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## **SPS Looking to the Past, Not the Future**

By Konstantin Sonin

For those who consider private enterprise and individual initiative the primary driving forces behind economic growth, Friday's congress of the Union of Right Forces gave cause for both optimism and disappointment.

The good news is that it will be possible in December's State Duma elections to vote for the politically "right," or conservative, values -- a free market economy, a volunteer army and an open foreign policy.

The bad news is that the platform of the Union of Right Forces, or SPS, looks to the past rather than to the future. Even its slogan, "Completing Russia's Construction," hints at the desire to tout once again how useful the liberal reforms of the 1990s were. The party ignored the often-heard argument that its reforms were the main cause of the economic catastrophe of the '90s. Instead, SPS emphasized its role in laying the foundation for building Russia's capitalism, which the party believes has led to the nation's current economic growth.

If the issue of how the nation views the economic reforms under President Boris Yeltsin were important to voters, then the SPS platform would make sense both intellectually and politically. Although the majority of voters have a negative attitude toward the 1990s liberal reforms that SPS defends, there is a small percentage of liberally minded voters that, in theory, could support SPS on this issue. Past reforms, however, are not a relevant issue -- neither for SPS opponents, nor for its supporters. The most important question is how each party stands in relation to President Vladimir Putin's current political course.

The SPS platform might be summed up as follows: "SPS supports the course President Boris Yeltsin set in 1992." But only a political analyst would conclude from this statement that SPS is opposed to Putin's present course; this would have to be explained to the majority of voters who are not specialists in electoral politics.

SPS is motivated in part by a firm opposition to Putin's backtracking on democracy and nationalization of major industries -- two fundamental components of his political agenda in recent years. This position, however, reflects more bravado than substance. SPS shows a lot of courage when it opposes the almighty Kremlin, and this gains points among the party's supporters. But SPS doesn't extract the maximum advantage on this issue because it doesn't explain in detail to its constituency exactly why Putin's policies are detrimental to the country's long-term development.

It is easy to claim that the current Kremlin policies are wrong, but it is far more difficult to explain the reasons behind this. SPS's opposition to Putin's conservative, quasi-authoritarian course has very little credibility among most voters because they consider the political expropriation of the oligarchs' and governors' power bases to be the main reason for the current policies' success. The focus on the Bolshevik formula of "stealing from those who stole from us" eclipses the valid economic reforms and lessons of the 1990s.

In addition, the extremely successful macroeconomic policies of recent years, which can be attributed in large part to acting Finance Minister Alexei Kudrin and Central Bank head Sergei Ignatyev are also not given due attention in the electoral debates. The experience in Latin America, however, suggests that the finance minister and Central Bank chairman are both potentially very promising political candidates. But that will probably be for the next elections.

SPS might be able to count on help from external events. The tragic events in Beslan in 2004 made national security a primary theme in that year's presidential election in the United States -- an area in which U.S. President George W. Bush was considered strong. In 2007 and 2008, a serious banking crisis in Russia might serve as the singular external event that could place Putin's economic model under severe scrutiny and turn it into a central issue of the upcoming elections.

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