

The rise and fall of a Russian oligarch

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Russian oligarch Yevgeny Prigozhin [centre] poses with two Wagner Group fighters, Bakhmut in Donetsk region, Ukraine, May 25, 2023.

The Kremlin leadership has acted decisively to meet the threat of an armed insurrection by the Russian oligarch and self-styled 'founder' of Wagner Group of military contractors, Yevgeny Prigozhin.

In a [series of videos released on Friday](#), Prigozhin alleged that the Russian government's justifications for military intervention in Ukraine were based on lies. He accused the Russian Defence Ministry under minister Sergei Shoigu of "trying to deceive society and the president and tell us how there was crazy aggression from Ukraine and that they were planning to attack us with the whole of NATO." He claimed that regular Russian armed forces had launched missile strikes against Wagner forces, killing a "huge" number.

Prigozhin declared: "The council of commanders of PMC Wagner has made a decision - the evil that the military leadership of the country brings must be stopped." He vowed to march on Moscow and hold those responsible to account.

The Federal Security Service or FSB (formerly the KGB) has called it "[an armed rebellion](#)"; Wagner's headquarters in St. Petersburg has been sealed; Prosecutor General's Office said "this crime is punishable by imprisonment for a term of 12 to 20 years."

In an [address to the nation](#) at 10.00 am Moscow time on Saturday, **President Vladimir Putin strongly condemned the developments describing it as "an armed mutiny" and calling for "consolidation of all forces."** Putin drew a parallel with the insurrection in Petrograd (St. Petersburg) in February 1917 that led to the Bolshevik Revolution and a protracted civil war with large-scale western military intervention, including the United States, "while all sorts of political adventurers and foreign forces profited from the situation by tearing the country apart to divide it."

He promised, "Decisive actions will also be taken to stabilise the situation in Rostov-on-Don (700 kms south of Moscow where Prigozhin is located with Wagner fighters.) It remains difficult, the work of civil and military authorities is actually blocked."

Putin vowed that those "who organised and prepared a military mutiny, who took up arms against his comrades - betrayed Russia," will be punished. **Significantly, Putin never once mentioned Prigozhin's name.**

This face-off has been in the making for several months and is traceable to tensions in the working relations between the Wagner forces and the Russian ministry of defence, **Prigozhin's personal antipathy towards Defence Minister Shoigu and the Russian top brass, his bloated ego and overvaulting political ambition, and, most certainly, his business interests.**

Prigozhin has crossed the red line that Putin famously drew right at the beginning of his rule in the Kremlin in the summer of 2000 in a historic meeting in the Kremlin with 21 of the richest men in Russia — the rapacious "oligarchs," as Russians had come to derisively call them — who had risen seemingly out of nowhere, amassing spectacular fortunes as the country around them descended into chaos through shady deals, outright corruption, and even murder and had seized control of much of Russia's economy, and, increasingly, its fledgling democracy. At the closed-door meeting, Putin told them, face to face, who was really in charge in Russia.

Putin offered the oligarchs a deal: 'Bend to the Russian state's authority, stay out of the way of Russia's governance or domestic politics, and you can keep your mansions, super-yachts, private jets, and multibillion-dollar corporations.' In the coming years, those oligarchs who reneged on this deal paid a heavy price. Mikhail Khodorkovsky, worth worth \$15 billion, and once ranked 16th on Forbes list of billionaires, is the most celebrated case, who harboured political ambition and now lives in exile in the US, lavishly funding American think tanks and Russophobic activists spewing venom against Putin.

But, on the other hand, the "loyalists" who stayed back went on to became filthy rich and live off the fat of the land like nobody's business. Prigozhin, a man of humble origin, stayed back to amass great wealth. In a way, he symbolises all that has gone terribly wrong with Russia's post-Soviet reincarnation.

However, the dividing line is often blurred as even those who stayed back took care to keep a significant part of their loot in western countries, in bank vaults or as moveable and immovable assets beyond the reach of Russian law. Which means, **the oligarchs are also highly vulnerable to Western blackmail. Unsurprisingly, the western capitals fancy that the oligarchs could lend a hand to undermine the Kremlin regime from within or create a social implosion to destabilise Russia and throw into disarray its war effort in Ukraine.**

Prigozhin's antecedents are anybody's guess. But it is entirely conceivable that this man who is credited with extra-large influence in the Kremlin's corridors of power has been in the cross-hairs of the western intelligence. Prigozhin is worth at least \$1.2 billion in personal wealth.

Prigozhin was also a trailblazer of sorts, having got into the hugely lucrative profession of managing a quasi-state company of mercenaries who are trained and equipped to act as military contractors in hotspots abroad in countries where Russia has vital interests

Moscow is no longer in the Soviet-era business of promoting national liberation movements. But it also cannot be impervious to the regime changes that Russia's main western opponents routinely promote to serve their geopolitical interests in the so-called Global South (or in the ex-Soviet republics.) Thus, Russia has found an ingenious Third Way by creating a military wing somewhat fashioned after the notorious [French Foreign League](#). **The Wagner Group has proved to be extremely effective in Sahel region and elsewhere in Africa as a provider of security for the established governments. The erstwhile colonial powers no longer have a field day in dictating terms to the African governments.**

Suffice to say, the taming of Prigozhin has proved to be difficult, although Russian intelligence would have been aware that western intelligence was in touch with him.

Indeed, his increasingly defiant public posturing was becoming a serious distraction for the Kremlin. One possibility is that Russian intelligence gave him a long rope to hang himself. Equally, Kremlin's preference would have been to pacify and co-opt him in the war effort. Putin even met him.

In his address to the nation, Putin stopped short of alleging any "foreign hand" in the current developments, and put his finger on **"Excessive ambitions and personal interests [having] led to treason."** But, rather explicitly — more than once — **Putin also highlighted that it will be foreign powers inimical to Russia who are the ultimate beneficiaries of Prigozhin's activity.**

Significantly, the FSB has directly accused Prigozhin of treason, which could only have been on the basis of intelligence inputs and with Putin's approval. The fact that Prigozhin's mutiny comes bang in the middle of the Ukrainian offensive when the war is nearing a tipping point in Russia's favour must also be carefully weighed in.

In the final analysis, this macabre attempt at mutiny won't fly. Oligarchs are a detested lot in the Russian opinion. Any western hopes of staging an insurrection in Russia and a regime change under an oligarch's banner will be an absurd idea, to say the least.

The immediate challenge will be to isolate Prigozhin and his hardcore associates from the bulk of Wagner fighters. Putin has praised the Wagner fighters' contribution in Ukraine war. The charismatic commander in Ukraine, General Sergey Surovikin has [made a public appeal](#) to the Wagner troops to submit to the authorities "before it is too late," return to their barracks, and address their grievances peacefully. But in a near term, a systemic approach is needed to integrate Wagner Group, which after all proved its worth every bit in the war of attrition in Bakhmut.

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