

# Russian billionaire announces presidential run against Putin

By Niall Green  
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Russian billionaire oligarch Mikhail Prokhorov announced on December 12 that he would run in next year's presidential elections against Prime Minister Vladimir Putin.

This announcement came only two days after Saturday's protest marches in Moscow, St. Petersburg, and other cities throughout Russia over vote fraud in Russia's December 4 parliamentary elections, which benefited United Russia (UR), Russia's ruling party. Prokhorov's candidacy is a transparent attempt to appeal to the urban upper-middle-class layers who are attending these protests on a right-wing, pro-free-market basis.

With an estimated personal fortune of \$18 billion, Prokhorov is Russia's fifth richest man. His wealth has accrued through the banking and mining sectors, and he also owns the New Jersey Nets basketball team.

Prokhorov led a pro-business party closely allied to UR, Right Cause, until June, when he resigned due to supposed differences with the Kremlin. Boris Nemtsov, an outspoken critic of Putin and Medvedev, and the leader of the Union of Right Forces, has described Prokhorov's candidacy as "nothing but a crafty deception" designed to split the ranks of the opposition.

Another former Kremlin insider, Alexei Kudrin, has announced his interest in forming a new liberal party. The finance minister for 11 years until Medvedev fired him on national television this September, Kudrin is considered a fiscal conservative and is most associated with the policy of repaying Russia's large foreign debt. Leading business magazine *Euromoney* in 2010 named him their finance minister of the year, calling Kudrin a champion of "the free market and fiscal prudence."

There are rumors that Kudrin's new pro-business liberal front could ally itself with Prokhorov's presidential run.

The Russian political establishment has been thrown into crisis following the December 4 elections. UR support plummeted from almost two-thirds of the official vote in the 2007 parliamentary elections to just 49 percent this month, despite widely documented vote-rigging. This is indicative of broad disillusionment and opposition to the political status quo in the Russian population.

The protests on Saturday included a march of 50,000 people in Moscow. Another 10,000 demonstrated in Russia's second city, St. Petersburg, and there were smaller protests in many cities including Sochi, Vladivostok and Omsk. The opposition plans to hold further demonstrations on December 24.

The social layer currently active in the protests, however, are more affluent layers from the urban middle class—up till recently, a principal social constituency of UR and the Putin regime.

While they reflect broader social discontent in Russia, the political forces dominating the protests are deeply reactionary.

These extreme nationalist and free-market parties express the growing frustrations of a wealthy layer that profited from the liquidation of the USSR and the subsequent fire sale of state property, but are now being squeezed by the global economic crisis.

For this milieu, UR's domination of power has become an unacceptable restriction on their wealth and privileges. In addition, there has been a growing chorus of the most pro-market elements of the ruling class that the current Kremlin leadership is insufficiently vigorous when it comes to slashing working class living standards—pointing to such examples as Putin's recent decision not to increase the pension age.

The ruling faction in the Kremlin has long feared the outbreak of an "Orange Revolution"-type movement in

Russia, where bourgeois opposition forces linked to the US mount an orchestrated campaign to seize power, as occurred in Ukraine in 2004.

Many of the opposition forces leading Saturday's demonstrations have ties to Washington and other Western governments, such as Garry Kasparov's Solidarity organization, which espouses a pro-US and pro-market line. Others, like the Communist Party and Just Russia—which have been parliamentary allies of UR—announced their support for the protests as the scale of public opposition to the election became clear.

In a warning to its opponents, the Kremlin has had two leading figures in the protests, liberal activist Ilya Yashin and right-wing blogger Alexei Navalny, arrested and sentenced to 15 days imprisonment for disobeying police orders.

While Navalny has cultivated an anti-establishment persona, his criticisms of the Kremlin are of a deeply right-wing character. A member of the liberal Yabloko party until 2006, he has since used his blog to espouse nationalist and xenophobic positions, including the use of racist terms against Russia's ethnic minorities.

Sensing the increasing discontent of Russia's affluent classes, the Kremlin has made certain calculated overtures, offering to share power with other parties. One Kremlin insider even recently welcomed the creation of a new "party for the annoyed urban communities."

Such a strategy represents an attempt by the Russian ruling elite to fashion a new political equilibrium inside the upper-middle classes, in order to stave off a political explosion that could draw broader layers of the population into struggle. The deepest fear of the wealthy elite—whether in power or in opposition—is that the working class will enter the political fray in Russia, in a similar manner to this year's revolutionary events in Egypt.

The role of Prokhorov is to encourage free-market illusions in the middle classes, to tie them more firmly to the corrupt capitalist oligarchy that emerged from the Stalinist bureaucracy that liquidated the Soviet Union.

However, it is far from clear that Prokhorov, a billionaire playboy, and Kudrin, a grey bureaucrat, will be able to garner support in broader layers of the population.

The privatization program being carried out by Putin,

combined with sharp cuts to social spending and increases in income taxes expected next year, will only create new and deeper tensions within Russia. Living conditions for the working class have grown markedly worse in recent years, with prices skyrocketing while wages stagnate and unemployment remains high. Social inequality is at staggering levels: many industrial suburbs and towns, and whole swathes of the countryside, endure conditions of social misery, while the oligarchs and a thin layer of the upper middle class enjoy fabulous lifestyles.

Under such conditions, it is only a matter of time before the working class in Russia steps into the historical arena and moves again to sweep all the representatives of corrupt and decayed Russian capitalism into the dustbin of history.

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