



scale as this would jeopardise the official narrative which highlights the system's cohesion and effectiveness. This will gradually lead to this system's increasing erosion, the mounting ineffectiveness and demoralisation of its members, as well as to an overall rise in tensions.

In the short term, the Kremlin may feel increasingly tempted to launch more aggressive measures abroad. In this context, the situation on the Ukrainian front may prove significant. Should Kyiv continue to achieve successes/make gains, over time symptoms of a lack of discipline and demoralisation may emerge in the Russian army. The attitude of the West, including its readiness to increase its support for Ukraine and to step up pressure on Russia, may also play a certain role; moreover, it will also affect sentiments within the Russian elite. In the longer term, the recent events may serve as a stimulus for a political transition and rapid personnel reshuffles at the top of government. This in turn may lead to a more profound systemic transition and create opportunities for the West to devise an effective mechanism to deter Russia and to make it abandon its aggressive policy. Conversely, however, attempts to weaken Western pressure on Moscow in order to maintain the country's stability, and to treat Putin as the 'lesser evil' for fear that his potential successors may be even worse, will foster the system's preservation and discourage potential 'rebels' within the Russian elite from attempting to change the situation.

## Main conclusions

### *The attitude of the political elite*

The mutiny has revealed a profound crisis of the system and the shallow nature of public support for Putin and for his policy. It turned out that this support has no active form in either the ruling elite or the general public, and does not come from the majority of the people. The speeches Putin made during and immediately after the revolt can be viewed as clumsy attempts to save face, in a situation when the leader turned out to be weak and has lost his ability to influence the course of the events.

The sudden departure from Moscow of a large group of Putin's aides on 24 June has demonstrated that the political and business elite is disorientated, and has doubts as to whether the Kremlin and the law enforcement bodies it controls are capable of ensuring their safety. Rumours suggesting that the president had also left the capital likely came as a shock, especially to those who decided to stay in Moscow and tried to safeguard their lives and property.

It was evident that the members of the ruling elite tended to opt for 'safe' attitudes and rhetoric. Aside from expressing their ritual declarations of loyalty to the leader, they spoke about 'enemy machinations' and the 'need for national unity'. The fact that many of these individuals used similar phrases may suggest that they had received the official 'message of the day' from the Kremlin. Members of the elite were unsure how the events would unfold. It should be assumed that they had no great determination to defend the status quo, because maintaining it would have caused the vast majority of them to suffer great losses.

Almost all the heads of Russia's federal subjects sided with Putin and published the appropriate communiqués following his address. The wording of most of these messages was similar, which suggests a certain degree of coordination. The governors' lack of initiative was most likely due to their confusion, or possibly to instructions from the central authorities which requested them to offer no reaction until the president had issued his statement. However, it cannot be ruled out that they resorted to a certain delaying tactic; this may be why some of the communiqués were vague and belated in nature. The decision to step up security measures in regions located at a major distance from the sites of the events was most likely conceived as a gesture of loyalty intended to win the approval of the federal authorities. The governors' declarations of support for the armed forces following the mutiny can be interpreted in a similar way.

Prigozhin could not count on support from the heads of the regions. Prior to 23 June, he did not have their confidence, for reasons including his anti-elite rhetoric, as well as conflicts of interest and personal animosities. His strongest opponents included the governors of Belgorod and Sverdlovsk oblasts and the governor of Saint Petersburg. However, the leader of Chechnya (Ramzan Kadyrov) and the governor of Kursk oblast (Roman Starovoyt) maintained contacts with the Wagner Group and its chief. In this context their explicit criticism of the mutiny, which stood out from the other leaders' reactions, can be viewed as an attempt to 'atone' for their former, embarrassing ties with Prigozhin.

#### *The attitude of the law enforcement bodies*

Prigozhin's mutiny has revealed that the Russian state security bodies (the FSB, the Interior Ministry, the National Guard) are unable to effectively neutralise an armed rebellion. Their inactivity was also due to the absence of concrete orders on how to react. The attitude of the law enforcement sector resulted to a large degree from the fact that Prigozhin, who had sought to trigger personnel reshuffles at the ministry of defence, had gone unpunished for many months and was viewed as someone who enjoyed direct support from the Kremlin. Similarly, the failure to curb his activity clearly had a negative effect on both the image of the Russian armed forces and that of the Kremlin (this is because of his attempts to challenge the purpose of the military operation in Ukraine). The Russian government had failed to take decisive steps to marginalise the Wagner Group's leader, and the armed units he commanded had not been subject to sufficient surveillance by the FSB's military counter-intelligence. It was only after many months that the ministry of defence decided (and Putin approved the decision) to strip Prigozhin of his military assets. It should be noted that no plan for his potential arrest had been prepared.

#### *The economic consequences and the reaction of the business elite*

The Wagner Group's rebellion has had a relatively minor effect on the stock markets. It happened outside of regular business hours, which limited the magnitude of its negative consequences. The reaction from the public and the investors was typical of periods of major uncertainty. Russia has faced a number of such periods in its recent history, for example following the outbreak of the full-scale war with Ukraine. An increase in demand for cash and convertible currencies, as well as foodstuffs and medicines, was recorded. Business, for its part, decided to withdraw from its portfolio investments in domestic assets. At the same time, these reactions should be viewed as relatively mild, most likely due to limited financial potential (the income of the average Russian citizen remains small), the accumulation of stockpiles, and citizens keeping their savings in Western currencies or depositing them in foreign bank accounts, as well as other factors.

Nervous reactions among the representatives of big business were evident. Some of them, most likely fearing for their personal safety, decided to leave or to evacuate their family members from Russia to wait out this period of uncertainty abroad. Members of Putin's business elite are well aware that property rights in Russia are arbitrary, and have hitherto only been guaranteed by the president. In addition, a significant portion of this group are merely beneficiaries, rather than the official owners, of the numerous assets they have accumulated at home and abroad. This poses the serious threat that an uncontrolled reshuffle in the Kremlin could deprive them of most of their assets.

The president's decisions in recent years, in particular the armed aggression against Ukraine, have jeopardised the interest of the business elite, including Putin's closest aides. Not only have they lost access to their foreign assets and their ability to travel to Western states, but they are also being increasingly forced to finance Putin's aggressive policy with their own money. Only a very few of them can hope to receive even partial compensation for their losses, for example in the form of contracts awarded in public tenders. So far, they have followed the rules of the game as imposed by

the Kremlin in the hope of being able to preserve their wealth. However, the lack of progress on the front, the spillover of hostilities into Russian territory and the Wagner Group's mutiny have revealed the weakness of the law enforcement bodies and their limited capability to maintain order nationwide. Although Prigozhin's mutiny was suppressed successfully, the threat of Russia's real destabilisation in the immediate future has increased. This calls into question the business owners' loyalty to the Kremlin.

### *State propaganda*

The propaganda apparatus immediately started to report on the revolt. The main television channels reported on it as it unfolded, which indicates that the Kremlin viewed this issue as a priority. The initial inconsistencies in the narrative, especially regarding whether Prigozhin should be punished and the assessment of the consequences of these events for Russia, suggest that the individuals responsible for preparing propaganda narratives were not ready to face such an event, and reacted in an *ad hoc* manner by adjusting their message to the Kremlin's guidelines.

The main narrative line highlighted that the elite and the public did not and would not support the revolt, which was welcomed by Russia's enemies and could lead to a civil war. To make the viewers believe that the Kremlin had received massive support from the political elite and from the Russian public, the news outlets reported the declarations of loyalty to Putin expressed by governors, politicians and propagandists in great detail. State television broadcast the president's series of speeches addressing the crisis. During and immediately after the end of the revolt Putin appeared in public more often than he had done in many years; on these occasions, in order to create the appearance of a spontaneous conversation, he interacted with members of the public, although previously he had shunned such behaviour.

It is worth noting that once the revolt was suppressed, propaganda began to emphasise the death of several soldiers (pilots) in the fight with the mutineers, and to present it as the main piece of evidence that the state services had actively resisted them. Moreover, it downplayed the mutiny's political significance, and contributed to the argument that Prigozhin was mainly driven by his personal ambitions and concern about his accumulated assets (there were even hints that he was mentally ill) rather than by his conflict with the ministry of defence over the ineffective conduct of the war.

### *Reactions from the public*

It seems that the most important conclusion to be drawn from the course of the revolt is that sociologists are correct to argue that Russian society is to a large degree passive in nature. Putin's high level of support, as declared in the polls which the Kremlin and state propaganda frequently cite to legitimise the authorities' actions, is a fiction. The majority of Russian citizens, which independent polls estimate at around 50–60% of the population as a whole, are a passive group which is not ready to join in any active form of political engagement.

The Wagner Group's revolt served as a test, which showed that in the event of another putsch or the collapse of the regime, the public would not come to the Kremlin's defence but would rather tacitly accept the new reality. It seems that the Russian authorities realise this, which is why they are trying to promote a narrative suggesting an increased consolidation of the Russian public's support for the government, which they believe has resulted from the revolt. In reality, however, the mutiny has undermined the social legitimacy of both the ruling elite and Putin, because it has revealed the state's inability to respond to a crisis, as well as its insufficient supervision of the law enforcement bodies. Alongside this, it has damaged the president's image, built up over the years, as a 'tsar' who enjoys unwavering support from elite and public alike. This will result in the continued erosion of public support for the regime and for Putin.

## Outlook: Russia is increasingly unstable

It should be expected that the propaganda apparatus will downplay Prigozhin's mutiny and attempt to reverse its negative consequences as regards how the elite and the public view the regime and Putin. This is because the authorities intend to boost their own image in the eyes of the Russian public, which the revolt has undermined; they will also try to capitalise on these events to stigmatise their enemies (politicians who turned out to be insufficiently loyal, the West, the liberal opposition). Propaganda will continue to focus on spreading the following narratives:

- it is due to Putin's wisdom and the efficient operation of the state security apparatus that a civil war (which Russia's enemies would welcome) was prevented,
- a united nation which is aware of various threats, a true patriotic monolith, is a great support to the leader and a guarantee of undisturbed sovereignty,
- the much-vaunted stability of the Putin era has been saved, and continues to be the most precious value.

The Russian civilian elite is the biggest 'missing element' in this jigsaw puzzle. It cannot be ruled out that in an attempt to 'absorb' Prigozhin's most popular demands, the authorities will launch a populist vendetta against corrupt politicians and businessmen in order to improve Putin's image in the eyes of the Russian public.

This does not mean that the individuals and groups responsible for the failure of the state security apparatus during the revolt will escape serious retribution. However, this punishment will most likely be meticulously prepared and will not be publicised, and it will be carefully targeted at specific individuals. This will be done in order to avoid creating the impression that an 'emergency situation' has happened, on the one hand, and to make sure that 'ultra-patriotic' groups are not antagonised, on the other. The law enforcement bodies' failure to react to the revolt has demonstrated that frustration and demoralisation triggered by the war are continuing to spread, including among those groups which have so far formed the foundation of Putinism.

During the attempted coup the governors showed loyalty and obedience to the federal authorities. We should therefore not expect them to be subject to any potential repression. The ties between the regional heads and the president will likely develop, although due to Putin's ever weaker position in the system they will most likely be less asymmetric than before the revolt. In the context of the upcoming election of 26 governors and members of 20 regional parliaments (including on the annexed Ukrainian territories) planned for September, further demonstrations of support for the president by the regional authorities should be expected, as should redoubled efforts by the Kremlin to step up its control of the electoral process.

It is difficult to assess the potential impact of the revolt on the institutions of force. Putin's current approach rules out any imminent personnel reshuffles. This is because he intends to save the image of the allegedly efficient state apparatus at all costs and to cover up its increasing dysfunction. This is why the Kremlin will not decide to publicly name or punish those responsible for unleashing the crisis, as this would only corroborate the accusations expressed by Prigozhin. The authorities have attempted to present the mutiny as an operation inspired by Western special services, although they have as yet refrained from taking measures to punish the 'traitors' among the revolt's supporters. On the contrary, the president has repeatedly emphasised the Wagner Group members' heroism during the frontline fighting in Ukraine. The criminal case which the FSB opened against the group's leader has been dropped.

The decision not to resort to repression was driven by the fear that anti-Putin sentiment could emerge among the radical groups which support the war. It cannot be ruled out that personnel reshuffles will soon happen in the Russian Armed Forces. There are many indications that some generals at the rear of the frontline share Prigozhin's views, and may even have encouraged him to pursue his mutiny. Inspired by Putin's increasing doubts as to the loyalty of the political and business elites, the Russian special services may begin to 'vet' these people's views. This may result in individuals who have criticised the consequences of the government's policy being eliminated from public life (for example, materials incriminating them may be published).

It can be expected that representatives of big business, most of whom are not enthusiastic about the war with Ukraine (very few of them have openly supported the invasion), will seek to ensure the safety of their persons and assets. In the short term, they will most likely continue to try and transfer their assets to foreign countries (mainly the Persian Gulf states and Turkey) in order to secure them against their unpredictable future status in Russia. However, in most cases the sources of these assets are inseparably linked with Russia and rely on its natural resources. This means that in the mid- and long-term perspective, to maintain control of these assets, the members of the elite will need to stay put in Russia to defend them (although not necessarily in the physical sense).

New names are being added to the list of individuals who have criticised Putin's policy, and it is no longer limited strictly to businessmen. The business elite's most important asset is its money, as this is what the country's leader needs to remain in power and what the potential new putschists would need to seize power. However, within such an internally divided and conflict-prone group it will be extremely difficult to build a coalition which could make a joint attempt to put pressure on the Kremlin to launch systemic reforms, including replacing the president. From the oligarchs' perspective, if such a transition were to happen, it would need to be strictly supervised – not only to make sure that they are not forcibly stripped of their assets, but also to prevent disruptions to the manufacturing processes and possible damage to the export infrastructure, as this would destabilise the global markets and threaten the oligarchs' foreign assets.

The feeling of insecurity among the narrow ruling elite may encourage the Kremlin to launch more aggressive external measures, especially against Ukraine and selected neighbouring states. Such decisions would be intended to demonstrate that Russia continues to be strong and should be feared. Another motivation would be to deter the West from attempting to use Russia's domestic tensions to destabilise the regime. However, this entails a certain domestic political risk, as it may provoke a response from within the elite as it became increasingly concerned about the negative consequences of such moves.

Over time, the mounting paranoia and mutual distrust among the ruling elite's inner circle, combined with the fear of targeted repression and the waning potential of the decision-making centre, may pave the way for a rapid political transition. The likelihood of this scenario is increasing because the number of members of the more broadly understood political and business elite, who are frustrated at the cost of the policy pursued thus far, will likely grow, alongside their conviction that Putin can no longer be trusted as the arbiter and guarantor of their safety. This will be facilitated by the Ukrainian army's potential successes at the front and by the increasing demoralisation of Russian troops fighting in Ukraine, as well as by the West's principled attitude (involving its support for Kyiv and its continued pressure on Moscow, in particular economic).

This transition will most likely happen as a result of rivalry within the elite rather than mass-scale street protests or the political activity of the opposition. Therefore, personnel reshuffles are likely. These will most likely involve the assumption of power by pragmatic individuals who would seek de-escalation

and a *modus vivendi* with the West. In another scenario, should representatives of the institutions of force who hold strongly anti-Western views seize the initiative, they will most likely need to focus more on tackling domestic problems.

Any successor to Putin as Russia's official leader will be weaker than him, because they will lack Putin's charisma, and their position will be undermined by the ambitions cherished by other members of the elite. It cannot be ruled out that elements of collective leadership will be introduced. This may (although not necessarily) pave the way for a more profound systemic transition in Russia, including its de-imperialisation and decentralisation. All this in turn will facilitate a decline in its ability to generate major threats in its external environment. It is likely that at this point an opportunity will emerge for the West and its allies to devise an effective mechanism to deter Russia. Alternatively, the Western fear of destabilisation and the related desire to ease its pressure on Moscow would foster the preservation of the authoritarian system, and could encourage the Kremlin to continue its aggressive external policy.