield the Russian homeland from attack, the leadership's second most important security goal is to control and dominate the "near abroad," i.e., the non-Baltic countries bordering Russia that were constituent republics of the Soviet Union. Importantly, this goal includes being able to respond to and eliminate threats such as instability, terrorism, or civil conflict in those countries. It also specifically includes the ability to thwart pro-Western or pro-democracy political revolutions in the near abroad, such as the Orange Revolution that brought pro-Western politicians to power in Ukraine in 2004 and 2005. The leadership tends to believe such revolutions occur when foreign governments capitalize on social unrest to overthrow sitting governments and install new governments hostile to Russia. They also tend to believe such revolutions have the potential to inspire similar pro-Western or pro-democracy political demands at home. Russian leaders therefore focus heavily on shoring up friendly governments and undermining unfriendly ones in the near abroad, as they have done in Ukraine.

Build Expeditionary Capability. Russia's third key security goal is to maintain its capacity for expeditionary military operations, i.e., its ability to conduct and sustain military strikes even beyond its own territory and the near abroad. Drawing on its perception that pro-Western or prodemocracy movements anywhere could spread to its own sphere of influence – or even to Russia itself – the leadership is intent on maintaining the ability to support its allies abroad and deter the United States from supporting the overthrow of those regimes. A secondary benefit of such

expeditionary capacity is to present Russia as a great power, on par with the United States. Russia's intervention in the Syrian civil war is a prime example of how it is pursuing this goal.

Prepare for a Major Ground War. Russia's fourth security goal is in many respects a fallback in case the previous three goals are unsuccessful and a foreign adversary such as the United States or NATO tries to invade the Russian homeland. This goal consists of maintaining sufficient military might to fight and win a traditional major ground war on Russia's own territory or on its borders. The leadership's efforts to achieve this goal can be seen in the way it has invested significantly to modernize many of the weapons systems it inherited from the USSR, such as the T-72 tank.

Ensure Domestic Stability. Russian leaders have traditionally been acutely aware that even if they achieve all the goals outlined above, they would still be at risk of losing power if they lose control of the domestic political, economic, and social spheres. The leadership's final major goal, therefore, is to ensure domestic stability. To achieve this goal, the leadership works hard to avoid widespread popular unrest, nipping in the bud any sign of separatism, terrorism, or political challenges to the existing powers. To the extent allowed by the current level of global energy prices and the impact of Western sanctions, the leadership tries to ensure economic stability. Perhaps more importantly, it has also built a kind of corporatist, crony capitalism in which rich industrialists (the "oligarchs") are given free rein to exploit the country's resources and move their assets abroad, so long as they lend political support to the government. With municipal elections coming up in less than two months, the leadership is already working to ensure its control over local

institutions like mayoral offices and city councils.

The Fight for Local Stability

Although foreign analysts have focused heavily on electoral shenanigans that President Putin and his United Russia Party have long used to stay in power at the federal level, it's important to remember that they've also put a lot of effort into maintaining control of the country's 85 regional governments and many of its municipal governments. In fact, Russia's municipal legislative councils have an outsized role in ensuring that the regional governments remain in friendly hands. Russia's regional governors are now all selected by direct popular election, but the federal government has adopted rules requiring that candidates for regional governorships be endorsed by a minimum number of municipal legislators throughout their district, ostensibly to ensure that the candidates are well qualified to be governor. This allows Putin and United Russia to "stack the deck" with their supporters in the municipal councils.

The imperative for President Putin and United Russia to shore up their domestic support has now become especially important as public enthusiasm for the 2014 seizure of Crimea has worn away. On top of that, the government's popularity ratings have fallen in response to controversial initiatives like a recent increase in the retirement age and the imposition of road tariffs for long-haul truckers. Anger over those initiatives has now melded with a growing pushback against the abuse of law enforcement powers to stifle political dissent.

The result has been a wide-ranging, often farcical, effort to keep opposition candidates off the municipal councils. In Moscow, for example, anti-corruption lawyer Lyubov Sobol has faced an array of dirty tricks to prevent her from gathering the 4,500 voter signatures she needed to get on the ballot as a non-party candidate. The tricks aimed at intimidating her and her supporters have included police threats to arrest her campaign volunteers as well as incidents where thugs tore up her signed signature forms or tried to discourage voters from signing them in the first place by throwing buckets of human feces at her signature collection sites. The intimidation against Sobol may be unusually intense because she is a close associate of anti-Putin crusader Aleksei Navalny and came to fame investigating corruption by Putin confidante Yevgeny Prigozhin (an oligarch known as "Putin's Chef" for his catering firms). Nevertheless, several other candidates in Moscow have reported similar incidents.

Even when opposition candidates have managed to gather the required signatures, local election officials have often been able to prevent them from registering for the ballot. In St. Petersburg, for instance, candidate Pavel Chuprunov was prevented from turning in his documents because of interminable queues every time he showed up at the local elections office – queues that apparently consisted of fake candidates hired to stay constantly in line and block opposition candidates from getting access.

In sum, President Putin and his supporters seem to have learned a thing or two about controlling elections without sparking allegations of fraud and political protests as in the 2012 elections. The Kremlin has discovered that it's far safer, and almost as effective, to simply manipulate the existing election laws to limit the number of opposition candidates that can get elected. By all accounts, there is little chance that the September municipal elections will produce

a significant increase in the number of political opponents who can press the Kremlin at the local level or approve more opposition candidates for regional governorships.



An unidentified thug captured on video as he prepared to throw a bucket of human excrement at Lyubov Sobol's campaign office (RFE/RL).

Ramifications

The Russian leadership's heavy-handed control over local elections suggests the upcoming elections are unlikely to produce a significant change in policy going forward. The elections are unlikely to dislodge many of United Russia's supporters at the regional or local level, or produce any significant change in Russia's political, economic, or

social policies. Therefore, the Russian economy and Russian stocks will probably still be driven mostly by the level of global oil prices, as they have been for years. Since the local elections probably won't produce any appreciable change in the Russian government's key policy stances, there seems to be little chance that Western governments will relax the sanctions imposed on it for transgressions like the seizure of Crimea or the Russian efforts to manipulate the U.S. elections of 2016. Unless global oil prices rise enough to

substantially boost the Russian economy and offset the drag from sanctions, the outlook seems to be for continued economic underperformance and rising resentment against the government, but not enough for serious social or political unrest in the near term.

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