

OP #281: TEN YEARS AFTER THE BREAKUP: KENNAN INSTITUTE MEETING REPORTS, 1991–2001

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The Soviet Coup: Impressions of an Eyewitness

Kenan Institute Research Associate Mark H. Teeter flew into Moscow on August 18th and woke up the next morning to news of a coup. This report was transmitted by him via electronic mail from the Institute's Moscow representational office.

The events in Moscow of 19–21 August 1991 were clearly historic. As they began to unfold, however, one soon came to wonder how the clamor, confusion, contradictory information, and seemingly hourly changes of tide could ever be turned into the kind of bound-volume history, neat and compact, that we pass to succeeding generations. This will surely happen, of course, and there is little doubt that the accounts of the Carrs, Paleologues, and Trotskys of this August will emerge a good deal sooner after the fact than did the chronicles of 1917. In the meantime, a chance foreign observer of some of the events can perhaps best be content to pass along a few notes and impressions from the past week, offering the odd tile toward what will later emerge as a comprehensible mosaic.

Moscow, Monday, 19 August. The sudden announcement of the assumption of power by a State Committee on the Extraordinary Situation in the USSR caught virtually everyone off guard—as it was clearly intended to. The fabled other shoe had indeed finally dropped, and apparently hard, but there was no practical information as to what that actually meant for the daily life of the city. On the far north side of town, at least, there were no visible changes from the day before: no troops, no sounds of gunfire, no obvious beginnings of a civil conflict of any sort. Outside one's window children could be seen playing in courtyards, a fact which seemed at once incongruous and reassuring.

The subway seemed to function normally as well, taking one smoothly to the center of town—where all was clearly *not* normal. Near the Kremlin the first sight of tanks and armored personnel carriers quickly brought home what the term Extraordinary Situation could actually mean: brute force. Yet the troops manning the vehicles were not brutes. When local citizens approached them to pose by turns plaintive and challenging questions (“Officer, do you have a conscience?”), the young soldiers were not

provoked. A dissident historian, having talked a few minutes with a lieutenant atop a tank, noted with relief, “These guys won’t be shooting anyone.” One soldier calmly reprimanded a television reporter with a statement of the obvious which everyone needed to hear: “Hey, I’m human too.” One sensed that this was not Prague, not 1968.

It shortly became clear that the center of events would not be the Kremlin, but rather the Russian Federation’s administrative center, an ungainly white building in the Krasnaia Presnia district. A march down Kalinin Prospekt to this newly-christened White House drew more and more adherents along the way, but their motives were evidently various. A number of people were clearly Yeltsin supporters as such, chanting the Russian President’s name in unison every few minutes. Others felt their democratic principles had little to do with Boris Yeltsin and marched silently, simply voting with their feet. Still others apparently joined for the spectacle, spontaneity, or pure civil disobedience of it. A young woman with a bullhorn urged bystanders to come along, and a legless man in a wheelchair appeared in the ranks.

The spectrum of people around the White House became broader and broader: Siberian Cossacks, Afghanistan veterans, businessmen, anarcho-syndicalists, and Moscow street punks had for their own reasons, and surely for the first time, found a common symbol and a common cause. Makeshift barricades were already up around the White House by midday. Asked how they knew this was the right tactic, some barrier builders replied, “Vilnius taught us.”

Tuesday, 20 August. The curiosities and anomalies which accompany any great public event continued to pile up. As Monday’s spontaneous barricades were being reinforced, a stone’s throw away at the World Trade Center foreign professionals and casual visitors could chat over espresso and shop for souvenirs in apparently total isolation from the hectic activity down the street. Despite the transparent sham of “legality” proffered by the Committee in its press conference of Monday afternoon, many Muscovites voiced sympathy for the enterprise. One former university instructor, who had at some risk permitted classroom discussion of Aleksandr Solzhenitsyn in the mid-1970’s, could speak

now of the inevitability and even necessity of the takeover; the goal of “bringing about order” could be welcomed by a country which was, in fact, rapidly descending into economic and social chaos. Meanwhile, the phones continued to work, the busses ran, and cab drivers haggled over fares even as the most astounding rumors of troop movements and martial law spread around the city. One had the recurring sense that this was either a nightmare or a movie; it couldn’t be real.

The White House and its immediate environs were alternately described as under control and in imminent peril during the evening and night of the 20th. The sole local non-government radio station, Radio Echo Moscow, miraculously stayed on the air much of the night, running no small risk of sudden and violent interruption by special forces after the Committee had twice proclaimed it anathema. People phoned around the city passing news gleaned from Echo, which regularly broadcast live reports by correspondents and commanders in the White House itself. Odd as it sounds, the heroic little station had to beg the indulgence of its listeners for tolerance of some apparently necessary, if incongruous, music interludes.

As the night progressed, with reports that there would, then would not, then again would be a storming of the White House, one wondered several things by turns: Does anyone during any revolution actually know what is really going on? Would this night come to represent the first day of a new civil war or perhaps the last day of one which had been going on for seventy-four years?

The first report of casualties came at 12:30 a.m. At 1:15 Radio Echo Moscow suddenly went off the air.

Wednesday, 21 August. There had indeed been fatalities, as even the ever-subservient state television admitted, citing hooliganism and alcohol as the causes in a report as cynical as any ever broadcast by Soviet media. Flowers soon appeared on the blood-stained pavement near the American embassy where three “hooligans” and “drunks” had died among the tanks. The White House had not been approached in the end, and calls went out for new groups of people to take the places of some who had worked the night defense shift. Various anti-Committee groups asked for assistance from all comers, including even requests for film

from foreign-currency stores in order to ensure that the events underway would be documented. On Wednesday morning it was by no means clear how much longer it would take to resolve the issue of the coup. By the afternoon, however, the atmosphere around the White House had grown considerably brighter. Among other things, there had been a report that all eight Committee members had been arrested trying to make their way to Vnukovo airport. While this was later proved untrue, people wanted to believe the story, many no doubt did, and it fit the spirit of the afternoon on the north side of the building—shortly to be named the Square of Russian Freedom—perfectly. The worst, one wanted to assume, had passed. In the early evening, with both Radio Echo and Russian (as opposed to Central) Television back on the air, one could believe that it had. Adrenaline was still pumping, but deep sighs, laughter, and the first congratulations could be heard.

The terms coup d’etat, attempted coup d’etat, putsch, plot, counter-revolution, tragic events, revolution, victory of democracy, overthrow of Communism, and end of the USSR have all been used this week, each probably with some justice. In any event, virtually everyone in Moscow seems to agree that the end of last week represented the beginning of something altogether new here.

Not all in this new era has been appealing. The “revolution against monuments” has seemed needlessly hurried and even physically dangerous at times. The continuing emergence of self-proclaimed “heroes”—Aleksandr Iakovlev’s explicit warning notwithstanding—is unpleasant to behold. The closing of *Pravda* and certain other publications which acquiesced in or openly supported the Extraordinary Committee has struck some people as a Bolshevik remedy to a Bolshevik problem. The prospects of widespread witch-hunting and a new life for the practice of denunciation have been and remain very real concerns. Finally, of course, the desperate economic shortages and unsolved social problems of this country remain as desperate and unsolved as they were on August 18th.

Still and all, one cannot but feel that a great and lasting Good has been wrought here—and at a price that could easily have been, in terms of human life, far more tragic (as in Sumgait, Tbilisi, Vilnius, and elsewhere). Perhaps the most notable aspect of the Good one senses at hand is evident in expressions of a new freedom—not granted

from above but won independently by people themselves, individually and together. This self-liberation, echoed in phrases like "I stood up to them for the first time," "Now I can look my grandchildren in the eye," and "I can finally breathe," would be inspiring to witness anywhere. In Moscow, on one's twenty-first visit, it goes beyond that. It brings a catch to one's throat.

This country is finally finding itself, replacing false values with real ones. As it stands now, in any case, there seems every reason to come back to Moscow in the future: what may well have been one's last trip to the Soviet Union has easily proven the best. *Moscow, 28 August 1991.*

—by Mark Teeter

1991-92 PROGRAM YEAR

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Independence is not Enough

"I believe that the striving for independence is in itself always positive, but should never be the ultimate goal of the development of a people—it can lead to self-isolation," declared **Olzhas Suleimenov** at a lecture cosponsored by the Kennan Institute and the Russian Area Studies Program of Georgetown University on **26 September 1991**. Suleimenov is Co-Chairman of the Supreme Soviet Committee on Legislation and the Observance of Legality and Law and Order, Chairman of the Kazakhstan Union of Writers, and President of the Nevada-Semipalatinsk Anti-Nuclear Movement. Speaking with evident conviction, Suleimenov pleaded for a union of voluntary interdependence among the former Soviet republics, arguing that independence, if perceived as the end goal of national liberation, would lead the peoples of the USSR into a dead end. The speaker expressed his hope that the various Soviet republics would "throw off the yoke of colonization, go through an intermediate period of independence, and then come to a period of conscious, voluntary unification."

The most urgent need for the country as a whole is to adopt a "rational economic policy," declared Suleimenov. Recalling his speech at the September 1991 session of the Supreme Soviet, Suleimenov saluted the democratic victory over the attempted August coup but warned the democrats not to squander their victory, as "empty pots will

be more terrible than tanks." He insisted that an economic confederation must and would eventually come into existence, although he stressed no republic should be forced to join it. "The politicians in the various republics who advocate complete rejection of the historical union which has arisen over the centuries in this territory are making a mistake and doing a disservice to their people," alleged Suleimenov. He compared the republics to individual organs of a single living body, admonishing them not to cut the links which join them, but to analyze their common Soviet experience and jointly chart a path out of the Soviet system. Suleimenov disdained the transformation of a people's legitimate struggle for independence into inter-ethnic conflict. "The struggle then takes on its rudest and crudest form, in which a person desires to have land or any other goods only for himself or herself and members of the same group, and for no one else," he observed. "I am and will always be opposed to this understanding of national independence," he stated.

The speaker expected President Nazarbaev to stand for popular election in Kazakhstan sometime later this year. Other candidates would be free to enter the race, said Suleimenov, but he expressed the belief that Nazarbaev's high popularity ratings within Kazakhstan and the recognition of his authority by other republics virtually assured his re-election. In any event, popular elections are not always the best measure of democracy in a given country, observed Suleimenov. He noted that President Niazov of Turkmenia was the first popularly elected leader of any Soviet republic, preceding even Boris Yeltsin's election to the Russian presidency. "However," said the speaker, "in Turkmenia, to say the least, the word democracy has not acquired its full meaning." Suleimenov contended that Kazakhstan's varied ethnic makeup (42% Kazakh, 38% Russian, 20% other nationalities, including one million ethnic Germans) gave the republic better chances for a democratic regime, as Kazakhstan stood closer to the "winds of the West" and the traditions of democracy. The question on which all else depends, democracy included, is whether or not Nazarbaev can develop the economy of the republic and ease conflicts between ethnic groups, he remarked.

Asked about the potential relationship between Turkey and Kazakhstan and relations within Central Asia as a whole,

Suleimenov rejected the notion of a political union of Turkic peoples. This would represent nothing less than a restoration of the Ottoman empire, contended the speaker. Turkic peoples should work to develop their economic and cultural ties and leave the idea of a political union aside, he explained. "I believe that political unions can be dangerous things...I am against a political union based on the concept of 'either/or,'" he said. "We need to speak of a union based on the concept of 'both/and.'" Suleimenov then described a vision of the world in which the concept of "both/and" ("both Slavs *and* Turks, both Armenians *and* Azerbaijanis") widens progressively to include all of humanity in a union based on the common concerns of all.

Suleimenov spoke extensively on nuclear disarmament, contending that instability in the USSR made radical reduction of its 30,000-nuclear-warhead arsenal more necessary than ever. The Semipalatinsk movement, said its leader, advocates retaining central control over all nuclear weapons on Soviet soil in order to prevent them from assuming national identities (e.g., Russian nuclear weapons, Ukrainian nuclear weapons, etc.) Suleimenov rejected as prohibitively expensive the idea of moving nuclear weapons in Kazakhstan, the Ukraine, and Byelorussia onto the territory of the RSFSR. Given the uncertain future of democracy in Russia, Suleimenov claimed it was more prudent to avoid strengthening Russia's military might and concentrate instead on reducing the number of nuclear weapons in all Soviet republics. He urged the U.S. and USSR to reduce their arsenals to the lowest possible level required to safeguard security, a number he specified as somewhere near 1,000 missiles apiece. "In the future, we must recognize that nuclear weapons cannot be a tool of national security and defense," reflected Suleimenov. "It is our dream that all nuclear weapons worldwide eventually be placed under the authority of an international body such as the U.N. Security Council." Suleimenov counseled the "Nuclear Club"—the USA, USSR, U.K., France, and China—to close their nuclear testing facilities and make radical cuts in their arsenals by 1995 or face the inevitable consequence of a failure to renew the Nuclear Non-Proliferation Treaty: an arms race among new nuclear powers. Suleimenov's admonition to the Soviet republics was, in essence, identical to his message to the world's nuclear powers:

"We are not guilty, none of us is guilty, of what has happened over the years throughout our history. But we will be guilty if we allow it to continue."

—by Peggy McInerney

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Power with Republics, not Center

"I believe the 'Union' part of the Soviet Union has, in almost all respects, lost its relevance," contended **Ambassador Paul H. Nitze** at the Kennan Institute on **30 September 1991**. Currently Diplomat-in-Residence at the Nitze School of Advanced International Studies of the Johns Hopkins University, Ambassador Nitze retired from a distinguished career in government service in 1989 after representing the United States in various capacities at the U.S. Navy, U.S. Department of Defense, U.S. Disarmament Agency, and as Presidential advisor for close to five decades. Nitze asserted that real power in the USSR now lies with the republics and called for the United States to widen its direct contacts with them at the expense of the union government. The devolution of power to the republics is in the interests of the U.S. and the West in general, said Nitze, as a pluralistic community of states poses less of a threat to Western security than that once presented by the USSR. Expressing his perplexity at the Bush administration's past rudeness to Russian Republic President Boris Yeltsin, Nitze claimed that Yeltsin, "more than anyone else, should be the person with whom we seek to work."

Nitze conceded that uncertainty as to the course of events in today's Soviet Union is and will continue to be a major problem for U.S. policymakers. Nevertheless, he argues that U.S. policy could be based on the reasonable expectation that today's USSR will eventually be replaced by a loose confederation of sovereign states composed of a "handful" of former republics surrounded by several small independent states. The speaker called for the U.S. government to encourage continued economic and democratic political reforms in the republics and to work against any obstacles to the decentralization now occurring in the USSR. Although the center will most likely remain the key representative of the Soviet Union in arms control negotiations and in forums such as the U.N. Security Council, Nitze charged that the union government now represents little else and that U.S. policy should concentrate on relations with the individual republics.

Nitze defined the dominant security concerns of the United States with respect to the USSR today as control over the Soviet nuclear arsenal, the size and power of the Red Army, spillover effects of potential armed ethnic conflicts on neighboring states, and the debilitating impact of a complete collapse of the Soviet economy on the states of Eastern Europe. Preservation of the system of central, unified control over the 30,000 nuclear weapons located on the territory of the USSR should be the prime objective of U.S. policy, said Nitze. Noting the preference of most republics for some kind of central control restrained by their veto power, Nitze was optimistic about the changes for a reconstituted central government to retain authority over the Soviet nuclear arsenal. He called for the United States to offer this body technical aid and assistance to ensure the safety and reliability of Soviet command and control systems. At the same time, continued Nitze, the United States should press for deep and stabilizing cuts in both countries' strategic nuclear arsenals and a reduction in the capabilities of the Soviet Army.

Nitze expressed his support for President Bush's recent initiative which would abolish ground-based and remove sea-based tactical nuclear weapons, but stressed that the United States should seek a comprehensive arms reduction agreement with the USSR. He argued that START II should do what the first Strategic Arms Limitation Talks Treaty had failed to do: create a safe and stable strategic balance by sharply reducing the total number of nuclear warheads on both sides. A second START treaty should, according to Nitze, ban multiple warhead ICBMs (intercontinental ballistic missiles), special-function nuclear warheads, maneuvering reentry vehicles, and the testing of missiles specially altered for short flight times, as well as further reduce throwweight limits, strengthen verification procedures, and require the destruction of excess missiles rather than their storage. Asked if the United Kingdom, France, and China should be included in a new round of strategic arms negotiations, Nitze replied their inclusion would unnecessarily complicate the negotiation process. It is advisable for the U.S. and USSR to maintain arsenals of strategic nuclear weapons at a level greater than those of the three other countries, claimed Nitze, recommending a limit of no less than 5,000 missiles for each side.

Emphasizing the continued need for deterrence and the consequent need to assure the reliability of nuclear weapons through testing, Nitze rejected the idea of a comprehensive nuclear test ban. He decried President Bush's order to take American B-1 bombers off alert status, contending the action could create a temptation for a first strike against the U.S. arsenal and reiterating his belief that military capability, not a relaxed psychological atmosphere, is the best guarantee of security. The speaker also disdained the idea of a strategic defense system. "Frankly," he said, "I think it's impractical to have a really useful defense against anything other than a very small, accidental firing of nuclear weapons." Although he supports continued research on strategic defense, Nitze claimed that no research had yet demonstrated its viability.

Nitze advised against any large-scale economic aid to the Soviet Union at present, claiming such aid "could do no lasting good" until the foundations of a market economy have been created, a process which awaits the outcome of the republics' current negotiations on a common economic system and the distribution of economic power between the republics and the diminishing center. It is this structural economic problem, not a lack of foreign exchange, which underlies the Soviet debt problem, said Nitze, dismissing the utility of forgiving Soviet debt. The speaker did, however, support direct U.S. aid for military conversion and the transition of military personnel into the civilian economy. the overriding U.S. objective in this area is to reduce Soviet weapons production to as close to zero as possible, said Nitze, though the U.S. cannot directly influence such a decision. "The real problem is to get at the job of increasing Soviet domestic civilian production," observed Nitze, asserting that civilian production could increase simply by halting the extreme drain on resources and skilled manpower required by weapons production.

—by Peggy McNerny

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Democrats to Use Authoritarian Measures?

"The problem [in the Soviet Union] today is that some of the new democrats are returning to Bolshevism, as they really believe they can use authoritarian measures to introduce democracy," said **Fëdor Burlatskii** at the Kennan Institute on **7 November 1991**. Former editor of

Literaturnaia gazeta, Burlatskii is currently a Guest Scholar at the Woodrow Wilson Center. Burlatskii argued that the difficulties previously faced by Gorbachev are now faced by the leaders of the republics: implementing reform in a conservative society appears to require authoritarian measures, measures which threaten to end in authoritarianism and not democracy. Emergency decrees issued by Russian democrats will be no more effective than those of Gorbachev in the past “unless they are [enforced by] very harsh measures,” said Burlatskii.

According to the speaker, the predilection for authoritarian approaches shared by such varied politicians as USSR President Gorbachev, Russian President Yeltsin, and Moscow Mayor Popov can be traced to the evolution of communism in the Soviet Union and the peculiar nature of Russian democracy. Communism in the USSR became identified over time with an authoritarian regime and great personal power, explained Burlatskii, and these two realities became the guiding beliefs of Communists. The Russian tradition of seeking direct representation and not parliamentary democracy, he added, also creates an attraction for authoritarian methods. Neither the people nor the politicians perceive a need to divide power between a leader and a parliament or legislature, he commented; both view an elected leader such as Yeltsin as the agent of the people. Without a restraining balance of a parliament, this kind of “commonwealth” democracy practically paves the way for an authoritarian ruler.

In support of his argument, Burlatskii pointed out that the RSFSR parliament had recently granted Yeltsin the right to assume both the post of President and Prime Minister of the Russian Republic. Burlatskii was alarmed, however, that the parliament refused Yeltsin emergency powers to introduce private property. The outcome of this refusal could well mean that the state and Party bureaucracy, together with the black market, will divide state property among themselves before private property is legalized—thus depriving the average citizen of any gain from legalization.

“This outcome is my biggest fear,” said Burlatskii, noting that today’s ruling elite would then succeed in retaining both power and control over real property in Russia. Until private property is legalized, he emphasized again, the people will receive no tangible

benefit from the entire reform process. He attributed the delay in introducing private property precisely to the struggle within the bureaucracy and the ruling elite. The reluctance of members of state and collective farms to assume the risks of private farming is another factor delaying the enactment of private property, conceded Burlatskii, pointing out that the RSFSR parliament has yet to create any credit or technical supply guarantees for individual farmers.

Russia needs at least 30 to 40 years to change its society profoundly, contended Burlatskii. “Our generation, who belong to the 1960s, will only prepare the platform for real, deep change of our society. We destroyed the old system and this is not a bad thing, but the formation of a real civil society depends on the next generation,” he concluded. Russia will most likely follow the example of the last years of the Franco era in Spain, said the speaker, in which step-by-step liberalization will be implemented after the formation of an authoritarian regime. Initiation of genuine market reform today may require authoritarian measures in Russia and other former republics because of the diffusion of political power and economic disintegration of the Union, he observed. “I don’t like [this idea],” he commented, “but it may be a realistic option.”

The failure of the August 1991 coup destroyed the Communist Party and the KGB (“the fundamental institutions of the Communist system”), ended the duality of power between the republics and the center, and led to the disintegration of the Russian state and the superpower which once was the Soviet Union, concluded Burlatskii. “Simply speaking, Yeltsin won,” he stated, “Gorbachev lost perhaps 80 percent of his power.” He described the revolution which followed the coup as a revolution of bureaucratic elites—not a popular revolution—which the upper, central-level bureaucracy lost power to the middle-level bureaucracy especially in the republics) and middle-level intelligentsia.

Burlatskii pinpointed four initial mistakes in Gorbachev’s *perestroika*: not beginning with agricultural reform; avoiding direct popular election; declining to divide the Communist Party by removing conservatives from the Politburo; and attempting the impossible task of forming a federation of republics. The speaker also indicated that he did not believe Gorbachev had expected revolutions in Eastern Europe. Gorbachev

sought to create a groundswell of support from below in these countries in order to fight conservatives in the USSR and launch reforms in the Soviet Union itself, he argued. In effect, commented Burlatskii, "Gorbachev thought he could create a group of mini-Gorbachevs" in Eastern Europe. Finally, Burlatskii contended that Gorbachev had voluntarily turned toward the right in winter 1990 because he very much wanted to save the Russian state and feared he would bear the historical responsibility for its disintegration.

Whereas real revolutions led by anti-Communists took place in Eastern Europe in 1989, in the USSR Communists themselves led an "anti-Communist revolution," claimed Burlatskii. The phenomenon of Communists leading the reform revolution in Russia can be traced to the long erosion of Communism and the Communist Party in the USSR. He contended the Party had been divided into two parts since the Stalin-Bukharin discussions of the 1920s: "real Communists who believed in world revolution" and "some sort of social democrats." The latter tendency never died out, argued the speaker, and provided the foundation from which Khrushchev, and later Gorbachev, sprang to power.

—by Peggy McInerney

Vol. IX No. 4 1991 *Perestroika* in Retrospect

"We introduced *perestroika* not to replace the Soviet system, but to reform it. It was not in our mind to change the underlying economic and social structures of our society," asserted **Egor Kuz'mich Ligachëv** at the Kennan Institute on **14 November 1991**. A member of the Politburo of the Communist Party of the Soviet Union from 1985 through 1990, Ligachëv spoke at the Kennan Institute on 14 and 15 November. "In my opinion," continued Ligachëv, "things were proceeding much more smoothly while we were reforming the system." The speaker explained that he had come to America both to break an old tradition of the Politburo by remaining active in public life and to convey to Americans his understanding of the processes of *perestroika* and reform in the Soviet Union.

The former Secretary of the Central Committee of the CPSU claimed that *perestroika* could roughly be divided into two parts: the first part from 1985–88, when progress in both domestic and foreign affairs was achieved and people retained a sense of hope about the future, the second part from

late 1988 to the present, when a crisis situation developed in the Soviet Union. Among the causes of the current crisis, Ligachëv listed "a weakening of the democratic and social processes of *perestroika*," political instability, the large military budget of the USSR, and the breakdown of economic ties between the Soviet Union and the countries of Eastern Europe. "If we do not succeed in seriously cutting back military expenditures," he emphasized, "we will not be able to push through any significant reforms." He predicted that economic and food supply problems would become far graver during the coming winter, especially in large cities and industrial centers, but declined to predict another coup attempt.

"I don't agree with those who consider the worsening economic conditions in the Soviet Union as an inevitable accompaniment to *perestroika*," declared Ligachëv. "I am very much for serious, deep reform, but I feel it should continue gradually, without improvisations, without promises, without saying that in a year and a half we will have Paradise on earth." According to Ligachëv, two fundamental political tendencies now exist in the USSR. One advocates the complete replacement of the Soviet political and economic system along the lines of the U.S. model and the other supports continued reform of the Soviet system. He identified himself as an adherent of the second tendency, arguing that the Soviet Union must create its own economic system while studying the examples of other countries.

Ligachëv identified reform of public property as the central issue of further reform. He observed that most public property in fact became state property in the Soviet Union, saying, "I feel we built an extremely statist type of socialism which has spent itself entirely." Property reform should focus on collective forms of ownership with respect to factories, state farms, and collective farms, he argued, contending this was the preference of contemporary workers' and peasants' movements in the USSR. Overall, the speaker advocated a mixed market which retained some level of centrally planned production, but gave private ownership and market relations precedence in the service sector. Contending that particular attention needs to be paid to developing infrastructure in the agricultural sector, Ligachëv advocated direct American investment in small and medium-sized factories which would

produce the means of production for storage and food processing facilities. These projects could begin in the individual republics today, he declared.

Questioned about the formation of Central Committee commissions at the September 1988 Party Plenum, Ligachëv responded that their creation had indeed meant that “the Secretariat, as the operative center of the Party, which exercised control over personnel and the fulfillment of decisions adopted by the Party, was destroyed. This proved to be a major loss to our system—we lost a very, very important organ of our party,” he concluded. Ligachëv gave two reasons for this move by Gorbachev. First, he asserted, “Whenever conflicts or tensions occurred, Gorbachev relied on his favorite method: that or reorganization.” Second, Ligachëv claimed that Gorbachev could not propose the question of replacing Ligachëv on the Politburo at the September 1988 Plenum, as “the majority of the Central Committee supported my views at the time, and for Gorbachev to have come out with this proposal would have been very dangerous [for him].”

Although he expressly qualified his criticism as “mild,” Ligachëv made clear that he considered Gorbachev to have destroyed collective leadership. “Collective leadership in the Party reached the point that when Gorbachev traveled abroad, he would not leave anyone in charge,” he said. He denied, however, that there had even been an attempt to unseat Gorbachev as the General Secretary of the CPSU while Ligachëv was a member of the Politburo.

Responding to an inquiry regarding his involvement in the decision to use force to end the demonstrations in Tbilisi in April 1989, Ligachëv claimed that the recommendations presented by the Politburo to Gorbachev and Shevardnadze upon their return from abroad at that moment “were entirely peaceful in nature—they did not in any fashion recommend the introduction of troops.” The speaker also denied any responsibility for the publication of the Nina Andreeva article in *Sovetskaia Rossiia* in Spring 1987.

Reflecting on the failed coup of August 1991, Ligachëv claimed that the leaders of the coup were in no way traitors. “The people somehow tried to bring the country out of its crisis, but their methods were anti-constitutional and, in general, military methods are

not the way to solve problems in the Soviet Union,” he remarked. The speaker repeatedly protested as anti-democratic the banning of the Communist Party and its activities throughout the Soviet Union. He expressed the conviction that a new party of socialist/communist orientation will be formed in the Soviet Union—not on a countrywide basis, but in each of the republics—and that talks were already taking place regarding its formation. Ligachëv claimed he would play only an advisory role with respect to such a new party, declaring that leadership would belong to the younger generation.

—by Peggy McNerny

Vol. IX No. 5 1991

The New Political Elite in Russia

A new political elite has come to power in Russia as a result of the failure of the August 1991 coup and subsequent collapse of the Soviet state, argued **Pilar Bonet** in a lecture at the Kennan Institute on **6 December 1991**. Currently a Research Scholar at the Kennan Institute, Bonet was chief Moscow correspondent for the Madrid daily *El Pais* from 1983–91. Whereas the former elite was Soviet, Communist, and defined itself in relation to USSR President Mikhail Gorbachev, Bonet claimed the new elite is culturally Russian, non- or anti-Communist, and defines itself in relation to Russian Republic President Boris Yeltsin. Bonet contended that Yeltsin and the politicians who surround him were late to comprehend the idea of a Russian state. This group possesses an “in vitro patriotism,” she continued, one which differs markedly from the patriotism of the coup organizers as well as that of Russian nationalist circles.

The new Russian political elite has been in the process of development since Spring 1990, explained Bonet, when the national Soviet parliament (the USSR Supreme Soviet) clearly began to lag behind the political evolution of the country as a whole. This group began to play a major role in Soviet politics only after the coup, when it consciously adopted the idea of a Russian state as a “practical political decision,” said Bonet. Although a sense of the Russian state did develop during the war of laws between the USSR and RSFSR governments over the past year-and-a-half, observed Bonet, “for this team, Russia was mainly a political arena to fight against Gorbachev and the bureaucratic and centralized state that Gorbachev personi-

fied.” This explains Yeltsin’s imprudent encouragement of local autonomies during his long trip across Russia in the summer of 1990, noted the speaker.

According to Bonet, the new Russian political elite is roughly composed of three basic groups: “the disappointed” (reformist politicians who originally supported Gorbachev, but lost faith in the USSR President), individuals and social groups who were too young or not yet able to get involved in politics during the 1989 all-Union parliamentary elections (e.g., the independent trade union movement and the rising merchant class), and supporters of Boris Yeltsin. Bonet stressed, however, the difficulty of categorizing the members of this elite. The political science in Russia today is a “muddy river” in which political groups and new rules of the game have not yet crystallized, she explained.

Bonet devoted the majority of her remarks to Yeltsin supporters, dividing them between people who support Yeltsin because they see him as the main instrument of radical reform and those who support him out of personal loyalty. The “Sverdlovsk Family” forms the largest contingent of Yeltsin’s personal followers, explained Bonet, and is composed of former members of the Sverdlovsk Communist Party *nomenklatura* as well as Sverdlovsk reformist politicians who met Yeltsin during and after the all-union 1989 parliamentary elections. “Until after the coup,” she observed, “reformist-minded politicians paid little attention to Yeltsin’s enduring connections to the Sverdlovsk *nomenklatura*.” But after the coup, the two wings of the “Sverdlovsk Family” clashed in a battle for power within the Yeltsin presidential administration which drew on throughout September and October. Bonet claimed the battle was finally decided in favor of the reformist politician wing, represented by RSFSR State Councillor Genadii Burbulis, a professor of philosophy who is a Marxism-Leninism specialist. Burbulis prevailed over the former apparatchik wing, represented by Iurii Petrov, head of Yeltsin’s presidential administration and former First Secretary of the Sverdlovsk Party organization after Yeltsin.

Burbulis is the number two man in the Russian government today after Yeltsin, contended Bonet; sources in the Russian government have told her that Vice President Aleksandr Rutskoi appears to be on the way out. (Bonet pointed to the danger that once

out of the government, Rutskoi could find support in emotional Russian nationalist circles.) Returning to Burbulis, Bonet said he began his political career as organizer of the *Diskussionnaia tribuna* debate club in Sverdlovsk, now Ekaterinburg. Elected a deputy to the USSR Supreme Soviet in Spring 1989, he became one of the leaders of the Democratic Party of Russia along with Nikolai Travkin and soon combined this post with responsibilities as Yeltsin’s personal representative to all democratic parties and groups in the RSFSR Parliament. By autumn 1990, he had become one of the two vice-presidents of the Senior Advisory Council, a body largely composed of former supporters (“the disappointed”) of USSR President Gorbachev who left the Kremlin for the Russian White House. Burbulis was with Yeltsin at the White House during the coup and is the person who brought economists Egor Gaidar’ and Aleksandr Shokin into the Russian government.

Alex Pravda, Professor of Politics at St. Anthony’s College of Oxford University and a member of the Kennan Institute Academic Council, was commentator at the lecture. Pravda drew attention to the revolutionary process of self-organization and fragmentation of elites in Russian society today, deeming the extent to which elite self-organization reaches down into society an important barometer of political cohesion. Yeltsin and his team need to build intermediate institutions that can attract potentially important interest groups into the policy process, argued Pravda. Bonet confirmed that one such group—the new merchant class—was not represented in the RSFSR Parliament. However, she indicated that a leading representative of this group, Director of the Moscow Commodities and Raw Materials Stock Exchange Konstantin Boroboi, was well-aware of the need to support new political institutions. Emphasizing the fluid nature of politics in Russia at present, Bonet argued that although Russia lacks the political and social institutions normal in the West, embryos of such institutions do exist and their representatives “are more or less in contact with Yeltsin.” Although she claimed Yeltsin is only the leader of the second part of the transition period in Russia, Bonet conceded that today, “Yeltsin is the greatest hope for change and reform for Russians—he represents the highest institution with the

most legitimacy in a context where legitimacy is mostly lacking.”

—by Peggy McInerney

Vol. IX No. 6 1991

Procuracy Facing Extinction?

“For seventy-odd years the [USSR] Procuracy, as a unified, centralized, and hierarchical organization, has been willing to coexist with the fiction of federalism in the Soviet Union. But now that federalism and national pressures for power-sharing at republic and sub-republic levels has become real, it has posed a fundamental challenge to the...whole *raison d'être* of the Procuracy,” observed **Gordon Smith** in a lecture at the Kennan Institute on **9 December 1991**. Professor of Government at the University of South Carolina, Smith described the evolution of the Soviet Procuracy under *perestroika* and the prospects for its future in the Russian Republic. Although he expected the “rapid decline and dismemberment of what has for seventy years been *the* premier legal institution in the Soviet legal system,” Smith’s remarks indicated that the 270-year legacy of an institution originally created by Tsar Peter I in 1722 could influence the future structure of procuratorial offices in the former republics.

From its very founding early in the eighteenth century, said Smith, the Procuracy was not a legal prosecutor’s office in the Western sense of the term, but rather an instrument of state power intended to ensure the implementation of tsarist decrees and occasional Senate legislation—“the eyes and the ears of the state in the provinces.” Under the Soviet regime, the Procuracy was charged not only with the investigation and prosecution of criminal offenses, but also with supervision of the prison system and places of detention, juvenile affairs commissions, and the activities of the courts. Perhaps the most intriguing duties of the Procuracy fell under the rubric of “General Supervision.” These tasks permitted the institution to function in the capacity of an ombudsman for a brief period between 1955 and 1968, explained Smith, when there was a conscious effort to use the Procurator’s office to investigate citizens’ grievances such as violations of labor rights, illegal imposition of fines, housing complaints, and cases of officials exceeding the authority of their positions. In compliance with directives from both the Politburo and the Central Committee of the

Communist Party of the Soviet Union in 1969, however, the Procuracy’s focus changed to protecting the economic interests of the state. Thereafter, the bulk of its activities were directed toward prosecuting cases involving theft of state property, violations of labor discipline, falsification of production figures, and the like. When Gorbachev came to power, said Smith, procurators were spending most of their time on the telephone threatening factory managers to meet the production goals of the State Plan.

The commencement of the relatively liberal period in the Procuracy corresponded with Mikhail Gorbachev’s entry into law school at Moscow State University. The law school was then a leading center of judicial reformers who advocated using the “General Supervision” duties of the Procuracy to protect the rights of individual citizens. Gorbachev was a student in the State Law Section (*kafedra gosprava*) where specific courses on the general supervisory duties of the Procuracy were taught, observed Smith. The experience of Gorbachev and those around him during their years at Moscow State University Law School was undoubtedly recalled by them when they launched *perestroika*, said the speaker, and most likely contributed to the USSR President’s concept of a law-based state.

“The Procuracy as an institution was very late in responding to Gorbachev’s policies of *glasnost*, *perestroika*, and democratization. In fact, like other institutions of hierarchical state authority such as the armed forces, the KGB, and the police, *glasnost* really seems to have thrown the Procuracy off balance,” remarked Smith. Despite a special Politburo meeting devoted to the problems of the Procuracy in October 1986, a 1987 Central Committee resolution criticizing the institution, and the appointment of an outsider, Aleksandr Sukharev, to shake up the bureaucracy as USSR Procurator-General in May 1988, the Procuracy resisted policy change. Smith contended, however, that in 1987–88 personal interviews and public opinion polls convinced him there was no returning to the days when the Procuracy used “General Supervision” to protect citizens’ rights. By the late 1980s, continued the speaker, most people viewed the Procuracy like the KGB or the MVD (Ministry of Internal Affairs)—as an instrument of state power—and preferred to seek legal remedies through the courts.

Sukharev’s attempted to reform the USSR Procuracy, as well as the political fallout from

the Ivanov and Gdlyan corruption investigation, polarized the institution between adherents of reform and those who wished to preserve the institution's current structure and duties. After Sukharev's replacement in December 1990 by Nikolai Trubin, the scene of legal reform shifted to the Russian Republic, where RSFSR Procurator Valentin Stepankov was establishing a new system of interlocking protocols between the Russian Procuracy and the independent procuracies of other republics. Although Stepankov has fought to have power devolve from the USSR Procuracy to the republic level, he evidently resists structural reform which would remove any areas of authority from the Procuracy's domain.

Whereas Stepankov represents one possibility for the future of the Russian Procuracy, public expectations and the outspoken RSFSR Minister of Justice Föderov represent an entirely different prospect. In a major speech to Russian judges in October 1991, Föderov "described the Procuracy as a sacred cow created by Stalin and Vyshinskii as an instrument of state coercion," said Smith. The only power which Föderov believes the Procuracy should retain is that of prosecuting criminal cases, continued the speaker, a view very much in line with the draft constitution for the Russian Republic published in *Rossiiskaia gazeta* two months ago. The draft constitution transferred the Procuracy's criminal investigatory powers to a new agency, its general supervisory functions to the new office of People's Ombudsman (*Narodniy pravozashchitnik*), and its responsibility for supervising the court to the Russian Supreme Court. Smith implied that the direction of legal reform in Russia rests with Yeltsin and the choice he makes between the options represented by Stepankov and Föderov.

—by Peggy McNerny

Vol. IX No. 7 1992

Reporting on Religion in Russia

Russian Orthodoxy is replacing Marxism-Leninism as the predominant ideology of Russia today, contended **Dmitrii Radyshevskii** in a lecture at the Kennan Institute on **13 January 1992**. Radyshevskii is a reporter for the newspaper *Moscow News* and recently worked at *Time* magazine in Washington, D.C. Thousands of people are being baptized in the Russian Orthodox Church every day, but this does not always indicate a conscious choice of a church or

religious doctrine, claimed Radyshevskii. People are searching for spirituality and an identity apart from communism, and the Russian Orthodox Church—because it is part of the Russian tradition—is the obvious choice for many, he said.

Radyshevskii gave an overview of the impressions gained from covering religious communities in the Soviet Union during the last few years, including the Russian Orthodox Church, the Baptist Church, and the Hare Krishna sect of Hinduism. Reporting on several Christian denominations was not a simple matter of approaching sources and asking questions, said Radyshevskii. A Baptist official, for example, would be reluctant to speak frankly with a reporter who could not demonstrate knowledge of the Bible. An Orthodox priest, he continued, would likewise expect you to "make your own statement of faith" before talking freely in an interview, which itself required consulting with the priest's bishop—who would inquire as to the type of paper for which the reporter worked. A reporter who did not ask for a blessing upon meeting an Orthodox cleric, moreover, would invariably be treated with more caution than one who did.

Radyshevskii was the first reporter permitted to spend time with Russian Orthodox seminary students at Sergiev Posad, as well as the first male journalist to report from the Orthodox nunnery in Kostroma. He described the seminary students he met as extremely conservative, with strong anti-communist sentiments as well as strong suspicions of ecumenism and the democratic movement. The Slavophile convictions of these future priests, Radyshevskii held, could do much to encourage the repetition of what he viewed as the historic weakness of Russian Orthodoxy: limiting the concept of the Orthodox Church to the Russian people and nation. Among this younger generation of clergy, however, are people with a talent for public relations who are adept at managing the Church's interactions with the outside world, he added. Radyshevskii cited in this respect the unusually gifted Father Andrei, a 28-year-old seminarian at Sergiev Posad who later became press secretary for Patriarch Aleksii II.

An important pedagogical problem of the Russian Orthodox Church is its poor training in apologetics—the Church is simply not prepared to speak with young intellectu-

als, maintained the speaker. If intellectuals who question doctrine have no family or other ties to Russian Orthodoxy, they may turn to the Catholic Church or a Protestant or Hindu sect, he noted. According to Radyshevskii, Patriarch Aleksii II is most worried about the “invasion of Catholics” in Russia and the danger of *raskol*—a schism between the jurisdiction of the Russian patriarch and the émigré church represented by the Russian Orthodox Synod in New York. The Vatican has sent eighteen bishops to Russia in the last year, mostly to areas in central Siberia and not to regions formerly disputed by the two churches, such as western Ukraine. There is now a Jesuit college in Novosibirsk, related the speaker.

The Baptist Church is the most important and popular Protestant church in Russia, said Radyshevskii, active in both charity and business. However, there has been a split within the Baptist Church since at least 1973 over the issue of registration with the Council(s) on Religious Affairs. There is a bitter enmity between those Baptists who registered and those who refused to do so, he remarked. He noted that unlike the Russian Orthodox Church, Baptists and other Protestant sects are very involved in charitable activities. Seventh-Day Adventists and Pentecostals are also thriving in Russia, said Radyshevskii, but continue to encounter difficulties with legal registration. He observed that provincial Councils on Religious Affairs, who once called the local Communist Party committee for permission to register new religious organization, often now call the local Russian Orthodox bishop. Unfortunately, he continued, bishops have been known to respond that the Russian Orthodox Church answers all the spiritual needs of the local population.

According to Radyshevskii, two religious communities in Russia have been severely repressed in the recent past: Hare Krishnas and Jehovah’s Witnesses. Jehovah’s Witnesses suffered greatly for their position as conscientious objectors and were often tried and imprisoned several times for their refusal to serve in the Soviet Army. During the late 1970s and early 1980s, Hare Krishnas were also widely arrested, imprisoned, or placed in psychiatric hospitals, often on the grounds of being vegetarian. They were accused of starving themselves to the level of disability, explained Radyshevskii. A great number of Hare Krishnas are intellectuals

and many have a background in philosophical training, added the speaker. Today they have two temples in Moscow and claim 15,000 members in the capital alone.

Although there are no official obstacles to the practice of Judaism, claimed Radyshevskii, Jewish religious leaders with whom he has spoken believe there is no future for Jews in Russia. They advocate the completion of the exodus, he noted. Radyshevskii confirmed that there was wide interest in Slavic pagan beliefs in Russia, mentioning a pagan group within the Pamiat’ movement as well as the *Russian Orthodox Herald*, a newspaper which regularly publishes the pagan calendar, pagan medical practices, and pagan beliefs in addition to interviews with Russian Orthodox priests. Queried about Orthodox theology in Russia in the third millennium of Christianity, Radyshevskii, who plans to enter divinity school in the United States this fall, said he saw a hopeful future for Russian Orthodox thought in the direction pursued by the late Father Aleksandr Men’, a priest whose work “reconciled Russian Orthodox belief and Russian Orthodox doctrine with Western Christianity, Eastern religion, agnosticism, philosophy, and ecumenism.”

—by Peggy McInerney

Vol. IX No. 8 1992

Self-Determination the Answer?

“We need to rethink the idea of human rights in order to incorporate the right of all nations to self-determination,” contended **Elena Bonner** at a lecture cosponsored by the Kennan Institute and the Russian Area Studies Program of Georgetown University on **14 January 1992**. A human rights activist of international renown, Bonner argued that the question of self-determination was crucial for the world’s future, affecting not only the nations and peoples of the former Soviet union, but those of Yugoslavia and Northern Ireland, as well as the Basques of Spain and the Kurds of the Middle East.

“We have mixed up the problems of self-determination and the inviolability of borders in both the Soviet Union and the West,” she maintained. This paradox can only be resolved by the development of a new concept of human rights, asserted Bonner, one which she believes will be achieved only after much bloodshed.

“It is hard to me to understand,” said Bonner, “that Russia, in order to bloom, must

first divide into parts.” Bonner firmly supported the right of nations to democratically choose their own form of government. She claimed the right of self-determination is implicitly recognized in the third paragraph of the United Nations’ Universal Declaration on Human Rights, which prohibits governments to govern in a manner so cruel as to provoke rebellion. Only the people living on the territory of a specific place can decide the question of their political system, insisted Bonner, specifying that once they have done so by democratic means, they must then guarantee the rights of minorities within their chosen system.

“People will agree to unite only in freedom,” she observed, citing the example of Western Europe, whose nations are now voluntarily choosing greater unity only after existing as independent states. Asked if she understood the universal right of self-determination to imply the right to secession, the speaker conceded that she did not have an answer to the predicament in which the right to secession leads to the right to self-defense—and thus, often to violence. She insisted, however, that self-determination was a necessary step towards eventual integration, citing Andrei Dmitrievich Sakharov’s idea of world government as the ultimate goal of this political process.

Bonner was critical of the West’s long resistance to the USSR’s collapse into independent states, as well as its refusal to recognize the right of self-determination of peoples within these states, such as the populations of Nagorno-Karabakh and South Ossetia. “When the West refuses to stand up for this right, it eases the path toward violence and civil war,” she asserted. Bonner claimed the West could play a great role in the development of democracy in the Commonwealth of Independent States by holding the leaders of its member states to universal criteria of human rights, especially with respect to the protection of minority rights.

The speaker drew particular attention to the situation of Nagorno-Karabakh, an Armenian enclave within the Republic of Azerbaijan which has declared its independence after a democratic referendum. Armenia and Azerbaijan are not in conflict, insisted Bonner, but there are continuing large-scale violations of the human rights of Armenians on the territory of Azerbaijan. “How long will it take civilization to recognize this genocide?” she asked.

Bonner also spoke extensively about political and economic conditions in the former Soviet Union. She argued that Gorbachev failed because he attempted to reform the USSR’s totalitarian economic system without changing the totalitarian essence of its political system: the unified, centralized government. The democratic movements born under *perestroika* were doomed to fail as well because they were oriented toward the past, i.e., toward preserving the empire, rather than toward the formation of the new states we see today, asserted Bonner. Although she found the collapse of the USSR “a positive and progressive fact,” she lamented the absence of constitutions and law in the Soviet Union’s successor states. “As we move toward economic reform, all these states are left without law,” she observed.

Democratic reforms under Gorbachev destroyed the country’s monetary system, leaving the new states of the Commonwealth born into extreme poverty, asserted Bonner. The gold and hard currency reserves of 1989 which would have enabled them to implement economic reforms are gone, she remarked. Bonner pointed out that under the cover of the democratic movement, “the greatest theft in human history” took place: the assumption of control over state factories and enterprises by former Communist Party *apparatchiks* and members of the military-industrial complex, with Arkadii Volskii at their head.

Bonner predicted that a new wealthy elite—“the top 200 families” of a new system—would emerge in the new states of the Commonwealth from among those who surrounded Gorbachev in the democratic reform movement. These families will be the motor of a new economic system, she surmised, playing much the same role as the robber-baron families of industrial America.

Asked to comment on democratic leaders active in Russia, Bonner said, “Yeltsin is the most important and interesting democratic leader in Russia today.” She contended that Yeltsin’s memoirs, in contrast to those of leading figures of the *perestroika* era, rang true. Pointing out that he is the legally elected leader of Russia and was, until quite recently, trusted by the great mass of the Russian people, Bonner said she found Western mistrust of Yeltsin really to be mistrust of Russians themselves. The West’s continued support of former USSR President Mikhail Gorbachev long after the majority of

people of the USSR had lost their faith in him is simply inexplicable, she said. Today, argued Bonner, this is a serious issue with regard to Yeltsin. "The rest of the world needs to pay attention and heed the opinion of the people of Russia," she concluded.

—by Peggy McInerney

Vol. IX No. 9 1992
The Commonwealth and the Military

The strategic threat presented by the Soviet military over the past forty years is largely a thing of the past, contended **Dale Herspring** in a lecture at the Kennan Institute on **3 February 1992**. Herspring, a former Foreign Service Officer, is currently a Fellow at the Woodrow Wilson Center. In coming years our attention will shift to the role played by the militaries of the various republics on the domestic and regional fronts, noted Herspring. There is little danger of praetorianism as classically defined in the former Soviet Union, he argued, but great danger of "warlordism."

Herspring applied to his analysis of the Soviet military the conceptual framework of Samuel Huntington's new book *The Third Wave*, in which Huntington suggests that countries moving towards democratization go through specific stages. In the first stage—seizure of power—old forces are removed from power but do not disappear: the task is to get rid of the old power structure. This first state began in the last 1980s in the Soviet Union when traditional factors of cohesion were no longer functioning, contended Herspring. Ideology simply became irrelevant and the common bureaucratic element, the CPSU, began to break up. A struggle between reformers and what Huntington calls the "stand patters" was well under way, continued the speaker. Furthermore, he added, problems started to appear in the main elements of cohesion of the Soviet system—the military and the KGB, two bodies which served not only as a control device but, in a multinational state, as a political socializing device.

The military's response from 1985 to the time of the coup was one of confusion, remarked Herspring. It could not understand the vehemence of public media attacks permitted under *glasnost*, he said. Media attention forced the military to deal with many longstanding problems: hazing, nepotism, questions of ethnicity, the Russian language issue, the ineptitude of many

recruits, the Soviet educational system, the issue of a draft versus professional military, and increased contact with the USSR's traditional enemy, the West.

Herspring suggested that the August 1991 putsch was not a military coup at all. By its refusal to become involved and by deploying forces around the Russian parliament, the military saved the reform process, he asserted. The military did not become involved in the coup because it did not want responsibility for the mess, argued the speaker. He cited a professional ethic, complacency, and divisions within the armed forces as additional reasons for their non-participation. The internal divisions turned out to be even deeper than we had anticipated, noted Herspring.

In the post-coup period the government purged the military of many high-ranking officers who had been neutral or not completely supportive of reformers during the coup. The military budget was substantially cut and the size of the force structure decreased from 4 to 3 million. According to Herspring, all indications suggest the Soviet army will shrink further to between 1.2 and 1.5 million men. Military exercises have been curtailed, military preparedness has decreased, and naval deployments are at an all time low. Even without an articulated policy, it is clear that the government's approach to the military is divide and conquer, he observed.

"Can the democratic process be reversed?" Herspring asked rhetorically. There is no danger of a coup in the classic sense; the failure of the August putsch ended that threat, he answered. The military is too divided, cohesion is too low, he added. The danger now stems from charismatic colonels who could seize parts of the country in the event of a civil war or public disorder. For that reason, concluded Herspring, the situation is still in what Huntington identified as the "seizure of power" stage. Most Central and East European countries have moved beyond this stage in their progress toward democratization, but in the former Soviet Union the entire situation could be reversed, he argued.

Herspring highlighted several implications for Western policymakers. First, the nature of the security threat has changed. The Russian nuclear threat remains, but at a much lower level. The real danger, according to Herspring, is the threat to nuclear power stations and chemical factories should civil war break out in Russia or other former

republics. Second, the movement toward eleven sovereign national armies means a much less modern, less threatening conventional military force. Given recent budgetary considerations, the Russian military has accepted a semi-permanent status as a technologically second-class power, pointed out the speaker. Finally, whatever military emerges, regardless of whether it is Russian or Commonwealth, it will be smaller and more professional. This reversal means that the impact of Western diplomacy on the internal policy of the Commonwealth states will probably be considerable, Herspring noted.

Internal stability and the danger of warlordism have now become our key concerns, emphasized the speaker. If Russia continues to drift and deteriorate, and the military cannot find the sense of direction and order it craves, Herspring predicted further splits in the army and increased danger from charismatic colonels. To these he added the dangers of regional conflicts within the Commonwealth and around its periphery and “nuclear leakage,” or proliferation.

What should American policy be? Former Soviet military officers in any of the republics are at their most malleable stage, particularly in the mid-level officers, argued Herspring. They do not understand the world or how to deal with it; we have a much greater ability to shape events than many of us believe, he insisted. He urged the United States to consider the problem of the former Soviet military as a regional security issue, one in which military forces are viewed against the backdrop of changes in Central and Eastern Europe and the potential for interregional conflict. We should work to eliminate the danger of conflict in this region, concluded Herspring, by increasing Russia’s military ties with the EEC, granting it associate status within NATO, developing closer military-to-military contacts, and cultivating greater economic ties between the West and the former USSR.

—by Dan Abele

Vol. IX No. 10 1992
The Decolonization of the USSR

“[The United States] would have never allowed the French to speak for the Algerians in 1962 or 1963—we would have viewed the French position in Algeria as definitionally biased. Yet we have not assumed that the Russian position in Estonia, Latvia, Lithuania, Uzbekistan, Tajikistan, or Turkmenistan is

definitionally biased,” asserted **Martha Brill Olcott** in a lecture at the Kennan Institute on **10 February 1992**. Currently a Carnegie Fellow at the Center on East-West Trade at Duke University, Olcott is Professor of Political Science at Colgate University.

The assumptions the United States made about decolonization in Africa and Asia are simply not being applied to events in the former Soviet Union today, argued Olcott. She contended that the United States, due to an implicit sympathy for Russia as a great power and lack of day-to-day contact with the successor states of the USSR, views these states through Russian eyes. As a result, she said, there exists fundamental confusion over what U.S. policy seeks to achieve in Russia and the newly-independent countries of the Commonwealth.

Two processes are occurring simultaneously in the former USSR today, said Olcott: decolonization and decomposition of the old regime, with the latter complicated by attempts to introduce a market and democracy in its place. The key to defining standards of human rights and democracy which U.S. policy can support in the former USSR is in choosing how to interpret the changes taking place there, she claimed. If one continues to view the region as a single “space,” explained Olcott, be it a single economic space or a single defensive space, then decolonization in the former republics appears to threaten economic reform and democratization. If, however, the phenomenon of decolonization is recognized, then the efforts of the Baltic and Commonwealth states to take control of their national economies and downgrade the political rights of Russian citizens makes practical political sense.

Citing changes in the official languages of the former republics and, in former Muslim republics, the change of state holidays from Christian to Muslim holy days, Olcott asked: “Is this democratic or non-democratic? If you see it as a single space and a single regime, then yes, it’s very non-democratic. But if the region is decolonizing, then there are winners and there are losers, and colonial settlers are classically [the] losers.”

The successor states of the USSR all face the problem of creating a basis for political legitimacy and stability, argued Olcott. Although the Communist elite renounced its ideology after the August 1991 coup, the speaker pointed out that this elite remains in

power in most Commonwealth states. Renunciation of ideology does not, however, create legitimacy, she observed. "Everyone is assuming that economic recovery will be the key to creating political stability," noted Olcott. She disagreed with this assumption, arguing that "the key to recovery...is the ability to define national self-interest in a way that creates a sufficient degree of political loyalty to get one through a period of trying economic recovery."

The crisis of legitimacy is less acute in non-Russian lands than in Russia, noted Olcott, as decolonization in the non-Russian republics gives former Communist leaders some grounds for legitimacy. People are more willing to suffer the dislocations of state-building and economic reform if they believe they are achieving national independence in the process, she explained. The drive for independence is absent in Russia, she said, making it much more difficult for the Yeltsin regime to foster the political loyalty needed to weather economic reform. The crisis of building political legitimacy in Russia is further exacerbated by the quandary of Russian self-definition. "What is Russia and what space does Russia occupy?" asked Olcott. It is uncertain whether Russia can hold together even within its current borders, said the speaker, citing the ethnic and sub-regional loyalties of its population.

"It is a mistake to assume that a recovery predicated on Russia will work, or that Russia will have the easiest time recovering," concluded Olcott. The United States must redefine its security interests in the region and develop policies to protect those interests in the case Russia proves unable to recover. Instead of viewing Russia as the element which will draw former republics inward, she argued that the United States should focus on the forces which are pulling these new states outward—primarily the neighbors of the former Soviet Union. Olcott claimed four strategic zones are likely to emerge in the former USSR during the next twenty to fifty years: a Central European zone encompassing the Baltic states and Ukraine, the Southern Tier (including the states of the Caucasus and Central Asia), an autonomous economic unit in the Far East of Russia, and Russia itself.

Turning to Central Asia, Olcott contended these states must struggle to define their identities and plan self-propelled development. Unique among them is

Kazakhstan, she argued, as Kazakhstan does not seek independence so much as economic union with Russia. The success or failure of economic reform in Russia will be crucial to direction of future development in the region, she insisted. "If Russia fails to develop, that will simply push Central Asia—with a much more impoverished standard of living—further south," noted Olcott. Central Asian regimes not only face the task of creating a widely-shared definition of national interest, said the speaker, but will have to fight to define Islam as well. Asserting that Islam was an important element of state-building and would create the transition to decolonization in these states, Olcott remarked, "Islam is going to be the battleground in Central Asia."

The speaker pointed out that the elites of new Central Asian states are both smaller and more inexperienced than the new Russian elite. "No trained alternative elite, no democratic opposition capable of assuming power and ruling stably, exists in these countries," she said. She urged the United States to recognize the Central Asian nations and work with their present rulers, saying: "We have to accept what these people are—that they are not European societies and that they are decolonizing—and then set our human rights goals within those conditions.

—by Peggy McInerney

Vol. IX No. 11 1992

Unrealistic Expectations a Danger

The West is poised to do great harm by contributing further to unrealistic expectations in the former USSR and the countries of Central and Eastern Europe, asserted **Zbigniew Brzezinski** at George Washington University on **20 February 1992**. There is a danger, he contended, that the inhabitants of the former Communist world will be seduced by procedural mechanisms sold to them by the West, such as plans for transition to a market economy, which promise utopia in a short period of time. The reality is that it will require a very long time to overcome the political and social legacy of communism, said Brzezinski. The West, he insisted, must act responsibly and not encourage false expectations of rapid recovery. Brzezinski, Counsellor at the Center for Strategic and International Studies and Osgood Professor of American Foreign Policy at the Paul H. Nitze School of Advanced International Studies, was the keynote speaker at a confer-

ence on the social legacy of communism cosponsored by the Kennan Institute and East European Studies Program of the Woodrow Wilson Center and the Institute for European, Russian, and Eurasian Studies and the Russian and East European Program of George Washington University.

Given the collapse of the utopia promised by communism, political life in the former communist nations is likely to become more unstable in the future as leaders find themselves driven by Brzezinski. Although he claimed that Hungary, Czechoslovakia, and Poland will find salvation in integration with Western Europe, possibly by the end of this century, he specified that recovery elsewhere in Central Europe would be slow and in the Soviet Union would require no less than a quarter of a century. He estimated at least one year of recovery would be needed for each year of communism in any given country. Recovery in the former USSR, he continued, will be far more difficult and prolonged than in Central Europe, with democracy most likely put off for some time to come. Ukraine might achieve integration with Western Europe by the end of the first decade of the twenty-first century, he speculated, and, in the best case scenario, Russia by the end of the second.

"The central internal issue [of Russian politics] in the immediate future will be whether it resumes efforts to remain an imperial state or successfully abandons this idea," remarked Brzezinski. The problem of Russia, he said, is similar to that posed by the concept of Britain and England: England is a country, whereas Britain encompasses a greater notion. *Rossiiia* (the Russian word for Russia), he explained, implies both Britain and England, both empire and nation. What must be decided is whether *Rossiiia* will come to mean a modern, European nation-state or continue to refer to some larger entity, he remarked. "We must recognize that democracy is simply not immediately attainable in Russia," said Brzezinski, claiming Russia's most imperative need is to become a non-imperial state in the international system.

For all the criticism of Russian President Boris Yeltsin as a populist, he clearly possesses the instinct that Russia can no longer afford to be an imperial state, said Brzezinski. Yeltsin demonstrated his disinclination to pursue imperial policies in January, August, and December of 1991, said the speaker, referring to the Russian leader's

reaction to the Soviet Army crackdown in Lithuania, the attempted putsch, and the formation of the Commonwealth of Independent States, respectively. In December, Yeltsin swallowed his chagrin and accepted the Ukraine as an equal partner; it is now up to Russia as the stronger party to take the lead in negotiations with Ukraine, maintained Brzezinski. In contrast to Yeltsin, he noted that Russian Vice-President Rutskoi seeks to preserve some greater notion of Russia, as Rutskoi's criticisms of the Yeltsin government ultimately focus on retaining or reviving the empire. Brzezinski encouraged Russia to grant maximum self-definition to its autonomous regions and ethnic groups, arguing that such groups must themselves learn that complete separatism is neither economically nor politically viable.

Reflecting on the greater meaning of the collapse of communist regimes, Brzezinski declared that communism was ideologically dead. "Communism," he contended, "was a tragic perversion of the idealism and realism of the crowning event of the 18th century—namely, the French Revolution." A curious parallel can be drawn between the years 1789 and 1989, he mused. In the two centuries which have intervened since the French Revolution, he said, "we have witnessed an enormous rise in the alert political consciousness of citizens" stemming from heightened idealism and a faith in rationality. Calling Communism and Nazism the "bastard offspring of the French Revolution," Brzezinski claimed both ideologies denied the inherent imperfection of man and the piecemeal nature of real change. Communism, he continued, was "an ideology which took idealism and rationality to inhuman extremes and created enduring illusions which denied reality....an extreme rationality translated into social engineering. In the end, the Communist experience will be perceived as the human equivalent of what is known in astrophysics as the 'black hole,'" he concluded.

Brzezinski defined the final legacy of communism as the West's need to develop a new way of looking at the world. "We are seeing [today] a global political process which greatly differs from the system of international relations of the nineteenth and twentieth centuries," he said. In a world characterized by greater interaction and interdependence between national states, where internal and external politics are more closely related than in the past, he maintained that the concepts of

socialism, capitalism, and communism have lost their analytical usefulness. The West needs to rethink its analytical categories, said Brzezinski. If it has the awareness to do so, he reflected, the West will have derived the most useful lesson of the communist legacy.

—by Peggy McInerney

Vol. IX No. 12 1992
Tolstoy's Philosophy of History

"The central idea of Tolstoy's philosophy of history is the dependence of historical circumstances on the coincidence of countless numbers of causes," declared **Jakov Luria** in a lecture at the Kennan Institute on **12 March 1992**. "Without each of these causes, [no historical event] would happen, so that all of these causes—millions of causes—coincide to bring about history," he said. Currently a Fellow at the Woodrow Wilson Center, Luria is Professor Emeritus at the Institute of Russian Literature (Pushkin House) of the Russian Academy of Sciences in St. Petersburg. He based his lecture on an analysis of Tolstoy's novel *War and Peace*, lamenting the fact that the vast majority of readers do not read the historical parts of the book, namely, the chapters preceding the author's narrative of Napoleon's invasion of Russia and the Battle of Borodino, as well as the book's second epilogue. Luria noted that Tolstoy's views of history have in general received little attention by serious scholars and were rejected outright by many critics.

"For Tolstoy," remarked Luria, "'great men' are labels which give names to events and, like labels, they have but the smallest connection with the event itself." As he discounted the role of "great men," so too did Tolstoy doubt the role of ideas in history, said the speaker. According to Luria, Tolstoy believed history was moved by "the coincidence of wills of all who take part in [historical] events." The predetermination of this coincidence lies in what Tolstoy called the "differentials of history—the uniform inclinations of men (*ornorodnye vlecheniia liudei*)," which he understood as the satisfaction of man's basic necessities of survival: food, drink, clothing, and shelter. Tolstoy believed that general laws of history could be formulated only by integrating countless numbers of infinitesimal units of observation, or millions upon millions of "uniform inclinations of men," explained Luria.

Luria quoted Tolstoy's description of Pierre Bezukhov's captivity in *War and Peace* in order to demonstrate the role played by

odnorodnye vlecheniia: "Only now, for the first time, Pierre came fully to appreciate the pleasure of food when he felt hungry, of drink when he felt thirsty, of sleep when he was tired. The satisfaction of one's needs—good food, cleanliness, freedom—now that he was deprived of these things, seemed to Pierre perfect happiness." Tolstoy's descriptions of the French Army during the Battle of Borodino further illustrate how the "uniform inclinations of men" drive history, noted Luria. In *War and Peace*, he pointed out, French soldiers plunge into battle so that they may eat and rest afterwards as conquerors in Moscow.

"Tolstoy's explanation of the actions of the French Army helps us to understand the more general idea of Tolstoy—that in order for wars to begin, it is necessary that millions of men should consent to carry out the will of those weak individuals such as Napoleon and Aleksandr," remarked Luria. Although Tolstoy shared a deterministic view of history with Hegel and Marx, said Luria, he rejected both the Hegelian "worship of progress" and the idea that great personalities are the bearers of historical progress. Neither did he share Marx's conviction that the role of the philosopher is to change the world. Tolstoy, said Luria, believed it is impossible for any man to change the world and denied all forms of utopianism and social engineering. Challenged to defend his assertion that Tolstoy was not a utopian, given the author's later work and life, Luria responded that although contradictory "utopian tendencies" existed in his later thought, Tolstoy fully understood the futility of any attempt to force change upon the world.

The speaker insisted that Tolstoy's ideas of free will and historical necessity were not contradictory. For Tolstoy, observed Luria, "the integration of the differentials of history determines historical necessity, but every one of these differentials is an infinitesimal unit of freedom." Luria claimed Eduard Vesiolek had correctly interpreted Tolstoy's idea of free will, claiming Tolstoy believed that man cannot freely move history, but he can move freely *in* history. Tolstoy, related Luria, considered the laws of mortality and the laws of history to be independent of one another—parallel lines which do not intersect and cannot be moved closer to one another.

Mark Popovsky, writer and former Fellow at the Woodrow Wilson Center, served as commentator for Dr. Luria's lecture. He

pointed out that, in addition to Tolstoy's contemporaries and critics, the Bolsheviks for different reasons also denied the author's value as a philosopher. The Bolsheviks rightly perceived that Tolstoy's philosophy was anti-utopian, recognizing that his ideas concerning the forces which drive history were antithetical to Bolshevik ideology. Unable to deny his greatness, said Popovsky, the Bolsheviks sought to define Tolstoy purely as a great literary figure for Soviet readers, and thus for several generations of Russian cultural life Tolstoy the writer was separated from Tolstoy the philosopher. Popovsky concurred with Luria on the importance of Tolstoy's conviction that the power of the state was impossible without murder and, by using morality as a political tool, the state reaches the lowest level of amorality.

Returning to Tolstoy's belief that great historical personalities play a very small role in history, Luria contended, "Napoleon did not make history. He acted as a child who, holding a couple of strings inside the carriage, thinks he is driving it. But Napoleon fulfilled the cruel, sad, gloomy, and inhuman role predestined for him and therefore took [upon himself] the whole responsibility for what happened." Referring to the great tyrants of the twentieth century, Luria maintained that Hitler and Stalin bore moral responsibility for their personal decisions, but that modern history had been moved by far greater factors than these two men. In conclusion, he observed, "The last decade of our history [has proven] the correctness of Tolstoy's philosophy of history. In spite of the heroism of our dissidents, they could not change the situation of the country. It was the crisis of the entire economic and social system which caused the urge toward change. The 'uniform inclinations' of many people were then integrated into a mass movement which showed itself to be a real revolution analogous to the February Revolution of 1917."

—by Peggy McNerny

Vol. IX No. 13 1992
Politics in Armenia Today

The most serious issue in Armenian politics today remains the perennial dilemma of Armenia's relations with Turkey, according to Radio Liberty correspondent **Mardo Sghomian**. Speaking at the Kennan Institute on **14 April 1992**, Sghomian described the ongoing debate in Armenia over whether

Armenia should renounce all claims against Turkey in order to gain its friendship, or preserve its ties with Russia as insurance against Turkey. The extent of the controversy among non-Communist political forces in Armenia over this question has lessened in recent months, said the speaker, and there are hopeful signs that a vague national consensus on Armenia's relations with Turkey may be emerging.

President Ter-Petrossian appears to have concluded that Turkey will not seriously negotiate a compromise with Armenia on issues such as responsibility for the 1915 Armenian genocide or Armenian territorial claims, observed Sghomian. At the same time, the opposition seems to have realized that Armenia cannot survive as an independent state without some kind of *modus vivendi* with Turkey. In Sghomian's opinion, consensus on the Armenian-Turkish issue could pave the way towards more cooperation which would be helpful in resolving another pressing issue in Armenian politics: the Nagorno-Karabakh conflict.

Sghomian traced the origins of the conflict over Nagorno-Karabakh, the autonomous region within Azerbaijan inhabited predominantly by Armenians, to the Armenian legacy of World War I and Stalin's 1923 decision to put the region under Azerbaijani jurisdiction. When Armenia became a battleground between Turkey and Russia during the war, related the speaker, large-scale deportations and massacres virtually eliminated the 2.8 million Armenian population of the Ottoman Empire. Following the war, western Armenia (where the majority of her pre-war population resided) was incorporated into modern Turkey; the independent republic proclaimed in the formerly Russian-occupied area of Armenia was quickly conquered by the Bolsheviks. Armenians now see Nagorno-Karabakh as another land conquered by a Turkish state which could be lost to Armenia forever, said the speaker, and will never accept the return of the region to Azerbaijani jurisdiction. He speculated that some kind of near independence for the region which Azerbaijan could accept might serve as a compromise resolution of the conflict.

The creation of a diaspora Armenian population throughout Europe, the Middle East, Asia, and North and South America was the second great consequence of World War I for the Armenian nation, noted Sghomian. With one-half of the world's

Armenian population living abroad, he continued, the diaspora and the issue of Armenian-Turkish relations with which it is intimately bound are the primary factors shaping Armenian politics today. "Armenian politics are never decided in Armenia alone," pointed out Soghomian, explaining that political decisions in Armenia represent an amalgam of the political thought of the republic's citizens and that of the diaspora. The existence of a large Armenian community abroad with well-organized cultural and political organizations greatly influenced national feeling within Soviet Armenia, especially after 1965, observed Soghomian. Anti-Turkish activism in the diaspora community reached a peak between 1965 and 1985, he recounted. The Soviet central government attempted to ward off its influence by permitting Armenian authors to write and publish about the 1915 genocide, he said, albeit within a Marxist-Leninist framework.

"Rumblings of Armenian nationalism could be heard within Soviet Armenia" early in the *perestroika* era, noted Soghomian. By 1986–87, intellectuals and students began to form groups around the issues of the environment and Nagorno-Karabakh. The latter issue galvanized Armenian nationalist sentiment when demonstrations erupted in the disputed autonomous region during January and February 1988. One million Armenians—one-third of the republic's population—demonstrated in Yerevan that February for the region's return to Armenian jurisdiction. Nagorno-Karabakh, observed Soghomian, was a "good mechanism for getting people out on the streets" at a time when demonstrations for independence of the republic were not possible.

The Soviet Armenian population became rapidly disillusioned with Gorbachev and the central government in the wake of the Soviet Army's ineffectual response to the Sumgait riots of February 1988 and the inefficiency of the rebuilding efforts which followed the Armenian earthquake of December 1988. Anti-Soviet feeling was so strong in the republic by the end of 1988, said Soghomian, that many people were convinced the earthquake had been created by Moscow in order to punish the Armenian nationalist movement. By early 1989, when Azerbaijan imposed the economic blockade which continues to do damage to the Armenian economy, "the Communist government

had basically lost control of the republic," said the speaker.

The Karabakh Committee gradually widened its goals to include the political independence of Armenia and in Fall 1989, nationalist activists held a congress and declared the formation of the Armenian National Movement (ANM). Although ex-Communists won a huge bloc in the parliamentary elections of Spring 1990, receiving close to half of the 230 seats in Parliament, Soghomian noted that these Communists were largely nationalist politicians who soon formed a coalition with the ANM, which won a similar number of seats.

According to Soghomian, the largest opposition to Ter-Petrosian's government is non-Communist and centers around the Armenian Revolutionary Federation, and émigré political group which has returned to Armenia and built a large political organization in the republic. "I do not believe the opposition will ever use force against President Lev Ter-Petrosian," said the speaker, "and by force I do not mean simply armed revolt, but the organization of mass rallies against the President and the surrounding of Parliament until he is forced to resign." Economic hardship may prove to be a greater danger to Ter-Petrosian's government, noted Soghomian, as it could produce spontaneous demonstrations which opposition Communists would then seek to manipulate to their advantage.

—by Peggy McNerny

Vol. IX No. 14 1992

Cultural Restoration in Ukraine

Ukrainian culture is undergoing "a recovery, or convelescence, after a prolonged period of cultural amnesia," said **Oksana Zabuzhko**, poet and Research Associate at the Institute of Philosophy of the Ukrainian Academy of Sciences in Kyiv, at a lecture at the Kennan Institute on **16 April 1992**. Currently a writer-in-residence at Pennsylvania State University, Zabuzhko explained that scores of previously banned works by Ukrainian authors, ranging from seventeenth century writers to nineteenth century historians to twentieth century authors, are now being published in Ukraine. Restoration of the authentic continuity of Ukrainian culture and literature, however, is overshadowing critical reception of contemporary Ukrainian writers and artists, claimed Zabuzhko.

Now that Ukraine has achieved political independence, Zabuzhko asserted that the

long traditions of “culture as opposition” as writer as “savior of the nation” have come to an end in Ukraine. She reflected that under conditions of Russian domination dating from the late eighteenth century, “literature assumed the role of a substitute homeland for Ukrainians,” with the writer assuming the burden of defended of the nation. Particularly under the Soviet regime, when the Ukrainian language was scheduled to become extinct in two to three generation, she noted that “writing in Ukrainian turned out to be either a trauma or overt defiance—overt and quite conscious opposition to repression.”

According to Zabuzhko, writers, and more specifically, poets—the fiercest defenders of Ukrainian culture—led Ukraine’s national awakening under *perestroika*. The Ukrainian Writers’ Union 1987 Congress produced a political bombshell, she related, when it discussed the lamentable state of the Ukrainian language and raised the issue of Ukrainian national consciousness for the first time since the 1920s. At that time, she observed, over fifty percent of Ukrainian schoolchildren were enrolled in Russian language schools and graduate students were no longer permitted to write dissertations in Ukrainian. The congress launched a movement for the rehabilitation of the Ukrainian language which soon became associated with the phrase “cultural revival.” “Yet,” asserted Zabuzhko, “it was by no means culture as such that was the principal concern of the Ukrainian intelligentsia, but culture as a means of national awakening.” Writers, she pointed out, went on to initiate the mass democratic movement *Rukh* in 1989. And today, the number of writer-Parliamentarians in Ukraine is greater than perhaps any other country in the world.

The current glorification of Ukrainian writers who defied the Soviet regime is “the price culture has paid for its immediate participation in national history,” said Zabuzhko. An example of this phenomenon is the hero cult which now surrounds the Ukrainian poet Vassyl’ Stus, who was imprisoned under Brezhnev and died as the result of a hunger strike. Although Stus’ work has been reproduced in great quantity, no single work on his poetics has yet been published, observed Zabuzhko. “It is no longer the poetry...but rather the personality of the poet or cultural activist that interests the audience today,” she claimed.

Now that the state has ceased to be “the mirror of external response” of literature,

Zabuzhko stressed that the younger generation of Ukrainian writers must create new criteria of artistic value. Not only the social, but often the artistic value of the work of previous generations was “defined by the hostility of the authorities it provoked,” she explained. With the state removed as a mirror, “a barren, thick wall of aloofness separating Ukrainian culture from world culture” has become apparent, she said. The “loneliness” of Ukrainian culture today—long cut off from history and the rest of the world—is not unique to Ukraine, maintained Zabuzhko, and signals a need for intercultural dialogue.

Although her generation will face the vagaries of the market and the new “censorship” it imposes (i.e., writing what sells), Zabuzhko asserted that an audience for serious literature still existed in Ukraine. She confessed to an enormous relief that the world of “saving the nation” had passed to legitimate political institutions and that literature could now be de-mythologized.

George Mihaychuk, Assistant Professor of Russian at Georgetown University, served as commentator for the lecture. Mihaychuk concurred with Zabuzhko that Ukraine was experiencing a cultural recovery, not revival. He pointed out that works of previously forbidden authors such as Zerov, Kulish, and Borianin are being reproduced in enormous press runs and immediately selling out. There is a recapturing of the past in Ukraine today, he said, particularly the history of the 1920s, the post-war years, and the Ukrainian diaspora abroad. Mihaychuk argued that the problem of the Ukrainian language remained an open issue. “In fields that were more or less excluded from everyday conversation in Ukrainian,” he noted, “there is a need to come up with equivalent terms and concepts.” Mihaychuk defined the real issue in Ukrainian literature as the question of poetry versus prose, pointing out poetry, with its rhetorical mode and resonance with Ukrainian folk songs, had in some sense always possessed a “ready-made signal” for writers and readers alike. He contended that the future development of Ukrainian prose would be of great interest, reflecting that prose had not become a popular literary form in Ukraine even in the nineteenth century.

Questioned about Ukraine’s present efforts to differentiate itself from other nations, Zabuzhko responded, “I am absolutely confident that the real problem nowadays is

that of resuming our identity in a very broad sense. I think—I hope—that Ukraine has rid itself of the different forces which were imposed on it and did not permit it to be itself. That's my point: being oneself. It concerns not only the fate of the nation, but the fate of the individual as well," she said. Asked about writing literature during the Soviet regime, Zabuzhko rejected the notion that oppression ever was or could be a driving force of culture. "Oppression is not creative," she insisted, "it is not encouraging, it is not inspiring." She contended that oppression had imposed a type of evaluative criteria on writers which must now be changed

—by Peggy McNerny

Vol. IX No. 15 1992

Nationalism in Post-Communist States

"The merging of liberalism with democracy is a natural in well-established, stable democracies of the West as is the interdependence of nationalism and democracy in the emerging democracies of Eastern Europe and the Soviet Union," contended **Ghia Nodia** at a lecture at the Kennan Institute on **23 April 1992**. Head of the Department of Political Philosophy at the Georgian Academy of Sciences in Tbilisi and currently a Research Scholar at the Kennan Institute, Nodia called nationalism "the major danger and major hope" of post-communist states.

Nodia spoke in favor of making several analytical distinctions in examining the rising problems of nationalism in the former communist world. First, he argued that democracy and liberalism, although often interdependent, are separate philosophical concepts with different historical relationships to nationalism. Second, he maintained that a real difference existed between the "original" democracies of northwestern Europe and North America and the "borrowed" democracies which have emerged in other parts of the world. Finally, he maintained that the transition to democracy in post-communist societies is a unique historical model. These nations are "returning to history" after an ahistoric isolation imposed by communism; with the collapse of totalitarianism, they have experienced the total collapse of their societies. Today, they face the daunting challenge of building "something out of nothing," he explained, and nationalism appears to be a powerful force with which they can rebuild themselves as nations.

Using a game analogy, Nodia claimed the key to democracy is that all the players observe only those rules which everyone agrees to accept. In order to play a game, however, a community of players and a playground are needed. The problem with democracy is that it has no answers to the problem of how to mold this community (citizenship) and playground (the state). One could define the community of democracy as the world, observed Nodia, but history has only offered the choice of forming democratic polities as nations. Although the liberal principle, which appeals to the notion of the autonomous human personality, does not require nationalism to build a state, it does require a mechanism to implement liberal values in human society and protect the individual's personal rights. This mechanism is the state. The liberal choice was in favor of a democratic state, pointed out Nodia, thus it is "liberal hypocrisy" to condemn nationalism as such. Democracy is historically dependent on nationalism—the state has no cohesion without it, he insisted. "Nationalism should be understood as an ideological offspring of liberalism," he said, arguing that together with liberalism and democracy, the idea of "nation" is an integral part of the ideas on which modernity is based.

"We must understand the interdependence of democracy and nationalism," said Nodia, "but we can only do so if we can forget that these concepts are either 'good' or 'bad.' We want to present democracy as something rational—a rational enterprise which is codified in laws and constitutions, but democracy has both rational and non-rational parts." Liberal democracy is based on the claim for human freedom and assumes that human beings have absolute value, noted the speaker, but unless religion is considered rational, this assumption is irrational. He insisted that the two principal ideas of the modern paradigm—the central importance of the autonomous individual and the idea that the modern person is an active, creative person—are relevant to both the individual and the nation. Whereas ethnicity is an attempt to understand society through family ties, said Nodia, the concept of nation is an attempt to present people as a historical personality, an active player in world history.

Many of the East European, third world, and now former Soviet states which are attempting to make a transition for democracy

are neither socially nor economically “ripe” for liberal democracy. These nations never developed from pre-modern societies through scientific revolutions to market economies and liberal democracy, said Nodia. Rather, these countries turned to democracy out of a sense of national dignity that impelled them to reject totalitarianism and authoritarianism and, by adopting the Western blueprint of democracy, join the “club of civilized nations.” In order to do so, their Westernizing elites have to “entice people into political activity” by means of either socialist or nationalist ideologies. Nodia reflected that the nations of Eastern Europe and the former Soviet Union have not mastered the West European type of political culture and thus their nationalism is more ethnic and tribal than the political nationalism which characterized the formation of Western democracies. “Emergent democracy is a nasty, bloody affair,” he concluded, “but unfortunately, the process of including and excluding who belongs to a nation is an unavoidable part of national democratic development in these states.”

Michael Haltzel, Director of the West European Studies program of the Woodrow Wilson Center, served as commentator for the lecture. Haltzel maintained that nationalism has been unfairly criticized as a negative political force by many political analysts, especially after World War II and especially on the Left. For Americans, he said, this kind of criticism of nationalism is somewhat ironic, as American policy towards Eastern Europe during the cold war was influenced precisely by considerations of nationalism. One must recognize that ethnic and political elements co-exist in nationalism, he said. As opposed to the “ideal” of democracy, in which the ethnic element has been subordinated to the political, he called racism and fascism the “diseases” of nationalisms which have failed to tame their ethnic component. Although Haltzel conceded that nationalism could play a positive role in post-communist states, he noted the danger that nationalism can be non-democratic as well as democratic, citing the states of Central Europe between the two world wars and autocratic regimes of Southeast Asia as examples.

—by Peggy McNerny

Vol. IX No. 16 1992
Law and Politics in Russia

“Every lawyer in Russia today must face the dilemma that law becomes a major obstacle to political development during a

crisis situation, one in which the entire face of the governing system [*gosudarstvennoe ustroistvo*] is being transformed,” said **Nina Beliaeva** at the Kennan Institute on **1 May 1992**. Beliaeva is co-founder with **Gleb Pavlovskii** of the Interlegal Research Center, a non-profit research institute in Moscow of which she is president; she spoke together with Pavlovskii, Director of the Postfactum Information Agency.

A struggle between law and politics dominates the political scene in Russia today, contended Beliaeva, with politics slowly establishing the basis for a new rule of law. In the face of rapid political and social change, lawyers are confronted with the predicament of trying to change the system of government without violating the concept of the rule of law. This dilemma first began when Gorbachev introduced the notion of a rule-of-law state. Legal practitioners and political analysts immediately began to challenge the validity of the 1977 USSR constitution, she explained, claiming it was inappropriate for the actual political conditions of the country. Despite its deficiencies, however, many lawyers believed the only legitimate way to observe the rule of law was to abide by this constitution.

The clearest example of the conflict between law and politics was the attempted coup of August 1991, said Beliaeva. Both the State Committee on the Extraordinary Situation in the Soviet Union (known by its Russian acronym, GKChP) and Yeltsin’s Russian Federation government claimed they were observing the rule of law and issued legislative acts to that effect. “Politically, the right and the future was in Yeltsin’s hands,” she continued, “but legally, it was still in the hands of the coup committee,” as the USSR constitution remained the law. “Very often in dramatic legal developments—as was the case of Yeltsin during the coup—political forces move forward and establish new law,” remarked Beliaeva. “If these forces are strong enough to keep the new law in force, the question then arises: How do you introduce a new rule of law? What we are witnessing in practice,” she concluded, “is that law is built up through politics and not vice-versa.”

The conflict between law and politics continues today in the Yeltsin government’s battle with the Russian parliament over economic reform. The April 1992 session of the Russian Federation Congress of People’s Deputies demonstrated that the vast majority of deputies do not represent Russian society,

asserted Beliaeva, yet the future of economic reform rested in their hands. These circumstances prompt many people to discredit the Parliament and seek its dissolution. Beliaeva nevertheless argued against dissolving the Parliament, pointing out that no legislative body would then exist to enact an electoral law and mandate new elections. She urged reformers and the government to continue to work with the current legislative body, moving it forward step by step to adopt two pieces of crucial legislation: a new electoral law and a law on political parties. A new Parliament elected on the basis of these laws could then adopt a new constitution for the Russian Federation, she concluded.

Gleb Pavlovskii claimed that the process of building national statehood has not yet begun in the Russian Federation. "What is occurring...on the territory of the Russian Federation is not the building up of a national state, [but] the dismantling of a superpower," he said. At the moment Russian sovereignty was declared and accepted by the international community, Russia had no clear borders, no Russian citizenship, no army, and no internal sense of itself as a national state, noted Pavlovskii. The Russian Federation has achieved legitimacy and sovereignty by means of international recognition, he explained, not by means of an internal political process. In addition, Russia's assumption of the role of successor state to the USSR has endowed the Yeltsin government with pretensions to land, people, borders, and property which are ideological in origin. These pretensions are both unrealistic and unattainable, he said, and further complicate the development of national self-consciousness in Russia.

According to Pavlovskii, different regions of the Russian Federation are reacting differently to the Yeltsin government and economic reform. The institutions of power which are taking shape on the local level differ from one another, but local administrations share one common feature: a resolve to block interference from Moscow in their affairs. Local administrations throughout the Federation are trying to exert more direct control over natural resources and bargain with the central government for increased economic freedoms, explained Pavlovskii. The Krasnodar' region, for example, bargained for essentially the same degree of economic independence granted to Checheno-Ingushetia, although the former

has no separatist movement which seeks independence from the Russian Federation.

The tragedy of Russia today, remarked Pavlovskii, is that conflicting local and regional interests are beginning to establish a kind of balance of power among themselves, but the national government does not reflect this process. Instead, he asserted, the Yeltsin government operates according to an artificially understood national interest derived from the international interests of the former USSR. Russia can only build a sense of national statehood when the conflict of interests between different social groups is institutionalized and regularized on local and regional levels, contended Pavlovskii. Until this occurs, there is simply no reason for Russian national statehood. He claimed the most favorable conditions for developing a genuine Russian statehood were continued weak executive power at the top with increased political and economic freedoms at the bottom. Greater political and economic freedoms would allow local forces to express and represent themselves, promote the formation of local structures of governance, and build up a "normal" state based on genuine national interests, concluded Pavlovskii.

—by Peggy McInerney

Vol. IV No. 17 1992 Legal Reform in Russia Today

Despite recent attempts at reform, Russia's legal system still suffers from the inherited vices of Soviet totalitarianism, said **Lev Simkin** at a lecture at the Kennan Institute on **2 June 1992**. Simkin is Head of the Legal Faculty at the Law Academy of the Russian Ministry of Justice and a Short-term Scholar at the Kennan Institute. Problems plaguing Russia's legal system include the priority of state over individual interests, interference of officials in the judicial process, and lack of checks and balances to restrain government interference. Legal reform is additionally complicated by the fact that contemporary Russian society is unprepared for the rule of law. According to Simkin, neither the population nor politicians take the judiciary seriously or understand the meaning of justice.

A concrete proposal for judicial reform was introduced into the Russian parliament seven months ago, said the speaker. The reform envisioned the creation of a new kind of judicial power and structure; improvement of the status of judges; transfer of control over

arrests to the courts; and introduction of adversarial and jury trials. Although many judges are politically conservative, they responded favorably to the proposed judicial reforms, said Simkin.

The Supreme Soviet of the Russian Parliament initially approved the reform concept, producing “euphoria among judges.” This euphoria quickly turned to disappointment, said Simkin, when judges discovered that the proposed reforms were not implemented in fact. Judges’ salaries, for example, were increased, but remained lower than those of procurators and policemen. And although the role of the courts in a “rule of law” government has been discussed by new political leaders in Russia, no new legal policies have been implemented. Finally, little attention has been paid to judges’ complaints, despite the fact that they have organized several strike movements. Simkin noted that judges in the Sverdlovsk (Ekaterinburg) region demanded a salary increase and declared an intent to strike in Spring 1992. Similar strikes have since spread across Russia from the Tula region to the Pacific Ocean. The formation of public organizations such as the recently established Council of Russian Judges may eventually stabilize this kind of activism among judges, remarked the speaker.

The judicial reform process needs to address four key problems, contended Simkin. First, the independent status of judges needs to be recognized. Using Moscow as an example, the speaker explained that the city government finances the Moscow courts and is thus able to exert a certain degree of influence over judges in the Moscow court system. This influence takes the form of bribes for better apartments or more prestigious titles (which lead to higher salaries). Simkin cited the example of former Moscow city mayor, Gavril Popov, who attempted both to introduce a system in which judges were appointed instead of elected by regional soviets and to replace district with circuit courts accountable to a circuit prefect. In Simkin’s opinion, Popov’s attempts to introduce such changes reflect the desire of city officials to retain their influence over judges.

Violations of freedom of speech, which occur with regularity in Russian society, are a second problem of judicial reform. The newly-created Constitutional Court may put an end to such violation, suggested Simkin. He pointed out that the Constitutional Court

had recently ruled that the consolidation of the Russian Federation’s Ministry of Internal Affairs and KGB would violate the Russian constitution and threaten citizens’ civil rights.

Simkin named the influence of judges over assessors—popularly elected “auxiliary judges” whose function, in theory is both to monitor the activities of the judge and represent the will of the people—the third major problem of judicial reform. “It is apparent that the institution of people’s assessors is not successful. Their decisions are made under the influence of the judges,” argued Simkin. He nevertheless estimated that the introduction of a jury system could only be accomplished in a careful, gradual manner. “The introduction of a jury system in a period of extreme social volatility [would be] dangerous,” he warned.

The fourth task faced by judicial reformers is how to define the role of the Procurator in the Russian legal system. The Procuracy has a strong legal tradition in Russia and will be difficult to break, observed Simkin. Characterizing the Russian court procedure as an “inquisition process,” he contended that an American who attended a Russian trial would mistake the judge for the Procurator.

Despite the fact that the Procurator’s only obligation is to prosecute criminals, a newly adopted law on the Procuracy allows the Procurator the right of “general supervision” of the courts, leaving judges without control over arrests. Asked to remark on the contradiction between the goals of legal reform and the new law, Simkin said, “We have not yet begun reform of the judiciary, but the counter-reform is already gaining speed.” He explained that the Procuracy itself had prepared the draft law, which failed to pass the Legislative Committee of the Russian Federation Supreme Soviet until the second reading.

The problems of the contemporary Russian judicial system make it difficult to believe that legal reform will succeed, said Simkin. On a more positive note, he observed that the main principles governing a rule of law state have been defined; draft laws regarding the status of judges, criminal law, and procedures prepared; an international committee for the promotion of legal reform in Russia established; and an international conference on legal reform and judicial protection of business activities planned for the near future.

Although many obstacles stand in the way of legal reform, including politicians' preoccupation with the economy and serious ethnic conflict, Simkin expressed hope for the process of legal reform in Russia. Citing the ongoing dismantling of the totalitarian system, he concluded, "At least we have hope that there is no road back to the past."

—by Amy Smith

Vol. IX No. 18 1992

Learning from the Present about the Past?

The collapse of the Soviet Union has created opportunities for a re-examination of certain basic assumptions of Western historiography of Russia, as well as the temptation to draw lessons from the present about the past, contended **Michael Confino** at a lecture at the Kennan Institute on **15 June 1992**.

Currently a Fellow at the Woodrow Wilson Center, Confino is Samuel Rubin Professor of Russian and East European History at Tel Aviv University. **Martin Miller**, Professor of Russian History at Duke University, served as commentator for the lecture.

The end of the USSR has supplied final proof of the weaknesses of the 1917 paradigm which has dominated Western and Soviet historiography of Russia, argued Confino. "Many historians adopted, implicitly or explicitly, a deterministic and teleological approach to Russian history, often interpreting this history as heading inexorably towards the Bolshevik Revolution," he said. The 1917 paradigm has lost definitively its authority to explain the Russian past and construct the Russian future, and some scholars now question whether 1917 was a revolution at all. "But the problem is not whether 1917 was a revolution (which it was) or one of the periodic upheavals in Russian history," said the speaker. "The problem is what we historians do with the revolution of 1917 in our thinking: in the past we put too much into it; today, we want to get rid of it!"

In Confino's view, the deterministic, teleological approach of the 1917 paradigm led to three main by-products which deserve close scrutiny: the assumption that a "revolutionary process" characterized Russia of the nineteenth century, the idea that the tsarist regime underwent a long-term crisis, and the predominant interpretation of the "awkward" nature of Russian society.

Confino rejected the concept of "revolutionary process" as an oxymoron resulting from an obsession with tracing the origins of

the 1917 revolution into the remote past. He cited works of historians ascribing the revolution to a process which began variously in 1825, the 1860s, the 1880s, and 1899. "The teleological, ex-post assumption that the revolution was bound to happen led us, first, to imagine a mythical chain of events, and second, to interpret as revolutionary every social tension, political accident, or radical utterance," he contended. He criticized the assumption that the tsarist regime was in a state of permanent crisis for decades prior to 1917, as well as the notion that late imperial society was characterized by the alienation of all social groups from the state and from one another. Western historians' acceptance of the inevitability of the Bolshevik Revolution led them to search for elements of division, antagonism, and disintegration in Russian society, and to overlook the degree of social cohesion, stability, and integration which existed in that society in the late nineteenth century, argued Confino.

"Russian imperial society was neither more nor less fragmented than any other agro-industrial European society at that stage of development," he claimed, calling into question the validity of comparisons between Russian society and a society of a Western *normal* type. "The *normal* Western type is historically non-existent. No specialist of France, England, or Germany would recognize the West to which [historians of Russia] refer," he remarked. Comparisons of this type regularly depict Russian development as a deviation from the Western model, according to which "everything in Russia is awkward and nothing is what it should be." Regretfully, said Confino, this has led historians to endorse Chaadaev's vision that Russian history can serve only as a negative example for the family of nations.

Confino went on to ask whether, having lost the "1917 paradigm," historians are bound to replace it with a new, "reforms paradigm" in order to understand the course of Russian history. Current reforms in Russia, from Gorbachev to Yeltsin, have increased interest in the reforms of the past. Can the ways in which we understand, or misunderstand, today's reforms change our perceptions of what was attempted yesterday?, asked the speaker. Confino urged caution. In this case, we are not seeking lessons from the present about the past, but rather lessons from the past about the present, he pointed out. He doubted that today's reforms, whatever their

outcome, could provide better understanding of the reforms of earlier Russian history.

Martin Miller claimed that American historical studies of Russia have been successively influenced by the present, with two major paradigms dominating the writing of Russian history in America in his lifetime: the hegemonic paradigm derived from the cold war and a paradigm of social and labor history which took hold in the late 1960s and early 1970s. Miller claimed the influence of the present on the study of the past was not entirely unfortunate, as in America—an overwhelmingly ahistorical society—the present spurs people to explore new methodologies and areas of research. “Historians must realize that they are being influenced by current events, but the influence of the present may help them to learn things which they previously didn’t care to investigate,” he remarked. “The rule of thumb,” he concluded, “is that you cannot state what the evidence does not allow you to state.”

Historian **Terence Emmons** of Stanford University, present in the audience, remarked that the present intrudes upon the past in the way in which people understand the direction of history. He contended that modern Western historiography is grounded on the idea of progress; with Marxism now discredited, Russian historians in Russia are in deep crisis because they feel in some sense deprived of the idea of progress. “Perhaps,” answered Confino, “the teleological view of history is not just a methodological approach, but part of certain deep intellectual and emotional needs in all of us.... We exaggerate those features which give us a reassurance that there is order in this world, that things do not happen perchance. But this is one more reason for greater awareness of the impact of current events and intellectual trends on our thinking. The real task is not to learn from the present about the past, but to learn how the present constantly influences our thinking about the past,” he concluded.

—by Peggy McInerney

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Russian Army Marches Right

Political discourse in Russia has moved toward the nationalist right since the spring of 1992 and the leadership of the new Russian Defense Ministry, formed in May, appears to

have been handpicked by the military-industrial lobby, said **Stephen Foye** at the Kennan Institute on **29 September 1992**. Foye is Senior Research Analyst at the RFE/RL Research Institute in Munich.

The Russian armed forces remain under civilian control, but that control is not necessarily democratic nor in the hands of Russian President Boris Yeltsin. Rather, claimed Foye, the armed forces in Russia seem increasingly to answer to nationalist forces within the Russian government, as the case of Moldova seems to illustrate. While the flow of contentious political statements by Russian military leaders has abated somewhat since the spring—when it appeared the armed forces might enter the political fray—these leaders have crossed a crucial psychological barrier and can now envision themselves as exercising political power, asserted the speaker.

Foye described the armed forces of Russia and the Commonwealth of Independent States (CIS) as being in a state of disarray after seven years of political liberalization and rising nationalisms. Draft evasion and anti-military sentiment remains high in the former USSR, brutality within military has taken on a more pronounced ethnic tinge, and the officer corps has split between liberal mid-level officers and the conservative high command.

Despite the formation of national armies in the newly independent states, draft dodging and brutality continue to plague their militaries, indicating that these problems are not easily resolved, said Foye. Finally, the distinction between Commonwealth and Russian armed forces remains blurred, with confusion over the chain of command of the two forces deliberately sown in order to slow down negotiations (e.g., over the removal of Russian forces from the Baltic states).

“There are disturbing parallels between Soviet security structures of a few years ago and Russian Federation government security structures today,” argued Foye. He pointed to anecdotal evidence that the Higher Certification Committee of the Defense Ministry and the new Security Council seem to be appropriating decision making in security affairs in Russia. The first of these, formally subordinated to the new Defense Ministry, evaluated candidates who were appointed to senior posts in the ministry; the second, formed also in May 1992, is an informal advisory board to President Yeltsin on questions of security.

The membership of both bodies is predominantly conservative. Iurii Skokov, whom Foye identifies as "the defense industries' 'man' on the Security Council," is both chairman of the Certification Committee and secretary of the Security Council. Other members of the Security Council are Aleksandr Rutskoi, Vice-President of Russia, and Sergei Filatov, first Deputy Chairman of the Russian Supreme Soviet.

"If you realize that Skokov was overseeing military appointments at precisely the time a new Russian Defense Ministry was being formed," said Foye, "you see that, in effect, the leaders of the military industries picked the new Russian military leadership." This leadership is largely made up of conservative Russian nationalists, many of whom are veterans of the war in Afghanistan.

Only one civilian was named to a high post in the Defense Ministry: Andrei Kokoshin, a specialist in military-technical policy, and he may only be a token civilian for Western consumption, said Foye. Liberal military reformers such as Colonel General Vladimir Lopatin have been moved completely out of the picture with surprising rapidity. It is possible, however, that such reformers could be moved into high-profile positions, albeit without substantive duties, in order to appease Western public opinion.

Exactly what role the Security Council plays in military affairs in Russia remains unknown, but it now appears to be the locus of decisions in the security sphere. What is clear is that military policy has shifted right. The Russian military leadership has staked out an extremely confrontational position on the Kurile Islands, said Foye, and may have influenced Yeltsin to cancel a planned trip to Japan. Given the link between the defense industries and the new Russian military leadership, as well as the conservative membership of the Security Council, Foye argued that the recent decision of the Russian government to grant increased credits to military-industrial enterprises had most likely originated in the Council. He admitted, however, that he could offer no concrete evidence to support this argument.

Regarding the actions of Lt. General Aleksandr Lebed and the Russian Fourteenth Army in support of the self-proclaimed "Dniester Republic" in Moldova, Foye claimed General Lebed and his actions were perfectly acceptable to certain forces in the Russian government. In addition, he charged

that the Russian government had channelled massive amounts of money and armaments into Moldova in the past year. "The does seem to be part of a broader policy that Yeltsin may be opposed to," he said, "but may either be unable to stop or simply compromised on in order to get his agenda in other areas."

Foye claimed that resolving the military housing shortage was the key to stabilizing the armed forces in Russia. In the meantime, it appears that Russian military leaders are using nationalism to rally the forces and create cohesion in the military.

Asked if there was potential common ground between the security organs and the armed forces, Foye commented that events in both the military and intelligence communities appear to parallel each other. The intelligence organs were entwined with the defense industries, he noted, and a political triumvirate of the military, leaders of the defense factories, and the intelligence community is a possibility in Russia. Deteriorating economic conditions, however, may force the Russian leadership to choose between military procurement and improving the living conditions of the officer corps (i.e., solving the housing problem). Either choice could prevent such a coalition, concluded Foye.

—by Peggy McInerney

Vol. X No. 2 1992

Public Opinion Polls not the Full Story

It is difficult to make an accurate assessment of the public state of mind in Russia today, said **Boris Grushin** at a lecture at the Kennan Institute on **5 October 1992**. Grushin is Director of *Vox Populi* Public Opinion Research Service in Moscow. Social scientists are simply unequipped to gauge present conditions in the country; in order to assess contemporary social consciousness in Russia, a social context which embraces a wide variety of different distinctions and characteristics is required, he argued.

According to Grushin, four basic features characterize mass social consciousness in contemporary Russia. First, extreme agitation and emotionalism color contemporary Russian society, but neither is fully articulated in public opinion polls. Although the concept of the "Big Bang" is often used as literary hyperbole, that notion accurately describes the social context of Russia today, he said. Referring to the abrupt end of the Soviet system, he explained that many peoples' lives, past and present, had suddenly become meaningless to them.

Perhaps even more important, a lack of understanding of current events in Russia is widespread among Russian citizens. He claimed that observers in the United States in particular fail to comprehend this phenomenon. Although Yeltsin must perforce pretend to know what is going on, said Grushin, no one in Russia really understands what is happening in the country at present: all components of society are moving, but in different directions or no direction.

Differentiations among various social and political movements in the country make up a third feature which characterizes social consciousness in today's Russia, said Grushin. Russians as a people have never been morally or politically unified, he contended. Now, after the "Big Bang," the entire society is divided by wide and widening rifts. Finally, the grand myth of Soviet reality which evolved over the past seventy years continues to influence social consciousness. Grushin pointed to the difficulty of polling people who are still captives of this myth, adding that his own work has dealt with this theme ("Myth and Realities in Russian Society").

At the beginning of 1992, Grushin's service conducted public opinion polls on peoples' reaction to the statement: "The Russian people unanimously vote for democracy." One third of those polled did not know what democracy was; another third of those polled did not understand the meaning of the word democracy itself. "We have shown that it is absurd to make an assertion like 'the Russian people unanimously support democracy,' even though Yeltsin and his supporters have advanced this statement," proclaimed Grushin.

Possibly the most important and least understood feature of social consciousness in Russia is that conflicting positions may exist within a single social actor. This fact gives us reason to regard "public opinion" very carefully, suggested Grushin. He cited a survey conducted first in September 1991 and again in June-July 1992 regarding the statement: "Stalin was a great leader." In the earlier poll, 20 percent of the population was in complete agreement with the statement and 8 percent more or less agreed; in the second poll, 27 percent agreed completely and 22 percent more or less agreed. This poll demonstrated a serious change in position, observed Grushin, but it would be a mistake to interpret the change as referring to Stalin personally. In Grushin's view, the poll expresses the population's negative

attitude toward the current situation in the country and a positive response to Stalin as a symbol (of order), not as a person.

A second poll which posed the question "Should people be allowed to get rich?" also illustrates contradictions in peoples' views, said Grushin. Two years ago, the majority of the population categorically disagreed with this statement. In 1992, 88 percent agreed with the statement. Such rapid changes in social consciousness make it difficult to describe accurately peoples' opinion, remarked Grushin.

Responding to a question about his polling methods, Grushin explained that *Vox Populi* research surveys include a widely differentiated sample and are divided into four main categories. The first type of poll is conducted in the Russian republic using 35 different polling cities, including 18 urban areas, 17 rural areas, and approximately 2,000 respondents. The Moscow poll involves close to 1,000 respondents and, in Grushin's view, is the best sample taken. However, he claimed the most important survey to be the "leaders' poll," which is conducted monthly among ten different types of leadership groups such as people's deputies, enterprise directors, newspaper editors, and the intelligentsia. The fourth type of poll is an inter-regional survey that varies according to the client's interests.

Grushin discerned five different social groups in his research surveys. He defined the first group as socially innovative actors who are creating a new fabric of society. He estimated that this group comprises between 3 and 5 percent of the population. The second group, accounting for 15 to 20 percent of the population, consists of quasi-innovative social actors who imitate participation in new social processes while adhering to traditional Soviet mentality and social structures. Grushin pointed to Prime Minister Gaidar as an example of the first group and industry leader Arkadii Volsky as a representative of the second. The speaker described the third group as conservative actors who are best adapted to any situation and comprise 30 to 40 percent of the population. In his conceptualization, a fourth group is made up of "those who stand and wait to see what happens," and a fifth group is simply "the outsiders." Grushin noted that the fourth and fifth groups account for approximately 40 percent of the population and are often practically impossible to distinguish from one another.

The development of a future civil society in Russia depends on changes in the

configuration of these various forces within society, concluded Grushin. Asked to speculate on the Russian future, Grushin responded, "After Gorbachev was Yeltsin, after Yeltsin stands no one."

—by Amy Smith

Vol. X No. 3 1992
Soviet System on Trial?

Two proceedings—one constitutional, one criminal—dominate the Russian legal scene today, said **Louise Shelley** at a lecture at the Kennan Institute on **26 October 1992**. Shelley is Professor of Justice, Law, and Society at American University. The first proceeding is a trial on the constitutionality of Russian President Boris Yeltsin's ban of the Communist Party of the Soviet Union; the second, a criminal investigation of the perpetrators of the August 1991 coup.

Criminal trials of leaders have often marked the end of eras in Soviet history, remarked Shelley, citing as examples the show trials of the 1930s, the trial of Beria at the end of the Stalin period, and the organized crime trial of Churbanov at the end of the Brezhnev era. True to form, the constitutional hearing and the coup investigation appear to mark the end of the Soviet period.

According to Shelley, the hearing before the Russian Constitutional Court is an airing of legal issues pertaining to the nature of the CPSU and the Soviet state. It is not a criminal proceeding. The hearing is to determine whether the Party was separate from the Soviet state or if, in fact, the Party enveloped the government. Unlike past Soviet trials, said the speaker, this trial was not orchestrated by the government. Rather, former leading members of the CPSU challenged the constitutionality of the ban and the Yeltsin government chose to exploit the opportunity to discredit the Communist Party in its entirety.

Testimony against the party at the constitutional hearing seeks to prove that: the Party turned the state into an instrument of its power; the Party did not abandon its role as a "leading and guiding force" of the country after Article 6 of the USSR Constitution was abolished; the Party financed foreign communist parties and terrorist activities out of the state budget; the Party callously attempted to hide the facts about the Stalinist repressions; and the Party repressed dissidents, committed human rights abuses, and violated international treaties which the Soviet government had signed.

The abstract legal issues at stake in the Constitutional Court hearing, together with the protracted length of the proceedings, have contributed to the loss of public interest in the case. In Shelley's opinion, the optimum outcome of the proceeding would be a decision which both finds that the Party possessed a monopoly on power and demonstrated the damage caused by a one-party state, thereby establishing the legal basis for a multi-party state.

Turning to the criminal investigation of the perpetrators of the August 1991 coup, conducted by the Russian Federation Procurator's office in Moscow, Shelley noted that the venue of the future trial, if it occurs at all, remains undecided. The coup investigation process is fraught with problems primarily because the state against which the coup was initiated no longer exists. Should the coup attempt be considered an act of treason, queried Shelly, or an effort to save the Motherland as the conservative forces claim? The length of the investigative process and the fact that the coup perpetrators have been incarcerated for over fourteen months also presents a problem of legal fairness—some of the public believe these men have suffered enough. Despite its prolonged duration, however, the coup investigation continues to attract public interest.

In addition to the length of the investigation and the uncertainty over whether a trial will take place, the coup investigation process suffers from corruption. The investigators are now selling the testimonies of the accused, noted the speaker, an action which would be grounds for dismissing the case in the United States. According to Shelley, the critical moment for staging the trial is past, as conservative forces have had time to regroup and are increasingly active in Russian politics. If the trial were to proceed now, she continued, conservative forces would react faster and more aggressively than they would have six months ago, possibly causing a backlash that would hinder prospects for democracy.

It is misleading to view the Soviet system as being on trial in these two legal proceedings, argued the speaker, as a trial of that system would examine both the system itself and the people who ran it. Notwithstanding the dissolution of the USSR in December 1991 and the fact that the Party no longer exists and cannot issue orders. Shelley contended that the Soviet system is still in operation. In her opinion, large sectors of the

command economy still exist; the legal system continues to be run by many of the same people who were in control under the ancien régime; the power of the KGB, although greatly diminished, has not disappeared altogether; and the military still receives a large share of the budget. Under such conditions, maintained Shelley, it is difficult to make the case that the system with which the Party was associated is truly extinct.

Together with the coup investigation, Western observers view the constitutional hearing as vital groundwork for establishing a number of critical points: the importance of judicial review; the misconduct of the Party and its involvement in criminal activity; the corruption and inefficiency of the Soviet state, along with its institutional leadership; and a decision that a society should be based on the rule of law, no administrative fiat. However, these issues may elude the Soviet public as the length of the proceedings and the detailed nature of the testimony often obscure the principal legal points in question.

Shelley was uncertain whether the two “trials” would decisively resolve anything in the near future, but expressed hope that both will work to discredit the notion of a one-party state. Seen from the future, she concluded, the proceedings may well come to be regarded as setting an important precedent for a law-based state.

—by Peggy McNerny & Amy Smith

Vol. X No. 4 1992

Economic Reform: Politics Won't Go Away

Russian economic reformers have experienced a remarkable short learning curve, said **Peter Stavrakis** at the Kennan Institute on **2 November 1992**. In only nine months, from January to September of this year, reformers have changed their course and emphasis dramatically—from a purely economic perspective emphasizing macroeconomic stabilization to a mercantilist view which recognizes the need to define and protect the Russian national interest. Stavrakis, an Associate Professor of Political Science at the University of Vermont and a Research Scholar at the Kennan Institute this year, spoke primarily on economic reform in Russia, although his current research focuses on the transformation of state economic administration in Russia, Ukraine, and Kazakhstan.

Surveying the evolution of economic policymaking in Russia over the past year,

the speaker noted that economic reformers had been slow to recognize the imperative of defining the Russian national interest, as well as the need to co-opt groups emerging on the Russian political scene in support of market reform. Nevertheless, Stavrakis claimed, by choosing and implementing the specific strategy it did, the Yeltsin government succeeded in shifting the entire discourse on economic reform in Russia so far in the direction of a free market that a return to a command economy is no longer viable.

Economic reformers in Russia form a tightly knit group of individuals who were all born in the 1950s, went to school together, and share—within their context—the same “radical” economic views, explained Stavrakis. He named as members of this group Acting Prime Minister Egor Gaidar, First Deputy Prime Minister Aleksandr Shokhin, Minister of Economics Andrei Nechaev, and Minister of Foreign Economic Relations Pëtr Aven. These men attack the problem of economic reform as an informal group, making it difficult to distinguish one ministry from another.

Calling the initial reform process in Russia “a curious case of the vanishing national interest,” the speaker contended that economic policymakers at first perceived their task to be purely economic in character. “They explicitly factored out political questions—politics was seen as divorced from economic reality,” charged Stavrakis. In his view, the policy of macroeconomic stabilization adopted in January 1992 gave no thought to protecting Russia’s international economic interests. Price liberalization of foreign trade and investment, which, in the absence of immediate privatization, was intended to spur domestic production by introducing competition.

In the months that followed, said Stavrakis, large sectors of Russian society became increasingly alienated from the government’s economic policy, including die-hard Communists, industrialists of the new and old type alike, and an entrepreneurial class increasingly frustrated with tight monetary controls. Russian economic policymakers, however, rapidly came to understand the serious risks posed by trade and investment liberalization and recognized the need to develop a concept of national interest. From roughly April through September, said the speaker, the reformers moved toward a mercantilist perspective

which emphasized the need to protect the Russian economy from outside competition and saw a legitimate role for the state in the economy. Yet they were slow to understand the need to muster a coalition disposed toward market reform, with Gaidar attempting to co-opt industrial leaders only in October.

Stavrakis noted that the process of rationalizing authority in Russia was a monumental task. In order to create a rational administrative culture, he explained, it is fundamental to determine the limits of state intervention in the economy and have a civil bureaucracy which respects those limits. He pointed out that such an administrative culture has never existed in Russia. In the absence of a system of public procurement, he added, the development of administrative culture is further impeded by the economy's drift backwards toward "centers" or "associations" which replicate the function of the former branch ministries of the command economy.

Turning to the theoretical basis for analyzing economic reform in Russia, the speaker argued for comparative political models to replace the moribund theory of the command economy. He noted that many political models today make comparisons between post-Soviet states and the states of South America and Asia. In contrast, Stavrakis contended that striking parallels of the post-communist transition could be found in Africa: both groups of states were part of multi-ethnic empires, have legacies of imperial collapse, face the awesome task of decolonization in its physical and psychic dimensions, experience the problem of former colonial elites in new states no longer controlled by these elites, and struggle with the role of state administration in societies with a weak entrepreneurial base.

"When decolonization occurred in Africa," said Stavrakis, "the state was the only game in town. In an ironic way, but for very different reasons, the state is the only game in town in the post-Soviet era." He drew specific attention to the phenomenon of the "soft" state in Russia. As elaborated by Africanists, a soft state is one which appears powerful at the outset, with strong centralized ministries charged with the process of economic transformation, but cannot reach into the periphery and implement policy. The potential for conflict between the center and periphery in individual Soviet successor states, Russia included, raises the same question which has plagued African reformist governments: whether or not to use force to impose policy.

Despite essential differences between post-Soviet and African states (different levels of educational, scientific, and industrial development, as well as the fact that the former are experiencing a collapse in which the imperial center borders upon the periphery) Stavrakis held that comparisons remain instructive. He drew two essential lessons from the African experience for economic reform in post-Soviet states: the need for political elites to choose a strategy and then successfully co-opt political coalitions in order to survive, and the need for leaders to translate personal authority into institutional authority.

—by Peggy McNerny

Vol. X No. 5

A Generation of Intentional Outsiders

A generation of Russian writers born in the 1930s consciously chose to remain outside the official Soviet literary establishment and remained virtually unknown in both the USSR and the West until quite recently, said **Peter Rollberg** and **Josephine Woll** at a Kennan Institute lecture on **4 December 1992**. Rollberg is Assistant Professor of Slavic Languages and Literatures at George Washington University; Woll is Professor of Russian Literature at Howard University. The work of this group of writers—which included Vladimir Makanin, Ludmilla Petrushevskaja, Anatolii Kim, and Ruslan Kireev—has become associated with the label "*proza sorokaletnikh*" (prose of the 40-year-olds) in Russia, as these authors first attracted attention in the 1970s when they were in their forties. After elaborating characteristics which, in their opinion, cause these writers to form an identifiable group, Rollberg and Woll focused specifically on the writings of Makanin and Petrushevskaja, respectively.

Both speakers conceded that any generalizations about these highly individualistic writers were necessarily arbitrary. Nevertheless, Rollberg pointed out that these authors had lived through the same forty years of Soviet history: a childhood marked by the trauma of World War II, early disappointment over the failure of liberal initiatives in the late 1950s and early 1960s, and the long experience of stagnation under Brezhnev. As it turns out, most *sorokaletnie* came to Moscow from the provinces.

Sorokaletnie also exhibited a common behavior pattern—they refused to integrate into the administrative structures of the Soviet literary world and led a precarious economic existence, often relying on spouses' income in order to survive, said Rollberg.

Their work was not published in prominent Soviet literary journals such as *Novyi mir*, *Znamia*, or *Oktiabr'*, and press runs of their books—if published at all—were limited to twenty or thirty thousand copies, leaving the authors largely unknown in the USSR.

In Rollberg's view, the works of Makanin, Kim, Petrushevskaiia, and Kireev are united by a metaphysical sense of life—"the feeling that the essence of events lies behind the visible and that [in order] to understand [this essence], one must use different modes of approaching reality." Their style represented a sharp departure from Soviet literary tradition, he continued, with its model of an externally defined meaningful life and linear depiction of time and events.

Rollberg and Woll agreed that Makanin and Petrushevskaiia in particular share a predilection for dividing space into inner and outer categories. Makanin mixes up space and time in a fashion that leaves the reader uncertain as to the chronology of events; Petrushevskaiia uses the inner/outer division to reverse the traditional Russian axiom that public space is hostile and private space is safe. In addition to turning this cultural opposition of public and private space upside down—showing the private sanctum of the home as a place where families tear each other apart, said Woll, Petrushevskaiia's writings also work to destroy two other deeply-held assumptions of Russian culture: the idea that maternity is beneficial to child and mother alike, with motherhood the most satisfying role for a woman, and the notion that the intelligentsia is the standard-bearer of moral integrity.

These three cultural icons come under relentless attack in Petrushevskaiia's plays and especially in two of her stories. "*Svoi krug*" ("Our Crowd") and "*Vremia noch*" ("The Time is Night"), observed Woll. In "*Svoi krug*," a terminally ill woman beats her young son in front of a group of her friends, provoking their pity and thus ensuring that they will take care of the boy after her death. Yet the "crowd" of intelligentsia in the story is depicted "as a loathsome group of people who trample on moral values," noted Woll, "including their own vaunted love of children." In "*Vremia noch*" a grandmother raising a seven-year-old grandson torments the boy and incites the hatred of her two children, despite her repeated protestations of her great love for all of them.

Woll described Petrushevskaiia as belonging to the second of three generations of women prose writers in Russia—the first represented by I. Grekova and Natal'ia

Baranskaia, the second by Petrushevskaiia and Viktoria Tokareva, and the third by Tat'iana Tolstaia, Nina Sadur, and Valeriia Narbutova. Petrushevskaiia, however, shares with the third generation a fascination with language and penchant for reordering narrative and time, noted Woll.

Rollberg explained that a reordering of space and time was a recurring feature of Vladimir Makanin's work, one particularly apparent in his recent story "*Laz*" ("The Loophole"). An apocalyptic tale of the end of Soviet society in which outside space and inside space are portrayed as equally threatening, the story upends the conventional upstairs/downstairs image of rulers and ruled, showing a perplexed ruling elite living in a light-filled lower world while chaotic masses inhabit a dark upper world.

As in earlier works such as *Priamaia liniia* (The Straight Line) and "*Kliucharëv I Alymushkin*" ("Kliucharëv and Klymushkin"), "*Laz*" takes up the theme of the outsider versus "the swarm" (*roï*), depicting turbulent crowds as the greatest threat to the life of the main hero. The metaphysical essence of events in "*Laz*," which ends by implying the hero has been dreaming while asleep on the street, is a theme which has become increasingly pronounced in Makanin's works over time, said Rollberg. In "*Kliucharëv and Alymushkin*," for example, a man perceives that his existence is mysteriously linked to that of another when he discovers that the more luck and happiness come his way, the more misfortune and unhappiness befall another man. In Rollberg's opinion, it is "[this] vague anticipation of the existence of something beyond the field of reason" which unites the work of the *sorokaletnie*.

The destruction of the conventional unity of time and space seen in the work of these writers is characteristic of contemporary Russian fiction in general, said Woll, as is a preference for style over content and a fascination with the physiological aspects of sex. Rollberg added that a return to privacy in both theme and function appears to be occurring in Russian literature today, with literature once again primarily serving as a means of personal artistic self-expression.

—by Peggy McInerney

Vol. X No. 6

Security Priorities and the Slavic States

Russia, Ukraine, and Belarus today share critical security concerns of providing

social benefits to the military, curbing draft evasion and hazing within the ranks, and improving poor officer morale, said **Susan Clark** at a Kennan Institute lecture on **7 December 1992**. Clark is a research analyst at the Institute of Defense Analysis (IDA) in Alexandria, Virginia; her remarks did not reflect the views of IDA.

Personnel issues rank among the most pressing faced by military planners in the Slavic states, who are literally grappling with how to pay salaries, build housing, feed the troops, and retain talented junior officers. Beyond these immediate concerns, however, each of the Slavic states confronts a somewhat different set of security imperatives, contended Clark. Ukraine's most urgent security goals are integration into Europe, the establishment of an independent state-to-state relationship with the Russian Federation, and retaining a U.S. presence in Europe as a counterbalance to Russia. In contrast, the principal security concerns of Belarus—where the ratio of military to civilians is much higher than in any other former Soviet republic and the structures of an independent state do not yet exist—are to provide for the needs of the troops stationed on its soil and ensure its survival as a virtual appendage of Russia.

Russia's highest priority, maintained Clark, is to prevent its own disintegration in light of growing demands for economic and political independence by various of its regions and autonomous republics. Second only to this concern are the issues of protecting the Russian diaspora, maintaining stability on Russia's borders, and foiling efforts by other Soviet successor states to isolate Russia from the international community.

Ukraine and Russia must also make basic choices about the future direction of their respective foreign policies, said Clark. Ukraine must choose either to pursue bilateral relations with the states of Eastern and Western Europe, as the speaker recommended, or continue to concentrate on relations with multilateral political and economic institutions. Russia likewise must decide whether her foreign policy will have an Atlantic, Eurasian, or isolationist orientation.

Specific military issues such as unregulated arms sales, disputes over nuclear weapons, and the possibility of future peacekeeping efforts within the Commonwealth of Independent States (CIS) complicate relationships among the Slavic states. Clark pointed out that Russia and Ukraine have both asserted their

right to participate in the world arms market, yet the proliferation of people and organizations selling arms has rapidly placed the arms trade beyond government control. Official government institutions, defense factories, and even individual military personnel are now concluding arms deals throughout the former Soviet Union, she explained.

Equally disturbing on the arms front is Russia's intent to use weapons sales to finance defense conversion. Acting Prime Minister Egor Gaidar recently announced the sale of two billion dollars of military hardware to China, Iran, and India, remarked Clark; other projected sales form a component of the Russian budget for defense conversion.

Another complex security issue involving all three Slavic states concerns the removal of strategic nuclear missiles from Ukraine and Belarus for dismantling in Russia. Ukraine and Belarus appear to be following different policies on this matter, observed the speaker, with Belarus seeking to accelerate and Ukraine seeking to delay or at least prolong the removal of the missiles. Chairman of Belarus Parliament Stanislav Shushkevich has already announced that *all* nuclear weapons in Belarus will be removed within two-and-a-half years instead of the seven originally discussed. Ukraine, on the other hand, is now demanding both a portion of the monies derived from the sale of nuclear materials in the missiles and international security guarantees in exchange for their removal.

Ukraine has reacted in similar fashion to Russia's contention that the Russian Ministry of Defense, not the CIS high command, should have full control over all nuclear weapons in the Commonwealth. Whereas Belarus concluded an agreement with Russia placing the 30,000 Commonwealth troops (mostly strategic forces) on its territory under the command of the Russian Defense Ministry, Ukraine is insisting that the CIS high command have control of strategic forces on its soil. Ukraine further seeks to attain administrative control over the selection of these forces in Ukraine. "Frankly," remarked Clark, "the Ukrainians see Russia's efforts to assert control over these troops as yet another attempt at Russian domination of the former Soviet Union." The presence of 700,000 former Soviet troops in Ukraine, she added, make it virtually impossible for the newly-created Ukrainian armed forces to be considered genuinely independent.

A recent CIS agreement on peacekeeping efforts has created additional suspicions

on Russian imperial ambitions. Signed only by Russia, Kazakhstan, Kyrgyzstan, Tajikistan, Armenia, and Moldova, the agreement raises questions about whom peacekeeping forces would protect and the motivations behind Russia's desire to create such a mechanism. Clark reflected that the Russian military finds itself in a frustrating dilemma—accused of imperialism, it is nevertheless asked (as in the case of Tajikistan) to engage in peacekeeping operations.

Despite the political rhetoric of their leaders, interdependence is an escapable fact of life for the Slavic states and they are increasingly aware of this reality, said Clark. She cited in support of this argument the fact that Belarus has remained within the ruble zone and the emphasis of new Ukrainian Prime Minister Leonid Kuchma on maintaining economic ties with Russia. These states have an overall desperate need to develop professional cadres in governance, the security arena, economics, and the international sphere. Professional training and not humanitarian aid, emphasized Clark, should be the focus of Western assistance to these nations.

—by Peggy McNerny

Vol. X No. 7

Russian Refugees a Blessing in Disguise?

Independent experts estimate that approximately two million Russian refugees have fled to the Russian Federation, said **Lydiia Grafova** at the Kennan Institute on **1 December 1992**. She contended that as many as five of the twenty-five million ethnic Russians now living outside of Russia, principally those in Transcaucasia and Central Asia, could become refugees in 1993. Grafova is a journalist for *Literaturnaia gazeta*, a human rights activist, and Co-Chairman of the Civilian Assistance Committee, a Moscow-based private assistance organization for refugees and displaced persons in Russia.

Despite the tragedy and unhappiness the refugee problem poses for Russia, Grafova claimed the crisis could become a blessing in disguise for the country. "Those who are returning understand that the state cannot help them; they realize they must help themselves," she said. Forced by circumstances to take charge of their own lives, Russian emigrants are building commercial settler societies for themselves across Russia, bringing new vitality and entrepreneurial skills to these regions.

According to Grafova, the refugee problem in the former Soviet Union began in 1988 after anti-Armenian pogroms erupted in Sumgait, Azerbaijan. The phenomenon became more apparent in January 1989, when 40,000 Armenians were evacuated to Moscow following more violent pogroms in Baku. Unfortunately, asserted the speaker, the limits on *glasnost'* in 1988 and 1989 prevented adequate press coverage of the Baku riots. As a result, both political leaders and the general public missed an early opportunity to recognize the rising danger of nationalism.

Today, Russian emigrants represent the largest wave of refugees in the former Soviet Union. "It is a law of history that the collapse of any empire is accompanied by the exodus of the imperial people from the periphery," asserted Grafova. "We were long unable to perceive this inevitability due to the myth of the friendship of peoples' (*druzhiba narodov*) with which we all grew up." After August 1991, fifteen mini-USSRs sprang up in place of the original USSR, each substituting aggressive nationalism for communist ideology, commented Grafova.

Russians are emigrating primarily from Transcaucasia and Central Asia, related Grafova. In contrast to the Baltics, encouragement of Russian out-migration is not official government policy in these countries. However, said the speaker, Russians in these states live in fear for their lives as they expect anti-Russian pogroms to erupt at any moment. In Tajikistan, where a civil war now rages, virtually all Russian inhabitants are fleeing the country.

Refugees of any nationality face a bleak existence in the Russian Federation. The housing shortage in Russia is already acute and the Russian government does not have the financial resources to resettle refugees. "For the government to address the refugee problem now would be like trying to repair a house while it is burning down," observed Grafova. Beginning with the influx of Armenian refugees in 1989, the Civilian Assistance Committee has encouraged refugees to help themselves by building their own housing. The Committee helps groups of refugees to procure allotments of land in Russia and obtain expert architectural designs for new settlements. With the assistance of millionaire Russian entrepreneurs, the Committee also provides refugees with financial support and construction materials.

Communities of Russians in Central Asia are now working to build settlements in Russia before they emigrate, said Grafova. After obtaining land and a settlement design, these groups raise money from among themselves, often using the savings elderly members had set aside for their funerals. Under the pressure of inflation, the groups immediately translate their capital into building materials and, finally, send a construction brigade to build the settlement.

Grafova claimed these refugees were special Russians: descendants of the wealthier, better-off peasants (the so-called "kulaks") exiled to these regions, as well as descendants of former political prisoners and technical specialists originally sent to these areas to raise industrial production. These people possess an entrepreneurial independent mentality and bring greatly needed technical skills to Russia, insisted Grafova. "They don't just build housing," she emphasized, "they build businesses and factories for themselves. And in these settlements, everything is privately owned: factories, homes, and roads."

Whereas Grafova believes the number of Russian refugees in the Russian Federation is close to two million, the newly-established Migration Service of the Russian Federation cites a figure of 500,000. "The government office only counts those refugees who are registered," she explained, "and registration only occurs by decision of the government. People were emigrating from Tajikistan for two years and were never registered, beginning with the 100,000 Russians who left after the Dushanbe riots of February 1990." Although the Migration Service was awarded three billion rubles for refugee problems in early summer 1992, inflation rapidly rendered this sum meaningless.

The resources of private organizations like Civilian Assistance (including its new "Return" fund to support refugees), the Russian business community, and the Russian government are simply insufficient to resolve the refugee problem in an expeditious manner, said Grafova. She claimed Western assistance for refugee settlement was imperative.

Russian nationalist organizations like Pamiat' as well as Brown-Red coalitions (extremists of the far right and former Communist Party members) are already sending representatives to temporary refugee camps and provoking refugees to overthrow

the current Russian government, she said. Not all local administrators want the extra responsibilities which come with refugee settlements, she continued, and in some regions of southern Russia Cossack units have attacked temporary refugee settlements. If the urgency of the refugee problem is not recognized and given priority, she warned, "this avalanche of unfortunate, homeless people will become fertile soil for fascism."

—by Peggy McInerney

Vol. X No. 8

Russian Libraries Hit Hard Times

Libraries in Russia are reeling under the combined impact of the economic and organizational collapse of the Soviet system, said Natal'ia Kutovenko and Harold Leich at a Kennan Institute lecture on 8 December 1992. Kutovenko is Director of the Library Information Center of the International Banking Institute in St. Petersburg, Leich is a Russian/Soviet area specialist librarian at the Library of Congress. Hard-pressed financially even in the best of times, libraries in Russia today are experiencing severe administrative, funding, technical, personnel, and even physical structural problems. Although libraries throughout the country are closing due to lack of funds and the collapse of parent institutions, new independent libraries are being created at the same time, among them "free public libraries" (*nezavisimie obshchestvennie biblioteki*) as well as church, parish, gymnasium, specialized technical, and even independent university libraries. And for the first time since 1932, professional associations of librarians are being formed at local and national levels.

The celebrated Lenin Library in Moscow—with a collection exceeding 30 million books—was recently renamed the Russian National Library, as was the former Saltykov-Shchedrin State Public Library. Yet the two national libraries are now in direct competition for funding, acquisitions, and collections, noted Kutovenko. Moreover, the Lenin/National Library is in such poor physical condition that it was almost closed to the public last year; recent construction of four metro stations near the library has caused cracks in the walls of the building.

Economic conditions have severely limited the ability of Russian libraries to acquire new materials, an unfortunate dilemma at a time of growing demand for accurate information among all sectors of

Russian society. "You need information to make a market work," lamented Kutovenko, "without information, it won't work." Foreign currency requirements make the purchase of foreign materials impossible and even procurement of books published in Russia has become difficult. Publishing houses in Russia have no tradition of "obligatory deposit" of books, explained Kutovenko, thus many private printing houses do not provide libraries with free copies of new publications.

In addition to the acquisitions crisis, there has been a virtual collapse of interlibrary loans between Russian and foreign libraries. Periodical subscriptions represent a problem of similar magnitude. Prices for Russian newspapers and journals have risen by a factor of 10 to 100 over the past year, noted Kutovenko. Foreign editions are simply unavailable. Many libraries had unpaid accounts for foreign language subscriptions they are unable either to repay past debts or cover current subscription costs, often surviving with free subscriptions.

Administrative difficulties also haunt Russian libraries. Under the Soviet system, related Kutovenko, libraries were over-centralized, underequipped, and often served as places of exile for people who failed to succeed in Party careers or other professions. "Specialists often were not running the libraries," she observed, "and today it is very difficult to cope with the mistakes they managed to make." Today, many qualified foreign language specialists are leaving libraries for better-paid work in private businesses. Nevertheless, Kutovenko refused to be pessimistic, claiming, "Our life is very interesting now."

Harold Leich, Russian/Soviet area specialist librarian at the Library of Congress, confirmed Kutovenko's grim evaluation of economic realities in Russia. "Funding [of libraries] at all levels is a disaster," he said, "Parent bodies are cutting funding drastically or completely." Leich claimed that libraries have been largely left to their own devices to raise money, resulting in ill-conceived fundraising schemes and occasional scandals connected with the sale of duplicate rare books. Educational institutes throughout the country are liquidating their libraries and sending millions of books, many of a highly ideological character, to the Lenin Library!

Library exchanges between Russian and American libraries have essentially come to a halt due to inflation in Russia, depriving Russian institutions of another important

source of foreign acquisitions. (The Library of Congress, for example, has conducted library exchanges with the Library of the Russian Academy of Sciences in St. Petersburg since the 1850s.) Inflation is also seriously eroding library budgets, lowering already paltry salaries and causing staff attrition.

Leich drew attention to the unfortunate legacy of the Soviet tracking system for social sciences and humanities collections. The system worked on the basis of three mutually exclusive "tracks" defined by jurisdictional rather than logistical considerations: those of the Academy of Sciences, the Ministry of Culture, and the Ministry of Education. No contact, communication, or resource sharing existed between these tracks, said Leich, which continue to function today. Specialty libraries in medicine, agriculture, science, and technology were assigned to still other, separate tracks. "[It was] a very atomized system with no national vision, no national network, and no local networks," Leich concluded.

On a more positive note, Leich claimed that the highly inaccessible "special collections" of times past (*spetsfondy* or *spetskhrany*), which contained Western publications, political materials, and emigré publications, are now being dismantled and reintegrated into general library collections. American libraries now enjoy greatly expanded opportunities to acquire previously restricted materials such as regional and local newspapers as well as military and security publications. And numerous collaborative and cooperative programs have sprung up between Russian and American libraries.

Both Leich and Kutovenko emphasized a rapidly growing professionalism among Russian librarians. Whereas Stalin abolished the last existing Library Council in 1932, professional associations such as unions and councils of librarians began to be re-established during the Gorbachev era. Last year a federation of these local councils was created. Although technical and budgetary problems remain substantial, Leich claimed, "the apparatus of fear and repression are gone."

—by Peggy McInerney

Vol. X No. 9 1993

Russian-Japanese Relations: A New Foreign Policy Ballgame

Russia and Japan were unable to normalize relations in 1992 largely because neither understood the significance of the political changes which had taken place in

Russia, contended **Semën Verbitskii** on **1 February 1993** at a Kennan Institute lecture. Verbitskii is an independent scholar and former Senior Researcher at the Institute of Oriental Studies in Moscow. Foreign policy-making was highly centralized in the former USSR, said the speaker, with decisions made by the Politburo or, under Gorbachev, within the USSR presidential administration. In the Russian Federation, however, powerful ministries, presidential advisory teams, the Supreme Soviet, regional political groupings, the mass media, and public opinion all influence the foreign policy process, contended Verbitskii. Although the reasons behind Russian President Yeltsin's cancellation of a planned trip to Japan in September 1992 were numerous and complicated, Verbitskii insisted that both nations had misread the dynamics of the contemporary foreign policy process in Russia.

Russian-Japanese relations in the post-war era basically amounted to Soviet efforts to normalize relations with Japan, said Verbitskii. The two nations did not sign a peace treaty after World War II, but did sign a joint declaration to renew diplomatic relations in 1956. This declaration obligated the USSR to return to Japan two of the disputed Kurile Islands—Habomai and Shikotan—upon conclusion of a formal peace treaty. Yet, said the speaker, the joint declaration was never published in the Soviet press, Soviet participants in international conferences were advised not to speak about it, and the Soviet leadership in effect repealed the ninth article by announcing there were no territorial problems between the two nations.

The various problems of the Soviet-Japanese relationship were first discussed openly by the Soviet leadership under Gorbachev, but favorable conditions for normalization of relations arrived only with the Yeltsin-Gaidar government in Russia, claimed the speaker. Figuring among these conditions, he continued, was Gaidar's interest in securing Japanese aid and support within the "Group of Seven" industrialized nations; the arrival of a new generation of Russian specialists on Japan convinced that democratic Russia must base its relations with Japan on the 1956 declaration; and, following Gorbachev's visit to Japan in April 1991, the rise of Japan's prestige among the Russian populace.

By late 1992, however, worsening economic conditions had weakened the position of the Gaidar government and

dashed popular hopes for Western and Japanese aid, while an increasing number of conflicts (linked, for the most part, to territorial problems) had broken out within the CIS. In this context, normalization of Russian-Japanese relations touched off a heated public debate over the Kurile Islands. Nationalists protested Russia's abdication of its national interests under Western pressure, the Supreme Soviet fought as a body to establish more control over foreign policy, and a number of democratic deputies in the Supreme Soviet espoused a "great power" foreign policy orientation that emphasized preservation of Russia's great power status and rejected following the West's lead in international relations. In addition, the Army and the regional administrations of the Russian Far East and Sakhalin strongly opposed the return of any of the Kurile Islands to Japan.

Discussion of Russian-Japanese relations in Russia in 1992 became extremely politicized and highly emotional, explained the speaker, with different actors using the issue to advance personal and/or institutional political goals. Newspapers printed articles about the Kurile Islands almost daily, the subject was debated repeatedly on television, and Russian specialists on Japan split between those who supported and those who opposed normalization.

Finally, said Verbitskii, rumors circulated that Iurii Petrov, head of Yeltsin's presidential administration, returned from an advance trip to Japan with a letter from Ichiro Ozawa, acting chairman of the Takeshita faction of the Liberal Democratic Party of Japan. The letter purportedly advised Yeltsin that if he refrained from negotiating with Japanese Prime Minister Keiichi Miyazawa and waited until Ozawa became Prime Minister, Japan would provide aid and credits to Russia without making territorial demands in return. Verbitskii stated unequivocally that he had no concrete evidence that the letter actually existed, citing the rumor as illustrative of the highly-charged decisionmaking atmosphere in Russia at the time. "If the information was circulating," he remarked, "someone needed it." In the end, the decision to cancel Yeltsin's trip was made by the Security Council, a new security structure which Verbitskii believes is beginning to exert great influence on international policy.

While Russian conditions largely prevented Yeltsin from normalizing relations with Japan in 1992, Verbitskii implied the

Japanese had some responsibility for this negative outcome as well. Not only did Japan try to resolve the territorial dispute directly with the center, he argued, it never elaborated any clear-cut programs—especially an economic program—that would have been attractive to the Russian population. Nor, he added, did Japan perceive the need to conduct an informational campaign in Russia in order to explain what Japan and Russia would both receive as a result of the return of the islands and an improvement in relations. Japanese diplomats also continued to view the Russian government and Russian diplomats as adversaries in negotiations, repeating the tactics they had used with their Soviet counterparts. Finally, he pointed out that Japan did not seem to have a strategic conception of Russia's role in Asia on which to base a policy.

Yeltsin's aborted trip represents the last attempt to normalize Japanese-Russian relations on the basis of the joint declaration of 1956, concluded Verbitskii. Russia's international priorities have since shifted toward Asian nations and away from the Western democracies, he added, as Yeltsin's recent visits to South Korea, China, and India demonstrate. Verbitskii contended, however, that Russia and Japan remain interested in improving relations and that the Japanese government appeared to be softening its position on the territorial issue.

—by Peggy McNerny

Vol. X No. 10

Russia and America: The Cultural Connection

The cultures of America and Russia have been linked throughout the twentieth century by such famous artists as conductor Serge Koussevitsky and director Konstantin Stanislavskii, claimed speakers **Viktor Yuzefovich** and **Anatolii Smelianskii** at separate Kennan Institute lectures. Both speakers drew attention to the enormous influence Russian artists and performers have exerted on American culture in this century.

"Serge Koussevitsky was a building of a cultural bridge between Russia and the United States," said **Viktor Yuzefovich** at a lecture on **11 January 1993**. Yuzefovich is an independent musicologist and a former Fellow at the Woodrow Wilson Center. **Mstislav Rostropovich**, conductor of the National Symphony Orchestra, served as commentator at the lecture.

Serge Koussevitsky was a celebrated double bass soloist of pre-revolutionary

Russia who became an equally renowned conductor, first in Russia and Europe, and then in the United States. A student of the German conductor Arthur Nikisch, friend and contemporary of Sergei Prokofiev, and mentor to American composer-conductor Leonard Bernstein, Koussevitsky spent 25 years in the service of Russian culture and 25 in the service of American culture, noted Yuzefovich.

Over the course of his long life, the musician-conductor founded orchestras and musical publishing houses, created philanthropic foundations, organized music festivals, and established a musical academy in Tanglewood, Massachusetts. Most significantly, Koussevitsky was responsible for publishing and performing the works of modern Russian and American composers, including Rachmaninoff, Scriabin, Prokofiev, Shostakovich, and Stravinsky among the Russians, and Barber, Copeland, Fine, Hanson, Diamong, and Carpenter among the Americans.

Born on the upper Volga in Russia in the late nineteenth century, Koussevitsky ran away from home at the age of 14 and studied the double bass in Moscow. He soon mastered the instrument and despite its rarity, became a famous contrabass soloist in Europe. Koussevitsky also played the contrabass in the Bolshoi Theater Orchestra under the direction of Rachmaninoff at the same time when the famed opera singer Fëdor Shaliapin performed with the orchestra. Yuzefovich claimed Koussevitsky's musicality was greatly influenced by Shaliapin's singing, tracing the "singing" quality the contrabassist brought to conducting not only to his technical virtuosity as a string instrumentalist, but to his experience accompanying Shaliapin.

After studying conducting with such leading German conductors as Nikisch and Weingartner in Berlin in 1906–07, Koussevitsky returned to Russia as a conductor and plunged into an active artistic life there. Yuzefovich observed that Koussevitsky considered educating the public to be part of his mission as a conductor. With this end in view, he organized concerts intended for "democratic" audiences in Moscow and St. Petersburg (to which he invited world-class European soloists) as well as three orchestral boat tours along the Volga River. The latter allowed him to perform symphonic music for people who had never heard such music before. Koussevitsky and his first wife, a

sculptress and daughter of a wealthy Russian merchant, became well-known philanthropists in Russia; the conductor continued to generously support artists and composers throughout his life.

After leaving Soviet Russia in 1920, Koussevitsky spent eight years in Paris before becoming the conductor of the Boston Symphony Orchestra—a position he held until his death in 1951. Yuzefovich pointed out that Koussevitsky brought professional European training and a Russian interpretation of Russian music to America. The conductor engaged some of the best instrumentalists in Europe for his orchestra and made strict discipline and painstaking work the hallmark of the Boston Symphony Orchestra.

As conductor of the Boston Symphony, Koussevitsky fought for American music as a legitimate national musical culture, said the speaker. In many cases, he acquainted both American and European audiences with American symphonic works. Koussevitsky's correspondence with American composers of his day—many of whose works premiered at the Boston Symphony Orchestra—could serve as the basis for studying American music of the twentieth century, observed Yuzefovich.

Yuzefovich pointed out that Koussevitsky, like Eugene Ormandy and Fritz Reimer of the Philadelphia and Cleveland symphony orchestras, respectively, was a conductor who educated an orchestra over the course of many years. In contrast to conductors who guest conduct with various orchestras, he noted that this kind of conductor is on the wane.

Koussevitsky's biography is the first step in a larger study of the Russian contribution to American culture of the twentieth century, said Yuzefovich. Pointing to Maestro Rostropovich's continuation of Koussevitsky's earlier work in America, he claimed the Russian contribution to American culture was a continuing phenomenon.

Mstislav Rostropovich, cellist and musical director of the National Symphony Orchestra, confessed, "Koussevitsky has always been a kind of idol for me." As director of the Moscow Conservatory faculty for the cello and double bass, Rostropovich said he came to know Koussevitsky's work first and foremost through his compositions for the contrabass. Later he became familiar with Koussevitsky's conducting by repeatedly listening to the Boston Symphony Orchestra's recording of Prokofiev's Fifth Symphony in the company of Prokofiev himself.

A biography of Koussevitsky is extremely important, insisted Rostropovich, because a conductor, unlike superb individual soloists, not only creates his own interpretations of music, "he creates a community of musicians and the musical taste of the public." Rostropovich welcomed the addition of culture to the study of Russia undertaken at the Kennan Institute, saying, "I think that the great underground network of relations between countries is in the arts and that these relations are much more significant and solid than any political contact between them."

The great actor and director Konstantin Stanislavskii was the focus of another lecture on Russian culture at the Kennan Institute given by **Anatolii Smelianskii** on **3 February 1993**. Smelianskii is a professor of theater history at the Moscow Art Theater Studio School. He described the tour of the Moscow Art Theater in the United States in the years 1922–24 as a doomed effort of Stanislavskii and his associate, Nemirovich-Danchenko, to secure the artistic and financial future of the Art Theater in Russia.

By the early 1920s, the Bolshevik Revolution and Civil War had split the original Moscow Art Theater into two parts: the Kachalov group of original Art Theater actors, which toured Europe for three years, and the studios and younger actors who had stayed behind in Moscow with Stanislavskii and Nemirovich-Danchenko. The latter found it impossible to pursue the mission of the Theater in its original guise, said the speaker. Nemirovich turned to the idea of an American tour as a way to unite the two groups outside of Russia, generate income, and wait out the national disorder until the Art Theater could again pursue its calling in Russia.

Stanislavskii headed the American tour with two goals in mind: to obtain medical treatment for his tubercular son Igor' and to either separate out the first group of actors—the "old-timers" or original founders of the Theater—from the younger Moscow group, or reduce the two groups to a common denominator. The tour was an artistic and financial success in its first year, but failed to live up to expectations when Stanislavskii extended it for an additional year.

The entire tour was a highly demoralizing experience for Stanislavskii and the actors alike; they were exhausted from life in Russia during the Revolution and Civil War and/or too long tours in Europe, buffeted by political pressures from Moscow throughout their travels, and increasingly anxious about their

personal and collective futures in Russia, said the speaker. In the end, many of the actors stayed in America when informed at the end of the tour that Nemirovich could not assure their employ in Moscow.

Stanislavskii was bored with the old repertoire and embarrassed by the accolades and excitement the troupe's performances continued to generate in Europe and America, said Smelianskii. He had hoped to create and rehearse new works on the road, but soon found his actors too worried and emotionally depleted to dedicate themselves to artistic growth. As early as January 1923, during the first month of the troupe's tour in the United States, Stanislavskii wrote to Nemirovich: "One must get used to the idea that the Moscow Art Theater no longer exists. Apparently you realized this before I did. All these years I have been deluding myself and trying to save its smouldering remains."

The voluminous correspondence between Nemirovich-Danchenko and Stanislavskii during the trip, unpublished to date, reveals a depressed and discouraged Stanislavskii and a Nemirovich intent on hammering home to his colleagues the grave choices facing the Moscow Art Theater under the Soviet regime. Only a few days after the troupe's departure, 300 people representing the cream of the intellectuals of old Russia (including Nikolai Berdiaev, Semën Frank, and Sergei Bulgakov), were exiled abroad against their will, said Smelianskii. This action was intended as an object lesson to the touring group, with Nemirovich-Danchenko and the studios left behind in Moscow as hostages to the good behavior of the traveling group, he observed.

Smelianskii illustrated the acute political pressures under which the troupe worked in the United States by quoting from another unpublished letter by Stanislavskii: "Despite all the insults aimed at me in Moscow, I have refused all the profitable offers made to me in Europe and America and strived with all my soul for Russia, the very Russia which has now spat on my soul. I don't know what to do—I don't have the strength to stay here, but I don't see any sense in working in Russia under the prevailing conditions."

Theater as Stanislavskii understood it, based on ensemble acting, did not exist in the United States in the early 1920s. Given the embryonic stage of American theater culture at the time, he believed the tour would provide American theatergoers and critics

with crucial exposure to innovative trends. Ironically, the tour and subsequent publication of Stanislavskii's books in the United States created an American understanding of the director's ideas about acting which differs significantly from the Russian perception.

Stanislavskii first wrote *My Life in Art* for publication in the United States and gave complete editing rights to his translator there, who omitted important parts of the book and made key errors in the translation, said Smelianskii. Upon his return to Russia, Stanislavskii rewrote the book and then twice enlarged it, finally producing a much longer and quite different work.

A similar pattern governed the publication of his other great work, *An Actor Prepares*. Written by Stanislavskii in Russia chiefly during the 1930s, the book was first published in America in 1936, then rewritten and enlarged by Stanislavskii before its publication in Russia in 1938. Stanislavskii was something of an inveterate scribbler (*grafoman*), explained Smelianskii.

Due to this constant rewriting and revising, as well as the fact that he did not write *An Actor Prepares* until the 1930s, he continued, we have something akin to a mythology of Stanislavskii's ideas about acting. Everyone who studied with him at different times—such as Lee Strasberg, Stella Adler, and Michael Chekhov—had different impressions of his ideas and often taught these ideas as "the" Stanislavskii method.

An accurate understanding of *what* Stanislavskii thought *when* is the work of scholars, said Smelianskii. He pointed out that an important consideration in this work will be to ascertain the relationship between Stanislavskii's writings in the 1930s and the Stalinist regime then in power.

Smelianskii noted that a new English translation of the Russian edition of *An Actor Prepares* would soon be published in London. Calling this book "a myth of American theater," Smelianskii predicted that the Russian edition would create a stir in the American theater community as it presents a very different picture of Stanislavskii's thinking than that reflected in the original American edition.

—by Peggy McNerny

Vol. X No. 11 1993

Collapse of a Civilization, Not an Economy

The West is mistaking the collapse of civilization in Russia for an economic crisis,

declared **Alexander Yanov** at a lecture at the Kennan Institute on **8 February 1993**. This critical misperception blinds Western leaders and societies to the fact that more than an economic transition is at stake in Russia, that the future orientation—political and intellectual—of the Russian state hangs in the balance. Yanov is Professor of Political Science at the Center for European Studies of the City University of New York. Should pro-Western sentiment deteriorate in Russia along with economic performance and political stability, warned Yanov, an aggressively anti-Western, fascist regime could come to power in the country. Such a regime would hope to align itself with Islamic fundamentalist and European neo-Nazi forces in an anti-American “Axis.”

“There is no doubt in my mind that, like Weimar Germany or Taisho Japan, Russia does not have a chance in the world of making the democratic transition on its own,” remarked the speaker. Like Weimar Germany in 1923, Russia is experiencing hyperinflation, collapse of government, disastrous capital flight, and economic chaos. Yet, he added, the Nazis did not come to power in Germany for a full ten years after 1923. In Russia, anti-Western forces on the far right of the Russian political spectrum such as the National Patriotic Front and *Rossiiskoe edinstvo* (Russian Unity, a nationalist-Communist bloc in the Parliament) are neither prepared nor sufficiently strong to seize power today, said Yanov. In the long run, however, the anti-American, Eurasian ideology espoused by the radical Russian right could become increasingly appealing to the Russian population, leadership, and even traditionally Westernizing intelligentsia as economic reform flounders and Western nations confine their policies to technical economic assistance.

The West must become actively engaged in Russia’s reconstruction before the prevailing pro-Western sentiment in Russian society becomes exhausted, argued Yanov. This engagement, he insisted, must be a political, intellectual, and economic commitment of the magnitude of America’s reconstruction efforts in post-war Japan, where America set out to establish a democratic state in order to prevent another Pearl Harbor. Instead of leaving Japan to manage its own self-transformation, as the West is largely doing with respect to Russia, Yanov claimed the United States “assumed from the

start that amidst the collapse of its authoritarian civilization, a nation with an imperial political culture [would be] unable to come to any consensus on a democratic transition.” The fact that such a concerted engagement in Russia would not occur under conditions of occupation, and that Russian leaders and society continue to bear considerable good will toward the West, would make such a course all the more productive in Russia, maintained the speaker. Although a policy for Russia demands far more sophistication and subtlety than General MacArthur’s mission in post-war Japan, Yanov nevertheless held up this mission as an example of the kind of extensive political and economic involvement required to assist Russia.

The West needs to act and act now, contended Yanov, while a window of opportunity is still available to it. He criticized the American interpretation of the Seventh Congress of People’s Deputies in December 1992 as a defeat for President Yeltsin, contending, “The defeatist notion that Russia’s brief flirtation with democracy is over and we can do nothing about it seems to be on the verge of becoming a dangerous cliché in American political discourse.” Rather than suffering a defeat at the hands of the conservative opposition, said Yanov, Yeltsin succeeded in heading off a budding alliance between radical nationalists and the large bloc of vacillating, swing votes in the Congress. And although he was forced to sacrifice Acting Prime Minister Egor Gaidar in favor of industrial manager Viktor Chernomyrdin, Yeltsin nevertheless kept the balance of his reformist government intact.

Yanov credited Yeltsin’s victory to the fact that the “Swamp” (borrowing the French revolutionaries’ term for the parliamentary majority), having aligned itself with the far right in order to exercise control over the executive government, changed its mind at the last minute. Shocked by the “outbreak of hatred” which erupted among the radical nationalists in anticipation of their victory over Yeltsin, the parliamentary middle was then relieved to support the agreement brokered between President Yeltsin and parliamentary chairman Ruslan Khasbulatov by Valerii Zorkin, head of the Russian Supreme Court. The current Congress is divided into two small wings, said the speaker: the pro-Western Coalition of Reforms and the anti-Western nationalist Russian Unity bloc, with a largely undifferentiated bloc of votes in the middle.

Despite factions within this middle, “the only division really influencing a voting pattern is between parliamentarians of ethnic Russian regions and those of the national republics,” said Yanov. The latter consistently vote for Yeltsin’s recommendations, as they seek to maintain the autonomy of their regions under his presidency. Until the Seventh Congress in December of last year, the parliamentary middle regularly voted in favor of reform measures, he observed, citing the law on independent farmers adopted in December 1990, the law on the Presidency adopted in May 1991, and the emergency economic powers granted to Yeltsin in November 1991. These deputies consider themselves initiators of reform, but are uncomfortable with the pace and privations of shock therapy as well as generally confused about the meaning of a constitutional division of powers. At the December 1992 Congress, the Russian Unity bloc joined these deputies in their battle to control the government, hoping thereby to increase the influence of the radical right by parliamentary means. In the end, remarked Yanov, they were betrayed by Khasbulatov.

Russian reformers today, claimed the speaker, seek a clear signal from the Clinton Administration that it supports their democracy, as well as a break in the bad news that has enveloped them since August 1991. Time is running out in the political war of ideas which will determine the nature of the future Russian state, insisted Yanov.

—by Peggy McNerny

Vol. X No. 12 1993

Investment: A Theoretical and Practical Problem

The spectacular decline in investment, welfare, gross national product, and the standard of living in the former Communist countries of Eastern Europe and Russia points to the need for long-term investment in these economies, said **Alec Nove** at a lecture at the Kennan Institute on **16 February 1993**. Nove is Professor Emeritus of Economics at the University of Glasgow. The collapse of capital investment in Russia is a practical and a theoretical problem, argued Nove.

On the practical level, the dilemma is how to obtain the resources necessary for large-scale investment in the Russian economy. On the theoretical level, Nove contended that neo-classical economics overlooks critical investment needs that require the participation of the state. Economists such as Milton Friedman and Gary

Becker, for example, envision a minimal role for the state that ignores the importance of long-term institutional supply arrangements in an industrial economy and relies on private enterprise to take care of investment. Pointing to what he called the ongoing destruction of the British transport system resulting from its privatization, he claimed these assumptions have proven disastrous for investment in Western economies as well.

The collapse of trade and institutional structures such as the Council for Mutual Economic Assistance (COMECON) and the breakdown of trade between republics of the former Soviet Union has disrupted the Russian economy which, in turn, is further impaired by an inherited structural distortion favoring the military-industrial complex. Declining investment has further contributed to the catastrophic situation in Russia, said Nove. “What is happening in Russia is certainly unprecedented,” he explained, emphasizing that Russia’s transformation is not merely a structural economic alteration but the upheaval of an entire economic system.

Measures implemented in Russia under the neo-classical approach have failed to address the investment gap, said Nove. The freeing of prices, for example, has created discrepancies between money incomes and retail prices, resulting in a decline in overall purchasing power. Uncertainty about the future, combined with the easing of convertibility, import, and export controls, has encouraged a drive for instant profits and hard currency earnings among entrepreneurs, rather than promote investment in productive capacity.

Free exchange rates and liberal import policies in the Russian economy today disregard the need to sustain long-term supply arrangements and protect and channel domestic investment, contended Nove. In principle, foreign capital, private capital (including the re-investment of enterprise profits), and the state are all potential sources of investment capital. Yet in contemporary Russia, said Nove, private capital is scarce and foreign investment is unlikely to be forthcoming in quantities commensurate with Russia’s size.

The speaker insisted that administrative priorities for economic reconstruction are a necessity during a period of catastrophe. He noted that under the Marshall Plan, the countries of Western Europe implemented restrictions on currency convertibility and

imposed import and export controls in order to dampen immediate consumption and prevent capital flight. "Import duties kept currency spending in sectors where it was desperately needed," explained Nove, "such as reconstruction of energy, transport, and creation of export capacity."

Nove cited Japan, South Korea, and Taiwan as examples of states which have actively participated in economic development. These states do not engage in compulsory planning, but work with finance houses and producers to create conditions favorable for investment in key sectors of their economies. Politicians, industrial managers, and economists in Russia are increasingly interested in the example of China, said Nove, where both investment and living standards are rising rapidly. In China, the state sector has not been privatized, he noted, but was left alone while the non-state sector flourished alongside it. With the majority of the non-state sector in China comprised of collective, cooperative, municipal, and rural enterprises, private ownership does not appear to be crucial as long as enterprises are producing for the market, concluded Nove.

Many at the lecture disagreed with both Nove's characterization of neo-classical economic theory and his prescription for a large role for the state in the Russian economy. Challenged that he supported the recreation of a strong center instead of encouraging initiative and entrepreneurship from below, Nove did not deny the importance of the latter for a market economy. He repeated, however, that a vast proportion of the private enterprise in Russia and Eastern Europe today is devoted to distribution and trade, activities which do not address the problem of large-scale investment. Members of the audience repeatedly objected to this advocacy of the state, claiming that the bureaucratic nature of the Russian economy is one of the chief obstacles to market reforms.

Nove argued that vital investment needs in Russia cannot possibly be tackled under *laissez-faire*, capitalist assumptions. Unless the investment gap is filled, he warned, net investment in the Russian economy will become negative. Although he conceded that different exchange rates and import/export controls often lead to corruption, he appeared to advocate them in some form in Russia. Under free exchange rates in Russia, he said, importing inputs at world market prices results in the production of

goods with negative value added. On the export side, the hard currency earnings made possible by free exchange rates encourages the export of goods necessary to the domestic economy. Whether taxi rides in Moscow or oil are sold for hard currency, these goods become unavailable on the domestic market, he noted.

A concrete investment strategy backed by a solid center would act as a magnet for investors and give the state sector some confidence in its future, maintained Nove. The question remains, he observed, whether the Russian state can achieve such goals in the absence of an honest and efficient administration.

—by Amy Smith

Vol. X No. 13 1993

Regional Economic Development Thwarted

"In the last few years there has been no real legal foundation for regional economic policy in Russia," declared **Kirill Yankov** at a lecture at the Kennan Institute on **6 April 1993**. Yankov is Chairman of the Economic Reform Committee of the Moscow Regional (*Oblastnoi*) Council of People's Deputies and a Visiting Fellow at the National Forum Foundation of Washington, D.C. If this foundation is not created within a short time, said Yankov, the debilitating struggle over property and power between and among different levels of Russian government will continue unabated.

Three major tools of economic policy—taxation, property laws, and privatization—are not available to Russian regional administrations; as a result, administrators are forced to use nonlegal or informal methods to influence economic policy. Until economic powers of the regions have a basis in law, there will be no cooperation between the provinces and the central government, warned the speaker.

There are 56 regional administrative units in the Russian Federation—50 *oblasti* and 6 *kraiia*. Prior to the collapse of the USSR and Communist Party in 1991, regions were administered by dual state and party structures, recalled Yankov. On the state side was an executive committee selected from the regional council (*sovet*) of people's deputies; on the party side was the chief instrument of power, the regional Communist Party committee (*obkom or kraikom*) headed by a First Secretary for the region. After the August 1991 coup, both the *obkom* and the executive committee of the regional council disappeared, leaving only the regional

council, its staff, and a regional head of administration (a position created in 1990).

Most present-day councils were elected in the spring of 1990. New regional heads of administration and personal representatives of the president were later appointed by Russian Federation President Boris Yeltsin, with the *oblast*' councils having the right to confirm the former. Yankov stressed that unlike West European or American regional government divisions, Russian regions under the Soviet system and today are governed by bodies that simultaneously represent the regional government and federal power at the regional level.

Under the Soviet regime, the All-Union Ministry of Finance set all federal, regional, and local taxes; it also determined the budgets of their attendant administrative units by approving projected expenses at every level. Today, as per a December 1991 law of the Russian Federation, there are three levels of taxation in the country: federal, regional, and local.

Yankov pointed out that the chief federal taxes (value-added, excise, income, and profit taxes) still represent the lion's share of revenue, while the principal regional taxes (property, land, wood, water, and regional transport) produce a smaller revenue stream and are established in advance at the federal level. Moreover, the fiscal body which collects regional taxes also collects federal taxes—the regional office of finance is subordinated to the Russian Federation Ministry of Finance and the regional administration at the same time. Although nominally independent of the regional head of administration, the finance office depends on the regional government for office space and living quarters for its staff.

Further complicating the task of regional governance is the current struggle over the state property among all levels of government in the Russian Federation. As Yankov described it, "a rather messy process of division of state property" has been underway in Russia since 1990, when the USSR Supreme Soviet adopted a Law on Property. After the collapse of the USSR, the Russian Federation Supreme Soviet adopted a law (December 1991) specifying the objects which constitute state property and how they are to be divided. The central Russian ministries, explained Yankov, must approve the acquisition of any state property by regional governments.

Regional administrations, reiterated the speaker, are unable to determine regional property and land use taxation rates, acquire the major portion of state property at the regional level, or implement regional plans for privatization. Given these obstacles, he claimed the regions had three ways of influencing economic policy: legal, nonlegal, and informal.

The legal options, said Yankov, are to demand genuine implementation of the March 1992 Federation Treaty or to lobby the central government for individual privileges such as the right to establish free economic zones. Blackmail of the central government through threats of separatism (seen in the case of Krasnoyarsk krai) and trading on the popularity of a leader (seen in the case of Mayor Nemstov of Nizhi-Novgorod) represent nonlegal methods of extracting additional economic rights from the central government. The informal, or, in Yankov's words, "traditional Russian method," is simply to support federal policy in word while in fact promoting regional goals by other means. Yankov declined to describe these informal methods, but implied that they were similar to those of the Soviet past.

Responding to a question concerning Oleg Rumiantsev's draft constitution for the Russian Federation, Yankov maintained that the equity of rights between Russian regions and national republics in the draft was a problem. The national republics will object to being given the same rights as the regions and the regions will refuse to accept anything less than that which is awarded to the national republics, he remarked. While conceding that increased regional autonomy could contribute to dissension in the Russian Federation, Yankov argued that it was impossible to manage a country the size of Russia without regional autonomy.

When asked whether U.S. aid should be directed toward the regions of Russia, bypassing the central government, Yankov replied that no aid should be given to any level of Russian bureaucracy. "Russian bureaucracy is bad bureaucracy at all levels," he said. "Any method [of distributing aid] that deals with the Russian bureaucracy is a bad method." Rather than distribute aid within Russia, he recommended that the U.S. government sponsor risk insurance for American businessmen who seek to invest in Russia. Any risk insurance agency, emphasized Yankov, should be directed from the United States.

—by Peggy McNerny

Vol. X No. 14 1993
Caucasus: Ethnic Conflict and
Economic Decline

Throughout Transcaucasia—in Nagorno-Karabakh, Abkhazia, South Ossetia, Chechen'ia, and elsewhere—ethnic groups are seeking political autonomy or outright independence from the newly independent states of the region. Armenia, Azerbaijan, Georgia, and Russia (in the north Caucasus) are all party to conflicts in which nationality groups aspire to self-determination within states that are intent on preserving their sovereignty and territorial integrity.

Ongoing ethnic disputes, together with the collapse of inter-republican economic ties of the Soviet system, have hindered economic reform in the three countries of the Caucasus, brought sharp declines in the standard of living, and created opportunities for outside powers to expand their influence in the region. The future of these states remain bound to that of Russia, as their ability to sustain democratic polities and move toward market economies largely depends on the future political orientation of the Russian state and the manner in which it defines its national interest. These were the conclusions of a series of seminars on the Caucasus held at the Kennan Institute in **March 1993**.

Paul Henze, speaking at the Kennan Institute on **1 March 1993**, emphasized that conflict mitigation (reducing the intensity of armed conflict) in the Caucasus was a more realistic goal than conflict resolution. Henze is a Resident Consultant at the Rand Corporation in Washington, D.C. He described a vicious cycle in which inexperienced politicians, caught up in the immediacy of ethnic conflict, neglect economic concerns and fail to institute critical reforms. Given the lack of employment opportunities, armed militias have become a magnet for unemployed young men, said Henze. "Ethnic tension," he observed, "discourages economic reform and lack of economic reform encourages ethnic tension."

Henze drew attention to the legacy of 270 years of Russian and then Soviet imperialism in the Caucasus region: distorted economies designed to serve the needs of an imperial center; economic and environmental devastation; territorial and administrative boundaries devised for purposes of central control; and deliberately cultivated ethnic and national antipathies. Crowning this legacy is a shortage of people with the administrative and political skills needed to

govern independent states. Political actors on the contemporary scene often come from outside the political arena altogether and lack experience in both decision-making and coalition-building. In contrast to European colonial empires, which were disbanded, "there was almost no preparation for independence in the former Soviet Union," commented Henze.

Although Russia no longer has the ability to mount sustained military operations in the region, Henze maintained that an incoherent Russian foreign policy itself created serious problems in the Caucasus "by permitting ineffective military forays." Long-term resolution of conflicts in Transcaucasia will depend on how Russia defines its national interest in the area. "The north Caucasus could benefit from a regional approach," he reflected, "yet the classic Russian approach has always been to play one nationality against the other and, unfortunately, this is still going on."

Rouben Adalian, Director of Academic Affairs at the Armenian Assembly of America, spoke about the impact of the economic blockade of Armenia on **8 March 1993**. He argued that the blockade—in effect since early 1989, when Azerbaijan cut the rail link connecting Russia and Armenia through the city of Baku—has served to widen the conflict over Nagorno-Karabakh in Transcaucasia and increase Turkish influence in the region.

Under the Soviet system, Nagorno-Karabakh was an autonomous district (oblast') of Azerbaijan with a majority Armenian population. In February 1988 the Supreme Soviet of the autonomous district adopted a resolution transferring its jurisdiction from Azerbaijan to Armenia; in January 1992, following a referendum and parliamentary elections, it declared the region an independent sovereign state. The Azerbaijani Parliament abolished the autonomous status of the district in Azerbaijan in 1992. Ethnic conflict and armed hostilities between Armenians and Azeris began in 1988 and have occurred in Nagorno-Karabakh, Baku, Sumgait, western Azerbaijan, and along the Armenia-Azerbaijan border.

With the collapse of the Soviet Union, "the dispute over Karabakh took on all the characteristics of a military struggle over a piece of territory...with the blockade recast as a weapon of war," noted Adalian. In his opinion, the offensive launched by Armenian

forces of Nagorno-Karabakh in 1992, which succeeded in opening a corridor between that region and Armenia, changed the strategic nature of the conflict. That offensive prompted an Azerbaijani counteroffensive and increased armed hostilities along the Armenia-Azerbaijan border, making Nagorno-Karabakh for the first time strategically important to the survival of the Armenian state.

Four years after the blockade was imposed, the Armenian economy is devastated: energy supplies are extremely scarce (eighty percent of Armenia's energy needs were imported from Russia by rail); only 10 of Armenia's 400 large industrial enterprises are still working; all educational institutes have been closed; public trash collection has ceased; and malnutrition and infant mortality rates are rising. Although agriculture in the country was privatized before Armenia attained independence in 1991, the blockade and conflict with Azerbaijan has put the country on a war footing. Industrial privatization has been delayed and the centralized command economy reinforced by conditions of scarcity.

Turkey's refusal to open its border to Armenia has aggravated the blockade, and Turkish insistence on inspecting humanitarian aid cargo has complicated delivery of American aid to Armenia. With repeated explosions in southern Georgia disrupting the natural gas pipeline between Georgia and Armenia during January 1993, the conflict has now extended to a third country in Transcaucasia.

Adalian held that continued conflict between Armenia and Azerbaijan only benefitted outside powers; Russia, for one, has a real opportunity to regain a position of influence in the Caucasus if the struggle persists.

Gela Charkviani, chief advisor to Georgian Head of State Eduard Shevardnadze, and **Tedo Japaridze**, National Security Advisor of the Republic of Georgia, spoke at the Kennan Institute on **19 March 1993**. After a hectic 1992, during which armed conflict claimed over 1,000 lives, Georgia has attained a certain stabilization, said Charkviani. Headway has been made in the economy thanks to more efficient energy use, and the October 1992 elections produced a new government and a representative parliament.

Georgians today are divided over policy towards Russia, said Charkviani.

Relations with Russia are absolutely central to Georgia, he argued, as the kind of Russian state which emerges in the future will determine to a great extent not only the future of Georgia, but the future of all former Soviet republics. Both speakers indicated that Russian involvement in the Abkhazian conflict had worsened relations between the two countries, creating considerable anti-Russian sentiment among Georgians.

Abkhazia is an autonomous republic of Georgia which borders the Black Sea; its population is approximately 17% Abkhazian and 46% Georgian. Abkhazia seeks independence from Georgia and has been engaged in intermittent armed conflict with Georgian National Guard forces since August 1992. Despite a cease-fire negotiated by Eduard Shevardnadze and Russian Federation President Boris Yeltsin in September 1992, fighting has continued. Georgia has since accused Russian forces stationed in the republic of taking the side of Abkhazian nationalists in the conflict.

"There is no doubt in Georgian minds that there is some kind of Russian participation in this conflict," said Japaridze. "The problem for us is whether this participation is coordinated from Moscow or from Tbilisi... Russian troops in Georgia are subordinated to the Transcaucasian Military District Commander [in Tbilisi], but the troops in Abkhazia are subordinated directly to Moscow." Japaridze warned that the territorial disintegration of Georgia could create crises throughout the Caucasus and even prompt the disintegration of Russia itself.

Asked why it had been possible to negotiate a cease-fire in South Ossetia but not in Abkhazia, Charkviani responded that the two regions were demographically different: Abkhazia is a patchwork of different peoples that includes a large Georgian population. In addition, he asserted, Russia has a vested interest in Abkhazia because it offers Russia access to the Black Sea. (**Paul Henze**, on the other hand, claimed that Russian nationalists and former communists supported the Abkhazians out of hatred for Eduard Shevardnadze.)

"We have the feeling that there are several Russias, with several policies; depending on the internal situation in Russia and the power struggle going on in the country, the policy towards Georgia changes," remarked Charkviani. Although Head of State Eduard Shevardnadze contin-

ues to fight in the Georgian Parliament for support of Russia and the presence of Russian troops in Georgia, he faces an uphill battle on this policy, observed Japaridze.

"We understand that Russia, as a major geopolitical component, [will] have interests in the Caucasus," continued Japaridze. The problem, he concluded, is whether these interests are conceived of in military or economic and political terms.

Jaihun Molla-Zade, Political Counselor at the Embassy of Azerbaijan in the United States, and **Hafiz Peshae**v, Ambassador of the Republic of Azerbaijan to the United States, spoke at the Institute on **15 March 1993**. According to Molla-Zade, Azerbaijan found itself at a disadvantage to Armenia after the collapse of the Soviet Union. Azerbaijan, unlike Armenia, did not upon independence have a national democratic government, national troops, armaments, or armed militias. Martial law imposed by Soviet troops in 1990 effectively prevented the formation of armed militias to defend Azeris in Nagorno-Karabakh, contended Molla-Zade, and ensured the election of a pro-Moscow communist parliament and president. Only in June 1992, when Abulfaz Elchibey of the Azerbaijani Popular Front was elected President, did real democratic forces come to power in Azerbaijan, he said.

The ongoing conflict in Nagorno-Karabakh impedes efforts to build a democratic society and a market economy in Azerbaijan, making it especially difficult to attract foreign investment, admitted Molla-Zade. He characterized the conflict as one in which the concepts of territorial integrity and self-determination were at odds. Azerbaijan supports the cultural autonomy of Armenians living in Nagorno-Karabakh and has passed legislation guaranteeing the civil and human rights of all minorities living in Azerbaijan, he continued. "There is no discrepancy," stressed Ambassador Peshae, "between territorial integrity and cultural autonomy."

Only slight differences exist between the governments of Armenia and Azerbaijan concerning resolution of the conflict, related Molla-Zade: both agree to the principles of a cease-fire and no territorial concessions. He pointed out, however, that the Armenians of Nagorno-Karabakh now demand secession from Azerbaijan; the Armenian parliament has yet to rescind a 1989 resolution concerning the annexation of the district; the Armenian Revolutionary Federation (*Dashnaktsyutyun*)

parliamentary faction supports its independence; and armed Armenian units, some representing the armed forces of the state of Armenia, remain on the soil of Azerbaijan.

Azerbaijan, said Molla-Zade, supports resolution of the conflict along two tracks: implementation of a cease-fire and negotiations under international supervision to determine the status of Nagorno-Karabakh. He described the steps of a cease-fire as cessation of hostilities, withdrawal of all armed units, deployment of observers from the Council on Security and Cooperation in Europe (CSCE), rebuilding of all communications between the two countries, and finally, simultaneous lifting of the blockades of Armenia and Nakhichevan. "Following these measures," he said, "control of heavy artillery and air power would be established."

Azerbaijan views the CSCE and the international conference to be convened by it in Minsk as proper international forums for negotiation on the status of Nagorno-Karabakh. Molla-Zade stressed that Azerbaijan's commitment to negotiations and deployment of international observers were concessions, as both measures constitute infringements on Azerbaijani sovereignty.

—by Peggy McInerney

Vol. X No. 15 1993

Islamic Fundamentalism Not Driving Tajik Civil War

The civil war which broke out in Tajikistan in May 1992 is generally depicted as a war between communists and Muslim fundamentalists, observed **Dust Muhammed Dust** at the Kennan Institute on **6 May 1993**. "In my view, however," said the speaker, "the hostilities are of a different character: before all else, this is a battle between supporters and opponents of the idea of reform in Tajikistan." Dust is a historian at the Institute of Oriental Studies in Moscow and Chairman of the Democratic Party of Tajikistan in Exile. To date, he said, the war has claimed tens of thousands of lives, brought destruction to hundreds of thousands of civilian dwellings (especially in the Kurgan-Tyube region), and sent over a hundred thousand refugees into Afghanistan.

Dust claimed Tajik society split into pro- and anti-reform wings following the **November 1991** election of a former Communist Party First Secretary of the Tajik SSR, Rakhmon Nabiev, as president. According to Dust, the societal rift was further exacerbated

after mass demonstrations in **April 1992** forced Speaker of the Supreme Soviet of Tajikistan Safarali Kenzhaev to resign and, a month later, Nabiev provided arms to supporters from the Kulyab region demonstrating in Dushanbe. "The communist government then began to rely on the most backward part of the population: those completely opposed to reform in the republic. The greater the poverty," he remarked, "the stronger is the attraction to socialism." [Mass demonstrations in which all Tajik opposition movements participated began in Dushanbe in late March 1992; in May, six ministers from various opposition groups were appointed to a new "Government of National Reconciliation." During the demonstrations, President Nabiev received emergency powers under which he (temporarily) created and armed a National Guard. Nabiev resigned in September after more demonstrations in the capital; armed clashes between pro- and anti-Nabiev forces, in Dushanbe and much of the southern part of the country, followed. A new government was installed by the Tajik Supreme Soviet in early December 1992.]

Tajikistan was one of the least developed republics of the former USSR, both in terms of its economic and political life, said Dust. Eighty-five percent of the population is engaged in agriculture and the republic's few industries produce no final products, only inputs for other industries of the former USSR. Despite accusations of nationalism and fundamentalism on the part of Communist authorities, strong opposition forces developed in Tajikistan prior to the collapse of the USSR in 1991. The cultural organizations Foundation for the Tajik Language and Cultural Foundation of Tajikistan were created in 1987; *Rastokhez*, a nationalist movement modelled on the Sajudis movement in Lithuania, in 1989; the Democratic Party of Tajikistan and the Islamic Rebirth Party, both in 1990; and the *Lali Badakshan* public organization, in 1991. After instigating riots in Dushanbe in February 1990, said Dust, the Communist authorities accused the *Rastokhez* movement of responsibility for the disorders. Soon afterwards, the Communist Party won ninety-eight percent of the votes in elections for a new republican parliament, the same parliament which continues to function today.

The speaker objected to the widespread assumption that the democratic opposition seeks to establish an Islamic state in

Tajikistan. The overwhelming majority of Tajiks are unfamiliar with Islam and have been educated in secular schools for over a generation, said Dust. Only three individuals in the republic have been educated in a *medres*, a traditional Islamic school. "The idea of Islamic fundamentalism is thus a rather invented issue, one which originated in the ideology departments of the Communist Party of the Soviet Union," he concluded.

While he did not deny that certain individuals in Tajikistan advocate the creation of an Islamic regime, Dust maintained they were few in number—especially among democratic leaders. Tajikistan's relations with Iran, he emphasized, are primarily cultural, not religious. Although the countries share a Persian culture, Tajiks are Sunni Muslims whereas Iranians are Shi'ites. The speaker rejected the possibility of an Iranian-type fundamentalist regime in Tajikistan, declaring: "The door to another extremist regime in Central Asia is closed; we have already survived such a regime under the red flag."

Dust repeatedly argued that foreign states, including Russia and Uzbekistan, have become progressively more involved in the Tajik civil war. The 201st Division of the Russian Army is posted in Tajikistan; Dust estimated that Russian troops in the republic now number six to seven thousand. Contrary to the belief that the majority of arms in the hands of opposition groups come from Afghanistan, Dust claimed the overwhelming majority of these arms had been purchased from Russian troops stationed in the republic.

Ample evidence exists of Uzbek involvement in every facet of military hostilities, asserted Dust. He cited in particular the advance of Popular Front troops [a pro-Nabiev armed force formed in the Kulyab region in the summer of 1992] on Dushanbe in October and December 1992. Casualties of the October armed clash revealed the majority of these soldiers were regular troops of the Uzbek army, he related. When the Popular Front, together with the army of the Tajik government, re-entered Dushanbe in December, he continued, hundreds of people were killed in the capital because of their political convictions or ethnic origins. Since that time, he noted sadly, the war has acquired an ethnic character which benefits neither Tajiks nor Uzbeks living in Central Asia.

Extensive foreign involvement in the war has placed its resolution beyond the capacity of either the Tajik government or the

opposition forces, argued Dust, who advocated United Nations mediation and deployment of U.N. peacekeeping troops. He spurned the idea of Russian or Uzbek troops serving in such a capacity, as he claimed their respective nations were defending their national interests in the war. Russia, he maintained, seeks to protect the Tajik border as a point from which to dominate all of Central Asia; Uzbekistan, he asserted, hopes to prevent the rise of a strong national government in Tajikistan.

—by Peggy McNerny

Vol. X No. 16 1993

Russian Federation Facing Fate of USSR?

Despite powerful processes of disintegration at work in the Russian Federation, Russia will not follow the former Soviet Union into collapse, declared **Emil Payin** at the Kennan Institute on **17 August 1993**. Payin heads the Group on Nationality Problems within the Presidential Council of the Russian Federation; he is also Director, Center for Ethno-Political Studies, Foreign Policy Association, Moscow, and Guest Scholar at the Woodrow Wilson Center. Payin specified that he spoke as a private citizen, not as a member of the Russian government.

Regionalization within the Russian Federation today is a natural process and although the Russian central state is weak, it continues to function, observed Payin. "Recruitment into the Army has become very difficult, but is taking place. Trains are occasionally corrupt, but they are functioning. The degree of dysfunction can be measured," he insisted, "but so far a central state continues to exist." Adoption of a new constitution and the holding of new parliamentary elections would, claimed the speaker, strongly inhibit the forces of disintegration in Russia.

Payin argued that political conditions have changed greatly within Russia since the collapse of the Soviet Union in 1991. With these changes, he contended, various mechanisms of self-preservation of the Russian state have arisen. These mechanisms include: the negative experience of the collapse of the USSR shared by all former Soviet citizens; the resolve of Russian regions, especially the leading industrial regions, to preserve the central state as a hedge against the economic and political advantages recently acquired by the national republics; threats posed to the

territory of the Russian Federation by foreign powers as well as by the current instability in the Transcaucasus and Central Asia; the deleterious effects that collapse would have on economic, transport, and communication links between regions; growing rejection of self-determination as a solution to ethnic problems on the part of Russian leaders of public opinion; and the lack of recognition of the so-called "independent republics" within the international system. Finally, Payin noted that in contrast to the former USSR, the Russian Federation is largely a one-nationality state, with ethnic Russians representing eighty-three percent of the total population.

The speaker did not dismiss the argument that the Russian Federation was headed for collapse. He conceded that a unitary government was no more appropriate for Russia than it had been for the USSR and claimed the construction of the Federation—based simultaneously on national formations (republics and *okrugi*) and territorial units (*oblasti* and *kraiia*)—was a genuine problem. Resistance to the idea of central authority is growing in the republics, he observed, and, unfortunately, this tendency has been reinforced by the central government's mistaken policy of granting concessions in order to stave off separatism.

Payin characterized the leaders of the national republics of the Federation as ideological opponents of the central government and claimed their policies were the biggest barrier to the survival of the Russian state. These leaders oppose reform—privatization in particular—because it threatens the monopoly on power to which they aspire; their use of nationalist rhetoric is an inevitable political ploy to protect their own power, he said. Payin was especially concerned by a document most of these leaders adopted on 25 May 1993, prior to the Constitutional Assembly.

The document specifies that relations between republics and the center can be governed either by the constitution or through bilateral agreements—the latter method virtually granting republics the status of foreign states.

Nevertheless, Payin rejected collapse as the probable future of Russia. He argued that the leading Russian industrial regions were acting to preserve the integrity of the Russian state out of rational economic considerations and their negative experience of the collapse of the Soviet Union. Moreover, he held that

the populations of Russian *oblasti* and *kraiia* do not feel themselves an oppressed majority and are therefore not driven to establish independent national states. Instead, Payin maintained that a feeling of “Russian-ness” was spreading among the Russian population and would lead to the formation of a new Russian (*rossiiskii*) state. And despite talk of circumventing the center and distributing aid directly to Russian regions, he noted that western governments continue to recognize the authority of the central Russian government.

Several listeners objected to Payin’s interpretation of political developments in Russia. Vladimir Shlapentokh of Michigan State University claimed decentralization throughout the former Soviet Union stemmed directly from the weakening of the central state and corresponded to a worldwide trend. Regional elites are simply fighting for increased rights for their regions, said Shlapentokh, regardless of whether they are leaders of ethnic republics or Russian regions. Henry Huttenbach of the City College of New York argued that “rust-belt” industrial regions in need of subsidies, not powerful industrial regions who can trade raw materials for hard currency, were the principal supporters of the central state. Elizabeth Teague of Radio Free Europe claimed that authority of the central state was almost non-existent, as the national republics and Russian regions regularly ignore its decrees with impunity.

Asked to comment on events in the self-declared Republic of Chechen’ia, Payin responded that its experience was beneficial (*spasitel’no*) to the continued territorial integrity of the Russian Federation. The consequences of Chechen’ia’s separation from the Federation—non-recognition and internal political discord now that the external enemy, Russia, has been removed—demonstrate the real consequences of independence to other republics of the Northern Caucasus, he remarked. Had Russia gone to war with Chechen’ia, he continued, national consolidation within the republic would no doubt be much stronger than it is today. Chechen’ia, continued Payin, is really no longer a part of the Russian Federation. “If I were asked to name the number of subjects (*ob’ekty*) of the Russian Federation,” he concluded, “I would say they number eighty-eight and not eighty-nine.”

—by Peggy McNerny

1993–94 PROGRAM YEAR

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Russia Back in the Great Concert

Russia today has returned to the great concert of powers, and the goal of the United States and its allies should be to keep her there without offending or injuring the newly independent states of the region, argued **David Goldfrank** at a lecture at the Kennan Institute on **4 October 1993**. Goldfrank is Associate Professor of History at Georgetown University. In attempting to predict the future of Russian foreign policy and most especially, to determine whether Russia, having re-established domestic cohesion, will attempt to restore her former empire by force Goldfrank claimed it was imperative to debunk numerous myths held by both the West and Russia itself concerning the country’s history and foreign policy. In the West, these myths depict Russia as a singularly messianic, expansionist power aspiring to a universal empire along the lines of ancient Persia, essentially uncooperative with other great powers. In Russia, such myths sustain the image of Russia as a geographically vulnerable victim of repeated invasions which have dictated the need for an autocratic, militaristic state.

Paramount among the myths entertained by the West is that which attributes to Russia a peculiar messianism dating back to old Muscovy and the doctrine of the Third Rome. Goldfrank, however, claimed the Third Rome doctrine was an essentially defensive ideology elaborated to protect the rituals and authority of the early Russian Orthodox Church. “Not messianism,” said the speaker, “but a religiously defensive and politically aggressive pan-Orthodoxy influenced Muscovite and Imperial Russian foreign policy.” Yet in spite of this pan-Orthodoxy, which legitimated absorption of Belarus and Ukraine and protection of Orthodox within the Ottoman empire, said Goldfrank, Russia was in fact primarily interested not in Orthodox lands, but in the economically vital Gulf of Finland and the Baltic coast. As to the claim that Russia is a peculiarly expansionist power, Goldfrank asserted that Russia had expanded and contracted over time in the same way as had other nations: “Russian expansion across Siberia was analogous to the European expansion across much of North and South America in the seventeenth to nineteenth

centuries. Russia's rise as a regional great power in the fifteenth to seventeenth centuries witnessed the simultaneous rise or recrudescence of Poland, Sweden, Turkey, and Persia....And Russia's expansion at the expense of these four powers in the eighteenth and nineteenth centuries was accompanied by simultaneous gains by Europe's 'big four': Austria, Prussia, France, and Great Britain."

Goldfrank also attacked the notion that Russia employed uniquely subversive diplomatic and negotiating techniques that rendered her unwilling to cooperate with other states. Rather, he argued, Russia conducted balance-of-power diplomacy during most of its history. "Like other great powers, Russia found it quite unprofitable to flout the Concert of Europe or operate without a great power ally or two, and did so very rarely," he explained. "In this regard, Russia's attempts not so long ago to mediate in ex-Yugoslavia followed the normal nineteenth and early twentieth century policy of looking after some interests of Balkan Slavs within a framework approved by other interested powers." Finally, the speaker criticized the idea the Russia sought a universal empire, maintaining that it, like other colonial powers, conducted different policies in the "civilized" realms of the West and the older Asian empires of the East.

Turning to the Russian perception that Russia's autocratic state and occasional militarism are somehow needed in light of unique geographic disadvantages and consequent history of repeated invasions, Goldfrank was dismissive, calling this notion a mere justification of Russia's penchant for "bully tactics and armed diplomacy." An examination of the last 1,100 years of history, he remarked, reveals Russia as the biggest winner in the regional competition, with no special claim to a greater share of the human suffering endured by all native peoples of the area. Instead of attributing Russian foreign policy to geographic realities, Goldfrank made a case for the importance of political culture, whose fundamental continuities date to the eighth century. He characterized these continuities as "the habits and attitudes of the tribute-collecting empire, the tax-farming and tax-skimming middlemen, and the tribute-paying and tribute-evading plebeians....Russia's regional great power hegemony system," he concluded, "whatever shape it takes, will thus most surely conform in part to native, statist, tributary political traditions...and if Russia breaks up,

whatever replaces it will also have to conform to these traditions."

Goldfrank compared the contemporary disarray in Russian domestic politics to Muscovy's Time of Troubles in the early sixteenth century, "in which foreigners intervened and some regions asserted themselves." He noted, however, that the great majority of provincial forces eventually overcame these troubles and came together to re-establish a top-down, hierarchical Russian state. In the same way in which Russian princes reconstituted the empire of the Golden Horde albeit with different borders after its dissolution and provincial cavalries and urban elites reconstituted the Russian state after the Time of Troubles, organic ties among the newly independent states of the former USSR may well be recreated, implied Goldfrank. Far from objecting to a type of "Monroe Doctrine" for Russia in the near abroad, Goldfrank deemed it a natural occurrence, arguing that in the long run, imperial restoration depended more on domestic factors within the former Soviet republics than on the longings of Russian minority populations or the Russian military.

Western powers should seek to keep Russia within the great concert of powers by consistently supporting democracy and the rule of law and its development while discouraging territorial revision among the newly independent states, said Goldfrank. He claimed to prefer slow marketization to "shock therapy" in Russia and supported in particular the maintenance of inefficient state enterprises for an interim period. Such enterprises continue to produce goods for the domestic market and provide employment for Russian citizens, he said, "which not only gives them wealth, but also a sense that they are worth something.

—by Peggy McNerny

Vol. XI No. 2 1993

Russkost' and the Russian Right

"One aspect of the search for native soil in Russia today is the attempt to identify and separate out the *sovetskost'* from the *russkost'* in Soviet Russian literature," said **Kathleen Parthé** at a lecture at the Kennan Institute on **7 October 1993**. "The goal is to reconnect Russian literature with cultural and spiritual traditions long out of favor, to restore the break in Russian literary history and style that came, if not in 1917, then in 1934."

Parthé is Associate Professor in the Department of Foreign Languages, Literatures, and Linguistics at the University of Rochester and a former Research Scholar at the Kennan Institute. Examining the conversation about “*russkost*’ (Russian-ness)” which began among conservative writers and literary critics in 1985, Parthé explained that the term was used to distinguish ethnically and spiritually “pure” Russian writers from mere Russian language or “false Russian” writers.

Parthé’s presentation was based on a close reading of the literature sections of the conservative newspapers *Den*’, *Moskovskii literator*, and *Sovetskaia Rossiia*, and the journals *Molodaia gvardiia* and *Nash sovremennik* most of which were recently closed by presidential decree. Noting at the outset that she sought to explore the contributions of writers and critics to the ideology of the far right in Russia over the past few years, Parthé claimed their categorization of writers was indicative of the enormous changes in ethnic and cultural identity now occurring in Russia.

The collapse of Soviet Union presents a basic problem of typology for literature written in Russian after 1917, noted Parthé. Conservative nationalists object to the rubric “Russian literature of the Soviet period (*russkaia literatura sovetskogo perioda*), as “the use of *russkaia* to designate the entire canon is seen as an attempt to deny Russians control of their own literature and as part of a broader process they call cultural genocide.” These nationalists consider it essential to separate genuine Russian writers from “pretenders” in order to protect Russian culture from what they see as its numerous enemies. Underneath this concern for protecting Russian culture, however, lies “chauvinism as well as a power play for control of what they still feel to be the nation’s voice and soul and its most effective ideological tool,” said the speaker. Referring to a recent cycle of poems by nationalist writer Stanislav Kunaev entitled “*Imperiia, ia tvoi pevets* (Oh, Empire, I am Your Bard),” she claimed, “they want to be the imperial bards of a Russia that once again classifies its writers as pro- or anti-state and rewards or punishes them accordingly.”

With their sights on “protecting” Russian literature, past and present, as well as cultivating young writers, conservative nationalists have developed not only specific criteria for the model *russkii pisatel*’, but

elaborate theories about the deaths of famous literary figures transforming them into symbols of the Russian nation whose suffering has earned them the status of sainthood. Parthé interpreted this second phenomenon as part of a long historical tradition which first transmuted assassinated Russian rulers and later, writers who died tragic and violent deaths, into virtual cults based on the Russian Orthodox belief that the righteous dead can intercede with God on Russia’s behalf.

According to Parthé, nationalists envision the model Russian writer as: “ethnically Russian, at least nominally Orthodox, inflexibly righteous, politically conservative favoring a strong national state and a strong military, nostalgic for the empire, loyal to his Orthodox Slavic brothers but wary of foreigners in general, and a proud archaist who in his art adheres to the best traditions of Russian civic and moral realism.” This “model *literator*,” pointed out Parthé, bears a striking resemblance to the self-image of the *derevenshchiki*, writers of the 1960s and 1970s whose works became collectively known as Village Prose.

As for conservative nationalists’ theories about the deaths of such writers as Pushkin, Lermontov, Blok, Gumilëv, Esenin, and Mayakovsky, Parthé explained that “various international, masonic, cosmopolitan, and other anti-Russian forces are thought to have conspired to do away with Russia’s most talented and patriotic writers in order to weaken Russia as a whole.” Writers who died in duels are depicted as victims of evil plots; those who died of illness, of poisoning; those who were executed, of betrayal by “cosmopolitan Jewish Bolsheviks.” “The rhetoric of *russkost*’ does not merely defy logic in the conventional use of the term,” concluded Parthé, “it defies the very idea of logic, fact, intellect, rationalism, learning, and objective truth. The very use of facts by the opposition is suspicious somehow unspiritual and unRussian.”

“Once a culture is viewed in spiritual terms,” warned Parthé, “the division into martyrs and demons is automatic and far-reaching.” Although she said that contemporary rhetoric about *russkost*’ was largely a variation on old themes elaborated in the 1949 anti-cosmopolitan campaign as well as by such Slavophile writers as Dostoyevsky, she noted that the tone of such pseudo-philosophical musings had become much more aggressive than in times past, matching

the strident tone of far right nationalist writings on politics. On a more encouraging note, Parthé observed that few talented writers figured among this group and that many writers of genuine talent considered their theories ridiculous. (Some, like Tat'iana Tolstaya, have responded with parodies of nationalist theories attributing Jewish heritage to Russian writers they consider insufficiently nationalist.)

Of more interest, perhaps, two writers who were at the forefront of the *russkost'* movement in the 1980s Viktor Astaf'ev and Valentin Rasputin have distanced themselves from the ultra-nationalist movement to pursue private work: Astaf'ev, his own writing, and Rasputin, a recent ethnological study of Siberia. "Although Rasputin remains an *eminence grise* among the nationalists," said Parthé, "he is not writing the worst of the articles in *Den'* or advocating violence." She noted that many Siberian writers appear to have rejected Moscow and St. Petersburg as inauthentic Russian cities and have retreated to Siberia, where they hope to create a new Russian national culture.

—by Peggy McNerny

Vol. XI No. 3 1993

Shock Therapy the Right Choice for Russia?

"Economics does not float free of culture. Economics and culture come together, and economics [in Russia] can't work if the culture doesn't support it," contended Lynn Nelson at a lecture at the Kennan Institute on 19 October 1993. Nelson is Associate Professor of Sociology at Virginia Commonwealth University. "The shock therapy proposals that were implemented by the Yeltsin [team] did not grow out of the Russian economic tradition," asserted the speaker. "In fact, they were argued against very strongly by almost all Russian economists."

Nelson criticized the Yeltsin administration for rigidly adhering to Western economic theory in implementing economic reform and questioned the wisdom of "shock therapy" in Russia. Beyond failing to provide financial support to the new entrepreneurial sector, he claimed shock therapy provoked a drastic—and unnecessary—decline in production by trying to destroy the old command economy quickly while failing to pay sufficient attention to the transformation of existing production potential. He described shock therapy and privatization as reform from above that was more political than economic in nature. Citing Mikhail Gorbachev's

contention that the United States would never tolerate the kind of sharp economic decline produced by these policies, Nelson argued that America would find ways to soften the blow of painful structural reform and encouraged the Russian government to do likewise.

The speaker identified Yeltsin's relations with the Russian parliament as the biggest failure of his administration. Yeltsin, he argued, had an unprecedented opportunity to bring about real economic change after he was awarded emergency powers by the legislature at the end of 1991. Yet he squandered the opportunity by failing to work cooperatively with the parliament when it still supported him and his economic reform program in overwhelming numbers. "Yeltsin," he noted, "operates best in confrontational situations and creates them for his own benefit...he is not a person who knows how to work out relationships among opposing factions."

When the parliament expressed increasing doubts about the pace of economic reform in 1992, Yeltsin reacted by seeking increased presidential powers. "There is persuasive evidence," said Nelson, "that toward the end of 1992, Yeltsin began trying to circumvent and discredit the legislature rather than earnestly attempting to work with Russia's lawmakers in the propose-and-compromise fashion that is integral to political life in democratically organized nations." He cited in particular Yeltsin's proposal of his own draft constitution for consideration by the parliament in April 1992, his request for additional emergency powers in December 1992, his attempt to introduce presidential rule in March 1993, and the one-sided publicity campaign launched by the president prior to the April 1993 referendum.

After his failure to introduce presidential rule in March 1993, Nelson claimed Yeltsin launched a well coordinated anti-parliamentary campaign that western governments and the western media accepted wholecloth. Depicting parliamentary deputies as reactionary communist holdovers from the previous regime who constituted a barrier to reform, Yeltsin drove the Russian parliament into an extreme position by the summer of 1993, the speaker asserted. Many of these deputies had supported Yeltsin during the attempted coup of August 1991; voted to award him emergency powers in October 1991; and affirmed their support for

his economic plan as late as April 1992, when the effects of the January 1992 price liberalization were being increasingly felt by the population.

“Even if the Congress had been as uncooperative as Yeltsin said they were [in 1992 and 1993], his tactics to circumvent the legislature’s authority were indefensible within a democratic framework,” observed Nelson. He lamented Western support for Yeltsin’s recent dissolution of the Russian parliament, asserting that “dictatorial practices are now being promulgated [in Russia] with the complete and full support of Western governments.”

Richard Kaufman, General Counsel for the Joint Economic Committee of the U.S. Congress and currently a Fellow at the Woodrow Wilson Center, served as commentator for the lecture. Kaufman concurred with Nelson’s analysis of the roots of the political breakdown in Russia and his criticism of the media coverage of events in Russia, calling Western reporting on political developments “irresponsible.” Analyzing the Russian president’s troubled relations with parliament, Kaufman maintained the experience of the developing countries of Asia (especially South Korea, Taiwan, Singapore, and China) demonstrates that economic reform often moves forward much faster than political reform.

Kaufman pointed out that general lack of information about the Russian economy and abrupt shifts in policy on the part of the government were preserving the unpredictability and unfriendliness of the commercial environment in Russia. Nevertheless, he claimed real economic reform was taking place. “We must not lose sight of the successes of economic reform so far,” he said. “One cannot, either in an individual industrial plant or in a nation, simultaneously retool and expand—or even maintain—production.” Although he agreed that the Russian government should act to soften the blow of economic reforms, Kaufman contended that the Soviet centrally-planned economy had been destroyed and a vast restructuring and reorientation of priorities begun in Russia. Pointing to the sharp drop in military procurement and production in 1992, he noted: “Output is falling, but it is falling in large part for the right reasons.”

—by Peggy McNerny

Center Lacks Decentralization Strategy

The real danger threatening the integrity of the Russian Federation is not the drive of the republics and regions to obtain greater political and economic rights, but the inability of the central government to elaborate a viable policy of decentralization, argued **Vera Tolz** at a lecture at the Kennan Institute on **1 November 1993**. Tolz is Assistant Director of the Analytic Research Department of the Radio Free Europe/Radio Liberty Research Institute in Munich, Germany.

The crackdown against the regions that followed the central government’s suppression of the October 1993 violence in Moscow has produced temporary obedience among regional leaders, said Tolz, but this obedience will be short-lived. Curtailment of regional rights and reliance on a vertical power structure will only exacerbate secessionist tendencies in the Russian Federation and deprive the federal government of the broad local support it will need to implement market-oriented economic reform successfully, argued the speaker.

Yeltsin early established a pattern of promising the Russian republics additional powers in exchange for political support. He first employed this tactic in 1990, Tolz explained, when USSR President Mikhail Gorbachev attempted to turn these areas against Yeltsin when he became chairman of the now defunct Russian Supreme Soviet. Yeltsin went on to use this tactic repeatedly in the struggle over the constitutional division of power that broke out soon after the Federation Treaty was signed in March 1992.

In reality three treaties with three separate members of the Federation—the republics, the regions (*oblasti* and *kraiia*), and the autonomous *okrugi* and *oblasti*—the Federation Treaty represented the Yeltsin government’s first and, according to Tolz, most promising attempt to work out a policy of decentralization for the country. The treaty divided power between the center and the regions and awarded the republics considerable rights of self-government, including the right to conduct foreign trade and foreign policy. The most significant article in the treaty with the republics identified the land and natural resources of the republics as belonging to the people living in them, although another article specified that their ownership and use would be governed by both federal and republican laws

The Russian regions were dissatisfied with their second-class status and inability to control their own land and natural resources under the Federation Treaty. Both regional and republican elites demanded that the federal government work with them to develop specific legislation to support the Federation Treaty, which is general in most respects. These elites sought especially specific legislation regarding the use of natural resources, the development of a rational budget system, and the elaboration of rational conditions for the allocation of subsidies. The central government was not forthcoming, however, and by the summer of 1993 some regions were declaring themselves republics in an effort to obtain the same rights as republics.

The decentralization policy embodied in the Federation Treaty soon disintegrated into a power struggle between Yeltsin and the Russian parliament, said Tolz. Yeltsin wooed the politically vital republics with large subsidies while Supreme Soviet Chairman Ruslan Khasbulatov sought the support of the leadership of regional and local soviets. Tolz judged Khasbulatov's cultivation of regional and local legislatures far more successful than Yeltsin's attempts to win the support of the republics. As a result of both the Treaty and the battle for political power, the regions paid more taxes to the central government while the republics received more subsidies.

Neither the republics nor the regions wanted to support Yeltsin in his battle with the parliament, insisted Tolz. In fact, she maintained, republican and regional leaders several times acted together to prevent various drafts of a new constitution from being put to a referendum and forced Yeltsin to abandon plans for presidential rule in March. Even after both subjects of the Federation Treaty obtained additional concessions from the federal government during the Constitutional Assembly in summer 1993—the regions acquired the same rights as the republics in their dealings with the center and the republics achieved the definition of “sovereign states”—neither sought to have the draft adopted. Both declined to join Yeltsin's Council of the Federation as an interim body that could adopt the draft constitution prior to new elections. After Yeltsin dissolved the Russian parliament on September 21st, continued Tolz, regional and republic leaders twice tried to form a Council of the Members of the Federation intended to govern Russia

without the federal government until simultaneous elections for parliament and the presidency were held.

Had violence not occurred in the capital on October 3-4, Yeltsin might have been forced to compromise and hold simultaneous elections, held Tolz. Since then, the Russian president has drastically reduced the powers of the regions by disbanding local soviets (at the city level and lower) and ordering new elections for smaller regional soviets. By contrast, he has recommended to the republics that they hold new elections and reform their legislative organs. More important, the president has by decree created a vertical power structure of executive administration in the regions. All heads of regional administration will now be appointed and dismissed only by the President. These administrators will enjoy far greater powers than the elected legislatures with which they will work, explained Tolz, having the principal right to determine regional budgets and approving all legislation passed by regional dumas.

Although she did not foresee actual separatism on the part of the regions, Tolz insisted that some kind of viable decentralization was needed to encourage the regions and republics to cooperate in implementing economic reform. “One cannot proceed with market reforms and general democratization without decentralizing this huge country,” she concluded.

—by Peggy McNerny

Vol. XI No. 5 1993

People Outmaneuvered the Planners

The Soviet period can be seen as a demonstration that people will always carry more weight than plans, said **Antony French** at a Kennan Institute lecture on **15 November 1993**. Soviet society that most planned of all societies is now seen to have failed, and this failure represents both a failure of economic plans (*planirovanie*) and physical town plans (*planirovka*). French is Visiting Professor at the University of Minnesota, Minneapolis, and Macalester College, St. Paul; Senior Lecturer in Geography at University College in London; and a former Fellow at the Woodrow Wilson Center. In an overview of the history of urban development in the former USSR, French claimed that Soviet town planning consistently neglected the needs and wants of people, ultimately failing due to the actions of individuals in large numbers.

French described four periods of Soviet urban development: the 1920s, the Stalin era, the Khrushchev/Brezhnev period, and the *perestroika* years. Urban planning in the first dozen years of the Soviet regime, he explained, was guided by the conviction that there was to be a new socialist society. A lively debate took place throughout the 1920s about the nature of the future “city of socialist man,” eventually yielding general consensus on the basic principles of the new socialist town. The new town would be planned (preferably built from scratch on rural territory), of limited size, feature a great deal of greenery, divide work areas from residential areas with “amenity belts,” and ensure residents a limited journey to work. “Perhaps most important,” said French, “it was generally agreed that the planned city of socialist man was to be in itself social engineering. That is to say, [the city] itself would help create the new desired city and move people into a new form of society.” Stalin called off the debate in the early 1930s and in the end, said the speaker, the Constructivist group exerted more influence abroad than within the USSR.

French described the Stalinist era the second phase of Soviet urban development as a period “of no time for people and no time for plans, either.” Very few cities developed urban plans before the Second World War and those plans in existence were consistently overridden to serve the goals of industrialization, which pulled people into cities in large numbers without providing for increased services or housing. Powerful industrial ministries occupied land they considered most desirable in new and industrializing cities; in a city like Stalingrad (now Volgograd), for example, residential housing was built downwind instead of upwind from industrial factories.

There was essentially *no* investment for towns during the Stalin era, judged French. New towns were built where there had never been towns, but existing towns were left to cope with ever increasing populations on their own. “As a result, throughout the Stalin period one had increasingly appalling housing conditions so that by 1953, people were worse housed than they had been before the revolution,” he noted. The norm at the end of the Stalin era was an entire family living in one room. “All that the people got out of ‘Phase Two,’” remarked French, “were the ‘people’s palaces:’ the magnificent stations of the Moscow subway.” He noted, however, that the

Second World War prompted renewed efforts to save the heritage of the past the Soviet regime restored or recreated many of the summer palaces destroyed by Nazi forces.

Khrushchev and Brezhnev were left with the problem of housing the people, observed the speaker. Khrushchev in 1957 initiated a cycle of building large apartment blocks that lasted into the *perestroika* years. In this third phase of urban development, pressure to provide housing quickly resulted in the erection of shoddy, pre-fabricated apartment blocks that, according to French, were initially designed for a lifespan of only thirty years. The five-story buildings of the Khrushchev era, he explained, are now universally known in Russia as *Khrushchëby*, a word which combines the name of Khrushchev with the Russian word for slum (*trushchëba*). Although the housing drive never fulfilled its goal of providing an apartment for every Soviet family, people continued to stream into the cities in defiance of urban plans and the *propiska* system. “One way or another, people were making cities grow and the planners were trying to keep them under control. As a result, plans consistently underestimated the rate of growth and therefore became out of date,” said French. Overall, this period saw the populations of bigger cities increase while smaller towns suffered severe shrinkage.

French claimed *perestroika* marked the beginning of a fourth phase of urban development in the USSR. This period saw people begin to create the urban environment they wanted (and that urban plans failed to provide). In a process that has actually spanned the last twenty years, individuals increasingly exchanged apartments, trading space for location and developing socially preferred areas within Soviet cities. “This was certainly not what the plan envisaged,” noted French. Gentrification of older houses within city centers, the remodelled apartments of which were often distributed to the *nomenklatura*, demonstrated a demand for individual dwellings instead of ever-larger apartment blocks. Street markets, beginning with flower and vegetable stands, began to appear around break-of-journey points, such as train stations, in response to insufficient retail outlets. And increased car ownership put pressure on urban transport systems, particularly road networks, and led to the spontaneous creation of car parks.

Having lived in the Soviet Union under a planned economy and in Britain under

Margaret Thatcher, French claimed there had to be a middle ground between too much planning and no planning at all. He emphasized that urban plans must, first of all, pay attention to what people want and need (and will accept), and second, be flexible, so as to accommodate changing circumstances over time. Although the Western planning tradition is completely different from the Soviet approach, restrictive rather than prescriptive, French claimed that planners in the former USSR would probably adopt more of a Western approach over time. "One must go on training planners," he said, "but one needs to train them... not to forget the people."

—by Peggy McNerny

Vol. XI No. 6 1993
Regions, Not Center, Will Drive
Economic Policy

The surprisingly strong showing of extremist groups in the recent parliamentary elections in Russia suggests that relations between the Russian president and parliament will not be harmonious, observed **Erik Whitlock** at a Kennan Institute lecture on **13 December 1993**. Whitlock is a Research Analyst at the Radio Free Europe/Radio Liberty Research Institute in Munich. Such troubled relations will not allow for the kind of unified central government needed to create a well-functioning federal state in Russia, said the speaker. Given the incoherence at the center, Whitlock predicted that economic policy in the near future would be driven by the regions.

"The day-to-day economic situation, particularly in the provinces, is largely irrelevant to many decisions taken in Moscow," said the speaker. He argued that Yeltsin's power to determine the heads of administration on the local level was now far more important than the battle among various central government ministers to determine national economy policy. "Ultimately, [economic policy] will depend on what happens economically in the regions," maintained Whitlock. "And what is particularly relevant to people in the regions is not what Moscow does in the next few months, but who is going to remain in the position of making choices on ownership and price controls at the regional level."

Centrifugal forces that impeded the functioning of the Russian Federation throughout 1992 seemed to be abating by the end of that year, noted Whitlock. The sharp

regional segmentation of markets initially produced by the January 1992 price liberalization had attenuated; autarkic policy measures adopted by the regions to stabilize their economic situations were diluted; and many of the disputes over ownership of natural resources between the center and the regions had been resolved in deals giving each a share of newly-created joint stock companies.

Yet in 1993, the revenue sharing system between the center and the regions particularly the unified value-added tax broke down into a welter of bargains and exceptions that benefitted richer regions at the expense of poorer regions. Richer regions generally have exportable primary commodities, specified Whitlock, whereas many poorer regions have economies centered on defense industries. As income differentiation between regions increased, it also became apparent that regions differed in their capacity to profit from market reforms.

There was no escaping the fact that in 1993, the Russian Federation was held together by concessions from the center to the regions concerning taxation, national resource ownership, and foreign trade rights, remarked Whitlock. Such concessions created an essentially regressive revenue sharing system between the center and the regions. "Instead of a justifiable effort to combat income differentiation among regions," he remarked, "it appears that the richer regions are benefitting from these favoritism schemes."

Regions which received net subsidies from the center last year, which, according to Whitlock, included virtually all the republics as well as the Irkutsk and Kamchatka *oblasts*, enjoy a per capita real income significantly above the Russian national average. Foreign trade rights and export quotas also tend to benefit those regions which are already the wealthiest in the Russian Federation. Differences in profitability between domestic and international markets, he explained, mean that export quotas function to transfer additional resources to those regions which possess raw materials, especially in the energy sector.

Whitlock claimed there were several problems inherent in the process of the economic transformation of Russia. First, decentralizing a vertically-organized, centrally planned economy threatens the integrity of strong centralized government. Such decentralization does not, he noted, necessarily threaten strong federal government. Second, market reform in Russia entails changing the ownership relations

between various levels of government. The question of which state entity owns what property, pointed out Whitlock, is crucial to the privatization process. Third, the economic roles of federal and regional authorities must be redefined, just as the fiscal relationship between them must be altered. In general, maintained the speaker, the state must abandon direct management of the economy and move toward a role of limited economic intervention.

These problems have been resolved to date by means of bargaining and concessions, exacerbating income differentiation among regions. According to Whitlock, such differentiation will continue to grow and now threatens the integrity of the Russian Federation. Although the Russian state must withdraw from the supply side of the economy and deny itself a wide range of policy-making powers, he claimed sharp differences in regional income required a bigger state role in income redistribution. Such a role may bring the center into increased conflict with the regions, however, as income redistribution entails changing an industrial policy that presently supports successful regions, raising an already excessive tax burden on enterprises, and reducing current revenue sharing.

Whitlock insisted that a functioning, decentralized federal state was essential to the economic transformation of Russia, yet claimed the distribution of rights and responsibilities between the center and the regions remained unresolved. He pointed out that the Gaidar and Chernomyrdin governments, in spite of their stated goal of integrating regional needs into the formulation of national economic policy (i.e., into industrial, financial, social, and foreign trade policy), had acted in ways counterproductive to and destructive of the process of federation building in Russia.

The problem today, insisted Whitlock, is how to reverse the detrimental aspects of regional federalism that have been established over the past two years by means of concessions and privileges to various regions. "Russia," he concluded, "is still confronting a series of conflicts about who gets what in terms of economic powers across the board with regard to trade policy, revenue sharing, and tax revenue generation."

—by Peggy McNerny

Vol. XI No. 7 1993

Russia in Need of Moderate Nationalism

The principal interest of Russia today is to change its economic and political systems

in a relatively stable fashion, said **Andrei Tsygankov** at a Kennan Institute lecture on **20 December 1993**. Tsygankov is Assistant Professor at the Moscow Institute for International Relations and a Guest Scholar in the Cold War International History Project at the Woodrow Wilson Center. Russia needs to become a non-imperial state to achieve this transformation, practice a moderate isolationism with respect to conflicts in the "near" and far abroad, and remain relatively neutral in its relations with both the East and West. "Taken together, these steps imply a strategy of moderate, non-ethnic nationalism," said Tsygankov. He specified that he understood this term to mean a cultural nationalism that encompassed patriotism and pride in one's native country.

"Russia needs moderate nationalism today for two reasons: economic and cultural," asserted Tsygankov. Economically, he argued, Russia is too weak to become involved in military conflicts abroad. Culturally, the country is in need of a national idea that can unite its population. In fact, he continued, a national idea should be incorporated into the context of economic reform, an opportunity democratic politicians have almost missed.

Since the declaration of sovereignty of the Russian Federation in 1990, Russia has yet to develop a non-imperial Russian identity or a coherent foreign policy that can provide the Russian people an identity and enable them to survive this difficult period of systemic change, charged Tsygankov. He pointed out that Russian foreign policy should differ markedly from Soviet foreign policy, as the Soviet regime conducted foreign policy without consideration of national interests or coordination with representative bodies. Post-Soviet politicians in Russia, however, pay little attention to the Russian people or national interests, while a genuine civil society with institutionalized political parties has yet to be created in the country. As a result, contemporary Russian foreign policy, like its Soviet predecessor, largely serves the interests of ruling elites and not the nation.

Tsygankov claimed national interests were not simply political or economic, but a complex structure of interests that enable a nation first to understand its role in world politics, and second to do its best to provide its people with domestic security, prosperity, and well-being. He argued that national

interests could be well-understood and articulated only through a democratic process and predicted that it would require a long time to develop a post-communist identity and nationally-oriented foreign policy in Russia. Thus democracy remains one of the most important national interests of Russia today, he concluded.

Tsygankov claimed it was not in Russia's national interest to have Poland, the Czech Republic, and Hungary join the North Atlantic Treaty Organization. He nevertheless found the "Partnership for Peace" plan worthy of support as an instrument to keep Russia open to the outside world and moving in the direction of democracy. The suspicions and tensions that have arisen between Russia and the states of Eastern Europe as a result of the NATO issue and the strong showing of Vladimir Zhirinovskiy in Russia's December parliamentary elections are best resolved, said the speaker, by creating a multilateral regional security system that would include Russia, the East European states, Germany, the United States, and some eastern nations as members. "Germany," he stressed, "must be one of the major partners in the future Russian relationship with Europe."

The main priority of Russian foreign policy in the coming years, however, will be the "near abroad," i.e., the states of the former USSR. Basing Russian foreign policy in this region on the rights of ethnic Russians, as Foreign Minister Andrei Kozyrev and Defense Minister Pavel Grachëv appear to favor, would be a mistake, he argued. Tsygankov recommended instead a policy that stressed non-ethnic factors such as human rights, regional stability, and Russian domestic security in order to support the twenty-five million diaspora Russians.

Regarding military conflicts within the Commonwealth of Independent States, the speaker claimed the real question was whether Russian involvement in such conflicts served to maintain domestic stability or restore an imperial foreign policy. Russian involvement in the Abkhazian-Georgian and Armenian-Azeri conflicts clearly serves the latter, he remarked. "Intermediate efforts to use military forces on a multi-sided basis in order to prevent violence, as was done in Moldova a year ago, or to coordinate Russian peacekeeping operations with international partners in both the near and far abroad is one thing," he added, "but it is absolutely another

thing a dangerous thing to use military forces secretly in order to strengthen one of two militant sides."

Although Foreign Minister Kozyrev speaks openly of human rights and maintaining close relations with the West, Tsygankov criticized him for conducting a policy that uses military and economic means to return such states as Georgia, Moldova, and Ukraine into the Russian sphere of influence. Quoting Zhirinovskiy's contention that Georgia would crumble and rejoin Russia as a *guberniia* (province), Tsygankov claimed it was difficult to distinguish the aims of contemporary Russian foreign policy from the restoration of the USSR advocated by Zhirinovskiy. He pointed out that Kozyrev had campaigned for his seat in the State Duma on a platform of restoring the USSR "by peaceful means." Such a policy, he insisted, is absolutely not in the interest of Russia and serves only the interests of the ruling elite.

Should Russia prove unable to articulate a non-imperial identity, he warned, the alternative will not be a new totalitarian regime, nor a democratic government, but disintegration and civil war. The natural allies of policymakers in developing a new, liberal national identity, he said, will be found among the growing economic forces in Russian society (including some part of the enterprise director corps as well as new entrepreneurs), certain strata of the intelligentsia, and the current liberal opposition to the government.

—by Peggy McNerny

Vol. XI No. 8 1994

Strong Presidency Guarantor of Democracy in Russia?

"A strong president is, for the next two years, a more important guarantor of democracy in Russia than a parliament which is disunited and grasping for power," maintained **Alexander Rahr** at a Kennan Institute lecture on **13 January 1994**. Rahr is a Research Analyst at the Radio Free Europe/Radio Liberty Research Institute in Munich. Following parliamentary elections and the adoption of a new constitution in December 1993, Russia has become a presidential republic. President Boris Yeltsin now possesses sufficient power both to effect real change in the country and guarantee the kind of stability Russia desperately needs during the next two years, argued Rahr. At the outset of 1994, he asserted, the country is

more stable than in 1992 or 1993, with Yeltsin appearing to be the sole guarantor of Russia's path to genuine democracy.

Michael Dobbs, former Moscow bureau chief for *The Washington Post* and a Research Scholar at the Kennan Institute, disagreed with Rahr. If stability depends on a single leader, observed Dobbs, then the situation in Russia is decidedly unstable. Although Yeltsin enjoys greater constitutional authority than he did prior to the suppression of violence in the Russian capital in October 1993, his moral authority has diminished. Despite greater powers, the Russian president will probably be cautious in using them to push economic reform forward because he will then bear the political responsibility for such reforms, commented Dobbs. The two speakers discussed post-election Russian politics at a special lecture cosponsored with the U.S. Department of State and the RFE/RL Research Institute.

Rahr claimed that democratic institutions had the chance to develop under a strong presidency; a struggle over supreme power between the president and new parliament was unlikely, and the principal political struggle would now concern candidates for the 1996 presidential elections. Yeltsin's decision to firmly quell the violence instigated by supporters of former Supreme Soviet Chairman Ruslan Khasbulatov and Vice President Aleksandr Rutskoi last October was "a breakthrough to save the country from a possible counterrevolution," said Rahr. Although he conceded that the creation of a strong presidency indefinitely postponed parliamentary government in Russia, he contended that only a powerful presidency could now guarantee the stability needed to move towards democracy and a market economy.

Given that two-thirds of the deputies to the State Duma will form an anti-Yeltsin coalition, Rahr predicted that few laws would be passed by the body. Yeltsin, he said, will probably be forced to rule by decree, choose to ignore the Duma, and work exclusively with the upper chamber of the new parliament, the Council of the Federation. The Council is composed primarily of regional leaders who, according to Rahr, appear disposed to work with the president.

The strong showing of Zhirinovskiy and his Liberal Democratic Party in the December elections has sent Yeltsin the message either to establish an authoritarian regime of the

Pinochet type or face Zhirinovskiy in the 1996 presidential elections, said Rahr. If democratic politicians are to prevent the latter's victory in 1996, he continued, they must avoid exhausting battles in the Duma, concentrate on building regional structures, rid themselves of corrupt officials within their ranks, and, above all, develop a coherent concept of the Russian national interest. Rahr contended that only a candidate who is a "*khoziastvennik*," a manager of the Soviet type who can deliver on promises (such as Moscow Mayor Iurii Luzhkov or Prime Minister Viktor Chernomyrdin), could assure a pro-democratic victory in the upcoming presidential elections.

Michael Dobbs claimed that it would be a mistake to conclude that fascism has triumphed in Russia as a result of Vladimir Zhirinovskiy's strong showing in the parliamentary elections. Yet he warned that it would be an equally severe mistake to underestimate the phenomenon he represents. Dobbs attributed the vote for Zhirinovskiy and the Liberal Democratic Party (LDP) to a number of factors: the personal humiliation of everyday Russian citizens, who have seen their economic situation worsen while a small group of rich people profit under economic reform; an enduring popular belief in a political savior with a magic solution; Zhirinovskiy's superb television performances during the campaign; and election rules that banned all nationalist parties save the LDP. Dobbs suspected that popular support for Zhirinovskiy may have peaked; now that he is in parliament and people can see that he is dangerous, he noted, Zhirinovskiy may be unable to garner as many votes in a future election.

Considerable evidence indicates that Zhirinovskiy has ties to the KGB, asserted Dobbs. After getting into trouble with the authorities in the 1960s due to his political activities at Moscow State University, Zhirinovskiy was allowed to travel to Turkey as an interpreter in the 1970s. Soon after the LDP was formed in 1990, when he was virtually unknown, Zhirinovskiy had a publicized meeting with then Chairman of the Soviet KGB Vladimir Kriuchkov. The LDP has split several times since and former members have accused Zhirinovskiy of ties to the KGB. It is quite likely that Zhirinovskiy has now outgrown his original sponsors in that organization, added Dobbs.

Introducing democracy in Russia while implementing an economic and social

revolution presents a terrible dilemma, observed Dobbs. "The question is, who can implement this revolution? ...I don't believe a parliament responsive to the changing demands of its electorate can implement and lead a revolution which demands a vast amount of economic sacrifice and hardship. There has to be a strong executive of some kind." Where he differed with Rahr, said Dobbs, was in his estimation of Yeltsin's actual power. The constitution grants Yeltsin the power to dissolve the parliament, yet it is unclear whether he could successfully do so; likewise, it remains uncertain whether he will use his broad presidential powers to push forward economic reforms, given the possible political consequences of the reform agenda. Since the living standard of everyday Russian citizens is bound to worsen further before it improves, Dobbs concluded, "I think Russia is in for two to three very rocky years."

—by Peggy McInerney

Vol. XI No. 9 1994
Ambiguous Record of Russian
Constitutional Court

Despite an extremely difficult first two years, the Russian Constitutional Court has created a body of jurisprudence which represents a modest step toward the rule of law in Russia, said **Herman Schwartz** at a Kennan Institute lecture on **3 January 1994**. Schwartz is Professor of Constitutional Law at American University. Created in July 1991, the court began work in October of that year and worked continuously until October 1993, when it was disbanded by President Boris Yeltsin in the wake of his dissolution of the Russian parliament. The court referred to human rights in almost every decision it made during this period and repeatedly stressed the importance of the rule of law. If the economic situation in Russia can be stabilized, conjectured Schwartz, the work of the court may be judged as having moved Russia closer to a law-based state.

Given the political circumstances prevailing in Russia, one could argue that the Russian Constitutional Court had been doomed from its creation, said Schwartz. (He himself did not ascribe to this view.) In a country where law has historically emanated from the executive and judicial review has not been in force for over seventy years, the court was charged with upholding a Brezhnev-era constitution with some 320 amendments and was governed by a constitutional law com-

posed of 89 articles. Unlike the U.S. Supreme Court, which rules incidentally on constitutional matters when resolving litigated cases, the Russian court—like other European constitutional courts—was specifically designed to interpret and apply the Russian constitution and resolve constitutional questions.

Upon beginning work in October 1991, the court immediately received two highly controversial cases for review: one concerned President Boris Yeltsin's decrees abolishing both the Communist Party of the Soviet Union and the Russian Communist Party and confiscating their property; the other concerned a presidential decree merging the KGB with the Ministry of Internal Affairs. The decision on the latter case was handed down in January 1993, finding the decree in violation of the separation of powers mandated by the constitution. The decision on the ban of the Communist Party came later in the year and, in Schwartz's estimation, enabled both sides to say they had won: the Communist Party was allowed to organize at the grassroots level and part of the government's confiscation of CPSU property was found to have been within the law.

By the end of the court's first year in existence, said the speaker, it had made a signal contribution to the institution of the judiciary in Russia and was highly respected. Chief Justice Valerii Zorkin was then one of the most popular political figures in Russia. Both Zorkin and the other twelve justices of the court, however, adopted a highly visible and outspoken stance in defense of the constitution at the outset of their work. Zorkin personally spoke out constantly on television, radio, and in print about the need for a strong constitution and the imperative to abide by it. The Chief Justice was eventually drawn into the protracted power struggle between the Russian president and parliament, attempting to mediate disputes between the two several times in 1992 and 1993.

Characterizing Zorkin's defense of the constitution as completely proper for a jurist in his position, Schwartz argued that the prestige of the court eventually suffered more from the Chief Justice's political activism than from its unenviable obligation to defend the inadequate legal standards of the Brezhnev-era document. After having brokered an agreement between President Yeltsin and Supreme Soviet Chairman Ruslan Khasbulatov in December 1992 to hold a nationwide referendum on the issues dividing

the executive and the legislature, Zorkin abruptly changed his mind and began to campaign with Khasbulatov against the referendum—seriously undermining the distinguished reputation and goodwill he had enjoyed among Russian citizens. When Yeltsin announced his intention to rule by decree in a televised speech in March 1993, Zorkin immediately convened the court which, without examining the president's decree on the matter, ruled it unconstitutional. When the actual document was issued two days later, it contained no mention of rule by decree.

As the conflict between the Supreme Soviet and the Russian president deteriorated in the summer and fall of 1993, Zorkin began to appear allied with Khasbulatov and Vice President Rutskoi, said Schwartz. When the President dissolved parliament in September 1993, the court ruled his action an unconstitutional act—a ruling Schwartz did not contest. Yet Zorkin's attempts to broker another agreement between the president and the Supreme Soviet were unsuccessful and, after right wing nationalist forces attacked the Ostankino television station, Yeltsin suspended the Court and Zorkin resigned as Chief Justice under threat of arrest.

Schwartz conceded that the aggressive public stance of court justices and the political activism of Chief Justice Zorkin in particular had greatly damaged the movement towards the rule of law in Russia. Nevertheless, he maintained that such behavior had not necessarily dealt a fatal blow to the Constitutional Court as an institution in Russia: the U.S. Supreme Court overcame the legacy of the 1857 Dred Scott decision (denying Congress the power to prohibit slavery), as well as F.D.R.'s attempt to pack its membership during the New Deal of the 1930s.

The Russian constitution adopted by referendum in December 1993 creates a new Constitutional Court. Slated to have nineteen members, their nomination by the Russian president must be confirmed by the Federal Council, the upper body of the new parliament. Divisions in the new parliament and the requirement that a new constitutional law governing the court be approved by three-fourths of the State Duma make its immediate future uncertain. Schwartz noted in conclusion that Russia appeared to have a new constitution, but a constitutional court working under a constitutional law based on the previous, much-amended Brezhnev constitution.

—by Peggy McNerny

Vol. XI No. 10 1994

Print Journalism in Post-Soviet Russia

Official censorship died in Russia with the collapse of the Soviet Union in August 1991, but journalists are poorly paid, newspapers are scrambling to survive on limited advertising revenues, and the press as a whole remains highly vulnerable to government interference, said **Iurii Sigov** at a Kennan Institute lecture on **13 January 1994**. Sigov is a journalist with the Moscow weekly *Vek* and a Hubert Humphrey Fellow at the University of Maryland.

According to Sigov, there are four types of press in post-Soviet Russia: the pro-government or government press; opposition papers; the commercial press; and the so-called "independent" press which, if not independent financially, is at least so in expression. Pro-government papers are generally those financed directly by various branches of the Russian government; these include *Rossiiskie vesti* at present, and *Rossiskaia gazeta* and *Rossia* in the recent past. Sigov classified *Pravda*, *Sovetskaia Rossiia*, and *Iuridicheskaia gazeta* as the principal opposition papers. The last of these three is relatively unknown, said Sigov, but will soon become less so: its editor-in-chief, deputy editor, and domestic department chief were all recently elected to the State Duma on the party list of Vladimir Zhirinovskii's Liberal Democratic Party. Prime examples of the commercial press, which covers business and financial affairs, are *Kommersant* and *Delovoi mir/Business World*. Among leading independent papers, Sigov named *Moskovskie novosti*, *Nezavisimaia gazeta*, and *Segodnia*.

Given their paltry salaries—a good salary for an ordinary correspondent today is 40,000–45,000 rubles per month—Sigov claimed that most Russian journalists in truth work for themselves. Those who earn the highest salaries generally write about economic topics (as commercial papers pay better than general interest papers) or work part-time for a foreign paper or news agency. Many journalists, said Sigov, are leaving prestigious Russian newspapers and information agencies to work full-time for the Moscow bureaus of foreign media.

An exodus of talented journalists into commercial structures, both in Russia and abroad, is also occurring. With most newspapers largely dependent on their own budgets,

the number of foreign correspondents has plunged. Many of those previously posted abroad for such papers as *Pravda* and *Izvestiia* are becoming commercial representatives of Russian enterprises and work only part-time as journalists. In Russia, where journalism provides an opportunity to establish a wide network of contacts among government and business leaders, many writers are quitting the field for more lucrative positions in public relations or as press secretaries for political parties.

The importance of print media in comparison with that of television and radio has declined drastically in the past two to three years, said Sigov. However, he noted that electronic media remained firmly under government control, and journalists had far greater choices of employment in the print market (Moscow alone has 350 newspapers). Subscriptions have dropped drastically since 1991 and all papers, whether or not they receive government or commercial support, are increasingly dependent on advertising revenues. "If before newspapers were fighting for big circulation, now they are fighting for more advertising and less circulation," said the speaker.

The influence of central newspapers such as *Pravda* and *Izvestiia* has also declined over the past two years, while that of local and provincial papers has grown significantly. "Very few people in the provinces now read the Moscow press," said Sigov, asserting that provincial papers were very influential on the local level and would become more so in the future. Not only has the readership of central Moscow papers declined, journalists no longer want to move to Moscow, preferring to remain on the local level and cultivate contacts there. According to Sigov, some provincial journalists now travel abroad more often than do their Moscow colleagues. And although regional news agencies have emerged in the Urals and southern Russia, most local newspapers can only afford to subscribe to the ITAR-TASS news agency, which became state-owned in December 1993 by presidential decree.

Sigov lamented a clear lack of professional standards and claimed that the legal independence of the press in Russia was a fiction. No real responsibility is demanded from either individual journalists or their newspapers, he asserted, pointing out that facts are often not checked and people who were never interviewed are sometimes quoted

directly. The rise of commercial interviews—interviews with leading businessmen or bank directors that papers are paid to publish—have further compromised reporting standards. Sigov claimed this practice extended to political reporting as well, contending that a great deal of political advertising appeared in Russian newspapers prior to the December 1993 elections in the guise of interviews and articles.

Finally, Sigov argued that neither the Law on the Press nor the new Russian constitution guaranteed the independence of the press. "In Russia," he commented, "the boss is the law." He recalled the Russian proverb, "*Zakon—eto dyshlo, kuda povernesh—tuda i vyshlo*," meaning that the law in Russia follows the direction of the horse—it is the coachman who matters. Until ordinary citizens and journalists alike see the constitution work in practice, he continued, they will consider it nothing but a piece of paper.

Sigov noted that the Russian presidential administration regularly exerted pressure on newspapers and journalists critical of its policies, so much so that chief editors often sign articles prepared by others in order to forestall a court action against the journalist or the paper. A new consultative committee for press matters has now been created within the presidential administration in order to, in Sigov's words, "once again explain to newspapers what they have to write." This and the limited number of newspaper printing facilities (Moscow has three; most regions, only one) give the government all necessary means to assert direct control of the print media should it so decide.

—by Peggy McNerny

Vol. XI No. 11 1994 New Round of Russian Constitutional Reform Begins

The new Russian constitution adopted by referendum in December 1993 appears to be a transitional document, approved by less than one-third of all eligible voters of the Russian Federation (32.9 out of 106 million), said **Bakhtiyar Tuzmukhamedov** at a Kennan Institute lecture on **15 February 1994**. Tuzmukhamedov is Head of the Section on Public International Law of the Russian Constitutional Court and Assistant Professor of International Law at the Diplomatic Academy of the Russian Ministry of Foreign Affairs. He specified that his remarks in no way reflected the opinions of either institution. As the constitution did not win passage

in twelve national republics and ten provinces of the Russian Federation, its legal validity is not altogether certain, implied Tuzmukhamedov. In his view, the new constitution, together with the new Russian parliament's intention of introducing an entire new set of basic laws including criminal, civil, civil procedure, labor, family, and land codes marked the beginning of a new round of constitutional and legislative reform in Russia, the third such wave since President Mikhail Gorbachev first initiated constitutional reform in the Soviet Union in 1989.

Tuzmukhamedov faulted the new constitution for poor legal craftsmanship that rendered it vague and contradictory, the imbalance of power it created in favor of the executive branch, and the haste with which it had been written and adopted. Yet he also found the December 1993 document more "palatable" and noted that it more clearly defined the distribution of authority in the Russian state than had its predecessor. Although the new document includes the same set of internationally recognized human rights standards incorporated in the 1978 constitution by amendment, it differs from the previous version in several respects.

First, the new constitution makes it possible for the authorities to conduct search and seizure under federal law or under a court order; the previous constitution required either a court order or, in the case of an emergency, a court hearing on the legality of a search and seizure that had already occurred. Second, the list of conditions under which the state may derogate the rights and freedoms of its citizens has been extended to include protection of the defense and security interests of the state. The amended 1978 document, explained Tuzmukhamedov, permitted such derogation only to the extent necessary for the protection of the constitutional order and the lawful rights and interests of other individuals. Third, the new constitution names the Russian president as the guarantor of human rights and liberties, yet this role appears to be assigned to the judiciary in other provisions of the same document. "One might interpret this as being indicative of the president acquiring certain judicial powers," he noted.

The new constitution, Tuzmukhamedov continued, fails to distinguish adequately among three types of categories of laws constitutional federal laws, federal laws, and laws *per se* which it names

but does not define. Nor does it define the distinction used in its opening statements between the integrity of territory and state integrity. Finally, the 1993 constitution is less precise than its predecessor concerning the right of the Russian Constitutional Court to rule on the constitutionality of international treaties signed by the Russian Federation. The much-amended 1978 version allowed the Court to rule on treaties only prior to their ratification and approval, said Tuzmukhamedov, whereas the 1993 document merely specifies that the Court may rule prior to the entry into force of such treaties, creating the possibility that a treaty could be found unconstitutional after it has been ratified.

Robert Sharlet, coordinator of the Institution Building Rule of Law Program at ARD/Checchi under the auspices of the U.S. Agency for International Development, served as commentator for the lecture. He specified that his remarks did not reflect the opinions or policies of that program. Russian constitutional developments, said Sharlet, are taking place within a framework of turbulent political change associated with Russia's difficult transition away from a communist system and attempt to build a democracy and a market economy simultaneously. Pointing out that many scholars consider the Russian Federation an empire rather than a state, Sharlet argued that Russia today was primarily engaged in the task of state building. This process, he said, now bears the hallmarks of two post-Soviet republics, two constitutions, and two Constitutional Courts divided by an interregnum during which the previous parliament was dissolved and a new constitution not yet adopted. "Given the fact that we are dealing with a country going through a rapid transition," he remarked, "it would not be surprising if, in the next ten years or so, we speak of a third Russian republic, just as in over two hundred years of history there have been five French republics, three in rapid succession in a small span of time in the twentieth century."

Calling the new document the "Yeltsin Constitution," Sharlet noted that the powers accorded to the Russian president in several articles dispersed throughout the constitution resembled the concentration of powers accorded to the Communist Party of the Soviet Union in Article 6 of the 1977 USSR Constitution. The executive, he asserted, appears to be moving towards the usurpation

of both judicial and legislative power. Despite these deficiencies, Sharlet held out the prospect that the new constitution might be able to provide a framework within which “workable politics” could be developed in Russia, citing Walter Murphy’s argument that stable polities eventually developed within the framework of constitutions virtually imposed on other nations in this century, such as Japan and Ireland.

Neither Sharlet nor Tuzmukhamedov was certain of the status of the Federation Treaty signed in March 1992. Explicitly made a part of the previous constitution, it was not incorporated into the version adopted last December. Although the new constitution abrogates the previous version, theoretically abrogating the Federation Treaty as well, the interim provisions of section two of the December 1993 version interpret the treaty as still being in effect, although inferior to the constitution itself.

—by Peggy McNerny

Vol. XI No. 12 1994

Anatolii Koni and the Rule of Law in Russia

A liberal Russian jurist of the nineteenth century, Anatolii Koni was a noted advocate of the gradual reform of Russian society who, over the course of a lifetime in the Russian legal system, became an increasingly outspoken opponent of the tsarist regime, related **Mark Pomar** at a Kennan Institute lecture on **1 March 1994**. Pomar is Executive Director of the Board for International Broadcasting and a Guest Scholar at the Woodrow Wilson Center. In addition to his life as a jurist, Koni was a renowned man of letters whose writings appeared regularly in the journal *Vestnik Evrope*, as well as a biographer, literary critic, and occasional editor of Russian writers.

Born in 1844 into an educated middle-class family his father was a writer/translator, his mother a famous actress and novelist, Koni studied law under Boris Checherin at Moscow University and entered the Russian judiciary as a prosecutor in 1865. He worked to establish new court systems in Kharkov and Kazan’, settled in St. Petersburg, became a judge in his early thirties, and served as the presiding judge at the much-publicized Vera Zasulich trial of 1878. He later became the Chief Prosecutor of the Criminal Cassation Department of the State Senate in the 1880s, a Senator, and a Member of the Council of State under Nicholas II. Koni lived to see the beginnings of the Soviet state, was arrested for

criticizing the criminal code published in 1923, and died in 1927.

An ardent supporter of the jury trial in Russia, Koni considered that institution a bridge which would bring the Russian masses, the *narod*, to participate in the larger framework of Russian society, teaching them the rudiments of civic behavior and legal consciousness. Likewise, said Pomar, Koni viewed the jury trial as an educational tool for those in power, believing the government could use the institution to determine and understand popular feelings. When juries were attacked for a high acquittal rate, said Pomar, Koni urged critics to look at the crimes for which defendants were acquitted mostly crimes against the state involving passport laws and heed the message that the people did not see such transgressions as crimes.

As Koni spent his life immersed in the legal reforms begun under Alexander II, the jurist’s biography sheds considerable light on the ambiguous nature of the Russian judicial system and the rule of law in Russia of the late nineteenth century, argued Pomar. The reforms of 1864 introduced an independent judiciary and basic rule of law to which all citizens in principle were subject, including the autocrat, explained the speaker. The tsar, however, retained the right to rise above the law; this basic ambiguity of authority was never resolved in the imperial period. Introduced with great fanfare and noble liberal intentions in the 1860s, the judicial system came under assault for the remainder of tsarist rule, said Pomar, and Koni found himself at the heart of the struggle first to establish and then to defend such basic institutions of western legal practice as the jury trial. Although committed to evolutionary change, in the face of growing imperial intransigence, Russification, and the denial of rights to religious minorities, Koni slowly became a staunch opponent of the tsarist regime. Yet Pomar noted that neither Koni nor his liberal jurist colleagues, all imbued with European culture, questioned the idea that a powerful state was a necessary instrument of progress and enlightenment.

Marc Raeff, Professor Emeritus of History at Columbia University, served as commentator for the lecture. Although most memoirs and information available about the practice and application of the 1864 reforms focus on criminal law, Raeff argued that the development of civil law in Russia in the late nineteenth century was of greater impor-

tance. "It would seem to me that civil law would be a paramount element...as it was only thanks to a civil law that recognized aspects of corporate law, contracts, and so on, that Russian society could move in the direction of a modern, Western, capitalist (whether we like it or not), industrial society." He insisted that Russian norms and practices of civil and family law were crucial for a full understanding the Russian legal tradition and making that tradition relevant today.

The legal reforms of the 1860s, said Raeff, introduced a foreign model based on French and German legal tradition whose sources of inspiration differed greatly from those of both Petrine and pre-Petrine Russian law. He then made a tentative case for the argument that the reforms resulted in two parallel legal systems which did not interact sufficiently to make the new legal tradition a genuinely living one. Whether the real Russian legal tradition was the bureaucratic practice introduced by the Petrine state or popular customary tradition and the civil legal practices of peasant communes and peasant society, he added, was another question, significant in its own right.

Raeff pointed out that the Russian nineteenth-century debate over the value of the jury trial, unlike its western European counterpart, took on a moralistic dimension because the two major sets of actors in the judicial system the judges, lawyers, and, prosecutors who implemented the reforms and the simple folk who made up the juries came from very different backgrounds. Such differences in "legal consciousness" and cultural norms dominated the implementation of the 1860s reforms, continued Raeff, and were perhaps the source of the ambiguity of the system they created. Koni himself, he noted, was ambivalent in his instructions to juries, providing didactic guidelines, yet appealing to their sense of transcendent social-psychological truth. The idea of law as a tool for education, pointed out Raeff, is contrary to, or at least interferes with, the idea of law as a tool for resolving conflicts of interest among individuals or groups.

A clearer picture of Russian legal practice in the nineteenth century, said Raeff, can only be attained by closer study of peasant courts. One must determine, he said, whether these courts were developing a viable tradition prior to the revolution or whether, by codifying customary law, they were actually destroying what was peculiar

to this law and thus preventing its growth and development over time.

—by Peggy McNerny

Vol. XI No. 13 1994

Lack of Credit Constrains Business in Russia

"My problems in Russia can be reduced to one single fact," said businessman **William McCulloch** at a Kennan Institute lecture on **14 March 1994**, "there is no credit to do almost anything except trade. If you want to invest and build and produce, where do you get the money?" McCulloch is President of the Russian Development Corporation of Washington, D.C. His business activities in Russia include work on a U.S.-financed project to build housing for demobilized military officers in Volgograd; a telecommunications project in Ekaterinburg; and some small-scale real estate investments.

"When you ask the Russians what they want," said the speaker, "there is, surprisingly, a lot of cash; and if you structure things correctly and provide [the desired goods] on credit, you can accomplish a great deal." According to McCulloch, there is high effective demand in Russia for two essential goods: housing and telephones. The problem in meeting this demand, he explained, lies in finding an institution that can understand it from the supply side and extend the credit required for such projects.

McCulloch first worked in Russia as a consultant in Ekaterinburg on a project funded by the U.S. Agency for International Development; at present he operates a small company that employs two American and four Russian consultants. He emphasized that it was difficult, but possible, to operate effectively at low cost in Russia. McCulloch is working with the major bank and telephone company of Ekaterinburg to raise funds in Russia for a telecommunications system for the city. Telephone subscriptions are sold in rubles by a German firm set up for that purpose, the rubles converted into Deutsch marks and invested; the hard currency investment is then used in negotiations with large telecommunications companies to secure the best price on equipment and as a guarantee against other sources of credit. "We've figured out how to pay for [the project]," said McCulloch, "now we're trying to get the best price on the equipment."

The speaker offered two principal thoughts on doing business in Russia: a Western businessman needs the right Russian

partner and must personally supervise his investment in the country. The key, he contended, is the right partner one with whom a basis of trust is established over time. "You cannot bring in an army of New York lawyers and have an ironclad deal. You have to have a clear understanding with the right partner about what you are doing," he said. Such an understanding, he said, then makes it possible to negotiate one's way through the Russian political, economic, and banking systems.

Among the obstacles to doing business in Russia, McCulloch cited an extremely harsh environment (in the physical, psychological, political, institutional, and macroeconomic senses); corruption; a confiscatory tax system; legal uncertainties; the lack of credit; an atrocious domestic airline; pollution and health problems; and finally, rising unemployment and low incomes that limit effective demand. Nonetheless, the speaker claimed that more effective demand existed in Russia than most people realized. On the positive side, he noted a significant and growing private sector; a new Prime Minister who has the chance to operate a more effective and stable government; and, in the closing months of 1993, a significant stabilization of the ruble and a serious decline in inflation.

Early during his first visit to Ekaterinburg on business, said McCulloch, an acquaintance advised him to contact the organized crime syndicate in the city, known in Russia as a "mafia." If one approaches the "mafia" first, went the advice, they will agree to a reasonable percentage of the profits of a business venture; if such a group finds you, the percentage demanded will be much greater. McCulloch said he understood that bank clerks sell banking information to organized crime groups; the latter then generally demand ten to twenty percent of the money flowing into a businessman's account.

If McCulloch did not wish to deal with the "mafia," his acquaintance counseled that he should deal with the militia; if not with the militia, then with very important government officials. "The important thing for you to remember," said the acquaintance, "is not to do business alone." McCulloch claimed organized crime was a major presence in Ekaterinburg, a city which, like Odessa and Rostov-na-Donu, has been historically linked with "mafias." Only as profit margins decline are such groups displaced, he remarked, arguing that competition helped to even out the playing field. "I only know one approach,

and that is to have enough people doing enough things so that some competition gradually develops to keep them in place," he concluded. His personal advice to Western businessmen was to avoid Moscow precisely because of organized crime syndicates operating there.

In McCulloch's opinion, assistance efforts of bilateral and multilateral organizations in Russia have been too slow and are providing neither the quality nor the quantity of support needed by the country. "They are simply not getting the job done," he remarked. The problem, he specified, lies with the reliance of the advanced industrial nations on international lending agencies rather than on bilateral government agreements. Only the latter can provide Russia with the volume of funding needed during these very unstable times, he asserted.

Given the hardships the Russian people have had to endure as a result of economic reform, McCulloch said he found their will to continue with this reform impressive. He then turned present wisdom about investing in Russia upside down. "You hear people say, 'Well, if only the Russians would restore law and order and get their macroeconomic act together, we could come in and do business.' I think," he concluded, "that it's the other way around: it's coming in and doing business that will gradually increase the competition that will slowly return Russia to a more normal way of life."

—by Peggy McNerny

Vol. XI No. 14 1994
Peasant Culture and Urban Migration in the 1930s

"The 1930s in the Soviet Union witnessed rural-to-urban migration on a scale unprecedented in world history," said **David Hoffman** at a Kennan Institute lecture on **21 March 1994**. Hoffman is Visiting Assistant Professor of History at Cornell University and former Short-term Scholar at the Kennan Institute. "Twenty-three million peasants moved to Soviet cities in a span of just ten years...by 1939, nearly half the entire Soviet urban population consisted of former peasants who had moved to the city within the decade." Did the Soviet regime succeed in imposing a new identity on these peasant immigrants to the city or, to the contrary, did peasant culture imprint itself on the Soviet system during these years? Peasants were not transformed into "new Soviet men," an-

swered Hoffman, but neither did they remain unchanged by urbanization. Rather, peasant identity in the cities underwent an evolution in which rural traditions were selectively adapted to the needs of urban life, creating a kind of urban peasant subculture.

The Soviet state, said the speaker, did not control the massive wave of urbanization prompted by the collectivization of agriculture and rapid industrialization peasants simply fled collective farms in large numbers and poured into the cities in search of work. Yet Hoffman claimed this migration was not chaotic. "Peasants proceeded along well-defined routes to highly specific destinations," he argued, "their movements were based on a flow of information from peasants already living in the city." *Zemliachestvo*, which Hoffman translated as "village networks," facilitated chain migration in which peasants joined relatives or fellow villagers already living in a city. These networks then provided the foundation for self-help societies that were established in urban peasant communities (usually barracks or shantytowns located in isolated areas at the edges of cities) to provide material aid and guidance to new immigrants. Artels, groups of peasant laborers who travelled and worked together under the direction of a village elder, pooling wages and sharing expenses, provided another kind of collective security for peasants new to the city.

The patterns of migration produced by these traditional peasant mechanisms in turn affected residential housing patterns and the shape of the urban workforce in Soviet cities. Clusters of fellow villagers ended up living in the same neighborhood and working in the same factory or at the same construction site. "These concentrations of fellow villagers tended to undercut managerial authority in Soviet industry," said Hoffman. "As it was, managers were unable to train the thousands of new workers arriving every year in their factories or at their construction sites." Newly arrived peasant workers turned to fellow villagers to learn how to work and, instead of strict labor discipline and time orientation, learned lax work routines and avoidance of production norms. Artels likewise functioned to reduce the authority of Soviet managers often dependent on artels for crucial construction tasks as members took orders only from the artel elder.

Soviet authorities, conscious of having created a Marxist, working-class revolution in

an overwhelmingly peasant country, saw the 1930s as a moment of truth, maintained Hoffman. "These millions of peasants moving to the cities and joining the industrial work force," he noted, "at last offered them the chance to create a large, politically supportive proletariat upon which the socialist order could be built." To take advantage of this opportunity, the regime instituted political and cultural educational programs for peasant immigrants. Posters, novels, and films broadcast the desired image of clean, efficient, self-denying workers dedicated to the Soviet regime. The intent of these educational efforts was not entirely manipulative, noted Hoffman; the Marxist convictions of Soviet leaders led them to believe that peasants would develop a political consciousness and transfer their loyalty to the Soviet state once their relationship to the means of production was changed.

Yet the regime's attempt to instill a new identity among peasants failed, largely due to the false assumption that peasants lacked culture and could be easily molded into the "new Soviet man." Clusters of fellow villagers in neighborhoods and workplaces allowed immigrants to preserve a form of peasant culture in the city. Whereas some traditions, such as harvest festivals, were discarded, other peasant cultural forms were maintained or adapted, as in the case of songs that reflected life in the city. In other cases, new cultural forms were adopted, but imbued with traditional meanings. Pictures of Lenin, for example, were hung alongside icons not in homage to Lenin as the founder of the Soviet state, but because peasants attributed a quasi-religious meaning to these portraits. Urban peasants had their own way of understanding the world and their place in it, argued Hoffman, with their own customs surrounding marriage, family, and kinship. This modified form of peasant culture provided them an identity which frustrated the regime's efforts to make them into model proletarians.

Eventually the Soviet regime turned to more traditional appeals to build allegiance to the state, initiating a major shift in ideology in the late 1930s. A new emphasis was placed on morality, respectability, and strengthening the family unit, and a revival of Russian nationalism occurred. This shift dubbed the "Soviet Thermidor" by Trotsky was the result not only of the failure to produce a supportive working class, but of the insecurity of peasants and workers promoted to positions of authority in the government bureaucracy during the

decade. Uneducated and lacking administrative experience, said Hoffman, this group sought to secure its new status by becoming "respectable." The great political and social instability of the era, together with the rising danger of fascist Germany, most likely also contributed to the ideological shift. Appeals to patriarchal authority and Russian nationalism provided the regime with the support it needed in the short-run, allowing it to emerge victorious from World War II. In the long-run, however, Hoffman noted that such appeals created unresolved contradictions within Soviet ideology and exacerbated relations with ethnic minorities.

—by Peggy McNerny

Vol. XI No. 15 1994

Science in Siberia: In Crisis, But Not Dying

Built with great fanfare in the late 1950s, the Siberian branch of the Russian (formerly USSR) Academy of Sciences became the most concentrated complex of advanced scientific research institutions in the world before sharply deteriorating in the late 1980s, said **Evgenii Vodichev** at a Kennan Institute lecture on **21 April 1994**. Vodichev is an Adjunct Professor in the Russian Area Studies Program at Georgetown University and a former Short-term Scholar at the Kennan Institute. Centered in the town of Akademgorodok near Novosibirsk, the Siberian Division of the Russian Academy of Sciences now employs 34,000 people (including 11,000 researchers) in 97 research organizations located primarily in Akademgorodok, but also in Irkutsk, Tomsk, Kemerovo, and Krasnoirsksk.

According to the speaker, four reasons lay behind the creation of an immense multidisciplinary, scientific research center in Novosibirsk-Akademgorodok. First, the policy of accelerating economic growth in the eastern part of the USSR in the 1950s led to a consensus among political leaders and academicians that scientific research in Siberia needed to be reorganized. Second, Soviet scientists saw in the proposed research center an opportunity to advance their own careers and research agendas. Third, construction of the center corresponded with the *sovnarkhozy* reforms of Khrushchev, which transferred economic management in the USSR from branch to territorial organization. And finally, the growth of the military-industrial complex in Siberia prompted the Soviet military to support the creation of a scientific research center in the region.

In 1957, a decree united existing research institutions in Siberia and the Far East in a Siberian Division of the Academy of Sciences (Russian acronym: SO AN SSSR). The decree simultaneously created a variety of institutes dedicated to different disciplines in Akademgorodok. Novosibirsk University, a small, elite institution conceived as a bridge between the worlds of higher education and applied scientific research, was established in 1959. The agglomeration of so many research institutes in one place far from the political capital created a special ethos of pure science in Akademgorodok, which Vodichev described as an "ivory tower of academic freedoms." Frustrated elsewhere in the Soviet system, many scientists and their students found rapid career advancement, material advantages, and relative intellectual freedom in the science town.

Whereas Akademgorodok symbolized the great successes of Soviet science in the 1960s, said Vodichev, the 1970s saw it begin to draw criticism for problems that eventually contributed to its decline: the monopoly atmosphere of its institutes; their isolation from other research centers; and the elite culture of the town. Today, Akademgorodok no longer receives the substantial funding formerly provided by the central government. Its enormous concentration of highly educated, skilled research scientists has become a liability in today's market economy. Increasing numbers of scientists, primarily those in the 30-49 age bracket, are leaving science altogether or emigrating abroad to live and work on a permanent or long-term contractual basis. This emigration will most likely be a catastrophe for certain scientific disciplines as well as for the training of a new generation of Russian scientists, said Vodichev, although it remains unclear which disciplines will suffer most from the attrition.

Science in Siberia is in crisis, but not dying, he concluded. Although the system of scientific research and training in Russia must be drastically reorganized, Vodichev contended that such reform would not succeed until economic incentives for innovation exist in the Russian economy as a whole.

Harley Balzer, Director of the Russian Area Studies Program at Georgetown University and former Research Scholar at the Kennan Institute, served as commentator for the lecture. Balzer took issue with the assumption that the crisis in Siberian science began under Gorbachev, arguing that "islands of excellence" in the Soviet scientific

community had been purchased at an enormous cost to Soviet society as a whole and Soviet science in general. He noted that the immediate economic crisis tended to obscure such long-term processes of decline as the aging of scientific personnel, international isolation, and the lack of supplies and equipment. Balzer pointed in particular to the abysmal links between science and manufacturing in the USSR and the process by which the Soviet military, through its hold on the national budget, forced projects on the scientific community that not only adversely affected funding for all other areas of science, but resulted in horrendous environmental damage.

Balzer maintained that Vodichev's presentation left the question of the identity of Akademgorodok unresolved. Whereas Vodichev made clear that the center was intended to serve both the military-industrial complex and industrial production, Balzer noted that the founders of Akademgorodok perceived it as a bastion of pure science. Three great spurts in the development of science and the training of scientific researchers occurred in the USSR (1928–34, the period of World War II, and 1956–62), he said. All three resulted from pressure applied by the Communist Party and the military on the Academy of Sciences. It is perhaps fair to observe, he remarked, that the Academy used these periods of pressure both to perform as required and to obtain something extra for itself at the same time.

Turning to the present day, Balzer noted that no science lobby exists in the Russian Parliament. "For most of the Soviet period," he said, "scientists took it for granted that what they were doing was important and didn't have to justify it." He predicted that it would take some time for Russian scientists to learn to make a case for the funding of pure research. Balzer faulted the present Russian leadership, especially that of the Academy of Sciences, for avoiding the hard questions involved in reorganizing Russia's scientific community. Their reluctance to ask difficult questions may lose them the opportunity to manage this reorganization, he concluded, leaving it to be shaped instead by the forces of raw capitalism.

—by Peggy McInerney

Vol. XI No. 16 1994

Russian Labor Unions Independent, Not Necessarily Free

Independent labor unions in contemporary Russia are generally small and their

power lies at the local level, said **Thomas Bradley** at a Kennan Institute seminar on **12 May 1994**. They have had better success in building horizontal structures than vertical ones, with national union leaders only beginning to understand the necessity of developing programs for their membership. Bradley is a professional union organizer for the AFL-CIO, for which he recently served as Russia Country Director in that body's Free Trade Union Institute. He maintained that all independent labor unions in Russia today face the problem of attracting new members. "If the old [Soviet] trade unions are ever to reform," he emphasized, "they are going to have to feel pressure from new trade unions."

The enormous Soviet trade union apparatus, now renamed the Independent Trade Union Federation of Russia (Russian acronym: FNPR), remains in existence, wields considerable power, and has shown little inclination toward reform. Under the Soviet regime, explained the speaker, trade unions essentially functioned to maintain worker discipline (in a production sense), sustain ideological purity, and suppress grass roots trade unions that might spring up. Bradley held that the real power base of these unions was not the workers, but mid-level managers of Soviet enterprises, who remain their constituency to this day. "These trade unions are now independent...of their members," he said. With two or three exceptions, most of the old-style Soviet labor unions still have no mechanisms for worker input into union policy, no genuine elections, and do not see their mission as defending workers' rights. "They are still in the business of distributing scarce goods," remarked Bradley, "which appears to be their one and only *raison d'être*."

Although legislation has removed the Russian social security fund from the control of the FNPR, the same people appear to remain in charge of the fund, observed the speaker, which covers workers' sick leave, vacation pay, pensions, and the like. Most of the old Communist labor unions are rich in assets, owning major office buildings in every Russian city and over 250 resort properties, each of which amounts to a small town. According to Bradley, only three unions have broken away from the FNPR and reinvented themselves, with varying degrees of success. The metallurgy workers' union is attempting to reformulate itself from above, with president Boris Miskin working with

grassroots factions to replace top-level managers and implement a system that permits worker participation. The dock workers' and seafarers' unions have also striven to make worker interests their number one priority, said Bradley. Efforts in the same direction by oil workers' and timber workers' unions, on the other hand, have been less successful.

In addition to these breakaway unions, Bradley described three kinds of new, independent labor unions in Russia: professional, umbrella, and "commercial." Professional unions evolved out of strike committees during the *perestroika* years and strictly limit their membership to a certain profession. Bradley considered the three principal professional unions the NPG (miners' union), the pilots' union (actually two unions), and the air traffic controllers' union the bedrock of independent labor in Russia today. Umbrella unions, by contrast, function to affiliate independent, enterprise-based unions to the center in Moscow, performing social security functions in some cases, providing legal services in others, and generally allowing them to exist in the east of the country. "Commercial" unions are formed by cooperatives which need unions to provide their workers with social security and pension benefits. Cooperative owners are generally members, if not the leaders, of such unions. Although the interests of these two groups will most likely diverge in the future, Bradley observed, "right now, they are in a special limbo that occurs when a monolithic system tries to unwind itself into a tripartite system."

Bradley went on to describe a deep and enduring legacy of totalitarian rule that affects contemporary Russian labor relations. Strict membership rules for professional unions, for example, appear to be a reaction to the Soviet union practice whereby everyone in an industry, from the janitor to the minister, was a member of the same union. The fact that independent union power is strongest at the local level and has yet to build powerful vertical organizations can also be seen as a reaction to decades of centralized power. Finally, Russian workers have emerged from the Soviet system, in Bradley's words, "disillusioned, mistrustful, and lonely." A telephone poll conducted for FTUI by Aleksei Simonov and the *Glasnost*' Foundation reported that 90-95% of all workers interviewed placed absolutely no trust in old trade unions, new trade unions, the militia, political parties, the

army, the national government, or local government. "They only trust people who are in their immediate circle, friends and family," noted Bradley. "Everybody else is a stranger and perhaps even a potential problem." He claimed a dangerous political vacuum exists among workers that makes them potentially susceptible to rightist political extremism. Fascism in Russia, as in Weimar Germany, could become increasingly attractive to a dispirited, defeated, politically unsophisticated electorate living through an era of hyperinflation and injured national pride, he warned.

Despite their record of support for Boris Yeltsin during times of crisis, independent labor unions have yet to receive meaningful backing from the Russian president, who continues to extend support to the FNPR. Bradley held that two schools of thought on labor unions exist within Yeltsin's administration. One school, apparently led by Chairman of the Council of the Federation Vladimir Shumeiko, advocates retaining the old unions because they are capable of controlling the workers during the painful transition to the market. The other school, apparently led by Sergei Filatov, head of the presidential administration, argues that the old unions are anachronistic and that instead of being controlled, workers should be given a voice in the debate on reform. Unfortunately, observed Bradley, the Shumeiko school seems to have the president's ear at present.

—by Peggy McNerny

Vol. XI No. 17 1994

**Russian Legal Reform and the Case of
*Izvestiia***

The struggle of the newspaper *Izvestiia* to establish its independence first from the Soviet and then from the Russian national legislature illustrates key legal issues at play in Russia's transition away from a command economy, said **Frances Foster** at a Kennan Institute lecture on **6 June 1994**. Foster is an Associate Professor at the School of Law of Washington University in St. Louis. The *Izvestiia* case primarily concerns questions of economic ownership, regulation, and the proper balance between the survival of the media and its independence from governmental authority during a time of transition. Perhaps the most important function of the case, however, is the light it casts on the process of law making in Russia today an *ad hoc*, disorganized procedure characterized by

a disregard for law and a penchant for personal, not institutional, resolutions.

According to Foster, *Izvestiia* clearly chafed under the control of the USSR Supreme Soviet during the final years of the Gorbachev regime. Seizing the opportunity to achieve independence during the failed coup of August 1991, it published Boris Yeltsin's appeal to the citizens of Russia for a general strike. Following the coup's collapse, the journalists' collective threw off the supervision of the Presidium of the USSR Supreme Soviet the paper's legal founder and the body to which it had been subordinate and fired the editor-in-chief. The paper then obtained a re-registration certificate from the Ministry, elected a new editor-in-chief, and appeared as an independent newspaper on 24 August. The new *Izvestiia* announced it would no longer automatically publish official legislation and began to publish articles highly critical of political leaders at all levels.

Izvestiia's critical tone eventually landed it in trouble, said Foster. After it published a March 1992 article accusing Russian Supreme Soviet Chairman Ruslan Khasbulatov of constitutional violations and human rights abuses, a struggle for control of the paper ensued. The conflict, said Foster, soon became "a parody of the established legislative procedures of the time." Khasbulatov initially attacked the paper at a meeting of the Supreme Soviet Committee on the Mass Media in late March. He then proposed revoking the paper's independent status and restoring it as the official organ of the Russian legislature during a session of the Congress of People's Deputies in early April, citing concerns about fiscal mismanagement and the paper's purported one-billion-ruble debt. *Izvestiia* responded by filing a court action for defamation; Khasbulatov then requested the Russian Federation Procuracy investigate the newspaper.

A long and convoluted struggle followed in which the Supreme Soviet attempted to revoke the paper's independence on the basis of the USSR Law on the Press in effect in 1991, when the paper declared itself independent. The Russian Ministry of the Press refused to enforce a Supreme Soviet Presidium resolution to this effect. Several Supreme Soviet deputies then petitioned the Russian Constitutional Court to review the resolution's constitutionality. Russian President Boris Yeltsin issued a decree that began a battle for the *Izvestiia*

publishing complex, one which eventually saw Supreme Soviet parliamentary guards dispatched to the publishing house and newspaper editorial offices. A plethora of presidential decrees and laws followed. When the Constitutional Court found the Supreme Soviet resolution unconstitutional in May 1993, *Izvestiia's* legal and political status appeared secure, but the question of the paper's economic ownership remains unresolved.

Foster argued that the *Izvestiia* case held several lessons regarding law making and law enforcement in Russia. First, the struggle for control of the newspaper reveals the difficulty of integrating differing legal regimes from different periods of history, a problem that continues to plague Russia today. In the case of *Izvestiia*, the legislature and president fought over which law on the press was in force, that of Russia or the USSR. Today, it is unclear what laws are in effect in Russia, those passed by the Supreme Soviet dissolved by President Yeltsin in September 1993 or the decrees issued by the President since that time. Second, the case demonstrates a consistent disregard of procedural norms in Russia, where laws are adopted unsystematically in a process that excludes the input of the public and sometimes legislative parliamentary committees themselves. Third, the case clearly reveals the absence or, at best, indistinct separation of powers between the legislature and the executive. "Lack of theoretical and practical restraints leads to increased rule *by* law rather than rule *of* law," commented Foster, "that is, the use of the law by the individual lawmaker to further his own agenda."

In addition to highlighting procedural problems of law making, the *Izvestiia* story illustrates the statutory, institutional, and attitudinal obstacles to the enforcement of law in Russia. No concrete mechanisms exist for enforcing laws in the country, noted Foster, and the judiciary remains institutionally irrelevant when the executive and parliament bypass it to resolve conflicts on their own. Yet Foster pinpointed attitudinal obstacles as the key impediment to the enforcement of law, describing a blatant disregard for law and rules in Russia that, in the case of *Izvestiia*, allowed personal intervention to decide the fates of each of the parties. Beginning with the struggle over *Izvestiia*, argued Foster, Yeltsin has increasingly and openly supplanted legal institutions and rules, initially with the aim of supporting democracy and, later, in the name of stability.

A shift in rhetoric from the constitutional freedom of the press to the citizen's right to truthful, objective information seems to be occurring in Russia today, observed Foster. As a result, the Russian government is becoming a guardian of the public interest, increasingly acting to regulate the media, restrict its access to government meetings and documents, and promote a proliferation of new official institutions designed to provide "objective" information to the press. Foster cited the newly created judicial chamber for informational disputes within the executive branch as one example of non-legal institutions which, together with non-legal sanctions and conduct, exert a significant impact on political behavior in Russia today.

—by Peggy McInerney

Vol. XI No. 18 1994

Making Sense of Russian Economic Reform

The outcome of economic reform in Russia over the last two and one-half years leads one to be cautiously optimistic, said **Vladimir Mikhalev** at a Kennan Institute lecture on **16 June 1994**. Mikhalev is a Senior Research Fellow at the Institute of World Economy and International Relations (IMEMO) of the Russian Academy of Sciences in Moscow and an IREX Fellow at the Harriman Institute of Columbia University. "The end of 1993 and the first quarter of 1994 were marked by the first signs of macroeconomic stabilization...after two years of economic chaos," said the speaker, arguing that Russia would do well simply to sustain prevailing economic conditions.

Mikhalev's review of Russian economic performance since the price liberalization of January 1992 revealed a mixed, but decidedly improving, picture. On the plus side, he claimed the foundations of a market infrastructure had been established in finance, trade, and industry. The ruble has become freely convertible and, in the second half of 1993, the exchange rate remained surprisingly stable, only to drop albeit relatively slowly in early 1994. A profound change in Russia's gross domestic product has taken place, with private consumption rising as military production declines. Composition of imports has similarly changed in favor of consumer goods to the detriment of military purchases.

Perhaps most striking is the Russian population's response to market changes. Many people are seeking to earn additional income by working second jobs or engaging

in small-scale retail trade activities that now account for an estimated 40 percent of their total income. Approximately 40 percent of the population, moreover, is employed in the private sector an impressive result of only two and one-half years of reform. Finally, the speaker argued that "the pace of privatization and the number of people already involved in it are perhaps a major guarantee that the changes are irreversible."

On the negative side, Russia is in the throes of a deep recession. According to Mikhalev, Russia's gross domestic product fell by 19 percent in 1992, 18 percent in 1993, and 17 percent in the first quarter of 1994. Gross domestic investment has also plunged, declining 200 percent over the two years 1992 and 1993. Despite its depth, the speaker pointed out that the recession was largely structural in nature, with the military-industrial complex particularly hard hit while the production of certain consumer durables, medical equipment, printing and publishing was growing. Russian manufacturing, however, remains uncompetitive on the world market and is increasingly protected by high import duties on the domestic market.

Although approximately one-third (83,000) of state enterprises have been privatized, the controlling share of stock in 80 percent of these businesses is now owned by the workers and management. This process, said the speaker, "looks [more] like collectivization than privatization and cannot itself increase responsibility or efficiency." Written off by the Central Bank at the end of 1992, the payments crisis between industrial enterprises has again grown severe, as has the state's debt to enterprises and state employees; both represent an unresolved inflationary dilemma. Capital flight is also a considerable problem, with exporters hiding earnings and transferring them to foreign banks. The total sum of this drain is estimated at USD 18 billion by the Russian government, USD 60 billion by western experts. Finally, Mikhalev argued that Russia lacked the administrative capacity to implement economic reform policies, as the overwhelming majority of Russian bureaucrats remain the highly unsophisticated administrators of the old Soviet system.

Mikhalev claimed the social effects of market reform in Russia were considerable and, in light of the strong showing of Vladimir Zhirinovksii's Liberal Democratic Party and various communist parties in the

December 1993 parliamentary elections, had narrowed the popular base for reform. By far the most psychologically difficult changes introduced by economic reform are unemployment and rapidly growing income disparity. Open unemployment, which remains highly troubling for most Russians, now numbers approximately 4.5 million people; hidden unemployment which measures people working part-time and workers on leave without pay constitutes another 4.5 million.

Once bankruptcy laws allow for the closing of inefficient factories and old factories begin to modernize, the speaker predicted mass unemployment would become a real possibility. Current estimates for 1994 range from 5 to 20 million unemployed. "This is a very dangerous prospect," remarked Mikhalev, "taking into account the traditionally low mobility of the Russian labor force, the underdevelopment of retraining systems and the continuing economic recession [which is] preventing the creation of new jobs." Added to the threat of mass unemployment is the sharp drop in the quantity and quality of social services (including health, education and housing), a situation that shows no sign of improvement in the near term.

Although most Russians experienced a sharp drop in their standard of living during the last two years because wages failed to keep pace with rising prices, the fall in real wages appeared to come to an end in late 1993. In fact, said Mikhalev, not only did real wages increase on average by 10 percent in 1993, individual consumption, including that of pensioners the population group that has fared the worst under reform increased as well. After peaking in early 1993, the number of people living at minimum subsistence as well as the number living below the poverty line has declined steadily. Today, the Russian government faces the task of sustaining the positive trends in economic and social conditions of early 1994 in the face of a possible unemployment explosion and the conflicting demands of radical communists, industrialists, and the International Monetary Fund. Mikhalev declined to predict the course of economic development in Russia over the next year, saying he remained cautiously optimistic provided that Russian society continued to find a way to accommodate the most dangerous cataclysms produced by reform

—by Peggy McNerny

1994–95 PROGRAM YEAR

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Status Neighborhoods without a Market

Under the Soviet system, the state sought to eliminate class differentiation and create a just society through equitable distribution of the most important social goods, namely, food and housing, said **Ellen Hamilton** at a Kennan Institute lecture on **17 October 1994**. Hamilton is Program Officer for the former Soviet Union at the Free Trade Union Institute in Washington, D.C. According to Soviet expectations, equal distribution of these goods would remove social inequities, yet in both Soviet and Western cities, groups with higher social status lived in better-quality housing in more desirable sections of any given city.

Intrigued by the issue of who lived where in cities where there was no housing market, Hamilton said her research on the social geography of Moscow in the Soviet period showed that urban residential differentiation did exist in the Soviet Union in the absence of a market.

The perception that the Soviet state was monolithic and highly centralized is somewhat misleading regarding social geography, argued Hamilton, claiming that a mosaic of institutions were involved in the Soviet urban environment, the most important of which were Gosstroj (the state construction committee) and Gosplan (the state planning committee). On one hand, she explained, city plans designed by Gosstroj focused on the physical infrastructure of a city and projected 20–25 years into the future. On the other hand, Gosplan created five-year plans that focused on short-run economic objectives for individual cities.

Using Moscow as a case study, Hamilton noted that the contradictory goals imposed on Moscow by the Soviet state had exerted a significant impact on the way in which the city expanded and its neighborhoods developed. As the capital of the USSR, Moscow was intended to be the showplace for socialism, requiring a restructuring of its downtown area. Wide avenues, grand buildings, and river embankments were constructed. Alternatively, for economic reasons the state sought to develop industry as rapidly as possible and built numerous factories and enterprises in the city, primarily in the eastern districts.

Industrial expansion required an increase in the number of workers, which in

turn necessitated the building of additional low-cost housing in the area. A concentration of manual workers living in lower-quality housing was thus established in Moscow's southeast region. Another, similar neighborhood of lower social status existed in the city's northern region, where industrial enterprises also predominated. Regions with more elite social status included the western part of the city center, southwest regions near Moscow State University, and the northwest regions that follow *Leningradskoe shosse* towards Sheremetevo airport.

Hamilton used several criteria to classify the 33 administrative districts of Moscow, including the amount of living space per capita measured in square meters (a primary indicator of housing quality in the USSR), educational attainment, and wealth. Four indicators from 1989 Soviet data were applied to differentiate residential districts. "Number of residents age 15 and over who have completed higher education" and "car ownership rate" were positively associated with social status; "number of residents age 15 and over convicted of a crime" and "share of juveniles under 15 years of age" were negatively associated with social status. Analysis of the data, she said, demonstrated a strong positive correlation between regions of elite social status and the quality of living space.

Moscow grew tremendously during Soviet rule, expanding from a population of 1.6 million in 1912 to a population of 9 million today. As the city continued to grow rapidly in the 1970s and 1980s, population restriction plans were implemented, primarily by means of a system of residential permits (*propiski*). Yet Hamilton noted that the population restriction plan conflicted with goals of sequential five-year plans that sought to encourage the in-migration of workers so as to boost industrial production. Such "guest workers" (*limitchiki*) were initially housed in dormitory-style accommodations in a compromise solution, she explained. However, she noted that if such workers lived in the city long enough, they eventually could earn the right to permanent residency in Moscow.

Five-year plan directives likewise sought to attract needed specialists, who were often enticed to relocate to Moscow through the offer of higher-quality housing. Hamilton observed that both policies contributed to growing patterns of residential differentiation in the capital.

In theory, the Soviet regime distributed housing to its citizens according to their needs. Unlike western practice, allocation of urban housing stock was not based on rent. But in practice, high-quality housing was seen as a valuable commodity and was used as a reward. "Better" workers were frequently given priority in the supply of housing, pointed out the speaker, as were Communist Party officials.

Concrete evidence of residential differentiation in Moscow existed in the Soviet period, concluded Hamilton. The fact that this differentiation developed under a socialist state suggests that market mechanisms are not the only explanation for residential differentiation, she continued. Conflicting economic plans and institutional actors contributed to this phenomenon in the USSR through an uneven process of housing allocation which promised to provide housing to all, but primarily rewarded those who contributed more to the communist system.

The post-Soviet state has been unable to eradicate the Soviet legacy of housing and residential patterns in Moscow. Citing just one example of the continuing influence of high status neighborhoods of the Soviet era, she pointed out that western businesses are now renting office space in the regions of Moscow formerly associated with the Communist Party elite.

—by Julia Smith

Vol. XII No. 2 1994

Democracy and a Functioning Market? Yes, In Time

Russia can have a democracy and a functioning market economy, but it will take time, declared **Padma Desai** at a Kennan Institute lecture on **18 October 1994**. Desai is Gladys and Roland Harriman Professor of Comparative Economic Systems at Columbia University. In order to achieve a genuine market economy, Russia must create such institutions as a legal system, a financial system, and a tax regime. The question is, said Desai, do you wait to implement market reforms until the proper institutions and attitudes are in place? Institution building by its very nature is a protracted process, she answered; in the meantime you try to change the Soviet system as best you can.

Desai identified the introduction of private ownership and markets among the genuine and astonishing achievements of economic reform in Russia to date. She was

optimistic that the institutional changes needed to support these successes would occur, albeit very gradually. The essential priority at present is to control inflation, she said. Reform will stand or fall depending on whether or not inflation is carefully managed, thus permitting the government to maintain a steady course of reform.

In light of this crucial goal, Desai was encouraged by the Prime Minister Viktor Chernomyrdin's commitment to a strong ruble. Chernomyrdin's thinking about inflation has clearly changed over time. When he assumed office in January 1993, he claimed production support was as or more important than inflation control; today he is a firm believer in the importance of a strong ruble. Asked if the Prime Minister had become a monetarist, Desai noted that given Russia's financial disarray, the money supply is one of the few instruments the government can actually control. She strongly implied, however, that a reasonable annual rate of inflation for Russia would not be in the single digits. Desai specifically referred to the assertion of Russian presidential advisor Evgenii Yasin, made 18 months previously, that it was unlikely Russia could achieve a stable annual inflation rate of less than 10 percent before the year 2000.

The speaker held that three aspects of economic reform had been essential in Russia at the close of the Soviet era: price liberalization, privatization of state assets, and macroeconomic stabilization. Market prices were needed to identify the costs of resources in the economy, private ownership was needed as an incentive for efficient use of assets, and macroeconomic stabilization (i.e., controlling the money supply, achieving a stable currency, and reducing the budget deficit) was required to resolve the financial mess created by market socialist reform.

Shock therapy advocates sought to achieve these goals by means of rapid deficit reduction that would eliminate inflation in the economy. Their program, specified Desai, was predicated on the assumption of substantial inflows of foreign aid (estimates were in the range of USD 30 billion per year) to address the social hardships and industrial restructuring needs created by sharp deficit reduction. The program also sought to set a fixed ruble exchange rate at the outset as a way of introducing relative world prices into the Russian economy from the outside.

Although advocates of gradual reform, of which she counted herself one, support both price liberalization and the privatization of

state assets, they reject the idea of economic "shock" and a fixed exchange rate. Gradual reform would seek instead to set moderate firm targets for deficit reduction and inflation control, reducing both rates over a period of 3 to 5 years.

Other than inducing discipline in money creation for 9 months, Desai judged the Gaidar government's shock therapy a failure. Its goal of reducing the budget deficit (between 17-21 percent of Gross Domestic Product, or GDP, in 1991) to zero in one quarter was unfeasible, she said, as was the expectation that foreign aid could be raised or absorbed in quantities as massive as USD 30 billion annually. The Gaidar program did not provide for subsidies to save failing factories or support citizens' standard of living, nor revenue mechanisms for state expenditures passed down to localities. Because the transition from military-industrial to market production cannot be achieved in a short period of time, the expected microeconomic response from farms and factories did not occur. Finally, she noted, the Gaidar government made no effort at consensus building.

"They believed that a coterie of a few people at the top could bring about radical reform and in a democratic kind of system," she remarked. Desai viewed the electoral gains of Zhirinovskii and conservative parties in the December 1993 elections as a natural political reaction to these policies and a clear rejection of the Gaidar program.

The Russian economy is today experiencing a decline, but this decline may have reached its trough, said Desai. Russian GDP has dropped enormously in real terms over the last three years (19% in 1992, 12% in 1993, 17% in the first half of 1994), but since August 1994, industrial production appears to have begun to recover. The budget deficit has shrunk from 19% of GDP in 1992 to 8.3% in the first six months of 1994. And, after reaching 2,400% in 1992, annual inflation dropped to 800% in 1993 and is projected at 180% in 1994. Despite "Black Tuesday" of October 11th, in which the ruble lost 21% of its value over the course of a few hours, the speaker claimed the ruble's nominal value had fallen less rapidly than the rate of inflation and had appreciated 200% between January 1993 and August 1994.

Desai was optimistic about the future of market reform, given that inflation is controlled and the Russian government ad-

dresses its severe tax collection problem. The state's apparent resolve not to rescue indebted enterprises by again extending credits is a step in the right direction, she observed. In light of the cataclysmic events that have occurred in Russia over the past three years—the coup of 1991, the disintegration of the Soviet empire, the bloody confrontation between the Russian parliament and president in October 1993, and the election of a new legislature in December 1993—Desai found Russian society remarkably resilient. Institutional change will be very slow, she concluded, but politics seems to have moved from the streets into the parliament and the government, where bargaining, dialogue, and lobbying are now taking place in earnest.

—by Peggy McInerney

Vol. XII No. 3 1994

Islam and Politics in Central Asia

A genuine revival of Islam is occurring in the countries of Central Asia that does not trace its inspiration to Arab or Middle Eastern nations, said **Mehrdad Haghayeghi** at a Kennan Institute lecture on **24 October 1994**. Currently a Research Scholar at the Kennan Institute, Haghayeghi is Assistant Professor of Political Science at Southwest Missouri State University. Despite pockets of extreme religiosity, such as the Kara-Kalpak autonomous republic (in northwestern Uzbekistan) and the Fergana Valley (which traverses a swathe of eastern Uzbekistan, northern Tajikistan, and eastern Kyrgyzstan), Islamic revival in the region is largely religious and cultural in nature, said the speaker.

Although external influence, particularly from the Middle East, could play a crucial role in the future development of Islam in Central Asia, Haghayeghi judged the internal political dynamics of individual Central Asian nations to be more significant in this regard. He argued that a large-scale Islamic fundamentalist movement that was both anti-Western and sought to achieve political power in the region was unlikely for several reasons. First and foremost, he said, the Hanafi school of Islamic jurisprudence predominates in Central Asia. Also prevalent in Turkey, the Hanafi school was founded by a non-Arab hence its popularity in Central Asia and is known for its liberal interpretation and administration of Islamic law as well as the distinction it makes between faith and practice.

Second, Haghayeghi pointed out that Islam in the region is more a way of life than

an ideological creed. Notwithstanding its initial violent introduction in the mid-eighteenth century, Islam was largely brought to Central Asia over the course of five hundred years by merchants who emphasized the culture and daily life of Islam, not Islamic ideology, he said. Haghayeghi noted, however, a dichotomy in the region between sedentary oasis regions such as Uzbekistan and Tajikistan, where Islam penetrated society and changed the structure of social life, and tribal societies such as those of Turkmenistan, Kazakhstan, and Kyrgyzstan, where the impact of Islam was less profound. Third, the speaker asserted that the subdoctrinal diversity of Islam in Central Asia, which includes Wahhabi and clan-oriented Sufi sects, among others, has resulted in a fragmented religious structure that is not conducive to Islamic fundamentalism.

Finally, Haghayeghi claimed that the weak organizational reach and mobilizational capacity of Islamic forces in Central Asian nations makes a powerful regional fundamentalist movement doubtful. The Islamic Revival Party (IRP), the backbone of Islamic organizations in the region, moderated its position after branch organizations were established in individual Central Asian nations. According to the speaker, the IRP now supports parliamentary means of achieving power, although militant, Wahhabi, and reformist factions all exist within the party. In keeping with what he identified as a stronger proclivity toward Islam in Uzbekistan and Tajikistan, Haghayeghi said the IRP had been more successful in these nations than in other countries of Central Asia. The party has no sound organizational structure in Turkmenistan, Kyrgyzstan, or Kazakhstan, he said, and its popularity in the latter two nations is primarily among Uzbek residents.

Continued government support of the official Islamic structures created by the Soviet regime, together with outright repression of Islamic forces in the region could, however, further politicize Islamic organizations, observed Haghayeghi. The IRP has gone underground in Uzbekistan and the Tajik branch is in exile, he said, making it difficult to assess these parties' motivations and modus operandi.

On a more general level, Haghayeghi argued that ethnic issues and the democratic drive of the Central Asian republics worked against the rise of Islamic fundamentalism. Ethnic orientation precedes religious orientation in the region, he said, with ethnic separat-

ism the most centrifugal force in Central Asia today. Noting current tensions between Uzbeks and Tajiks, Uzbeks and Kyrgyz, Kazakhs and Russians, and Uzbeks and Russians, Haghayeghi held that the ethnic composition of these nations' populations would also affect the development of Islam. In Uzbekistan, for example, where Uzbeks make up 72% of the population, Islam is likely to become more powerful than in Kazakhstan, where as much as 40% of the population is non-Muslim. Ethnic issues also appear to be inhibiting cooperation between these nations, he noted, with several republics wary of what they perceive as Uzbekistan's hegemonic aspirations in Central Asia.

Democracy, asserted Haghayeghi, stands a greater chance of succeeding in Central Asia than in many developing nations. It offers an alternative ideology to both ethnic-based nationalism and Islamic fundamentalism, he explained, and can rely on sizable intelligentsias created in these nations during the Soviet period (Turkmenistan being a notable exception). He claimed a democratic transition was most feasible in Kazakhstan and Kyrgyzstan, countries with a weak proclivity towards Islam and a stronger inclination toward democracy. Observing that Central Asia was becoming increasingly isolated from the other Soviet successor states, the speaker insisted that democratic development in the region as a whole could and should be encouraged through economic development.

Asked about U.S. foreign policy in Central Asia, Haghayeghi replied, "The United States has invariably antagonized Islam around the world simply by being afraid of the intentions of those who have captured power. We need to rethink the way we deal with it. We have made Islam, as Graham Fuller has said, into a 'bogeyman.'" Haghayeghi argued that the United States should tolerate the participation of Islamic forces in parliamentary politics in Central Asia, saying, "I think we need to simply allow them to express themselves it is difficult *not* to let them express themselves when you have societies that are so deeply imbued with religious principles....If Islamic forces are willing to participate in parliamentary means of competition and power-sharing, I think they have every right to have a say in their societies. The problem is," he asked, "will they do that?"

—by Peggy McNerny

Vol. XII No. 4 1994

Russian Ruling Elite Redividing Property Among Itself

The advent of Mikhail Gorbachev's *perestroika* in 1985 can be traced to two causes: the material aspirations of the younger members of the Communist Party *nomenklatura* and the coming of age of the Soviet bureaucratic class, declared **Sergei Shishkin** at a Kennan Institute lecture on **25 October 1994**. Shishkin is Professor of Law at Irkutsk State University in Siberia and a Visiting Fellow at the Russian Research Center of Harvard University. A well-known constitutional lawyer who participated in the Russian Constitutional Assembly during the summer of 1993, Shishkin claimed to express the view of the Russian provinces *vis-à-vis* the Moscow ruling elite.

In the late Brezhnev years, argued the speaker, the younger segment of the Communist ruling class tired of the asceticism of the Soviet system and became frustrated when they could not legally obtain the perks they sought to obtain principally, luxury consumer goods, the ability to travel abroad, and the possession of wealth outside of Russia. This generation understood that the perks offered by the Soviet system were small in comparison to the profit they could derive from dividing up the vast Soviet state into personal property and operating in the world market. At the same time, the bureaucratic class as a whole matured in the USSR; no longer wanting to serve a leader, the bureaucrats now sought to have a leader serve them. "This is the principal *leitmotif* of the reforms we see in Russia today," he concluded, "if we can call them reforms."

Rather than move toward democracy and a market economy, Shishkin claimed that the younger generation of the old Soviet ruling class was using privatization to redivide among itself the enormous, monolithic state property of the Soviet system. Shishkin criticized the privatization program of the Russian government for three reasons: failure to institute private ownership of land before privatizing state enterprises, failure to place meaningful limits on the ability of the Soviet *nomenklatura* to participate in privatization, and failure to concentrate on the intended use of the property being privatized.

"Where there is power and authority in Russia today," said Shishkin, "there is property." The average Russian citizen, he noted, has been pitifully under-informed

about the meaning of property, privatization, and the consequences of different legal decisions regarding property. Citizens, he insisted, are in need of a concerted educational campaign to teach them the meaning of property and property ownership. "The rule of privatization in Russia," he asserted, "is that if you do not know, you will be punished [for your lack of knowledge]."

The search for constitutional formulae in post-Soviet Russia, he continued, is simply an attempt to protect the redistribution of former state property within the ruling elite. Ordinary Russian citizens have not been a party to constitutional changes in the country, he continued. Rather, everyday people particularly those who inhabit rural areas of the country have been completely marginalized in Russian politics and reduced to day-to-day survival. Shishkin contended that the post-communist ruling elite in Russia remains completely unconstrained by law, remarking, "We see a continuation of the Russian tradition where legal constructs exist in and of themselves without affecting the ruling elite." He argued that the only forces influencing the behavior of this class were ties of loyalty, friendship, and trust among its members. As in a limited partnership, observed Shishkin, no one is responsible for anything in the contemporary Russian government.

Behind the fiction of a federation, said the speaker, Russia remains a unitary state in which regional elites are strongly dependent on the central governing elite, either because they have bargained for greater political and economic power from the center or because they are directly subsidized by the central government. Yet Shishkin conceded that regional elites enjoyed a certain amount of power in their localities through control of the timing and structure of local elections. He judged the most recent provincial elections to have been a defeat for the Yeltsin government, which has responded by attempting to strengthen the system of executive power in the regions.

In Shishkin's estimation, the Russian state is disintegrating. First and foremost an economic disintegration, he said, the process nevertheless bears serious political and social consequences. One clear manifestation of the present disintegration of the country, he explained, is the way in which the Russian provinces are being drawn toward regions outside of Russia itself. The Russian Far East is being drawn toward Japan, China, and South Korea; central Siberia, toward the

south; and western Siberia, toward the Baltic states and Scandinavia.

Although laws on the ownership and use of natural resources and the specific authority of lower-level subjects of the Russian Federation (i.e., *oblasti*, *kraiia*, and republics) are desperately needed, Shishkin claimed one should not overestimate the role of law in contemporary Russia. Given that provincial elites in Russia are dominated by a triumvirate of what he identified as "bureaucrats, bankers, and industrialists," the speaker said no political force was now capable of moving genuine economic and political reform ahead in the provinces.

Rather than fight to define the power and authority of local governments, Shishkin recommended that reformers battle to make the budget process in Russia transparent with full information on proposed budgets made available to the public as well as to increase the share of the national budget allocated to the provinces. The government budget is the principal source of the ruling elite's wealth and power; exerting more control over this process is the most effective course for increasing public participation in government at present, he said.

Evaluating the democratic character of government in Russia today, Shishkin concluded sadly, "If one transfers the mentality of a provincial *oblast'* Communist Party committee to the Kremlin and expects that democracy and freedom will emerge, one is either naive or a fool."

—by Peggy McNerny

Vol. XII No. 5 1994
Housing Reform in Russia: Slow But Certain

Despite political and economic instability in Russia today, housing reform is reaping positive results, asserted **Raymond Struyk** at a Kennan Institute lecture on **31 October 1994**. Struyk is Senior Fellow at the Urban Institute, Washington, D.C., and Resident Director of the Institute's Technical Cooperative Program in Moscow. According to the speaker, housing reform in Russia has created an impressive record, especially in the rental sector, where rents are being raised, housing allowance programs created, and the quality of maintenance services improved.

Privatization has also made headway: many Russians have acquired ownership of their apartments and are beginning to discuss the formation of condominium associations

with fellow apartment owners. The rate of privatization, however, began to decrease in late 1993 because most high-quality apartments had already been bought and potential owners feared the risk of responsibility for repairs and taxes.

Under the Soviet command economy, 80% of all urban housing was owned by the state, centrally funded state firms were responsible for building and maintaining housing, and the housing allocation system known for its long waiting lists was administered by the state. By the end of the Soviet period there was an extreme housing shortage in which one in three households lived in overcrowded conditions despite the priority status of the housing sector. Lack of government funds in the post-Soviet period has slowed production and decreased the quality of maintenance services, encouraging the private sector to take part in meeting the country's housing needs.

Thorough housing reform, said Struyk, involves two separate processes: improving existing housing stock and creating new housing. Establishment of a comprehensive legislative base and development of market services such as brokers and real estate agents are also necessary elements of reform. Rental sector reform includes increasing rental prices, improving maintenance services, and creating subsidies. According to Struyk, raising rents in Russia represents a hallmark of housing reform because it has required breaking the Soviet social contract of cheap, fixed rents.

In 1992, cities assumed greater responsibility for social services, providing municipal administrations the incentive to adopt new maintenance taxes and increase rents on state-owned housing. The federal government approved a step-by-step increase in rents that will increase renters' payments over a five-year period, ending in 1998, when operating costs will be fully covered. Initial increases will be insignificant as rental rates have been far below their market value; by the program's third year the population will begin to feel the increases.

Russia's recently established housing allowance program provides subsidies that cover the gap between market rent prices and a family's spending capacity. (Most families currently spend less than 1% of their income on rent.) The program targets 10% of family income for rent and is profitable for city governments: 95% of rental increases represent net revenue, making subsidies virtually self-financing. Two-thirds of all jurisdictions in

the Russian Federation have now raised rents and established housing allowance programs, said Struyk a tribute to the popularity and success of housing reform in the country.

Quality of housing maintenance, a continual source of consumer dissatisfaction throughout the Soviet period, is slowly being addressed in Russia. A pilot program begun in Moscow in March 1993 contracted private firms to maintain municipal housing and has been so successful that pilot programs are now popping up in other cities. Private firms, noted the speaker, are doing a much better job for the same amount of money. And, while disruptions in maintenance services still occur, compensation is now available to renters when services such as electricity or water are interrupted.

Turning to the issue of apartment privatization, Struyk said the process was relatively simple: residents fill out a form, receive title to their unit, and thereby gain ownership. One adverse result of this process, Struyk noted, is that Communist Party officials given the best apartments under Soviet rule can now easily obtain ownership of these prime accommodations.

According to the speaker, 8.4% of all eligible units were privatized in Russia in December 1992; 26.0% in December 1993; and 30.0% in June 1994 the rate of privatization peaking in late 1992 and early 1993. The pace of privatization has since decreased for three main reasons, he explained: 1) the inferior quality of apartments not yet privatized; 2) uncertainty regarding accountability for maintenance services and property taxes (i.e., potential owners are discouraged by the need to assume financial responsibility for these expenses); 3) the risk presented by apartment units in need of rehabilitation.

Another component of housing reform, housing production, has shown its first rise in 1994 since decreasing in 1987. Construction finance is also moving forward; investors are now able to contribute equitably to production costs incurred by construction firms. Unfortunately, banks have played a minor role in financing housing construction to date, said Struyk, supporting only 10% of all projects due to high inflation and negative real interest rates on mortgage loans. Problems with long-term mortgage lending arise from both Russia's lack of experience with such lending and an inadequate legal base. Finally, Struyk acknowledged that larger-scale reform was hindered by the infiltration of organized crime into the housing sector.

To date, said Struyk, the Russian State Duma has impeded the adoption of more extensive housing laws than those passed by the now-defunct Congress of People's Deputies in 1992. The lack of comprehensive laws on housing remains the principal obstacle to further reform. Struyk's overall outlook for housing reform in Russia, however, was positive, and he predicted that pockets of reform would spread as economic incentives encourage city municipalities to adopt market practices.

—by Julia Smith

Vol. XII No. 6 1994

World War II, Ukraine, and Soviet Power

Ukraine's drastic experience of World War II resulted in a specifically Soviet kind of Ukrainian nationalism that linked Ukrainian nationalist sentiment, Soviet power, and the Red Army in a symbolic triumvirate, said **Amir Weiner** at a Kennan Institute lecture on **12 December 1994**. An historian, Weiner is currently a Research Scholar at the Kennan Institute. Largely through the conscious use of brutal force, said the speaker, the Soviet regime was successful in conveying the message that it would grant no concessions to a secessionist nationalist movement in Ukraine during the last year of the war.

The war thus witnessed both the failure of ethnocentric and revisionist nationalism in Ukraine and the simultaneous rise of a milder, more effective brand of nationalism based on the war experience of Ukrainian soldiers and their families. This nationalism identified Soviet power not with the Bolsheviks or the Communist Party, but with the Red Army, and was linked to a deep sense of entitlement based on wartime service.

"I would not argue that this brand of nationalism, which emerged mainly in the eastern Soviet Ukrainian provinces, was universal," said Weiner. "It was not. For most western Ukrainians and for Jews, the wartime experience was quite a resentful experience. Jews in particular were excluded from the ethos of the war," he said. Nevertheless, he maintained this nationalism was the only type possible at the time, allowing for the expression of mild Ukrainian nationalist sentiment and national pride within the framework of the Soviet regime.

Several factors, said Weiner, appeared to argue for the victory of nationalist forces in Ukraine during the critical year of 1944, the year in which the Red Army liberated eastern

Ukraine from occupation. Among these factors were the legacy of Soviet power in Ukraine (i.e. collectivization, famine, and the great terror); the proliferation of Ukrainian nationalist propaganda with anti-Soviet Nazi propaganda in Ukrainian territory occupied by the German and Romanian armies; and the existence of a genuine power vacuum in eastern Ukraine during the first half of 1944.

The struggle between the Soviet regime and Ukrainian nationalists was decided in a matter of a few months; the latter were completely eradicated in eastern Ukraine in the space of a few years. The ability of the Soviet regime to set the parameters of the struggle and the nationalists' misreading of social realities in eastern Ukraine were the key reasons for their defeat, explained Weiner. On the one hand, Ukrainian nationalists articulated a nationalist ethos based on the traumatic experience of collectivization and the consequent famine. On the other, the Soviet regime promoted the triumph of World War II as the central theme of national pride.

The Soviet regime's deliberate use of force against Ukrainian nationalist bands was implemented not only by the Red Army and the NKVD (the Soviet secret police), said Weiner, but by "extermination battalions" mobilized from among the citizenry. The resulting campaign of terror brutalized the population of the republic, already deeply traumatized by the Holocaust. Contrary to their conduct during the terror of the 1930s, Weiner noted that Soviet officials publicly bragged of massacres and mass executions of Ukrainian nationalists in the 1940s. Such conduct, he explained, convinced the public at large that the Soviet regime offered them their only possible alternative: a Ukrainian nationalism that would exist within the boundaries of the Soviet empire.

At the same time, western Ukrainian nationalists misjudged reality and popular opinion in eastern Ukraine on several critical points. They imagined a rural community that no longer existed, assumed the peasantry at large preferred free farming over collectivized agriculture, and believed the war to be an alien experience for most of the population. Yet, said Weiner, the masses in the countryside saw matters quite differently. Despite the ethnic homogeneity of many eastern Ukrainian villages, he argued many peasants did not view themselves as "Ukrainians," but as peasants. Far from associating the trauma of collectivization and famine with Moscow and

Russia in general, as did western Ukrainians, Weiner held that many peasants in the eastern provinces considered association with Russia and Moscow to be a sign of worldliness. A villager who married a Muscovite, he explained, was not just a *muzhik*, but had made an alliance of which he was proud. Such peasants, he added, firmly rejected attacks conducted by nationalist forces against the Russian population and escaped Russian prisoners of war.

According to Weiner, the Soviet Ukrainian nationalism that emerged in post-war Ukraine was composed of three basic components: unification of all Ukrainian lands and people under the auspices of the Red Army; acceptance of the Soviet social-economic order, i.e., collectivized agriculture; and upward mobility of Ukrainian cadres inside and outside the Communist Party after the war.

The most important of these components was the latter: the rise of a new Ukrainian elite formed by the mass of demobilized Red Army soldiers and their families. "This new, so-called constituency brought their images of the war to the village, making for a watershed in their world view," asserted the speaker. This world view was characterized by patriotic pride in the *rodina* (Motherland) resulting from service in the Red Army, a sense of entitlement based on this service, and a deep antagonism towards those such as collective farm chairmen who did not share the same wartime ordeal.

Curiously, said Weiner, at a time when all expressions of Ukrainian pride and tradition were being erased in the republic, the Communist Party in Ukraine became dominated by Ukrainian war veterans who quickly pushed out Soviet Russian *apparatchiki* returning from evacuation in Central Asia. This "Ukrainianization" of the Communist Party in the republic endured until the collapse of the USSR, said Weiner, and was accompanied by a widespread propaganda campaign that linked images of a free and united Ukraine with the Red Army. Conspicuously absent from this campaign, he noted, were images of Stalin or the Communist Party.

—by Peggy McInerney

Vol. XII No. 7 1994
Russia's Elderly Population Growing
Rapidly

The elderly are the largest growing demographic element in the Russian popula-

tion today, said **Cynthia Buckley** at a Kennan Institute lecture on **5 December 1994**.

Buckley is Assistant Professor of Sociology at the University of Texas at Austin. One-third of the total population of the Russian Federation is already above the current retirement ages of 55 for women and 60 for men. Over the thirty-year period between 1959 and 1989, the number of older citizens in the Russian Federation increased dramatically and the percentage of the Russian population over retirement age has almost doubled. The number of citizens over 80 years of age has also grown nearly twofold since 1959, which places large demands on Russia's medical and social infrastructure.

The elderly, who now occupy a large portion of the voting population, have the potential to mobilize into an influential political force if they can be unified by shared concerns about health care, pension provision, and poor-quality infrastructure, contended Buckley. Yet older citizens are quite diverse in gender, ethnicity, and physical mobility, and the concerns of the elderly rural population markedly differ from those of the elderly urban population.

According to Buckley, the percentage of elderly in the population is much greater in rural than in urban areas; the highest such concentration is in the central agrarian part of European Russia. Large-scale out-migration of youth from the countryside has played a critical role in the proportionate rise of the post-retirement population in rural areas, significantly altering the age structure of these areas and changing support networks for the elderly. This trend has particularly affected rural areas in European Russia and Siberia. Reasons for migration from the countryside to urban areas, such as low-quality health care, lack of transportation, and inferior social services, continue to characterize rural Russia as a whole.

The underdeveloped nature of rural social and economic infrastructure place the rural elderly in a relatively disadvantaged position *vis-à-vis* the urban elderly. There are fewer active members of the economy for the elderly to rely upon, just as there are fewer children residing with or near their parents, making them more reliant upon the state for financial and social support. In the western Siberian village where she has conducted extensive field work, for example, Buckley said as many as 80% of the elderly residents do not have children living in the same town.

In Russia, said the speaker, poor infrastructure and aged populations are closely linked: the worse the conditions in a given area, the higher the number of elderly who reside in that area. For example, kilometers of road per resident in a given region are indirectly proportional to the percentage of elderly in the population, she noted. The number of hospital beds and doctors are also, in general, indirectly proportional to the percentage of the elderly in a region's population. Given the low standard of living in rural areas, the migration of younger rural residents to urban areas is substantial, remarked Buckley. The combination of poor infrastructure and dwindling numbers of young members of society leaves elderly residents feeling marginalized and looking to the government to meet its needs, she concluded.

As a result of an increase in longevity and a decrease in birth rates in urban areas, urban populations have aged differently from rural populations. Urban and rural elderly have also experienced different pension histories, causing them to rely on different sources for support. Traditionally, said Buckley, urban elderly have been supported by official monetary transfers from the central government, while rural elderly have taken care of each other with the help of in-kind transfers from collective farms. The legacy of the Soviet pension system, which initially excluded and then provided only partial coverage for collective farmers, has contributed to a situation in which rural elderly are markedly reliant on primary agricultural production. In the 1920s, pensions were provided only to workers; in 1956, an overall pension system was initiated, but collective farmers remained excluded, based on the reasoning that rural pensioners had larger families to depend on and access to private plots enabling them to survive on agricultural production. The pension system was amended to include collective farmers in 1974, but they were compensated at only 70–80% of workers' pensions.

The Russian Federation legislature voted in favor of a uniform pension system in 1992. Although a uniform pension system seemed to be a good policy move promoting equality, Buckley claimed that identical pensions for all would not compensate for the advantages urban elderly enjoy with respect to economic and social infrastructure. Thus, collective farms continue to make in-kind transfers to older rural residents even though the law has

changed. Rural elderly today manage to support themselves and sometimes sell extra goods to urban areas; in 1990, the older rural population received 44% of their income from subsistence farming. Their sale of farm products to the cities is helping to create a class of middlemen in Russia, as older farmers prefer to hire individuals to sell their goods in urban areas.

It is a challenge for the Russian government to provide social services to its older citizens as they differ with respect to geographic distribution, actual pensions, and the quality of socio-economic infrastructure available to them. Considering the potential voting power of the elderly, Buckley claimed the Russian state needed to take their interests into account. She pointed out, for example, that areas with a high percentage of elderly voters are roughly those areas which voted conservatively in the December 1993 elections. The conservative trend among elderly voters, she implied, can largely be traced to their concern over pensions and, quite literally, survival. In conclusion, she asserted that key interests of both rural and urban elderly especially health care and pensions could politically unite the older population of Russia.

—by Julia Smith

Vol. XII No. 8 1994
Severe Crisis of State Power in Russia

The crisis of state power in present-day Russia is more acute and more dangerous than the political, economic, financial, social, or spiritual crises confronting the country, said **Akhmed Iskenderov** at a Kennan Institute lecture on **8 December 1994**. "The main trend in the Russian political situation today is that the negative, or destructive, functions of Russian statehood predominate over its positive, or constructive, functions," continued the speaker. Iskenderov is editor-in-chief of *Voprosy istorii*, a journal published by the Russian Academy of Sciences in Moscow, and chairman of the world history department of the Russian University of People's Friendship. Observing that democratic forces in Russia initially sought to destroy the Communist Party apparatus and the Soviet state to prepare the way for radical reforms, Iskenderov argued that this destruction has now acquired its own momentum. "Its impact on the new structures of power is negative, [as] it does not allow them freedom of action and maneuver," he noted. In reality,

he concluded, there is no government in Russia today, nor is there any social basis for governmental power.

According to the speaker, Russian democratic forces made a crucial mistake by staking their strategy on personalities rather than on the creation of a functioning mechanism of governance, a mistake he traced to the Russian tradition of confining political decision making to a narrow circle of individuals. In fact, "this tradition is still alive and is capable of surviving for a long time to come," he declared. Iskenderov further faulted the democrats for refusing to publicly admit their mistakes and commit themselves to improving the situation in the country. Should the economic situation of the majority of the Russian population not dramatically improve, he predicted the democrats would be soundly defeated in the next national legislative elections. The consequences of a victory by Russian communist parties would, he warned, be adverse for the nation as well as the world.

Interpretations of contemporary conditions in Russia vary widely, said the speaker, but all political forces in the country seem to agree on the basic phenomena apparent in Russia today: increased social stratification, unprecedented corruption of all structures of state power, a level of crime that threatens the security of the state and the lives of everyday citizens, and a duality of power between the newly created presidential system and old Soviet state structures. The Russian government and its supporters blame these problems on the legacy of the Soviet system and those who are opposing the government. The speaker also noted, however, that certain observers believe the present crisis has been created by the people now in power, who have encouraged crime as one of their bases of support. Comparing the situation in Russia to that of newly liberated third world countries after World War II, Iskenderov noted that leaders of these decolonizing nations initially tended to blame the colonial past for miscalculations and failures instead of their own superficial, and sometimes incompetent, policies.

Iskenderov judged the growing power of organized crime and criminal structures, which he claimed were wealthy enough to buy the state, the most dangerous trend in contemporary Russia. Such criminal groups seek to achieve political power for economic ends and will overthrow the state should it

cease to serve their interests, he insisted. "Russia," he reflected, "is facing a war of criminal structures with the state rather than a civil war, and the state is suffering one defeat after another." Organized criminal organizations are now so preponderant, he continued, that no one knows how to use the power of the state against them. In fact, he asserted, the Russian state is actually moving in the direction of criminal elements so as to use their substantial wealth to create a new economy. Given these realities, Iskenderov argued that it was imperative to create and test a working mechanism of political decision making before the next presidential and legislative elections. The future of economic reform and democratic development in Russia, he emphasized, depends on the creation of a mechanism of governance and genuine obedience to the law.

"When I look at the period between February and October 1917," he remarked, "I discern certain features present today as well: the political stage was taken by individuals rather than political parties, classes, or social groups. These people passed off their decisions and statements as the will of the nation, the bulk of which was not even aware of [their actions]." In contrast to the turn of the century, business groups have managed to elect a small number of representatives to the State Duma, an accomplishment the Russian capitalist class did not achieve under the Provisional Government. Nevertheless, Iskenderov asserted that the Russian business class today remains unorganized and lacks political protection.

Despite the sharp contradiction between the center and the periphery resulting from proclamations of independence by national republics and some Russian regions (including the Far East, Siberia, and Sverdlovsk *oblast'*), the speaker claimed the state had no tools with which to remedy its current lack of authority. "What shall the government do, send troops there? Kill them? As in Chech'nia?" he asked. Speaking prior to the full-scale military assault against the Chechen capital of Grozny, Iskenderov claimed Chech'nia offered proof that the Russian state at present possessed no mechanisms for resolving problems of governance. Use of troops to pursue such resolutions, he insisted, was far from the best method available.

Ruefully observing that only Vladimir Zhirinovskiy (leader of the Liberal Democratic Party), the communists, and the

agrarians in Russia appear to have a genuine political understanding of what they want, Iskenderov said he saw no individuals nor any parties yet capable of or even wanting to rule the country. Although certain elements of an authoritarian state are in place in Russia today, the speaker doubted the ability of the government to impose an authoritarian regime on the nation because it lacks an adequate mechanism for doing so.

—by Peggy McNerny

Vol. XII No. 9 1995
Power Lies in the Streets in Russia

Russia's next political order could be an authoritarian regime led by an army general that will pursue a nationalist, anti-western agenda and a "third" economic path that relies on a protected market economy in the absence of democracy, said **Vladimir Boxer** and **Leonid Gozman** at a Kennan Institute lecture on **24 January 1995**. Whether such a regime results from a *coup d'état* based on an agreement between powerful political groups or is the product of presidential elections, it will enjoy considerable popular support and will rely on a social base comprised of engineers and technical specialists of the military-industrial complex. Boxer is the director of political management for the Organizing Committee of the Democratic Choice Party of Russia (*Demokraticeskii vybor Rossii*); Gozman is a member of the Federal Executive Committee of the same party, an associate professor of social psychology at Moscow State University, and a former Woodrow Wilson Center Guest Scholar and Kennan Institute Short-term Scholar.

"Power now lies in the streets. So why hasn't someone taken it yesterday or the day before?" asked Gozman, referring to the current power struggle among influential political groups in Moscow. Only a lack of ideas about how to resolve the country's economic problems has prevented a coup, he answered. Although the speakers agreed that a nationalist authoritarian military leader was a distinct possibility in the near future, they disagreed slightly concerning the nature of the regime he would head. Gozman predicted such a regime would be aggressively anti-western and might resort to outright aggression when it proved unable to promote economic development. Boxer claimed such a regime would not seek to re-establish communism or a command economy; rather, it would unite the interests of certain elements in the

army, Russian businessmen and financiers, and specialists in the military-industrial complex who seek a non-democratic market in which they can maximize arms profits in the absence of competition. Both speakers believed such a regime would lead Russia into an economic dead end.

Vladimir Boxer argued that Russia had exhausted the possibilities for progress by alternating between periods of economic and political reform. Although Russia has made genuine progress since 1985 in creating democratic institutions of a certain kind and moving away from the Soviet economic system, Boxer said reform had failed to create the class of private property owners and independent wage laborers required for stable democracy. Nevertheless, he considered the course of events in Russia over the past decade inevitable. Just as Gorbachev could not have achieved minimal economic reforms without having instituted political reforms that spiraled into an anti-communist revolution, Boxer held that Egor Gaidar's economic policies could not have created an interest in economic reform on the part of key political forces in the country without destroying the Russian state's ability to govern the economy. While privatization and the state's loss of control over the economy occurred simultaneously, said Boxer, market economic reform reached a point of no return, which he identified as the appointment of Viktor Chernomyrdin as Prime Minister.

Given incomplete economic reform and political instability in Russia, Boxer claimed three scenarios were possible in the near future: a peculiar kind of authoritarian state akin to Bonapartist France, a fascist regime, or an unstable democracy punctuated by brief periods of authoritarianism. According to Boxer, the fundamental political groupings influencing the Russian political process today are the "party of power" of Yeltsin's immediate entourage, which has no genuine social base and contains several groupings fighting among themselves; the "party of the Security Council," comprised of military-industrial and security ministry representatives who are supported by powerful financial groups, but lack their own financial means; the "party" of Prime Minister Chernomyrdin, representing several influential financial-industrial groups; the "Moscow party of power" of mayor Iurii Luzhkov which, in addition to controlling powerful financial groups, commands a large segment

of the national economy and the majority of the “independent” mass media in Russia; regional bureaucrats, who have yet to choose among the preceding groups; and engineers and technical specialists of the military-industrial complex who have lost status and are being pushed by economic and social conditions to revitalize arms production under the rubric of nationalist-patriotic ideology.

Turning to the war in Chechn'ia, **Leonid Gozman** claimed the target of the war had not been the Chechen republic, but Russian democracy. He deemed the war one of the most terrible events of modern Russian history, but argued that despite its brutal nature, the war had produced two positive results. First, the Russian regime had been unable to generate support for the war and use it as a pretext for instituting a dictatorship proof that genuine changes have taken root in Russian society over the last several years. Second, the Russian media rejected the war, leaving President Boris Yeltsin without the support of a single serious newspaper. The government, said Gozman, tried to justify the war with successive claims that it sought to preserve the integrity of the Russian Federation, defend Russians living in Chechn'ia, and vanquish the bandit Chechen state (thereby appealing to racist sentiment against Chechens). Yet, Gozman pointed out that public opinion polls showed two-thirds of the Russian population did not support the war. He also claimed that Russian prejudice against Chechens, although still considerable, had lessened as a result of the war.

Gozman and Boxer agreed that the upcoming parliamentary elections in 1995 and presidential elections in 1996 were important for reasons of stability and the future of democracy in Russia. Both speakers said the elections would be dominated by a “party of protest” and asserted this reality created room for democratic candidates. Noted Gozman, “Our problem is that our opponents promise miracles vote for me and tomorrow everything will be okay. We cannot say that.”

—by Peggy McInerney

Vol. XII No. 10 1995

Post-Communist Transition Yields Social Fragmentation

The post-communist transition in Russia has created an alienated, frustrated society devoid of ideology, said **Lilia Shevtsova** at a Kennan Institute lecture on **30 January 1995**. Shevtsova is Director of the

Center for Political Studies in Moscow and currently a Fellow at the Woodrow Wilson Center. Reform in Russia has created a gap between society and political institutions, leaving the country without a viable state structure and President Boris Yeltsin with a decreasing base of social support. These realities influenced Yeltsin's decision to invade Chechn'ia, said the speaker, who predicted a non-liberal, non-democratic government in the near future.

Shevtsova argued that the experience of reform has caused societies in the former Soviet Union and Eastern Europe to become disenchanted with liberal ideas, making them more accepting of nationalist and populist ideologies today. Reform in these countries was orchestrated from above, based solely on ideology, not on interests or social forces. Agreeing with economist Grigorii Yavlinskii, the speaker asserted that social, political, and ideological conditions for market development in Russia are very weak at present. Shevtsova claimed that Russia had experienced difficulties in its post-communist transformation because it faced four simultaneous challenges: state building, political democratization, economic marketization, and the creation of a new multinational identity. (The countries of Eastern Europe, by contrast, generally faced only the imperatives of democratization and marketization.) Not only are state building and political democratization particularly difficult processes to undergo simultaneously, she explained, Russia must implement market liberalization and create a new multinational state at the same time. Finally, Shevtsova specified that Russia had begun its transformation under several constraints, including an imperial state, a highly militarized economy, and an opposition movement which had emerged from within the Communist Party rather than, as in Eastern Europe, outside the Party.

Yeltsin was described by Shevtsova as a cautious, clever leader who made a place for the communist *nomenklatura* in the new regime, not a destroyer of communism. Yeltsin, she said, is a member of the provincial *nomenklatura* that brought about the fall of the Soviet system and subsequently assumed power in Moscow. Although they have succeeded elevating their political status, said Shevtsova, members of this subset of the old Soviet *nomenklatura* lack competence and professionalism. The current ruling elite, she added, has no respect for the

constitution, nor any desire to compromise their power.

Yeltsin acted to preserve his power when he dissolved the parliament in 1993 and subsequently dismissed most liberals and democrats from his government. When relative calm prevailed on the Russian political scene in 1994, Yeltsin proclaimed that Russia had entered a period of stabilization. According to Shevtsova, however, it was a peculiar stabilization based on the failure of the previous political course and the fear of new bloodshed, i.e., on elements of political and economic crisis. In fall 1994, when Yeltsin returned from a visit to the United States, the regions and the military were restless, said Shevtsova, poised for a new struggle for power. At that time, Yeltsin saw the need to show the Russian people that he was "alive, sober, and in control." Chechn'ia served as an ideal pretext for doing so, providing him a way both to consolidate a national, patriotic base in Russia and to pacify regional elites. Today, Russian leaders are repeating in Chechn'ia what Soviet leaders did in Vil'nius in 1991: using the military to regain control in a non-Russian republic. Given that military intervention in Vil'nius was the beginning of the end of Gorbachev's career, Shevtsova surmised that the Chechen war could be the beginning of the end of Yeltsin's career. The speaker evaluated the overall consequences of the Chechen invasion negatively. Increased inflation and the high financial cost of the war have strained an already weak economy. Political life and economic reforms, moreover, are now taking place within a strange hybrid of official and unofficial structures, she continued. There exists an official economy and a shadow economy, official politics and shadow politics, she said. Shevtsova then pointed to corporatist groups like the commodity group under Chernomyrdin's leadership, the agrarian complex, the military-industrial group, financial capital, and regional groups that are now competing with each other for power.

The invasion of Chechn'ia has also demonstrated the continuous fragmentation of society and the polarization of politics in Russia. While a fragmented society hinders the development and consolidation of political groups with no strong alternative leader, it makes it possible for Yeltsin to stay in power for up to two more years, predicted Shevtsova. Yeltsin, she specified, can only survive on the basis of such a fragmented,

disorganized society in which there is no possibility for social action. Although she said other options were possible, Shevtsova excluded the possibility of a liberal democratic government in the short term and predicted that Yeltsin would not hold presidential elections in 1996 if he had no chance of winning. If elections do take place under the current regime, she insisted they would be organized in such a way as to ensure that the Yeltsin team remained in power.

Although a *coup d'etat* could occur, Shevtsova noted that a coup required cooperation among the Russian regions, the army, influential cartels, and society. As no such cooperation exists, she argued that a coup would probably produce a non-traditional regime either oligarchic rule consisting of a weak president, a strong government, and a strong prime minister, or an authoritarian regime led by a charismatic leader with a military background. Whatever the regime, Shevtsova claimed that in the short term Russia would continue to have many ties with the west and predicted that a two-track policy would be pursued: an anti-western, nationalist domestic policy and a foreign policy pragmatic in its approach towards western nations.

—by Julia Smith

Vol. XII No. 11 1995

Political, Not Ethnic, Identity will Unite Ukraine

"Ukrainian society today is dispersed, atomized, and unstructured," said **Mykola Riabchouk** at a Kennan Institute lecture on **9 March 1995**. Riabchouk is Deputy Editor-in-Chief of *Vsesvit*, an international political and cultural affairs journal published in Kiev, and a Fulbright Scholar at Pennsylvania State University. According to the speaker, Ukrainian society lacks a unifying social structure or political ideas that can integrate the interests of different cultural, national, and linguistic groups and allow them to communicate within the same cultural framework.

Like other post-Soviet republics, Ukraine faces the simultaneous challenges of decolonization and decommunization. Yet, said the speaker, Ukraine is an exceptional case because it is composed of two groups of the same nation who have achieved strikingly different stages of national development. As part of the Austro-Hungarian empire, he argued that western Ukraine underwent a process of nation building and

succeeded in creating most of the structures of a civil society. By contrast, oppressive conditions of the Russian empire and unequal economic and political development under the Soviet regime prevented eastern Ukraine from experiencing these processes to the same degree. Riabchouk concluded that western Ukraine was thus more modern in the political and national senses, while eastern Ukraine was more pre-modern.

The speaker referred to Orest Subtelny's argument that modernization in Ukraine, which occurred largely under foreign domination, had contributed to an enduring bipolarity in which Ukrainians (and their language) are associated with the backward village and non-Ukrainians with modernizing sectors of society. The legacy of the Soviet regime, which prohibited the use of Ukrainian in official affairs, now makes many Ukrainians hesitant to use their own language. Although most ethnic Ukrainians know and speak the language in private life, explained the speaker, they are accustomed to using Russian in public life. Finally, large parts of Ukrainian social life still exist outside of the Ukrainian language, especially in the country's eastern regions, where Riabchouk asserted that Ukrainian-speaking citizens were a despised minority in the cities and a despised majority in the countryside.

The weakness of television programming and publishing also works against the use of Ukrainian today. The cost of publishing has skyrocketed in recent years, sharply reducing the number of books printed in Ukrainian and making them more expensive than Russian books imported from Russia. Ukrainian television consists of only a few, poorly equipped regional television stations with inadequately trained staffs. Programming in Ukrainian is limited to two to three hours per day, with most air-time dominated by Russian-language Ostankino television.

The varied elements of contemporary Ukrainian society—Ukrainian- and Russian-speaking populations and regions, more and less educated segments of society—is not evidence of plurality, but of disunity and discontinuity, said Riabchouk. He asserted that only a Ukrainian *political* identity, not a linguistic or cultural identity, could successfully integrate the Ukrainian nation. A shift from an ethnic-linguistic to a civic idea of the Ukrainian nation is, in fact, already underway, he said. Movement towards a civic national identity began during the late

perestroika era, when the Ukrainian national movement Rukh elaborated a more democratic ideological platform in order to attract the support of the eastern Ukrainian population. Democratic nationalists then supported the adoption of liberal laws on citizenship and minorities during Kravchuk's presidency. Yet a deep-rooted bias in eastern Ukrainian society against all things Ukrainian endured until Leonid Kuchma became president, said the speaker. Despite fears that a Kuchma presidency would split the country between east and west, if not lead to the absorption of Ukraine by Russia, Riabchouk argued that Kuchma and his team exhibited Ukrainian political consciousness.

The assumption of power by a non-nationalist elite from the east has disproven the idea of Ukraine being permanently divided into, in Riabchouk's words, "a pro-Soviet, pro-Russian, pro-communist east and an anti-communist, anti-Soviet, 'nationalistic' west." Rather, he argued that Ukrainian nationalism had become more democratic in the west and pragmatic politicians had challenged the supremacy of the communist, pro-Soviet elite in the east. "None of these forces can integrate Ukrainian society alone, but they probably can do it together," he said. A political coalition of democratic Ukrainian nationalists and pragmatic Russian liberals is essential, he insisted, in order to minimize inter-ethnic and inter-regional conflict in the country and allow for post-colonial policies of compromise.

The principal discrepancy between democratic Ukrainian nationalists and Russian pragmatic liberals, said Riabchouk, is their perception of Russia's colonial legacy in Ukraine—that is, whether they view the colonial legacy as an historical injustice to be redressed or a reality to be accommodated. (Although Ukraine's population is nominally 76 percent ethnic Ukrainian, 21 percent Russian, and 3 percent other minorities, the speaker said these figures only made sense in western Ukraine.) Not only do Russians living in Ukraine fear that a Ukrainian national revival will result in extreme nationalism, Russians trace their origins to Kievan Rus' and do not see themselves as colonizers in Ukraine. Moreover, Russians have been the ruling elite in many Ukrainian cities for decades sometimes centuries and consider Ukrainian language and cultural policies in places like Kiev, Kharkiv, and Odessa to be undemocratic, given that

Russian has long been the predominant language in these cities.

Despite the differences that divide Russians and Ukrainians in Ukraine, Riabchouk believed the Russian population would eventually integrate into Ukrainian political and intellectual life for four reasons: the strength of local patriotism of Russians living in Ukraine; the insignificant linguistic barrier between the two groups; the tolerant attitude toward minorities of Ukrainian democratic nationalists; and the shift of the present-day political center of the country from Moscow to Kiev.

—by Peggy McNerny

Vol. XII No. 12 1995

Stalin Rejected, then Supported Korean War

North Korean leader Kim Il Sung wanted to reunite Korea by military means as early as March 1949, said **Kathryn Weathersby** at a Kennan Institute lecture on **13 March 1995**. Weathersby, Assistant Professor of History at Florida State University and currently a Research Scholar at the Kennan Institute, has reviewed a series of documents concerning the Korean War from the Russian Presidential Archive and the Archive of the Russian Foreign Ministry. The documents were presented by Russian President Boris Yeltsin to South Korea in June 1994. According to Weathersby, Kim Il Sung was in favor of military action and was persistent in his request for assistance from the Soviet Union, knowing that a massive military advance was impossible without the help of the USSR. Stalin rejected Kim's requests repeatedly before changing his mind and agreeing to support a military campaign.

Primarily telegrams covering the period from 1949 to 1953, the documents given to South Korea provide information about high-level decision-making regarding Soviet involvement in the Korean War. The collection is somewhat incomplete, however, in that it represents only a portion of the top-level documents from that time. Weathersby focused on materials from the period 1949–50 consisting of correspondence between Kim Il Sung, Soviet Ambassador to Korea T. F. Shtykov, and Mao Zedong regarding the Soviet decision to coordinate a military operation with North Korea.

The Democratic People's Republic of Korea, also known as North Korea, was already highly economically dependent on the Soviet Union before the Korean War. The

relationship made it necessary for Kim Il Sung to gain permission from Stalin before orchestrating a military campaign against South Korea, which he first requested in March 1949. According to Weathersby, archival documents show that Stalin refused to support such an endeavor, in part because American troops remained in South Korea and China was still engaged in a civil war. Rather, Stalin ruled that military action could be undertaken only in the form of a counter-attack against a South Korean advance. Kim persisted and again raised the issue of military action against South Korea on 12 August and 3 September 1949. By the middle of September 1949, Stalin was more willing to consider the idea of a military campaign in Korea, given that U.S. troops had withdrawn from South Korea.

A telegram dated 11 September 1949 from First Deputy USSR Minister of Foreign Affairs Andrei Gromyko to the chargé d'affaires of the Soviet embassy in Pyongyang requested detailed information to help the Soviet leadership make an accurate decision about a military offensive. Questions regarding the strength of the South Korean and North Korean armies, the reaction of the population to an attack (i.e., would the southern population aid the North Korean army in its advance?), and the possibility of the involvement of American troops were addressed to Kim Il Sung.

According to Weathersby, Kim's response was unconvincing and the Soviet embassy pointed out that the weak North Korean army would only be able to launch a partial assault, creating the risk of a long, drawn-out civil war. On 24 September 1949, noted Weathersby, the Soviet Politburo ordered Shtykov to respond to Kim's request; the North Korean government was advised to support a partisan movement instead of launching a direct military attack against South Korea. It seemed that Stalin had again denied Kim's request for assistance.

By January 1950, the civil war in China had ended, freeing North Korean troops fighting there. At that time, Kim Il Sung again approached Stalin for assistance. In a telegram to Ambassador Shtykov, dated 30 January 1950, Stalin relayed his response to Kim: an offer of military assistance with the attack on South Korea in return for a yearly supply of 25,000 tons of lead. Plans for a military attack on 25 June 1950 were made under the assumption that the United States

would not intervene, especially if military action was massive and rapidly successful.

Soviet archival documents from the period 1949–50 show Stalin's decision-making style as rudimentary but rational, revealing a careful consideration of gains and losses, said Weathersby. Ironically, she said that Stalin's decision to reduce the likelihood of American intervention by increasing the scale of the assault led precisely to the consequence he hoped to avoid. Because the North Korean attack looked like the kind of Soviet offensive the American government so feared would happen in Western Europe, the Truman administration decided to intervene to protect South Korea. In Weathersby's opinion, had Stalin known that the United States would intervene, he would not have supported the war.

An examination of the recently released archival materials reveal Kim's clear dependence on the Soviet Union, yet his persistence seems to have influenced Stalin's decision regarding involvement in the war. While these documents do not reveal directly why Stalin changed his mind, Weathersby speculated that a combination of factors probably swayed his decision: the withdrawal of U.S. troops from South Korea, the conclusion of the Chinese civil war, and Stalin's delicate relations with Mao Zedong. Large gaps in the documents, especially for the period between April and June 1950, however, make these only initial conclusions.

—by Julia Smith

Vol. XII No. 13 1995

War in Ukraine, 1918–1921, only a Prelude

The war that broke out in the early months of 1919 between the Bolshevik government of Ukraine and the spontaneous, peasant national liberation movement that brought it to power is crucial to understanding subsequent Soviet history, said **Andrea Graziosi** at a Kennan Institute lecture on **24 March 1995**. Graziosi is a Researcher at the Department of History and Theory of Public Economy at the University of Naples and a former Research Scholar at the Kennan Institute. Not only are the years 1918 and 1919 in Ukraine critical to understanding the development of Stalinism, said Graziosi, they chronicle the first instance of a widespread twentieth-century phenomenon: the spontaneous peasant liberation movement with a strong social content led by communists. Finally, argued Graziosi, a striking continuity exists in Soviet history between the 1919

peasant-state war in Ukraine and that of later years.

According to Graziosi, several important circumstances colored events in Ukraine. The very composition of its population, he said, where the countryside was predominantly inhabited by Ukrainian peasants and the cities by non-Ukrainians who controlled the modern trades, provided grounds for a spontaneous national socialist movement. Those Bolsheviks who were active in Ukraine were concentrated in these “colonial” cities and were generally not Ukrainian, but Russians, Jews, or Russified Ukrainians. Located primarily in Kiev and Donbass, these Bolsheviks shared deeply anti-Ukrainian and anti-peasant sentiments. At the same time, Ukrainian peasant society was booming in the countryside in the years prior to the revolution growing in numbers, income, and productivity. And, as they accumulated wealth and acquired land, Graziosi observed that Ukrainian peasants remained firmly focused on the idea that land ownership was the sole solution to their problems.

These circumstances go far toward explaining the curious phenomenon by which Ukrainian peasants, in their quest for land, brought a strongly anti-peasant and anti-Ukrainian Bolshevik government to power in Ukraine. Graziosi pointed out that two Bolshevik governments were established in Kiev in the chaotic first years after the October 1917 revolution: one by Russian troops in early 1918 and one by a national liberation Ukrainian peasant movement in late 1918. After the fall of the nationalist Rada, the first Bolshevik government lasted only three weeks before German troops invaded Ukraine in late February and early March 1918. When the Bolsheviks began to resist the Germans, said Graziosi, Ukrainian peasants perceived first, that the Bolsheviks were defending their land, and second, unlike the Rada, that the Bolsheviks were promising them land.

The partisan peasant resistance movement that arose in May 1918 thus explicitly supported the Bolsheviks and the soviets, with all sides involved in the fighting (including the Germans, the peasants themselves, and even Lenin) identifying peasant resisters as “Bolsheviks.” Although fragmented ideologically along peasant, nationalist, anarchist, and Socialist Revolutionary lines to name but a few, Graziosi claimed the liberation movement was more

or less united by a program that advocated free trade (i.e., the right of peasants to sell their own produce and not submit to requisitions) and all land to the peasantry.

After the Germans were defeated in fall 1918 and the Ukrainian nationalist leader Petlyura failed to implement the peasants' program, they swung their support behind the Bolsheviks. The second Bolshevik government in Ukraine was then formed in late 1918. Yet by March 1919, a vicious war had broken out between the government and its peasant supporters due to the Bolsheviks' attempts to requisition grain and collectivize farmland. Unlike Russia, noted Graziosi, where the Bolshevik government did not fight for actual farmland until 1929–30, Bolsheviks in Ukraine in 1919 fought for both grain and actual control of the land. Fighting continued until the famine of 1920–21, ending only with the institution of the New Economic Policy in summer 1922.

Graziosi claimed that the Bolshevik-peasant war in Ukraine represented an even more extreme form of the paradox of the October 1917 revolution. That paradox—in which a popular, anti-state, and anti-authoritarian revolution based in the countryside clashed with the country's most extreme statist political group—ended very quickly in Russia proper, he said. In spring 1918, the Soviet government in Russia began to fight against the peasantry and the population at large as well as against the White opposition. In Ukraine, however, resolution of this paradox was complicated by the national character of the peasant liberation movement brought to life by the German invasion. The war that followed between the Bolsheviks and the peasants, argued Graziosi, was simply the first phase of what he termed the "Great Soviet Peasant War of 1918–33:" a war in two acts separated by the intermission of the NEP. A primitive war between a super-state and a strong peasant society, it would last approximately fifteen years and result in the deaths of between thirteen and fifteen million people.

Noting that World War I began a process of brutalization and barbarization in both Europe and Russia, Graziosi observed that the war never ended in the Russian empire, but extended to society in its entirety. In his view, the extreme level of brutal violence employed by all sides in the guerilla war against the Germans and the subsequent peasant-state war in Ukraine greatly affected the nature of

the Soviet regime. Bolsheviks in Ukraine, for example, committed such atrocities as shooting all adult males in certain peasant villages or killing 100 peasants in return for every communist killed; peasants responded with such atrocities as making communist detachments into statues of ice by soaking them with water. Pogroms were widespread, initiated popularly as well as by Whites and Ukrainian nationalists. Without understanding the extreme violence of this early war against the peasantry in Ukraine, concluded Graziosi, one cannot understand Stalinism, just as one cannot understand the higher Stalinism of the 1930s without understanding the violence of the second round of this war in the countryside in 1929–33.

—by Peggy McInerney

Vol. XII No. 14 1995
Anti-Democratic Forces Consolidate
in Russia

"[The war in] Chechnia reflects a consolidation of anti-democratic forces in Russia that goes back to 1992, when the military was able to get its way on issues of national security policy by insubordination, specifically with regard to Japan," asserted **Stephen Blank** at a Kennan Institute lecture on **27 March 1995**. Blank is an Associate Professor at the Strategic Studies Institute of the U.S. Army War College in Carlisle, Pennsylvania. He specified that his remarks represented his personal views and did not reflect those of the U.S. Army, the Defense Department, or the U.S. government. Far from ending Russian democracy, Blank argued that the war in the Chechen Republic was the culmination of an authoritarian trend that began early in Boris Yeltsin's presidency.

"Democracy, I would argue, never really came to Russia," said Blank. "What you had was liberalization and democratization of the broken-down Soviet system, but you did not end up with a new democratic order." According to the speaker, democratization in Russia gave rise to numerous domestic interest groups that imposed a check on the ability of the state to move from a Soviet to a more democratic structure. The failure of the Yeltsin government to reform the police and create a coherent state system in Russia as it destroyed the Soviet economic order has, he asserted, resulted in a plethora of state organizations held together by one man's will and an authoritarian pattern of personalized relationships.

The Chechen war strengthened Yeltsin's position by removing any kind of restraint on the Russian government. At the same time, argued Blank, in removing all restraints, Yeltsin destroyed the supports that normally sustain a state. An essential mismatch thus exists between the nature of the Russian state today and that of Russian society, which has progressed institutionally beyond the state. This disequilibrium, said Blank, is mirrored by the mismatch between the present strategic objectives of the Russian state and the resources available to it. Until a balance is achieved in both situations, he contended the Russian government would continue to be tempted to use force to solve its problems at home and abroad.

Blank compared the kind of decision-making that permeates Russian politics today, particularly defense policy decision making, with that of the late tsarist system. As he held was true for the Chechen war, in the late tsarist system one civilian the tsar controlled the armed forces, no law governed the deployment of Russian troops, and the intelligence agencies essentially comprised a rogue element out of control. Given that the political system in Russia now depends completely on one individual, it is inherently unstable, said Blank. He warned that a complete breakdown of state order could occur should Yeltsin or his successor refuse to play the role of the "strong tsar" or *vozhd*.

The speaker drew attention to the critical importance of a written report submitted to the Russian parliament by President Yeltsin in February 1995. In the report, Yeltsin linked the war in Chechnia with what Blank termed Russia's neo-imperial policy *vis-à-vis* the Commonwealth of Independent States (CIS). The report, he explained, warns that Russia can expect to encounter more crises like that in Chechnia due to aggressive nationalism and religious extremism. These crises will be in Russia itself, along its borders, and on the territory of the former USSR. Not only, said Blank, does the report justify the use of troops in Chechnia, it claims that Russian security interests may require stationing troops in other member states of the CIS in order to prevent destabilizing developments. "In other words," he concluded, "under the pretense of peacemaking, war abroad and war at home are explicitly and implicitly linked in a blueprint for what can only be a non-democratic state."

In Blank's opinion, the most disturbing implication of the presidential report is its assumption that Russia can only survive as a state if it survives as an empire. Although he conceded that Russia had legitimate interests in the CIS, Blank argued that Russia could act as the gendarme of Eurasia only by risking the destruction of the Russian state. The problem is not so much that Russia has valid interests in the CIS, said Blank, but that the way in which Russia pursues these interests is profoundly destabilizing. "To put it in military terms," he remarked, "if Russia becomes involved in any more protracted conflicts, Russia *itself* risks becoming the center of gravity."

Objecting to the ad hoc nature of Clinton administration policy in the region, Blank contended that it was imperative for the United States to develop a coherent policy towards the CIS as a whole. "Save for the Ukraine," he remarked, "we are not pressuring these governments to reform and strengthen themselves so that they become more able to resist [Russian pressure] and, therefore, Russia will be less tempted and less able to intervene in them." A coherent U.S. policy, he emphasized, should be based on principles of strategic engagement with both Russia and the other members of the CIS. While recognizing Russia's need for security, the United States should nevertheless deny Russia the right to unilaterally police the region, he said, as the police role will prove inimical to both Russian democracy and overall Eurasian stability.

Blank was particularly critical of foreign policy analysts who, out of distaste for the neo-imperial nature of Russian foreign policy in the former Soviet Union, now advocate a policy of neo-containment of Russia. Such a policy will find no support in the United States or among its allies, he asserted. Moreover, he warned that any policy that seeks to break up the Russian state risks provoking an international conflagration. Just as the international system could not deal with the collapse of the Russian state in 1918, when six separate states intervened to try to fashion a Russia more amenable to their interests, he concluded, neither can it accommodate such a breakdown today.

—by Peggy McNerny

Vol. XII No. 15 1995
Post-Soviet Russia: An Assessment

Far from signaling a new and aggressive imperial foreign policy, Russia's use of

force in Chechnia may dissuade it from using military force elsewhere, said **Jack Matlock** at a Kennan Institute lecture on **1 May 1995**. A former U.S. Ambassador to the USSR, Matlock is Kathryn and Shelby Cullom Davis Professor in the Practice of International Diplomacy at the School of International and Public Affairs of Columbia University. He is also a member of the Kennan Institute Academic Council. Matlock pointed out the essentially rhetorical nature of recent assertions by Russian Foreign Minister Andrei Kozyrev to the effect that Russia has the right to use force to protect Russian citizens abroad. In fact, he said, the Russian government appears to have chosen not to use direct military force in dealing with its neighbors, as demonstrated by its recent conclusion of agreements with Kazakhstan and its careful handling of the Crimean issue with Ukraine this spring.

Matlock conceded that many Russian actions in the "near abroad" in recent years stationing border guards and troops in Tajikistan, interference in Abkhazia, leaving the Fourteenth Army in Moldova, even Kozyrev's current rhetoric about protecting Russian citizens with force smacked of imperial behavior. Nevertheless, he dismissed the possibility that Russia would reabsorb the territory of the former Soviet Union. "Russia can't afford an empire again and the regions will not go along with it," he asserted. Rather than reestablish its empire, Russia is more likely to fragment as a state if it initiates military operations against its neighbors. Given the nuclear warheads and chemical weapons located on Russian territory, he said, the real threat to international security today is the potential disintegration of Russia, not its imperial restoration.

On the domestic front, Matlock argued that any attempt to reinstitute a unitary state in Russia, particularly by force, also risked fragmenting the country. Despite Yeltsin's broad presidential powers and right to appoint regional governors, the speaker claimed the weakness of the central state had permitted a de facto federalism to take hold in Russia over the last few years. "Despite talk of a unitary state," he observed, "the fact is, they don't have one anymore." Most regions currently ignore Moscow if they disagree with the policies of the central government and do not appear to suffer for their insubordination, he noted. Several republics, moreover, such as Tatarstan and

Sakha (formerly Yakutia), have driven hard bargains with the center by avoiding any mention of sovereignty or secession.

The weakness of Russian political structures is a critical problem in contemporary Russian politics, argued Matlock, one ultimately responsible for the military invasion of Chechnia in December 1994. The tragedy of Chechnia, he said, lies not only in the methods used to subdue the republic, but in Russia's lack of sufficiently strong administrative organs to bring the republic under control without the use of force. The speaker traced Russia's institutional dilemma to the failure of democratic politicians to implement meaningful reform of the Soviet bureaucracy in late 1991 and early 1992, when they briefly possessed overwhelming power. At the time, he said, democrats possessed little regard for the administrative realities of running a state and failed to reform the police or the army. The Chechen war has demonstrated the need to reform both organizations. Not only has the war revealed the shocking weakness and poor leadership of the army, said the speaker, the security agencies clearly provided the government poor intelligence prior to the invasion.

Lack of administrative reform has allowed President Yeltsin to impose a new bureaucracy over and above the old central Soviet bureaucracy, which continues to function virtually untouched, said Matlock. Poor pay, poor morale, and poor management of this bureaucratic morass mean that administrative positions have become a license for corruption. With organized crime increasingly entwined with the bureaucracy itself, Matlock argued that crime and corruption represented one of the most difficult, and intractable, problems of contemporary Russian politics. Unless the government addresses this problem in the near future, warned the speaker, increasingly serious political and economic difficulties may ensue.

Although Matlock was pessimistic about the Russian government's ability to control crime and corruption, he did not believe that economic reform in Russia had stalled in all respects. Privatization has achieved considerable gains, he said, even if in many cases, old managers retain control of former state enterprises. More important, he insisted, is the fact that privatized enterprises do not function in a competitive system. One does not see privatized enterprises facing the market imperatives of reorganization or bankruptcy, but the preservation of monop-

lies and the creation of oligopolies. Lack of attention to the institutions needed to make a market economy work, such as tax policies, commercial law, and the enforcement of property right has, in addition, led to enormous capital flight.

The speaker drew particular attention to the Russian government's mismanagement of socio-economic policies, which has led to glaring and potentially explosive income disparities. The great majority of people who voted for the Communist Party, the Liberal Democratic Party, and other rightist parties in the December 1993 parliamentary elections came from the lowest income brackets of the Russian population, he noted. This voting pattern, he argued, is evidence that a political pathology is rooted in the problem of income distribution.

Given the difficulty of the problems he described, Matlock said it was remarkable that no groundswell of public opinion was calling for a return to the communist past. Parliamentary elections scheduled for December 1995 will probably take place as planned, but the results will be inconclusive, he predicted. "Unless democratic leaders learn a great deal about coalition building in a very short period of time, they will probably lose," he commented, "but I'm not sure anyone is going to win."

—by Peggy McNerny

Vol. XII No. 16 1995

Russian Security Agencies Unreformed, Unmonitored

"The KGB legacy in Russia has left a marked impact that has helped shape the reform process and the lack of reform process in Russia. This legacy has profound implications for the west, not only in the traditional intelligence or counterintelligence sense, but with respect to our entire effort to promote reform there with large-scale economic and small-scale technical assistance," said J. Michael Waller at a Kennan Institute lecture on 8 May 1995. Waller is Vice President of the American Foreign Policy Council in Washington, D.C. According to Waller, the security and intelligence services of the Russian Federation remain largely unchanged from their Soviet incarnations and continue to identify with the *Chekist* image of the Soviet secret police first directed by Feliks Dzherzhinsky. These organizations are, moreover, closely linked to the private sector that began to emerge in Russia during the

late *perestroika* era, with many former intelligence officers now working in commercial entities.

Sadly, said Waller, it is highly unlikely that civilian control will be established over Russian security agencies in the near future.

The speaker referred specifically to the two successor organizations to the KGB, the Federal Security Service (FSB, formerly the Federal Counterintelligence Committee, or FSK) and the Foreign Intelligence Service (the SVR), as well as the Russian presidential security service. The FSB, run by Sergei Stepashin, is comprised primarily of the internal security units of the former KGB; the SVR, directed by Evgenii Primakov, represents the foreign intelligence component of the former KGB; the presidential security service, headed by General Aleksandr Korzhakov, oversees the Russian president's personal security, security in the Kremlin, and a growing number of analytical and information-gathering departments. All of these organs, specified the speaker, possess separate means of earning foreign currency that guarantee their continued existence and independent economic power.

These organizations remain unconstrained by legal or public oversight for several reasons, said Waller. First, over the past several years President Boris Yeltsin has consistently used the security forces as a power base. Contrary to the expectations of many, Yeltsin neither reformed nor eliminated the KGB after the collapse of the USSR, but instead attempted unsuccessfully to merge it with the Ministry of Internal Affairs (MVD). The Russian president has also refused to pressure the successor organizations to the KGB to comply with parliamentary investigations. In 1992, for example, Yeltsin refused requests from both a Supreme Soviet investigative commission and the Procurator of the Russian Federation to issue a decree requiring the SVR to provide crucial data needed to track down billions of dollars of KGB and Communist Party finances that had been secreted abroad. Second, continued Waller, laws on security and counterintelligence successively adopted by the USSR Supreme Soviet, the Russian Federation Supreme Soviet, and the present-day Russian Duma have without exception been initiated and drafted by these agencies themselves. Third, the self-professed mandate of Russian security organs to fight crime and maintain law and order strikes a deep chord with Russian

citizens. Waller claimed this mission had first been consciously enunciated by USSR KGB Chairman Vladimir Kriuchkov when it became clear that the KGB needed a new and legitimate mission in the waning days of *perestroika* and was subsequently later adopted by his Russian Federation successors.

“What we are seeing today,” noted Waller, “really began in the late 1980s when Mikhail Gorbachev opened up the economic and political systems of the former Soviet Union.” The gradual opening of the Soviet economy and Soviet politics under controlled circumstances, said the speaker, was accompanied by a concerted effort of the leadership of the Communist Party of the Soviet Union (CPSU) and the KGB to take every possible advantage of the reforms of *perestroika* for their own political and economic benefit, assuring top-echelon leaders of both organizations a place of power in the system that would follow. Citing a 1992 report of a Supreme Soviet investigative commission, Waller maintained that the Politburo of the CPSU Central Committee adopted several secret resolutions aimed at concealing property and monetary resources in commercial structures during the final years of the Gorbachev regime. “Based on [these resolutions],” said Waller, “in 1991 at all levels of the Party hierarchy there was a mass funding of Party banks, joint enterprises, and joint stock companies.”

The operational team that oversaw the design and implementation of this strategy included the First Chief Directorate of the KGB, said Waller, whose expertise in international affairs, particularly foreign exchange transactions, proved invaluable. Following the collapse of the USSR, many of the Party leaders and KGB officers who implemented this scheme remained. Although many went their separate ways, all had personally benefited from mechanisms that had allowed them to manage the wealth and hard currency reserves of the USSR during its last years of existence. The result, said Waller, is a network of like-minded people with common roots in the Communist Party and KGB organs who command wealth and power in Russia today. Such people and the commercial organizations they control are now able to fund political candidates, newspapers, and business entities throughout Russia.

Although liberal newspapers openly criticize governmental figures and policies, Waller pointed out that investigative journalism concerning the KGB and its successor

organs had greatly diminished in recent years. Many journalists who once wrote on the subject are now living abroad or, in the worst cases, dead. Significantly, said the speaker, individuals who actively lobby for the institution of civilian control over Russian security agencies have virtually no recourse to legal protection. Waller reported that one such activist, former political prisoner Sergei Grigoryants, has in the past three years lost the building in which his foundation was housed, been severely beaten in his own apartment, and lost his son in a hit-and-run car “accident.”

—by Peggy McNerny

Vol. XII No. 17 1995

Obstacles to Economic Reform in Russia

What are the causes of Russia's difficulties with post-communist reform? Certain metaphysical explanations appeal to national morale and rely on Russia's historical background, said **Leonid Polishchuk**, Research Associate at the Center for Institutional Reform and the Informal Sector at the University of Maryland. More mundane explanations, however, offer truer insights. Polishchuk spoke at a Kennan Institute lecture on **22 May 1995**. First, said the speaker, undeveloped capital and labor markets problems endemic to all countries in the early stages of reform are slowing the transition to a market economy in Russia. Second, emerging markets do not allow for restructuring in the early stages of reform. Countries like Russia, whose economies are in need of significant restructuring due to distortions caused by Soviet industrialization and centralization, thus have particular difficulty implementing reform.

Both the scale of structural economic distortions and the complication of political tensions in Russia have hindered the progress of reform, said the speaker. Countries that do not need as much economic restructuring, such as Poland, Hungary, and the Czech Republic, have had more success, he noted. For example, private, market-driven agricultural sectors have always been present in Poland and Hungary, and the services sector in both countries was private to quasi-private under communism. The Czech Republic, assigned to produce consumer goods by the Council for Mutual Economic Assistance, the body that coordinated trade among the countries of the Eastern Europe and the Soviet Union,

developed an economic sector vital to a market economy.

Slovakia, by contrast, was under-industrialized and underdeveloped at the end of World War II, only to undergo intense communist-style industrialization during the post-war period. The structural imbalances that resulted in its economy have made reform a difficult and arduous process in Slovakia. Similarly, Stalinist industrialization and centralized political control, in conjunction with depressed and underdeveloped capital and labor markets, have left Russia at a disadvantage in the early stages of reform.

According to Polishchuk, a market economy provides indicators to which labor and capital respond in a productive manner. While Russia has succeeded in producing indicators (primarily price signals), he pointed out that it has not been successful in responding to them because it lacks a fluid labor market. For labor to respond to price signals, explained Polishchuk, Russia needs to have accessible housing, a social safety net and public services available regardless of workplace, an unemployment system, low administrative barriers, and a mortgage system. At present, increasing stratification between the rich and poor regions of Russia and the growth of service sector opportunities in wealthy areas are further contributing to the constrained mobility of the labor force. Russia's capital market is also very underdeveloped, which Polishchuk attributed to poorly protected property rights, unenforced contracts, uncertainty and instability in the government, high inflation, low liquidity, and uncertain commodities values.

Polishchuk noted that different sectors of the Russian economy have responded to the transition from a command to a market economy in different ways. Russia's consumer goods industry, for instance, was not substantially developed in the Soviet period, thus 80-90% of consumer goods found in Russia today are imported. On the other hand, the publishing and printing industry is doing well: orders for books on Lenin have been easily converted to current orders for Stephen King novels. According to Polishchuk, the automobile industry has exhibited a more ambiguous record. The Gaz plant in Nizhnii Novgorod received new, versatile equipment in the late 1980s, enabling it to produce new products and to be successful during the economic transition. The Moscow-based Zil plant, however, which

relies on very old equipment, is finding it difficult to create products in demand.

Polishchuk emphasized that Russian politics were not driven by ideology, political platforms, or beliefs, but by pragmatic considerations. In the absence of a market for human resources, he explained, extra-market activities such as crime, corruption, lobbying, financial scams, and redistributive activities have increased. Due to the depth of structural imbalances, the focus of economic activity in Russia today is on redistribution, not production. According to economist Sergei Glazev, success in the Russian redistributive market requires strong connections with the government, organized crime groups, and law enforcement bodies, as well as an absence of productive assets of genuine market value. Given these requirements, Polishchuk noted that the most effective vehicle for redistribution was the state. Entrepreneurs who take part in redistributive activities are thus political entrepreneurs, he specified, not market entrepreneurs.

In a redistributive system, managers of both privatized and state-owned firms seek to preserve their labor teams and output targets in order to retain the support of large numbers of workers and gain political influence, contradicting the profit-maximizing strategies of a market economy. In order to succeed with economic reform, argued the speaker, Russia needs a broad market-driven rearrangement of the factors of production, that is, a redistribution of labor and capital. If not supported by market institutions, economic liberalism alone will be insufficient to restructure the Russian economy. *Laissez faire* economic policies cannot be sustained, he contended, because the state remains the prevailing force in the economy.

Polishchuk suggested that a market economy be put in place by means of a two-track policy: the development of market institutions and adequate protection of property rights. Reflecting on the past, Polishchuk noted that Pyotr Stolypin, often referred to as a brutal oppressor of the Russian revolutionary movement, followed a similar policy when he enacted land reforms in 1906 that sought to transform peasants into landowners.

—by Peggy McNerny

Vol. XII No. 18 1995
Weak Russian State Expanding
Exponentially

Despite the collapse of the USSR and the considerably smaller population gov-

erned by the Russian state, the Russian government is now larger than the Soviet government was in 1991, said **Eugene Huskey** at a Kennan Institute lecture on **12 June 1995**. Huskey is an Associate Professor of Political Science and Director of Russian Studies at Stetson University in Florida and a former Title VIII-Supported Short-term Scholar at the Kennan Institute.

The paradox of a weakening but expanding state sector is most apparent in the presidential apparatus of the Russian Federation, said Huskey. He claimed this apparatus consisted of six basic modules: the *administratsiia prezidenta*, or executive office; the *sluzhba pomoshchnikov*, or senior policy counsellors to the president; the offices of presidential support services; the small body of presidential representatives to non-executive bodies; the Security Council; and various presidential commissions and *fondy* (foundations or funds).

The *administratsiia prezidenta*, run by Sergei Filatov, is the largest and most well-known of the modules. Huskey argued that this body, which possesses fifteen *upravleniia* and/or *otdely* (branch departments), was in many respects a recreation of the Central Committee of the Communist Party of the Soviet Union. Formed by President Boris Yeltsin as a parallel center of executive management in late 1991 and early 1992 on the advice of former State Secretary Gennadii Burbulis and then Deputy Prime Minister Sergei Shakrai, it was intended to retain the former Communist Party's role as the key administrative player in Russian government. Yet the duplication of bureaucracies, said Huskey, has led to a self-destructive competition between two centers of executive power: the government and its central ministries, on one hand, and the president and his administration, on the other.

Such competition extends to the various components of the presidential apparatus itself. The *sluzhba pomoshchnikov*, for example is often in fierce competition with the *administratsiia prezidenta*, with Senior Advisor Viktor Iliushin competing with Filatov for access to the Russian president. The *sluzhba* employs such key policy advisors to President Yeltsin as legal advisor Mikhail Krasnov, economic advisor Aleksandr Livshits, and national security advisor Iurii Baturin. "Just as Filatov's executive office overlaps the government, so do the counsellors overlap Filatov's executive office. In effect," said Huskey,

"Yeltsin has not created so much a pyramid structure of power as a policy wheel."

Two key offices of the presidential bureaucracy, the presidential security service run by General Aleksandr Korzhakov and the *upravlenie delami* (office of administrative affairs), belong to the third module of the presidential apparatus. This module presidential support services also includes the presidential press service, the chancellery, and the protocol office. Together with Iliushin and Filatov, Korzhakov is one of the central figures in the presidential bureaucracy, said Huskey. The *upravlenie delami*, which distributes over one-half of the total budget for the presidential apparatus (2.12 out of 5 trillion rubles in fiscal year 1994), also wields considerable power. Chiefly responsible for awarding dachas, cars, offices, telephones, and other scarce goods to individuals and government ministries, Huskey claimed these goods functioned as symbols by which the importance of individuals within the Russian political system were measured.

The fourth module of the presidential apparatus consists of the three presidential representatives to non-presidential bodies: jurist Aleksandr Yakovlev, presidential representative to the Russian parliament; jurist Valerii Savitskii, presidential representative to the Constitutional Court; and General Evgenii Shaposhnikov, presidential representative to the state arms monopoly, *Rosvoruzhenie*. The Security Council, which Huskey termed a modern-day version of the USSR Defense Council, constitutes the fifth module of the presidential apparatus. Headed by Oleg Lobov and previously, by Iurii Skokov, the Council was the body in which the decision to use military force in Chechnia was adopted.

Finally, the various presidential commissions and *fondy* that operate on the periphery of the Russian presidential bureaucracy comprise its sixth module. Such bodies often possess sizeable budgets, but lack clearly defined responsibilities. The mission of the Fund for Presidential Programs, for example, is not entirely clear, yet the fund commanded a budget of 2.8 trillion rubles in 1994 over one-half of the entire budget for the presidential apparatus.

"Why did Russian President Boris Yeltsin choose to govern through the presidency, that is, around the government rather than through the government?" asked Huskey. In addition to using the presidential

apparatus to overcome the resistance of entrenched Soviet bureaucracies, several cultural and instrumental reasons explain Yeltsin's reliance on his personal apparatus to enact reform. First, Yeltsin could not use the purge as a tool to remove people who resisted his policies. Second, the web of patron-client relationships that runs through governmental bureaucracies made it very difficult to target individuals alone for removal. Third, a cultural block against layoffs made it difficult to cut the size and staffing of government bodies. Fourth, even had employees of post-Soviet ministries been fired, said Huskey, it was unlikely that loyal and competent replacements could have been found for them.

A lack of a sense of limits to administration has produced a strange kind of corporatism in the Russian presidency, observed Huskey. A state structure that attempts to co-opt rather than co-exist with other state organizations whose principal mission is to include everything so as to prevent opposition has resulted in unfettered expansionism, he explained. "The problem with the presidency is that it is now beginning to take on many of the characteristics of the entrenched bureaucracy that it was designed to supersede," concluded Huskey. "What we are seeing today is a kind of institutional imperialism in which one part of the state is attempting to swallow all others."
—by Peggy McNerny

1995–96 PROGRAM YEAR

Vol. XIII No. 1 1995 Russia Reasserts itself as Great, not Super, Power

Recent developments in the western borderlands of the former USSR demonstrate a limited Russian will to remain a great power, not a resolve to disrupt the multilateral European balance of power through expansion, argued **John Armstrong** at a Kennan Institute lecture on **25 September 1995**. Armstrong is Professor Emeritus of Political Science at the University of Wisconsin–Madison, and a former member of the Kennan Institute Academic Council.

These borderlands (comprised of Estonia, Latvia, Lithuania, Belarus, Ukraine, and Moldova) are crucial to Russia's access to the western world, serving as Russia's geographic bridge to east-central Europe.

Nevertheless, Armstrong did not view their independence as being incompatible with Russia's essential security needs as a great power, which are to avoid isolation and remain within the European concert of powers. He claimed these needs could be met provided that: a) independence concerned only those nations that genuinely *desired* independence, b) Moscow abandoned any drastic revival of its historical aim of the "ingathering" of all Slavic lands, and c) a peaceful spirit of cooperation prevailed among eastern Slavs.

According to Armstrong, the six states of the western borderlands fall into three basic groups according to ethno-religious identity, size, population, and geostrategic importance: the Baltic states, Belarus and Moldova, and Ukraine, respectively. Culturally the most distinct from Russia, the Baltic states (Estonia, Latvia, and Lithuania) are firmly rooted in European Catholic and Protestant traditions and possess a strong ethno-religious component of national identity. The flagrant manner with which they were incorporated into the USSR, said Armstrong, has led to widespread recognition, particularly in Scandinavia, that the west owes these nations a special debt. Not only has Scandinavian assistance been crucial to their economic success since 1991, he continued, Scandinavian influence remains the strongest moral pressure for keeping them free.

Although citizenship requirements for Russian residents of Baltic states remain controversial, Russia has withdrawn its troops from their territories, the Baltics have consolidated control over their external borders, and the European Union has tentatively accepted them as future members. Only a military invasion could reincorporate these states into Russia today, said Armstrong, noting that an invasion would yield few real gains and provoke a severe crisis in Russia's relations with the west. Russia's position as a Baltic maritime power, he explained, is already assured by its St. Petersburg coastline, Kaliningrad, the radar facilities it has retained in Latvia, and the transit rights conceded to it by Lithuania.

Turning to Belarus and Moldova, Armstrong claimed they were culturally closer to Russia, with no major religious differences affecting their relations. "If the problem of Moldova is to maintain independence from an outside power," he observed,

“the problem of Belarus is to figure out how [Belarusians] are really different from Russians.” In his opinion, the 1995 agreement between Belarus and Russia on a customs union and united military control of external borders essentially constituted the reincorporation of Belarus into Russia, one that apparently occurred with popular acquiescence. Given that apart from its intercontinental nuclear deterrent access to Europe represents Russia’s essential weight in the international balance today, Armstrong judged this reincorporation a substantial gain for Russia.

Armstrong claimed Moldova had not found unification with Romania attractive after 1991, as the crisis of the Dniester area inhabited mostly by Slavs basically demonstrated the inability of post-communist Bucharest to protect Romanians. Moldovan acquiescence in the protracted presence of the Russian Fourteenth Army on its territory, together with Ukraine’s concession of the Sevastopol naval base, he continued, has since allowed Russia to partially regain its position of power on the Black Sea.

The significance of developments in Ukraine remained unresolved in Armstrong’s analysis. With seventy percent of the population and over one-half of the territory of the six republics of the western borderlands, Ukraine is the state of most strategic importance to Russia. Even less a pure ethnic republic than Moldova or Belarus twenty-two percent of its population is ethnic Russian Ukraine’s less distinct ethno-religious identity is offset by a well-defined secular nationalism and a popular commitment to independence. Unlike Belarus, observed the speaker, Ukraine historically benefited from dynamic intellectual leadership, whose skillful use of myths about the valiant Zaporozhian Cossack and the virtuous Ukrainian peasant created the basis for a nationalist ethos. Not only could the Belarusian peasant never claim any real or imagined Cossack heritage, as does the Ukrainian peasant, said Armstrong, neither could he ever seriously maintain, as could the Ukrainian, that he was better off than the Russian peasant.

Ukraine’s place in the emerging security picture of east-central Europe remains unclear. It has insisted on having an independent military force, refused to join in any external border agreement with Russia, and, according to Armstrong, is unlikely to join any military grouping of post-Soviet

states. Yet the speaker asserted that Ukraine’s inclusion in the North Atlantic Treaty Organization would be provocative to Russia. In the end, he said, both prosperity (or at least a reasonable standard of living) and the loyalty of citizens of varied backgrounds will be essential to the viability of the multi-ethnic Ukrainian state.

Returning to the idea that what we are witnessing in the western borderlands of the former USSR was a limited assertion of Russia’s will to remain a great power, Armstrong warned against exaggerating the nature of Russian expansion. “In recent decades, we have learned the danger unless major totalitarian aggression is involved of assuming that dominoes are falling each time a rival makes minor gains. For any great power, incremental gains may, on the contrary, represent normal, tentative adjustments as the pendulum of international power slowly oscillates.”

—by Peggy McNerny

Vol. XIII No. 2

Challenges to Belarusian Security

The geographic location of Belarus, situated directly between Berlin and Moscow, puts it in an important yet difficult position regarding the delicate balance between east and west, said **Ambassador Syarghei Martynau** of the Embassy of the Republic of Belarus at a Kennan Institute lecture on **16 October 1995**. Mr. Martynau went on to discuss the effect Belarusian history has had on the attitude of its citizens toward foreign relations, common Western misperceptions about Belarus, and the deficiencies of U.S. assistance to Belarus.

The history of Belarus has been a tumultuous one, said the speaker. Ruled by Kiev in the ninth century, the current territory of Belarus fell to the Mongols in the thirteenth century and became part of the Grand Duchy of Lithuania in the fourteenth century. The Grand Duchy merged with Poland in 1569, creating the Polish-Lithuanian Commonwealth and subjugating Belarus to yet another ruler. As a part of eighteenth-century Poland, Belarus was divided during the three partitions of Poland and was ultimately incorporated into the Russian empire. The twentieth century brought wars, Soviet occupation, and still more territorial divisions. According to Martynau, continuous turmoil and ever-changing leadership has greatly affected the

psyche of the Belarusian people; as a result, Belarusians are very cautious and strongly desire peaceful relations with their neighbors.

Having been ruled by other nations for at least two hundred years, post-Soviet independence has finally allowed Belarusian citizens and their leaders to confront the issue of their own national security. Today, Belarus, the west, and Russia must all consider the place of Belarus within the framework of global security. Belarus first began contemplating its policy of national security in 1990, said the speaker, when it submitted an initiative to the United Nations (UN) for a "nuclear-free belt" that would possibly encompass Belarus, the Baltic states, Ukraine, and other East European countries. While this proposal was not implemented at the time, it later formed the basis for a policy of denuclearization. Belarus concluded that it could not assure its security through military means primarily due to its small population and precarious location; instead, it decided to promote its national security interests through international institutions.

One of Belarus's main security objectives is to create and maintain a balanced security position, emphasized Martynau. A balance between the east (Russia) and the west (Europe and the United States), he insisted, would insure a secure Belarus. Two constitutional provisions have been adopted by the Belarus government to establish this balance: neutrality and denuclearization. According to Martynau, the provision on denuclearization stems from three reasons. First, denuclearization is a reaction to the nuclear accident at Chernobyl, which did serious harm to the Belarusian environment and spawned a negative popular attitude towards anything nuclear. Second, the removal of nuclear weapons is expected to reduce the chances that Belarus could become a target of nuclear aggression. Third, Belarus believes it can actively contribute to the balance of power in Europe by eliminating its nuclear weapons. Specifically, added Martynau, Belarus intends to encourage close relations with Ukraine and Poland.

Belarus is in a difficult position because an east-west balance is its only option, said the speaker it can achieve balance only if both sides (Russia and the west) support it and support a framework to maintain peace. Moreover, the lesson of Yugoslavia rings loudly in Belarus: small European states must consider their security carefully because

when larger neighboring states encroach upon small states, international inaction has been the response. In addition, the lack of legal and organizational structures that can quickly secure the interests of a smaller state at risk leaves such states without multilateral institutional support.

Current tension between Russia and the west over the expansion of North Atlantic Treaty Organization (NATO) poses many problems for Belarus, noted the speaker. Belarus itself does not consider NATO an aggressive block, however, the possibility of a Commonwealth of Independent States (CIS) alternative to an expanded NATO would put Belarus right in the middle of two great power blocks. If an expanded NATO placed nuclear weapons in eastern Europe, such a situation would also contradict Belarus's efforts to denuclearize. While economic considerations are the driving force behind cooperation with Russia, Belarus retains its customary caution about becoming a full member of a Russian-dominated CIS collective security system. Martynau admitted that the return of a cold war-like security block was not unthinkable, but noted that it did not fit into current Belarusian foreign policy objectives.

The development of a Belarusian foreign policy also concerns internal reforms that can improve overall national security. According to Martynau, there is a misperception that Belarus is not undertaking reform, yet the country was recently approved for an International Monetary Fund loan, evidence that Belarus can meet the strict economic criteria set by the IMF. In addition, Belarus has actively pursued private investment with the United States, organizing an investment mission that brought American business leaders to Belarus without the assistance of the Overseas Private Investment Corporation, which usually facilitates such endeavors. In general, noted Martynau, Belarus has not received much assistance from U.S. organizations and more political, strategic, and economic attention from the United States would undoubtedly benefit Belarusian reform.

Martynau pointed out that western preoccupation with Russia, Yugoslavia, and nuclear weapons, as well as the hesitation to see Belarus as an entity separate from Russia, prevents Belarus from receiving more attention from the west. It is unclear, he concluded, what kind of foreign policy other nations would like to see in Belarus. Although he surmised that Russia would accept

a balanced foreign policy on the part of Belarus, he was unsure of U.S. and European reactions to such a policy.

—by Julia Smith

Vol. XIII No. 3
**U.S. Needs New Bipartisan Consensus
on Russia**

“We Americans made tremendous investments and sacrifices to win the cold war. Now we must support the programs necessary to build a lasting peace,” said **Vice President Al Gore** at an address at the Four Seasons Hotel on **19 October 1995**. The address, cosponsored by the Kennan Institute for Advanced Russian Studies and the U.S.–Russia Business Council of Washington, D.C., was the third in a series of speeches on Russia given by the Vice President the same week. “For better or for worse, our nation’s fate is linked to the destiny of the Russian people,” emphasized Gore. Warning that growing isolationist sentiment in the United States Congress threatened to damage U.S.–Russian relations, Gore summoned American policymakers to develop a new bipartisan consensus on U.S. policy towards Russia.

Upon assuming office, said Gore, President Clinton recognized that “America’s best traditions and vital interests were best served by deepening our engagement with Russia.” The president accordingly adopted a policy toward Russia based on three interrelated goals: 1) support of political and economic reform throughout the Russian Federation by means of targeted American assistance; 2) integration of Russia into global economic and political structures from which the Soviet Union had been excluded, and 3) diminishing the security and environmental threats posed by Soviet-era nuclear warheads, expertise, reactors, and weapons-grade materials.

The United States and Russia have established enduring, practical mechanisms to resolve their differences since the collapse of the USSR in 1991, said Gore. Through the joint commission established by the U.S. Vice President and Russian Prime Minister Viktor Chernomyrdin, the two countries are working particularly closely in the strategic spheres of trade and investment, space and science, and health and environment. For example, the commission is working to reform taxes and tariffs that discourage foreign investment in Russia. Conversion efforts are helping the Russian defense sector move towards civilian production and the

United States and Russia are cooperating to build an international space station. Such achievements, noted Gore, are increasingly the norm rather than the exception.

“The goal on both sides,” he noted, “is to capitalize on the increasingly normal relationship we now enjoy. Russia, despite all its current problems, is striving to become a normal country with a foreign policy rooted in clearly defined national interests.” Both countries, he continued, have a common commitment to strengthening democracy and free markets and promoting security in Europe. Gore explained that the U.S. vision of an integrated Europe included an important role for Russia, including a better defined relationship between Russia and NATO.

The Vice President made it clear that the Clinton administration understood that NATO enlargement was a contentious issue for many Russians. “[W]e are making the case to Russia’s leaders,” he explained, “that Russia’s own interests and continued integration would be best served by remaining open to broad cooperation with all European institutions, including NATO and the Partnership for Peace.” On another security issue, Gore pledged that the United States and other signatories of the 1990 Conventional Forces Reduction Treaty would work with Russia to resolve the problem of flank troop limits established before the dissolution of the USSR.

Gore discounted critics who claimed the Clinton administration romanticized its relationship with the new Russia and insisted that current U.S. policy was not centered on a narrow spectrum of individuals in Moscow. “We have long recognized that a new Russia is emerging that is far less centralized,” he noted. “[O]ur responsibility [is] to work closely with all of Russia’s democratically elected leaders, whoever or wherever they may be.” Conceding that institutional infrastructures for economic and political reform could not be willed into place in Russia, he nevertheless claimed Russia had made great strides in both areas of reform. Nearly all prices have been freed from state control, inflation is at its lowest point since the creation of the Federation, and economic growth may be poised to take off next year. Not only has the economy liberalized, but “most of the basic building blocks of democracy a national constitution, political parties, independent newspapers and television stations, and free and fair elections are now falling into place,” said Gore.

Although Russia's future is far from clear, the Vice President argued that its transition away from communism deserved continuing American support. "[T]o deny Russia and the Russian people the possibility of progress," he reflected, "is to reject the notion that societies can evolve, that free people can choose a new and brighter future for themselves and their children." Decisions of the current Congress on foreign aid, however, may deny the United States the ability to pursue its relationship with Russia effectively.

According to Gore, Congress is considering reductions in U.S. foreign assistance to Russia that would have serious adverse consequences. The Nunn-Lugar program, which provides assistance to Russia for dismantling the former Soviet nuclear arsenal, could be cut by 20 percent. The Nuclear Safety Initiative, designed to prevent future nuclear accidents of the Chernobyl variety, could be decimated. U.S.-Russian cooperation in assuring the security of weapons-grade nuclear materials would be endangered. And support for democratic institutions, as well as the promotion of American trade and investment in Russia, would be greatly impaired.

The Vice President implored Americans not to allow isolationist sentiment to prevent them from engaging Russia and continuing to lead in the post-cold war era. "The point is simply this," he said, "American assistance is not a hand-out. It is a long-term investment in the security and prosperity not only of Russia, but of the United States as well."

—by Peggy McNerny & Julia Smith

Vol. XIII No. 4

George Kennan and American Experts on Russia

"Long before academe was seriously interested, in his era George Kennan stood out as the most renowned American interpreter of Russian life," said **Frederick F. Travis** at a Kennan Institute lecture on **9 November 1995**. Travis is Acting President of John Carroll University in University Heights, Ohio, and author of a biography of Kennan. Together with **Hugh Ragsdale**, Professor of History at the University of Alabama, Travis spoke at a meeting commemorating the 150th anniversary of the birth of George Kennan (1845–1924), the American explorer, journalist, writer, and biographer for whom the Kennan Institute is named.

Kennan, a distant cousin of former U.S. Ambassador to the USSR George F. Kennan, travelled five separate times to Russia in the second half of the nineteenth and the beginning of the twentieth centuries. After initially defending the Russian government from its critics, Kennan became a champion of liberal revolutionaries working for the cause of freedom in the tsarist empire. Through his journalism, books, and public lectures, he did much to promote serious American interest in Russia during his lifetime. A journalist for the popular magazines *Century* and *Outlook*, in between travelling and writing about Russia and the Russian revolutionary movement, Kennan covered the Spanish-American War of 1898 in Cuba, the Russo-Japanese War of 1904 in Japan, and later wrote a biography of financier and railroad builder E.H. Harriman.

Kennan first went to Russia in 1865 as part of the Russian-American Telegraph Expedition and explored northeastern Siberia for two and a half years. He returned to the United States to write *Tent Life in Siberia*, a popular book about local life among Siberian natives, and to lecture on Russian topics throughout the country. He went back to Russia twenty years later, in 1885, to conduct research on the political exile system in Siberia. First published by *Century* magazine in a widely read series that made him famous, Kennan's research was also published in book form under the title *Siberia and the Exile System*. It was this trip, said Travis, that changed Kennan's opinion of the tsarist autocracy and turned him into a lifelong partisan of the liberal Russian revolutionary movement.

"Kennan undertook an extensive personal crusade against the Russian autocracy," said Travis, "He not only wrote *Siberia and the Exile System*; he also disseminated his message through hundreds of public lectures delivered during the 1890s; he supported various efforts initiated by others on behalf of Russian political dissidents; he was a leader of the unsuccessful opposition to the extradition treaty between the United States and Russia in 1893; and he frequently assisted Russian political émigrés with money, shelter, and moral support." An enthusiastic supporter of the February 1917 revolution, Kennan's hopes for Russia were dashed by the Bolshevik revolution of October 1917, which he opposed until he died in 1924.

George Kennan, said Travis, was a self-made man steeped in the beliefs of the

Enlightenment and the democratic culture of the United States. As a result, he did not provide Americans with a completely accurate picture of Russian reality at the time (particularly regarding the diversity of the revolutionary opposition and the social programs of the populists he championed) and was heavily influenced in his views by Russian liberals. Yet Travis refused to severely chastise Kennan for these shortcomings, pointing out that his work on Russia was a product of his time and revealed the difficulties even intelligent, well-informed people confront when trying to understand other cultures.

Turning to examine several of George Kennan's contemporaries in the profession of Russia, **Hugh Ragsdale** provided a broader picture of the world in which he lived and worked. Russian experts of that era, he noted, "were certainly a far rarer breed in their day than we Russia specialists are in our own day." Several of his peers, contended Ragsdale, were as interesting as Kennan himself. Among these peers was Eugene Schuyler (1840–1890) who, after being educated at Yale and Columbia, went on to join the U.S. Foreign Service, write noted studies of Turkestan and Peter the Great, and translate and publish novels by Tolstoy and Turgenev. "Schuyler," said Ragsdale, "was very much the pioneer American expert on Russia in his generation and Kennan was distinctly his junior."

A second contemporary of George Kennan was Jacob Schiff, a German immigrant to the United States who became head of the second largest investment bank in the country. A dedicated philanthropist of many causes, Schiff's commitment to Jewish causes made him an avowed enemy of the Russian autocracy. Not only did he work to provide loans to Japan in its war against Russia in 1904 while denying such loans to Russia, Schiff also funded Kennan's efforts to distribute liberal revolutionary propoganda among Russian officers held as prisoners of war in Japan during 1904–1905. Another wealthy philanthropist of the era, Charles Crane, also had an abiding interest in Russia, to which he travelled more than twenty times. Crane funded Paul Miliukov's lecture tours at the University of Chicago in 1903 and 1905 and later became acquainted with many leaders of the Provisional Government. Given to virulent anti-Semitism, Crane eventually believed Jacob Schiff supported Leon Trotsky, when in

fact both Schiff and Crane were supporters of the Provisional Government.

Considering the tradition of the study of Russia in the United States, the two speakers agreed that American experts are liable to confuse the views of the Russian liberal intelligentsia with those of Russian society as a whole and to use a liberal approach unsuitable for the study of Russia. Liberal democratic expectations of Russian development today, said Travis, threaten to result in the same kind of disillusionment suffered by George Kennan after the Bolshevik revolution. Despite genuine recent progress, obstacles to democratic development in Russia remain formidable. Americans, concluded Travis, would do better to apply themselves to furthering democratic progress in Russia rather than expect rapid solutions in the liberal tradition.

—by Peggy McNerny

Vol. XIII No. 5

Shock Therapy Produces Political Capitalism

The Russian democratic movement of 1990–1991 did not represent a broad social movement from below, but the convergence of two pro-democratic elites of the Soviet system. These elites consisted of democratic-leaning members of the Soviet intelligentsia and radical reformers within the Communist Party of the Soviet Union, said **Marc Garcelon** at a Kennan Institute lecture on **13 November 1995**. Garcelon is a Post-doctoral Fellow at the Department of Sociology, University of California, Berkeley, and a Title VIII-Supported Research Scholar at the Kennan Institute. This "specialist rebellion" in urban Russia, said Garcelon, produced an advocacy of western political and economic models on the part of elite groupings and not, as many western analysts have sought to explain, on the part of a middle class and a reviving civil society.

The radical democratic Soviet intelligentsia was itself an artificial social grouping created by the Soviet system and dependent on it for its redistributive economic function, noted Garcelon. By implementing a program of radical economic reform that decimated both the social status and economic livelihood of this intelligentsia (primarily educated professionals and highly skilled technical workers), democratic reformers of the first Yeltsin administration destroyed their own social base. The very assumption that radical economic reform had to be implemented

quickly to bypass the protest of social groups before they could respond, said Garcelon, meant the design and implementation of shock therapy in Russia precluded public input into the decision-making process.

The radical democrats' focus on reform from above unfortunately played into Russian President Boris Yeltsin's inclination for personal rule, observed the speaker. As a result, both ignored the important task of building institutions of democracy, such as a civil service, and virtually destroyed the ability of the Russian state to govern effectively. The institutional legacies of the Soviet system remained intact while power passed to lower levels in the system. More significantly, said Garcelon, neither the radical democrats nor reformist communists recognized the imperative of state building in Russia after 1991. This omission, he noted, cost them the ability to shape the debate on Russian national identity and shifted the initiative on the "national question" in Russia to nationalists of the far right. Although such extreme figures as Vladimir Zhirinovskiy and his Liberal Democratic Party first seized the issue, Garcelon noted that radical nationalist parties had faltered in the last two years and were not expected to do well in the upcoming elections.

Russia, he said, is now entering an extremely difficult phase of nation building in which the ideas espoused by former Lieutenant-General Aleksandr Lebed have the greatest chance of success. Whether or not Lebed succeeds in becoming president, Garcelon claimed that what Lebed stood for would most likely prevail in Russian politics: the formation of a center-right "super" bloc among current political elites, rebuilding the functional capacity of the Russian state, reversing the disintegration of the armed forces, and reigning in the most egregious forms of official corruption.

The system produced by the combination of shock therapy and President Yeltsin's personalized rule is a distinctive Russian form of "political capitalism," said Garcelon. He defined the term as "the utilization of politically appointed or elected positions in order to accumulate wealth and create cartels and syndicates." Voucher privatization, he pointed out, was based on concepts utterly foreign to average Russian citizens, such as stock ownership, and the process of privatization was manipulated by the old Soviet economic elite, together with new commercial and criminal syndicates. In the current system,

political and economic actors are intertwined in a game of political entrepreneurship, democracy has become empty rhetoric in the eyes of the population, and elite-brokered blocs not political parties have become the principal form of political organization.

Garcelon argued that rent-seeking behavior had become the predominant form of economic activity in Russia, preventing the emergence of prices as effective carriers of information and shutting out large sectors of the potential market in Russia. Capital is not being invested in production, foodstuffs are being imported in most cities, and much of the rural economy is surviving on barter. "Such realities," remarked the speaker, "should give pause to those inclined to rely exclusively on macro-economic figures in assessing the future prospects of the Russian Federation."

Asked what alternatives to shock therapy had existed in early 1992, Garcelon responded that many such alternatives existed, but were pragmatic and improvisational in nature, not programmatic. The major fault in the debate over monetary stabilization policy in Russia, he said, was that it was framed in such a way as to present shock therapy as the only possible choice. A more evolutionary, pragmatic strategy would have freed some prices while continuing to subsidize others, he explained, and would have concentrated on encouraging small- and medium-sized businesses instead of reforming large state factories.

Queried as to whether one could compare present-day Russian millionaires with the American "robber barons" of the turn of the century, Garcelon rejected the analogy. In the United States of that era, he said, dynamic political communities, small businesses, the rule of law, and the culture of Protestantism constrained rapacious political capitalism at the local level. "What changes the equation in Russia," he remarked, "is the lack of such institutions at the local level."

Garcelon argued that further degeneration of state capacity in Russia was neither in the interest of Russia nor the west. Given the growing commitment among Russian politicians to rebuild the Russian state, he warned against a western overreaction to the process. The kind of soft, transitional authoritarianism that may appear, he cautioned, would be preferable to the kind of protracted, virulent authoritarianism that could arise in Russia.

—by Peggy McNerny

**Russian Parliamentary Elections:
Judgment of the Past**

The Russian parliamentary elections will serve as a judgment on the past as well as an indication of the future of Russian politics, said **Pilar Bonet** at a Kennan Institute lecture on **1 December 1995**. In particular, she said, they will reveal what can be expected in the 1996 presidential elections. Bonet is Moscow Correspondent for *El Pais* and a member of the Kennan Institute Academic Council. She spoke with **Alexander Tsipko**, Senior Specialist at the Institute of International Economic and Political Studies of the Russian Academy of Sciences and a Fellow at the Woodrow Wilson Center, about the meaning of the December 17th Duma elections in Russia.

While these elections are relatively minor from a legislative standpoint (only one of the two chambers of the legislative assembly is being elected and its powers are quite limited), according to the present Russian constitution, noted Bonet, the president cannot dissolve the parliament during his last six months in office. Thus, Yeltsin will theoretically be unable to dissolve the next Duma, as his term expires in June 1996.

In Bonet's opinion, the December 1995 elections are the first "normal" elections in Russia since 1991. The December 1993 elections, she explained, were heavily skewed by the October 1993 shelling of the former Russian parliament building: some potential candidates were in jail, some political parties were unable to run in the elections, and the Communist Party was given a very short time to prepare its campaign. The image of the burning Russian parliament, or White House, remains etched in the minds of Russian citizens, she commented, and is being used widely in the political advertising of virtually all parties on Russian television.

Both Bonet and Tsipko stressed that four events of the recent past will have great bearing on both the parliamentary and presidential elections in Russia: the dissolution of the USSR; the implementation of economic shock therapy; the shelling of the Russian parliament in October 1993; and the war in Chechnya. Regarding economic policy, Bonet noted that popular attitudes toward privatization in particular have been quite negative.

Political parties and blocs likely to win seats in the new parliament include the

Communist Party of the Russian Federation, the Congress of Russian Communities, Our Home is Russia, Yabloko, and the Liberal Democratic Party. According to Tsipko, the democrats will not fare well. He estimated that the leading democratic bloc, Yabloko, will receive only 6-7% of the seats in the parliament, while approximately 60-70% will go to political blocs running on patriotic platforms. Bonet noted that 43 political parties and blocs will take part in the elections, as opposed to 13 in 1993, reflecting increasing dispersion within the Russian political system.

The Communist Party of the Russian Federation (CPRF) led by Gennadii Zyuganov, is expected to win the largest number of Duma seats. Bonet described this party as the successor to the Communist Party of the Soviet Union, given that it retained the organization and discipline of the original structure. Membership of the CPRF is 500,000 strong, she noted, and consists primarily of older pensioners and middle-aged citizens who have felt the hardships of Russia's transition to a market economy. Tsipko pointed out that the CPRF is not a true communist party as its central platform is not based on communist doctrine, but the idea of the rebirth and protection of the Russian nation. Working Russia, noted Tsipko, is a true communist party that draws its members from the working class.

Our Home is Russia, otherwise known as the "party of power," is also expected to win a bloc of seats in the Duma. This group was formed in May 1995 by Prime Minister Viktor Chernomyrdin and other top figures in the current government who appear to be cooperating to preserve the status quo. "Chernomyrdin," said Bonet, "is not a charismatic figure, and the image of the good uncle he attempts to convey is neutralized by the image of the godfather who heads the state gas monopoly." The platform of Our Home is Russia is weak and not clearly articulated, and Bonet noted that its electoral campaign had staged showy Moscow performances by western pop singers and fashion models.

The Congress of Russian Communities (Russian acronym, KRO), led by retired Lieutenant-General Aleksandr Lebed, former Secretary of the Russian Security Council Iurii Skokov, and economist Sergei Glazev, is expected to do well in the parliamentary elections. KRO considers itself an alternative to other political blocs and is comprised of a

variety of nationalist groups. So far it is unclear whether Lebed or Skokov will take part in the presidential elections, said Bonet. Lebed, she said, is undergoing an intensive political education the results of which remain unclear.

Rather than analyze the projected composition of the new Duma, Tsipko said it was more important to examine the possibility for genuine democracy in Russia. The revolution of 1991 was unrealistic because it sought to undergo a direct transition from communism to a new democratic Russia. People who supported a democratic Russia in 1991 didn't support the idea of liberty or civil rights, Tsipko explained, they supported a protest movement against Communist Party *apparatchiki* and other privileged members of Soviet society. Democracy born under such circumstances, he noted, is a very weak democracy.

It is difficult, said Tsipko, for Russia to move towards real democracy because the preconditions for it do not yet exist in the country. However, he said, the possibility for creating such preconditions does exist it lies in achieving reconciliation within the current Russian political elite. Such reconciliation requires Russian politicians to emulate Zyuganov and advocate a policy of the rebirth of a new Russia. Tsipko clarified that by national rebirth he did not mean notions of nationalism or imperialism, but the healthy patriotism of a powerful state that respected the traditions, culture, and heritage of its history. Only after achieving reconciliation within the elite and the nation as a whole, he continued, will the preconditions for genuine democracy exist in Russia.

—by Julia Smith

Vol. XIII No. 7 1996

The Use of Force by Russia and the United States

The end of the cold war and the dissolution of the Soviet Union has caused a significant change in both Russian and American military policies regarding the use of force, said **Sergei Baburkin** at the Kennan Institute lecture on **4 December 1995**. Baburkin is a USIA-Supported Regional Scholar at the Kennan Institute and an assistant professor of international relations at Yaroslavl State Pedagogical University in Russia. He noted that since the end of the cold war, the U.S. and Russia have reversed trends: the United States has shifted from a national security-based use-of-force policy to a value-based use of force. Russia, on the other

hand, has moved from a use-of-force approach in defense of values to a national security-based use of force.

According to the speaker, United States foreign policy regarding military use of force underwent a gradual change from the 1980s to the 1990s. In the 1980s, Baburkin proposed, American use of force was guided by six principles presented by U.S. Secretary of Defense Caspar Weinberger: the use of force must 1) be vitally important to U.S. national interests and allies; 2) be a last resort; 3) have the support of the American people; 4) have the support of the U.S. Congress; 5) have defined political and military objectives; and 6) be swift and decisive in operation. Weinberger's principles provided a framework for U.S. foreign policy from the end of the Vietnam War to the end of the cold war. In the 1990s, according to Baburkin, Joint Chiefs of Staff Colin Powell marked a change in U.S. justification for military use of force through his enumeration of the following points: 1) the use of force must be a last resort; 2) use of force must have clearly defined military objectives; 3) clear criteria must be developed in order to define the point at which objectives are reached; and 4) force must be used in great magnitude. Powell's failure to mention the role of U.S. national interests in the use of military force represents, according to Baburkin, the beginning of a shift to value-based action.

It was Secretary of Defense Les Aspin, however, who promoted a new approach to military action for the United States, Baburkin said. His approach, often referred to as the "school of limited objectives," called for a more flexible policy regarding the use of force. Baburkin noted that such flexibility required a change in the justification of the use of force from the defense of U.S. national interests to value-based interventions which defend or further American values, necessitating interference in the internal affairs of other countries. Aspin warned, however, that the support of value-based interventions would be difficult to predict, considering the extent to which media influences public opinion. He also noted that under a value-based policy it would be difficult to decide where to intervene and where to stay away. According to Baburkin, two opposing views prevail among the American public on this issue: 1) the U.S. doesn't have to resources to use force everywhere; 2) the U.S., as a global leader, has an obligation to intervene wherever necessary.

Baburkin explained that the shift from defense of U.S. national interests to defense of values was a result of the end of the cold war which eliminated the Soviet Union as a counterbalance to the U.S. According to Baburkin, the United States now believes that it possesses strategic freedom to use force.

Russia has shifted from a value-based justification for military intervention, to a use of force in defense of its national interests. Baburkin argued that this change is based on the fact that the Russian government can no longer justify its actions based on communist ideology or Russian orthodoxy, and has not firmly established democracy to promote a democratic ideology. Hence, another approach, based on the defense of national security, has been adopted. The concept of national security as encompassing social, political, and economic factors in addition to military factors is new to Russia, but has already been widely accepted, evident by its discussion in newspapers and journals and support by state institutions. Baburkin noted that the Russian Federation currently has many threats to its national security and many potential opportunities to use force, particularly in areas in close proximity to its borders. Internal conflicts, such as the war in Chechnya, speak to the increased use of force within Russia. Baburkin suggested that the use of force in Chechnya can be seen as a move to defend Russia's national security; to save the territorial integrity of the Russian Federation; to preserve the region for its economic potential; and to lower the level of crime thought to be connected with activities of the notorious Chechen mafia. Limitations on Russian use of force include an unpreparedness for new types of military intervention, political pluralism, and presence of opposition, and a lack of national consensus on internal and external policies and issues for the Russian Federation. Baburkin further proposed that U.S.-Russian military relations have repeated the fate of U.S.-Russian relations in general—great hopes, plans, and enthusiasm toward the potential of the relationship were present at first, but are now deteriorating. A growing reluctance toward cooperation with the United States is now more visible from the Russian side with military contacts and exchanges down significantly from 1992. Disagreements between U.S. and Russian leaders regarding the use of force in Bosnia have also been evident, noted Baburkin.

The military policy of the Russian government is currently under extreme

criticism from the political parties including reformers and former communists. Should the political forces critical of such policies come to power in Russia, predicted Baburkin, there will be even more reluctance to cooperate with the United States and the idea of national security will be interpreted differently by different political figures.

—by Julia Smith

Vol. XIII No. 8 1996
Does Palermo Represent the Future
of Moscow?

The socioeconomic threat posed by organized crime and corruption in Russia has become so acute that it may provoke “massive retaliation” by a hard-line regime, according to **Stefan Hedlund**, director of the Institute of Russian and East European Studies at Uppsala University, Sweden. Hedlund, an economist and professor of East European studies whose current work focuses on the Russian economy and institution-building, spoke at a Kennan Institute lecture on **12 December 1995**.

Hedlund forecasted that Russia may see a crackdown comparable to Mussolini's campaign against the Sicilian Mafia in the 1930s. According to Hedlund, in addition to receiving popular support, such a large-scale crackdown on organized crime and corruption could help create a brief economic boom by reducing capital flight abroad from Russia that has been estimated at \$50 billion to \$80 billion in 1994 alone. However, due largely to a lack of systemic political and economic reforms, the speaker said, the entire effort might amount to “a Pyrrhic victory for the Russian government—who and whatever it is.” The resulting climate will make life considerably more difficult for entrepreneurs and small business. Hedlund said the likely outcome will be a return to “patron-client, hierarchical, vertical society,” dominated by “huge pyramids” under the control of various clan leaders.

During the lecture, Hedlund referred to Robert D. Putnam's 1993 book, *Making Democracy Work: Civic Traditions in Modern Italy*, a study of that country's semi-autonomous regional governments. Although the formal structure of the regional governments is identical, those in northern Italy have worked far better than those in the south. Putnam found such differences in performance correlated closely to the degree of civic involvement and cooperation—thus there was substantially greater accumulation

in the north of the “social capital” needed for a functioning democracy.

The study also concluded that political problems endemic to the Italian south—too often producing isolation, suspicion, lawlessness, and economic stagnation—may hold lessons for post-communist states as they attempt to move toward self-government. In that light, Putnam wrote, “Palermo may represent the future of Moscow.”

Hedlund argued that for various reasons drawing such a parallel with Sicily may significantly underestimate the likely impact of organized crime and corruption in Russia. He contended that “what we see today in organized—or disorganized—crime on the Russian scene has very little to do with the Sicilian Mafia.”

Hedlund noted that the Sicilian Mafia has been a successful parasite on the Italian economy in the sense that it has not taken too much from its host, permitting the host to survive and to sustain the parasite.” He added that by contrast “organized crime in Russia today seems to be a rather unsuccessful parasite, in the sense that it takes too much from its host—and in the end will perhaps kill not only its host but then also itself.” Hedlund concluded that the future for Moscow might therefore be worse than Palermo.

Hedlund noted that key differences between Russian organized crime and corruption and the prevailing situation in Italy and other Western countries include substantially higher levels of violence, emphasis on maximizing immediate private gain at the expense of reinvestment in enterprises, and massive capital flight abroad. This is exacerbated by the general absence of social norms based on trust, contract, and rule of law, and a substantial degree of civicness in post-Soviet Russia.

“What’s happened was exactly what Douglass North said in his 1993 Nobel lecture—vast disruption and vast destruction that could have been avoided if institutional theorists had had some influence over early post-Soviet Russian policymaking,” Hedlund asserted. “If we look at the Soviet order as a kleptocracy, what we have in Russia today is a decentralized kleptocracy—an economic system based on no rules and no effective mechanisms of enforcement. It is based on privatized, instant justice, where no state makes and upholds laws, where the rulers of the state do not show any great deal of interest in... subordinating themselves to the law.”

Hedlund also said it was probably unrealistic to expect that Russia’s controlling clan leaders and organized crime lords will be effectively tamed anytime soon as happend with America’s turn-of-the-century “robber barons.” He contended that “the whole notion of the robber baron parallel—that Russian gangsters are going to become more civilized, and create a good society for their children and such—really rests on the emergence of a contract between the gangsters” to refrain from violence and start respecting each other’s property rights. However, Hedlund said, “there are no signs that this is in the making. Rather, we see stronger tendencies to taking money out of Russia.”

Overall, Hedlund said he is strongly pessimistic about Russia’s prospects for development over the next several decades. The country is most likely to develop a “very strong authoritarian system,” with an economy heavily based on extraction of resources but seriously lagging in civilian manufacturing—particularly light industry—and with a continuing decline in the efficiency of agriculture. Russia has lost about half of its gross domestic product since 1991 and “it might lose a bit more, but will stabilize on some level [and] remain there for 10, 20, 30 years,” Hedlund said.

Potentially the most serious damage, he added, will come with adverse demographic trends, “where we are going to see some pretty horrible developments when it comes to mortality and the spread of disease.” Hedlund emphasized that “a country which experiences that type of hardship—dramatic redistribution of both wealth and incomes, coupled with the deterioration in public health and demography—cannot be a politically stable society without a fair amount of authority being exercised by the center.”

—by Barton Reppert

Vol. XIII No. 9 1996 Crony Capitalism in Russia

Capitalism is alive in Russia, but it is not well, said **Peter Rutland** at a Kennan Institute lecture on **21 January 1996**. Rutland is Assistant Director of the Research and Analysis Department at the Open Media Research Institute in Prague, and Associate Professor of Government at Wesleyan University. Rutland argued that less than five years after the collapse of the Soviet Union, crony capitalism is causing chaos and

hindering, if not blocking, further economic progress in Russia.

According to Rutland, several counter-productive relationships are causing the Russian economy to veer off course. Rough-and-ready capitalism, as Rutland describes it, is operating in Russia, but there is a problematic relationship between this nascent capitalism and the state institutions. The government has yet to provide any rules of the game. In addition, new capitalism, having developed upon the old Soviet infrastructure, is not well-positioned to take advantage of current economic reform.

“An interlocking clique of business elites who use their political connections to shield themselves from domestic and international competition” is how Rutland defines crony capitalism. While informal relationships are a part of business throughout the world, Russia’s extensive set of networks is a threat to the growth of Russia’s economy. The use of personal and political connections is present at the highest level of the government. Yeltsin’s cronyism, or playing personal favorites, fractured the already ideologically divided Duma.

These international business elites, as some Russian businessmen have come to be known, do not perceive any incentive to invest political and economic power in their own country. Since Russia’s economy is now open, they have the opportunity to take their businesses elsewhere. Living in European countries where the economy is more advanced, education is better, and crime is less is far more attractive than trying to affect change at home. Rutland believes that these new power elites are “looting the economy” by investing abroad.

“Some political agent has to create public order, has to create stable market institutions. At the moment no such institution is visible on the Russian political horizon.” Hence, Rutland explained, Russia is faced with the problem of how to convince people to subordinate their individual interest for the good of society-at-large to build a strong civic foundation based on low inflation, a stable monetary system, and law and order. As an example of the need for law and order, last year alone there were 500 contract killings in Russia. Rutland compared Russia’s dilemma with the chicken and egg problem. Should Russia first establish capitalist rules which the business community must follow or should business groups

be allowed to create regulations as they perceive necessary? Rutland noted that Russia has neither the chicken nor the egg, it only has interest groups disinclined to establish any rules and a state structure that is unable to establish them. The “collapsed Soviet state is incapable of bridging the gap between potential common interest of the business elite and their private interest,” said Rutland.

Another problem is Russia’s disorganized economy. Many payments are severely late, including government wages. The Russian government is finding it difficult to manage its currency as almost one-half of its cash supply is in U.S. dollars, a daunting challenge for any government whose cash supply includes foreign currency, Rutland noted. Under the Soviet system, the federal government controlled 70 to 80 percent of the Gross Domestic Product (GDP). In the Russian Federation, that figure has shrunk to less than 15 percent. In Western Europe, by contrast, the norm for the GDP controlled by the federal government is 40–50 percent. “The federal government’s ability to tax and raise revenue is pathetic by international standards” Rutland said. Russia’s economy is further strained by the legacy of the Soviet economy in which industrial and military sectors were emphasized and the service sector was underdeveloped. According to Rutland, “The new Russian capitalism inherited what was left behind by the Soviet state, which of all state structures in history, is probably least inclined toward developing a capitalist market economy.”

Unconvinced of Russia’s ability to become a market economy, Rutland questioned the prevailing models of economic transition for Russia. He proposed a more effective model—the layer-cake model—which layers each stratum of society one on top of another without any direct connection between them. Some layers, like the oil and gas industry, are in slow decline, while others, like manufacturing, have quickly collapsed. Conversely, financial services have boomed in the last four years, creating 2,500 commercial banks. This erratic growth/collapse rate is straining the capacity of state institutions to deal with problems. It has created a crisis-driven approach to problem solving where politicians are forced to play catchup. For instance, while banks have flourished, there was no institution to regulate them. Thus no rules of the game existed and, tragically, family savings perished. Rutland

characterized the current Russian economy as a “cash on the nail economy that would not work in the Stone Age very well, let alone in the modern world.”

Russia now needs to bring order out of chaos and create stable market institutions. Rutland acknowledged a few positive signs, such as the end of hyper-inflation. But there is still what Rutland describes as “creative anarchy.” While smaller countries might function with a crony capitalist system, Russia with its immense networks cannot. Rutland’s biggest concern is the real lack of interest of the powerful business elites to bring about stability. This should be in their best interest, “so that there are not contract killers cruising the streets of Moscow riddling bankers with bullets every week.”

—by Fatimah Balbed

Vol. XIII No. 10 1996

Multi-Lateralism in Central Asia

The Central Asian states of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan are beginning to realize the benefits of multi-lateral cooperation, stated **Roger Kangas** at a Kennan Institute lecture on **29 January 1996**. Kangas, Research Analyst, Open Media Research Institute, Prague, and Assistant Professor of Political Science, University of Mississippi, explained that each of these countries is starting to understand that it cannot exist in a vacuum and that relations and ties with neighboring countries must be developed to maintain stability in the region.

Upon gaining independence in 1991, the Central Asian states of the former Soviet Union focused their efforts on resolving domestic issues such as economic stabilization, regime legitimization, and ethnic minority concerns. Feeling secure in their independence, these states are now developing regional and foreign policies on the issues of economic development, national resource management, national security and rights for ethnic minorities.

Uzbekistan is perhaps the leader as far as regional cooperation is concerned, noted Kangas. It promotes itself as a regional power and volunteers to host most multi-lateral Central Asian conferences and meetings. According to Kangas, Uzbekistan has a definite interest in becoming the “Germany of Central Asia.” In fact, it is Uzbekistan that advocates the concept of collective security in which internal conflicts in one country are

seen as a threats to neighboring states. Accepting this concept, it can be argued that neighboring states have an interest in promoting resolution. In the search for a resolution to the conflict in Tajikistan, the notion of collective security has been enacted as pressure from the other Central Asian countries is being applied to both the current Tajik government and its opposition to come to an agreement. Uzbekistan also seeks to unite Central Asia culturally and historically, through this year’s 660th birthday celebration of Tamerlane, a cruel yet successful Central Asian ruler. Furthermore, Uzbekistan President Karimov promotes the notion of “Turkestan,” a common home for Central Asia which cooperates toward a common goal. While other Central Asian states advocate cooperation, they do not support the notion of a totally unified region. Turkmenistan, providing the extreme example of this case, has tended to remain independent and non-cooperative, said Kangas. Its critical economic situation, however, is causing it to reconsider the benefits of multilateral cooperation.

According to Kangas, economic stabilization has been Central Asia’s most important issue. In an attempt to promote economic growth, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan have formed the Central Asian Economic Council, which focuses on regional trade issues. In addition, Kazakhstan and Kyrgyzstan have joined an economic union with Russia and Belarus. This multi-lateral association seeks to encourage free trade through customs unions. It is also significant because it shows that Russia will remain an important economic partner in the region despite Central Asian reluctance to involve Russia. Kangas noted that Russia is a necessary partner for Central Asia, but one that should be kept at a distance. While Russia considers Central Asia a resource base and a southern border region of average importance, Central Asia, still unknown to much of the world, needs economic interaction with its northern neighbor.

Natural resource management is another area in which Central Asia can benefit from multi-lateralism, asserted Kangas. Kazakhstan, for instance, is learning to negotiate with other countries regarding the transportation of oil from the Tengiz oil field. Its oil can be transported through

Understanding Nationalist Violence

Nationalist violence is best understood within a framework of political contention rather than as simply a psychological state among its participants, said **Mark Beissinger** at a Kennan Institute lecture on 5 February 1996. Beissinger is a Woodrow Wilson Center Fellow and Professor of Political Science at the University of Wisconsin, Madison. Nationalist violence is one of several forms for contesting a specific crystallization of the state's territorial, human, or cultural boundaries, and it is important to determine why violent collective action is chosen over other ways of pressing demands.

Traditional models of nationalist violence include: 1) a contagion of emotion whipped up by ethnic entrepreneurs, 2) frustration over thwarted goals which find vent in aggression, and 3) the notion that there is a "culture of violence" which predisposes individuals to violent action. Each of these models is found wanting when one considers patterns of nationalist violence in the former Soviet Union. Of 150 different ethnic conflicts that took place from 1988–91, only 20 resulted in human casualties. The speaker argued that it is impossible to explain why some groups resort to violence in the name of the nation unless one explains why others do not. Nationalist violence also needs to be examined as part of a larger cycle of mobilizational politics, and not merely as a series of discrete acts.

According to Beissinger, shifts in authority are critical to triggering nationalism. Waves of nationalist mobilization are precipitated by events signaling a shift in authority which calls into question the status of the state's physical, human, or cultural boundaries. Both those seeking to challenge it are capable of using violence. Thus, nationalist violence is not only a way of contesting domination, but also of institutionalizing domination. The decision to undertake violence is in part strategic, based on the perceived strength of the target, the perceived efficacy of non-violent methods, the nature of the issue contended, and most importantly the role played by the state.

Beissinger examined the roles of shifting authority, the mistrust embedded through past contestation, and the actions of the state in triggering waves of violence in a study of 2,177 mass violent events and 6,663 mass non-violent demonstrations in the former Soviet Union from 1987–92. In

Russia, Iran, or the Caucasus, depending on the terms and agreement that are made. The issue of dividing the resources of the Caspian Sea is also one requiring negotiations both among Central Asian states and with outside players. Even tense relations among the Central Asian States can lead to positive outcomes, as in the case with Uzbek oil shipments to Kyrgyzstan and Tajikistan, said Kangas. Uzbekistan has cut off oil shipments to Kyrgyzstan and Tajikistan due to their delinquent payments. Each time shipments have been halted, Kyrgyz and Tajik leaders have personally met with Uzbek President Karimov in order to come to a resolution. The frequency of these shipment cutoffs and their subsequent negotiations have resulted in the positive benefit of increased communication between the countries involved.

Military development can also benefit from cooperation with other countries, said Kangas. For instance, Kazakhstan and Uzbekistan have formed joint training units with Russia in order to advance the formation of their young armies. In addition, discussion has begun regarding a joint battalion for UN peacekeeping forces consisting of Kazakh, Kyrgyz and Uzbek troops. Kangas noted that such cooperation is seen as important for peace-keeping in the region, but is not a hindrance to the development of independent military forces for each Central Asian state. Combined efforts are also being discussed to solve certain CIS border problems, such as unresolved border disputes with Afghanistan and China and illegal drug trafficking.

The resolution of rights for ethnic minorities in Central Asia remains a controversial issue for each of the Central Asian states. Cooperation and exchange of information can facilitate the adoption of minorities policies that best suits each country's particular situation. The use of a titular language versus the Russian language and the question citizenship versus dual-citizenship for ethnic Russians is of particular importance to those countries with a large Russian diaspora. In addition, each Central Asian state must address the treatment of its other ethnic minorities, regarding official language use and citizenship.

Despite struggling economies, ethnic conflicts, national resource management disputes, and security issues, Central Asia is in the process of "regionalizing" to bring about stability and prosperity.

—by Julia Smith

contrast to the conventional wisdom of the experts at the time, said the speaker, the overwhelming majority of violence was not between supporters and opponents of secession from the Soviet Union, but rather over the question of republican borders. Non-violent demonstrations over borders in 1988–89 declined precisely as violent forms of protest grew in significance. By contrast, the issue of secession from the Soviet Union was almost entirely contested through non-violent demonstrations, even when such demonstrations in Georgia, Armenia, and Azerbaijan were met with violence by the state.

The reasons had much to do with the opportunities set by the state for influencing politics through non-violent means. Under Stalin and Khrushchev the USSR did engage in internal boundary change, making more than 30 border changes from 1930–70. But under Brezhnev a fear of the potential instability that would be unleashed by internal boundary change became esconced within the leadership. A policy of refusing to consider any internal boundary change was unanimously supported by the Politburo under Gorbachev. Groups initially attempted to influence the Soviet government on these issues through non-violent means, but found the U.S. government unwilling to consider change yet incapable of defending the status quo. Moreover, the opposing local governments and competing ethnic groups were not susceptible to influence through non-violent demonstrations. By refusing to create a non-violent political process on this issue, the Soviet government channeled mobilization over the issue towards violence.

By contrast, the speaker said, the Soviet government, as the primary target of secessionist movements, was vulnerable to large non-violent mobilizations over this issue. Given this fact, along with the overwhelming relative coercive power of the Soviet government, violent action was usually rejected as a failing strategy. Beissinger argued that belief in the ability to contest issues non-violently was vital in determining whether nationalism assumed a violent or non-violent form.

Finally, Beissinger noted that the state is not an innocent bystander in acts of nationalist violence—it plays a key role in cuing and even organizing such outbreaks. Nationalist violence is always organized: from inciting crowds, to identifying victims, to transportation of combatants, to supplying weapons. Usually, nationalist violence is short-lived.

Only in a handful of cases, said Beissinger, has violence become a self-sustaining strategy of nationalist contention. In each of these cases the active role of the state in sustaining violence is the distinguishing characteristic. With the involvement of the state, violence itself becomes institutionalized, and a corresponding leap in the organization and sophistication of the weaponry used ensues.

“Nationalist violence is largely a tale of ordinary people doing the most un-ordinary things,” declared Beissinger, “and rather than simply dismissing this as madness and nationalism as irrationality, we need to think seriously about how it is such transformations in people’s thinking occur.”

—by Joseph Dresen

Vol. XIII No. 12 1996

Nationalism and Russia’s Republics

Nationalism in a multiethnic society has posed a challenge for democratization in the Russian Federation, said **Leokadia Drobizheva** at a Kennan Institute lecture on **8 February 1996**. Drobizheva and her colleagues at the Institute of Ethnology and Anthropology of the Russian Academy of Sciences—**Airat Aklaev**, **Galina Soldatova**, and **Viktoria Koroteyeva**—have recently published the results of their extensive research on nationalism and democratization in the Russian Federation. Their analysis, using Tatarstan, Sakha-Yakutia, North Ossetia, and Tuva as case studies, provides a cross-section of the most controversial issues regarding ethno-nationalism in Russia’s republics: nationalism and civil society, interethnic relations in the republics, and the desire for economic autonomy.

Drobizheva spoke on the sources for ethnic autonomous movements in Russia, noting that traditional scholarship has considered the ethnic intelligentsia to be instigators of movements threatening the integrity of the Russian Federation. But, Drobizheva said, the majority (60–80%) of the ethnic populations in Russia have supported movements for more economic autonomy in their respective republics. The intelligentsia, by contrast, has been primarily concerned with cultural objectives, such as defending the use of national languages or controlling the local educational system, to ensure that history is taught from the perspective of indigenous peoples.

Aklaev discussed the relationship between democratization and ethnic peace, noting that they are evolving processes, but

questioning whether democratization was destined to bring ethnic unrest in Russia. He asserted that in a weak civil society, ethnicity assumes a stronger role, but when the civic and ethnic dimensions of nationhood are balanced, political stability is possible. Aklaev concluded that a lack of democratic institutions and discourse in Russia today has resulted in a decline in the civic dimension of nationhood and a corresponding rise in the ethnic dimension, catalyzing nationalist sentiments. He noted, however, that in Tatarstan, where ethnic Tatars and Russians are nearly equal in percentage of the population, there exists political moderation and trust for the republican government. The parity (in size) of ethnic communities in Tatarstan is therefore a contributory factor to moderating claims by leaders of the two ethnic communities.

Soldatova examined the relationship between Russians living in ethnic republics and their titular neighbors, noting that while Russian nationalism is on the rise in central Russia and in most metropolitan areas, Russians who live in republics interact more constructively with non-Russians compared to their counterparts in other areas. Soldatova contended that Russians in ethnic regions have a comprehensive understanding of their indigenous neighbors even while differentiating themselves from them.

While the general tendency for divisive nationalist feelings is less among Russians living in the republics than for the indigenous populations, said Soldatova, there are exceptions. This is especially true when Russians are in the minority, as in the republic of Tuva, for example, where Russians comprise 30% of the total population. In such circumstances, Russians develop a "hyper-identity," characterized by a low degree of tolerance for others and a feeling of being threatened. Drobizheva added that the concept of Russian nationalism has two very different aspects: the positive aspect appears in the form of patriotism in which Russians feel pride for their country and want the best for it. The negative aspect involves "hyper-identity" and refers to those Russians who consider themselves a higher ethnic group whose rights are above others. Drobizheva noted that only 5–10% of the Russian population, mostly those who are socially disadvantaged, exhibit the negative aspect of Russian nationalism.

The concept of "economic nationalism," said Koroteyeva, is the effort to create an

economic basis for political independence. She explained that Tatarstan and Sakha-Yakutia both have a wealth of natural resources, giving them a potential advantage in economic development and a desire to establish control over these resources. Tatarstan, for example, strives to sell its oil at world market prices in foreign markets to generate income for the republic. In 1993–94 Tatarstan and Yakutia made strides toward economic decentralization in Russia by refusing to pay federal taxes on income they considered to be theirs. Consequently, an agreement reached between the federal government and the republics gave the latter what they wanted: increased economic autonomy. According to Koroteyeva, economic nationalism is a protective defense against the Russian federal government's economic dominance. Alternatively, it is also a sign that the republics wish to retain relations with Moscow since politics remains primarily in the hands of the center. Drobizheva noted, however, that the more chaos that exists in the center, the higher the chance for separation of ethnic republics from the Russian Federation. She also mentioned that while Tatarstan's ultimate goal is greater political autonomy, perhaps even secession, Sakha-Yakutia has opted instead for a narrower goal of economic independence than political autonomy. She added that according to public opinion today, only 5–10% of the population of ethnic republics want to secede, 40–60% seek more autonomy and treatment as equal partners with the central government.

—by Julia Smith

Vol. XIII No. 13 1996
Soviet-Era Ecologists: Beginnings of a Civil Society?

Archival research has yielded evidence that groups of ecologists exhibited characteristics of a nascent, independent civil society under the Soviet system, according to **Douglas Weiner**, Associate Professor of History, University of Arizona, Tucson and former Title VIII-Supported Kennan Institute Research Scholar. At a Kennan Institute lecture on **22 February 1996**, Weiner stated that while by no means anti-Soviet or a center of opposition, the community of Soviet-era ecologists acted repeatedly to influence Soviet policy on issues of nature protection. **Valery Soyfer**, Distinguished University Professor, George Mason University, cautioned against reading

too much into the actions of these ecologists and stated that the actions of these individuals cannot be interpreted as an expression of independence—other explanations for their behavior must exist.

Working during the 1920s in the Inter-Agency Department for the Protection of Nature, Soviet ecologists successfully convinced the government to set aside huge tracts of land for nature preserves, called *zapovedniki*. As the decade drew to a close, the ecologists redirected their nature protection efforts towards moderating the impact of Soviet economic policy on nature. Their efforts proved largely unsuccessful, as the first five-year plan saw the end of the ecologists' direct influence on Soviet policy with the disbanding of their department in 1931. From that time, the ecologists' struggle would largely center on preserving the integrity of the *zapovedniki*. These territories, stated Weiner, were inviolable by charter and thereby exempt from Stalin's "transformation of nature" program, making them, and the ecologists who managed them, "archipelagoes of freedom."

Stalin's rise to power proved to be a dangerous time for scientists whose work did not support the economic and political policies of the government. Individuals such as T.D. Lysenko used political denunciations in the guise of scientific criticism against colleagues and came to dominate much of Soviet science. While biologists and geneticists were purged, argued Weiner, field ecologists in the remote wilderness were deemed too unimportant to be targeted for destruction. During the height of Lysenko's power in the 1930s, ecologists managed to operate quietly to protect the *zapovedniki*.

Soviet ecologists, now organized in the All-Russian Nature Protection Movement, shifted from attempting to influence policy at the union level to the republic and oblast level. Citing documents from ecologists and local officials who supported the continued integrity of the nature preserves, Weiner postulated that local politicians regarded the *zapovedniki* as "our property" and as a symbol of their importance in relations with the center.

During the 1940s and 1950s the *zapovedniki* grew in significance as the Forestry Ministry began looking for new sources of timber. Although the preserves were successfully defended for a time, the Soviet government quashed the modest resistance from the ecologists by engineering the election of a former forestry minister to

head their nature protection movement. After that, the more ardent ecologists joined the Moscow Society of Naturalists, where they continued their tradition of independent thought and supported an environmental youth group at Moscow State University. From this tradition, Weiner noted, emerged important Russian environmental figures like Nikolai Vorontsov and Aleksei Yablokov. Archival records demonstrate that the actions of ecologists are characteristic of a nascent civil society working to defend its interests within the Soviet system over the course of decades, Weiner concluded.

Soyfer cautioned against overestimating the actual independence of these "archipelagoes of freedom." Citing Weiner's example of a July 1947 letter from ecologists which criticized the KGB for recklessly cutting down trees in the Crimea, Soyfer suggested an alternate explanation: rumors of the declining popularity of Lysenko and his "scientific" justifications for despoiling the environment were widespread in party circles by early 1947. These rumors were proven in March 1948 when Yuri Zhdanov, Chairman of the Scientific Division of the Central Committee, delivered a lecture criticizing Lysenko to propagandists from all over the Soviet Union. Soyfer surmised that the ecologists' criticisms, rather than reflecting true independence, merely echoed views supported by the party. As for the youth nature protection group at Moscow State University, Soyfer said, one of their main activities was to camp in the woods at Christmas time and make sure nobody cut down Christmas trees.

Weiner and Soyfer agreed that the interpretation of records in the newly opened archives of the former Soviet Union will be a subject of increasing debate in the future. Weiner commented on the importance of these archives and noted that the Sierra Club did not learn the history of the All-Russian Nature Protection Movement before opening relations with it. Had the Sierra Club done so, it would have discovered that this organization, the largest "nature protection movement" in the world with 38 million members in the 1970s, was a puppet of the Soviet government with unwitting factory employees enrolled as "members." According to both speakers, such examples demonstrate the importance of studying the archival history of the Soviet Union.

—by Joseph Dresen

Vol. XIII No. 14 1996
Regional Russian Politics and Yeltsin's
"Administrative Party"

The study of regional politics in Russia is conducive to understanding the Yeltsin regime, asserted **Kimitaka Matsuzato** at a Kennan Institute lecture on **19 March 1996**. Matsuzato, Doctor of Law at Hokkaido University and Visiting Scholar at Harvard University's Kathryn and Shelby Cullom Davis Russian Research Center, addressed the development of local nomenklatura communities since the split of the Communist Party of the Soviet Union (CPSU) in 1990 and described these communities and their relationship with Yeltsin's "administrative party."

The breakup of the CPSU began in 1990 when Gorbachev introduced an anti-bureaucracy campaign aimed at downsizing and reorganizing Oblast Committee departments, Matsuzato explained. While Stalin led a similar anti-bureaucracy policy with an "iron hand," noted Matsuzato, Gorbachev's plan lacked Stalin's degree of control and exposed itself to the backlash of its victims. The 1990 elections also contributed to the split of the CPSU into local nomenklatura communities, subjecting bureaucrats from regional governments (*Ispolkom*), party organs (*Obkom*), and the *Komsomol* to political competition.

The June 1990 founding convention of the Communist Party of the Russian Federation (CPRF) revealed Communist Party leaders' pessimism regarding the future of the Party. Hence, many local CPSU nomenklatura feared a loss in their political standing and shifted their alliance to democratic groups. These individuals, who did not give up their Communist Party membership, Matsuzato termed "nomenklatura democrats," demonstrated the overlap between Russian democrats and former Soviet nomenklatura. Hence, as Russia's democratic movement shifted its social base from the intelligentsia to discontented groups within the nomenklatura it further undermined the Soviet regime.

After the failed coup in August 1991, Yeltsin contributed to the split of local nomenklatura communities by introducing a system of presidentially-appointed local governors. Matsuzato gave examples of the types of realignment undergone by regional ex-nomenklatura communities based on field research he conducted in four oblasts: Ulianovsk, Samara, Tver, and Cheliabinsk. In Ulianovsk oblast ex-nomenklatura were by-

and-large pro-Yeltsin and thus suffered no serious divisions. According to Matsuzato, Samara oblast was the picture of class struggle, its ex-nomenklatura split between Party elites and the rank-and-file. In contrast, rural Tver oblast experienced a split considered by Matsuzato as typical of many Russian oblasts: divisions within the *Obkom* and the *Ispolkom*. Cheliabinsk oblast was similarly divided, between the *Obkom* and the City Committee (*Gorkom*) of the oblast capital.

Yeltsin created support in the regions by consolidating "nomenklatura democrats" into local administrative parties and using his system for the appointment of governors to unite regional pro-Yeltsin factions which emerged after 1990. This structure in the regions explains why Yeltsin has not been interested in creating his own political party—he already has one. While Yeltsin supporters are often referred to collectively as the "party of power", Matsuzato preferred the term "administrative party" to represent the party's alliance with local administrative officials. Matsuzato explained that a political group, if it has participated in an election, can be considered a political party. Therefore, he concluded, the "administrative party," having participated in Russia's 1993 elections (through support of Russia's Choice) and 1995 elections (through support of Our House is Russia), is a political party.

Matsuzato further asserted that most Russian local bureaucracies belong to the "administrative party" and are therefore not politically neutral. Yeltsin's positive relations with local administrations allow him to manipulate the regions to his benefit, using local administrators who have an enormous amount of control over local politics and the election process. The selection of electoral candidates, for example, is almost exclusively under the influence of regional administrations. The collection of signatures (a prerequisite for being recognized as a candidate) is also under regional administrative control. In addition, local administrative officials (especially governors) and law enforcement officials play a large role in electoral campaigning. Election voting and calculation conducted by local electoral commissions is often falsified and fraudulent. Matsuzato cited the particular example of the city of Samara in which "at-home" voting took place as early as one week prior to the official elections. Members of the electoral commis-

sion visited homes, bearing gifts which were only given after signatures were provided. Voters were not informed that the signatures were actually used for ballot entries.

Matsuzato claimed Yeltsin's chances for success in the upcoming presidential elections were quite promising, due principally to the influence and operation of the presidential administration. The "administrative party's" poor performance in the 1995 Duma elections is not a reliable indicator of the presidential elections because those elections were not of major importance to the "administrative party." Matsuzato predicted that Yeltsin's party will perform more successfully in the 1996 presidential elections due to its regional support: local administrators are guaranteed reward and security with a Yeltsin victory. Matsuzato also expected the results of the presidential elections to be much closer than those of the Duma elections.

—by Julia Smith

Vol. XIII No. 15 1996

Wealthy Russians: Privilege and Power

"To be rich in Russia means that the government has allowed you to be rich," said **Olga Kryshtanovskaya** at a Kennan Institute lecture on **2 April 1996**. Kryshtanovskaya, Head, Department of Elite Studies, Institute of Sociology, Russian Academy of Sciences; Director, Institute of Policy Studies, Moscow; and Visiting Scholar, Center for Eurasian, Russian, and East European Studies, Georgetown University, emphasized the interrelations between the Russian government and the Russian business community and described the characteristics and tendencies of Russia's wealthy in detail.

According to Kryshtanovskaya, 61 percent of wealthy Russians come from the nomenklatura of the former Soviet Union, many of them former "economic" managers or members of the *Komosomol* (Communist Youth League). Because initial privatization of the Russian government was conducted by the state itself, converting ministries to firms and privatizing the government's financial and distribution systems, members of the Soviet nomenklatura were some of the first to be involved in Russia's emerging private sector. Today, the banking industry is particularly well represented by former government officials, with 70 percent of the 200 largest commercial banks having previously been government banks. Kryshtanovskaya noted that many Russian banks maintain good

relations with the Communist Party of the Russian Federation (CPRF) because they believe it has a good chance of winning the upcoming presidential elections.

Kryshtanovskaya noted that there are two ways to become a millionaire in Russia: through banking and finance; or the sale of raw materials abroad. Natural resources are under government control and require special permission for export, thus demonstrating the state's role in giving rise to new commercial elites. Getting rich in Russia is risky, however, as the absence of an effective legal infrastructure for the commercial sector provides no protection for the contracts and profits made by Russian businessmen. Therefore, Russians turn to one of two options to safeguard their business deals: 1) they create their own security forces; or 2) they pay mafia groups for protection. Because it is usually the less expensive option, many Russian businesses are under mafia protection. According to the speaker, the most effective method for debt collection is to hire a group of "enforcers" who will make threats and/or use force to ensure clients' debt repayment. Those businesses that choose to create their own security forces almost always select a former MVD (Ministry of the Internal Affairs) or KGB (Committee on State Security) official to lead the security division. Former MVD and KGB officials are characteristically more inclined to support a communist-oriented party than a democratically-oriented party, implying that key positions within the commercial structures are partial to the CPSU, said Kryshtanovskaya.

The volatility of business in Russia has caused rich Russians to keep their capital in the most liquid of forms: cash. They also buy diamonds and furs, open bank accounts in West European banks, or invest in foreign real estate. The term "New Russians" is often used in the West to refer to Russians who spend lots of money, buy expensive cars, and stroll the Champs Elysees. These "New Russians," stereotyped as being flashy, tasteless, impolite, and lacking in education, are the object of many jokes and anecdotes among the Russian population. But Kryshtanovskaya noted that those who perpetuate the image of the "New Russians" are not the wealthiest in Russia. The truly rich—far less conspicuous to the Western eye—are those who gained their wealth and power through preferential access to the privatization of government assets.

Since most Russian rich became so through government privileges, they are not supporters of a liberal economy, which would in theory provide equal opportunity for all citizens. To protect their interests and ensure that their privileges remain shared by only a small and select group, industrial and financial structures make sure to gain the allegiance of a political "benefactor" within the state structure. For instance, the oil and gas industry enjoys Prime Minister Viktor Chernomyrdin as their state supporter; the metallurgical industry is backed by First Deputy Prime Minister Soskovets. In general, said Kryshstanovskaya, each revenue producing branch of the Russian economy maintains a political ally. Given the time and money that is invested in such alliances, Russian businessmen prefer to support the political regime that promotes the status quo. Liberal democracy has the potential to bring in new people and new policies and displace current arrangements. Businessmen also ensure their interests are protected by lobbying Duma members, sponsoring political parties, or paying bribes.

In determining which political regime will benefit them most, Russian businessmen are divided in their support for Yeltsin and Zyuganov, said Kryshstanovskaya. Some support the figure of a "strict Yeltsin" who would promote the cancellation or postponement of the presidential elections. Recently, in fact, a group of bankers told Yeltsin that it was not necessary to hold elections as they could cause instability. Others back a "lenient Zyuganov" who does not favor traditional communism, and promises elites stability in the economic system.

Kryshstanovskaya concluded by noting the impossibility of forecasting Russian economic policy without knowing the shape of the political system. The upcoming presidential elections, she maintained, will, regardless of outcome, have a revolutionary effect on business in Russia.

—by Julia Smith

Vol. XIII No. 16 1996
Zyuganov Aide Outlines Russian
Communist Party Platform

"Today, Gennady Zyuganov represents a new political force and not a traditional communist party," declared **Sergei Ayvazyan**, Foreign Policy Advisor to Russian Presidential Candidate, Gennady Zyuganov, Chairman of the Communist Party of the

Russian Federation (CPRF). Speaking at a Kennan Institute lecture on **16 April 1996**, Ayvazyan outlined the platform of the CPRF for the upcoming Russian presidential election in June, contrasting it with what he termed the failed policies of Russian President Boris Yeltsin.

The Yeltsin administration's policies have had a terrible impact on the Russian economy and society, said Ayvazyan. Production has declined by over 50 percent under Yeltsin's rule, compared to a figure of 27 percent for the U.S. during the Great Depression. Income disparity is growing rapidly as a handful of Russians become millionaires while over 60 percent of the population lives in poverty. The economy is becoming increasingly criminalized in sectors such as consumer goods, banking, energy, and even military industries. Lastly, the war in Chechnya has resulted in a greater number of casualties than the war in Afghanistan. These conditions, noted the speaker, have been accompanied by a psychological loss of pride among the Russians as a nation.

Ayvazyan claimed that the ideas articulated in Zyuganov's presidential platform stand in sharp contrast to Yeltsin's policies. Ayvazyan elaborated on the following main points of the CPRF presidential platform: restore law and order; introduce social and economic reform to bring about a mixed economy with public and private sectors; improve ethnic relations and end the Chechen war; and revise the constitution to make the executive branch more accountable to the parliament. Ayvazyan also emphasized that Zyuganov would promote the "voluntary, gradual reintegration" of the former Soviet republics, adding that the disintegration of the Soviet Union in 1991 was unconstitutional and was opposed by 76 percent of the population at the time. On foreign policy, Ayvazyan declared that Russia would assert its own national interests first and foremost, while preserving international cooperation on global problems. Under Zyuganov, foreign policy priority would be given to relations with the former Soviet republics and all other neighboring countries, including China, India, Arab countries, Israel, and the nations of Eastern Europe.

On the question of how Zyuganov would end the war in Chechnya, Ayvazyan stated that Zyuganov will soon articulate a concrete policy on this subject. In general terms, Chechnya would be granted more

autonomy—but not independence—and a limited troop presence would be kept to maintain stability and to prevent “massacres” between rival Chechen factions.

With an economic team composed of the former head of Gosplan and representatives from academia and the private sector, Zyuganov will pursue policies designed to “create an adequate, attractive investment climate,” Ayvazyan said. He further emphasized that foreign investment is preferable to credits or loans, and that investments should be based on the principle of “long-term, mutually beneficial relationships” rather than deals made for a “quick buck.” Ayvazyan addressed the perception that Zyuganov presents one face to the West and another to Russian audiences by stating that Zyuganov tailors his answers, not his principles, to different audiences.

The CPRF, according to the speaker, is the largest political party in Russia with over 500,000 members, making Zyuganov the “most influential political leader in the country.” The popularity of the party is reflected in the results of the 1995 Duma elections (Zyuganov’s party captured a plurality of 22.3 percent of the party list voting and 34.9 percent of the Duma seats) and by Zyuganov’s status as front-runner in the presidential elections in June. Other challengers to Yeltsin for the presidency are not credible, according to Ayvazyan. Ultra-nationalist Vladimir Zhirinovskiy enjoys the support of a solid 10 percent of the electorate, but is only a one-man show and cannot muster broad support. Ayvazyan also dismissed “Third Force” candidates such as economist Grigorii Yavlinskii, retired Lt. General Aleksandr Lebed’, and wealthy eye surgeon Svyatoslav Fedorov. None of the three are strong enough to win on their own, nor are they likely to unite successfully behind one candidate.

Ayvazyan predicted that only Yeltsin and “the party of power” have the potential to win an election against Zyuganov; although, he argued, not by running on Yeltsin’s ideas or accomplishments. Yeltsin’s access to the unlimited resources of the state, total control over state media, access to the power of the executive branch of the government, and his control of the Presidential Security Force constitute significant advantages in his reelection campaign. Ayvazyan declared his confidence in Zyuganov’s victory in a free and fair election, but ex-

pressed doubt that the June election will be free or fair. To remain in power, according to the speaker, Yeltsin will either cancel, postpone, or falsify the results of the presidential election. In support of this view, Ayvazyan referred to the 9.2 million falsified votes (as reported by the U.S. intelligence and the media) in the 1993 constitutional referendum, which greatly expanded Yeltsin’s power. The speaker then invoked Stalin’s maxim that “what matters is not how people vote, but how the votes are counted.”

—by Joseph Dresen

Vol. XIII No. 17 1996
The Evolution of the Russian
Banking System

Despite significant decentralization and economic reform efforts, the Russian banking system risks a major crisis in the next year, said **Juliet Johnson** at a Kennan Institute lecture on **6 May 1996**. Johnson, a research fellow with the Foreign Policy Studies Program at the Brookings Institution, recently spent seven months in Russia trying to answer the question: why has the Russian banking system failed to reform along market lines? She conducted seventy-five interviews with bankers and policymakers in the cities of Moscow, Riazan, and Volgograd. Through her research, she found that decentralization alone was not sufficient to achieve banking reform in Russia. Johnson argued that the combination of persistent soviet institutional legacies and bankers’ administrative independence—the increased autonomy of bankers that allows them to play the key role in guiding the process of institutional change—does not promote the emergence of a healthy market economy in Russia.

The Central Bank of Russia (CBR) emerged from the Russian branch of Gosbank (the state bank of the Soviet Union) after the Soviet Union collapsed. Hence, the Central Bank of Russia inherited a number of traits from the Soviet banking industry which act as impediments to current reform measures. Such obstacles to reform include: the CBR’s weak monetary policy; the secretive, centralized nature of the CBR; a nonexistent payments and clearing system; the support of inefficient enterprises to keep production levels up and unemployment down; and the multi-republic structure of the CBR. When Gosbank was taken over by the CBR in 1991, the fourteen other central banks throughout the USSR used the ruble as currency and had

the capacity to give unlimited loan credits, resulting in hyperinflation. In order to reduce hyperinflation, the Yeltsin government supported the breakup of the ruble zone. However, the Central Bank of Russia did not support this breakup because of its desire to re-centralize the banking system under its own control. The CBR refused to consider a coordinating monetary authority for the ruble zone, which would have had power over the CBR's own activities. As a result, Gosbank and the Central Bank of Russia clashed over this issue and undermined each other's policies whenever possible.

Although commercial banks in Russia gained their autonomy through an early liberalization of the financial system, they too remain plagued by remnants of the Soviet system such as an absence of experienced banking staff; the spread of organized crime (an offshoot of the Soviet-era black market); the monopoly of state savings banks over individual depositors; and bad loans inherited from the previous banking system. Johnson termed this situation that combines independence with disadvantageous institutional legacies the "irony of autonomy."

Created in 1987 from Gosbank to boost credits to heavy industry, agriculture, and small business and trade, "specialized banks" became a huge banking bureaucracy. In 1990-91 "specialized banks" became fully autonomous commercial banks, although they retained most of their previous power, clients, and predilection to favor formerly state-owned enterprises. These banks have the highest number of insolvent clients but are the least worried about going bankrupt. as Johnson noted, non-market-oriented institutional legacies cause banks to make decisions that do not always promote capitalist development.

"Pocket banks," another type of Russian commercial bank, developed from Gorbachev's "law on co-ops" (1988) through which financial departments of state enterprises were made into banks. These banks—which were kept inside the pockets of enterprise directors—increased enterprise access to government credits and gave enterprises the opportunity to embezzle money from the state, resulting in undercapitalized, poorly regulated banks. In the past two years many of these banks have begun to fail. "Zero banks" first appeared in Moscow in 1988, primarily for party elite who wanted to secure their financial future. Today, "zero banks" are

considered "good, developing banks" by most western agencies, although many of them have bad loans and incur losses from currency speculation. According to Johnson, the small number of "zero banks" holds more power than any other sector of the economy.

Under the current political regime, the Russian banking system will continue to develop and come to represent a market banking system, predicted Johnson. Small, regional banks will close as regulations become more strict (capital requirements are continually being raised and are scheduled to reach five million ecu by January 1999). In 1994, 600 banks incurred losses and according to a European Union study, 1,600 banks will disappear in the next few years. Those remaining will be larger banks, many of which were created from state banks or founded in the early stages of reform and had the political and economic power to survive.

From her research, Johnson concluded that most Russian banks continue to refuse to commit capital to needy businesses with which they do not have long standing ties, thus hampering the development of the Russian private sector and banking industry. According to Johnson, executive policy measures were instilled to change the system without taking into account the existing institutional framework. U.S. advisors also supported macroeconomic stabilization initiatives that proved to be unsuccessful as the CBR continued to print money and give credits to unprofitable enterprises. Opposing Steven Krazner's punctuated equilibrium theory (crisis situations provide a window of opportunity in which policymakers can restructure institutions to their own liking) and the totalitarian school of thought (once the USSR fell, the unchangeable Soviet organism could be rebuilt from scratch), Johnson maintained that plans for restructuring must take into account tenacious political and institutional factors of the past. Change will be slow; public expectations should be moderated; resources for reeducation are necessary; creation of technological infrastructure is necessary; and there should be a government consensus on general goals, advised Johnson.

—by Julia Smith

Vol. XIII No. 18 1996

National Linguistic Policy in Tajikistan

Tajikistan's newly-gained political independence has not led to cultural and linguistic independence for all of its citizens,

stated **Khusrav Shambezoda** at a Kennan Institute lecture on **13 June 1996**. Shambezoda, a lecturer of Russian language and literature at Dushanbe Pedagogical University and a USIA-Supported Regional Exchange Scholar at the Kennan Institute, explained that the selection of Tajik as the official language of Tajikistan has upset the delicate cultural-linguistic balance that existed among its Tajik and non-Tajik inhabitants during Soviet rule.

As the former Soviet republics undergo the process of democratization, the question of national and linguistic identity is at the forefront of a host of current issues. Sweeping social changes and questions of national sovereignty have not only influenced the political and economic sphere in Tajikistan, but have also transformed cultural and linguistic life. According to Shambezoda, the language of an ethnic group not only influences the cultural life of its people, but also affects the shaping of its identity. He argued that very often the life of a language, like the life of its people, depends on the state's linguistic policy. As a result, ethnic groups, especially minority groups, strive to preserve their national language.

Tajikistan, like many other multinational states of the former Soviet Union, is home to people of many different ethnic backgrounds who speak a variety of distinct languages. In the Soviet republic of Tajikistan, the Russian language possessed the same legal status as the national language, Tajik. However, Shambezoda explained, priority was always given to Russian, consequently resulting in the retardation of the functional development of the Tajik language. After declaring independence, the majority of the former Soviet republics, including Tajikistan, declared their national language the official language of government, business, education, and the media. In Tajikistan, Shambezoda noted, the insufficient development of the Tajik language, especially in science, technology, and industry, is a source of tension among its multiethnic and multilingual residents.

The Russian language, used as an official and functional language in Soviet Tajikistan, lost its status when it was replaced by the Tajik language. Tajikistan's new linguistic policy created a vast array of complex cultural problems in Tajikistan. The selection of one language as the official state language affected the dynamics between the

various ethnic groups of the country. In Tajikistan, the Tajik language and its ethnic group now hold a majority status, which has alienated minority groups and raised concerns over the protection of the linguistic and cultural sovereignty of these groups, said Shambezoda. Segments of the non-Tajik speaking population, including ethnic Russians, were part of a large movement to return to their ethnic homelands.

Shambezoda explained that ethnic groups can react to a threat to their linguistic sovereignty in a variety of ways. In particular, he noted that members of Tajikistan's Russian speaking population are faced with four main choices: they can give up part of their ethnic identity by learning the state language, Tajik; they can withdraw from society and live and communicate only with people of their own ethnic group; they can fully preserve their language and culture by emigrating to their ethnic homeland; or they can attempt to reinstate the Communist Party and the Soviet regime to regain their linguistic and cultural dominance. Other non-Russian, non-Tajik, speaking populations also have four similar choices which Shambezoda denotes as pluralism, integration, assimilation, and segregation.

A lack of government structure for the promotion of cohesive cultural and linguistic development has caused the spread of nationalism throughout the Central Asian countries of the former Soviet Union, said Shambezoda. He also noted that strong nationalist tendencies were more likely to emerge in countries undergoing rapid industrialization, with high levels of literacy, a developed mass media and communications network, and the active participation of an intellectual elite. In addition, said Shambezoda, individuals who seek to foster nationalist tendencies are especially aggressive during transitional periods when a struggle to gain political control over the newly sovereign nations occurs. After the loss of their externally imposed Soviet identity, the newly independent states are now faced with the task of redefining themselves as sovereign states. This presents a rare opportunity for rival nationalist groups to bolster their presence and compete to fill the void created by the current identity crisis.

Because language is such an important attribute of any people, from the smallest ethnic group to the largest nationality, Shambezoda stressed that addressing important linguistic

questions should be a major component of the domestic policy in any multinational and multiethnic country undergoing political, economic, and social transition. Although recommending a linguistic policy that would fairly represent the needs of all minority groups is difficult, Shambezoda emphasized that further investigation and research of linguistic policy is necessary to bring about practical recommendations to solve Tajikistan's difficult ethnic and linguistic problems.

—by Monique Wilson

1996–97 PROGRAM YEAR

Vol XIV No. 1 1996 Soviet Architecture and the National Question

The techniques used by the Soviet architectural establishment to mediate explosive national tendencies within the Soviet Union and Eastern Europe were rooted in the nineteenth-century Russian imperial policy of orientalism, said **Gregory Castillo** at a Kennan Institute lecture on **13 May 1996**. Castillo is an Associate at the Center for Environmental Design Research at the University of California, Berkeley.

The European discipline of orientalism, said Castillo, promoted exotic images of non-Europeans locked in a state of arrested development. In this way, orientalism supported European claims to dominance. The Soviet use of exoticism to refer to the nations of the periphery demonstrated continuity with imperial Russian practice while also conveying new meanings inspired by Marxism. Castillo traced the “orienting” of the near abroad through exhibitions held in Moscow between 1923 and 1954.

Castillo noted that the 1923 World Fair in Moscow was similar to other European fairs in that its designers segregated displays that depicted modernity from those illustrating primitiveness or exoticism. In this way, visitors were guided to a standard set of conclusions about the right to rule. Moreover, in accordance with Soviet nationalities policy, the Russian people were equated with the Soviet people at the fair, highlighting Russian superiority in the empire. Castillo noted that this bifurcation of non-Russian exoticism versus Russian progress continued to dominate throughout the NEP era.

According to Castillo, in the 1920s designers in the periphery were able to create architectural styles based on their own cultural traditions. Thus neo-baroque

thrived in Kyiv and Islamic traditions were revived in Central Asian architecture. However, with the introduction of the new Five Year Plan questions of class and generation upstaged those of nationality, and the use of traditional styles was eradicated, Castillo said. The new Soviet International Style, or Constructivism, was therefore regarded by non-enthusiasts as a purge of national character and caused fierce debates in the late 1920s.

The backlash to this era, Castillo observed, came in 1932 with the definition of the Socialist Realist “working method.” Socialist Realism called on artists to “reclaim and assimilate critically the full cultural heritage of past centuries.” Attempts to translate this definition into architecture led to mutant buildings combining modernist designs with aspects of past cultural traditions. Socialist Realism therefore transformed Western orientalism, making exoticism an anti-imperialist program to rescue cultures debilitated by capitalist exploitation, said Castillo.

Castillo argued that a dependable recipe for architecture “socialist in content and national in form” emerged only in 1939 at the second great fair in Moscow, the All-Union Agricultural Exhibition. The designers of the 1939 exhibition were given the task of depicting the Soviet people without any national traditions or architecture. The pavilions from the periphery won the most praise, according to Castillo, for their success in reinventing national traditions rather than simply reflecting them. Designers were lauded for their skill in detecting faint national features found in vernacular objects and translating them into their work in a simplified fashion.

Castillo remarked that the Socialist Realist resuscitation of regional culture also represented a continuation of imperial Russian policy in its commodification of national folk art. He characterized Socialist Realist methods as a reversal of the colonial model of exchange. Local traditions were first transmitted to Moscow from the periphery through local craftsmen. Then the raw vernacular material was processed to remove any extraneous content, the result was blended with Soviet symbols, and the final product was shipped back to the periphery as the basis for that republic's official national architecture.

The 1939 fair, when remodeled for its 1954 post-war opening, reflected the new form of the Soviet empire, said Castillo. The pavilions at the fair were designed in order to allow visitors to visualize the new Soviet

political space. Thus, although each republic was treated individually, Castillo illustrated that taken together they were portrayed as harmonious partners in the Soviet ensemble.

Encoding the Baltic states into the Soviet system signalled a change in Socialist Realism and brought the architectural amalgam created at the 1939 fair to its widest use. Castillo claimed that advisors to reconstruction projects across the region had an opportunity to school designers on how to show their cultural heritage in a “Soviet way.” Thus, German designers were told that Bauhaus Modernism was a result of American Cosmopolitanism, and were strongly encouraged to look to the 1939 Moscow pavilions as models for their own designs. Castillo referred to this further step west, into the very countries that had initially exported orientalism, as the “orienting” of the Eastern Bloc.

In this journey west Socialist Realism found its antithetical complement in the International Style, or the strain of modernism dominant in the West. The elaboration of Socialist Realism into this other International Style, according to the speaker, was the ultimate development of the orientalist aspects of Soviet exhibitionary tradition. In its new form, Socialist Realism became an architecture of opposition to capitalist cultural imperialism. This allowed the establishment, Castillo said, to marginalize cultural resistance.

Orientalism, Castillo concluded, has been encumbered by its own internal logical contradictions. Even so, he lamented that orientalism is conspicuous in its absence in scholarly literature on colonial culture and imperialism. Castillo concluded that this absence, caused by current scholars’ abhorrence of “vulgar Marxism,” is in effect a marginalizing strategy in its own right.

—by Nancy Popson

Vol. XIV No. 2 1996

Economic Development of the Siberian Gas Industry

The oil and gas industry is one of the most stable and well-developed industries in the Siberian economy and the most important sector of the Russian economy, said **Valerii Kriukov** at a Kennan Institute lecture on **5 September 1996**. Kriukov, Department Head of the Institute of Economics, Russian Academy of Sciences, Novosibirsk, and Associate Professor at Novosibirsk State University was joined by his colleagues **Sergei Kazantsev**,

Viktor Ratchenko, and **Nina Seliverstova** from the Institute of Economics of the Russian Academy of Sciences in Novosibirsk. Kriukov stated that Russia is one of the main gas producers in the world with approximately forty-seven trillion cubic meters of gas reserves. Close to 80 percent of these resources are located in Western Siberia.

Kriukov reported that just before the breakup of the Soviet Union, as part of the economic transformation process, all former production amalgamations in industry were transformed into “Soviet Union Concerns”—for example, Lukoil for the oil industry and Gazprom for the gas industry. This enabled Gazprom leadership and ambitious Soviet-style managers to separate Gazprom from the state structure and integrate the structure outside of state planning and partly outside state control. The next stage in the transformation was to transform Gazprom from a state-concern into a state-owned joint stock company. This process more or less came to an end in 1995.

According to Kriukov, the priorities of the state and Gazprom changed during the transformation process. During the transition period, Gazprom’s three main priorities (in descending order) were: 1.) to acquire substantial autonomy from the state; 2.) to concentrate power in the central body of Gazprom; and 3.) to make a profit.

Gazprom used a number of instruments to acquire its current power and position, stated Kriukov. First, it acquired the rights to be the sole owner and distributor of access to the main trunkline. In 1994, the process of privatization was more or less finished. The Russian Federation government is still the main shareholder—with close to 40% of the stock—management owns 5%; the national minorities of Western Siberia own slightly more than 5%; and close to 29% are held by the Siberian population.

Privatization is the second instrument which Gazprom used to attain its power. The Gazprom board acquired substantial power not only through its control of the distribution of stock shares, but also via the transformation of the internal structure of the post-Soviet gas industry; the changing of interrelationships of different subunits within Gazprom; and by transforming the former Gas Ministry into a profit center. No problem can be solved or decision made without the permission of the Gazprom board. The main task under privatization was to establish strong protection against external interests. Gazprom’s

charter accomplishes this by stipulating that shares can be freely bought on the open market, but the sale of shares requires permission of the Gazprom board, noted Kriukov.

The third instrument included the use of a pricing policy which contributed to financial independence. In the case of Gazprom, external prices for the Russian internal market outside of Gazprom grow daily in accordance with exchange rates and the rate of inflation. But, Gazprom can only adjust production cost prices approximately every six months. For the Siberian economy, this means that resource-based regions are poorer in terms of their sustainable economic development. Once their main resources are depleted, these areas have no resources to transform their economy into something new. Therefore, their budget is not suitable for the long-term development of their economy.

When the Gazprom board introduced this method of pricing, the purpose was to transform the technical authority of the main board into a profit center. The next step towards privatization was to change the legal status of the units within Gazprom. These units were no longer allowed to have their own financial sources or to have contact with the regions and companies which purchased their gas. The Gazprom board became the main profit and strategic center responsible for the development of the entire company.

The fourth instrument used by Gazprom to attain its current position was its special relationship with the Federation. It is no secret that the Russian Prime Minister is a former gas industry Minister. Due to overall declining production in Russia, Gazprom is the main financial source for the entire country. This allows the Gazprom board and management to establish a strong bargaining position with the federation.

The final instrument used by Gazprom is diversification. Gazprom's current power will not last forever. Thus, it is diversifying its assets by venturing into the military-industrial complex and acquiring shares of these enterprises. Another avenue of diversification is the financial sector. Since 1993, Gazprom Bank has been one of the main banks in Russia, remarked Kriukov.

Although Gazprom is currently experiencing great economic success, Kriukov pointed out that there are some disadvantages for the economy as a whole. Gazprom prevents companies inside it from realizing their full potential. Gazprom's options for the future

depend on the transformation of the Russian economy as a whole. However, Kriukov argued, Gazprom has the potential to survive and be the main supplier not only of energy resources, but also a key supplier of financial resources for the entire Russian economy.

—by Jodi Koehn

Vol. XIV No. 3 1996

The Legacy of Russia's Defense Industrial Cities

Statistically, the extent of demilitarization of the Russian economy is quite impressive. Defense procurement has plummeted and the output of military goods has gone down as far as one-ninth or tenth of what it was during the peak of the 1980s, said **Clifford Gaddy** at a Kennan Institute lecture on **30 September 1996**. Gaddy, Research Associate at the Brookings Institution in Washington, D.C., recently completed a major project on Russia's demilitarization—particularly its economic dimension. The project looked at both the current situation—how Russia demilitarized—as well as described and analyzed the historical legacy of the problem itself. Gaddy described the project as an attempt to go beneath the surface to look at indirect ways in which hypermilitarization of the Soviet economy affected the broader society instead of merely quantifying the size of Russia's defense economy in terms of percentage of gross national product or employment.

Gaddy argued that there were three interrelated characteristics of the Russian defense industry that were perhaps even more interesting and important than its sheer size—especially when examining the local effects of the defense industry. First, was the size of the individual defense plants. There were at least 100 Russian defense enterprises that had more than 10,000 employees in a single manufacturing location. These plants employed about one-third of the entire defense-industrial labor force. Today in the U.S., it is difficult to find a single manufacturing establishment with that many employees. In Russia, defense enterprises made up a substantial share of the large enterprises in the country. The United States, in contrast, was characterized by a large number of small firms.

The second characteristic was the degree of geographical concentration of these plants. This relatively small number of plants was concentrated in a small number of cities in Russia. The fifteen largest provincial cities in

Russia were basically defense-industrial cities. These cities were predominantly in the heartland (Volga valley, Urals, western Siberia). Most had a population of approximately one million people and all were provincial capitals.

The third characteristic was the degree of isolation and control imposed on these cities due to the defense industry presence. These cities were closed to foreigners and permanent residence was highly regulated, even for Soviet citizens. This fact does a great deal to help explain the industrial concentration. According to Gaddy, one reason—if not the main reason—for the degree of concentration to such a small number of cities was the need for this isolation and control. It was an economy of scale for security reasons, not strictly for economic reasons. It was very extensive and costly to close a city and to restrict and regulate it in such a way. When military planners built a new facility or expanded the production of an existing weapons system, it was much easier to locate that new facility in one of the existing closed regions, than to pick a new region and have to close it off from the outside world.

Gaddy postulated that these three characteristics justified the selection of one city as an example to examine the extent to which a single case study is applicable to the country in general. Perm was one of the top defense-industrial cities—in terms of number of employees and intensity. The ten largest manufacturing plants in the city were all defense plants, each having over 10,000 employees during their peak in the 1980s. It was a closed city for nearly forty years and had very few western visitors before its opening in 1991.

What has been the effect on this city and its structure? Today, Perm is the tenth largest city in Russia. The city government has to manage a large amount of territory dominated by very few industrial facilities not only for employment in general, but for social services. Much of the land of the city is controlled and owned by the defense enterprises. According to Gaddy, approximately one half of the city's population lives on the territory of the defense plants. These people are dependent on the defense plants—whether they work there or not—for their housing, social services, etc.

Gaddy went on to discuss what has happened to the economic structure of this city. In general, the labor force in Perm has contracted enormously. Officially, the number

of people employed and recorded as employed dropped by about 160–180,000 in four years. In manufacturing alone, 100,000 manufacturing jobs have been lost.

Gaddy stated that the overall size of Russia's defense industry is something that is very difficult to measure. According to Gaddy, attempting to measure anything that involves pricing—output compared to GNP—is basically impossible. In terms of employment, a substantially larger percentage of the Russian manufacturing labor force was dependent upon the defense industry than in the U.S. According to one estimate cited by Gaddy, during the peak of U.S. defense buildup in the mid-1980s, approximately 10 percent of the U.S. manufacturing labor force was dependent either directly or indirectly on defense contracts. By contrast, over 23 percent of the Russian manufacturing labor force was *directly* employed by enterprises subordinate administratively to the military-industrial complex.

Gaddy said that the relationship between capital cities like Perm and the rest of the oblast is strained. One of the biggest problems for capital cities, not just defense industrial capitals, is that these cities are doing all right, but they have to help the rural areas, the small towns of the oblast. If the Russian defense industry was parasitic on the rest of the economy—which it was—then perhaps the greatest victims were the rest of the oblast that supplied and supported this big capital city with labor power and other resources.

—by Jodi Koehn

Vol XIV No. 4 1996

Higher Education in Russia

Integration with the West requires not only reform of the Russian political and economic system, but also alteration of popular attitudes through the reform of higher education, said **Olga Safronenko** at a Kennan Institute lecture on **1 October 1996**. Safronenko is the Chair of the English Language Department of Rostov State University and a USIA-Supported Regional Exchange Scholar at the Kennan Institute.

Safronenko explained that a higher education system changes over time based on the cultural experience and the social, economic, and political situation of the country. According to Safronenko, as these factors shifted, the Soviet educational system underwent three periods of reform. Each of these reforms altered the educational system

to fit the needs of society at the time— industrialization, post-WWII reconstruction, and the Kosygin economic reform plans.

Safronenko identified a number of drawbacks to the higher education system created as a result of these reforms. The emphasis on professional training placed priorities on engineering and the sciences over the humanities. The system was also geared to massive output of students rather than to individual development. Central control of curricula restricted creative initiative, and the excessive incorporation of ideology stifled independent thinking. Furthermore, financing for the system, which originated entirely with the federal budget, was never sufficient. Although the Russian higher education system has remained competitive with Western Europe, Safronenko pointed to the gap that has grown between it and world standards. According to the speaker, this gap was exaggerated by the use of degrees that differed from world practice: Soviet education conferred two post-graduate degrees (*Kandidat* and *Doktor Nauk*), and one graduate (Diploma of Higher Education), with no equivalent to the western Bachelors degree.

The present changes in the post-Soviet Russian society have led, Safronenko claimed, to a new set of reforms which seek to solve these deficiencies. The current trends in educational reform, she claimed, emphasize a broader base of general education, accentuate the moral role of education, focus on teaching basic skills and learning habits, introduce an interdisciplinary approach, emphasize computer literacy, and strengthen the role of fundamental knowledge in the curricula. Safronenko emphasized two main aspects of this reform: the expansion of types of higher education institutions and the alteration of the degree system to match world standards.

Safronenko claimed that now there is more independence of administration in higher education. The introduction of non-state universities and institutes exemplifies this change. Safronenko explained that the 1996 law on education stipulates that non-state schools can be founded by national or foreign institutions, foundations, organizations, or citizens, and can be financed by any number of sources, including tuition fees and in some cases partial support from the federal budget. Safronenko remarked that non-state schools must go through an accreditation process overseen by the National Committee of Education. After registration with local

authorities and evaluation by the Committee, a non-state institution can obtain a license to operate. Only after three consecutive graduations judged to be consistent with the national standard can the non-state university gain accreditation which must be reconfirmed every five years. Safronenko stated that although two hundred non-state schools have licenses, still no more than five have received accreditation.

Safronenko also outlined the current debate over introduction of a new multi-level degree system that coincides with world practice. Safronenko described the system being introduced in many universities, which includes an incomplete higher education option (two years of general education), a Bachelors degree for four years of liberal arts education, and a Masters degree for two further years of professional study or research. Post-graduate study, or independent research leading to the defense of a dissertation, retains the dual degrees of *Kandidat* and *Doktor Nauk*. Safronenko stressed the enhanced opportunities inherent in this system, which makes higher education more accessible for students who have yet to decide on a future career or course of research immediately after high school.

The new education reform in Russia, the speaker said, has both advantages and disadvantages. The dual state and non-state schools, while creating healthy competition, have begun to drain the best educators from the financially struggling state schools. This may lead to a situation, Safronenko warned, where the state schools can only provide second-rate education. Already many state schools have been forced to fill faculty positions with under-qualified professors, and all professors at state schools must supplement their meager income with other jobs, thus hindering their ability to teach to their full potential. Since state schools remain free of charge, this could mean that less wealthy Russian citizens will be forced to attend state schools and thus will not have equal access to quality education. Safronenko stressed the need for the Russian government to take measures to head off such a situation.

In conclusion, Safronenko emphasized that the current reform in Russian higher education is actually aimed at renovating its form rather than its essence. The foundation of the system, she explained, has not changed: to provide students with a highly qualified professional training, the basic

education necessary to meet world standards, and appropriate conditions for the development of each student's individual personality.
—by Nancy Popson

Vol. XIV No. 5 1997
Small Business in Russia and the
Role of Women

The incredible growth of small business in Russia since 1991 is one of the most encouraging developments in the country, claimed **Grace Kennan Warnecke**, President of SOVUS Business Consultants and Co-Project Supervisor of the Volkov International Incubator and Training Center, at a Kennan Institute lecture on **28 October 1996**.

According to Kennan Warnecke, small business in Russia could play an important role in economic reform by creating new jobs and encouraging such character traits as self-reliance and creativity. Unfortunately, the new Russian government has not grasped the economic benefits of encouraging small business, and thus a restrictive tax structure and precarious legal position has hindered small business growth. Despite these obstacles, the speaker noted that almost 900,000 small businesses currently operate in Russia, employing 9 million persons full time and almost 5 million part time. Small businesses in Russia contribute 12 percent to GDP and make up 20 percent of exports.

Kennan Warnecke, in her position as Co-Project Supervisor of a USAID-funded small business incubator in the city of Volkov, is intimately involved with issues of small business development. The Volkov International Incubator and Training Center was initiated by the Alliance of Russian and American Women at the request of the female mayor of Volkov. Located in an old warehouse building, it rents out space to new entrepreneurs and provides them with access to office equipment, consultants, and business training courses. Eventually, the speaker explained, tenant businesses are expected to "hatch" and move out of the incubator. Based on similar programs in American cities, the incubator hopes to diminish the failure rate of new small businesses by offering them inexpensive rent and leasing rates.

The speaker described the business courses offered at the Volkov incubator, which range from "how to write a business plan" to financial management and marketing. The incubator also offers instruction in English and computer training courses. Businesses that

wish to rent space and equipment in the incubator must write a business plan and be approved by a tenant selection committee. Kennan Warnecke noted that the incubator's current tenants include a bakery, a print shop, and a mushroom growing operation.

In addition to providing space and equipment, the incubator has tried to cooperate with local banks to make credit available to small businesses. Although the incubator assumes all financial risk, Kennan Warnecke bemoaned the lack of cooperation and understanding on the part of loan officers. In response to this problem, the incubator has set up equipment leasing programs. Kennan Warnecke remarked that the leasing program, in combination with the minimal fees charged for incubator services, will serve as the basis for the incubator's sustainability beyond its USAID grant.

In addition, the speaker noted that the incubator has strived to become part of the community and in this way ensure its sustainability. Competitions for the incubator's logo and a database of business ideas have successfully involved the Volkov population. Moreover, the incubator has served as an outlet for the artistic talents of the city by making its walls available as exhibition space.

Kennan Warnecke remarked that the most surprising lesson of the incubator project was that although 70 percent of people taking the Center's courses were women, they made up only 20 percent of those applying to rent space. In order to decrease this drop-off rate, the incubator held an eight week women's empowerment seminar, which attempted to break down the psychological barriers to female entrepreneurship. As a measure of its success, Kennan Warnecke pointed to the fact that some of the incubator's current tenants are graduates of this seminar.

The need for such empowerment seminars illustrates the situation of women in Russia today, which, according to the speaker, is incredibly complex. She remarked that women have always been the backbone of society, the fulcrum of the family, and the workhorses of the Soviet economy. Even under communism, their exalted state belied gross inequalities between the sexes. With the collapse of that system, women have borne the majority of the adverse effects of economic reform. Kennan Warnecke estimated that 80 percent of the newly unemployed are women. Moreover, many of these are highly educated women: some 90 percent of new female graduates cannot find work, and those with

higher degrees in engineering and physics are told to become hairdressers, the speaker said.

According to Kennan Warnecke, women are now beginning to organize and vocalize the need to enter the political arena in order to improve their situation. Paraphrasing a participant at a Novgorod women's conference, the speaker noted that women are becoming the next wave of grassroots social organization in Russia.

Despite the many changes in the lives and fates of Russian women over the years, the speaker felt it was still germane to quote Marquis de Custine's thoughts in 1839: "In general the Russian women think more than the men because they act less. They are better informed, less servile, and possess more energy of sentiment than the other sex. Heroism itself often appears to them natural and becomes easy." This sentiment, Kennan Warnecke claimed, remains true to this day.

—by Nancy Popson

Vol. XIV No. 6 1997
Privatization and Organized
Crime in Russia

Privatization as it has occurred in Russia is not the same phenomenon of privatization that is occurring in the rest of the world, said **Louise Shelley** at a Kennan Institute lecture on **18 November 1996**. Shelley, Professor at the Department of Justice, Law, and Society at the American University and former Title VIII-Supported Research Scholar, Kennan Institute, characterized the Russian privatization process as the stealing of the Russian state.

Privatization in Russia was conducted without the legal safeguards and controls present in other countries, even other formerly socialist countries. As a result, the economic wealth of the country became concentrated in a small number of hands and the workers of privatized enterprises have been cheated of their rights under Russian law. Shelley gave as an example the privatization of a typography firm with a desirable location in central Moscow. By law, the firm was supposed to have gone to the workers of the firm, but was instead acquired by a major bank that coveted its prime location. The workers sued in the courts and won, but the absence of legal enforcement mechanisms left the firm in the hands of the bank. When the workers showed up to protest, they were met with tanks.

If the privatization process is rife with illegality, Shelley stated, it was hoped that

legal norms would arise afterwards to protect property that had been privatized. Instead of the emergence of legal norms, however, there has been an explosion of violence. The recent bombing of an Afghan War veterans group (whose import tax exemptions attracted organized crime groups) in a cemetery and the shooting of Paul Tatum, an American partner of the Radisson-Slavyanskaya hotel in Moscow, are but the latest examples of how violence is used to resolve disputes.

Another aspect of this theft of the Russian state, according to the speaker, is the spontaneous privatization of property by the managers of privatized enterprises. Managers, doubting the ability of their enterprises to compete in the global economy, strip the valuable assets of their firms and export or invest that wealth abroad. Workers are thus first cheated of their right to own a stake in the privatized enterprises and are then subsequently robbed of their livelihoods when these enterprises are depleted of the resources necessary to pay wages.

Illegitimate privatization in Russia has far-reaching negative implications. Unequal wealth and income distribution, lack of recourse to an effective legal system, and non-transparent privatization processes are detrimental to long-term economic development in Russia and the evolution of sound business practices in Russian firms. These factors have provided instead an economic atmosphere in which organized crime thrives.

The spread of organized crime in the Russian economy did not arrive with the post-Soviet privatization program, noted Shelley. The phenomenon dates back to Gorbachev's anti-alcohol campaign, which began during his first month in office in 1985. The Soviet state had previously derived 10 percent of its income from the turnover tax on the sale of alcohol—revenue which in a very short period of time was transferred to a highly professional criminal class that satisfied Russian society's demand for alcohol. This transfer of revenue coincided with Gorbachev's economic reforms introducing forms of private ownership in the economy such as joint ventures and cooperatives, providing a window of opportunity for organized crime's entry into the legitimate economy.

If organized crime is like a cancer throughout the post-Soviet states, Shelley stated, then different areas are suffering from different types of cancer. Organized crime in Russia feeds off the most profitable sector of

the economy of the region in which it resides: from real estate and banking in Moscow, to natural resources and military industry in the Urals. Where there is little value in the legitimate economy such as in the Caucasus, organized crime resorts to more traditionally illicit activities such as auto theft, drugs, and arms smuggling.

Russian privatization and organized crime have created an environment which is not attractive to foreign investment. Even worse, according to the speaker, the climate is not conducive to maintaining existing capital within Russian society. Foreign investment amounts to a few billion dollars a year, Shelley explained, whereas since 1991 at least \$50 billion of Russian capital have left the country. Half of this capital movement was in the form of capital flight to more secure investments abroad, half in the form of money laundering, which demonstrates how corrupt Russian banks and organized crime are heavily tied into the depletion of the Russian state.

Organized crime in Russia is distinguished by its pervasive involvement in the legitimate economy, Shelley stated. The participation of organized crime in Russia's privatization programs facilitated by the absence of legal safeguards and the failure of legal norms to emerge have resulted in the stealing of the Russian state. According to research by the Russian Ministry of the Interior, over 40,000 privatized enterprises in Russia have ties to organized crime. This figure is derived from the number of enterprises involved in criminal investigations which were halted due to political pressure. "It is a pervasive problem," Shelley concluded, "one which if you attempt to deny you are not understanding the political context in which it is occurring...neither law enforcement nor the judiciary are independent actors within the Russian state."

—by Joseph Dresen

Vol. XIV No. 7 1997

Looking Back on Stalin and His Victims

The anti-Stalinism campaigns of both Khrushchev and Gorbachev were associated with a political establishment initiating reform within the existing system. However, the revolutionary strand of de-Stalinization that came to the fore in the late 1980s was unique to the Gorbachev period, said **Kathleen Smith**, Assistant Professor of Government at Hamilton College in a Kennan Institute lecture on **2 December**

1996. This strand was the child of a new civic activism nurtured by Gorbachev's policies of *glasnost* and best represented by the organization *Memorial*.

Smith noted that both in the 1960s under Khrushchev and in the early years of Gorbachev's reform efforts, the establishment sought to contrast their own present policies with the extremities of Stalinism, and thereby restore public confidence in the Soviet system. In the latter era de-Stalinization initiatives were first promoted by reformers and intellectuals, who used the opportunities presented by *glasnost* to finish what they felt had been aborted two decades earlier. In this de-Stalinization drive, Smith stressed that Gorbachev played only a reactive role, responding positively to the initiatives of others while pushing his own priority—economic reform.

However, as *perestroika* and *glasnost* progressed, de-Stalinization soon became a catalyst for democratic revolution. Smith claimed that Gorbachev's new openness provided space for civic activism to grow, and groups such as *Memorial* began to seek more ambitious goals. *Memorial* at first used petitions circulated in the street in order to identify and commemorate the victims of Stalin's purges. By 1988, it had already begun to organize bases of support in the provinces, especially in those areas where a large population of deportees or a prison camp had been located. In its battle to survive in Gorbachev's Russia, *Memorial* faced obstacles such as getting press coverage and space to hold its conferences. Smith noted that this very struggle with communist authorities served to radicalize the organization. *Memorial* soon changed its goals from the less controversial idea of building commemorative statues to the more radical one of *activating* the populace to want to build these monuments.

Although *Memorial* was successful in starting charities, initiating rehabilitation proceedings, and pointing historians to topics reconsidering the Soviet past, Smith said that by 1991 the Soviet people were no longer interested in anti-Stalinism. In part, she attributed this apathy to *Memorial's* very success. Now that these processes had begun, activists could move on to other issues. Moreover, *Memorial* was in many ways a means to bring together democratic-minded people in the only manner they could organize under the Soviet regime. By 1991 these people were beginning to join newly

formed legal political parties. Smith also pointed to the organization's failure in many provinces, where it had less voice in the decisions of the authorities and was therefore blocked in its attempts to open archives or extend social benefits to Stalin's victims. Finally, Smith remarked that along with the regrouping of forces that viewed life under Stalin as one of progress, military victories, and social mobility, many people were simply overwhelmed by the amount of bad news they were forced to ingest every day. This backlash against bad news added up to a backlash against anti-Stalinism.

Despite this apathy, Smith noted the strides that have been taken since 1991 in de-Stalinization. She pointed to the destruction of monuments to individuals who led purges, the opening of many archives, and the passage of a rehabilitation law covering everyone regardless of class or creed. Yet when one looks closely at the progress on de-Stalinization since 1991, Smith said, the results are more ambiguous: the trial of the communist party received poor press coverage and allowed the organization to defend itself based on their activities after 1990; many archives are becoming consolidated and closed under Yeltsin; and very few civic activists have gained positions of power in the new government.

The election campaign for president in 1996 illustrated, in Smith's view, what the Stalin era meant for today's Russian politicians. She stressed that the nostalgia of the population that was widely cited as the base for communist support was based not on memories of the Stalin era, but of the economic stability of the Brezhnev years. In contrast, Smith remarked that Zyuganov's campaign propaganda conjured up favorable images of the Stalin era. This was because he wanted a role model that was associated with strong industry, Russian nationalism, and military victory.

Although Yeltsin has avoided using de-Stalinization to build his career, Smith noted that in the recent campaign he too looked to the past for symbols of Russian pride and nationalism. Many of his campaign advertisements featured black and white nostalgic photographs and biographies of older Russian citizens. Anti-Stalinism, however, did not surface in the Yeltsin campaign until after the first round of balloting, Smith said. It was only then that Yeltsin toughened his anti-Soviet stance with anti-Stalinist overtones, utilizing

slogans like "they haven't changed their names, and they won't change their methods."

Smith remarked that it is difficult to say whether or not this new anti-Stalinism found resonance with society. It does show that some politicians, rather than looking forward, are returning to tried and true historical themes. Smith concluded that the way in which they choose to view Russia's Stalinist past will be crucial to current politicians who are searching for historical memories upon which to build positive bases of Russian pride and patriotism.

—by Nancy Popson

Vol. XIV No. 8 1997

The Role of Ideology in Russian Party Formation

"Between 1989 and 1991 there was a widespread feeling in the West that not only had Marxism-Leninism as an ideology been vanquished with the fall of Communism, but perhaps finally ideology in general had seen an end" said **Stephen Hanson** at a Kennan Institute lecture on **9 December 1996**.

Hanson, Assistant Professor of Political Science, University of Washington, and Title VIII-Supported Research Scholar, Kennan Institute, said that since 1994, however, this idea seems to have reversed itself. Yegor Gaidar acknowledged that although the ideology of Communism collapsed, ideology did give Communism a kind of power that reformers in Russia currently lack. There is an increasing concern that Russia needs a new state ideology, that somehow despite the collapse of Marxism-Leninism, something is needed to fill the void that was created.

The general attitude in America is that "ideology is bad and pragmatism is good." According to this idea, ideological politicians are irrational and need to be forced into submission. Americans see pragmatic politicians as similar to themselves, eager to cooperate and be part of the global liberal order. Hanson argued that instead of simply decreeing ideology as bad and pragmatism as good, we should try to see the two as complementary. Without an ideology to define a long-run political vision, it is often difficult to be politically pragmatic. Pragmatism without a state ideology may be viewed as opportunism.

Hanson proposed defining ideology as: "Any explicit or consistent definition of the membership and boundaries of one's political community." According to the speaker, most of us have culture, not ideology. Most people

know what political community they belong to solely in *implicit* and *inconsistent* terms. Cultural responses to the problem of political membership are more common, but they fail to give concrete answers to questions of where the boundaries and membership lie on the macropolitical level.

Hanson argued that in periods of stability—where issues of membership and boundaries are resolved—ideologists tend to be quickly marginalized. In periods of crisis when the boundaries of a political community are difficult to define, ideologists have power they would not ordinarily have. However, it is risky to establish boundaries and membership of a political community that does not yet have them. Ordinary people have very little to gain, and potentially much to lose by standing up to argue for a particular definition—most people prefer to be pragmatic. Hanson continued that in turbulent times, pragmatism is often inconsistent. A perfectly pragmatic politician will repeatedly change positions. The ideologist of the world who consistently sticks to a definition over time despite the changing nature of political or geopolitical reality may achieve credibility and acquire power he otherwise might not have.

In 1993 when the new Russian Constitution was adopted there was much optimism for the creation of new political parties to compete for votes in the new Russian legislature, create stable representative institutions, and transmit social interests at the regional level. In Russia today, there are so many parties that it is difficult to keep track of them. Although parties play an important role in elections and in coordinating the interests of certain Moscow elite, they tend to be Moscow-centric with few links to the grassroots level. In a 1994 poll only 22% of the Russian population identified with a political party (compared to 87% in the U.S. and 92% in Great Britain).

According to Hanson, many Russian political parties have not yet resolved the ideological problem; there cannot be identification with political parties in an environment where nobody even knows what Russia is. Instead, political parties often represent the pragmatic interests—or, due to the turbulent environment, opportunistic interests—of certain elites. Parties are understandably discounted by ordinary Russian voters.

By 1996, it appeared that parties had to be either pragmatic with an enormous

amount of wealth and resources such as Chernomyrdin's Our Home is Russia, or ideological to survive. In the 1995 elections, Chernomyrdin's party had a great advantage in terms of media and financial resources but could barely get over 10% of the vote because they were too easily perceived as the party of power. Yeltsin's efforts to create a new party from above were a lot like his attempts to call for a new state ideology from above—purely pragmatic motives cannot create a new ideology. Parties can stand for elections and get people to vote for a desired possibility or direct connections to the state apparatus but cannot provide party loyalty.

The ideologically-based parties of Zyuganov and Zhirinovskiy have achieved relative success. Zyuganov's idea of Soviet Restorationism defines Russia as the Soviet Union. He has consistently argued that the spiritual traditions of the great *derzhava* of Russia merged with the Marxist-Leninist state created by Lenin and Stalin. Zyuganov's relative success as a party-builder in Russia could not have happened without this ideological consistency over time. It was only during the 1996 campaign when Zyuganov began to waver that the CPRF fractured. Zhirinovskiy's ideology of Super-Imperialism consistently defines Russia as part of a four-part division of the world that he envisions as the permanent future of mankind. To the extent that people were willing to buy into this definition, they would support Zhirinovskiy.

Hanson continued to say that the original optimism about party formation in Russia was misplaced. It is difficult to build parties before issues of national identity and boundaries are involved. As long as those issues remain alive in Russian politics, ideological parties will continue to play an important role. Only after there is a stable Russia with a stable role in the international system, will pragmatic parties compete in a left-right system where parties move toward the middle and play a role that can consolidate democracy rather than potentially destroy it.

—by Jodi Koehn

Vol. XIV No. 9 1997
The Course of Legal Reform in
Independent Ukraine

The establishment of its constitution in June 1996 was a fitting tribute to the fifth anniversary of Ukraine's independence, said **Judge Bohdan Futey** of the United States

Court of Federal Claims at a Kennan Institute lecture cosponsored by the International Foundation for Election Systems on **9 January 1997**. Judge Futey joined **Vitaliy Boyko**, Chair of the Supreme Court of Ukraine and three members of parliament serving on the Verkhovna Rada Committee on Law Policy and Legal and Judicial Reform—**Volodymyr Stretovych**, Committee Chair; **Oleksandr Lavrynovych**, Committee Deputy Chair; and **Viktor Shyshkin**, Subcommittee Chair—to discuss recent and ongoing legal reform in Ukraine.

Judge Bohdan Futey began the session by remarking that the constitution demonstrates Ukraine's move toward a free market economy and a democratic system based on the rule of law. Although not everyone is pleased with every provision in the constitution, Futey noted that its adoption was historic. However, he cautioned that many key questions remain. Although articles in the constitution provide for basic rights and guarantees, they require enactment of subsequent enabling legislation to make them a reality. Moreover, whether the courts will emerge as an equal branch of government and whether the constitutional court, which began to take cases on 1 January 1997, will serve as the final arbiter of disputes between the executive and legislative branches is still in question.

Volodymyr Stretovych then sketched the multitude of achievements and problems that Ukraine has faced in reforming its legal system. Although Ukraine has a long history, Stretovych noted that it has been an independent country only since 1991. He remarked that after the collapse of the Soviet Union, Ukraine attempted to both establish sovereignty and install a new legal system. As a result, several laws were passed that placed Ukraine on the path toward democracy and a market economy. Of these, Stretovych mentioned property and partnership laws, election laws, and laws protecting minorities and religious rights. Although adoption of the constitution was delayed due to strong left wing opposition, Stretovych noted that the document finally adopted in 1996 is one of the most progressive constitutions in the post-Soviet era. He pointed to several laws in need of alteration to insure their accordance with the constitution, including the new civil code, provisions on private property, and reform of the political, administrative, and judicial systems. In conclusion, Stretovych

remarked that these reforms are not simple and that it is extremely difficult to jump from a totalitarian regime to a democracy.

Judge Vitaliy Boyko further clarified some of those difficulties that can be traced to the legacy of the communist system. In the USSR, the court was seen as a branch of the government and judges had no independence. Because of these legacies, Boyko said, Ukraine had to resolve major problems, such as qualification of judges and prohibition of entrepreneurship, very quickly in its first years of independence. However, the lack of a constitution hindered the development of necessary laws. Boyko remarked that for the first time in Ukraine's history the new constitution clearly notes that the judiciary is a third and equal branch of government. Just as important, in Boyko's opinion, are the provisions of the constitution making it superior to all other preexisting laws and establishing individual rights. On the basis of the constitution Ukraine has very rapidly begun work on those legislative acts necessary to govern the functioning of the judicial system, including the civil and criminal codes, creation of a unified court system, and provisions for the right to trial by jury. According to Boyko, knowledge of the experience of other democracies has been crucial to these reforms, especially in the area of appeal procedures.

Oleksandr Lavrynovych commented briefly on his colleague's presentations, stressing that the power-sharing agreement reached by the parliament and president in 1995 was crucial to Ukraine's constitutional process. He also cautioned that the adoption of laws is not enough to create a democratic society; effective public control of the government is critical to ensure that those laws are implemented.

Viktor Shyshkin shifted the discussion to the history of Ukrainian constitutionalism. He claimed that the independence of Ukraine can actually be dated to October 1990. At that time, Ukraine's parliament passed changes to the republic's 1978 communist constitution. The changed articles revoked the monopoly of the communist party, provided for the independence of Ukraine's external policy and defense, and set precedent for the establishment of an independent constitutional court and attorney general's office. In addition, the parliament passed legislation making Ukrainian laws superior to those of the Soviet Union. Shyshkin concluded that since all of these measures are characteristics of independent countries, one can say that in

1990 Ukraine already possessed the legal basis for independent development.

The panelists concluded the seminar by explaining aspects of Ukraine's current and proposed legal system. According to the speakers, the newly operational constitutional court will hear cases on constitutional issues that are brought either by branches of government or by the human rights representative in parliament on behalf of individual citizens. Judges Boyko and Futey noted that the arbitrage courts will continue to exist as separate courts specifically for disputes between economic entities. Regarding the reform of election laws, Lavrynovych commented that it is proceeding, although slowly. It is expected that a first reading of the election law will take place in April 1997, allowing enough time for it to take effect for Ukraine's next set of elections in March 1998.

—by Nancy Popson

Vol. XIV No. 10 1997

Wage Non-Payment in the former Soviet Union

"Wage arrears is the single most important issue to ordinary citizens of the former Soviet Union" stated **Daniel Rosenblum** at a Kennan Institute lecture on **13 January 1997**. Rosenblum, Senior Program Coordinator, Free Trade Union Institute, Washington, D.C. said that wage arrears are a warning that there are fundamental problems in the economic reform process in these countries. Although arrears are a symptom of these underlying problems, Rosenblum argued that this issue deserves to be analyzed separately, due to the negative political and economic consequences.

According to Rosenblum, wage non-payment is truly a post-Soviet phenomenon because it began when the Soviet Union broke up. Under economic liberalization, prices were freed which resulted in huge price inflation, wage inflation, and a shortage in cash. Despite Yeltsin's campaign promise to eliminate wage arrears, they have increased from \$4 billion in February to \$9 billion in December.

When looking at the roots of this problem, Rosenblum noted, it is interesting to look at what people *believe* to be the cause because the perception of the problem will often influence what solutions are chosen. Employers say they cannot pay employees because they cannot find customers to buy their products, cannot sell their products, or are

not paid for delivered goods. Governments say they are not paying employees or providing allocated subsidies to industry because of low tax collection and failure to collect projected revenues. Governments also argue that corruption or incompetent management is causing the non-payment. Finally, employees say that corruption is the cause. They think that the money for wages is there, but that it is stolen by corrupt bureaucrats or managers.

All these explanations are correct to one degree or another, which adds to the complexity. Wage non-payment is part of a larger problem: a lack of basic structural reform in the way that enterprises are run and a "culture of non-payment"—a Soviet legacy where the state would take care of your debts. This has created a "debt whirlpool" that is pulling everything down with it. A brokerage house in Moscow recently estimated that by the middle of 1996, overdue payables—including all arrears to suppliers and banks as well as tax and wage arrears—amounted to \$90 billion or 21% of Russia's GDP. At the end of 1996, firms in the fuel and energy sector were owed \$58 billion by their customers, which is two-thirds of the total annual output of the fuel and energy sector.

Corruption is a cause of some non-payment. In 1994 a government commission in Russia found that millions of dollars earmarked for wages were used by Rosugol—the quasi-private entity that runs Russia's coal industry—to fund commercial ventures having nothing to do with coal. In a Kazakh lead *kombinat*, it was discovered that while workers had not been paid for 9–12 months, top managers of the *kombinat* had received six months salary in advance and had invested enterprise funds in various other ventures.

However, Rosenblum argued, in most cases the real causes are the larger debt problem, the overall depression of the economy, and the cycle of non-payment. In the West, a problem such as this would lead to an increase in labor movement or protest. In the former Soviet Union, however, this is not so. One reason for the low amount of labor movement is the shortage of alternative job opportunities. The option of moving to another city or town is often impossible because of a severe housing shortage and continuation of the system of residence permits or *propiska*. Another reason is the links workers have to enterprises beyond their salary such as benefits and social services that are not available elsewhere.

The reasons for a low level of protest are related to the links of workers to their enterprise. There is a paternalistic relationship between enterprise directors and their employees—particularly in one-company towns outside large cities—where the general director of the enterprise is a mini-potentate in his community. In these cases, there is often fear that makes protest difficult. There is also the general problem of passivity and cynicism—the assumption that everyone is looking out for their own interests.

Another factor, Rosenblum pointed out, is the failure of trade unions to effectively mobilize protest. Except for the coal miners there have been no sustained and effective protest efforts against non-payment. A final factor is the growth of the informal or parallel economy. The growth of informal economic activity serves as a safety valve preventing a bigger social explosion, Rosenblum argued. People increasingly rely on home-grown produce, barter, networks of family and friends, and second and third jobs for survival. But such activity also impedes progress toward a market economy. If people used their energy to start new businesses or provide needed services, that would be healthy for the development of a market system.

According to Rosenblum, there are several negative consequences resulting from wage non-payment. First, there is the informalization of the economy. A second factor is an increase in contempt and disregard for rule of law. In most of the former Soviet Union, when someone does not receive their salary it is a clear violation of the labor law and collective bargaining agreements. This violation and the lack of accountability reinforces the popular perception that there are two sets of rules: one for the elite and another for everybody else. Thirdly, wage non-payment erodes support for reform even further and provides a breeding ground for simplistic solutions that are potentially more dangerous for the economic future of these countries. Finally, it is a real source of social instability and unrest. So far, the situation has not gotten out of hand, but there are signs—such as the increased number of hunger strikes and acts resulting in property damage and injury—that people are getting increasingly desperate.

—by Jodi Koehn

Vol. XIV Nos. 11 & 12 1997
Civil Society in Russia

Civil Society, Social Capital, and
Development in Eurasia was the topic of a

Kennan Institute roundtable on **6 December 1996**. The discussants included: **Douglass North**, Professor, Department of Economics, Washington University, St. Louis; **Mancur Olson**, Distinguished University Professor of Economics, University of Maryland; **Jerry Hough**, Professor, Department of Political Science, Duke University; **Edward McClennen**, Professor, Department of Philosophy, Bowling Green State University; and **Don Rowney**, Professor, Department of History, Bowling Green State University.

The seminar served as a public outlet for the discussions that took place at the first in a series of ongoing workshops on “Civil Society, Social Capital, and Development in Eurasia.” The workshop series is funded by the Kennan Institute and the Title VIII program (The Program for Research and Training on Eastern Europe and the Independent States of the former Soviet Union) of the U.S. Department of State, and was organized by Peter Stavrakis of the Kennan Institute and Don Rowney and Edward McClennen of Bowling Green State University. The series seeks to apply theory on civil society and social capital to provide a theoretical framework as a guide to policymakers on the challenges of development in post-Soviet states. To accomplish this, it brings together social science theorists and specialists in post-Soviet societies in an attempt to find a common language on critical issues.

Edward McClennen began the meeting by describing the focus of the first workshop in the series: the differing roles of informal and formal institutions. He directed the remarks of the other participants toward two related questions that elicited a sense of the discussions that dominated the workshop. What kinds of factors led to the decline of the Soviet system? What policies should the West be encouraging now for a successful transition to civil society in the region?

According to Douglass North, in order to understand economic collapse, one needs to investigate its underlying political and institutional characteristics. North argued that Russia lacks an institutional framework and an effective set of rules, norms, and beliefs, creating a vacuum that has been filled by a variety of ad hoc informal organizations. Consequently, there is no agreed upon structure for enforcing a contract or rules of the game in Russia, producing relatively chaotic conditions and the evolution of the mafia and other organizations. North emphasized the doubly destructive nature of this development,

as ad hoc organizations have emerged out of past Soviet practices but are no longer constrained by the Communist system.

As a result, policies in Russia are being created outside of stable rules of the game. North maintained that institutions are necessary—such as rules of law, effective property management, and enforcement mechanisms for contract work—that will create and enforce the rules of the game. Without these policies, Russia is left with a low level of economic exchange, but no possibility for true economic growth. Unfortunately, North does not see a policy emerging in the foreseeable future that would create these necessary underlying conditions.

North maintained further that formal rules would not function effectively without the support of informal norms that legitimate them. The problem, however, is that scholars do not yet understand how to successfully create these informal norms. Consequently, North concluded on a pessimistic note that the best that can be done in the post-Soviet transition is to create the formal institutions and hope that their development will be paralleled by the gradual evolution of informal norms.

The next speaker, Mancur Olson, focused on the special problems associated with the transition that are legacies of the Stalinist system. In particular, he outlined one expectation that was common before the collapse of Communism and has since been proven wrong. There was a popular belief that people in Communist countries, particularly the Soviet Union, had been without a market economy for so long that the traits needed to take advantage of such an economy were no longer present—that people in these countries would not know how to trade or be entrepreneurs. However, according to Olson, although the transition has been difficult, people of former Communist countries have proven adept at dealing with the market. This is because although some markets require very special conditions, others require nothing in the way of institutions. There are many spontaneous markets that can emerge anywhere, need no institutions to further them, and can occur even when specifically prohibited by the government. For example, the black market existed throughout the cold war in the Soviet Union. Today in the Third World and in countries with difficult economies, much of the sustenance that people receive is through these markets where transactions are self-enforced.

However, there are also broad tracts of trade that are not self-enforcing that can occur only with impartial—or reasonably impartial—third-party enforcement. Generally, only in countries with a broad spectrum of markets do you find not only self-enforcing markets but also a vast array of institutional enforcement mechanisms to sustain economic development. In these countries, production is capital intensive with a great deal of specialization and gains from trade among various actors. Olson maintained that it was the absence of these institutions—particularly those of third-party enforcement—that explained why the post-Soviet transition has been so painful. Throughout the Third World and the former Communist world there is virtually no long-term lending in the private sector. The types of capital markets common in the West do not exist in the former Soviet Union. Therefore, according to Olson, the great gains that would have come had there been a completely open economy with free trading, investment, and especially third-party enforcement of contracts, have not arrived. Foreign investors have also been reluctant to aid the transition because they have no assurance that contracts will be fulfilled.

Next, Jerry Hough remarked that the questions posed are difficult in that there are not only many institutional theories but also many different interpretations of those theories. He emphasized the institutional theory of revolution, because in his view the events of 1990–1991 were indeed a revolution on the same scale as the Bolshevik or French revolutions. Hough observed that the essential difference between revolution and evolution is that the former is a consequence of decisions and non-decisions at the top rather than social forces from below. Given Gorbachev's own destructive actions—such as deliberately destroying the Communist Party and undermining the union—Hough concluded that the changes in the Soviet Union in 1990–1991 should rightfully be termed a revolution.

Hough continued that the whole question of what produces a revolution is best understood in terms of institutional theory, which rests on the need for a well-structured set of laws, incentives, and rules in order to create a functioning economy. Economic shock therapy, on the other hand, rests on an entirely different premise: that destruction of economic and social institutions will clear the field for

the development of a normally functioning economy in a relatively short period. Hough remarked that the last five years in the post-Communist states have undermined the shock therapy paradigm.

In response to the question of what should be done now, Hough prescribed a return to what Chernomyrdin apparently undertook in 1993; that is, a meaningful economic policy based on legal enforcement mechanisms and effective state institutions. Hough concluded by remarking that scholars should avoid talking in purely theoretical terms and should instead pay close attention to historical experience—of the West as well as other regions of the world—that can be applied in post-Communist Eurasia.

Don Rowney then focused on an explanation of how the planning system that was introduced by the Soviets in the 1920s, rather than being a product of Marxism-Leninism, was instead a consequence of the political and economic past of Russian society stretching back into the 19th Century. According to Rowney, there are certain phenomena that cannot be explained except by knowing how they got that way, which is related to historical experience rather than an understanding of present relationships. Rowney argued that for a long time there has been an enormous amount of institutional disaggregation and destruction in the former Soviet Union. What presently exists is a society whose customary institutional and organizational frameworks—guided and controlled by public behavior and laws in the past—no longer exist. For Rowney, the absence of these institutions leads to the necessity for some form of customary structures and behavior before it is possible to predict orderly movement in any reformist direction.

Rowney pointed out that the process of post-Communist reform in Eastern Europe—such as Poland, Hungary, and Czechoslovakia—is probably very misleading given the different experiences vis-à-vis issues like the wealth of sophisticated markets. This is because in the case of the initiation of reform movements in Eastern Europe, there are societies where a significant proportion of the population remembers a social organization in which these types of exchanges occurred every day. In the case of Russia, however, it is difficult to show that a substantial segment of the population had any experience with such activity. Therefore, the expected outcome from initiating institutional change in

countries like Poland, Hungary, and Czechoslovakia ought to be very different from that of Russia.

—by Peter Stavrakis, Jodi Koehn, & Nancy Popson

Vol. XIV No. 13 1997
Achievements and Failures in
Russian Reform

Anders Åslund, Senior Associate at the Carnegie Endowment for International Peace, Washington, D.C., and **Timothy McDaniel**, Professor of Sociology at the University of California in San Diego, represented very divergent views on the achievements and failures of the Yeltsin era at a Kennan Institute Seminar on **13 February 1997**.

According to Åslund, it is crucial when judging the transition to democracy and the market in Russia to use a broader comparative perspective. This perspective shows that the decline in output in the former Soviet Union was much higher than in Central Europe. In Åslund's view, this is because in the former USSR economic distortions were greater, the financial and state structures collapsed more completely, and civil society was far less developed.

Åslund ascribed the large decline in output and income differentials in Russia to the elite's massive rent-seeking. This rent-seeking (making money on the state through state regulations or subsidies) took three forms: subsidized credits, export rents, and import subsidies. Individuals were able to use their connections to buy goods at subsidized prices and sell them at an easy profit. It is this rent-seeking, stressed Åslund, that has enriched Russia's elite. Since 1995, however, the sources of these rent-seeking opportunities have disappeared and income differentials have stagnated.

This evidence shows, in Åslund's opinion, that transitions are the periods of greatest danger. Therefore, only radical stabilization, radical liberalization, fast privatization, democratization, and conditional foreign assistance could have quickly vaulted Russia beyond the transition period. Åslund emphasized that Yeltsin's reformers were not radical enough in their implementation of economic and democratic reforms. He rated privatization a success, but lamented that conditional foreign assistance was lacking.

According to Åslund, Russia is unique in some ways, but not to the extent often claimed. It is different in that its elite is

particularly vicious, it carries the burden of an imperial inheritance, and has large raw material resources. However, what should have been most important upon the collapse of communism was not Russia's uniqueness, but rather the implementation of comprehensive radical economic reforms checked by democratic controls and reinforced by public education programs.

McDaniel, on the other hand, emphasized that Russia is unique in certain respects. Throughout the whole modern period, Russia and then the USSR was a great industrial power while avoiding social modernization and rationalization. This, according to McDaniel, has led to a situation where Russia lacks many of the facilitators of democracy and capitalism, such as generalized trust, a system of meritocracy, society based on the logic of competing interests, and formal rules and laws. In place of modernization, a system has emerged that is based on personal power and which sees the state as both protector of order and promoter of societal change.

This anti-modernism is what McDaniel has termed the "Russian Idea." Throughout much of the last two centuries, Russia claimed that this idea was superior to the Western model. McDaniel stated that by accepting this alternative model, Russia injected an anti-modern antibody into society and politics. Thus many of the problems of today's Russia should be ascribed not only to the years of Communism, but to this whole pattern of Russian modernization.

McDaniel contended that an adequate understanding of these distinctive traits leads to a deeper understanding of the challenges of reform and a more skeptical evaluation of what has happened since 1991. Had such an understanding been the basis of reform early on, there would have been more concern over the institutionalization of political power, the emergence of a logical social contract, the importance of respect for mutual rights in society, the development of societal trust, and the legitimization of private property and the social hierarchy. Each of these issues should have been addressed, McDaniel claimed, so as to overcome the traditional Russian pattern of a swollen, bureaucratized, and unjust state seen as alien to the society.

To the contrary, the Yeltsin government acted in just such a way as to impede these deeper social changes. According to McDaniel, this was done through the dictatorial methods of introducing reforms without societal or

institutional support. It also alienated the population by communicating to them that the new system would be based on "survival of the fittest." McDaniel concluded that as a result of these mistakes, Russia is plagued by an illegitimate elite, an alienated government, and a system whereby arbitrary power has been left in tact without the constraints of the old Communist political mechanisms.

In response, Åslund portrayed a very different picture of present day Russia. In his view, Russia is a messy market economy that is predominantly privatized, has achieved financial stabilization, and enjoys an extraordinary level of pluralism. Russia is democratic, as it has gone through two democratic presidential and parliamentary elections, has adopted a constitution, and has full freedom of speech and association. It is important to note, Åslund continued, that there has been little to no labor unrest in Russia, which may be proof that the situation is not so dire. The basic issue, concluded Åslund, is whether one favors more or less disruption. The negative tendencies that remain today could have been resolved had there been more disruption from the start.

McDaniel, while not in favor of continuity with the Soviet regime, argued that there should have been much more thought about what the sources of growth might have been. He noted that the sources for the stability and lack of labor unrest visible in Russia are apathy, despair, a lack of connection to the government, and a sense of powerlessness. This, he concluded, does not legitimize either the reform process or the current state of the economy and society.

—by Nancy Popson

Vol. XIV No. 14 1997

The Soviet Turn to Social Conservatism in the 1930s

"In the Soviet family, both the mother and the father are obliged to prepare for life worthwhile Soviet people: manly, hearty, stoic, morally clean people who will subordinate their interests to the interests of the Soviet state" quoted **David Hoffmann** at a Kennan Institute lecture on **17 March 1997**. Hoffmann, Assistant Professor of History, Ohio State University, and Title VIII-Supported Research Scholar, Kennan Institute described the shift from revolutionary values to an emphasis on traditional values and social conservatism that occurred in the Soviet Union in the 1930s.

According to Hoffmann, this shift was seen most dramatically in family policy. Three areas of family policy—marriage, motherhood, and patriarchal authority within the family—were used in this new social conservatism. Regarding marriage, the 1918 law making divorce easy was reversed in 1936. The new law made divorce more difficult, requiring a court hearing and a higher fee. At the same time propaganda stressed the importance of marriage and family. Articles in the Soviet press argued for marriage and criticized free love—the antithesis of marriage—as a bourgeois invention with “nothing in common with a Soviet citizen’s principles of conduct.” Marriage was promoted not as a personal or private commitment but as a social or civic obligation—to be a good citizen, you needed to be a good husband and father.

Soviet leaders’ concern with marriage grew out of certain political questions. Family norms set the norms of social organization and sexual behavior that were crucial to the issue of how a society reproduced itself. Soviet leaders saw the traditional family as a means to serve their purposes in social reproduction. Strong families enabled the increase in discipline of the population and maximized the birth rate resulting in a large and controlled population.

Motherhood was seen as another means to the Soviet government’s desired end. In 1936 a new decree made abortions illegal. Politburo discussions stressed that this would help to maximize the birth rate. Publicly, the decree was hailed as a measure to protect women from the alleged harm that abortions did “to their mental and physical health”—ignoring the danger caused by the wave of illegal abortions that followed. A propaganda-inspired “cult of motherhood” glorified motherhood. The Soviet government introduced financial incentives to encourage women to have more children and paid annual bonuses to women with seven or more children.

These policies were similar to those in other European countries at the time. According to Hoffmann, a member of British Parliament stated “The ideals for which Britain stands can only prevail as long as they are backed by sufficient numbers.” Throughout Europe, governments increasingly intervened in people’s lives through both incentives and restrictions in an attempt to increase the population. In the Soviet Union,

the new policies and propaganda were not very successful. For women in the 1930s, the hardships of everyday life far outweighed any incentives the Soviet government could offer to have more children.

The 1936 decree outlawing abortion also tightened child support regulations, ordering men living apart from their children to pay a percentage of their salary for child support with an increased prison sentence for nonpayment. However, the Soviet government lacked the administrative capacity to effectively enforce the new child support laws and legal measures were fairly ineffective at bolstering a sense of paternal responsibility.

Soviet propaganda reinforced traditional gender roles by choosing a traditional model for the sake of stability, and tried to instill a sense of paternal responsibility. Hoffmann stressed another reason for efforts to buttress patriarchal authority—to teach obedience to authority figures built on the idea that people will obey a leader the way that children obey their fathers. In the Soviet Union the cult of Stalin was built up which hailed him as the “Father of all Soviet Peoples.” Patriarchal authority in the family presented a model for all political authority within the Soviet system.

Why did the bourgeois institution of the family suddenly become such a central part of Soviet socialism? Hoffmann disagreed with the explanation that strengthening the family conformed with the social conservatism of the population for two reasons. First, the Soviet government only followed popular opinion when it was within their own interests. Second, it was misleading to call this a return to something that existed before. The proposed family model was not the traditional peasant patriarchal family—rooted in village culture and based upon the father’s control of property—because that had been wiped out by collectivization. Nor was this a traditional family in the sense of a 19th century Western European bourgeois family because Soviet women remained in the workforce with an emphasis on a woman’s role as both a mother and a worker.

According to Hoffmann, it was better to see the family model pushed by the Soviet government as a selective re-creation of elements of the traditional family for specific political purposes, primarily social stability and population growth. This was part of a broader trend in Europe to strengthen families and glorify motherhood. Hoffmann

called this a new type of “population politics”—a way to view the population as a resource to be mobilized for the sake of economic and military power.

Throughout Europe political leaders saw the family as a means to increase and mobilize the population. The Soviet Union was no exception. The Soviet government had definite goals that strong families seemed to serve—adding to social stability, increasing the population, and teaching obedience. The revolutionary goals of abolishing the family, liberating women, and eradicating the confines of bourgeois respectability were sacrificed to the state’s need for discipline and control of the population.

—by Jodi Koehn

Vol XIV No. 15 1997
Russian Nation-Building and the
New Diasporas

Whether the Russian Federation will try to reunite with its twenty-five million-strong diaspora in the fourteen successor states to the former Soviet Union is a crucial aspect in defining the boundaries and membership of the future Russia, said **Igor Zevelev**, Head Research Associate, Institute of World Economy and International Relations, Moscow, and Fellow at the Woodrow Wilson Center, in a lecture at the Kennan Institute on **17 April 1997**. **Karen Dawisha**, Professor in the Department of Government and Politics at the University of Maryland in College Park, joined Zevelev in the role of discussant.

Zevelev noted that Russian communities living in the “near abroad” are quite different from each other and from their compatriots in the Russian Federation. These differences—caused by such factors as levels of violence or indigenous national movements in the country, the economic and political environment, and the compactness of the community’s settlement—may make a Russian reunification policy difficult if not impossible to implement.

Zevelev identified four types of Russian communities. Those in Belarus and Ukraine live in an environment where their social conditions, culture, and political orientation are not that different from the indigenous population. In areas like Northern Kazakhstan, Crimea, and Northeastern Estonia, Russians live in compact regions separated from the indigenous population. In Central Asia and the Caucasus, the communities are differentiated from the titular

people by large cultural and educational differences. Finally, Russians in the Baltic states take on more classical characteristics of diasporas in that they are more concretely isolated from their home country.

Zevelev argued that Russian national consciousness is stronger in the diaspora communities than in Russia itself, as it has been shaped by interaction with the titular population. However, without a central Russia to link them, these communities could hardly unite to create a viable political roof on the basis of a common culture. Therefore, Zevelev concluded that the “near abroad” policy of the Russian Federation is itself the key factor raising Russian diasporas in the former Soviet Union to international significance, not their own situation in each country.

Russia, Zevelev explained, is at a crossroads in its national development. On the one hand, the ethnic awakening of Russians in the diaspora could engender a well-articulated common culture that might lead to strong claims for a single ethnic Russia. On the other hand, the diaspora’s separation from each other could cause it to disintegrate into a number of poorly connected communities and a core group forming a nation with other peoples in the Russian Federation. According to Zevelev, Russia’s choice at these crossroads will depend on two major factors: mass-based Russian nationalism and constructionist efforts of the elite.

Zevelev noted that Russia emerged from the USSR as an incomplete nation with no mass-based national movement. The reasons for this are multifold: the existence of the Russian empire prior to a modern conception of Russian identity has confused the concepts of empire and nation; shared history with other Slavic communities has blurred ethnic boundaries; and Soviet policies, such as creation of a “Soviet people,” the CPSU’s struggle against Russian nationalism, and the Russian republic’s lack of separate state structures, have hindered development of a Russian ethnic movement.

The most important obstacle to its development, however, is that the Russian elite have been unable to come up with a definition of Russia as a distinct nation based on ethnicity. Zevelev explained that for a century and a half, debates on the Russian identity have focused on its relations with the West rather than with the neighboring peoples of Eurasia. Moreover, traditionally Russian intellectuals have identified Russia’s

boundaries through the ideal of universalism rather than ethnicity.

Zevelev concluded that Russia has now begun to build a new nation entirely from scratch. Very little from the past can be applied to the present, and intellectual history has not provided the modern elite with adequate tools for addressing the new geo-political situation. He warned that attempts to redefine Russia in more concrete ethnic terms—were it even possible to unite the many different cultures of diaspora communities in the “near abroad”—could be the most dangerous undertaking in Russian history, leading to irredentism and forcible changes of borders with tragic consequences.

Dawisha remarked on the importance of Zevelev’s conclusions, but noted that the one element largely absent in Zevelev’s discussion was the role of the Russian state. In her opinion, the implementation of universalist intellectual ideas as policy by the state has produced and strengthened the very ethno-nationalism that Russia fears today in the Soviet successor states.

—by Nancy Popson

Vol. XIV No. 16 1997 Regional Subsidies in Russia

Federal transfers or subsidies support bad policies at the regional level and fail to stimulate regions to shift their current policy in the right direction said **Lev Freinkman** at a Kennan Institute lecture on **21 April 1997**. Freinkman, Consultant, Russia Operations, The World Bank, Washington, D.C. remarked that these policies are not good in an equalizing sense and are even worse in terms of reform-oriented policy.

Subsidies are an indicator of reforms on the regional level in Russia. The rate of reform transformation differs across the country. Subsidies are an easy way to analyze how great the differences are.

Regional governments support local enterprises and populations through traditional consolidated budgets, tax exemptions, and extra-budgetary funds created by regional governments. Federal transfers to regions are based on regional wealth, so if regional governments can decrease their regular budgets they are more likely to receive more federal support. Extra-budgetary funds are often created by establishing special local taxes.

Freinkman argued there are two main political implications of regional subsidies.

First, the great incidence of regional subsidies hinders key reforms in the economy. Another implication is overall fiscal sustainability. Most of Russia’s regions are heavily dependent on fiscal transfers from the federal budget. Nearly one-half of the overall regional budget expenditures are spent on subsidies, so fiscal arrangements between federal and regional governments are key items on the policy agenda.

Regional subsidies are quite stable—having held steady at 5–6 percent of GDP since 1993. They are concentrated in three main sectors: housing, public transportation, and agriculture, with few subsidies found outside these main sectors. Subsidies to manufacturers or industry are usually regional specific and not country-wide.

Freinkman stated that major regional subsidies are consumer subsidies—for housing and public transportation—in which regional governments directly pay a portion of the final retail price for consumers. A smaller share of subsidies are producer subsidies to agriculture and areas like the coal sector where money is directly provided to producers of different goods and services in exchange for price controls, sales within the region, and other explicit or implicit deals with local companies. The fact that in Russia funds are directly provided to producers for price controls, makes subsidization inefficient and does not allow for meaningful income support policy at the regional level.

Freinkman stated there are four reasons why regional governments provide different subsidies: compensational subsidies for price control; strategic subsidies for long-term investment in regional development; transitional subsidies where regional enterprises receive money to counteract transitional shocks from radical economic reforms; and politically motivated subsidies extracted by local interest groups. Most regional subsidies are either compensational or politically motivated. Compensation motives are clear in the case of housing and public transportation in which subsidies compensate for price controls. Agriculture is an example of a politically motivated subsidy determined by the strength of the agricultural lobby.

Housing is a major political and economic problem of regional government, and more than one-half of all subsidies are for housing. In 1994, more than 60 percent of total housing costs were paid by regional governments. Housing subsidies are not equally

distributed. Wealthier regions pay more money in housing subsidies than poorer regions and urban populations generally receive more in housing subsidies than rural. Regions spend funds on housing subsidies mainly according to how much money they have, while factors such as demand or need are less important.

Agricultural subsidies seem to be determined by policy indicators, local power-sharing, and the strength of local interest groups in the agro-industrial complex.

Although Russia is a country with great differences in agriculture, rural subsidies are everywhere and per capita attempts are more or less stable. The level of agricultural subsidies for one year is highly dependent on what happened the previous year.

According to Freinkman, two major policy conclusions emerge from this analysis. First, is the need for fundamental reform of intergovernmental fiscal relations in Russia to make federal transfers to regions more equalizing. Second, federal transfers should be conditional, with a portion of federal money provided in exchange for shifts in regional economic policy. Examples of such conditions are elimination of regional extra-budgetary funds, elimination of illegal taxation as a precondition for receiving federal support, or increases in cost recovery with the introduction of targeted income transfers for poor households in the regions.

—by Jodi Koehn

Vol. XIV No. 17 1997

The Embrace of Free Markets

“On November 9, 1989, the Berlin Wall came down, symbolizing the end of an experiment in economic and social policy that began more than four decades earlier with the division of the states of Western and Central Europe into market economies and those governed by state central planning” said **Alan Greenspan** at a Woodrow Wilson Center dinner on **10 June 1997**. Greenspan, Chairman, Board of Governors of the Federal Reserve System continued to say that the debate over the virtues of market versus centrally planned economies is over. One surprising result of the forty-year experiment is what we have learned about the process of how and why western economies and societies function.

Contrary to prior belief, dismantling the central planning function in an economy does not automatically establish a free market entrepreneurial system. Greenspan

argued that in market economies there is capitalist culture and infrastructure—such as laws, conventions, and a variety of business practices—that has no important role in a centrally planned economy. Centrally planned economies had difficulty creating wealth and rising standards of living. In theory—and to a large extent in practice—production and distribution were determined by specific instructions from the central planning agencies to production establishments.

Without an effective market clearing mechanism, such a system resulted in a surplus of unwanted goods and a shortage of products wanted by consumers. Planning authorities should have been able to adjust to these distortions. They were unsuccessful in part because they did not have access to the immediate signals of price changes that clear markets in capitalist economies. In addition, Greenspan stated, they did not have the signals of finance to adjust the allocation of physical resources to adapt to shifting consumer tastes.

After the fall of the Berlin Wall black markets in many former Soviet bloc states achieved something similar to a market system. Black markets, however, are not the whole answer since they are not supported by the rule of law. There are no rights to own and dispose of property and no laws of contract or bankruptcy, or judicial review and determination enforced by the state. In short, black markets offer few of the benefits of legally sanctioned trade.

In order for free market economies to function, the belief in property ownership and the legality of its transfer must be ingrained in the culture of a society. Attitudes toward property and profit derive from the deepest values of personal worth so a full transition from the collective rights of socialist economies to the individual property rights of market economies and legal certainties will take time. There must also be widespread dissemination of timely financial and other relevant information so that market participants can make informed decisions that foster the optimal allocation of capital. This requires a free press and government information systems viewed as free of hidden political manipulation. Greenspan claimed that information seen as government-sponsored is regarded by market participants as virtually useless, requiring individuals to rely on rumor and other questionable sources of information. This

leads to misjudgments about changing patterns of consumer demand and limits the market's effectiveness in directing the optimal use of resources.

The rights of protection against extralegal violence or intimidation by the state, arbitrary confiscation of property without due process, freedom of speech and of the press, and an absence of discrimination are essential for an effective, functioning market system. It is these rights that enable the value judgments of consumers to be converted through a legally protected free market into prices of products and financial instruments. In addition, such a list or bill of rights—enforced by an impartial judiciary—limits government infringement on the rights of individuals, so the rational self-interest of the people is always to protect and broaden individual rights.

Since centrally planned economies cannot readily accommodate innovation or new ideas, Greenspan stated that the ideal state of affairs for a centrally planned economy is continuous production of the same type of goods, of the same quality and in repetitive quantities, with cash wages backed as necessary by rationing coupons. In contrast, capitalist market economies are driven by “newer ways of doing things, newer products, and novel engineering and architectural insights that induce the continuous obsolescence and retirement of factories and equipment and a reshuffling of workers to new and different activities.” In that sense, market economies continuously renew themselves, propelling standards of living progressively higher.

The experiment in economic and social systems did not completely end with the fall of the Berlin Wall. Greenspan explained, the face of the world economy continues to edge toward free-market-oriented societies—especially as an increasing number of transition economies prosper and emerging market economies tied to free market models grow. Despite problems and periods of backtracking among former centrally planned nations, claimed Greenspan, “the experience of the last half century clearly attests to how far the power of the idea of market freedom can carry.”

Vol. XIV No. 18 1997

Is the Russian Duma a Real Parliament?

Many observers of the Russian Duma have expressed grave doubts about its

effectiveness, remarked **Bob Huber**, former Vice President of IREX, at a Kennan Institute lecture on **16 June 1997**. Huber explained that the current structure of the Duma emerged when there was no general consensus about the rules of the game in Russian politics. Its institutionalization remains mixed, full of contradictions, and in a state of flux, making it difficult to draw clear-cut conclusions about its role in policy-making.

The electoral law calls for half of the Duma's seats to be chosen by proportional representation and half through votes for individual candidates. This process, according to Huber, has undermined party cohesion in that district candidates are free to associate with any faction. Moreover, it has produced mixed outcomes in the promulgation of rules. For example, members can form factions if more than thirty-five people join and can “borrow” members from larger factions to meet the minimum requirement. Parties are also unable to exercise discipline over the legislative process because the Council of the Duma and Duma committees operate on the basis of consensus rather than majoritarian principles. In an attempt to tighten party discipline, the Council has the right to change legislation coming out of committees and to control the slate of amendments to any particular bill.

Huber also pointed to procedural weaknesses in the Duma, including the right of each faction to have at least one committee chair, even if the chair and the majority of the committee represent opposite ends of the political spectrum. The legislative process itself is quite chaotic, with legislation passed containing contradictory provisions. Committees often try to outflank each other for consideration of budgetary items within their jurisdiction, and the Budget Committee itself fails to operate transparently. Procedure on the floor, moreover, is arbitrary, and legislation enacted is in many cases left to the government to sort out or supersede by decree. Legislative-executive relations, according to Huber, have been improving. The Russian presidency is immensely powerful vis á vis the Duma. The Yeltsin government has criticized the Duma's slow pace, while the Duma Speaker has criticized the government's inability to collect tax revenues. Despite this, Huber stressed that the Duma has avoided serious confrontations with the government. Yeltsin has also slowly come to accept the Duma as a weak but potentially useful partner.

The Duma, Huber noted, has an identifiable track record in such legislative

areas as reorganization of the judicial system, the criminal code, voting rights, elections to the Duma, the Presidency, and the Federation Council. Less impressive has been its record on property rights, privatization, laws regulating and encouraging foreign investment in extractive industries, pension reform, and any laws limiting the power of the President over the appointment or resignation of ministers.

In the area of foreign policy, Huber remarked that the Duma's power is highly restricted. The responsibility of the Duma to approve treaties, and in particular to fail to act on them, is the most visible aspect of its foreign policy duties. Like his counterparts, the Chair of the International Affairs Committee has tried to steer a path of consensus between the communist ruling coalition and the government. Those resolutions that cause controversy are generally those that are considered on the floor, where the Communists and their allies can express their anti-government position. One of the most controversial of these was the March 1996 resolution against the Belovezhskaia Accords. According to Huber, the speaker has been very vocal in assuring the government that these resolutions are merely statements of principle and not an effort to convey new foreign policy powers.

Huber concluded that studying the operational structure of the Russian Duma can have interesting implications for comparative politics. First, the Duma represents one part of a new hybrid political system that includes a mixed proportional representation and single-member system with a strong Presidency. Furthermore, the principle of "minimum winning coalitions" used to evaluate the actions of other parliaments does not apply to the Russian Duma. Rather, Duma members seek maximum consensus even on the most controversial issues.

Finally, Huber warned that the rational choice principle of "utility maximization" can only be useful in understanding Russian politics when reflected through the prism of Russian political experience. The regulations governing electoral law, presidential power, party cohesiveness, and many other measures of institutionalization were created through a process of bargaining between the old and new Russian elites. The conservative elements have therefore accepted a marginalized legislature in exchange for a stable political identity. This suggests that

rational choice and political institutionalization in a post-communist setting can take new and, from the perspective of Western social science, counter-intuitive forms.

—by Nancy Popson

1997–98 PROGRAM YEAR

Vol. XV No. 1 1997

The Cuban Missile Crisis and "One Hell of a Gamble"

Nikita Khrushchev intended Operation Anadyr which placed nuclear missiles in Cuba to be a containment plan designed to scare the Pentagon into leaving Castro alone, remarked **Aleksandr Fursenko**, Chairman, Division of History, Russian Academy of Sciences, and former Fellow, Woodrow Wilson Center, and **Timothy Naftali**, Visiting Assistant Professor, Department of History, and Olin Fellow, International Security Studies, Yale University, and former Title VIII-Supported Research Scholar, Kennan Institute at a **19 June 1997** Kennan Institute lecture. The two speakers went on to outline the events of the Cuban Missile Crisis.

On 16 October 1962, Kennedy called the first meeting of the Cuban crisis group, known as the Executive Committee (Ex Comm). Ex Comm discussed four possible military ways to end the crisis: 1.) an air strike to wipe out all known missile sites; 2.) a general air strike to include sorties against Soviet fighter jets; 3.) an invasion of Cuba; and 4.) a blockade to prevent nuclear warheads and more missiles from reaching the island. Kennedy gave the principal reason for choosing the blockade option by stating "If we go into Cuba, we have... taken the chance that these missiles... won't be fired... it would be one hell of a gamble."

On 22 October 1962, Kennedy publicly announced the crisis and his plan to impose a "strict quarantine" around Cuba followed by "further action" if work on the missile sites continued. Furthermore, the U.S. would view any missile launched from Cuba as an attack on the United States, requiring retaliation. Khrushchev, however, saw no reason to let Kennedy's speech alter his strategy to complete the missile sites.

The missile crisis was conducted in the same back-channel manner common in U.S.-Soviet relations during the Kennedy administration. Georgii Bolshakov, a GRU officer who regularly transported news from Robert Kennedy to the Kremlin, received word that Robert Kennedy's office wanted to use him to

sound out the Kremlin on a possible diplomatic solution to the crisis. Bolshakov reported to his superiors that Robert Kennedy considered the following trade possible: "The U.S. would liquidate its missile bases in Turkey and Italy, and the USSR would do the same in Cuba... The conditions of such a trade can be discussed only in a time of quiet and not when there is the threat of war."

The climax of the crisis entailed a series of weak intelligence and eavesdropping reaching all the way to the Kremlin. On 24 October, Warren Rogers, Washington correspondent for the *New York Herald Tribune* met with fellow journalist, Robert Donovan, at the National Press Club. The two journalists discussed that Rogers—who was not particularly close to the Kennedy administration—was scheduled to "cover the operation to capture Cuba." Their conversation was overheard by the bartender, Johnny Prokov, a Russian emigre who passed this information on to Anatoly Gorsky, a TASS correspondent and KGB officer. This was the first solid evidence Gorsky received that Kennedy had decided on war and he hurried to report to the chief KGB officer, Alexander Feklisov.

After "corroborating" Prokov's story, Feklisov relayed to Moscow that "... the *New York Herald Tribune's* Rogers, said confidentially that . . . the Kennedy brothers have decided to risk all. The attack on Cuba will start in the next two days." Rogers also met with Soviet Ambassador Dobrynin's chief political adviser, Georgi Kornienko. In their conversation, Rogers spoke freely— not knowing his comments would set off alarms—stating that the Kennedy administration planned for an attack on Cuba which could begin at any moment.

Khrushchev was convinced that the Soviet Union could not keep ballistic missiles in Cuba without going to war and that the U.S. would accept nothing less than complete Soviet capitulation. Khrushchev met with the Presidium and in an effort to defuse the crisis, proposed a deal that Washington pledge not to invade Cuba, and, in return, Moscow would remove the missiles.

On 26 October, Feklisov met with John Scali, a contact at ABC News, to convey a message to the Kennedy administration. Although it is unclear who made the offer, a three-point plan was proposed: 1.) The Soviet missile bases would be dismantled; 2.) Castro would promise not to accept offensive weapons of any kind; and 3.) The U.S. would

pledge not to invade Cuba. Thinking he had a back-channel proposal from Khrushchev, Scali rushed the proposal to the State Department.

On 27 October, Khrushchev sent a new letter to Kennedy stating that the Soviet Union would agree to remove weapons from Cuba which the U.S. saw as offensive if the U.S. agreed to remove similar weapons from Turkey. In addition, if the Soviet Union pledged to respect Turkey's borders and sovereignty and not invade, the U.S. would do the same with regard to Cuba.

Robert Kennedy conveyed to Dobrynin that the U.S. would accept the conditions of the trade and promise not to invade Cuba, but for NATO reasons could not *publicly* make a statement about Turkey—however he "didn't see any insurmountable difficulties" in trading the Turkish missiles for those in Cuba. Khrushchev then ordered the dismantling of the missiles and the crisis ended.

How close did we come to nuclear war in 1962? On 22 October, the Soviet Union was contemplating the use of tactical weapons against a U.S. invasion of Cuba. Khrushchev was committed to using nuclear weapons. Kennedy went against many of his advisors who thought the United States should invade Cuba. Therefore, Naftali argued, the most important decision in the crisis was made by Kennedy, not Khrushchev.

—by Jodi Koehn

Vol. XV No. 2 1997

Anatomy of a Dinosaur: Russia's New Regional Elite

Russia is like a dinosaur on the verge of extinction, with an enormous body and a brain too small to function, remarked **Ambassador Heyward Isham**, Vice-President of the Institute for EastWest Studies, at a Kennan Institute lecture on **29 September 1997**. The Ambassador was joined by **Robert Orttung**, Senior Research Analyst, Institute for EastWest Studies, and **Peter Rutland**, Associate Professor, Department of Government, Wesleyan University in commenting on Russia's new regional elite.

Peter Rutland began the session with remarks on the stability and interaction between elites at the regional and national level. In his view, in contemporary Russia political stability exists at both the national and regional level, but there is instability in how the two levels interact. At the national level, this political stability, which Rutland terms "messy consolidation," stems from

three factors: 1.) most of the new rulers share social origins and values, having been drawn from the old political-economic elite, and are pragmatic in nature; 2.) the new structures of the corporate oligarchy provide a framework through which the elite can rule; and 3.) there is a dearth of serious potential counter-elites. At the regional level a similar process has taken place. Regional ties have been forged that are based on new patronage networks, and ideology is even more subordinate to power than at the national level.

Rutland warned that the creation of linkages between the two levels is the true challenge. The mechanisms for linking national and regional decision-making have yet to emerge, and have in fact regressed from those present in the old communist system. Russia—like all other post-socialist states—has had no constitutional convention to broker the creation of the necessary federalist institutions. Rutland pointed to the Federation Council as one possible institution which could resolve this problem, but noted that it is limited by its ceremonial nature.

The failure to create linking mechanisms, Rutland concluded, has led to a strong decentralization of power to the regions, undermining the federal government's capacity to rule. This situation, while seemingly stable in the short term, is dangerous in the long term, making it impossible to implement good policy-making. It may therefore threaten the future viability of the Russian state.

Robert Orttung shifted the discussion from national-regional linkages to an analysis of the regional elite itself. He stressed the diversity of the new elite, categorizing them into six groups. The first group are the "Yeltsin loyalists," such as Ayatskov from Saratov, who were Yeltsin appointees in 1991 and have continued to be loyal since the Fall 1996 elections. Governors like Starev in Nizhny Novgorod and Luzhkov in Moscow are in the group of "strong managers" who support Yeltsin at crucial times but rule without regard to ideology and have their own strong base of support. Orttung also described "crossover governors" who were formerly in the opposition but have since bought into the existing political establishment. Among these are Stroev of Orel and Tuleev of Kemerovo. These three groups are the most likely, according to Orttung, to form a successful coalition that can affect federal policy.

The remaining three groups of regional elites are for the most part from the poorest

and least successful regions, and therefore will have far less impact on federal policies. These include what Orttung calls the "failed managers"—governors like Gorbenko in Kaliningrad, who came to power on a non-ideological platform but have lost control over political and economic events and have since been abandoned by Yeltsin. In addition, there are the "Zhirinovskites," such as Mikhailov in Pskov, and the Communists, including Chernogorov in Stavropol.

Orttung concluded that the balance of power between these groups and the center is fairly even. Both have weapons that can be used in the power struggle—the center still controls much of the subsidies upon which regional budgets rely, while the regions can block or implement federal policies on their territory. Orttung noted that Yeltsin seems recently to be rewarding stable regions over those that have achieved economic prosperity. Correspondingly, he has moved away from supporting Moscow city by changing the tax laws to require payment of taxes in the region where the company is located rather than where it is registered (which has inevitably been Moscow).

Ambassador Isham concluded the session, remarking on the dearth of able and committed people at all levels and in all regions. He noted the difficulty involved in taking the pulse of Russian politics today—a task currently being undertaken by the weekly publication *Russian Regional Report*—where dysfunctions and healing processes simultaneously struggle for predominance. Conflicts rage within the organs that make up the dinosaur that is contemporary Russia; contradictions remain between the forward moving elite and those that are retrograde, between the relatively honest and the totally corrupt. Therefore, according to Isham, it is vital that a constant process of evaluation continues, especially if we hope to intelligently assist the forces that are struggling, like grass under concrete, to spring forth and create a new Russia.

—by Nancy Popson

Vol. XV No. 3 1997
**Convergence Theory and the End of
Socialism**

An analysis of the theories of economic convergence put forth in the past century shows that in the post-Soviet era economists have to think in terms of economic development or economic history rather than

comparative economic systems, remarked **Jim Millar**, Director of the Institute for European, Russian, and Eurasian Studies at the George Washington University and former Fellow of the Woodrow Wilson Center at a Kennan Institute lecture on **6 October 1997**.

Convergence, or the independent development of similarly structured and functioning systems, has been a recurring theme in the study of the economies of the United States and the Soviet Union. The idea that the U.S. and the U.S.S.R. may develop independently toward a similar outcome arose first in the 1920s during the period of NEP, then again in the 1960s, and finally again under Gorbachev.

Millar outlined the major players in the discourse on convergence. According to Millar, there are two main models that theorized *unilateral* convergence. The first is the model of Karl Marx, who hypothesized that both systems would converge radically toward socialism. This would occur, according to Marx, because the system of distribution of wealth in the mature capitalist society is irrational and would eventually be overthrown by the workers. Millar noted as well that Marx's model is based on the assumption that scarcity can be overcome. On the other hand, the opposing unilateral convergence model—championed by Von Hayek—sees scarcity as a permanent condition and foresees convergence toward capitalism and free markets. This convergence would be based on the fact that the number of market supply and demand equations and the immense variety of wants present in a developed economy would make a completely planned system far too costly to run.

There are also a number of economists who discussed *mutual* convergence. Millar noted in particular Tinbergen, who formed his theory while considering the implications of the cold war. In Tinbergen's view, both the U.S. and the Soviet system were extreme regimes. Since rational actors would move toward an optimal, central regime, both systems would gradually approach an economic system that balances equity and efficiency. This means that the Soviet Union would adopt markets and become more efficient, while the U.S. would develop a welfare system. Millar also noted that Tinbergen associated economic convergence with a kind of political convergence as well, leading to a more peaceful world and the end of the cold war.

Finally, Millar presented his own theory, which applies the economic development argument of J. R. Hicks to convergence. Hicks claimed that the market gradually evolved throughout the world, replacing the previously dominant custom and command economies. Markets expanded first in the area of international trade and then in domestic economic transactions. Within this evolution theory, command economies only exist in pure form in the case of emergency or crisis. The Soviet Union, therefore, was a crisis economy extended indefinitely as part of a historical period marked by regression away from the market.

According to Millar, when one examines these convergence models in the light of the collapse of the Soviet Union, conclusions can be drawn as to their viability. Millar explained that the present economic situation disproves Karl Marx's theory, since there is no sign today that growing conflict in capitalist society will lead to its collapse. Tinbergen was also wrong, in Millar's view, because the U.S. and U.S.S.R. were not equidistant in their extremity from some midpoint—either the U.S. turned out not to be an extreme case or the Soviet case was more extreme. Hayek, on the other hand, looks far better today, since it did cost far too much to run the Soviet economy, and it seems that the Russians are trying desperately to move toward a free market system.

Millar explained that the Hicksian model best portrays the situation in that it starts from a discourse on economic development. When one looks at the ratio of market transactions to non-market transactions in various economies since 1850, it is obvious that there has been constant growth of the market as a share of all economic transactions. The case of the U.S.S.R. is an anomaly, since there was a deliberate regression away from the market. However, that course has now been abandoned. Moreover, Millar emphasized that Hicks' theory is advantageous in that it portrays economic development as fueled by transaction costs rather than rational decisions of economic actors. That is, the market has continued to grow because its functioning incurs the least amount of cost per transaction, not because actors have made decisions based on rationality. Finally, the Hicks model is the only one that allows for the generation of novelty, of new institutions, and types of economic transaction.

In concluding, Millar suggested that approaching the present economic situation

in terms of economic history and its development based on transaction costs may lead to a better hypothesis than simply stating that capitalism has won at the expense of socialism.

—by Nancy Popson

Vol. XV No. 4 1997

**Provincialism: Eighteenth-Century
Russia's Gift to the Future**

Returning to St. Petersburg for service after spending two years in his native village, Andrei Timofei Bolotov visited his sister on her estate near Pskov. She was shocked at how he had changed. His once-polished conduct, manners, dress, and language had become those of a savage. Bolotov wondered what she expected, since he was returning from two years in the *glush'*, reported **David McDonald**, Associate Professor of History, University of Wisconsin, Madison, and former Short-term Scholar, Kennan Institute at a Kennan Institute lecture on **30 October 1997**.

McDonald cited eighteenth-century definitions of *glush'* as isolated and backward locales, an idea conveyed by notions like “the sticks” or “the bush” in English. While the condescension toward the provinces implied by this term still suffuses contemporary Russian capital-city culture, McDonald argued that the concept itself evolved during the eighteenth century in response to initiatives from St. Petersburg and in provincial noble culture itself, for the idea of backwardness attaching to *glush'* appears to have referred specifically to the rural nobility.

McDonald suggested that studying the emergence of the provinces as backward and vicious—as depicted in satirical journals, literary works, and state materials—casts new light on well-known currents in eighteenth-century Russian history, including “westernization,” the impact of the Petrine reforms, and relations between state and nobility. From this point of view, the provinces emerge as a challenge to the reforming efforts of the post-Petrine state and those capital-city servitors that espoused its civilizing mission. It was this tension between capital center and provincial periphery that gave force and meaning to European ideas as they were appropriated in St. Petersburg; similarly the sources of Russian notions of backwardness might well be sought in the encounter between reforming state and recalcitrant countryside, rather than between Russia and Europe. Ultimately, the same challenge permitted the rural nobility

to find a language through which to contest the claims of the absolutist imperial state. At the same time, elite notions of where “Russia” lay appear to have shifted from the enlightened and virtuous “sons of the fatherland” found in 1760’s St. Petersburg to rural estates like those inhabited by families such as Tatiana Larina’s in *Eugene Onegin*.

The idea of the provinces as *glush'* stemmed from the changes introduced by Peter the Great to pre-existing Muscovite cultural and political practice. Peter embraced a rhetoric of interventionist *raison d’etat* absolutism, that explicitly broke with the hieratic and conservative world-view of its predecessor. The provinces, once the lower rungs of ladders defined by *mestnichestvo*, now became objects of state attempts to levy conscripts, taxes, information, and noble servitors, who seemed to resist the capital’s rising demands. With the development of a quasi-public sphere in St. Petersburg and Moscow, several forces combined to foster the idea that the provinces were not just resistant, but vicious. First was the embrace by rulers and elites of the Petrine project as a break with the “darkness” that preceded it; this past came increasingly to be associated with the noble countryside. Second was the growth in capital-city Russia of an elite culture that prized enlightenment and identified with the state’s role as enlightener of Russia: the Russia to be transformed was the countryside, as became clear with the frustrations encountered in conducting censuses, surveys, and in such moments as the Legislative Commission of the 1760’s. This frustration found reflection in the abuses depicted in Novikov’s journals, Fonvizin’s plays, or Radishchev’s *Journey from St. Petersburg to Moscow*. Likewise, the good citizen limned in these sources was the product of a culture, education, and sociability only to be found in the city. Thus, the countryside changed over the eighteenth century from a site of juniority to one of backwardness and immorality, an implicit rejection of the Petrine enterprise and the enlightened values it embodied.

Ironically, the separation between city and countryside implied in this mid-eighteenth-century vision created the possibility of an autonomous nobiliary identity by the early 1800’s. Lacking western languages of rights or ancient privilege, rural nobles seemed to invert the prevailing capital-city view in order to express their own indepen-

dence from the state. This process paralleled the emancipation of the nobility, the local administrative reforms that followed the *Pugachevshchina* in the 1770's and the Noble Charter of 1785. The very distance of the countryside from the city, as depicted in capital imagery, gave it an autonomy on the basis of which rural nobles came to express a distinct identity, detached from ritual invocations of service. If the older *glush'* continued to resonate in such works as *Dead Souls*, there arose also a warmer, more congenial, and more "Russian" gentry-inhabited *glush'* in other works, including *Onegin*: to glimpse this new *derevnia* and its positive national connotations, one need only recall Pushkin's description of Tatiana's mother's rustication.

In conclusion, from the eighteenth to the nineteenth century, attitudes toward the Russian countryside came full circle. *Glush'* evolved from having uncivilized connotations to embodying the "the real Russia." McDonald emphasized that this fluctuation has been a recurring theme throughout Russian history. In fact, the same pattern has been repeated during Soviet times and up to the present day.

—by David McDonald

Vol. XV No. 5 1997
Elections in Ukraine: Consolidation
or Polarization?

The March 1998 parliamentary elections will be about the success or failure of the structuralization of the political center, said **Dominique Arel**, Assistant Professor, Watson Institute of Brown University, at a Kennan Institute lecture on **3 November 1997**.

Arel explained that the electoral law that was finally signed in October provides for a mixed proportional and majoritarian system much like its Russian counterpart. One half of the parliamentary seats are chosen through party lists, with parties needing to receive at least 4 percent of the vote in order to gain parliamentary seats. Parties have until 25 December 1997 to register for the campaign. The remaining seats will be filled through one round of elections using the "first past the post" method. It differs from Russia's law in that there is no minimum participation rate.

The new electoral law may be able to help promote party development in Ukraine. Arel contended that there are still only two

strong parties in Ukraine—the Communist Party of Ukraine (KPU) and Rukh. These parties and their smaller satellites stand at polar opposites on most issues, with KPU supporting a command economy and close ties with Russia, and Rukh pushing for a market economy and establishment of ties with the West. The absence of centrist parties in this equation could stem from the former electoral law, which discouraged formation of parties lacking strong mobilizing ideologies, suggested Arel.

Arel stressed that the development of a strong centrist contingent is the largest question in the upcoming elections. The general orientation of the population, as established in representative surveys, is largely centrist, leaving a vast untapped reservoir for newly-formed centrist parties. Recent surveys from March 1997 indicate that a full 55 percent of the electorate do not identify with any party. This undefined middle, according to Arel, is the potential support for the political center.

The new electoral law will force this sector of the electorate to choose a party. Arel predicted three possible developments arising from this situation: 1) a significant increase in both leftist and rightist party representation as the undefined middle throws weight to either pole; 2) fragmentation of centrist parties, with the centrists failing to pass the 4 percent threshold, leaving the right and left over-represented; 3) consolidation of the center as a small portion of the undefined middle goes to the right and the left, with the bulk going to centrists.

In attempting to shed light on which of these three possibilities is most likely, Arel pointed to survey data illustrating the political orientation of the population toward democratic, socio-economic, and national issues. Of these, centrist, leftist, and rightist parties tend to agree on issues of democracy, such as free press and minority rights. It is in the areas of national issues—closeness to Russia and the status of the Russian language—and socio-economic issues that the polarity of the left and the right is apparent. Arel showed that the views of the "undefined middle" tend to fall either close to centrist views on these issues or between centrist and leftist views. This, Arel concluded, underscores the possible support for centrist parties and would suggest that if one of the polar parties gets an increase of seats in March 1998 it would be more likely to be the KPU.

Arel also noted that there are some worrisome signs that the centrist parties will fail to consolidate. First, Ukraine does not have a party-of-power equivalent to Russia's *Nash Dom Rossiya*, led by Prime Minister Chernomyrdin. Ukraine has had three prime ministers in the past five years, engendering three rather than one party. Moreover, reform-minded deputies such as Holovaty, Lanovoi, and Pynzenyk refuse to run on a single platform, effectively splitting the reform vote.

According to Arel, survey data also shows that there is a remarkable gap between elite and mass orientations, particularly relating to national issues. The question of making Russian an official language was hotly debated during the drafting of the constitution in parliament. According to a March 1997 survey, a majority of the population agreed that Russian language should have either an "official status" (26 percent) or the status of a "state language" (28 percent). However, the parliament chose to deny Russian any official status. Arel pointed to this as an example of the unstable equilibrium between elite and mass orientations.

Another example relates to the question of Ukrainian-Russian relations. Arel concluded from survey data that the consensus in the electorate is that either Ukraine must be independent but remain between NATO and the CIS, or Ukraine must be independent but remain close to Russia. This, Arel emphasized, is not the discourse heard among the elite at all, who have been emphasizing an away-from-Russia policy. Thus one sees that a minority discourse at the mass electoral level happens to be dominating the political elite level.

Arel concluded that due to this unsettled equilibrium, the language question is almost certain to reemerge in the 1998 election campaign. Since it divides centrist politicians who otherwise essentially agree on socio-economic and democratic issues, it may be crucial in determining the success or failure of the center's consolidation in the new parliament.

—by Nancy Popson

Vol. XV No. 6 1997
Foreign Direct Investment in
Russia's Regions

The two main pillars of economic reform in Russia are privatization and foreign direct investment, remarked **Peter Kirkow** at a Kennan Institute lecture on **17 November 1997**. Kirkow, a Political Econo-

mist at the Centre for Russian and East European Studies, University of Birmingham, continued to say that we should look more closely at institutional arrangements that are supposed to underpin market reform.

Kirkow argued that the question of ownership rights and the culture of corporate governance in Russia is a major issue for foreign investors. The ambivalent division between management and ownership in Russian companies is a real problem. What usually occurs is "insider privatization" and an attempt to keep outsiders out of management and control.

According to Kirkow, foreign investors prefer specific sectors of the economy such as the oil sector, metals, and aluminum, partly due to the mono-resource specialization of various regions. This specialization stands in stark contrast to the intention by many central reformers to diversify the economies of Russia's different regions.

In looking at foreign direct investment in Russian regions, Kirkow devised a classification of various regions. According to the speaker, there are four types of Russian regions based on their economic geography: commercial hub regions—both gateway regions and big cities like Ekaterinburg and Nizhny Novgorod—agricultural regions, resource rich regions, and machine-building regions—subdivided into high-tech regions like Samara and rust belt regions like Novosibirsk. Statistically, there is a robust core of ten leading regions in Russia including both Moscow city and Moscow *oblast*, St. Petersburg, Nizhny Novgorod, Samara, Krasnoyarsk, Irkutsk, Novosibirsk, and Primorsky krai.

From the state's point of view, Kirkow argued, the Russian state not only initiated the opening of the Russian economy, but also responded to grassroots pressure from different firms in various regions. In this aspect, however, foreign direct investment was disappointing. Official Goskomstat figures show that both the flow of direct and portfolio investment is negligible. However, after monetary privatization, there has been an increasing interest in Russian equities and a number of investment companies are trying to buy utilities and invest in communication and infrastructure in various Russian territories. Progress in Russian stabilization and the end of inflation in Russia has shifted away from investment to treasury bonds on the way to real equity.

Kirkow remarked that in the state's point of view, the main concern in foreign

direct investment was to functionalize investment as a means to collect taxes, increase the competitiveness of Russian businesses, and create additional employment. In this role, Russian large cities have increased in importance, gaining from their metropolitan regions so that there is a multiplier effect in the territorial economy and a new function in terms of transportation, distribution, business, and service activities in general.

From the point of view of investors, recent developments highlight the problem of the unprecedented fragmentation of Russian economic space and a high volatility of the financial sector. The speaker argued that a few oligarchies and “financial empires” in Russia can manipulate the financial sector in Russia as a whole.

Another problem is that of payment arrears, tax collection, and general budgetary problems because Moscow has retained its strong distributor function and has tried to functionalize financial and banking sectors in particular to collect taxes. Additional problems are the lack of institutional buffers or constraints to mitigate the impact of financial troubles, the problem of collaterals, conversion of shares into equity, and land ownership.

Kirkow concluded by discussing the challenges that Russian regions now face. First, is the problem of how to tap a global economy in which there are suddenly eighty-nine territories competing for foreign investment. Second, is how to down-scale Russian bureaucracy and come to terms with the hostility toward outsiders. Regions like Samara, Nizhny Novgorod, and Novgorod have gained in this respect and have created a positive and “liberal image” of their region.

A third question is how to ease the licensing and registration procedure and achieve a normal or free sale of equities and land in Russia. This is a problem of conflicting regulatory assistance in Russia and central legislation, particularly the question of land ownership which the State Duma fiercely opposes.

A fourth issue is how to move away from the redistributory function which the Russian state claims for itself and, in particular, how to squeeze Russian companies for additional taxes and functionalize foreign firms for their own tax collection.

A final question—as seen in various other emerging markets, particularly in Asian markets like in Indonesia, Malaysia, and Singapore—is how to set up a modern

infrastructure and communications to make it easier for foreign corporate companies to tap into this particular market.

—by Jodi Koehn

Vol. XV No. 7 1998
U.S.-Ukraine Relations: Past, Present, and Future

One can distinguish two phases in U.S.-Ukraine relations, remarked **Vladimir Dubovik**, Associate Professor at Odessa State University and Regional Exchange Scholar, Kennan Institute at a Kennan Institute lecture on **2 December 1997**. At first, the U.S. shaped the character of the relationship, whereas now it is up to Ukraine to determine its form and nature.

Historically, U.S.-Ukraine relations have gone through negative and positive periods, noted Dubovik. America's original position toward Ukraine was made clear by George Bush's “chicken Kyiv” speech on 2 August 1991, when he advised Ukraine to remain within the Soviet Union. According to Dubovik, that policy grew out of Bush's personal connections with Mikhail Gorbachev and the U.S. belief that the dissolution of the USSR would destabilize the region.

By December 1991, it was clear that the USSR had ceased to exist, and the U.S. was forced to redefine its policy. According to Dubovik, Bush was advised to link the official recognition of Ukraine to the dismantlement of its nuclear weapons, but realized that to do so shortly after the “chicken Kyiv” speech might create the impression that America's policy was anti-Ukrainian. America gave official recognition to Ukraine on 25 December 1991, and diplomatic relations commenced on 2 January 1992. Ukraine began to participate in programs such as the Peace Corps, and in May of 1992 President Kravchuk made his first official visit to Washington.

Despite these encouraging signs, Dubovik noted several negative tendencies. In 1992 and most of 1993, relations were close to hostile: sanctions were discussed for Ukraine's non-cooperation on nuclear issues and the diplomatic visit of Vice Prime Minister Kuchma was less than successful. By 1992 the official approach toward Ukraine was to use any means possible to convince Ukraine to give up its nuclear weapons. Dubovik also pointed to Washington's Russocentrism as a reason for the change. He remarked that the U.S. had historically failed to see Ukraine as a nation, and the concep-

tual vacuum left in the U.S. after the demise of the USSR made it only natural to turn to known institutions over those newly built in Ukraine. Moreover, Russia was seen as the leader of the region, and the U.S. tended to portray Yeltsin as a democrat and Kravchuk as a nationalist hiding nuclear weapons.

Things began to shift in a more positive direction in late 1993. In the U.S., experts began to conclude that an independent Ukraine was a crucial counterweight to growing Russian power in the region. The U.S. Congress also began to feel pressure to pay attention to the non-Russian successor states, and Ukrainian-American organizations worked hard to alter Ukraine's negative image. Dubovik noted that the shelling of the Russian parliament in October 1993 illustrated that Russia would not become a democracy overnight. As Ukraine began to cooperate on nuclear issues, the U.S. started to move away from Russo-centric policies.

With this attitude shift, in 1993 Strobe Talbott, then Ambassador at Large, and Secretary of State Warren Christopher began visiting Kyiv and discussing the notion of "partnership" and de-linking assistance from nuclear issues. By 1994 Ukraine ranked third in the amount of aid received from America. The tripartite agreement was signed in January 1994, and in November 1994 Ukraine ratified the non-proliferation treaty. From that point on, remarked Dubovik, there was a new and friendly period of U.S.-Ukraine relations.

Now relations are reaching a point where it is possible to talk of a strategic partnership. This is evident, according to Dubovik, by Clinton's Kyiv visit in 1994, Ukraine's joining the Council of Europe and the Partnership for Peace, and the "distinctive partnership" with NATO. However, Dubovik lamented that Ukraine, while activist in its foreign policy, has been lax in implementing domestic reform. U.S. policy toward Ukraine now fluctuates with the progress of Ukrainian reform, and it is up to Ukrainian politicians to pave the way domestically for a secure relationship with the U.S.

Dubovik concluded with recommendations as to what the U.S. can do—together with Ukraine—in order to build on their achievements thus far. First and foremost, Dubovik stressed the importance of continuing to assist Ukraine with its democratic and market reform initiatives. He noted that U.S. influence on the Ukrainian government could help focus its attention on social, agricultural,

and ecological issues vital to its future development.

Dubovik recommended continued military cooperation, noting that it is an effective way to develop international links. In the same vein, he pointed to exchange programs as a vital form of diplomacy and one of the ways the U.S. can influence through example. He urged the U.S. to support more exchanges at all levels.

Dubovik noted that the U.S. could coordinate its programs more fully with other countries involved in assisting Ukraine. He noted that coordination is lacking even among U.S. governmental branches and agencies. Finally, he recommended that the U.S. continue its present course of pursuing a Ukraine policy that promotes normalization of Ukrainian-Russian relations as well as assistance toward Ukraine's integration into European political and economic structures. This policy, in Dubovik's view, is the most likely to promote a bright future for Ukraine and for its relationship with the U.S.

—by Nancy Popson

Vol. XV No. 8 1998
Language Policy and Citizenship in the former Soviet Union

There is discontent and lingering tension among Russia's neighbors connected to official language policies which are both a major pillar of the state-building process and a source of instability for many newly independent states, remarked **Justin Burke** at a Kennan Institute lecture on **15 December 1997**. Burke, Associate Director of the Forced Migration Project at the Open Society Institute in New York, stated that the key issue is the need for Russian speakers to adapt and learn the titular languages in these newly independent states.

Burke focused on three of Russia's neighboring states: Latvia, Estonia, and Kazakhstan where the issues involved are most acute because the Russian speaking population and the titular population are split nearly equally. The situation is most noticeable in Kazakhstan where Kazakhs comprise a plurality but not a majority. In the Baltics, ethnic Russians make up an overwhelming majority of the non-titular population.

After the Soviet collapse, there was a deep feeling of victimization in the states neighboring Russia. Estonians, Latvians, and Kazakhs felt that Soviet russification posed cultural threats to their identity, whereas Russian speakers—

especially in Estonia and Latvia—were disenfranchised overnight because of language laws revived from the interwar republic that rendered people non-citizens.

Estonia and Latvia revived and amended citizenship laws and instituted naturalization procedures that many Russian speakers feel are too demanding. In the Baltics, language tests are a prerequisite for naturalization of disenfranchised non-citizens or anyone applying for citizenship. Kazakhstan's July 1997 language law seeks to make Kazakh the state language. However, not only is the legislation not as well defined as in the Baltics, but there is less done to promote language learning and training for the Russian speaking population.

The impact of these language policies has led to an increase in emigration. This is more pronounced in Kazakhstan where hundreds of thousands have left since the collapse of the Soviet Union, mainly for economic reasons. Many Russian speakers in the Baltics realize that regardless of perceived language discrimination, the economic situation is better there than it would be in Russia. In contrast, many Russian speakers in Kazakhstan feel that Kazakhs have purged them from prime job areas and that there is no future there.

Many Russian speakers feel the motivating factor for such language policies is revenge for perceived and real abuses committed during the Soviet era. Burke argued, however, that at least in the Baltic case, there is a desire to preserve the national identity and statehood because of past history. In the Baltic states, there is also genuine concern about cultural annihilation and the perception that the Soviet era brought the Baltic languages to near extinction. Their size and apprehension about preserving cultural traditions pushes them to be adamant about the language issue. In Kazakhstan where cultural identity is less entrenched, Russian speakers see language policies more as a tool used by the titular population to reserve certain economic privileges and advantages.

Conversely, the titular populations disapprove of Russian speakers' reluctance to learn the titular language. There is still a perception among titular populations, especially in the Baltic states, that Russian speakers have lingering imperial attitudes and are ready to help Moscow reestablish if not an actual empire, then a significant sphere of influence. Many Russian speakers in the Baltics feel that they came to the

country to rebuild the nation and now are being treated poorly by an "ungrateful" titular population.

There is a danger of this issue—involving citizenship and centering around language—hindering the potential of these states to emerge as fully developed states. In the Baltics, Economic Union and NATO membership are at stake. Estonia has been put on the early list and given clearance by the Organization for Security and Cooperation in Europe for not having civil rights violations, but still this is a question that could act as a drag on the ability of the state to meet EU membership criteria. In Kazakhstan, the issue is more about oil. Russian speakers' discontent serves as a pretext for Moscow to meddle in internal affairs and keep Kazakhstan in its fold.

These problems are difficult to solve, Burke contended, because there is no political will on the part of the governments involved. In the Baltics, coalition politics prevent any changes in the existing legislation. Russian speakers in the Baltics, especially those who were active in the popular front movements, feel deceived. They worked with Baltic nationalist groups for independence and were then cast aside when the empire collapsed.

There are some causes for hope, Burke concluded. Migration flows are stabilizing in both the Baltics and Central Asia. Younger generations in all these states are more willing to learn the local language and should have no problem passing language tests for citizenship. They are also less likely than their parents to return to Russia, especially in the Baltic states. The key for the international community is to promote stability in the near term so that this emotional stage can pass and more rational decision making can proceed.

—by Jodi Koehn

Vol. XV No. 9 1998
Ukraine: Challenges for 1998

The prospects for Ukraine in 1998 are on the surface less promising than last year, said **Carlos Pascual**, Director of Russian, Ukrainian, and Eurasian Affairs at the National Security Council, at a Kennan Institute lecture on **12 January 1998**. Although Ukraine now has a greater degree of flexibility in its security relationships, domestically it faces a difficult environment for reform fueled by parliamentary elections in March 1998 and Presidential elections in

October 1999. Internationally the climate has also changed in the past year, with sales of treasury bills falling and interest rates skyrocketing, making 1997's opportunities for "easy money on good terms" obsolete.

In this context, it may be more difficult to be optimistic about 1998. However, Pascual emphasized that Ukraine may end up in a stronger political and economic position by the end of the year. The crucial factor will be leadership. In addition to the challenge of proactive leadership, Pascual pointed to a number of challenges for Ukraine in 1998: integration with Europe, maintaining macroeconomic stability, building investor confidence, promoting small business development, and reforming the energy and agricultural sectors.

On the security front, Pascual noted that Ukraine has an opportunity to use the space gained through agreements signed with NATO and its neighbors to integrate itself with the European community. Through mechanisms such as military exercises and training programs and implementation of the Friendship Treaty with Russia, Ukraine can normalize its relationships in the European community and Russia and thus reduce potential tensions between the East and West. The United States can assist Ukraine in this challenge through military-to-military programs and practical advice and support.

Ukraine's second challenge will be to reinforce macroeconomic stability. Pascual admitted that this would not be an easy process. Even taking into consideration all possible revenue sources, Ukraine could find itself one billion dollars short for the first quarter of 1998, and election year politics may pose an obstacle to economic reform. However, there are areas where reform can be implemented without the need for legislative action. Moreover, control of the fiscal situation through a clear strategy of targeted expenditure cuts and a solid commitment to structural reforms could give the population hope for an end to austerity and attract support from international financial institutions.

A third challenge is to build up the confidence of possible investors, countering the conventional wisdom that it is impossible to do business in Ukraine. The real problem, according to Pascual, is not just that businesses are encountering difficulties, but that they often cannot see a way to resolve their problems. Pascual noted that the U.S. Con-

gress has linked action on business disputes to the release of some \$100 million in assistance funds, and that the Gore-Kuchma Commission is actively engaged in addressing commercial problems. Ukraine must now demonstrate action and give investors the sense that there is a way to resolve conflicts.

Pascual also underlined the need for small business development in Ukraine. In this area, Ukraine's leadership must pay attention to deregulation and pension reform. The amount of regulation is onerous, making it difficult for small businesses to operate. Pascual suggested that deregulation can be positively promoted as a crack-down on bureaucracy. However, he noted that strong political will is necessary to counter entrenched bureaucrats who make a living off the regulations. Secondly, the U.S. and the World Bank have been working with Ukraine to discuss pension reforms—such as increasing the retirement age or moving toward private pensions—which would remove a large portion of the tax burden from small businesses. Pascual also remarked on America's robust assistance program, which promotes small business development through business centers and loans.

In pointing to necessary sectoral reforms, Pascual mentioned the energy and agricultural sectors. In order to reduce its dependency on energy imports, Ukraine needs to move ahead on production-sharing legislation for the oil and gas sector and act on pricing and collection problems in the electricity sector. Since raising electricity prices to the level necessary to cover costs in the middle of winter is politically difficult, Pascual described a strategy of putting power-generating companies on a "path to profitability" which would at first focus on increased collections and then turn to price reform during the summer months. In the agricultural sphere, Pascual noted that Ukraine needs to privatize land and revitalize commodities markets that have been decimated due to regional demands that producers fill the state requirements prior to market trading.

These challenges will lead to tough political battles in the months ahead, and Ukraine's success in 1998 will depend ultimately on its leadership. According to Pascual, the reformers in Ukraine now have an opportunity to pitch to the electorate the necessity of extraordinary measures to ensure Ukraine's sovereignty and stability in the face of tighter international markets. Pascual concluded that if there is a willingness to

confront the challenges of 1998 and to unify reformers, Ukraine has a chance to create a climate that will advance its security, political, and economic agenda. In turn, the U.S. goal should be to work in partnership with Ukraine to make that possible.

—by Nancy Popson

Vol. XV No. 10 1998
“Local Heroes” and Political Economy in
Russia’s Regions

Some of Russia’s provinces have obviously fared better than others in the transition to democracy and a market economy, said **Kathryn Stoner-Weiss** at a Kennan Institute lecture on **22 January 1998**. Stoner-Weiss, Assistant Professor of Politics and International Affairs, Princeton University, presented the findings of her recently published book to explain why higher performance oblast governments or “local heroes” existed in some regions but not in others.

Stoner-Weiss examined the performance of four Russian regional governments: Yaroslavl, Nizhny Novgorod, Saratov, and Tiumen. In the study, there was a clear and consistent performance ranking among the four cases. Nizhny Novgorod oblast rated highest, Tiumen ranked second, Yaroslavl third, and Saratov consistently lagged. When asked, political actors in the two highest performance cases—Nizhny Novgorod and Tiumen—responded that they viewed consensus or stability to be their most significant accomplishment.

Stoner-Weiss argued that relative stability or political consensus in these regions was a function of the concentration of the regional economy and the degree to which regional economic interests cooperated with one another and with regional government actors. Where the economy was concentrated, there was less competition for access to political resources and key groups of economic actors could collectively pursue inclusion in the governing process. Where the economy was more dispersed, economic interests conflicted, causing sharp competition for access to scarce regional resources. The result was lower regional government performance.

According to Stoner-Weiss, in regions with concentrated economies, elites overcame two collective action or cooperation problems. The first involved cooperation of a powerful group of economic actors who pursued systematic access to regional

government. In Nizhny Novgorod and Tiumen, well-organized enterprise associations formed in each of the dominant economic sectors and commanded a fairly large block of seats in the newly elected regional legislatures. Not only did the concentration of the regional economy encourage economic group formation thereby overcoming one collective action dilemma, but it also fostered cooperation between organized economic interests in the regional government.

In regions with an economy concentrated within a single sector or among a few large and important enterprises, the structural context explained behavior and political outcomes. The “imbeddedness” of the actions of political and economic interests in such an environment meant a more limited and specialized pool from which to draw regional political actors. Economic and political behavior in a concentrated economic community also promoted horizontal networks between political and economic actors that, in turn, promoted credible commitments to one another.

According to the speaker, cooperation between economic and political actors involves the state allowing economic interests to play a more active role in policy formation and implementation. In return, economic interests deliver indirect political power to the state by guaranteeing consensus and by drawing on their own resources to ensure the legitimacy, effectiveness, and efficiency of state action. The result of this was a general consensus on political goals.

Where cooperative business-government relations were present, regional government performance was higher. Concentration of the economy in a particular sector narrowed the elite pool both in Nizhny Novgorod and Tiumen, the two higher performance regions, leading to a consensual rather than conflictual selection of leaders by the oblast legislature. Economic concentration also promoted consensus and limited factionalization within the legislature. Furthermore, consensus on political goals meant less time spent on organizational matters than on policy issues.

Policy outputs and implementation in Tiumen and Nizhny Novgorod were more coherent and both had broad economic development programs. Key organized economic interests participated in policy formation and used their authority to insure implementation of economic development plans. Furthermore, education policy benefitted

from the incorporation of economic interests into policy output and implementation.

In conclusion, Stoner-Weiss argued, the key variable in explaining performance variations among regions is collective action or cooperative behavior between political and economic elites. The more concentrated the regional economy, the more likely collective action will take place. However, while a certain amount of consensus or elite accommodation is desirable in every successful and democratic government, too much elite consensus could endanger pluralism in the longer term. It may also jeopardize the growth of market relations if regional governments artificially support inefficient enterprises that market forces might otherwise force into bankruptcy. Therefore, while regions with concentrated economies may have achieved more in the early stage of transition, if cooperative relations persist in the very long term, there is a risk that democratic responsiveness will be sacrificed in the interest of stability and governmental effectiveness. The “local heroes” of today must therefore be careful not to become impediments to the further growth of democracy and the market in the future.

—by Jodi Koehn

Vol. XV No. 11 1998

The “Real Story” of Collectivization and Dekulakization

“In 1930, during collectivization, I was eight, so, in fact, I was able to witness how my neighbors were ‘dekulakized’ and how they were resettled, sent to Solovky and to northern provinces in winter. So I was able to see the tears of children and old people when all this happened....In 1950, when I began to study the issue of collectivization, I saw that the archival documents were inaccurate, that they did not reflect the truth,” remembered **Nikolai Ivnitskii**, Professor at the Institute of Russian History at the Russian Academy of Sciences, at a Kennan Institute lecture on **9 December 1997**.

Collectivization of agriculture, one of the keystones to Stalin’s revolution from above, forms one of the most painful stories of Soviet history. By World War II, over four million Russian peasants had been deported from their homes and resettled to work on collective farms. The consequences in human terms were great and the benefits, according to Ivnitskii, few or none. The truth about collectivization and “dekulakization” in Russia’s countryside—buried under a

fictitious “official history” for years—is only now being put together.

The falsification of this part of history exists for two reasons, says Ivnitskii. First, Communist ideology dominated the social sciences, and history was taught only so far as it fell in line with Communist precepts. Second, historical documents were “forcibly made to comply with the ideological stereotypes.” It was virtually impossible to find real information. Ivnitskii explained how since the 1950s he has been engaged in hunting down archives that contain actual documents relating to collectivization. Even now, many important documents are in closed archives, such as the Presidential Archives, formerly the Archives of the Blue Bureau.

With the collapse of Communism, however, many archives have been opened, releasing invaluable information, showing who was involved in the government’s decisions relating to “dekulakization,” and how it was managed. According to these documents, Ivnitskii noted, a tight coterie of Stalin’s closest Moscow and regional advisors made drastic changes to an original proposition for collectivization, quickening its tempo, stripping what meager possessions the peasants had originally been allowed, and increasing the number of people involved.

The archives also give a good idea of this number, he explained. In 1930–31, over 600,000 families were collectivized. A number of families—around 225,000—also abandoned their land, seeking a refuge in the cities. The repression of the peasantry continued on a grand scale—as of 30 January 1930, 280,000 people had been arrested. Of these, 19,000 were shot.

Ivnitskii remarked that some of the most intriguing information now accessible relates to peasant protests and uprisings, of which there were near 13,000 in 1930 alone. Terrorist acts were widespread against Communists and village activists trying to enforce the collectivization. Many protests involved thousands of people, lasting months, and artillery and even aviation was used to combat the rebellions.

Based on these recently opened archives, researchers can draw certain conclusions about collectivization and its impact. Ivnitskii pointed to three such conclusions. First, despite official rhetoric, collectivization was achieved only through force. Also, collectivization did not lead to an upsurge in production, and there is no evidence of the advantage of collective

agriculture over small holders. Moreover, the “dekulakization” of the peasants was not a result of collectivism, it was the means to achieving collectivism. Its result was the ruin of the capable peasant population, and a host of problems for the Soviet Union.

Second, Ivnitskii explained that the peasant situation created instability for the nation as a whole, forcing Stalin not only to use troops and weaponry to reassert order, but political gambits, such as releasing various resolutions designed to soothe the populace. Third, the collectivization campaign was followed by a decided downturn in production, and a worsening of the grain problem. All together, these factors led to the terrible famine of 1932–33, causing the deaths of approximately ten million people. Based on these facts, Ivnitskii concluded that collectivization did not achieve any of its goals, instead functioning as a terrible drain on society.

Ivnitskii ended his talk with an interesting observation on the lessons of collectivization and the effect of the peasantry on Russian history. He lamented that the sad story of collectivization has not made an impact on the reformers of modern Russia. In their zealous ambition to transform Russian society, they do not take into account what they are working with—a society which has always functioned best when taking the needs of the peasantry into account.

Modern reformers wish to privatize land completely, a move not in the interest of the Russian peasant, who is too poor to farm the land on his own. If land is privatized on the western scale, speculates Ivnitskii, the peasants will wind up with little. Too poor to farm the land themselves, the peasants will be forced to sell or lease it, and in the end, only a few rich persons will have control over Russia’s farmland.

Warning that reforms will not achieve their goals if they fail to take into account the desires of the peasantry, Ivnitskii nonetheless emphasized his belief that the peasantry will survive in the new Russia, in the same way as they always have, on their own terms.

—by Maureen Thorson

Vol. XV No. 12 1998
Russia’s Transition Brings New
Environmental Problems

There are two major transitions currently taking place in Russia: the transition from a centrally planned economy to a market-oriented economy and the transition

of Russia from an industrial country to a post-industrial one, remarked **D.J. Peterson** at a Kennan Institute lecture on **2 February 1998**. Peterson, resident consultant in the International Studies Group at the RAND Corporation, explained that Soviet culture was quintessentially a modern culture, one in which images of industry were glorified. A large part of the transition in Russia is how to address the legacy of the industrial past and clean up these facilities while trying to address the new pressures of the future. Peterson focused on several problems resulting from Russia’s transition: traffic, trash, and suburbanization.

In Moscow, and most other Russian cities, one of the biggest changes is the huge rise in the number of cars. This has large implications on many different levels. There are not many paved roads in Russia to accommodate the increase in traffic. The Russian government has funded many projects to improve existing roads as well as to build new ones, but this too has an impact on the environment, namely air pollution and urban sprawl. As road conditions improve, more small towns and villages near large cities are becoming suburbanized.

Suburbanization brings the problem of how to provide clean water to growing villages that do not have running water or sewerage. The infrastructure is not keeping pace with private home building. Obviously, the lack of infrastructure in general could cause substantial environmental and health problems down the road.

In the past, the Soviet government paid for such services and local industries managed the facilities. Now, these facilities are privatized and such services have been turned over to local governments to manage. The population does not want to pay for services that were once free during the Soviet Union.

Another major problem facing Russia today is the problem of trash. In addition to the increase in volume, there is the problem of types of trash not seen before. Westernization brought a great increase in non-biodegradable packaging. This raises the question of how to pay for new landfills and waste collection systems.

These problems can be addressed by bringing new technologies to Russia, Peterson argued. One solution lies in economic reforms that promote investment in general, and the diffusion of clean technologies, in specific. However, new technology

will only solve part of the problem. The Soviet Union was good at the development and implementation of technologies. What Russia lacks is strong management. Poor management has created many environmental problems and wasted resources. Better organization driven by market incentives to increase productivity could help without expensive technologically-based solutions. One option is to fix Russia's notoriously leaky plumbing to ease pressure on the water supply and wastewater treatment systems.

According to the speaker, environmental managers in Russia are either scientists or engineers. They know how to develop the technology to solve their problems, but not how to develop and implement effective strategies for environmental protection. This is an area where the United States could provide assistance.

Russia is different from other countries of a similar income level in that Russia already has post-modern values in which vacations and free time are valued. There is a growing population in Russia interested in the "good life" that is present in nature. Growing tourism in areas such as Lake Baikal brings a new challenge of how to promote the "love of nature" without trashing it at the same time. This raises the question of how to build the infrastructure to deal with the problem. Lessons from places like Lake Tahoe may illustrate what protective measures may be appropriate.

There have been some attempts to remedy this, Peterson noted. There are efforts to get Russia's children interested in their community. If the younger generation gets involved, they may influence their parents, say to stop littering—such as what has happened in the United States. There are also attempts to bring once closed natural areas such as parks to the people and to build up a community of interests.

In Russia, there are many opportunities for international assistance to help with nature reserves with global significance. For example, there is a species of crane which migrates between Japan and Russia. Without international cooperation to protect its nesting grounds, this particular bird will not be able to migrate back to Japan.

Peterson remarked that the transition in Russia is proceeding very rapidly with one year in Russia being equal to roughly thirty years in the U.S. As a result, we can expect a fundamental change in Russia's economy as

well as its culture in the next ten years and certainly within the next generation. The challenge lies in how to negotiate this rapid change without worsening existing problems. This change creates a rich opportunity for improving management and education to focus on people and get them involved in the fate of their communities.

Russia wants to be like the United States and to have what we have. For the environment this is both good news and bad. Perhaps with time, the idea that nature should be valued for itself and that it is not just for exploitation, will arise.

—by Jodi Koehn

Vol. XV No. 13 1998
Regional Development: The View
from Novgorod

The task of bureaucrats in the transition is to create favorable conditions for entrepreneurship and investment, declared **Mikhail Mikhailovich Prusak**, Governor of Novgorod *Oblast'*, at the fifth lecture in the Kennan Institute's Russian Governors' Forum series on **2 March 1998**. It is that task to which the Governor has devoted his team of reformers since his appointment and subsequent reelection in 1991 and 1995, respectively.

Governor Prusak explained that Novgorod *Oblast'* currently has a large amount of foreign investment—49 percent of *oblast'* GDP is derived from foreign investment. The same figure for Russia as a whole is only 2–3 percent. In investment dollars per capita Novgorod is second only to Moscow, and is rated third for its economic development over the past six years.

Major foreign investors in the *oblast'* include the English firm Cadbury-Schweppes, and the Danish company Stimorol. In addition, firms from Germany, Finland, Austria, and South Korea are operating in Novgorod. This investment has brought the official unemployment rate in the region down to 4.8 percent, and has also enabled significant retraining of the work force. However, the Governor lamented that as of yet no American firms have invested in the region.

The Governor attributes his region's success in attracting European and Asian investors to bold tax and land policies aimed specifically toward investment. Novgorod did not wait for the federal government to pass an ideal tax code, but instead worked within the framework of the constitution and

the authority given to the regional government to put together its own tax system. According to Prusak, the basic principle of that system is that private individuals should carry the bulk of the tax burden.

Prusak admits that this was a very bold step, given the poorness of the region. However, the reformers came to realize two lessons in economics: the poorer the region the more it must do to attract investment; and individuals receiving regular salaries will be willing and able to pay taxes. Therefore, the Novgorod tax code relieves both foreign and national investors from all taxes until the company becomes self-sufficient. This tax break amounts to approximately 50 percent of all taxes owed by foreign companies in the Russian Federation.

Regarding land ownership, Prusak remarked that since approval of the federal land code has been delayed, Novgorod decided to create its own de facto solution that would keep agricultural land restricted but allow investors to own land on which they build production facilities. One such regulation allows the Russian partner in a joint venture to purchase land at very low prices. This in effect gives ownership to the foreign partner as well once the joint venture becomes a legal entity. Moreover, a completely foreign venture is able to lease land for a period of forty-nine years with the option to buy after that time.

Oblast' regulations also aim to make it more attractive for foreign companies to invest in failing Russian concerns. For example, they take into account the possibility that an investor taking over an existing factory may not need the entire amount of land set aside for that factory. Therefore, the government allows the firm to only pay taxes on the land actually used, and the remaining land is put in a fund for non-liquid assets and distributed to small and mid-sized businesses in need of facilities. In addition, once a foreign company takes over a heavily indebted Russian firm, *oblast'* regulations provide for an amnesty on all debt owed by the firm up to the date of sale or creation of the joint venture.

Support for small and mid-sized businesses is another priority for Governor Prusak. Currently, Novgorod boasts 7,000 small businesses, or one for every 100 citizens. Banks that invest in small and mid-sized businesses are free from taxes on profits. As a result, many larger Moscow and

international banks have begun investing in Novgorod, including Smolensk Bank, Avtobank, Promstroï Bank, the World Bank, the European Bank for Reconstruction and Development, and the Export-Import Bank. Moreover, the government has created an insurance fund for small and mid-sized businesses consisting of 100 million new Russian rubles.

Although he is certain that all these issues will eventually be resolved at the national level, the Governor explained that it seemed absurd to wait for federal laws when there was concrete work to be done in the region. According to Prusak, Novgorod's favorable business climate is due to the work of the regional legislature and the political and social stability brought about by six years of governance by the same team of reformers. He also attributes the lack of corruption in the region—noted in a 1996 Interpol study—to the legal framework set up by the government: he explained that if the bureaucracy does not attempt to deprive businesses of that which they require, the criminal element will not follow suit.

The Governor concluded his remarks by noting that Novgorod's positive results stem from the reform team's conviction that there is no such thing as a dead end economic situation. Prusak strongly believes that optimal solutions can be found if one respects the objective laws of economics and is willing to be proactive in making reform policy decisions.

—by Nancy Popson

Vol. XV No. 14 1998 Russian-Iranian Relations: A Tactical Alliance?

Russian policy towards the Middle East is “driven to a large part by the desire for Russia to reassert Russian authority in the near abroad, over Central Asia, and the Transcaucasus,” remarked **Robert Freedman** at a Kennan Institute lecture on **9 March 1998**. Freedman, President of Baltimore Hebrew University listed other factors affecting Russian policy towards the Middle East as a search for economic gain for a hard pressed Russian economy and a shift in Middle Eastern regional priorities to focus on Iran, Turkey, and the Persian Gulf.

The main point of Russia-Iran policy is that Russia is weak and therefore needs a good relationship with Iran, Freedman stipulated. In addition, Russia has several important interests in Iran. It is a major

market for Russian arms and nuclear technology and a means for President Yeltsin to demonstrate to opposition parties his independence from the United States. Iran is an area in which a diminished and weakened Russia can exercise diplomatic influence. Finally, Iran is an ally in a number of sensitive Middle-Eastern, Transcaucasian, and Central Asian political hot spots such as Afghanistan and Tajikistan, and helps to check Turkish influence in the Transcaucasus and Central Asia.

However, according to Freedman, Russia has had some problems with Iran. First, is the threat of Iran as an alternative transportation route for Central Asian oil and gas. The more Central Asian producers use Iran, the less dependent they will be on Russia. Second, is the potential threat of radical Islam from Iran penetrating Central Asia and the North Caucasus. A third problem is the inability of Iran to pay its debts to Russia in hard currency. As in Russia, the recent drop in oil prices has hurt Iran. As a result, Iran has been pushing for barter sales but Russia has resisted. Fourth is the impact of Russian-Iranian relations with its supply of nuclear reactors and missile technology on U.S.-Russian relations. Finally, Iran has been active economically and culturally in the North Caucasus. Freedman pointed out, if Russian influence continues to wane there and some of Iran's ideas such as a road around the Caspian Sea ever come true, there could be a redirection of economic and political interest from the North Caucasus toward Iran.

What are Iran's interests in Russia? An obvious answer is the opportunity to acquire sophisticated weaponry at a time when Iran perceives regional threats such as U.S. military power in the Gulf, a U.S.-armed Saudi Arabia, and a possibly revived Iraq. A second interest is to acquire diplomatic support against the U.S. to thwart America's dual containment policy. Thirdly, Iran would like to help curb the attraction of an independent Azerbaijan on Iran's Azerbaijani population. Finally, Russia is a market for Iranian goods. With the U.S. striving for the economic isolation of Iran, Russia is a source of industrial equipment and reactors.

Iran's problems with Russia are less serious than the converse. One of the main problems is Russia's unwillingness to accept bartered goods for industrial equipment and arms. There is also the problem with the Taliban movement which controls a large

percentage of Afghanistan. There has been a recent Russian flirtation with the Taliban and some discussion that Russia would not oppose the pipeline going through Afghanistan. However, such a pipeline would compete with any pipelines going through Iran which is a serious problem.

Since the 1980s, Russian-Iranian relations have warmed. The newly elected Iranian president, Mohammad Khatami, is viewed as less likely to push Islamic radicalism in the North Caucasus and Central Asia. But on the negative side for Russia was Iran's recent tentative rapprochement with the United States.

Freedman suggested that improved U.S.-Iran relations might weaken U.S. objections to pipelines through Iran and investments in the Iranian oil industry—lessening Central Asian dependence on Moscow. In addition, over the next few years—although Freedman does not yet see this as a serious possibility—if Iran not only improves relations with the U.S. but also continues its new positive policy toward the Arab gulf states, then the U.S. would be less of a strategic threat, making Iran less militarily dependent on Moscow.

According to Freedman, there are several conclusions to draw from recent Russian-Iranian relations. Despite some friction, relations have benefitted both sides. For Russia, Iran is an excellent arms market, an area where a newly assertive Russia can demonstrate its role in world affairs, and a tactical ally in curbing Azerbaijan and Turkey, and in confronting the Taliban. At a time when Russia is weak, having an ally in Iran makes diplomatic sense since Iran can help diffuse crises such as in Tajikistan and prevent the U.S. from dominating the Persian Gulf—which Moscow considers an important region for its national interests. For Iran, Russia is a secure source of arms, a diplomatic ally at a time when the U.S. seeks to isolate it, and a tactical ally in curbing the independent hopes of Azerbaijan and the offensive threat of the Taliban in Afghanistan.

There are, however, limits to the relationship. The weakness of the Iranian economy may limit its ability to purchase military and civilian goods from Russia. Second, should Iran ever be able to provide extensive oil and natural gas pipelines to Central Asia and the Transcaucasus, Russia's hold over the two regions would weaken. Finally, Freedman asserted, as Iran develops

trade with Russian regions such as Dagestan, centrifugal forces within Russia may be reinforced, making Iran a potential danger to Moscow.

—by Jodi Koehn

Vol. XV No. 15 1998

St. Petersburg and Moscow in Transition

Moscow and St. Petersburg have arrived at a period of crisis in their urban planning and development programs, argued **Vladimir Popov**, Chairman of the St. Petersburg Union of Architects of Russia, at a Kennan Institute lecture on **6 November 1997**, and **Iurii Bocharov**, Academician in City Planning and Construction Sciences at the Russian Academy of Architecture in Moscow, at a Kennan Institute lecture on **13 November 1997**.

Under the Soviet Union, both St. Petersburg and Moscow underwent significant social, economic, political, and architectural changes. Popov explained that the revolutionary waves that took place in the beginning of the twentieth century resulted in St. Petersburg's fall in status from an imperial capital to a regional center specializing in the defense industry. Despite this change in status, the city did not lose its architectural uniqueness. This was due to the fact that both authoritarian and totalitarian ideologies felt comfortable with regular architectural ensembles. Moreover, city architects during the post-war period stonewalled attempts to reconstruct the city along socialist lines.

On the other hand, revolutionary fervor led to Moscow being elevated to a capital city. As such, according to Bocharov, its role was to confirm a series of myths associated with the development of communism. Over the Soviet period, Moscow planning reconfirmed the legitimacy of the Bolshevik regime, the leading role of the proletariat, and communism's inevitable victory. Moscow's architects were tasked with destroying much of old Moscow to make way for new socialist construction. In keeping with this goal, the capital was designed to include a public center able to accommodate huge public demonstrations and surrounded by monumental edifices.

Since the fall of the Soviet Union, Moscow has promoted a new myth, according to Bocharov—the myth of successful economic reform. A Moscow official was quoted in *Izvestiia* as saying that the new slogan for

Moscow is “Investors of the world unite around Moscow and enrich yourselves!” It is for this reason that 55 percent of investment is concentrated in the city center, which occupies only 2 percent of the metropolitan region's area.

Bocharov explained that, in the post-Soviet era, decisions on construction in Moscow are made by the city administration rather than the federal government. The city has begun to rebuild churches destroyed under communism and has built new monuments to replace those of communism. A giant Peter the Great, for example, now looks out from the banks of the River Moskva in the direction of Ukraine and Belarus. Bocharov noted that some projects have been built at great cost despite limited demand. For example, in order to keep builders employed, the city is considering building a large Chinese wall around the Kitai-gorod region.

In St. Petersburg the situation is far different. The city management has attempted to implement various imported schemes without sufficient analysis of local conditions, said Popov. Plans were made to turn the city into a banking capital, but financial resources were lacking. Efforts to create an international business center were hindered by the underdevelopment of transportation and communications systems, the low qualifications of the local work force, and the unstable social situation. The low quality of services, high prices, and harsh winter climate undermined efforts to make the city an international tourist destination as well.

Popov remarked that the failure of these schemes, coupled with the lack of financing for large development projects, has led to a situation in which the old functions of St. Petersburg are disappearing and new ones have yet to be identified. However, he pointed to the new strategic development plan as a ray of hope. The plan identifies St. Petersburg's geographical position, port, tourist attractions, and intellectual potential as its trump cards. Development and construction projects have concentrated on transportation and port infrastructure in order to build a goods corridor between Europe and St. Petersburg through the Scandinavian countries. In addition, projects to develop a new airport and a high speed rail corridor have been launched in the hopes of attracting more tourism.

Both St. Petersburg and Moscow have thus come to another turning point in their development, although stemming from very

different sources. St. Petersburg suffers from a deficit of funds needed to implement its strategic plan. Although Popov was optimistic about the planners' realization that construction must heed the needs of the population, this lack of funds combined with slow institutional reform continues to hinder the city's development. Moscow, on the other hand, has plenty of investment capital for construction projects. However, Bocharov explained that the city is already so densely built up that the only room for new construction is underground. Moreover, Moscow planners still do not understand the importance of market forces; rather their work continues to exist only for the promotion of Russia's myth of economic success.

—by Nancy Popson

Vol. XV No. 16 1998
Consumer Sentiment Index in Russia
Aids Policymakers

Russia's new market economic indicator—the Consumer Sentiment Index—can assess consumer sentiment and make short-term forecasts of economic development, reported **Albina Tretyakova-Birman**, Resident U.S. Treasury Advisor to the Russian Finance Ministry and **Richard Curtin**, Director, Surveys of Consumers, at the Survey Research Center, University of Michigan at a Kennan Institute lecture on **26 March 1998**.

The Consumer Sentiment Index (CSI) was originally developed by the University of Michigan's Survey Research Center. In March 1996, the Russian Ministry of Finance and the U.S. Treasury Department established the CSI Russian Group to measure the index and tailor the University of Michigan's methodology to Russia's conditions, Tretyakova-Birman explained.

The CSI draws on the fields of psychology, sociology, and economics and reveals consumers' intentions and incorporates estimations of consumer behavior into market economic analysis. The CSI is calculated from respondent's answers to questions regarding perceptions of their current economic situation, what they believe their position will be in the next six months, how they perceive Russia's economic situation in the short- and long-term, and whether they believe it is a good or bad time to make large purchases.

For each of the questions, a specific index is constructed by subtracting the number of unfavorable replies from the favorable and adding 100 to the difference to

exclude any negative values. The CSI is an average of the specific indexes which helps analyze individual components of the realization of consumer demand. The CSI simultaneously accounts for the changes in all the specific components.

According to Tretyakova-Birman, the most valuable property of the CSI is its ability to forecast changes in the economy. As consumers adapt themselves to conditions and learn from experience, they alter their behavior in accordance with the perception of possible future developments. Consumer perceptions often prove to be right, particularly in transition periods with rapid changes. For example, data shows that consumers predicted not only the decline in production at the end of 1994, but also the deterioration of business conditions in 1996—something which economists failed to do. Consumer behavior, Tretyakova-Birman argued, is the most important factor determining movement of the economy at the microlevel. It is during such a transition that economic models fail to cope with precise forecasts of events because their successful use is limited by the absence of reliable appraisal of structural changes in the underlying interrelationship. During radical change, consumer expectations allow consumer spending and savings decisions to be forecasted more accurately.

In the transition from a centrally planned economy to a market economy, the role of consumers has changed. Under a centrally planned economy, the State regulated consumer behavior through the distribution of goods and services and the control of prices. Now, consumers decide for themselves how and when they will dispose of their income. Today in Russia—and more so as market relations develop further—the index can be used to analyze economic development and decision making. According to Tretyakova-Birman, it is believed that the recent improvement in Russia's economy is strongly linked to strong consumer behavior, so that for the first time, the leading nature of the CSI has manifested itself in Russia. In that sense, the CSI has served as an indicator of the degree of market development in a transitional economy.

According to Curtin, there are some concerns of using such an approach toward the Russian economy: whether the expectations of Russian consumers really matter, whether it is possible to reliably measure them, and once measured whether they will help to predict aggregate economic behavior.

Regarding the importance of consumer expectations, Curtin argued, under a centrally planned economy and constrained consumer choice, there was no need to measure expectations. As constraint is lessened—a characteristic of an emerging market economy—expectations become more important. Curtin noted that as constraints become lower, expectations will have a proportionately greater influence in shaping the course of the economy.

The validity of consumer expectations relies on consumers' ability to obtain and use information. Official information on economic developments is not the sole or even the most important source of information on which consumers base their expectations, Curtin argued. Nor does the validity of the measure depend on duplicating the economist's definition. It is more important that the measures accurately reflect the information that is used by consumers, and match how consumers learn and adapt in the course of their everyday lives.

Can consumer expectations predict macroeconomic trends? Expectations allow people in the models to explicitly assume that consumers are forward looking, adaptive, and have the ability to learn from their experience and anticipate new developments. This is especially important in a transition economy.

In conclusion, Curtin stipulated, the CSI will provide invaluable information to policymakers. The survey data and the CSI have provided reliable information on which to base policies. The index has already helped the Russian government to understand the economic situation and to plan their social and economic policy for the future.

—by Jodi Koehn

Vol. XV No. 17 1998
Advantages and Challenges of
Russian-American Marriages

What do the granddaughter of an American president and the assassin of an American president (Susan Eisenhower and Lee Harvey Oswald, respectively) have in common? They both had Russian spouses, remarked **Lynn Visson** at a Kennan Institute lecture on **8 June 1998**. Visson, Staff Interpreter at the United Nations, interviewed more than 100 couples in the U.S. and Russia to find out the reasons for Russian-American marriages and their inherent problems.

During Soviet times, marrying a Russian was difficult because of the visa

problem. The Soviet Union was reluctant to let men out of the country because that meant one less recruit for the army, as well as the issue of their access to classified information and military secrets. The Soviet Union was also hesitant to have people travel abroad who would reveal Soviet dissatisfaction with the West. A foreigner living in the Soviet Union was an alien body disseminating too much information about the West.

This did not stop Americans from going to the Soviet Union and falling in love with Russians. During the 1920's, in particular, many Americans went to the Soviet Union for ideological reasons. They went to build Socialism and they found Russian reality and romance. During World War II, the image of the enemy was softened by both sides which helped create the illusion that it would be easy for couples to unite. Many couples thought that once the spouse got a visa their problems were over. However, the question of "Did the spouse want me or my passport?" continued and led to some real tragedies.

In the 1960's and 70's, Americans who went to the Soviet Union were treated as millionaires or Santa Claus by Russians who wanted everything from hard currency shops. Russians were as much in love with America as with individual Americans.

In the 1960's when the Soviet Union began to open up, more Russian women than men took the initiative in these relationships. It was easier for women to leave the country because of the problem of military service and classified information. By the 1990's, dating services had begun. According to Visson, from the Russian point of view dating services are primarily an economic phenomenon. These girls—hit hard by unemployment after perestroika—want to make money and have a better life. The marriages emerging from these services are not necessarily ideal, although some of them do work.

What attracts Russians and Americans to one another? Many Americans see Russians as more emotional, intense, and passionate. American men view Russian women as feminine, interested in being wives and mothers. Russian women appreciate American men because they drink less than Russian men. The respect with which American men treat women is also mentioned. In other words, there is a reverse situation in which American men are looking for unliberated women and Russian women seek more liberated men.

Russian men like American women because they do not treat them like children. They are friends as well as wives and are independent. American women consider Russian men to be romantic and strong. They do all of the things that American men do not do: open doors, pay compliments, feel they are taking care of a member of the weaker sex. "For American women used to dealing with men cowed by feminist rhetoric, this Russian protectiveness has great appeal," Visson remarked.

Visson found that many mixed couples who live in Russia have more successful and solid marriages than those living in America. Americans who went to Russia did not do so because of the passport and were more realistic about what they were getting involved in. They generally knew a good deal about Russia and were often fluent in the language.

However, even Russians and Americans who know each other's culture or language can have problems. There is a tendency to forget that a person is not just a Russian or an American, but a combination of many factors: education, class, country, background. Another problem is the difficulty in distinguishing personal from cultural factors. In addition, the spouse sometimes tends to get blamed for everything the culture does.

One of the hardest things for Russian spouses in the U.S. is the lack of friends. The idea of living with parents does not go over very well with most American spouses nor does the idea that a grown man would call his mother every day and view this as perfectly normal behavior.

Visson next discussed the problem of mind set. One of the big problems found in these marriages is a dogmatism in Russian spouses that American spouses complain about; an idea that you are either right or wrong. In America, people are taught not to be categorical. In Russia, to survive, you had to have strength in your convictions.

Finally, there is the difference between the individual and the collective. There is much less of this now in Russia, but the Russian sense is that in a marriage you are part of a collective versus the American sense of "me and what is good for my personal development."

According to Visson, there are a lot of changes with perestroika and with young people. With younger couples, some of the values are getting closer, but national character does not change overnight. The one thing no American married to a Russian has complained of, Visson concluded, is boredom.

—by Jodi Koehn

Vol. XV No. 18 1998
Soviet Actions during the Munich
Crisis of 1938

The handling of the Munich crisis in 1938 was a blunder that defies description, stated **Hugh Ragsdale**, Professor Emeritus of History at the University of Alabama, at a Kennan Institute lecture on **11 June 1998**. Ragsdale was joined by **Mark Kramer**, Director of the Harvard Project on Cold War Studies and Senior Associate of the Davis Center for Russian Studies at Harvard University, in discussing the documentary evidence behind the Soviet reaction to the crisis.

Ragsdale noted that the Munich crisis of 1938 came at a time when Germany's enemies—France, Czechoslovakia, and the Soviet Union—had at their disposal a military force that was certainly six to seven times greater than Hitler's. Moreover, there was a conspiracy within the German army to assassinate Hitler himself. Despite this, France decided not to resist Hitler's designs on Czechoslovak lands. Forty-five Czechoslovak divisions were handed over to Hitler when military assistance from Europe was not forthcoming, and the Czechoslovaks decided not to resist German annexation.

Ragsdale acknowledged that the Munich crisis has been the subject of many studies. However, this literature has focused on the Western perspective, relying exclusively on Western documentation. Newer research coming out of the Czech emigre community has begun to investigate East European documents, but according to Ragsdale these studies are "hotly anti-Soviet in their perspective" and tend to rely only on diplomatic documents. Ragsdale therefore sought to remedy these weaknesses by conducting intensive research on the Soviet and East European side of the crisis using East European and military archival materials.

After careful study of Soviet and Polish literature on World War II and materials in archives in Prague, Warsaw, and Moscow, Ragsdale found what he considers to be conclusive documentary proof that the Soviet Union mobilized forces to the western frontier on a partial but significant scale in late September 1938. These included 60 infantry divisions, 16 cavalry divisions, 3 tank corps, 22 tank brigades, and 17 air brigades. NKVD reports confirm that the mobilization was accompanied by propaganda for enlisted soldiers, who were aware

that they were expected to assist their Czechoslovak neighbors. Ragsdale pointed out that there is also evidence of significant Soviet mobilization of equipment along the Soviet-Romanian border.

Ragsdale's documentary evidence of the Soviet mobilization leads to two questions vital to an understanding of the unfolding of the crisis. First, why were the Soviet actions, which are so well documented in East European literature and archival material, not reflected in Western sources on the Munich crisis? Ragsdale posited that the intelligence agencies of Germany, France, and Britain did not know of the mobilization. In his comments, Kramer agreed that this may have been the case, but also noted that the French leaders knew through diplomatic channels that the Soviet mobilization was underway.

Second, what was the intent of the mobilization? According to information provided to Ragsdale by Ambassador George F. Kennan, the German attaché in Prague on the day of the Munich settlement claimed that, given the absence of lines of transportation and communication between the Soviet border and the Bohemian basin, it would have taken at least three months for the Russians to move even one division into Bohemia. This would suggest that mobilization to come to the aid of Czechoslovakia was unrealistic.

Ragsdale suggested that documents showing the Soviet government's use of diplomatic channels in Paris rather than in Bucharest in order to gain permission to move troops through Romanian territory may point to Bessarabia as the motive for Soviet mobilization. Kramer posited that the mobilization may have been an attempt to strengthen the resolve of the Czechoslovaks and persuade the French to commit forces to the effort. He explained that Soviet mobilization began the day after Soviet leaders were informed that France and Britain would not assist Czechoslovakia. Therefore, mobilization which took place without hope of actually being able to provide timely assistance could have been posturing for the benefit of the Czechs and French.

Kramer pointed to several other implications of Ragsdale's research in his remarks. First, he posited that the events of the Munich crisis and in particular the Soviet mobilization may have influenced the cooling of relations between Czechoslovakia and the Soviet Union. Soviet emissaries had repeatedly informed the Czechoslovak government that

the Soviet army would also join the effort should the French lend military assistance. However, they were far more ambiguous regarding what they would do if the French decided to stay out of the crisis. Kramer suggested that knowledge of the mobilization raised the expectations of the Czechoslovaks despite these ambiguous statements, and when aid was not forthcoming, relations between the states were affected.

Second, Kramer noted that Ragsdale's research shows how complicated Romanian-Soviet cooperation was. Despite public diplomacy, which would lead one to believe that there was little to no cooperation between the Romanians and Soviets, Ragsdale's early research into this dimension of the Munich crisis shows that there was much more going on behind the scenes.

—by Nancy Popson

1998–99 PROGRAM YEAR

Vol. XVI No. 1 1998

Media Development in Ukraine

TV today plays an enormous role in the political life of Ukraine, reflecting the struggle between different financial and industrial groups, branches of power, and regional clans, said **Oleksandr Rodnyansky**, General Director of the Ukrainian TV broadcasting company 1+1, at a Kennan Institute lecture on **21 September 1998**. He explained that the Ukrainian TV and media industry has overcome many obstacles, but that it still faces severe political pressure.

Rodnyansky remarked that it became apparent during the 1994 presidential election campaign that media had played a critical role. In response, President Kuchma and his team decided urgent development of media was necessary. Rodnyansky described a three-prong approach adopted by the executive branch: enactment of legislation to define the TV market; implementation of a plan to find new partners for the old state channel UT-1, which was only garnering a 7 percent market share nationwide; and creation of a new channel, UT-2, that would replace Russian Public TV (ORT) programming.

First, the National Council for TV and Radio Broadcasting was created in order to give out licenses. According to Rodnyansky, today more than 350 licenses have been distributed, including local channels and those that share frequencies. He noted that this number is very

likely more than in all of Europe. Then in 1995, international partners were sought for UT-1. Rodnyansky explained that the government hoped to find partners to bear financial responsibility and increase audience shares through entertainment programming, while leaving political control over news and analytical programs to the state.

Rodnyansky, with the backing of German firms, answered the call for UT-1 partners. Through sharing time on UT-1, the channel's audience share went up to 35 percent by 1996. When the tender was announced for licensing on UT-2 in November 1996, Rodnyansky and his colleagues created the new independent channel 1+1, which received backing by an American-British firm and began broadcasting in January 1997.

Rodnyansky characterized 1+1 as a channel aiming to "build Ukraine's national house." The channel, which is entirely Ukrainian-speaking and produces all of its own shows in Ukraine, tries to join people of very different religious, ethnic, and regional backgrounds into one nation. The fact that 1+1 has never attracted less than 30 percent of the audience share illustrates to Rodnyansky that their viewers, who are primarily young, identify themselves as citizens of a new country.

Rodnyansky demonstrated that the largest difference between the media situation in Russia and in Ukraine is that there are no foreign investors among the Russian national TV channels. Of the four national channels in Ukraine, two are joint ventures with American firms and one with a Russian firm. Moreover, Rodnyansky noted that in Ukraine, oligarchic financial powers are unable to exert exclusive control over the media. Rodnyansky stressed that this is not because they have no interest in influencing the media, but that they lack the financial resources to do so.

This does not mean that political pressures are not felt, however. Rodnyansky illustrated this with a personal example: the license for 1+1 has been jeopardized by leftists in the parliament who wanted to retract the license to give it to a company that would be called "public TV," but which was actually formed by companies close to Moroz' financial circles. While 1+1 eventually triumphed, they had to do so in three different courts, including the supreme arbitrary court of Ukraine.

Regarding the level of objectivity among media outlets, Rodnyansky reminded

the audience that before 1994 Ukrainians did not understand what freedom of the press was. Today, although certain newspapers or channels may not present balanced opinions, every possible point of view is represented when one looks at the media landscape as a whole. Rodnyansky suggested that this was a major step forward.

Rodnyansky also noted that the experience gained in covering the March 1998 parliamentary elections has helped the field to mature. He attributes the large turnout at the polls in part to the TV shows, and in particular to the interest generated by live debates between candidates. Rodnyansky reported that there was immense pressure placed on the media to support one or another party during the campaign, but some outlets, such as 1+1, were able to remain independent.

Rodnyansky remarked that there is an image of Ukraine as a country with a certain level of corruption, an underdeveloped level of political and civil society, and lack of economic reform. While he admits that this may be partly true, he also pointed to the younger generation as a cause for hope. He noted that it is the twenty-seven year-old businessmen who are now feeding their extended families while their parents wait for delayed salary payments. These business people are energetic and pragmatic, and many of the new parliamentary deputies are from this group. Rodnyansky also sees the existence of clan and regional rivalries as an advantage for Ukraine. They create a balance in the country that can be credited with the social stability of the past seven years. He concluded that although this situation of regional clans may not be ideal, the stability it brings provides breathing room for further political, economic, and social development.

—by Nancy Popson

Vol. XVI No. 2 1998
The Successes and Failures of
Capitalism Russian-Style

Capitalism Russian-style is a sharply distorted economy directed toward commodities export—which in the present circumstances is both a source of difficulty and a source of stabilization, remarked **Thane Gustafson**, Director at Cambridge Energy Research Associates at Georgetown University, at a Kennan Institute lecture on **5 October 1998**. According to Gustafson, there are three main approaches to the question

of “what is Capitalism Russian-style?” The first is the composition of output and the balance among sectors. The old imbalance—the over-emphasis of manufacturing and defense goods production and the atrophy of the tertiary and consumer sector—has been replaced by an overdeveloped export-oriented commodities sector resulting in a new tertiary sector of services, particularly in the area of finance.

Second, it is important to examine the degree of penetration into the market economy. In Russia, there has been incomplete penetration of money, western standards of law, and private property accompanied by continued dependence on the state and an epidemic of non-payments. This has led to a “virtual economy” or the portion of the economy not penetrated by the money economy. The virtual economy has resulted in a system of barter exchange as a way to avoid adapting to the market economy and acts as a defense against a predatory state with an impossible tax regime. To some extent, every Russian enterprise has one foot in the virtual economy.

Third, is the degree of Russia’s success in building needed private and state institutions. Russia has failed in both market-building and state-building, Gustafson remarked. On the market side, there is a lack of intermediating institutions in capital markets and institutions to support shareholders’ rights and corporate governance.

The state’s failure to protect property rights and contracts and create a sound monetary and fiscal system is accompanied by incomplete privatization and lack of agricultural reform. The result is a country overwhelmingly dependent on imported goods.

The failure of state-building is more serious, Gustafson argued, and the recent crisis is a good illustration. Recent government short-term borrowing has absorbed private capital which, in turn, lessened project investment.

The Russian state also failed to build an orderly treasury system, requiring commercial banks to manage state revenues by default. When the private banking sector collapsed, government financial flows went down with it. However, Gustafson remarked, the role of banks in the movement of money in the Russian economy shows that these were not pseudo-banks and this was not a pretense market economy. The commercial banking system had penetrated, even into

areas ordinarily handled in other countries by the government.

Regarding the possibility of continuation of Capitalism Russian-style, Gustafson stipulated that the present system is the result of a halfway revolution, but a revolution nonetheless and, therefore, not easily undone. A return to a centrally planned economy would require an institutional structure, a structure for political power, and an ideological structure that was swept away. A weak government and complete lack of ideology are incapable of rebuilding what it took Lenin and Stalin twenty years to build, Gustafson argued.

An economic worst case scenario, Gustafson stated, would be the continued and chronic inability of the central government to collect taxes and balance its budget. The consequences being continued high inflation and a growing exit of the private sector into the shadow economy. Serious investment in such an environment is impossible. This will lead to the eventual deterioration of the one remaining strong segment of the economy, the commodities export sector.

Gustafson’s political worst case scenario follows from the economic worst case. What has kept Russian democracy alive is the willingness of 60 percent of the voting population—mainly urban population and young voters—to suspend disbelief and support the government. These are the people hit particularly hard by the crisis and are potentially dangerous if they take to the streets or support an authoritarian figure.

There is a best case scenario in Russia, Gustafson concluded. The present crisis is a crisis of the central government, underneath which are popularly elected regional governments that, politically, are forces of stability. The commodities sector is another major source of stability. Russia must export and so far can continue to do so. It will be another five years or so before its export capacity begins to run seriously downhill.

According to Gustafson, there are more subtle causes for optimism such as a build-up of skills and understanding about the realities of modern economies and little sign of radicalization of the population. There are no deep-seated ideologies at war with one another, no highly developed political movements ready to take advantage of them, and no strong personalities with the political charisma and organizational talent to take advantage of a wave of popular anger. For

Gustafson, the greatest source of optimism is that “the Russian people still appear to be willing to wait a little longer.”

—by Jodi Koehn

Vol. XVI No. 3 1998

Building a Relationship with Ukraine

Meeting the challenges of the economic transition is the main requirement for the success of Ukraine’s independence as a democratic state, declared **William Miller**, former ambassador to Ukraine and Public Policy Scholar, Woodrow Wilson Center, during a Kennan Institute lecture on **28 September 1998**. It is not only a Ukrainian problem, he added, but also a challenge to those friends of Ukraine in the West who believe in the stability and success of an independent democratic Ukraine and its critical importance to the security of the new Europe.

Miller made his first of many trips to the Donetsk region during 1993–1994 in the hope that his personal encounters would be the opening chapter in the creation of a relationship between Ukraine and the United States. The largest region in Ukraine, Donetsk is located in the Donbass coal fields and boasts many of the industrial and agricultural crown jewels inherited from the Soviet era. Control of assets and resources of Ukraine were the prize in the competition for economic and political power, and the experiences of the citizens of Donetsk reflected the experiences and consequences of this competition.

The delegation to the Ukrainian Rada from Donetsk was a mixture at the time of communists, socialists, and liberals. The liberals embraced the new Ukraine as an opportunity. They were comprised of entrepreneurial people between their 30s and 50s who had their roots in Gorbachev’s reforms of the 1980s, having taken advantage of his maxim “that which is not forbidden is permitted.” They began to acquire wealth and companies, and were called at times red directors or mafia, but most often *biznesmen*.

Donetsk was also a major stronghold of communist strength, and those pushing for economic liberalization were opposed at every turn. All political groups in Ukraine were aware that control of the assets in Ukraine, whether under the control of the state or in private hands, would be a key source of political power and wealth. Miller stated that it was evident from a number of meetings with those supporting the new ways, and the communists who wanted to

change as little as possible, that a fundamental conflict of values was underway. In the long run, this conflict would affect the constitutional basis of the state itself.

As the old system was collapsing, the new *biznesmen* had managed to gain control of the mines and factories. These new directors were regarded with skepticism and deep resentment by miners and workers, who had seen a radical fall in the real value of their wages, an erosion in the social safety net, strains on the education and health care systems, and the loss of a promise of lifetime employment. For most of the population, except for the *biznesmen*, the standard of living had fallen to one-fourth of the level before independence.

Perhaps more importantly, the workers had lost their sense of place in society. Miller recounted an experience of being given a tour of an anthracite coal mine, the deepest in Europe. One mile beneath the surface—not far from a chamber that had been rocked by a methane gas explosion a year before his arrival and continues to burn to this day—he listened to a miner tell his story. Over his twenty-five years of working in the mine, he had been awarded numerous citations and medals and had enjoyed a decent standard of living with generous benefits. Now, miners had a hard time even supporting their families. The diminishing social value of labor combined with the erosion in material well-being resulted in a loss of dignity and sense of purpose, and was emblematic of the problems of workers in Ukrainian society.

The difficulty of the transition has placed strains on the developing relationship between Ukraine and the West. Assistance has flowed mainly from the IMF and has been conditioned on economic, and especially macroeconomic, reform. Ukraine viewed with skepticism prescriptions from the IMF they perceived as being imposed without consideration of Ukraine’s particular circumstances. Miller noted that while the IMF’s recipe for monetary policy has worked fairly well, the economy is in a catastrophic condition. While exports could help Ukraine’s economy recover, it has found that access to Western markets remains restricted for various reasons. At the same time, Ukraine has been obliged to lower its tariff barriers in accordance with WTO standards as part of the IMF program. Integration into the world economy, while a pleasant slogan, is a tough task, Miller commented.

The relationship between Ukraine and the U.S. continued to develop in this context. There were the recurring questions about bilateral relations and whether the U.S. would continue to support Ukraine after it had surrendered its nuclear weapons to Russia. More important, Miller noted, were questions about values and what the U.S. thought of the new *biznesmen*. Their most fundamental question, however, was would independence bring about a better life and would the economic situation improve? Their response, Miller stated, was "we will work, no matter what, in the hope that it will get better."

—by Joseph Dresen

Vol. XVI No. 4 1998

Nuclear Waste Management in Russia

The cold war was really a minute battle in the long nuclear war, the question is now are we prepared to win the remainder of the war, which is the legacy of nuclear waste, remarked **Thomas Jandl**, Director of Bellona USA in Washington, D.C., at a Kennan Institute lecture on **19 October 1998**. The Norwegian environmental group, Bellona, was established after the 1986 accident at the Chernobyl nuclear plant in Ukraine. Bellona concentrates its efforts on northwestern Russia, where the former Soviet Union built and operated a large fleet of nuclear powered submarines on the Kola peninsula, adjacent to the Norwegian border. The group is primarily concerned with the tail end of the nuclear pipeline—nuclear waste management. In his lecture, Jandl explored the roles played by Russian military culture and international cooperation in nuclear waste management in Russia.

Russia is a society in which military culture is very much ingrained, commented Jandl. At the present time, Russia is under a new system, has a new place in the world, and is clearly facing an identity crisis. Moreover, with NATO enlargement creating a defense alliance right at Russia's borders, Jandl stated that many in Russia, not just the nationalists, feel the need to slow down disarmament and justify military secret decrees and commissions as a necessary measure. However, according to Jandl, groups in the Duma are passing and implementing secrecy laws which make it ambiguously illegal to do any type of research, including nuclear waste research, as he evidenced with the Nikitin case.

Aleksandr Nikitin, a retired nuclear submarine captain in the Russian navy and

nuclear engineer, worked with Bellona in generating a report on the Russian Northern Fleet's problems with its nuclear powered vessels and with the storage of spent nuclear fuel and other radioactive waste. Nikitin was subsequently charged with treason for these actions. The charges were based on secret decrees, which the court later ordered the military to release. Jandl remarked, that many are encouraged by this decision and believe that this could be a watershed trial.

Jandl was also optimistic about the current shift taking place in Russia, in which nuclear waste management projects are being transferred from the military to MINATOM—the Ministry of Atomic Energy of the Russian Federation. This shift mirrors the dualistic system in the U.S., in which the military produces the weapons and the Department of Energy manages the waste, and should be completed late this fall. However, it is not yet clear how this will specifically affect nuclear waste policy. Jandl remarked that the one option that can challenge the existing culture of defense would be the entry of large corporations into the nuclear waste management process, who would in turn bring large amounts of money into Russia.

Regarding potential industry involvement, Jandl noted that his organization has discussed with members of U.S. and European industry and the Russian government, means by which industry can increase its participation in clean-up efforts. Large corporations and government laboratories that are semi-private and semi-government have already conducted feasibility studies, yet without an agreement on proper policy, corporations are unwillingly to pour large amounts of money into a potential solution.

Bellona is currently working on a general nuclear waste management strategy with American policymakers to ensure that a clear policy for U.S. military and civilian agencies to engage in cooperative programs in Russia exists. Currently, the U.S. maintains its policy against funding projects that involve reprocessing nuclear waste, due to proliferation considerations. This is in opposition, according to Jandl, to the solutions proposed by Russia, which will only be efficient if the end result is the reprocessing of fuel. While Russia acknowledges that there currently is not a market for reprocessed fuel, they want to keep their options open for this possibility in the future. Although Bellona is against the reprocessing of

nuclear waste, Jandl did remark that this is an issue that requires an open debate between the opposing viewpoints.

However, Jandl asserted, there are groups on both sides attempting to move the waste management process forward. Jandl stated that despite its involvement in the Nikitin case, Bellona still has a fair amount of support from those in the Duma who want to move the process forward. Bellona has formed a working group which brings together members of the Russian Duma and administration, with their European counterparts, and—at the request of the Russians—with representatives of the American government and policy community.

On another encouraging note, Jandl commented on the agreement between Russia and Norway. This agreement exempts Norwegian aid from taxes, duties, and fees and also rules out legal measures against Norway, Norwegian personnel, or suppliers in the event of an accident. Previously the lack of such an agreement threatened to end crucial and imminent projects. The agreement is now being extended to other specific projects which include the U.S. Department of Defense.

—by Allison Abrams

Vol. XVI No. 5 1999
From “Criminal Communism to
Criminal Capitalism”

“Russia’s problem is not economic and it has never been economic—it is basically a moral problem and until that problem is solved, no reasonable economic system, no market economy...has a chance of taking root there,” remarked **David Satter**, Senior Fellow, Hudson Institute, and Visiting Scholar, School for Advanced International Studies, Johns Hopkins University, at a Kennan Institute lecture on **9 November 1998**. According to Satter, when the time came to create a new democratic society in Russia, the failure of both the west and Russia to understand the true nature of communism—its denial of universal morality—led instead to the rise of a criminal state.

The communist regime systematically abolished normal criteria and promoted the view that universal values did not exist, only class values, noted Satter. He also explained that the need for a legal framework for social and political activity—the idea that without legal and moral rules it is impossible to create a just society—was ignored. The communists maintained that once private property was

abolished and production socialized, a classless society would result. In a similar vein, Satter commented, the young reformers of the 1990s argued that once state property was put into private hands, a state based on law, as well as a democratic and prosperous society, would evolve. Satter asserts that it was this lack of legal and moral rules that prepared the way for the creation of a criminal state in Russia.

Satter divided the transition from “criminal communism to criminal capitalism” in Russia into three basic stages: hyperinflation, privatization, and criminalization. Hyperinflation began on 2 January 1992, when the Gaidar government freed virtually all prices, consequently wiping out the life-savings of millions of Russians. According to Satter, this same government also chose to ignore a law passed by the Supreme Soviet that called for the indexation of savings accounts in the event of price liberalization, deeming it the responsibility of the old regime. Yet while the majority of population was being driven into poverty by inflation, a group of well-connected insiders were becoming very rich.

Satter mentioned several ways in which people with access to the state budget and ties to state officials were able to amass wealth including: establishing and fooling the public into investing in pyramid schemes, speculating in dollars, obtaining lucrative licenses to export raw materials, and appropriating and collecting interest on state credits that were supposed to support industry. Satter asserts that by the time privatization got underway, the country was already divided into a class of people who had no hope of participating in it and a group of people who, as a result of their ability to obtain unearned wealth, were in a position to appropriate the state’s resources and assets.

The period of hyperinflation was preceded by “wild privatization,” during which government and party officials began to privatize whatever they could get their hands on, noted Satter. Former government officials who had once been in charge of state resources now became the new owners and proceeded to sell off these resources. In addition, an amendment to the law on cooperatives allowed factories to create cooperatives within the framework of the factory, which encouraged massive theft as factory directors were now given the means to establish cooperatives through which to write off and sell factory supplies.

However, according to Satter, the real theft of the state's most valuable enterprises began with money privatization in 1994. At "public" auctions for state property, the bidders for the most desirable enterprises were well-connected to local officials and often the results of these auctions were largely determined in advance. The loans-for-shares program, in which the government exchanged shares of enterprises for loans, greatly benefited the banks empowered by Yeltsin in 1993 to handle government accounts. These banks used government money to make short-term loans at extremely high rates of interest. Then, having made a profit using the government's money, the banks were able to loan it back to the government in exchange for valuable enterprises. This is how the much talked about oligarchy was created and came to dominate the political and economic scene, explained Satter.

Satter then commented on the final stage of the rise of the criminal state in Russia—criminalization. In short, the first cooperatives were established at a time when all property in the Soviet Union belonging to the state was completely unprotected. It was also illegal to have a private security service. Both these factors made the first Russian businessmen attractive targets for criminals. As the number of independent businessmen grew, the underworld experienced phenomenal growth. With no one to protect them, Russia's new economic elite, largely composed of corrupt insiders, had no choice but to turn to criminal gangs for protection. Eventually, Russian businessmen found gangsters useful in other aspects of business, including curbing the growing epidemic of non-payment of debt.

According to Satter, as these groups became more interwoven, the entire commercial and political apparatus in Russia was corrupted. On a final note, Satter reflected that the only rule in business and political life in Russia continues to be the rule of force and that without law, Russia has no hope of resurrecting itself.

—by Allison Abrams

Vol. XVI No. 6 1999
Russia's Economic Crisis and the
Ruling Elite

The current crisis in Russia is a systemic collapse not a sign of renewal, remarked **Donald Jensen** at a Kennan Institute lecture on **16 November 1998**. Jensen, Associate Director of Broadcasting, Radio

Free Europe/Radio Liberty, Prague, noted that Russia needs good governance, the rule of law, and the values of good citizenship.

Jensen gave both proximate and larger causes for the crisis. According to Jensen, the proximate causes are: financial aspects such as the decline in oil prices and other commodities and continued poor tax collection; the confidence problem brought by the Asian financial difficulty and the misuse of the IMF's July 1998 loan installment; and the political results of Yeltsin's erratic leadership, health problems, and the personality-driven policy making of the past few years.

One of the broader causes for the current crisis is the failure to implement sustainable economic reform policies that had adequate domestic support. The recent policies emphasizing macroeconomic stabilization and control of inflation have not worked. The stabilization that had been the center of Russian economic achievement is now gone. The speed at which the crisis unfolded indicates the broader problem of how Russia was trying to govern itself and implement reform.

The Russian state has become even weaker and is unable to implement many policies or stop capital flow outward. The result, Jensen stipulated, is a fragmentation of power, from the center to the regions and from the so-called official government institutions to interest groups and quasi-state institutions. This fragmentation—sharpened by the impending presidential succession struggle—is the fundamental problem confronting Prime Minister Yevgeny Primakov and any future Russian president.

Jensen then turned to a discussion of Primakov and the role of the oligarches. According to the speaker, Primakov's government, with its representatives from industrial, regional, financial, and social groups, constitutes an elite consensus that seeks to keep Russia away from the political, social, and economic abyss and somehow hold out hope for a future government and presidential administration by buying domestic stability and managing the decline.

Primakov is thus far managing to balance the main interest groups in the society, much as Yeltsin did. The problem, Jensen noted, is that Primakov lacks the legitimacy that Yeltsin had as an elected president. If he begins to act in a more "presidential" manner, he risks losing credibility as a neutral arbiter—which is his appeal right now.

The fundamental truth in current Russian politics goes beyond the oligarches, Jensen noted. Elites govern the country. Much of politics is informal not formal—formally portrayed in constitutions and laws. Power is highly personalized and often money is the currency of political power. The distinction between public and private power is blurred. This, combined with weak institutions, creates a system ripe for the influence of strong interest groups.

The oligarches are rearranging themselves because, Jensen noted, the system is fundamentally elitist and arguably anti-democratic. There are no intermediating government institutions to balance the demands for a civil society as the West understands it. Some oligarches such as natural resource exporters like Gazprom and Lukoil are better positioned economically to take advantage of the current situation than others.

What is Russia's future? Jensen discussed three possible scenarios. One is a slow economic and political recovery focusing on the institutionalization of democratic processes, repatriation of money from abroad, and reform of the tax system. The second is continued degeneration and decline until Russia somehow reaches equilibrium. Third would be an authoritarian variant under a leader like Krasnoyarsk oblast' governor and former National Security Chief, Aleksandr Lebed, in an attempt to restore order under authoritarian means. Jensen remarked that the second scenario is the most likely.

The upcoming legislative and presidential elections will be accompanied by a radical rewriting of the constitution in a way that diminishes the power of the presidency and probably increases the power of the Duma and the Council of Ministers, Jensen remarked. This is a systemic crisis of governance as well as the exhaustion of the powers of a particular president. The programs of the three leading presidential candidates—Lebed, Moscow Mayor Yuri Luzhkov, and Communist Party head Genadii Zyuganov—are more assertive, nationalistic, and advocate a greater state role in the economy.

The regime needs legitimacy, Jensen concluded. Russia has not just undergone economic collapse. Building on a statement by Alan Greenspan, Jensen noted that culture matters, but so does good leadership and good policy. Russia seems to lack all of the above.

—by Jodi Koehn

Vol. XVI No. 7 1999

East German Pressure on the Soviets to Build the Berlin Wall

The East Germans had much more power over the Soviets than was previously understood in the Berlin Crisis and the building of the Wall, remarked **Hope Harrison**, Assistant Professor, Department of Government and Law, Lafayette College, and Title VIII-Supported Research Scholar, Kennan Institute at a Kennan Institute lecture on **4 December 1998**. Harrison was supported by discussant **David Murphy**, former CIA Station Chief, Berlin, 1954–61, who agreed that the “East German tail wagged the Soviet dog” in the months leading up to the construction of the Wall.

Contrary to the previous view of the cold war, Harrison argued, the East Germans did exert various forms of power over the Soviets. Khrushchev was deeply committed to the triumph of socialism over capitalism in Germany, remarking that, if socialism did not win in East Germany, then the Soviets would not win. The East Germans learned from this that they could parlay the weakness of their regime into strength in bargaining with the Soviets.

East German motivation to solve the problem of their citizens fleeing to capitalist West Berlin and West Germany and their willingness and capability to act unilaterally were very important in the crisis.

Another source of East German influence was their non-implementation of Soviet policies—in particular, “socialism with a more human face.” Finally, the Berlin crisis occurred at the same time as the rift between the Chinese and the Soviets which the East Germans learned to use to their advantage, using the “China card” to put pressure on the Soviets.

How did the crisis begin which ultimately led to the building of the Berlin Wall? Harrison described Khrushchev's November 1958 ultimatum to the Western powers which set a six month deadline and demanded the signing of a peace treaty (still not concluded since World War II ended), either with a united Germany or with the two existing Germanies, and that West Berlin be transformed into a demilitarized free city. If these demands were not met, the Soviets would sign a separate peace treaty with East Germany and turn over control over the access routes between West Germany and West Berlin to East Germany.

Khrushchev believed the “free city” idea was a way to solve East Germany's

refugee problem. If West Berlin was a neutral city and less capitalist, then East Germans would not be so eager to migrate there. East German leader, Walter Ulbricht's solution to the problem was to either take over West Berlin or close the border. Initially, Khrushchev refused to allow the East Germans to close the border in Berlin because he felt it would exacerbate the tensions of the cold war and make communism look bad.

Ulbricht blamed the Soviets for the refugee problem and East Germany's economic problems. In January 1961, he wrote to Khrushchev blaming Soviet post-war reparations policy for the current East German crisis. He pointed out how much the Soviets took out of East Germany in the nine years after World War II when the U.S. was investing, largely through Marshall Plan aid, in West Germany.

Pressure from the East Germans to close the border continued in the spring and summer of 1961. Soviet communications from East Germany to Moscow increasingly stressed Ulbricht's desire to establish control over the border, close "the door to the West," and reduce the problem of East German citizens fleeing to West Berlin. At a Warsaw Pact meeting in March 1961, Ulbricht asked for permission from Khrushchev to close the border and was told to wait until the June 1961 meeting in Vienna with President Kennedy. After the meeting, Khrushchev—dissatisfied with the talks—agreed to close the border.

What did the Berlin Wall accomplish for Khrushchev? It saved the East German regime, eased economic pressure on the Soviet Union and other socialist countries to help East Germany, and kept Ulbricht's power limited to East Berlin, thereby taking some control away from him, Harrison argued. Finally, Khrushchev hoped the Wall would show the Chinese and others that he could stand up to the "paper tiger" West. Even after the Wall, however, Khrushchev was afraid of Ulbricht's unilateral behavior continuing. He wrote to him in September 1961 arguing that actions which could exacerbate the situation in Berlin should be avoided.

Harrison discussed what lessons could be learned from this. Soviet caution in building the wall on East Berlin territory and starting gradually with barbed wire is important. Only after it was evident the West would not resist were concrete bricks used. The most important lesson, according to Harrison, was the importance of alliance politics and the interaction between adversaries

during the cold war. It is not enough to look only at U.S.-Soviet relations to understand this and other important periods of the cold war. A final lesson was the crucial role of economics in the cold war. A month after the construction of the Wall, Ulbricht wrote to Khrushchev that, "the experiences of the past years have proven that it is not possible that a socialist country such as the GDR can carry out a peaceful competition with an imperialist country such as West Germany with open borders."

—by Jodi Koehn

Vol. XVI No. 8 1999

The Legacy of White Foreign Policy

"Current Russian foreign policy finds itself faced with the very same problems that the Whites tried unsuccessfully to solve from 1917–20: retaining great power status and imperial ambitions at a time of decline and disintegration," remarked **Anatol Shmelev**, Researcher, Russia/CIS Collection, Hoover Institution, Stanford University, and Title VIII- Supported Research Scholar, at a Kennan Institute lecture on **15 December 1998**. Shmelev was joined in his discussion on the White movement's foreign policy and its parallels with the current situation in Russia by discussant **Vladimir Brovkin**, NATO Research Fellow, Program Coordinator, United Research Centers on Organized Crime in Eurasia (URCoCE), American University, and former Title VIII-Supported Research Scholar, Kennan Institute.

The ultimate goal of White foreign policy was defined in the slogan, "a great united Russia." This policy both defined the White movement and united the various anti-Bolshevik factors, and for these reasons was strictly adhered to despite the difficulties it caused. White foreign policy makers, unable to see the changes both the revolution and the end of the war wrought, sought to preserve imperial Russia and its foreign policy despite a weak administration and the lack of a strong military with which to enforce this policy. This aim of a restored Russia, primarily motivated by geopolitical considerations, problems of national security, and strategic concerns, eclipsed the basic goal of the White movement—the struggle against the Bolsheviks, commented Shmelev.

Shmelev noted that the Whites began their struggle not against the Bolsheviks, but against the "Germano-Bolsheviks." They viewed the Bolsheviks as German agents who would disappear of their own accord

after the war, and therefore did not feel it necessary to separate the war against Germany from their conflict with the Bolsheviks. The Whites' belief that the Allies thought along the same lines proved to be an important misconception, which the Whites came to realize after the armistice ending World War I was signed and Allied interest in intervention tapered off, remarked Shmelev.

The Allied powers maintained an apprehensive attitude toward the Whites in part because many in the West viewed the Whites as reactionaries, who had shown little sign of democratization or popular support, but also partly due to White foreign adventurism. Shmelev maintained that in addition to military aid, the White movement hoped for moral encouragement from the Allies, in the form of recognition of their government. In addition to opening lines of credit and uniting various anti-Bolsheviks elements, the Whites expected recognition to secure treaties that were made with preceding Russian governments, which could have potentially expanded Russian territory into areas that would threaten Allied interests. One example of this was the Whites' continued insistence on the annexation of Constantinople and the straits.

Instead of trying to alleviate Allied fears and ensure support, the Whites continued to be more concerned with Russian territorial unification and expansion, commented Shmelev. He remarked that this mind-set also explains the Whites inability to come to terms with the breaking away of the border regions, including Finland, the Baltics, and Ukraine, and the lack of attempts to induce them to intervene in the civil war, which many have speculated could have produced a different outcome. The Whites felt that the splintering of "Russia" would lead to economic, political, and military inviability of the border regions, which would result in their subjugation by hostile foreign powers, Shmelev remarked.

The real legacy of the White movement, Shmelev concluded, is that the "great united Russia" concept forms a powerful consideration in the formulation of Russian foreign policy across temporal and ideological boundaries. This is especially important to bear in mind in viewing current Russian foreign policy.

In his comments, Brovkin agreed that this "continuing great power ambition of Russian rulers" is truly one of the legacies of

the White experience. He also remarked that he is inclined to compare the years 1919 and 1999, as the same feeling that Russia is in need of a "strong hand," is present now in Russia, as it was in 1919. Brovkin noted that the Whites were originally greeted as liberators who would save Russia from the chaos and anarchy that came with the beginning of Bolshevik rule. However, instead of returning law and order to Russia, the nation was "split into pieces with only the pretense of a national government." Brovkin remarked that he is not predicting that this will occur in 1999, but that this cannot be excluded as a possibility.

Brovkin also reflected on the importance of the role that Allied intervention played in the Russian civil war. He noted that the White government was in actuality only a "virtual government"; a government lacking any structure or real administration. For this reason, Brovkin contended, Allied intervention played a marginal role in the failure of the White movement as a whole, as the Whites were unable to take advantage of Allied aid due to corruption and the collapse of authority in their own government. Shmelev agreed that the domestic failures of the Whites were certainly the key to their overall failure, and their foreign policy must be considered within this context.

—by Allison Abrams

Vol. XVI No. 9 1999 Relations between Local and Regional Governments

At a **7 January 1999** lecture at the Kennan Institute, **Alfred Evans**, Professor, Department of Political Science, California State University, Fresno, discussed the increasingly confrontational relationship between local and regional governments, and its parallels with the relationship between the national and regional governments.

Evans noted that the presidential administration's drive toward centralization intensified after Yeltsin's confrontation with the Duma in 1993. In theory, local governments were accorded a great deal of independence in Russia's December 1993 Constitution and its 1995 law on local self-government, but in reality remained highly dependent. While Yeltsin attempted to centralize power nationally, regional governments attempted to centralize authority within their regions. Thus, there ensued a similar power struggle between the national and regional, and regional and local governments.

After 1993, the President appointed regional governors, who then appointed the heads of the local governments within their region, thereby creating a vertical hierarchy, in which regional governors were accountable to the President and local chief executives were accountable to their regional governor. Evans also remarked that regional governments were given much responsibility for the development of local self-government, despite their obvious interest in centralizing power within their own region and suppressing the independence of these governments.

Another factor encouraging centralization within each region was the lack of financial independence of the local governments. Evans commented that at the time, most locales in Russia were experiencing an economic decline, accompanied by a decrease in the already small amount of local tax revenues. Due to such a lack of income, the town of Semënov in the Nizhny Novgorod region—an area Evans studied during 1994–95—did not even adopt a budget in 1993 or 1994, and was well into 1995 before one was created.

In addition to these financial constraints, Evans noted that higher levels of government and enterprises unloaded more responsibility for housing and services on local governments. As their tax revenues are inadequate to support their responsibilities, local governments are forced to appeal to higher levels of government, mainly the regional level, for assistance. Meanwhile, in many cases, regional governments are themselves appealing to the national government for assistance. Evans remarked that due to the tremendous decline in the economy, basic questions of survival have come to the fore as evidenced by Semënov's appeal for assistance during the winter months to keep its boiler houses operational, to provide heat for homes, schools, hospitals, and other institutions.

In general, the regional governor has much discretion in the distribution of financial assistance. By 1994, executive dominance was seen not only on the regional level, but also on local and national levels. In the local administration, the chief executive filled the role previously occupied by the first secretary of the local communist party organization, who was broadly responsible for all district matters. To obtain much needed assistance, the local chief executive found it necessary to rely on close personal

ties with the regional governor. Regional governors, for their part, were able to use this situation to build strong local support bases within their regions during 1994–95.

The advent of elections at the regional and local levels in 1996–97, brought about changes in the relationships among the three levels of government. Regional governors are now elected by popular vote and are no longer indebted to the President for their positions. Local chief executives are now either directly elected or chosen by the locally-elected legislative body. In addition, though the power base of the regional governors within their region has been examined very little, Evans has observed that most governors who seek reelection seem to rely not on party organizations, but on local officials to mobilize support within a region.

Evans argued that recently many well-publicized battles between local officials and regional governors suggest an increasingly adversarial relationship. In addition to the tension arising from shortfalls in subsidies from regional governments, there is the perception on the part of some local chief executives that they are being used as a buffer between the regional governor and the population, with the local officials being blamed for shortcomings, while the regional governors take credit for successes. Moreover, while a few years ago local executives spoke of the need to ask or petition (*prosit'*) for financial assistance from the governor, now they describe themselves as trying to dislodge or beat out (*vybit'*) funds.

As in Semënov, local officials often complain that the funds they do receive are “crumbs”—inadequate to satisfy the pressing needs at the local level, which greatly weakens their authority. Evans noted that local governments which have been unable to obtain needed assistance, have attempted to facilitate barter agreements for services and goods, even trading abroad (mostly with countries of the former Soviet Union). As vertical relationships have come under increasing stress, local officials attempt to strengthen various types of horizontal ties

—by Allison Abrams

Vol. XVI No. 10 1999
**U.S. Policy on Ukraine: Looking
to the Future**

Many people in the U.S. who have been working on Ukraine over the past several years have felt they were swimming up-

stream, remarked **John Tedstrom**, Research Leader for Russian, Ukrainian, and Eurasian Affairs at RAND Corporation in Washington, D.C. at a Kennan Institute lecture on **11 January 1999**. He posited that perhaps it is not that they have been swimming upstream, but swimming in the wrong river.

Tedstrom suggested that a strategic adjustment is necessary in U.S. policy toward Ukraine in order to shift to “the right river.” The essence of that adjustment is for the U.S. to stop focusing on Ukraine as a former Soviet Republic and begin to look at it as an emerging European country. Tedstrom noted that 1999 is the year for this strategic adjustment to take place, as both the geopolitical conditions and the course of Ukraine’s own “European choice strategy” have created ample opportunities for the shift.

The geopolitical environment that Ukraine finds itself in today has three parts, said Tedstrom. First, there is Western Europe, which is characterized by an increasing openness to enlargement. Second, there is Central Europe, where one can point to a number of outstanding success stories in terms of post-Soviet transformations that may serve as examples for Ukraine. The third dimension, said Tedstrom, is Ukraine itself. He explained that over the past several years Ukraine has distinguished itself internationally through successful regional cooperation and its relationship with NATO.

Tedstrom went on to describe the non-security dimension of Ukraine’s present position. Ukraine has thus far been able to avoid the full financial meltdown that plagued Russia in the second half of 1998. While he lamented that Ukraine’s internal reform has gone very slowly, he predicted that the ability of Ukraine to keep a steady hand on the macroeconomic tiller will serve the country well.

Moreover, the Ukrainian government has recently stepped up its commitment to a “European choice strategy,” said Tedstrom. In March 1998 Ukraine ratified the partnership cooperation agreement with the European Union. Recently, high-level government and parliamentary committees have been formed to deal with issues of European integration.

All of these factors, according to Tedstrom, provide the U.S. with a unique opportunity to make a strategic adjustment in its policy in 1999. Tedstrom claimed that the NIS context, which is what informs U.S. policy today, does not have much to offer

Ukraine. Ukraine increasingly rejects closer relations with the NIS or CIS. Moreover, there is no successful example of reform or state-building for Ukraine to follow in the NIS context, nor are there resources that can be mobilized within the NIS that would support Ukraine’s reform efforts.

In addition, keeping U.S. policy toward Ukraine within an NIS context sends the wrong message to Moscow, Tedstrom explained. It illustrates that no matter what a former Soviet state does as far as cooperation with NATO and financial stabilization, it will never be considered an emerging European state.

A strategic adjustment in U.S. policy would move Ukraine forward on reform, would address concerns of Central European countries who will soon be members of important European and Transatlantic institutions, and sends positive messages to Moscow about the benefits of transformation, said Tedstrom. Most important, it acknowledges trends independently underway in the region.

According to Tedstrom, this strategic adjustment would entail several policies. The first is largely bureaucratic: in order to change the context that informs U.S. policy making on Ukraine, the Ukraine desks in U.S. agencies should eventually be moved from the NIS to the European department. Secondly, Tedstrom suggested that the U.S. heighten engagement with Western and Central European countries bilaterally and multilaterally on Ukraine.

Finally, the U.S. should support high-profile projects that have broad support within the Ukrainian government, include a Central European dimension, and encourage Ukraine to undertake reform measures. One example of such a project is the Eurasian Transportation Corridor from Odessa to Gdansk, which is highly supported in Ukraine and would create jobs for Polish refineries and encourage Ukraine to move forward with liberalization of investment laws.

Tedstrom warned that there are two near term issues that must be resolved before adjustment of any U.S. policy can go forward. The first is Ukraine’s relationship with the IMF. He noted that IMF disbursements had been cut off in the fall of 1998 and negotiations over their resumption are critical. The second issue is certification. On 18 February 1999 Secretary of State Albright must certify to Congress that Ukraine has made significant progress in the areas of economic reform and resolution of certain commercial cases raised

by U.S. investors. Without certification, further assistance to Ukraine will be curtailed. Tedstrom suggested that a favorable IMF agreement would go far to help certify the economic reform issue, but the resolution of commercial disputes is likely to be difficult.

However, Tedstrom concluded that should the IMF agreement and the Secretary of State's certification be successfully resolved, 1999 presents unique opportunities for the U.S. in its relationship with Ukraine. Taking advantage of those opportunities to adjust U.S. policy, he claimed, will have tremendous payoffs in both the short and medium term.

—by Nancy Popson

Vol. XVI No. 11 1999
Generations in Belarus

A generational approach to analysis of the transition process is useful in that it allows for a long-term perspective necessary to understand the institutional, ideological, and value shifts crucial to the transition, said **Larissa Titarenko**, Professor of Sociology at Belarus State University and Woodrow Wilson Center Fellow, at a Kennan Institute lecture on **25 January 1999**. The quality of life of the first post-Soviet generation will be the benchmark for the success or failure of the transition in Belarus, and therefore analysis of the younger generation today is important in understanding the progress and prospects for reform.

In order to analyze the development of the younger generation in Belarus, Titarenko noted that it is important to understand the conditions in which they live. She described Belarus as in an economic crisis situation. Its refusal to follow IMF orthodoxy alienated it from the West and forced its dependence on what since August 1998 has been a flailing Russian economy. According to Titarenko, the new union treaty with Russia also poses questions as to what type of society Belarusian youth will experience in the near future—a sovereign Belarus, a Belarus swallowed by Russia, or a Belarusian-Russian union aimed at reviving the Soviet Union.

It is in this environment that the first post-Soviet generation finds itself today. Titarenko noted that youth development is also affected by a generation gap exacerbated by the different “psychological virtual worlds” in which each generation lives.

According to Titarenko, the older generation lives in the past, in a dream world marked by socialist equality and no market

economy. They have not adjusted to the realities of the new Belarusian society, and in fact view the transition as the cause of the deterioration of social and economic conditions since 1991.

The younger generation, on the other hand, sees themselves in a democratic and market-oriented world that does not yet exist in Belarus, said Titarenko. They grew up during a time when criticism of the Soviet regime prevailed, and so from the beginning of their lives had an anti-communist orientation. Titarenko noted that their main problem is the lack of capital to realize their expectations. She explained that in Belarus the younger generation is one of the poorest groups of the population—even poorer than pensioners. The younger generation tends to live in urban areas, with more than 50 percent of university students residing in Minsk.

The psychological virtual world of the younger generation makes them the most likely to have the potential to bring about future changes, said Titarenko. It is therefore important to look at youth's assessment of their current situation in order to analyze their potential to support reform over the long term.

The younger generation has a rather negative view of the economic situation in Belarus, said Titarenko. After the 1998 Russian crisis, almost 70 percent of Belarusian youth considered the situation in their country to be one of “crisis.” However, only 7 percent felt that a return to the planned economy was necessary, with 68 percent favoring some pattern of market reform. Approximately two-thirds worry for their financial well-being, with 50 percent still relying on parental support to survive. Titarenko noted that while a majority want to work in private firms or start their own business, they are hindered by a lack of capital and knowledge.

Politically, the younger generation negatively appraises both the Soviet past and perestroika-era Belarus. Titarenko described their reaction to the current political situation as split—one-half assess it positively and one-half negatively. Youth are more likely to participate in political protests than the rest of the population, especially in Minsk. More than 40 percent belong to youth organizations, although most do not belong to political parties. Titarenko noted that 15–30 percent of the younger generation support Lukashenka, 10–15 percent liberal democrats, and only 1–2 percent leftist leaders.

Titarenko also pointed out that the new post-Soviet generation seems to be the only group in Belarus for whom Belarusian national identity is important. While the older generation identifies with a Soviet identity, more than two-thirds of the youth identify themselves with Belarus.

What is in the future for this post-Soviet generation? Titarenko pointed to three developmental paths that will affect Belarusian youth. The first possible path is maintenance of the status quo, which Titarenko predicted would cause large-scale youth emigration, draining Belarus of its base of support for reforms. The second is continued development as part of Russia. She noted that this would make Belarus more susceptible to the problems of crime and corruption plaguing Russia—opening criminal opportunities for Belarusian youth. The third possibility is the independent development of Belarus. Titarenko stressed that this could be positive for the younger generation, but only if Belarus does not become politically and economically isolated from the West.

Titarenko concluded that the positive involvement of the younger generation in Belarus' transition is critical to its success. She recommended that a U.S. policy of flexibility and engagement with Belarus would be the best option. In her view, such a strategy would directly effect democracy building; give Belarus independence from Russia; and improve opportunities for the younger generation, enhancing the natural support-base for a democratic, market-oriented society.

—by Nancy Popson

Vol. XVI No. 12 1999

The Future of Technology Development in Russia

Some may say that U.S.-Russian relations are "estranged but leading toward alienation," reported **Glenn Schweitzer** at a Kennan Institute lecture on **22 February 1999**. However, Schweitzer, Director of the Office for Central Europe and Eurasia, National Research Council in Washington, D.C., argued that the current situation is just another "bump in the road that we'll have to ride out."

Schweitzer conducted interviews and a structured survey of thirty research and development (R&D) institutes across Russia with teams doing case studies in three atomic cities—Obninsk, Zarechny, and Snezhinsk. The purpose of these studies

was to assess the process and future of technology development in Russia.

Obninsk has managed to attain certain autonomy from Moscow in decisions concerning state-owned facilities in the city. As a result, federal, regional, and local governments work together to develop the industrial potential there.

Zarechny, Schweitzer argued, has a chance for success. It only has a small population to support. City managers also know how to operate in the international market system through their rare gas market. Finally, Zarechny has discovered a gold mine under the city.

Snezhinsk, on the other hand, is not in such a good position, remarked Schweitzer. The city has a larger population and is located several hours from any airport. According to Schweitzer, Russia will need to subsidize Snezhinsk for the next several decades because it is unlikely the city can commercialize its technologies without government money.

Building on these studies, Schweitzer developed four hypotheses for technology development. First, that in the foreseeable future, technological developments will have little effect on what happens in Russia. Second, the U.S. will need to be engaged in the national security area for a long time. Third, given that the Russian government invests roughly 4 percent of what the U.S. government does in R&D, federal investment will not make a difference. Finally, a market economy may not be the best avenue for technology development in Russia.

With regard to the legal framework, in most countries of the world, including the U.S., R&D receives certain tax breaks. In Russia, there is discussion of no tax breaks for anyone. However, a special relationship between R&D and taxes has been demonstrated for decades in countries that have done well in technology. In regard to intellectual property rights (IPR), in Russia the government retains rights to all technology developed using government funds. In the U.S. by law IPR rights automatically pass to universities, non-profits, and small businesses. The lack of such a law in Russia does not provide an incentive for R&D.

In addition, there is widespread feeling in Russia that the West has stolen their technology both physically and metaphorically via the "brain drain." Although there is a slow but steady exodus of some bright

researchers, remarked Schweitzer, the brain drain—going abroad—is not very great. However, the internal brain drain—researchers in Russia leaving the sciences—is massive. The number of active researchers in Russia is a fraction of the number reported to be working in R&D.

Recently, schools have seen an increase in applications for science and engineering among Russia's youth. One possible explanation for this increase, Schweitzer explained, is that students are dissatisfied with the quality of instruction in the business schools and choose instead to follow the route of those bank presidents who studied physics instead of economics and business. This rationale explains why there is such a disparity between the number of graduates from science programs and those who continue to work in the field.

Schweitzer remarked that U.S. programs in Russia in the non-proliferation area are well-conceived but have had problems with implementation and need to be expanded. While many people involved have little knowledge about Russian culture or language, this is slowly improving. U.S. technology commercialization efforts, however, have been insignificant. Schweitzer argued that our role in that area may be "to cheer on the Russians as they look for their domestic customer base." According to Schweitzer, giving money to Russia should not be considered "assistance" as it protects U.S. interests.

There are a few things—none very popular with U.S. policymakers—which Russia should do to stimulate technological development, Schweitzer suggested. One is to develop a good regional customer base. Another is to adopt a "Buy Russian" law stating that Russian firms should buy Russian technology if government money is involved and that technology is reasonably competitive.

Schweitzer concluded with three hopeful signs for Russia. First, due to the economic crisis and scarcity of dollars, Russian companies can penetrate the domestic market because foreign imports are too expensive. Second, production sharing agreements which contain some "Buy Russian" clauses are moving through the parliament. According to Schweitzer, these agreements may resolve some concerns of Western companies and may attract the West to help Russian technologies move in a more productive way. Finally, Schweitzer argued, the First Deputy Minister of Atomic Energy's recent announcement of Russia's plans to downsize their nuclear

complex demonstrates that Russia is headed in the right direction.

—by Jodi Koehn

Vol. XVI No. 13 1999
Filling in the Blank Spots of the
Prague Spring

Recreating the events surrounding the Warsaw Pact invasion of Czechoslovakia to crush the Prague Spring in 1968, "even with existing archives, is very difficult," declared **Miklos Kun**, Professor of History, Eötvös Loránd University (ELTE), Budapest at a Kennan Institute lecture on **23 February 1999**. Two different commissions in Czechoslovakia, separated by twenty years, investigated the events of 1968. "Amazingly, testimony given by the very same politicians to the two commissions was very different. So to rely on only the archives makes it very difficult to establish the truth," Kun noted.

To fill in the "blank spots" of 1968, Kun used untapped sources in the Hungarian archives and a recently published collection of oral history interviews he conducted with key participants. Kun's collection of oral histories is especially valuable, stated **Mark Kramer**, Director, Harvard Project on Cold War Studies, and Senior Associate, Davis Center for Russian Studies, Harvard University. Kramer emphasized that Kun, with his grasp of the subject, was able to draw his interview subjects out and correct them as necessary.

Kun's research in the Hungarian archives revealed explanations of Hungary's actions during the period. Kun demonstrated that Hungarian leader János Kádár played a unique role in the crisis, one made possible by an extensive network of informants and agents of influence in Czechoslovakia. These individuals were not Hungarians, but Czech and Slovak politicians. One such informant was Oldrich Švestka, an anti-reform member of the Czech communist presidium and editor of a prominent newspaper. Švestka passed state and communist party secrets to the Hungarian embassy that were not shared with Soviet diplomats.

Thanks to his network of agents and informants, Kun contended, Kádár was even better informed than the Soviet leadership of the political balance in Prague. Kádár used this intelligence to his own advantage, keeping some information to himself and passing other items along to the Soviets. Kun claimed that the Kremlin first learned through Budapest of the exact attitude of Dubcek's

ruling circle in 1968 regarding the intention of supporters of “socialism with a human face” to pursue the Yugoslav model and seek independence from Soviet influence.

Kun recorded in his book the oral histories of some of the key figures from the 1968 invasion. These individuals include the Soviet Ambassador to Prague, Stepan Chernovenko; the commander of the occupying forces, Soviet General Aleksandr Mayorov; and Czechoslovak Communist Party Central Committee member, Václav Slavík. Oral histories provide a deeper understanding not only of the events of the period, but also of the motivations of the main actors. For example, Kun stated that his interviews revealed how Dubcek’s background influenced his actions in 1968. His training as a youth in Moscow gave him an advantage in working with Soviet apparatchiks to attain his own ends, but also instilled a deep distrust and resentment of Moscow’s authority.

Kramer commented on other aspects of the decision to invade Czechoslovakia. He noted that agreements from the early 1960s to deploy Soviet nuclear weapons on the territory of Czechoslovakia were placed in jeopardy by the Prague Spring. These weapon sites would have given the Soviets their first military presence in Czechoslovakia since 1945, and were a key element in Soviet military planning against NATO. Kramer stated that the Soviet leaders were quite well informed about what was going on in the Czechoslovak leadership, and that there was a reasonable consensus in 1968 that the reforms had gone too far. Within that consensus there were differences as to how to proceed. Those who were relatively cautious, like the Soviet Politburo’s chief ideologist, Mikhail Suslov, and Soviet General Secretary, Leonid Brezhnev, were aware that military intervention would have costs as well as benefits. More aggressive leaders such as the KGB’s chief, Yuri Andropov, and First Secretary of the Ukrainian Communist Party and Soviet Politburo member, Piotr Shelest, were worried that if the reforms were allowed to continue, they would lead to unrest not only in other satellite states of Eastern Europe, but even within Ukraine in the Soviet Union itself.

Both Kun and Kramer agreed that the United States was not in a position to prevent the invasion of Czechoslovakia. From the Soviet point of view, Czechoslovakia was too important to be allowed to escape from Soviet

control. Kun quoted a Soviet general who said that the Soviet Union was going into Czechoslovakia “even if it means the outbreak of a third world war.” In contrast, Kramer noted that the Johnson administration had placed an emphasis on bilateral relations and was distracted by the war in Vietnam. In the end, détente was to continue uninterrupted between the Soviet Union and the United States.

—by Joseph Dresen

Vol. XVI No. 14 1999 Commemorative Holidays in Post-Soviet Russia

“Commemorative holidays are often mobilized by governments and interest groups in attempts to cultivate myths of legitimacy and foster solidarity. As these needs change in the present, so too do the form and content of the holidays themselves,” remarked **Kathleen Smith**, Assistant Professor, Department of Government, Hamilton College, and Title VIII-Supported Research Scholar, Kennan Institute. Smith also noted that commemorative holidays are particularly attractive at times of political change because they give authorities a chance to found a symbolic base or establish new rituals with which to create a supportive context for new institutions and practices. In her lecture at the Kennan Institute on **8 March 1999**, Smith examined the role of holidays in Russia under the newly democratic government by evaluating one old (Soviet) holiday, one newly created holiday, and one revised holiday.

The commemoration of the October Revolution of 1917 on November 7th was the first major holiday of the old regime to fall after the failed coup of 1991. Despite the fact that President Yeltsin banned the communist party on the eve of this anniversary, November 7th remained an official holiday, although there were no official steps taken to mark this day, Smith noted. Instead “dueling rituals” occurred—communist loyalists gathered at the Lenin monument in Moscow’s Oktyabr’skaya square cheering anti-Gorbachev and anti-Yeltsin speeches, while liberals mourned the victims of communism by marching from the Lubyanka to the former site of the Church of Christ the Savior.

In the following years, remarked Smith, while no one denied the significance of this date, there was also no consensus on the form of its commemoration. In 1996, Yeltsin attempted a pluralist approach by renaming

the holiday the “Day of Reconciliation and Accord,” recognizing victims (of all political persuasions) of revolution, civil war, and political repressions in an attempt to create a unifying holiday. This uncritical perspective, which ignored the contradictions inherent in celebrating the revolution in this manner, was not received well by either the communists or liberals, stated Smith. Thus, communists have continued to mark November 7th with meetings and marches and the democratic celebrations—without support from the state—have died off.

Smith cited Russian Independence Day, which honors the declaration of state sovereignty on June 12, 1990, as an example of a newly created holiday. However, similar to November 7th, June 12th almost immediately became a holiday of controversial status as it is also marks the first presidential election in Russia—a day of victory for Boris Yeltsin. Those who lobbied to make this an official holiday, and not just a non-working day, were met with considerable opposition from communists and many others who viewed the day as a personal anniversary for Yeltsin, instead of a national holiday. The second problem with Russian Independence Day has been the Russian public’s unfamiliarity with the date’s significance—the vote for sovereignty in the Supreme Soviet being much more dramatic for the Russian deputies, than for Russian citizens. However, despite these difficulties, in 1994 Yeltsin elevated the day to the status of an official national holiday of the Russian Federation. In 1997, he attempted to assuage continued public disdain for the holiday by renaming it “Russia Day” to commemorate the nation’s entire history, thus stripping the date of June 12th of its meaning entirely. In addition to the date’s lack of significance, Russia Day also lacks a coherent set of rituals, Smith remarked. Festivities have not been established on a national level, allowing Russian citizens little opportunity for participation. The government itself has admitted that Russia Day will be nothing more than a day off from work until it is marked by customs and traditions, added Smith.

Victory Day, the anniversary of the May 9th victory in World War II and largely considered to be the most popular holiday in Russia, was originally greeted with a *laissez faire* attitude by the Yeltsin administration. There were no military parades or official state ceremonies, causing veterans and communists to complain that the day was not being given enough attention. Victory Day became

another highly contested holiday with dueling celebrations: the nationalist and communist opposition organized parades for veterans, while liberals gathered in parks and held various festivities. In 1995 Yeltsin—acknowledging the lack of popular patriotism and enthusiasm for the current regime—revised this holiday by recreating a military parade similar to those under Soviet times, but at the same time placed the holiday within a new narrative, Smith argued. Yeltsin and the liberal media were careful to promote a new version of the World War II victory from an anti-Stalinist perspective—the Russian people won the war in spite of Stalin, not because of him. However, Smith noted, it is still unclear as to whether this new view has been embraced.

Smith concluded that the democratic government needs a more aggressive stance toward commemorative holidays to create a new genealogy of the regime. The government has been unable to evoke positive feelings of community or collective memory either around old, now partisan holidays or around new, non-participatory celebrations. As for the future, Smith suggested that if the current government continues to fail to create unifying commemorative occasions, religious holidays and popular secular holidays, such as Women’s Day, will dominate the calendar.

—by Allison Abrams

Vol. XVI No. 15 1999
Rethinking Legal Reform
Assistance to Russia

Thus far, foreign legal advice to Russia has not done that country much good, declared **Stephen Holmes**, Professor, School of Law, New York University; Professor, Department of Politics, Princeton University; and Editor-in-Chief, *East European Constitutional Review*, at a Kennan Institute lecture on **15 April 1999**.

The failure of Western assistance to promote the rule of law in Russia can be attributed to a lack of a “policy science” of law and legal development. Holmes predicted that unless donors develop a common language and take a more scientific approach to promoting the rule of law in Russia, their efforts will continually be frustrated.

Now that the honeymoon is over between Russia and its Western donors, Holmes envisions a period of intensive analysis of past experiences as the best way forward. If participants in aid programs could meet to share information, then the aid community might be able to develop a

common language and set of goals. Holmes stressed that the goals at this stage must be ambitious enough to capture the attention and imagination of donors, but not so ambitious as to be doomed to failure from the outset.

There certainly remains ample room for ambitious goals. The Russian state does not discipline its powerful members in the interests of the weak, said Holmes. Public goods that should come from the state (such as the rule of law and environmental controls) are lacking. Russian society watches powerlessly as the nation's assets, from factory equipment to natural resources to company profits, are siphoned out of the country through corruption and theft. There now exists a kind of cold war between society and state, where the state fails to protect society and society refuses to obey the state.

The answer is not to strengthen state control, Holmes declared. On the contrary, the government must be held more accountable for its actions. People must be able to trust that when the state uses its power, it is for the benefit of society as a whole, not for those with connections or even for the government itself. The way to build trust between society and government is by inviting private actors to provide input into policy. Likewise, trust must be built within government, between the various branches.

Ironically, Holmes added, assistance programs have been undermining trust-building. Typically, donor aid has the effect of peeling elites away from serving society by pressuring them to act in the interests of the donor in order to secure future funds. Holmes advocated that assistance programs change their mission to creating and fostering cooperation between private actors such as indigenous NGOs and the government in order to build trust.

Holmes pointed out that it does not make sense to pursue projects where donor and recipient are at cross purposes. For example, pushing the development of anti-piracy laws protecting computer software will almost certainly backfire when most of your government stakeholders are using pirated software in their offices—the reform is seen as an effort to redirect funds to Western software firms. Intellectual property rights are important, but priority should be given to areas where interests between donor and recipient coincide.

A better example of an aid program that captures the interest of donor and

recipient alike is pre-trial detention reform. In Russia, suspects can be held for months without trial during the investigation of a crime. Given the frequency of tuberculosis outbreaks in Russia's overcrowded jails, such detention can sometimes turn into a death sentence.

Thus the donor's ally in a pre-trial detention reform program is the prison administration, which has an interest in reducing the population in overcrowded prisons and fighting tuberculosis outbreaks. The donor's enemy is the prosecutor; but even here, Holmes insisted, there is common ground. Assistance programs—such as in investigative training and forensics—can be designed to reduce the prosecutor's traditional reliance on pre-trial detention of suspects.

Given scarce donor resources, it is necessary to make strategic choices in assistance programs in order to attract funding and still have a chance at success. The motto for successful reform, said Holmes, is "strong allies, weak enemies."

Holmes noted in closing that the amount of funds supporting legal reform is not an accurate predictor of the program's ultimate success. In fact, the reverse may be true. The less relevant law is to a society (in terms of how it is actually enforced), the more willing that society will be to accept legal reform assistance. If the laws are not actually enforced against the powerful interests in society, then people will correctly perceive legal aid as a "harmless playground for legal reform consultants."

—by Joseph Dresen

Vol. XVI No. 16 1999
State-Building and Intergovernmental
Finance in Ukraine

Between 1991–97, social expenditure distribution in Ukraine has been remarkably even across regions despite significant high-level political turnover and economic instability, said **Lucan Way**, World Bank Consultant, at a Kennan Institute lecture on **20 April 1999**. Way claimed that this illustrates the Ukrainian state's ability to implement policies that serve the public good rather than cater to powerful political and economic interests.

Way referred to various theories on the influences over state action in Ukraine, including politically powerful clans, wealthy groups or individuals, and concerns over secession of certain regions. However, Way's

analysis of the distribution of tax revenues from the center to the regions in Ukraine illustrates that a different force is motivating state action in the area of social expenditures.

Social expenditures are largely the purview of the regional and local governments in Ukraine, and in 1998 totaled \$4.5 billion. According to Way, were wealth, political power, or secession concerns the motivating factor determining policy on distributing this \$4.5 billion, one would expect eastern Ukrainian regions to benefit. Economic wealth is more concentrated in the east, the majority of politicians in powerful posts in Kyiv come from those regions, and any perceived threat of secession would originate there.

Way's data shows, on the contrary, that the redistribution process in Ukraine tends to equalize the amount of resources given to regions for social expenditures. Tax revenues collected by the center from richer, "donor" regions are redistributed so that poorer regions benefit. The fact that funds are equitably distributed points to the precedence of institutional norms motivating policy, said Way.

This equalizing pattern of redistribution in Ukraine can be traced to the fact that the system strongly promotes the preservation of educational and health care facilities, Way explained. Despite the fact that in real terms revenues have gone down substantially since 1991, local governments have retained the same numbers of schools, teachers, doctors, and hospitals. He argued that the local governments' willingness to preserve facilities is reinforced by formal budgetary rules left over from the Soviet era.

First, budget transfers in Ukraine are still determined by gap-filling, said Way. Each year, the amount of funds to be transferred to a region is determined by subtracting expected expenditure commitments from expected revenues. Way noted that under this system, it is disadvantageous to close a school, as closure means the money allocated for that school is lost to the region.

Second, the Ukrainian system operates under cash-based budgeting—expenditure commitments are not taken into account, only expected cash outlays. According to Way, this leads to a situation where a municipality could receive the amount of cash budgeted for education but since that line item has no relation to the amount of teachers that need to be paid, arrears still accumulate.

Third, the budget process still leaves decisions on expenditure commitments and staffing to the sectoral ministries. Way noted that the motivation of the Education and Health Ministries is to keep commitments high rather than promote efficiency.

Way also pointed to informal norms—ways of thinking about financing the social sector—that motivate preservation of facilities. Balancing budget revenues and expenditures is still considered secondary to fulfilling gross material output in Ukraine. Way recalled a Ministry of Finance official who had responded to questions about the need to cut the budget by saying, "Our job is to finance things, not to cut them." Way suggested that maintenance of old ideological norms is not surprising given that the same bureaucracy is undertaking the same task it had during the Soviet era.

The trend toward preservation of facilities means that each year the Ministry of Finance in Ukraine faces roughly the same budgetary requests from each oblast'. According to Way, it is at this point in the process that economic or political power can play a role in bargaining with the center. However, Way contends that overall it is the institutional norms that play a much more powerful role.

Way lamented that these results do not bode well for the success of reform efforts in Ukraine. While the Ministry of Finance is able to withstand political and economic forces in the narrow area of social expenditures, it has little capacity to change or increase efficiency. However, Way noted that research indicates that in certain key areas the Ukrainian state demonstrates a capacity to serve a public good rather than simply the narrow interests of powerful political and economic groups. While this limited capacity might not bring Ukraine much closer to economic reform, it is far better than no capacity at all.

What is worrisome, said Way, is that in ten years Western analysts might be looking back on this period with a certain amount of nostalgia for a time when the state was able to undertake basic public functions. He concluded that the key task for policymakers now is to be aware of this existing institutional capacity and try to design reform in a way that preserves this capacity while also increasing efficiency.

—by Nancy Popson

Russian Communities Abroad

“In order to understand what is going on within Russia’s borders, one must be aware of Russian communities abroad,” stated **John Glad**, former director of the Kennan Institute, at a Kennan Institute lecture on **3 May 1999**. Glad spoke in detail about his systematic study of this topic, which covers both the tsarist and Soviet periods.

Glad divided the ebbs of Russian emigration into three distinct waves. The first wave, which was primarily aristocratic in nature, occurred during the 1920s and 1930s. This wave consisted largely of members of the Soviet army who believed that they would return to Russia soon after their displacement.

The second wave of emigration followed shortly thereafter, the majority of whom were less educated peasants. They brought along with them pessimism and disillusionment. Their arrival abroad followed the beginning of the cold war.

Glad argued that since intellectual and artistic dialogue was so severely restricted during the Soviet period, only the Russian communities abroad could provide a thorough understanding of the deep undercurrents of Russian culture and politics. This became especially apparent during the height of the cold war, when the third wave of emigration was beginning to take shape. This emigration, beginning in the 1970s, was largely an economic emigration—Russians were leaving their homeland in search of money. The Soviet government attempted to maintain relations with these emigres through publications and broadcasts, but the regime’s main interest was to keep track of the emigres’ activities.

While there has been a continuous presence of Russians abroad for centuries, there has been a lack of continuity within the emigration. Second-generation writers have been virtually non-existent, and the expatriates and emigres of one generation have known very little of their predecessors abroad. Russian emigres have quickly assimilated into the cultures of the countries of their new residency.

Glad stated that there has been a fluctuating but ever-present hostility between the emigres and the dissidents who stayed at home. Russians have a very communal sort of philosophy—they want to be physically and mentally close to each other and, according to

Glad, the stay-at-homes could not help but resent those who deserted their homeland.

With the collapse of the USSR, Russians abroad now find themselves in a more or less “normalized” situation, in which they can travel freely to and from Russia, much as Russians were able to do prior to 1917. Glad compared the status of Russians who live abroad today to that of Americans who live outside of the United States. They are thought of more as expatriates than as emigres or exiles. Exile is no longer an issue, Glad said, and interest in Russian emigre culture is rapidly declining. At the same time, new problems are arising; most importantly the issue of Russians located in the former Soviet republics, also known as the “near abroad.” During the Soviet era, the populations of these republics were largely Russified. Now that the republics are independent, nationalism has surged. Russians who never considered themselves emigres are now viewed as foreigners in their own communities.

Glad’s study covers Russians all over the globe, including those in China who had first arrived to service the Chinese Far Eastern Railroad. Many more later arrived to settle in Harbin, which for some time was virtually a Russian city. When the Japanese occupied Manchuria, the Russians moved on to Shanghai and remained there until the communists came to power in the late 1940s. At that point the Russians were evacuated to Tubabao, in the Philippines, and later were dispersed all over the world.

In addition, Glad discussed the Russians who settled in Yugoslavia. Some 73,000 Russians arrived there via Turkey after the Crimean evacuations. They were received warmly by the Serbs because of their historic ties, but abruptly were forced to flee the country at the end of the war since they had largely sided with the Germans during the occupation.

Russian settlement in Israel was also discussed. Glad described the conservative nature and the identity crisis of the Russian emigres there and the large role they now play in the current Israeli government. Glad also mentioned that a formal request was presented by the Israeli government to the United States in 1987 asking that Soviet Jews be denied political refugee status in the United States so that they would be forced to emigrate to Israel where the Israeli government contended they belonged.

The past decade has witnessed the emigration of Russians to every corner of the globe. Glad pointed out that the experience of Russian pilgrims to the Holy Land read like adventure novels, and that the tsarist government would never have been overthrown without the intense activities of the emigres, who later formed the first Soviet government. Today, Russia has a positive emigration balance. Despite the current flow of emigres, there are more people entering Russia—mostly from the former Soviet republics—than are leaving. Barring any drastic events in the near future, Glad predicted a continued normalization of conditions for Russians abroad.

—by Jennifer Giglio

Vol. XVI No. 18 1999
Small Businesses in Russia:
Property Rights and Investment

In his **June 14** lecture at the Kennan Institute, **Tim Frye**, Assistant Professor, Department of Political Science, Ohio State University, discussed his recent examination of small business activities in Russia. Frye's research takes a micro-level focus on small business operations, in an effort to get a handle on basic questions of governance—such as does market formation undermine or assist state formation? In his discussion, Frye covered the results of his research and analyzed investment trends and the security of property rights across three Russian cities—Moscow, Smolensk, and Ul'ianovsk.

In 1996 and 1998, Frye surveyed fifty to sixty small businesses in the three Russian cities, as well as in Warsaw and Columbus, Ohio, for comparison purposes. The businesses surveyed were typically retail shops that had from five to fifty employees. Frye noted that retail businesses were chosen because they operate in the real economy, as most of their transactions take place in cash rather than barter trade, and were feasible to survey on a small research budget. The business operators were asked a variety of basic questions regarding regulatory practices, investment decisions, corruption, etc. The form and content of the questions themselves were well researched to elicit the most truthful answers. In addition, sub-interviews with small businesses known to the researchers were conducted and compared with those of the unknown subjects.

Frye first briefly commented on the research results from the 1996 survey. This research showed that small businesses in

Smolensk outperformed Moscow and Ul'ianovsk. In Smolensk, where the government was less intrusive and more pro-market as compared with Moscow and Ul'ianovsk, public services—including court systems and police—were provided at a much higher rate. In addition, the rate of major capital investment in small business was higher. Frye's research also showed that shops that faced a high level of regulation (i.e., were inspected frequently, or took a long time to register), as in Ul'ianovsk, were more likely to have contact with the private protection racket than shops that were less regulated. Highly regulated shops also felt that the provision of public services was dramatically lower than shops that faced regulation. Thus, the research from 1996 suggests that the development of a market and a state go hand-in-hand.

In 1998 roughly the same set of questions were asked as in 1996, with consistent results. Smolensk again performed better than Moscow or Ul'ianovsk. Importantly, the research also suggests that market competition was an important catalyst for investment in these cities—the shops that faced an intensely competitive economic environment tended to invest more and believed the security of their property rights was greater.

In his research, Frye was interested in trying to identify factors involved in small business investment decisions, thereby identifying sources of secure property rights—Frye's assumption being that businesses are more likely to invest if they have firm property rights. Frye noted that property rights in turn are important for overall economic growth and arguably for democracy. In an attempt to gauge their investment decisions, small business operators were asked three questions regarding investment in their business—whether they had made a major capital investment in their business, the rate of reinvestment of profits, and whether they based their investment decisions on state policy. In Smolensk and Warsaw, more small businesses made major capital investments in their operations than in Moscow or Ul'ianovsk. However, surprisingly, the rate of reinvestment of profits in Ul'ianovsk was higher than the other cities, although Smolensk also performed well. In Smolensk it was rare not to make an investment due to state policy, whereas it was more frequent in Moscow and Ul'ianovsk.

Frye explained this variation in investment by analyzing the different cities' results

with respect to regulation, corruption, and public services (here the courts). Frye noted that in cities where regulation is high, shops tend to invest at a lower rate, simply because it is more costly to invest. The level of regulation was much higher in Ul'ianovsk than in Smolensk, whose local government was far less intrusive. Regarding the courts, more shops in Ul'ianovsk felt they had come up against a conflict where the courts should have been used but decided not to, which provides evidence of the poor performance of the courts—the business's legal safeguard. Moreover, in Ul'ianovsk and Moscow, businesses felt more legally vulnerable, as compared to Smolensk and Warsaw. Corruption was a greater problem and shops were also more likely to have had contact with the racket in Ul'ianovsk.

Through statistical analysis Frye found that of these factors—regulation, corruption, faith in the courts—one of the most important influences on a small business operator's decision to invest was the extent to which they felt legally vulnerable. Frye believed this sense of legal vulnerability is a sense of how vulnerable they are to private protection rackets. Frye emphasized again that another important factor was the intensity of market competition for investment, which implies that by reducing barriers to entry and making market competition a bigger priority, investment and the security of property rights would be increased.

—by Allison Abrams

1999–2000 PROGRAM YEAR

Vol. XVII Nos. 1 & 2 1999 Moving Past “Who Lost Russia?” by James A. Baker, III

The following are excerpts from remarks made by former Secretary of State **James A. Baker, III** at a **4 October 1999** dinner in honor of the Kennan Institute's twenty-fifth anniversary:

...The Kennan Institute, as we've learned here tonight, is one of the oldest programs of the Center. It is one of the premiere institutions in the world for Russian Studies. Created in 1974, the Institute has promoted fresh thinking about Russia, and about U.S.-Russian relations, by bridging the worlds of academia and the worlds of policy making—the world of ideas and the world of action. It has strengthened our understand-

ing of Russian history, of Russian politics, of Russian culture, and it plays an extraordinarily critical role in keeping the ties between Russia and the United States strong.

The Kennan Institute's work in deepening our understanding of Russia, I think, was invaluable during the cold war, during the rapid changes of *perestroika* and *glasnost'*, and during the final days of the Soviet Union. And I think it remains invaluable today, as it helps us understand the changes taking place as Russia...tries to adjust to post-communist rule...

Most of you may not know that the Kennan Institute is actually named after an ancestor of Ambassador Kennan, George Kennan the elder. The elder Kennan...became America's foremost expert on Siberia and the exile policies of the czarist government. Kennan also used his reputation as a leading scholar to become an important figure in the foreign policy debates of his day.

Ambassador Kennan continued and built upon his ancestor's example of scholarship in public service. Ambassador Kennan's contribution to our country was recognized in 1989 when President George Bush awarded him a Presidential Medal of Freedom. And the citation that accompanied that award begins with these words: “Career diplomat, historian, and educator, George Kennan has helped shape American foreign policy since 1933.”

Our country would, of course, be very well served if all of our foreign policy makers approached issues with the thoughtfulness and a long-term perspective of Ambassador George Kennan, especially in our relationship with Russia. It is important to keep our eyes trained on the challenges and the opportunities that lie before us. We need a lot more foresight, and we need a lot less partisanship. Or to use Russian phrasing, we need to ask, “What is to be done?” rather than “Who is to blame?”

One of the most acrimonious foreign policy debates in America today, of course, is the debate over “who lost Russia?” Particularly since the major setbacks to Russia's reform efforts last year, observers of Russia have argued fiercely over who's to blame for Russia's continued difficulty in adapting to capitalism and democracy.

Some in the West charge that the United States lost Russia, first by failing to seize on the historic opportunity presented by the collapse of the Soviet Union, and then by supporting individual Russian leaders, rather than democratic institutions and

ideals. Some in Russia, on the other hand, argue that the reformers, supported by the West, lost Russia by enacting reforms that turned dozens into millionaires and millions into paupers living below the poverty line. Some on both sides claim that Russia was nobody's to lose in the first place. According to this view, Russians themselves are to blame for their current condition, or their plight is somehow seen as the inevitable legacy of their communist past.

So conflicting perceptions drive this debate, perceptions of what should have happened, or what should have been done. These perceptions cloud, rather than shed light on the real problems of Russia's current situation and future. We Americans today are frequently frustrated by what is happening in Russia. We're upset by the misuse of loans from international organizations. We're upset by stories of massive money laundering. We're exasperated by Russian opposition to U.S. foreign policy initiatives, whether they be in Kosovo, or in Iraq, or somewhere else. We're disturbed by the rise of anti-American sentiment in Russia. Most of all, we're disappointed that the tremendous efforts and resources that we devoted to trying to help Russia join the world community as a stable, prosperous democracy have not yet come to fruition.

On the other hand, Russians today are extraordinarily suspicious of America...of our power. And they are suspicious particularly of our intentions. They resent the fact that we did not provide the kind of aid that we extended to Germany and Japan after World War II. Worse, they feel that we've exploited the collapse of the Soviet Union in order to extend our hegemonic influence. Russians accuse us of pushing for reforms that have resulted in an unprecedented economic depression in Russia. They believe that even now, today, we are holding back their development in order to keep them in a role of a raw material producer and a market for Western goods. They were enraged by the expansion of NATO, particularly by the way in which it was accomplished, and they were equally, if not more so, enraged by our intervention in Kosovo. Our efforts to search for a way to protect ourselves from missile attack by other nations or terrorist groups are perceived by Russians as a threat to them.

Now there are some elements of truth in all of these different perceptions, just as there is evidence to support the opposing sides in the debate over "Who Lost Russia?"

But I would suggest that we step back just a minute from these perceptions and arguments, and focus on where we go from here. What is the broader context of U.S.-Russian relations today, and what are the challenges that lie immediately ahead?

We are emerging from both the euphoria of the end of the Soviet era, as well as the raw tensions of the Kosovo crisis. While there is little danger of a return to cold war confrontation, the tremendous reserve of goodwill between the United States and Russia that existed just seven years ago, for instance, has nearly evaporated after troubled reform effort and after differences over foreign policy issues. Both sides are going to need to make sustained efforts, and they're going to need to make them on many fronts, in order to improve relations once again.

The next few years will present great opportunities, as well as great challenges in U.S.-Russian relations. I think, my friends, that we really are at another crossroads in history, one at least as important as the end of the Soviet era. While the cold war is over, the terms of this continuing relationship between the United States and Russia are not yet set. In coming years, the relationship between these two countries will undergo significant changes.

Those future changes we need to be thinking about today, and tomorrow. In the year 2000, Russia will have a new parliament, and for the first time in its history should see a constitutional, democratic transfer of power to a new president. In the year 2001, the United States will have a new administration in place, our first administration of the new millennium. In the next century, both nations may regard each other in a new light, without enmity, with more realistic expectations, and with our national interests firmly in hand.

Both countries are going to have to work hard to lay a positive groundwork for relations in this coming century. We can only achieve a stronger relationship if our discourse and policies are based not on the heated debate of the moment, but on careful consideration of the broader importance of the relationship.

Here, that relationship is important, for many, many reasons. Russia's large nuclear arsenal and other advanced military technology could be used to pose a major threat to us, if it got into the wrong hands. Russia's economy, though struggling today, I think few would argue has great potential. Russia has significant influence in areas of strategic

importance to us, such as Central Asia and the Middle East. Russian organized crime networks do stretch throughout the world, and constitute a major problem to be reckoned with.

So given Russia's importance, it clearly follows, I think, that engagement with Russia is the only sensible approach to dealing with the problems she faces and the strains in our relationship. A peaceful, democratic, and prosperous Russia is strongly in our national interest, every bit as much so today as it was in late 1991, upon the collapse of the Soviet Union. And so we need to continue to work with Russia to help her reach that goal.

But we ought to have realistic expectations when we do so. We shouldn't expect Russia to become a thriving market democracy that functions just like ours. We must recognize that Russia will develop on her own terms, and she'll develop in her own way.

We must understand that major reforms may not be implemented for years, and that reform may not take place exactly as we would like to see it take place. We should also recognize that our involvement with Russia will not immediately produce great results. There are going to be bumps in the road. There are going to be further setbacks along the way. And we have to be patient. We have to be persistent, and we've got to seek to build bridges where that is possible. We should voice our objections with Russia when appropriate, but we should always seek to turn those objections, if we can, into a constructive dialogue.

The challenges facing Russia are immense, from security issues, to economic reform, to political strife. These problems, of course, are all badly exacerbated by the fact that Russia does not have an adequately functioning system of laws. Our efforts to help Russia meet her challenges can only have a modest impact, really, when you think about it, on a country that vast and that complex. But that impact in and of itself is well worth our time, and it's well worth our resources.

Ten years from now, I hope, and I believe that the debate over who lost Russia will be ancient history. By then I hope that U.S.-Russian relations will be stronger than ever, that Russia will be solidly on the road to prosperity and integration with the West. And such an outcome is going to take a lot of hard work on the part of many people in both countries. Let me close by suggesting that rather than continuing to bemoan the

negative events and developments of recent years, I think it behooves us all to resolve to help make that potential positive outcome that I just described a reality. I know one thing: the Woodrow Wilson Center, and its Kennan Institute, can be counted upon for sure, to be leaders in that effort.

Vol. XVII No. 3 1999

The State Duma and Russian Politics

"Everyone's favorite target of ridicule among Russia's beleaguered political institutions is the State Duma," remarked **Martha Merritt**, Assistant Professor, Department of Government, University of Notre Dame, and former Short-term Scholar, Kennan Institute, at a **4 October 1999** Kennan Institute lecture. However, Merritt posed, if the Duma is merely ridiculous, how does the Duma garner considerable resources and occasional concessions from the executive branch? In an attempt to explore this dynamic of contemporary Russian politics, Merritt discussed visible activities of the Duma, which often suggest "political theater," as well as its less visible activities, which take place "off stage."

Merritt began by surveying the overall "power map" of contemporary Russia and the State Duma's place among political institutions. She commented that a key factor which Russian analysts refer to is the adoption of the Russian Constitution in December 1993. This version of the Constitution, presented by Yeltsin for public referendum, was the most executive-dominant. In addition, by using the referendum process (against which there have been many charges of corruption), the public was given only a yes or no option, thereby eliminating negotiations which might have produced a viable constitution.

Although the State Duma was constitutionally empowered very little, it was given one key power— approval of the President's choice for Prime Minister. However, if the Duma does not approve the President's choice for prime minister after three presentations, the president has the power to dissolve the Duma. Despite this, Merritt noted, in September 1998 the current Duma was able to force Yeltsin to abandon Chernomyrdin as his candidate for Prime Minister and replace him with Primakov, the Duma's favored choice.

Merritt commented that this was less of a victory for the Duma and more of a temporary weakness on the part of the President. While this is an example of the occasional checks that the parliament exerts

against executive power, Merritt remarked that it is a “check without balance.” In other words, she explained that “these impediments are often extra-constitutional, arbitrary in their execution, and rarely yield new legitimate sources of power for the institutions that performed the checking.”

Another public, or “on stage,” activity of the Duma was the impeachment proceedings this summer. Five charges against Yeltsin were approved by the Duma for consideration of impeachment, with the third—the conduct of the war against Chechnya in 1994–96—thought of as being the most justified and likely to be approved. Merritt remarked that throughout the proceedings the atmosphere in the Duma was both somber and angry. The more liberal members felt that they were empowering the communist factions if they supported these charges. Others felt that some of the charges were legitimate, while others acknowledged the impossibility of these charges passing through the entire impeachment process. In addition, on the eve of the impeachment hearings, Yeltsin fired Prime Minister Primakov, whose nomination had been an important concession by the executive branch. It was a reminder to the Duma and the rest of the country that the President was in charge.

One of the less visible activities of the Duma are deputy inquiries—official channels through which deputies ask either for information or redress other governmental institutions. Merritt chose to explore these inquiries due to their great increase in recent years. In 1994 there were 37 inquiries, in 1996 there were 597, in 1998 there were 3,025, and as of early May, 1,252 in 1999. Merritt noted that deputy inquiries are sometimes used to address constituents’ problems, as well as to search for an angle in the Duma’s power struggle with the executive branch. In 1999, thus far, approximately one-third of deputy inquiries have been directed at the presidential administration. Merritt commented that while some would believe the increase in the use of inquiries to mean that it is powerful tool, her interpretation considers it as more of a last resort. Merritt noted that many have tried other means of resolving disputes before using inquiries, and that about a quarter of the inquiries were repeat inquiries.

Merritt also discussed a September 1999 package of measures that might have strengthened the Duma’s position among political institutions, but interestingly failed

to pass the Duma. Her reading of the situation is that current members are relying on continued executive dominance and as the executive office is currently under contention, they do not want to empower the Duma if a member of their party becomes President next year. Merritt noted that this is a reflection of how deep the commitment may or may not be to change the constitutional balance of power.

Those who desire a stronger Duma express the need for a more constitutionally empowered institution. Merritt agreed this is the only way it could have a more enduring and important role. Returning to the question of why the President feels it worthwhile to compromise with a weak political body, Merritt remarked that “because the presidency itself faces the threat of illegitimacy as a new institution that has already been strongly compromised by its current occupant...the Duma’s ability to extract concessions from the executive still relies mostly on the fact that it provides a platform for those who are upset over executive abuse.”

—by Allison Abrams

Vol. XVII No. 4 1999 The Role of Ideology in Privatization Programs

“In order to understand the transformation of ownership in post-communist states, ideology must be taken into account,” stated **Hilary Appel**, Assistant Professor of Political Science at Claremont McKenna College and a Kennan Institute Title VIII-Supported Research Scholar at a Kennan Institute lecture on **25 October 1999**.

Using the experiences of Russia and the Czech Republic for comparison, Appel set out to answer the question of why some governments and not others included special privileges for industrial and regional groups in mass privatization in order to explore more broadly the factors determining the design of privatization programs and the evolution of property rights in post-communist countries.

According to Appel, empirical studies of post-communist privatization tend to emphasize the relative power of various interest groups in society to explain the design of privatization in specific countries. Given this logic, management and labor should have received equal privileges and benefits in Russia and the Czech Republic since both states emerged from similar property rights systems and industrial structures, in which

one could have expected managers and labor having, in principle, equivalent material interests and prior claims to property. This was not the case, Appel stipulated.

In the Czech mass privatization program, the government excluded special privileges to employees and regional groups in society. However, in the Russian mass privatization program, the government ultimately provided enormous privileges for various groups, especially managerial employees.

Why did these two cases differ so radically in the extent of privileges offered to certain groups? Appel argued that ideology—a coherent set of ideas and beliefs shared by many—is the key variable needed to answer that question.

Appel offered a four part argument outlining how ideology determines the development of privatization programs and shapes property rights systems. First, ideology shapes the choice by policy-makers to base the new property system on private ownership. It is intuitive, Appel argued, that economic ideas embedded in economic theory influence economic policy-making.

Second, prevalent ideologies affect the economic interests and strength of potential opponents to government programs. In the transformation of property rights in post-communist states, the ideological context directly shaped the legitimacy and thereby the authority of certain groups. In the Czech case, both institutionalized and informal manifestations of anti-communism served to discredit labor demands and made managers reticent, thus preventing these two groups from shaping the design of privatization. In Russia, however, anti-communism was less prevalent in political discourse. As a result, the legitimacy and power of many groups who benefitted from the past communist regime was strengthened (or at least not weakened) which affected their ability to advance their claims to property during the reformulation of the ownership regime.

Third, ideology shapes how leaders go about building support for their programs. Appel argued that Russian property officials, in contrast to those in the Czech Republic, tried to establish a system of property relations without ideological reinforcement. Czech reformers linked the creation of the new property regime to the founding of a post-communist national identity. In Russia, a strong reliance on material incentives during

privatization and the absence of an ideological legitimating idea hindered Russian liberals' attempts to implement and sustain the privatization program, and ultimately led them to grant certain privileges to certain groups in order to buy support and ensure compliance to the new ownership regime.

Fourth, Appel argued that a lack of compatibility between the ideological basis of a program and the ideas of elite and mass groups increases the cost of political reinforcement. The incompatibility becomes important when leaders lack the political skill to overcome the high costs of political reinforcement and popular support.

Appel noted that in the Czech Republic, reformers promoted privatization by portraying it as anti-communist, pro-European, and thus essentially Czech. Such a strategy would have been more complicated in Russia due to ideological incompatibilities. Appel noted that since the beginning of market reforms, the rejection of the Soviet past in favor of a new Western liberal orientation was often seen as a rejection of oneself and demeaning to one's past. So even if reformers had been willing to promote such a pro-Western private property legitimating campaign, rather than relying on economic incentives, the process would have been extremely difficult.

Appel contended that although in Russia privatization officials refused on principle to develop an ideological campaign for mass privatization, more commonly, new leaders lacked the political skill to construct effective ideological reinforcing mechanisms. Consequently, where there is no immediate resonance between the ideas behind privatization and the ideas of major groups in society, and when political entrepreneurs cannot construct effective ideological reinforcing mechanisms, the incompatibility between the ideas of a program and the ideological context has a generative effect on policy content by altering and hindering the realization of a new property regime.

—by Jodi Koehn

**Vol. XVII No. 5 2000
Nation-Building in Ukraine:
A Growing Elite Consensus**

There is an emerging elite consensus in Ukraine on such issues as state-building, territorial integrity, federalism, and foreign policy, said **Taras Kuzio**, Honorary Visiting Research Fellow at the Stasiuk Program on Contemporary Ukraine of the University of

Alberta at a Kennan Institute lecture on **9 November 1999**.

According to Kuzio, there is currently no debate in Ukraine on the question of state building. Only the tiny extreme nationalist parties oppose the definition of Ukraine as an inclusive civic state. Across the political spectrum, the elite see building a Ukrainian state as a priority. He noted that in the recent presidential elections, only three of the thirteen candidates supported a “pro-union” position. Even these pro-unionists have evolved in their views of the structure of the ideal union. Kuzio said that unlike in Belarus, one does not hear calls for Ukraine to become a *gubernia* of Russia—rather they support a confederation of sovereign states.

Kuzio also noted that there is broad consensus over questions of borders and territorial integrity. There has always been a constitutional majority in the parliament in support of Ukraine’s territorial integrity. Despite many predictions that Ukraine would suffer from separatist movements and ethnic conflict, this has not been the case.

Kuzio attributes this peace to several factors. First, there is a large “ethnic buffer” in Ukraine—found in the 30 million Ukrainians living between the country’s two polar extremes of Galicia and the Donbass. Moreover, the ethnic Russians in Ukraine have a territorial rather than ethnic identity. This is exacerbated by the fact that they tend to view the former USSR rather than the Russian Federation as their homeland.

In Crimea between 1996 and 1998, the only separatist movement in Ukraine collapsed. According to Kuzio, this was hastened by the abolishment of the Crimean presidency in 1995, the shift to all-Ukrainian parties after the 1996 Constitution, and the recognition of Ukraine’s borders by Russia in 1998.

Kuzio further remarked that there is a consensus that Ukraine should be a “devoled unitary state”—that is, neither a unitary state (since the elites recognize elements of regional diversity) nor a federal state. Federalism has very few political supporters. Kuzio also claimed that regionalism in Ukraine, which on the whole has been far too simplified in many analyses, shows no signs of leading to separatism.

Foreign policy issues have also become less contentious among Ukrainian elites. There is support across the spectrum of parties for defending Ukraine’s national interests. According to Kuzio, the Kuchma presidency has largely

followed in the footsteps of the Kravchuk administration. It has opposed political and military integration into the CIS and has continued to support bilateral economic cooperation. Kuzio also noted that Kravchuk in 1999 was squarely in the Kuchma re-election camp, illustrating the consensus between two politicians who were depicted in 1994 as holding polar opposite views on foreign policy.

Another area of growing consensus, said Kuzio, is state patriotism. He explained that the “national idea” in Ukraine has gradually evolved leftwards, counting members of socialist parties as adherents. Beginning in 1995, pro-statehood left wing parties began to emerge. The majority of parties on the left fit into this rubric: they are very critical of the West and in particular the IMF, who they see as colonizing Ukraine; and their goal is a Ukraine that is independent of both Russia and the West. They call for the need to revive patriotism as a state ideology. Kuzio pointed to the Kaniv Four electoral bloc (including Moroz, Marchuk, Tkachenko, and Oliynyk) in the run-up to the presidential elections as typifying this new leftward movement of state patriotism.

Kuzio suggested that nation-building is one area where elites have yet to form a consensus, but in which he feels there has been progress. The concept of nation-building was institutionalized in the 1996 Ukrainian and 1998 Crimean Constitutions; it has been instituted symbolically as well with the invalidation of Soviet passports starting in January 1998. While this indicates agreement over the larger goal, debates remain over the type of nation-building that is right for Ukraine.

Here Kuzio placed Ukraine in the context of post-colonial societies. The questions revolve around to what extent and how quickly the colonial legacy can be removed. Kuzio asserted that the goals of the Kuchma administration in nation-building are the same as those of his predecessor—the difference is in the tactics and timing. Regarding language, Kuzio claimed that support for making Russian a second state language has declined. However, given the divided nature of the titular nation, he does not foresee complete Ukrainianization of the country. Interestingly, he showed that introduction of Ukrainian historiography and symbols has not led to counter-mobilization of the Russian-speaking population.

In conclusion, Kuzio emphasized that although Ukraine remains an unconsolidated

society, an elite-level consensus has emerged on most of the critical issues of nation- and state-building. Fundamental questions of the independence of Ukraine, its basic structure, borders, and citizenship requirements are no longer contested. Rather, Kuzio noted that future political debates will revolve around the type of nation, political system, and economic system that are being built in Ukraine.

—by Nancy Popson

Vol. XVII No. 6 2000
The North Caucasus Conflict and its
Implications for Russia

Russia is currently facing its worst security crisis since their defeat in Chechnya three years ago. Furthermore, the Kremlin fears it will not be regarded as a great power if it loses Chechnya and Dagestan, remarked **Mikhail Alexseev**, Assistant Professor of Political Science at Appalachian State University and former Title VIII-Supported Research Scholar at the Kennan Institute at a **18 November 1999** Kennan Institute lecture. However, Alexseev continued, this is a misperception.

At the center of this misperception is a “domino theory” based on the collapse of the Soviet Union, Alexseev stated. According to this theory, if one republic leaves the Federation, the Kremlin fears others will also break away—resulting in a Russia consisting of nothing more than a group of ethnically Russian regions surrounding Moscow. According to Alexseev, the “domino theory” is incorrect and Moscow’s indulgence in the theory—along with its determination to be seen as a “great power”—is a more serious threat to Russia than regional separatism.

Alexseev gave several reasons for his argument that the “domino theory” is incorrect and why Russia would not breakup as the Soviet Union did. According to Alexseev, the eighty-nine regions comprising Russia have never had the sovereignty held by the fifteen Soviet republics or the attributes that would help them to be recognized as independent nations.

Russia has no state ideology such as communism that united the Soviet Union and any breakaway movement would have to draw solely on ethnic anti-Russian sentiment, Alexseev argued. However, ethnic Russians comprise more than 80 percent of Russia’s population and broad popular support for anti-Russian separatists is unlikely even among non-Russians. In

addition, Russian regions lack the popular movements that existed in the former Soviet Union—such as the Sajudis in Lithuania or the Rukh in Ukraine—that fueled Soviet disintegration in the late 1980s.

Finally, no regional leader in Russia could play the role that Yeltsin played in the breakup of the Soviet Union in 1990–91, stated Alexseev. Other than Chechnya, Russian regions lack a charismatic secessionist leader. For example, the leaders of Dagestan, Alexseev contended, are basically Soviet apparatchiks who support the Kremlin even in the current conflict. The leaders of regions such as Tatarstan, Bashkortostan, and Sakha briefly raised the issue of separatism, but quickly withdrew in favor of economic incentives such as lower taxes and federal subsidies.

When Chechnya sought independence in 1994, the other Russian republics did not join in the movement, Alexseev continued. Unlike secessionist leaders in the Soviet republics who had the support of anti-Soviet constituencies in the West, separatists in Russia are on their own. Additionally, Yeltsin has had better success in negotiating with regional leaders than Gorbachev had with the Soviet republics. Except for Chechnya, Yeltsin has established mutually acceptable agreements and ignored sovereignty declarations as long as they did not undermine Russia’s federal agencies. In 1996, Yeltsin allowed the regions to directly elect their own governors.

Alexseev then turned to the costs of Moscow’s determination to be a “great power.” In both 1994 and 1999, Moscow pledged to quash Chechnya’s secessionist government within a few hours. Both times, the Kremlin has overestimated its capabilities. Symbolic acts such as sending paratroopers to Kosovo have allowed Moscow to feel like a “great power,” but have diverted “attention and resources from preventive action in Dagestan and from peace negotiations with Chechen leaders,” Alexseev argued.

According to Alexseev, Moscow’s illusion of power is pushing the country toward “unwinnable military solutions.” The seemingly imminent massive attack will trigger another protracted Chechen war. Furthermore, the Kremlin’s vow to defeat the rebels at all costs will result in Moscow having fewer—if any—resources to help Chechnya’s and Dagestan’s struggling economy. Ironically, this will further the goals

of Islamic radicals by creating more instability in Dagestan, Alexseev commented. This instability will also undermine Moscow's control of westward routes for Caspian Sea oil. Alexseev pointed out that the pipeline carrying oil from Azerbaijan to the West can bypass Chechnya, but not Dagestan. In addition, the conflict's drain on Russian monetary resources has caused Moscow to neglect steps to relieve Russians in general from years of economic decline.

Alexseev stated that Moscow's military campaign in the Caucasus has not demonstrated its ability to compromise or wisely make use of resources. It also encourages Russian regional leaders to "fend for themselves and be wary of the Kremlin." Some regions have considered strategies such as trade embargoes and regional security forces. Tatarstan has passed a law which forbids Moscow to send local residents to the North Caucasus. Other republics with large non-Russian populations, Alexseev argued, are likely to adopt similar laws—which could lead to a broader center-periphery conflict.

Alexseev concluded that continued conflict in the Caucasus, will lead to "a weaker economy, regional fiefdoms, and social unrest." This is obviously not the path the majority of Russians would choose for themselves.

—by Jodi Koehn

Vol. XVII No. 7 2000

Russian Managers and Business Reform

Russian managers are critical participants in the transforming of the business environment, remarked **Linda Randall** at a lecture at the Kennan Institute on **29 November 1999**. Randall, Associate Professor, College of Business Administration, and Chair, Department of Management at the University of Rhode Island; Member, Kennan Institute Advisory Council; and former Title VIII-Supported Research Scholar, Kennan Institute continued to say that failure to take into account all levels of the hierarchy results in confusion and a gap between what was intended by the reform and what actually happens.

Randall described the two different types of change within organizational or systemic reform. Deep rooted change is when every level of a system or organization reflects the changes. Superficial change, Randall continued, occurs when the top of the hierarchy advocates a reform. This latter

type of change is what has occurred in Russia, Randall commented. In some cases there have been changes made in the names of departments or titles of personnel—such as replacing the economic department with the accounting department or the title of director with CEO— but either the "old ways" continue or there is a distortion or mixture of the old and the new. In either instance, what has resulted is different from what the reform intended.

In order to implement change, Randall argued, all levels need to "buy into" the reforms and see the benefit of participating or supporting it—or at least believe that the cost of not supporting the reform is greater than allowing it to happen. However, according to Randall, Russian managers are reluctant—and sometimes even resistant—to participate in reforms. Their reluctance can stem from a variety of factors. In many cases managers—mostly from former state-owned companies—do not "buy into" the reforms and do not see how the reforms directly benefit them and the networks of which they are a part. Second, managers often did not understand that having a market economy would create "business risk." A third factor is that inconsistent leadership and action from the top—meaning the federal and often the regional government—has heightened managers' reluctance to the proposed changes. As a result of this reluctance, the decisions and actions of managers often distort what was intended by the reforms, Randall stated.

Randall then described examples of the reluctance of managers toward the reforms and how this reluctance created the distortions in business practices and structure: privatization, risk averse strategies, and "insider deals." First, privatization was the "hopeful catalyst to get business managers to become participants," Randall remarked. However, the managers Randall interviewed did not see any benefit to it. They viewed the process as losing control of their companies, even though they received stock in the enterprise. In order to combat this loss of control, Randall cited a case where the director and several managers of a company joined forces with regional government officials, a bank, and several friends to purchase more shares and gain control over a large block of the company—resulting in a tightly controlled company. This group treated the company as a "cash cow," squeezing the cash out of the company, diminishing its value, and leaving the other shareholders without any

protection. In Russia, Randall added, there are no laws enforced which protect shareholders from actions by company managers which are “detrimental to the value of the stock.” This leaves the company and minority shareholders powerless.

Another example is the prevalence of insider deals with networks of people, Randall continued. In this case, deals are made to keep the network satisfied, with members of the network receiving preferential treatment. The result is differential pricing of goods or services, not based on transportation costs or whether or not the customer was deemed “credit worthy.” According to Randall, the network is taken care of and those outside the network are left to fend for themselves. This type of business activity is not based on the development of a competitive pricing scheme to expand business, but to maintain close relationships, Randall argued.

A third example is the aversion to business risk, which is an accepted factor when doing business. Randall cited managers in Novgorod who developed “risk reducing strategies” which led to the creation of monopoly-like situations. Another tactic is the “carving out of territories” and making agreements with competitors. Such strategies guarantee a greater potential for the success of the company by keeping risk at a minimal level, Randall stipulated.

Randall concluded that it is necessary not only to consider what is happening at the top and what is happening with the federal government in Russia or the IMF, but to also look at the “ground floor.” One should see how people are responding to reform, what actions are being taken, and what decisions are being made. According to Randall, looking at the ground level is a critical component in determining the future success of any reform that Russia is trying to make.

—by Jodi Koehn

Vol. XVII No. 8 1999
After the New World Order

The following are excerpts from a speech given by **Mikhail Gorbachev**, president of Green Cross International and the International Foundation for Socio-Economic and Political Studies, former General Secretary of the Communist Party of the Soviet Union, and former President of the Soviet Union, at a Wilson Center Director’s Forum cosponsored by Green Cross International* on **7 December 1999**.

...In many parts of the world today, people are speaking in defense of their history, of their culture, and of their national sovereignty. This is a reaction to globalization. They’re afraid that globalization will steamroll everything, will oversimplify the world, [that] they’ll have a situation when there is one ...world built according to one standard.

If we agree that a world built according to one model is a utopia, if we agree that [this] cannot be imposed on the world, then the question is: what should we do, how should we act? And then the question is: what kind of new world order?

I was asked what I think about the fact that the United States is withholding its debt to the United Nations. What is my evaluation? I believe this is a question of rather secondary importance. The most important question is this: does the United States want to preserve the United Nations, the UN Security Council, the European security system and operation system, or...does the United States dismiss all those organizations?

My own view, maybe not the view of the Gorbachev Foundation, but my personal view is that after the disappearance of the Soviet Union from the global arena, many countries—including, unfortunately, the United States of America—have found themselves tempted to play geopolitical games.

And it is obvious now, after Yugoslavia and after the military victory of NATO, after the discrediting of the UN, of the Security Council, of the European cooperation system, after Europe was cut down to size, after Russia was intercepted [sic], and China and India’s views were rejected, it became quite clear, I think, to all of us that this is not what we need.

...Let me recall for you, when we ended the cold war, when we united Germany, when we were preparing the Vienna agreements on arms control, we said that NATO and the Warsaw Pact would become political rather than military organizations.

And there were several important conferences. You remember the London declaration of NATO. I will not now digest all of that for your benefit, but that process was under way, ...initiated by the Soviet Union as the summit meeting to end the cold war and to think about the future of the world and of Europe. And fifty-four countries, including the Soviet Union and the United States, signed the Charter of Paris, a political platform for a new Europe and a new world.

When the Soviet Union disappeared, what happened? Geopolitical games. And we are now paying the price for that.

I think it is good that...some people in Western countries reacted very sharply to this. For example, Professor Samuel Huntington, a leading international scholar from Harvard University, wrote in April that the United States, having become the sole remaining superpower, without a counterpart in the world, has been engaged in irresponsible politics....

Anyway, my friends, I think that we are now in a situation when we must draw conclusions, and I am sure that no G-7, or G-8, or G-22, or G-34 can solve the problem of global governments, the problem of...balancing interests.

We need a reformed United Nations, a reformed UN Security Council, and other institutions that support processes in Europe, Asia, Africa, everywhere, based on equality, based on mutual respect, rather than on the imposition of the stronger....

And I've been encouraged recently when I saw initially how the Istanbul summit was being prepared. The Istanbul summit was a very important meeting.

The initial idea was to record in the Istanbul documents some of the points that NATO adopted in Washington, and that is that NATO is the leading organization for maintaining security in Europe. Instead, in Istanbul, they agreed that all European nations are responsible for European security, that security systems in Europe will be all European, that the institutions will be all European.

...Perhaps I am overemphasizing the importance of the Istanbul document, but it's a good sign. It's something of a sign that we are coming back to our senses, that after Yugoslavia and some other things we're beginning to understand what needs to be done. Ten years after the Charter of Paris was adopted, it is again now mentioned. It was mentioned in the Istanbul declaration instead of becoming toilet paper, as some people wanted to make it.

I think that the attitude taken in Istanbul toward Russia by the president of the United States of America was a balanced attitude and I believe that it deserves our attention. It means that something is changing for [the] better. Perhaps it is a process of rethinking that is happening.

**Green Cross International was founded by Mikhail Gorbachev in 1993. Its mission is to help*

create a sustainable future by promoting a significant change in human values leading to greater respect and care for Earth's community of life in all its diversity.

Vol. XVII No. 9 2000
Ukrainian National Identity:
The "Other Ukraine"

Ukrainian national identity can best be understood by looking at Ukrainian society along a variety of different axes, said **Andrew Wilson**, Lecturer in Ukrainian Studies at the School of Slavonic and East European Studies of the University College in London, at a Kennan Institute lecture on **6 December 1999**.

Wilson noted that data from the Soviet censuses that divide Ukrainian citizens into fixed ethnic groups overlook an important segment of Ukrainian national identity. He suggested a more complex model of Ukrainian identity—one that includes a substantial middle group between Ukrainians and Russians. It is this middle group, or "other Ukraine," that Wilson feels is the key to any potential majority in Ukrainian society.

He noted that the "other Ukraine" could be better captured by adjusting the census model to include the potential for dual identities or by adding the element of language to that of ethnicity. According to Wilson, surveys that are sensitive to dual identities suggest that some 27 percent of Ukrainian citizens identify themselves as both Ukrainian and Russian. Adding language as an element creates a similar middle area of 30–35 percent who consider themselves ethnically Ukrainian but whose language of preference is Russian.

Wilson went on to distinguish eight possible identities within this middle group. The first is the Soviet identity, to which up to 30 percent of the population identifies (at least in part). Wilson noted that these people regret the passing of the USSR and oppose Ukrainian independence. However, he suggested that "Soviet" may function as shorthand for other sorts of identities, such as Eurasianism or pan- (East) Slavism. Eurasianists see Ukraine as historically part of the Eurasian economic and cultural space. Pan-Slavism goes further, focusing on Ukraine's contribution to Russian culture and disregarding the west Ukrainian experience.

Wilson posited that a form of "Dnieper nationalism" may arise from this position. He described this as nationalism that is Ukrainian but based on Kyivan rather than Galician

traditions. People ascribing to this identity are able to at once express the idea of a common east Slavic origin and still maintain their separate existence. This can be distinguished from Kievocentrism, in Wilson's view, in that the latter emphasizes a pan-Slavism centered on Kyiv as the inheritor of Rus' culture.

Wilson said some scholars have argued that Kievocentrism is countered by the "Creole nationalism" of the Russophone population. That is, Russophones as a newly post-colonial population are unsympathetic to Ukrainian culture. Local identities, in Wilson's view, may also be salient in Ukraine. In particular, he pointed to the Donbas and southern Ukrainian identities as prevalent forces. Finally, Wilson differentiated Galician nationalism, which views Western Ukraine as an agent of national unity and keeper of the true faith of Ukraine.

Wilson then introduced data from a survey conducted in March 1998 that sheds light on issues of national identity and the "other Ukraine." He noted that the surveys revealed little support for an exclusivist model of Ukrainian identity: almost 58 percent of respondents felt that legal citizenship or self-identification was sufficient to be considered Ukrainian.

Wilson also discussed respondents' views on historical events that are controversial to different nationalist mythologies. He showed that support for key elements of the Ukrainian nationalist mythology was nearly always lower than the number of ethnic Ukrainians, and often less than the Ukrainophone Ukrainian segment of the population. For example, Wilson reported that a plurality of respondents fell somewhere between the Ukrainian and Russian nationalist views of Kyivan Rus', noting that there was no clear division amongst the Eastern Slavs at that time.

Pan-Slavist or residual Soviet sentiments were evident in answers regarding Ukrainian independence. Wilson illustrated that more than 30 percent of respondents considered Ukraine's independence "a great misfortune, in so far as it meant the end of the USSR," while an additional 20 percent characterized it as "an unnatural break in the unity of the east Slavic peoples." Only slightly less than 9 percent agreed that Ukraine "won its independence in 1991 as a result of centuries of national-liberation struggle."

According to Wilson, questions on the inclusiveness of the state and on language

use showed more moderate views. While 22 percent supported a state built on ethnic principles, 31 percent preferred a civic state, and 37 percent fell between the two extremes. The survey did show a widespread belief that Ukrainians continue to speak Russian because they were forced to do so in the past. However, Wilson noted that this was outnumbered by responses emphasizing voluntary Russian language adoption.

Wilson claimed that according to this analysis, rapid Ukrainization based on the narrow traditions of west Ukraine is unlikely to occur. He emphasized that this broad middle group could be a swing vote in Ukrainian politics. He concluded by outlining three possible scenarios for Ukraine: a Canada-like state with its own Russophone or Ukrainophone Quebec; slow Ukrainization leading to a consolidation around Dnieper nationalism; or a continuation and redefinition of the overlapping identities that currently make up the "other Ukraine."

—by Nancy Popson

Vol. XVII No. 10 2000

Russian Education and National Security

Education and human capital are growing national security issues for Russia, remarked **Harley Balzer**, Director, Center for Eurasian, Russian, and East European Studies, Georgetown University, and former Title VIII-Supported Research Scholar, Kennan Institute at a **10 January 2000** lecture at the Kennan Institute. As a result, the likelihood that Russia will remain a great power forty years from now is becoming increasingly remote, Balzer continued.

Russia is only beginning to understand that economic power and scientific and technical progress are the keys to security in the future. According to Balzer, even if the Russian government fully appreciated this concept, it is questionable whether Russia is capable of devoting the resources needed to address the problems.

Balzer noted that what is happening with Russian education is not too different from what is occurring in the rest of the industrialized world, in that higher education has come to be regarded as a middle class entitlement, but societies can no longer afford it. Balzer discussed what he calls the "technological gap." This idea refers to a gap in knowledge between the first world and the third world as well as a potential gap within nations—a difference between people who

have access to technology and those who do not. Unfortunately, Balzer noted, Russia has both types of problems.

According to Balzer, society in the twenty-first century is going to focus on information technology and communication. Therefore, the definition of what makes an effective education system has changed. The key to the future is the ability to think critically, conceptualize, and learn on one's own—something which is often lacking in post-communist educational systems, Balzer argued. Students from former communist countries receive high scores on tests of factual knowledge, but perform poorly on tests measuring problem-solving and the ability to learn on the job.

Balzer stated that there have been striking positive developments in Russian education which have produced unprecedented opportunities for a limited number of people—along with serious problems and disturbing tendencies for the majority of the population. There are a number of innovative teachers and pedagogical thinkers in the country, but the application of this new thinking is not widespread. The majority of the population does not share the benefits. This stratification, Balzer argued, threatens the country's long-term development.

In Russia, higher education enrollments are growing, which is both a positive and a negative development. On the negative side, higher education tends to be the most expensive and the most regressive type of publicly financed education, Balzer explained, as public spending on higher education tends to help those who are already well-off.

Another problem with higher education in Russia is that the "serious economic dislocation" prevalent in Russian society has not been used to replace old methods of education with structures better suited to a modern economy. According to Balzer, now that the focus is on stability, it will be even more difficult to make these changes.

The quality of the education system in Russia is a growing concern. Balzer remarked that Russia currently spends less—as a percentage of GDP—on education than any major industrialized country. Balzer cited statistics stating that between 50–80 percent of Russian school age children are classified as having some kind of physical or mental defect. This problem is compounded when you add the number of street children who are not

going to school, the orphans, and those children who are too malnourished or hungry to study well. In addition, a growing number of Russian children are out of the education system by the time they are fifteen years old.

On the positive side, there is a growing number of private higher education institutions—predominately specializing in the social sciences, law, and economics. This means there will be interesting developments in education in these fields, but the question remains as to whether these developments will promote the technical base of society, Balzer stated.

According to Balzer, the result of the education stratification is that Russia is becoming a "20–80" society. The education system serves the top 20 percent of the population, the affluent rather than the rest. Or, Balzer postulated, education could be a "20–60–20" situation in which 10 percent are illiterate—although this percentage could be closer to 20 percent in Russia, Balzer argued—10–20 percent (the elite) are very well-educated, and the rest are sorely lacking in the skills which would give Russia a modern economic system.

This does not mean immediate collapse, but it does indicate a development trajectory which would prevent Russia from re-occupying what many people suggest is its natural geostrategic space in the center of Eurasia, Balzer argued. This is a problem, Balzer concluded, which both Russians and Americans have only begun to contemplate.

—by Jodi Koehn

Vol. XVII No. 11 2000

Enterprise Development for Women in Russia and Ukraine

Women in Russia and Ukraine have been disproportionately affected—through high unemployment, underemployment, and a lack of mobility and opportunity—by the overall transformation in their societies, remarked **Karen Sherman** at a Kennan Institute lecture on **24 January 2000**. Sherman, Vice President for Programs, Counterpart International, Washington, D.C. added that in addition to those economic constraints, women suffer from a number of gender constraints such as the need to find daycare and support their family, a feeling of inadequacy in necessary technical skills, and gender discrimination.

Many of the limitations women entrepreneurs face are the same constraints

affecting entrepreneurs more generally in Russia and Ukraine. These constraints are associated with the lack of an enabling environment for small business development—lack of access to financing, heavy taxation on businesses, non-supportive legislation, and inconsistent enforcement of laws relating to small businesses. Sherman stated that a majority of women in both Russia and Ukraine reported that the macro-economic constraints were much more daunting than the gender constraints.

According to Sherman, a three-component strategy must be pursued to combat the problems faced by women in enterprise development. In the sphere of business training and technical assistance, business training programs help women with business planning and instruct them on the various aspects of managing a business.

The second component must be to provide access to credit. Sherman commented that women entrepreneurs have difficulty accessing the formal financial sector. In response, there is a need for both individual and group lending programs.

The final necessary component is the development of organizations to provide support services to women entrepreneurs over the long-term. Sherman noted that such organizations have already developed as a result of the technical assistance programs in the region and are part of the overall efforts to build such local institutions.

This general strategy treats women as clients, not as beneficiaries. According to Sherman, the goal of such programs is mainly to introduce women to the formal financial sector and make sure they are “mainstreamed” with other entrepreneurs. Sherman stressed the importance of including women with other entrepreneurs at their level so they can “graduate up” into the sector.

Sherman and her colleagues at Counterpart International conducted interviews with women entrepreneurs to assess the impact of such programs over the short-term. Of the women in Russia who had participated in business training and technical assistance programs, two-thirds stated that they had changed their way of doing business as a result of the training, one-third had increased the sales and employment in their business, nearly one-half had obtained external finances as a result of the training, and two women’s business associations were created, reported Sherman. In addition,

because of the networking and collaboration during these programs, some of the women formed business associations which have gone on to be sustainable organizations providing services to women entrepreneurs, Sherman argued.

In Ukraine, similar results were reported. Of the women participants in training and technical assistance programs, Sherman remarked that 55 percent were able to create a small business after the training, 65 percent noted changes in the operation of their business, 60 percent reported an increase in sales, income, and profit, and 500–700 new jobs were created.

According to Sherman, the most startling statistic is that 96 percent of the women—who often feel isolated and confused about how to get started, manage their business, and access technical assistance—reported an increase in self-confidence after the training. These training programs provide a forum and support mechanism for women to get the kinds of tools and resources needed to succeed in their businesses, Sherman commented.

Sherman argued that young women need to be targeted with training and technical assistance programs, and mentoring programs to “make them see the possibilities both for enterprise development and economic opportunities more broadly.” According to Sherman, women’s enterprise development provides options for women to support their family, overcome poverty, and gain economic independence.

One important result of these types of programs, Sherman concluded, is the self-confidence and self-respect that women gain and the feeling that they can be successful in society and in the economic transformation of their country. Such programs also give women hope and a stake in the future of their countries. Women have been active and successful as entrepreneurs, Sherman argued, and should continue to be supported.

—by Jodi Koehn

Vol. XVII No. 12 2000
Who Killed Kirov? “The Crime
of the Century”

The murder of Sergei Kirov—as the event that set off the purges in the Soviet Union—set the stage for Stalin’s dictatorship and had a tremendous impact on the entire twentieth century, said **Amy Knight**, Visiting Lecturer, Department of Political Science,

Carleton University, and former Fellow, Woodrow Wilson Center, at a Kennan Institute lecture on **24 February 2000**.

At the time of his death, Sergei Kirov was the Leningrad Party Chief, a full member of the Politburo, and Secretary of the Central Committee. According to Knight, he was enormously popular within the party and a charismatic and talented orator. He was one of the closest Politburo members to Stalin, and their friendship was widely accepted. After he was murdered by a "crazed assassin" on the third floor of the Smolny Institute in December 1934, he became a saint and was mourned for weeks by the leadership and the people.

Knight noted that the murder is a critical event in Soviet history in that it set into motion the purges that swept the country in 1936-8, leading to the death of millions of Soviet citizens. Knight remarked that on the very day of the murder Stalin signed two new laws authorizing the NKVD (secret police) to arrest people suspected of planning terrorist acts, sentence them without a court or lawyers, and execute them within twenty-four hours. Thousands in Leningrad and Moscow would be implicated in the "conspiracy."

Knight went on to explain that the murder, although it occurred over sixty-five years ago, continues to be a subject of controversy and debate by historians. Some historians have put forth the theory that Stalin himself was involved in the assassination by ordering the NKVD chief to arrange for the murder. Knight explained that the suspicions arose from the unusual circumstances of the crime: the floor on which he was killed had restricted access; Kirov's bodyguard was too far behind him to be of assistance, and was killed the next day in a mysterious truck accident; and the shooter had been caught by the NKVD at least once prior to the assassination in possession of a handgun and released. The theory posits that Stalin's motive was to do away with a "moderate" politician and possible rival (there are rumors that Kirov received more support than Stalin at the 17th Party Congress).

According to Knight, Stalin's complicity has been rejected by revisionist historians who concentrated on societal themes and the deeds of the ordinary citizen rather than elite politics. It has also been rejected by Soviet and some Russian historians. In order to determine the validity of the allegations,

Knight's research focused on the circumstances surrounding the murder and the relationship between Stalin and Kirov.

Knight offered several examples of inconsistencies surrounding the murder. Although it was commonly assumed that Kirov had arrived unexpectedly at the Smolny Institute, in fact one of his bodyguards had called at least one-half hour before his arrival, leaving (limited) time for the plan to be set in motion. Strangely, the assassin was found unconscious at the scene. Witnesses in the hallway provided conflicting stories that were never investigated by the NKVD; moreover, the police did not close off the building immediately after the murder.

Archival evidence also lends credence to Stalin's motive. There was considerable tension between the two comrades. Knight showed how, upon his transfer (at the order of Stalin) from Azerbaijan to Leningrad, Kirov bitterly complained about the situation in letters to his wife. Kirov's letters show that he was very unhappy to have been called to vacation with Stalin in Sochi in the summer of 1934. Knight's research also led to a typed archival transcript of a previously unpublished speech Kirov gave around the time of Stalin's fiftieth birthday. At that time, party leaders were revering Stalin in their orations. According to Knight, Kirov not only damned his boss with faint praise, but went so far as to bring up Lenin's Testament, in which Stalin was described as rude and unfit to rule. Although he did so in order to illustrate Lenin's mistake, the very mention of the testament was considered heresy.

Based on archival work and an investigation of Kirov as a man and politician, Knight concluded that there is a "fairly convincing circumstantial case" linking Stalin to the crime. Not only was there tension between the two, but the circumstances surrounding the crime and its investigation point to NKVD involvement. Knight is sure that the NKVD would not have acted without the consent of Stalin, which means that Stalin punished thousands of innocent people for a crime committed because of his own lust for power.

Stalin's role in the murder is, therefore, critical to an understanding of the foundations of the Stalinist system. Knight remarked that the murder has important contemporary implications as well. In Knight's opinion, the Russian population still seems incapable of looking squarely at their Soviet past. Knight

observed that the Russians have not gone back to ask what the KGB was doing during the Soviet era. Instead, former KGB elite now hold top positions in the Russian political system and, in 1998, only 37 percent of Russians disapproved of Stalin. Knight warned that in the long-run this lack of unbiased review of Soviet history will hinder the country's fundamental transition to democracy.

—by Nancy Popson

Vol. XVII No. 13 2000
Left Politics in Russia Today

Left politics, as defined by **Paul Christensen**, Assistant Professor of Political Science, Syracuse University, at a Kennan Institute lecture on **28 February 2000**, are those which place a high value on democracy, economic egalitarianism, and an expansive role for the state and interest groups in the operation of society.

Christensen discussed three burgeoning leftist movements in Russia. The first, the contemporary labor movement, was initially developed during Gorbachev's perestroika. Once Gorbachev's reforms became paralyzed, Christensen argued, workers turned their support to Yeltsin who openly advocated a capitalist strategy. Recently, many established labor unions have been demanding the direct involvement of labor in economic decision-making. There is also growing pressure to re-nationalize property in order to keep enterprises in operation. Another current trend involves a shift among workers and local labor organizations away from nationally-based initiatives to more regionally-focused strategies.

Women's rights organizations in Russia also have found politics at the national level unavailing. In addition to facing the same structural biases as other socially progressive groups, women's groups must overcome a system in which gender has not been accepted as a legitimate means of organizing political demands. Institutionally, the formal rights of women to equal participation in the system are guaranteed. These rights do not always translate into reality, however. Christensen described how some organizations fill the resulting gaps by providing feminist education to young girls, establishing crisis centers for victims of abuse, and joining forces with other organizations on the left. Women's organizations are an important progressive force in an increasingly sexist

post-communist Russia, especially as they view further democratization and social empowerment as crucial to their agendas.

Christensen also discussed the role of national and regional movements in contemporary Russia. The goal of these movements is to devolve political authority from the central state apparatus to the localities in order to gain regional control of economic resources. Greater decision-making power in the regions could serve to strengthen local forces by bringing them closer to the institutional structures to which they might advance their agendas. However, these movements are generally not viewed as progressive. National identity in Russia must be constructed beyond the anti-communist sentiment of the recent post-Soviet period.

Russian society as a whole retains a "socialist value culture" derived from its Communist past and reinforced by its post-communist present. The provision of social guarantees was one of the bedrock principles of the Soviet state and many Russian citizens continue to support this practice due to the current poor living conditions. A new economic phenomenon, deprivatization—embracing both the renationalization of the economy and the more radical notion of collective social ownership—is becoming increasingly popular. Many Russians seem unconvinced by the political arguments, which have been made since 1992, in favor of capitalism as the condition of democracy.

Christensen offered several scenarios for Russia's future. First, the model which serves as the basis of U.S. policy and is the goal of the current Russian leadership, holds that Russia would continue along its current path of neo-liberal reform. In addition, the economy would stabilize and gradually grow, the existing "socialist value culture" would erode, democratic political institutions would become embedded, creating the foundation for a capitalist and democratic Russia. Christensen argued that this scenario would involve continued suffering by the Russian people and a commitment to democracy that might strain some people's credulity.

In the second model, Russia would adopt a form of societal corporatism. In the economic realm, this would combine deprivatization with a system based on consultation between the state, managers, and labor. Political relationships would be revamped, and resources would be redirected toward social welfare and societal

organizations to encourage development of a civil society. Christensen argued that this scenario would provide Russia with the opportunity to become a stable, prosperous, and democratic state because it would allow the government to garner social support in what undoubtedly would be a difficult period. Unfortunately, Christensen contends, this scenario is unlikely given the power of those who have done well under the most recent transition and what they would stand to lose.

The third model is for Russia to adopt an increasingly authoritarian form of state corporatism. This would involve more state control over the economy, enough social welfare and cooptation of societal groups to contain discontent, and an aggressive official nationalist posture such that Russians would rally to support the state but Russia's relations with the West would not be breached. This scenario is the most likely, claimed Christensen, based on the status of today's Russian elites and current dismal economic conditions. The admiration of most ordinary Russians for a strong hand is based largely on Russia's desperation for normalcy rather than conviction. If the current U.S. administration's reaction to the situation in Chechnya is any indication, Russia's leader need not worry that authoritarianism at home will materially affect their relations with the West.

—by Jennifer Giglio

Vol. XVII No. 14 2000

Predictions for the Putin Presidency

It is commonplace to refer to the Russian presidency as one with sweeping powers, commented **Steven Solnick**, Associate Professor of Political Science, Columbia University, and former Title VIII-Supported Research Scholar, Kennan Institute at a Kennan Institute lecture on **27 March 2000**. In reality, the Russian presidency is much weaker than it appears on paper. The newly elected Russian President, Vladimir Putin, will confront certain constraints regardless of what he chooses to do as president of Russia.

In examining the nature of the Russian presidency, Solnick compared the characteristics of executive succession in the Soviet era to succession in a Western democracy. Soviet leaders, Solnick stated, were at their weakest at the start of their term, and they consolidated power over time. Soviet-era leaders were selected by political elites put into place by their predecessors and had to spend the

first years of their rule placing their own supporters in positions of power and influence. Yeltsin, however, was an exception to this rule and followed the Western model of beginning his term at his strongest with a "honeymoon" period.

When it comes to Putin, we do not know if the Western or Soviet model will apply, declared Solnick. Many commentators believe that he will start with his own honeymoon period, but that assumes that Russian democracy will continue to follow the Western model. Some observers note that Putin could not have come to power without the support of certain oligarchs and regional leaders, and therefore suspect that he may be a puppet. The recent consolidation of Russia's aluminum industry into the hands of Berezovsky and his allies is cited as evidence of Putin's lack of independence. The truth is that it is still too soon to tell, Solnick concluded. Even if Putin is able to put his own team into the government, there are still structural constraints on what he will be able to attempt or accomplish.

Putin's relationship with the Duma will be one such constraint. The January power-sharing agreement in the Duma between Putin's Edinstvo Party and the Communist Party split committee chairs between the two giving the post of Speaker to the Communists. This allocation of positions is locked in for the four-year duration of this Duma. Solnick predicted that this situation could pose a problem for Putin, tying him in the future to the compromises he had to make in the past in order to get elected. Putin may be faced with a Duma bearing a "nasty resemblance" to the sort of legislature that Yeltsin had to deal with in 1992–93, which was formed in part because of the compromises Yeltsin had to make to rise to power in 1990–91.

The fragmentation of power between the federal and regional levels will impose another important constraint on Putin. The erosion of power from the federal center to the regions is unlikely to be arrested easily, remarked Solnick. Regional governors have tremendous power within their own regions. Regional administrations are increasingly taking roles as large shareholders in regional enterprises, giving the governors economic power and resources for independent action.

Putin is unlikely to try to challenge the governors directly. Solnick noted that Putin, from his experience in running the unsuccessful reelection campaign for St. Petersburg

governor Anatoly Sobchak, understands the power of elections to bring about incremental change better than other politicians do.

Thus, Solnick predicted, we are unlikely to see Putin attempt to return to a system of appointing governors or undertake any action which affects all governors simultaneously. Instead, Putin will engineer policy shifts to foster dissension among the governors. One example is Putin's suggestion to establish appointed officials, "Governors General," who will have supervisory responsibility over groups of regions. This would force governors within these macro regions to compete against each other for influence. At the same time, Putin will present his approach not as an attempt to take power for the center, but to restore equality among regions. Given the unequal powers and privileges enjoyed by different regions, this is something that most governors can support, declared Solnick.

Solnick concluded with observations based on Putin's published campaign biography and recent press quotes. It is clear, emphasized Solnick, that Putin remains incredibly respectful of and loyal to the KGB and its successor, the FSB. Putin originally studied law not because of an interest in law, but to be recruited by the KGB. He believes that the KGB was and is an organization of consummate professionals, and anything the KGB did in Soviet times that was "unfortunate" was the fault of the Communist Party.

Putin believes that the needs of the State trump the rights of the individual. Solnick cited one response from Putin regarding Andrei Babitsky—the Radio Free Europe/Radio Liberty correspondent who was arrested while reporting on the war in Chechnya—as particularly troubling. Asked whether Russia's trading Babitsky to Chechen fighters in exchange for Russian soldiers violated Babitsky's rights as a Russian citizen, Putin stated "he should behave according to the laws of his own country if he expects these laws to be observed with regard to him."

—by Joseph Dresen

Vol. XVII No. 15 2000

Holidays and Nation-Building in Ukraine

"By analyzing how the post-Soviet Ukrainian state has revised the calendar of holidays and commemorations, we see how the state restructures cyclical practice, the details of historical memory, and the percep-

tion of time," stated **Catherine Wanner**, Senior Lecturer, Department of Anthropology, Pennsylvania State University, at a **20 March 2000** Kennan Institute lecture. The revision of its calendar can be viewed as part of the state's efforts at nation-building. By attempting to foster cultural change the state is actively shaping the daily lives of its citizens. In the lecture, Wanner discussed October Revolution Day, May Day, Independence Day, the reintroduction of religious holidays, and the impact of these commemorations on the dynamics of nation-building in Ukraine.

Despite being the cornerstone celebration under the Soviet regime, October Revolution Day (7 November) remained a national holiday in post-independence Ukraine. However, 7-8 November were not considered official holidays, but only official rest days. Eventually, ambivalence regarding the holiday prompted a vote in the Verkhovna Rada to determine its continued commemoration. Wanner explained that the holidays survived because legislators were hesitant to eliminate any holiday during a period in which there was already a dramatic decline in the standard of living, as well as many other economic hardships.

Wanner noted that October Revolution Day in post-independence Ukraine was celebrated differently by various factions who engaged in what Kathleen Smith has dubbed "dueling rituals." For example, in Kharkiv in 1998 two key demonstrations took place, one of which was organized by a committee of the Communist party. At the demonstration, "several thousand people listened to speakers condemning the 'bourgeois-nationalist dictatorship' in power." At approximately the same time, a commemoration was held by the national democrats to call attention to the victims of communist terror.

Wanner commented that similar "dueling rituals" occurred, but on a different level, in L'viv. There was an attempt to replace 7 November with a 1 November commemoration of the founding of the Western Ukrainian National Republic. "By replacing the original Soviet symbolism with an event centered on Ukrainian statehood and the Ukrainian historical experience, they transformed a 'red anniversary' into a black one." In addition, employees were given the option of working on public holidays and being compensated with an additional day off. Many in Western Ukraine chose to work

on 7–8 November, in an effort to diminish the importance of these two days.

Eventually, in February 2000, President Kuchma eliminated October Revolution Day from the state calendar. Wanner noted that after defeating the communists in the recent election, Kuchma wished to publicly reject the past and appeal to the West.

Another key Soviet holiday, May Day, is still celebrated in Ukraine. While grandiose displays of military power on this day have ceased, the common traditions of working at the dacha, or simply taking a day off on this date, have not. Wanner noted that while the holiday itself has become meaningless, the individual practices associated with it are not and therefore the state continues to grant rest day status to May Day.

The Ukrainian state has instituted two secular public holidays: Constitution Day (28 June) and Independence Day (24 August). The actual dates themselves are uncontroversial as they relate specifically to the formation of the new Ukrainian state, however the manner in which Independence Day has been commemorated has come under criticism in the past several years. In 1998 and 1999, the festivities included a parade which featured an impressive showing of military hardware, soldiers from all branches of the armed forces, and marching athletes. Military might and athletic prowess, once a Soviet source of pride, are now included in celebrations of the Ukrainian state.

With regard to the Ukraine state's reintroduction of religious holidays and their impact on nation-building, Wanner commented that, "while religion is clearly an important element in reviving traditions and fashioning a national culture—and during the early years of independence the state tried vigorously to establish a national church to mirror the new nation-state—the role of the church in the process of nation-building thus far has been mixed." She noted that religious festivities are not celebrated in the same collective way in the public realm and only by those who adhere to a particular faith, thereby lessening their impact on nation-building. Additionally, the reintroduction of religious holidays increases the difficulties in attempting to incorporate multiple calendars and therefore inadvertently creating holiday marathons.

In reviewing the holidays discussed, Wanner noted that one is surprised by the continued presence of the Soviet past. Wanner

also discussed that by using commemoration as a "fractured lens," one can see that the key fractures in society are not linguistically or nationally-based, but rather based on divergent interpretations of Soviet experience.

—by Allison Abrams

Vol. XVII No. 16 2000
Social Status and Ethnicity in
Russian Republics

What divides people in Russia at the moment is not so much ethnic or cultural differences but deeper issues lying in the sphere of politics, remarked **Leokadia Drobizheva**, Chair, Institute of Ethnography and Anthropology, Russian Academy of Sciences, Moscow. Drobizheva was joined by **Viktoria Koroteyeva**, Senior Researcher, Institute of Ethnography and Anthropology, Russian Academy of Sciences, Moscow, at a Kennan Institute lecture on **3 April 2000**.

Drobizheva and Koroteyeva conducted surveys in Tatarstan, Bashkortostan, and Sakha (Yakutia) to analyze the participation of various ethnic groups in the transformation process; how new social divisions resulting from the transition period influence inter-ethnic relations; and how new solidarities appear.

According to Drobizheva, ethnic diversity impacts social diversity and social differentiation. After the August 1998 financial crisis, Russia's overall social structure changed. There is now a small upper class, a decline in the proportion of the middle class, and a dramatic increase in the number of people placing themselves in the lower class. In the national republics, however, there is a different situation, Drobizheva commented. In Tatarstan, Bashkortostan, and Sakha, a large proportion of people still identify themselves as part of the middle class. Furthermore, the proportion of those placing themselves in the lower class is higher among Russians than among native groups. Drobizheva cited statistics showing that the real position of ethnic groups did not change as much as their perceptions.

There are differences among regions over what it means to be middle class. This is where, Drobizheva stipulated, ethno-cultural features come into play and influence the self-perceptions of people. When asked what it meant to be rich, respondents in Tatarstan answered that it meant to have your own business. For Russians, to be rich meant to have money and to be free to spend it as you

wish. For the Yakut, in addition to money, it was important to have a good job.

According to Drobizheva, since the notions of what it means to be successful vary, people of different ethnic origins cannot always understand what are the cultural expectations of others. Often, the basis of ethnic tensions are due more to the subjective perception of one's position in society than real objective status, Drobizheva stated.

Viktoriya Koroteyeva then described the ethnic and social structures in the surveyed republics. There is territorial and occupational segregation among communities in Sakha, unlike in Tatarstan and Bashkortostan. The Sakha people live mainly in rural areas and work predominantly in agriculture and certain intellectual occupations like teaching. Conversely, Russians in Sakha are urban dwellers and are employed in industry. In all the republics surveyed, however, the titular nationalities held a disproportionate number of positions in both the government and the economic sphere. This marks a new cultural division of labor, Koroteyeva argued.

Following from these ideas, Koroteyeva continued, access to power and the status of culture and language are further indicators of the status of ethnic groups. In the case of Tatarstan during the Soviet period, the inferior status of Tatar culture and language among urban Tatars contributed to the push for political changes and the reversal of the status of Tatar and Russian cultures. According to Koroteyeva, now, in the post-Soviet era, political status is a crucial dimension to overall social status. For many Russian respondents, there was a belief that titular groups had a better chance for promotion in the government and better access to jobs—so their political status declined in their eyes. This decline has influenced their perception of overall social status and led many Russians in the republics to place themselves at the bottom of the social ladder, Koroteyeva remarked.

Drobizheva discussed how new identities and solidarities are formed. According to Drobizheva, the major identities of survey respondents in the republics and other regions are social and professional. Two other identities—ethnic and state—are seen by some as competing. Drobizheva argued, however, that these identities are complementary. People can identify themselves as belonging to a particular ethnic group as well as being a citizen of the Russian Federation. Often, loyalty to the republic is higher than

loyalty to the Russian state, which may cause some conflict.

Drobizheva offered two conclusions. First, in reality, ethnicity does not have much influence on the transformation process and the proportion of the middle class among native ethnic groups in the republics is rather strong. Second, Russians are resentful of this fact and have responded with increased ethnic awareness. This sentiment contributed to massive support of the pro-government party "Unity" and Vladimir Putin in the most recent elections.

—by Jodi Koehn

Vol. XVII No. 17 2000 Human Rights in Russia

"Many current Russian problems and opportunities are linked to the concept of Russian independence and the struggle for free Russia," remarked **Sergei Baburkin**, Professor, Department of History, Yaroslavl State Pedagogical University, and Galina Starovoitova Fellow on Human Rights and Conflict Resolution, Kennan Institute, at a **12 June 2000** lecture at the Kennan Institute. One of these problems is that of human rights and national security.

Baburkin described the major developments in human rights over the last few years. Under the Soviet system, limitations and violations of human rights and political liberties were mainly caused by policies of the state. These violations were committed by state security organs in the course of implementing security policy, as well as in the name of the security of the socialist state, Baburkin stated.

In contemporary Russia, first, there have been changes in the ideology of security. The concept of national security now is not only the security of the state, but the security of individuals, society, and the state. Second, the legal framework of security policy is more liberalized to include laws regulating activities of the security apparatus with special articles demanding respect for human rights. Next, the structure, personnel, and tasks of the security system have changed. The KGB has been divided into several parts such as the service of foreign intelligence, the service for counterintelligence (FSB), and the agency for state communications. There is no longer a monopoly of one agency in the security arena. Finally, and most importantly, argued Baburkin, there are now a number of governmental and non-governmental human rights organizations specializing in the social

and political environment which issue precise reports on the state of human rights in Russia.

According to Baburkin, the reports produced by these organizations indicate changes in the structure of human rights violations in Russia. The magnitude of political rights and civil liberties violations in the country has diminished, argued Baburkin. However, there has been an increase in violations of basic rights of Russian citizens—such as the right to life and the right to one's security. There has also been an emergence of new forms of human rights violations, such as kidnaping and slave trade. Furthermore, Baburkin reported, the bulk of human rights violations are linked not to counterintelligence or intelligence services, but to law enforcement agencies such as the police, penitentiary system, and armed forces.

Baburkin stated that some of the human rights violations in Russia now are not viewed as state organ activities, but as the results of insufficient activity of the state apparatus responsible for maintaining security and enforcing law and order. In addition, Baburkin argued, there is increased discussion about the "counter-offensive" of the security apparatus, the secret services, and, particularly, the FSB. However, this increased activity does not represent a drastic threat to human rights, Baburkin argued.

The situation of human rights and the activities of secret services is different in various regions of Russia. Chechnya differs drastically from the rest of the country. Human rights issues and security are intrinsically intertwined. In the 1990s, Chechnya was an internal source of multiple threats to Russia's national security, Baburkin remarked. Its movements toward separation from the Russian Federation threatened Russia's territorial integrity and sovereignty over the country as a whole. The situation in Chechnya also jeopardized the security of Russian society and individuals through its attempts to introduce different laws and norms. According to Baburkin, Chechnya became a "bandit enclave" in Russia. From a security standpoint, it was evident that Russian authorities had to take action.

Baburkin went on to describe the response of Russian authorities. In 1994, Russia attempted to resolve the problem militarily—action for which they were poorly prepared. In 1996, there was an unsuccessful attempt at a resolution based on negotiations. In 1999, once

again facing a security threat from the region—due to what Baburkin referred to as the open aggression against Dagestan—Russia again responded militarily. Unfortunately, this action has led to a new wave of human rights violations in the region—now including the participation of Russian troops.

According to Baburkin, although the reasons for human rights violations related to Chechnya may differ from those of other areas, there are some common aspects. Baburkin noted the security culture of Russia which is characterized by a low level of respect for the lives of people, including its own troops. There have been some changes in this aspect, Baburkin argued. Russian military command now pays more attention to the lives of its soldiers. Baburkin expressed hope that this is the first step in changing the nature of Russia's security culture. According to Baburkin, it is necessary to continue changing the security culture of the nation in a democratic and positive manner which would respect human rights and the lives of the people.

There have been some positive developments in the area of national security and human rights in Russia, Baburkin concluded. According to Baburkin, to ignore these changes would be politically counter-productive and unfair to those in Russia and abroad who have dedicated themselves to changing the situation in Russia.

—by Jodi Koehn

Vol. XVII No. 18 2000

Russia and a Post-Divided Europe

The following are excerpts pertaining to Russia from a lecture on post-divided Europe and its implications for American foreign policy given by **Zbigniew Brzezinski**, former National Security Advisor, at a Woodrow Wilson Center Director's Forum on **19 July 2000**. The remarks were delivered without a prepared text.

...We tend to define the post-communist decade of the 1990s in a very undifferentiated fashion, failing to note fundamental differences between what happened in Central Europe and what transpired in the former Soviet Union. In Central Europe, the post-communist decade involved the rejection of communism, the organic rejection of something alien; the rejection of something imposed from the outside. This transformation was spearheaded by spontaneous national movements that were able to

consolidate a critical mass of new political leaders capable of undertaking the process of democratization and reform.

In Russia, we are not dealing with an organic rejection of communism. Rather, we are dealing with the collapse, from exhaustion, of an inefficient totalitarian state that overreached in its global competition with the United States. That competition precipitated the Soviet Union's collapse. It was not produced by a democratic movement; it was not the consequence of popular unrest. Indeed, the implosion of the Soviet Empire was a collapse of will, imagination, and of power stemming literally from physical exhaustion. That collapse left behind a political elite that, while realizing the need for change, is still very much a product of the preceding system. This is especially true of the current leadership. Just think of this: there is not a member of President Vladimir Putin's government who was ever associated with any dissident activity. What is more, there is not a member of Putin's government, including Putin himself, who could not be in the Soviet government today if the Soviet Union still existed.

...That brings me to my third point: namely, how the Russians perceive themselves, and how we treat them. Putin recently said that "we are not seeking to make Russia a great world power because Russia is already a great world power." This point was reiterated in the statement on Russian foreign policy just issued a week or so ago, which explicitly stated that Russia is "a great power; one of the most influential centers of the modern world."

It is worth noting that Russia's GDP of today is one-tenth of America's, one-half of India's, and less than that of Brazil.... The UN recently ranked Russia's health system 131th, just ahead of Sudan's. Finally, Russian population in the last decade has decreased from 151 million to 146 million, with deaths exceeding births by slightly more than 50 percent. So much for Russia being one of the most influential centers of the modern world.

On top of that social and demographic crisis, Russia is not in a very favorable geopolitical position. To the east is a country with a population eight times that of Russia and an economy five times larger—and economy that is growing far more dynamically.... To the west is an increasingly integrated Europe with a GDP ten times larger than Russia's—a Europe Central European countries wish to join. And finally, to the South of Russia, there are three-hundred million Muslims whose goodwill the Putin

government is now fostering through its policies in Chechnya.

In conclusion, ...an undivided Europe is really unfinished business, and there are certain areas where a persistent strategically minded sense of direction is needed.... It is almost obvious, and many of the strategic issues are very clear-cut. First, if we want post-divided Europe to be stable and eventually to be whole and free, then there must be a sustained expansion of both the EU and NATO. The absence of the expansion of either institution leaves a large portion of Europe in a state of ambiguity. The expansion of the two together helps to reinforce the transatlantic relationship by deepening the scope of the security while widening the span of post-divided Europe.

Second, ...we should help consolidate the independent states in the former Soviet space, primarily because their very existence helps to consolidate positive change in Russia. If the new independent states in the former Soviet space are stable, then Russia is encouraged to redefine itself in a more basic and fundamental way...

Finally, we have to keep the European option open for Russia.... That option must be held open if Russia is at some point to exercise a choice—a choice in favor of reality rather than nostalgia for a status and for a capability that is not within Russia's reach. The notion of Russia as a center of the modern world is unrealistic unless Russia becomes more like Europe...a more advanced, more developed modern democratic state. It cannot do that by exercising a domineering role in the former Soviet space, or by blocking Central European membership in Europe and NATO as it is currently seeking to do vis-à-vis the Baltic states. This strategy has a broader purpose. The option for Russia must be held open while the external geopolitical conditions become so stable and consolidated that integration with the transatlantic community is Russia's only logical choice.

These are the challenges in our relationship with Europe that we will face in the course of the next administration. During the past decade we spoke of a Europe whole and free. That is still our objective and there are clear ways of reaching it.

2000-2001 PROGRAM YEAR

Vol. XVIII No. 1 2000 Leadership in a Changing World

The following are excerpts from a lecture given by **Condoleezza Rice**, Chief

Foreign Policy Advisor to George W. Bush at a Wilson Center Director's Forum on **27 April 2000**.

...I want to talk a little bit about leadership and American leadership in particular in this volatile world... What does it mean to lead? What does one have to do in order to be able to lead? Clearly the United States leads simply by virtue of its overwhelming power and influence in the world today... The United States also finds itself, along with its allies, in a position of leadership in the world because the other great paradigm—the organization of human history—that is, the Soviet Union and the notion of communism and central planning—has collapsed.

...But it is one thing to say that you find yourself in a position of leadership and quite another to lead... Leadership requires, first and foremost, diagnosing the challenge before you and diagnosing it properly... What is the challenge before us? The word that is most out there is the concept of “globalization.”...I like to think of [globalization] ...as a train that is moving down a track, and that track is pretty clear ahead for those whose values and institutions, governmental structures, and economic structures are more or less aligned with the demands of this new environment.

...When that other [Soviet] alternative collapsed, the game became to find your place in this single international economy in which your economy has to be transparent, your banking systems have to be strong, you have to have rules of law and rules of the game in which private capital can play on an even playing field. You have to have something that attracts it, because...private capital can go anywhere, and it has no strategic sense. It doesn't go to a country because it is important in strategic terms, it goes to a country because it can make money. That means that the demands, the draconian demands, to get your house in order, to be a part of this system is causing earthquakes around the world, particularly for those countries that are not aligned with the demands of private capital. And as much as we talk about IMF funding or as much as we talk about the World Bank, it is a drop in the bucket compared with the size and scale and scope of private capital.

So if you think of this train, you have the United States sort of out there conducting. You have a whole host of capitalist economies already on board, in varying degrees capable of being that open, that

transparent. You also have a lot of countries that have kind of one foot on the train, because they know that it is the only train running. One could talk about, to a certain extent, the Russians or perhaps the Chinese who know in their heart of hearts that this is the only train and they are trying to find a way on it. You have another host of them that don't have particularly good assets for getting on the train but are trying to find their ways. Then you have... the Iraqs the North Koreans of the world that have no useful place on the train so they are intending to blow it up instead.

...If you use that image and you say our best interest...is to keep that train running, to get others onto that train—what then must we do in order to seize the opportunity that we find when the rules of the game are increasingly clear to everyone?...One is you have to keep the peace. And to keep the peace, you have to be aware that there are big challenges and small challenges. The big challenges are to deter war in places that matter to the global balance.

...Secondly, you have to try to spread the benefits of prosperity... because I can assure you if this period of globalization creates circumstances in which you have big winners and big losers—which will happen— if some of those big losers are also important countries, the Chinas, the Russias of the world, then you have a potential for 1930s-like instability.

...Russia [is] a declining power, trying to find its identity, and a country that has managed to take concepts of the market, private capital, and privatization and mutate them into something else. We in the United States, unfortunately, certified that there were reformers doing some of this when in fact it turns out that some of these “reformers” were actually stealing the country blind. This is a problem for us. You have to tell the truth about these places because capital will sniff it out, capital will know. And right now investment in Russia shows that capital understands the true picture in Russia. It is up to the Russians to figure out how to get a tax code that does not tax small business at 120 percent of income if you pay all of their overlapping taxes. We can't fix that problem, the Russians can...

Finally I would suggest that we have a bit of a challenge as Americans in figuring out how we intend to press the case for democracy in the world.... Individual liberty, individual responsibility, freedom of press, freedom of

religion, the need for electoral systems that allow people to choose those who will rule them clearly [are] very important. But we have other values in the United States that also need to be pressed: ...our ability and propensity to take risk, our willingness to allow failure, and around that a set of communitarian values that say there is a civil society that cares about those who can't quite make it on their own. [Another] reason the United States will always lead is it can tolerate difference better than anywhere in the world. That, in a time when difference is a license to kill in much of the world, is an important message.

**Vol. XVIII No. 2 2000
Russia's Future and U.S. Policy**

The following are excerpts from a lecture given by **Leon Fuerth**, National Security Advisor to Vice President Al Gore, at a Woodrow Wilson Center Director's Forum on **25 July 2000**.

Both the United States and Russia are at a pivotal moment as we both undergo a period of transition in our national leadership. After successfully conducting the first democratic transfer of executive power in its history, Russia and its new government are in the early stages of charting a new course... It is therefore a particularly important moment to survey the past, the present, and the future...

...With the fall of Soviet Communism, Russia was forced to undergo a wrenching transformation encompassing three revolutions at once: a political revolution, from Communism to democracy; an economic revolution, from a command economy to a market-based system; and a geopolitical revolution, from an imperial state to a federation surrounded by newly-independent nations.

...We decided that in these circumstances, we had three primary objectives: To protect ourselves and the world against a breakdown of Russian control over the inherited Soviet nuclear arsenal; to help those who had come to power in Russia make sure that there was no return to the Communist past.... We realized that we would need to find some unprecedented way to convert our general intentions into specifics and facts on the ground. The Bi-National Commission... became the joint American and Russian response to the sense that an entirely new technique of cooperation was needed.

From the outset, this strategy...was controversial. Some of that controversy was

based on legitimate differences in points of view. But much of it...reflected an attitude about Russia on the part of some that bordered on a kind of historical fatalism, on the view that at some level Russia was immutably antithetical to democracy....

...Overall, as we look back on the result of our Russia policy, what we see is an extensive record of accomplishment: Americans are measurably safer today than they were eight years ago.... Democracy is now the accustomed norm in Russia.... Tens of thousands of state-owned enterprises have been privatized and more than 900,000 small businesses have been established, contributing to Russia's recent economic rebound.... All mainstream parties now espouse democracy and free market reform.... Russia is increasingly enmeshed in the international community....

...Turning to the future, the path President Putin is leading his country still in many ways yet to be clarified....President Putin strives for a strong Russia, but he has a contradictory...concept of what constitutes strength. He has demonstrated an instinct to restrict the free media; and his policies in Chechnya...have antagonized the Chechen people and have created obstacles to Russia's integration with the international community. We have been blunt with Putin on all points, making clear that we are prepared to work with Moscow where our interests coincide, and to hold firm where they diverge.

But at the same time, it is important to note that President Putin's own program...is a program of vigorous economic reform along lines that we ourselves would have advocated and in fact did advocate at the beginning of our close association with the Russian government. His program, if carried out, offers the single greatest hope for the rebirth of the Russian economy on conditions that are compatible with political freedom.

Let me end where I began. As we assess U.S.-Russia relations during this critical period of transition, let us not lose sight of what we have achieved and the means by which we successfully achieved them. Because we chose to engage Russia...we have succeeded in locking in important, practically irreversible progress that serves U.S. national interests. Engagement has brought us this far—and is the only means of bringing us farther.

We recognize that Russia's historic transformation is incomplete—all the more reason we must continue to engage Russia.

We recognize that Russian democracy is challenged by corruption that deeply penetrates her society—all the more reason to engage Russia on behalf of reform. We recognize that Russia has her own self-interest and concerns that can and do run contrary to ours—all the more reason to search for constructive forms of cooperation. We deeply disagree with what Russia is doing in Chechnya and remain concerned about signs of Russian efforts to intimidate the press—all the more reason to step up our discussions with them on those issues.

This evening...the major components of the Russian and American contributions of the international space station will dock. If this complicated maneuver succeeds, the international space station will have become a reality. It is in many ways a perfect metaphor for the risks and gains of Russia policy during the Clinton-Gore administration....

...The space station, like our entire relationship with Russia, was born in travail, and like that partnership, it has proceeded under continuous criticism.... But we have managed to maneuver over fifty tons of equipment into the same orbital plane, and if all of our planning pays off, we will succeed in inching these massive objects together until they click into place. And when that happens, all eyes must turn to the future to ask that if we can come this far, and accomplish this much, what else is possible?

Vol. XVIII No. 3 2000
Constitutional Development in
Present-Day Russia

The issue of constitutional development is at the center of modern Russian history, stated **Nikolai Bondar**, Justice, Constitutional Court of the Russian Federation, at a **26 September 2000** lecture at the Kennan Institute.

The Russian constitution of 1993 has allowed for basic democratic achievements during the last decade, argued Bondar. Russia today finds itself at a constitutional crossroads. Ten years ago, Russia opted for democracy and freedom. Now transformation must be adjusted to current conditions and set within a contemporary constitutional framework. This does not necessarily mean that a new constitution must be adopted; rather, the potential which is inherent in the 1993 constitution must be realized.

The 1993 constitution was based on legal positivism and a natural law philoso-

phy. Each article of the constitution should enjoy the full scope of judicial protection. The primary task of the Constitutional Court is to disclose and develop the constitution's democratic potential. Bondar claimed that the constitution must be adjusted according to the development of the state.

Legal and constitutional nihilism has been a constant feature of recent Russian history. A total of four constitutions were adopted during the period of Soviet rule. In spite of their number, they failed to establish the rule of law in the country and the nihilist attitude has not been overcome. During the Soviet period, the constitution was widely perceived as a political document which affirmed the victory of one class over another. A constitution which pits one segment of society over another cannot successfully dictate the main law of the land.

According to Bondar, the political and legal potential of revolution have been exhausted in Russia. All of the recent stages in the constitutional development of Russia were marked by radical revolutionary transformations. Experience shows that such transformations rarely promote the rule of law—more often, they disrupt it. Justice Bondar is of the belief that constitutional transformations should be evolutionary rather than revolutionary.

In addition, Bondar claimed that Russia cannot develop constitutionally in isolation from the rest of the world. It must utilize the best of the world's constitutional experience. However, even the best of the constitutional experience of other countries cannot successfully be put into practice in Russia unless the national experience and the peculiarities of the Russian state and history are taken into account.

One of the many issues which needs to be addressed by the Constitutional Court is that of federative relationships. Federalism in Russia revolves around the relationship between the federal center and the regions. Bondar argued that President Putin's attempts at re-centralization must be balanced with the provision of regional autonomy. The negotiation of recent agreements between the central administration and regional authorities has reinforced the legal asymmetry of the various members of the Russian Federation. It has also enfeebled the central government and prevented it from providing for a single legal and constitutional space within the borders of the Russian Federation. According to Bondar, legal separatism has emerged—with many

regions adopting constitutions and laws which directly contradict the Russian national constitution. This can be viewed as a latent or, in some cases, even an open form of political irredentism and must be resolved within the existing constitutional framework.

Bondar remarked that the development of the judiciary is the most important form of constitutional development in Russia. Russia has witnessed enormous changes over the past few years. The 1993 constitution proclaimed the judiciary to be equal to the legislative and executive branches of government. One of the hallmarks of the constitution was the creation of the Constitutional Court of the Russian Federation. The Constitutional Court evaluates laws, presidential decrees, and other edicts for their conformity to constitutional standards. The decisions of the Constitutional Court are mandatory and cannot be appealed. The Court has the responsibility to mediate arguments between various bodies of state power; to interpret the articles of the constitution; and to hear appeals from citizens whose rights were violated, based on the unconstitutionality of a law. The Court provides for the constitutional integrity of the state, but at the same time ensures the protection of the human rights of private citizens.

Bondar concluded by stating that constitutional development should proceed along the path of difficult and profound political, economic, and social transformations which will lead to the constitutional resurgence of Russia.

—by Jennifer Giglio

Vol. XVIII No. 4 2000 Russian Health Care in Crisis

There has been wide variation among Russia's eighty-nine regions in terms of the severity and dynamics of the health and demographic crisis, remarked **Judyth Twigg** at a Kennan Institute lecture on **2 October 2000**. Twigg, Assistant Professor, Department of Political Science and Public Administration at Virginia Commonwealth University went on to say that the Russian government's response to this crisis has been to try to reform the structure of the health care system, in the hope of providing better health care to the Russian people. That effort, too, has experienced wide regional variation, Twigg stated.

According to Twigg, one of the recent problems with the Russian health care system is that the State is not paying for

much of what is supposedly—according to Article 41 of the Russian Constitution—free health care. There are also problems at the provider level with doctors and nurses not being paid their wages for months at a time and the fact that those wages are alarmingly low when they are paid, Twigg remarked.

Twigg examined health care system reform at the regional level in order to answer three questions. First, what is happening in health care reform. Second, why is it happening or not and more precisely, why it has progressed more successfully in some regions and virtually not all in other regions. Third, and perhaps most importantly, what has been the impact of reform of the Russian health care structure and the impact of those structural reforms on health status throughout the country.

In order to determine what is happening with health care system reform in Russia, Twigg focused on a sample of forty-one regions according to fourteen variables. Those variables were: the degree of payment of health insurance taxes; provider reimbursement mechanisms; the degree to which the region has moved from inpatient to outpatient care; the move toward using general practitioners instead of specialists; global budgeting; co-pays and voluntary medical insurance; the move toward eliminating excess capacity; salary variation; quality reviews; comprehensive insurance benefits; subsidies to the poor; geographic coverage; and whether insurance companies and international intervention are present.

According to Twigg, the analysis showed that the regions which were more progressive in the reforms were the ones most mentioned in the West: Karelia, Novgorod, Moscow city, Tver, Tula, Penza, Samara, and Kemerovo. The average regions were the bulk of the forty-one, with twenty of the forty-one falling into that category. The non-reformers were: Ryazan, Kursk, Tambov, Kalmykia, Astrakhan, Karachai-Cherkess, Krasnodar, Stavropol, Udmurt, Orenburg, Chelyabinsk, and Amur.

According to the study, Twigg found that wealth enables health care system reform. The regions with more money to work with achieve greater success in implementing these health care system reforms—as one would expect. Another finding was that urban areas seem to be a bit more reformist than rural areas, Twigg stated.

The last question Twigg discussed was whether the reforms mattered for health outcomes; whether the changes made a

difference in the health of the Russian people. According to Twigg, in terms of several of the most important indicators—life expectancy, maternal mortality, and infant mortality—the answer is no. For life expectancy, this is not surprising as many determining factors—such as behavior and environmental factors—are not directly related to the structure of the health care system. But infant and maternal mortality are thought to be correlated with the quality of the health care system, Twigg argued. Twigg posited that if similar research were conducted a few years from now, there might be different results. Perhaps it is too early in the process of implementing these health care structure reforms for them to have had a significant impact on health outcomes, Twigg argued.

According to Twigg, there is a more positive interpretation of the findings. In response to those who fear these health care structural reform efforts actually harm health care status, Twigg stated that there was no such evidence. If it is true that these structural reforms produce monetary savings or enhanced efficiency opportunities for the Russian health care system, so far they do not seem to be a detriment to the health outcomes that are related to the quality of the health care system.

It would be dangerous to infer causality in any of these relationships at this point, Twigg added. In terms of correlation, this study has confirmed that there is wide variation among the regions, not only in terms of health status, but in terms of health system quality and structure. The data showed that money does make a difference. If it is true that wealthier regions have the material ability to get farther in health system structure reform, Twigg concluded, we can begin to speculate that the health insurance system might be doing some good; that the regions that are the farthest along in implementing the insurance mechanism have progressed further in restructuring their health care systems. In terms of the impact of health care structure reform on health status—in either a positive or negative direction—Twigg argued that it is still too soon to make that judgement.

—by Jodi Koehn

Vol. XVIII No. 5 2001
Looking Back at the Origins of
Soviet Studies

If you had surveyed the scope of American scholarly research on foreign

countries in 1939, declared **Joseph Berliner**, Professor Emeritus, Department of Economics, Brandeis University during a **19 October 2000** lecture at the Kennan Institute, you would have concluded that the USSR was a very minor player on the world scene, with very little impact on the lives of Americans. By the 1950s, according to **Robert Tucker**, Professor Emeritus, Department of Politics, Princeton University, there was an intense, well-informed debate about the nature of the Soviet political order. Both speakers and the lecture's discussant, **Abbott Gleason**, Professor, Department of History, Brown University, and former Director, Kennan Institute, stressed the importance of newly accessible Soviet archives in evaluating the predictions of the early Soviet studies specialists.

To address the lack of expertise on their new wartime ally, the U.S. government established an intelligence gathering unit in the newly created Office for Strategic Services (OSS) in 1941. After the war, veterans from this unit went on to work in U.S. universities, educating the first post-war generation of scholars who took up a specialization on the Soviet Union within their disciplines. The rapid expansion of Soviet studies, a product of the cold war rather than an expression of purely scholarly interest in Soviet society, was funded by government and foundation grants, and took the form of research centers, graduate programs, research grants, and journals. By 1950, the first wave of new scholars were completing their doctorates and launching their careers, and by 1960 the field of scholarship (soon dubbed by the then-disparaging term *sovietology*) was in full swing.

Because of the secretive nature of the Soviet order, this new field of study did not lend itself to direct examination. Instead, scholars were forced to find alternate methods of interpreting this system. Tucker noted that a particularly formative experience for him, while serving in the U.S. embassy in Moscow in the 1940s, was going to the Lenin Library to research changes in Russian policy toward Poland after the victory over Napoleon in the war of 1812. He learned that the Soviet Union had to be interpreted in the context of Russian history. It was this experience, and such writings as George Kennan's comparing Stalin's rule to the evolution of the tsarist autocracy, that led Tucker to conclude, "the one-party system had given way to a one-person system; the ruling party to a ruling personage."

During the 1940s and 1950s, theories on the nature of totalitarianism were developed and debated. Tucker stated that according to the writings of Hannah Arendt and Zbigniew Brzezinski, the Soviet Union, as a totalitarian power, was driven by ideology rather than Stalin as an individual. This model did not fit well with what we now know actually happened in the Soviet Union, Tucker declared.

In early 1953, for example, Soviet Russia was paralyzed with fear over official pronouncements signaling the start of a new round of purges. Stalin's death in March 1953 not only forestalled this new round of purges, but led to a subsiding of internal terror. On the day after Stalin's funeral, Georgi Malenkov, then the head of the Soviet government, stated in a meeting of party leaders that "much happened in connection with [Stalin's] personality cult, we consider it obligatory to bring to an end the policies of the personality cult." This statement was first published in 1991, Tucker noted.

In the social sciences demanding concrete data, such as economics, the lack of access to data presented obvious challenges to early Soviet specialists. Other obstacles were less obvious but equally challenging, stated Berliner. One example is that political constraints on Soviet economists curtailed any kind of balance in Soviet writings on their own economy. Berliner recounted meeting as a young scholar with a senior economist at the Institute of Economics of the Russian Academy of Sciences, and how he brashly lectured on price theory and the importance of using interest rates to properly measure the cost of capital. "You know," replied the Soviet economist, "I wrote a number of articles on that subject before I was arrested."

The offset to this lack of openness, according to Berliner, was the Soviet practice of "self-criticism." Intended to shield society from corruption, the accounts in the Soviet press never implicated top officials. These stories did describe all sorts of schemes at the enterprise level and became an invaluable source of information on how the Soviet economy actually worked.

Perhaps the biggest criticism against Soviet specialists, noted Berliner, is their failure to predict the collapse of the USSR. But, Berliner pointed out, they had correctly identified the sources of inefficiency and retardation. If Soviet specialists were geologists instead of social scientists, they could be said to

have correctly identified the fault lines where the earthquake might occur, but lacked the means to forecast when and how it would occur.

Commenting on the presentations, Gleason added that new information from the opened archives has provided valuable insights, especially on the conduct of Soviet foreign policy. He emphasized, however, the early critical work of the two speakers in shaping our understanding the Soviet Union with only the scarcest of data available to rely upon.

—by Joseph Dresen

Vol. XVIII No. 6 2001
Women's NGOs in Ukraine:
A Tale of Two Publics

The objective of western civil society programs should be to foster groupings of individuals joined by mutual understanding of common problems for which they propose common solutions, said **Alexandra Hrycak**, Assistant Professor of Sociology at Reed College, at a Kennan Institute lecture on **30 October 2000**.

Hrycak explained that these groupings, or "publics," are important in western countries in a variety of policy domains. However, in Ukraine, policy-making is disconnected from government accountability, and groups have been unable to cooperate or form coalitions around common agendas. Western programs can encourage regular interaction among groups and thereby help build effective community organizations through which citizens might better influence politics.

Hrycak suggested that the western community to date has focused more on providing assistance and training from the outside. She noted that it is difficult to determine the extent to which these programs have been able to foster networks of cooperation in Ukraine, since evaluations tend to focus on quantitative measures, such as the amount of groups created or individuals trained. This focus has led, Hrycak contended, to ephemeral organizations that focus on self-perpetuation and on creating the possibilities for future grants. In order to do so, they tend to focus on publishing activities, and are not able to create a public for themselves or their issues. Their audience becomes the foreign donor rather than the domestic community.

A possible alternative perspective is to focus on the political process. Hrycak

explained that this approach encourages greater face-to-face activity and deliberation. Only in this way will individuals become committed to finding solutions to common problems. Unfortunately, according to Hrycak, western grantmakers encourage groups to remain small, diversified, and specialized, making it difficult to create a public for the groups.

Hrycak then illustrated the effect of western civil society programs on Ukrainian women's organizations. In Ukraine, like in Russia, there was a large peak in the number of organizations founded in 1994–1995. In theory, such a peak should coincide with increased domestic political opportunities. However, Hrycak claimed that the peak in Ukraine corresponded instead to a western catalyst—the funneling of western assistance into the country in preparation for the Fourth World Conference on Women in Beijing in September 1995. The new groups founded at that time were interested primarily in women's rights. Quite a number of these organizations have no ties to each other, subsist only on their own narrowly defined issues, and do not engage in coalition building. Often they do not want to cooperate for fear of having their issues become neglected in the larger network of associations.

Other groups play a more central role and do have significant networks of cooperation. These grew out of the national independence movement and the organizations of soldier's mothers, and their focus is very different than the western-oriented groups. For example, originally *Soyuz Ukrainok* and *Zhinochna Hromada* were interested in the state of the Ukrainian language, culture, and environment rather than the rights of women. They therefore advocated a more maternalist than feminist style of politics. These groups have sustained networks that meet on a regular basis. Their activities revolve around service, bringing them into contact with their public and fostering longer-term commitment.

Hrycak concluded that there are two publics, or two ways of understanding the role of women's groups, that have developed in the past decade. One is the feminist bloc, which is oriented more on centers outside of Ukraine. These activists spend a good portion of their time participating in training exchanges with western countries. Hrycak noted that these groups are more appealing to western funders, as they share a concern over issues of women's rights in the region.

The other public is made up of women's groups that grew out of more maternalist organizations, and who are already engaged in domestic politics. Their main issues and mode of activity, according to Hrycak, may be more appealing to the women of Ukraine than those rooted in the feminist frame of mobilization. However, Hrycak noted that these groups have also learned to present their issues in ways that can attract western funds, and over time have become more committed to questions of women's rights.

In conclusion, Hrycak remarked that western civil society programs have been effective in quantitative terms. However, many of the newly founded organizations have meager membership numbers. She also noted that women's issues have been effectively put on the agenda in Ukraine, and this may be attributable to the work of western programs. Her greatest criticism of the programs was their tendency to provide disincentives for cooperation, leading to factionalization of the community.

Finally, Hrycak recommended that western civil society programs could be more effective were they to create incentives for activists to attend conferences and events at which rival groups could deliberate. In this way they could form a public around agendas that are domestic rather than foreign.

—by Nancy Popson

Vol. XVIII No. 7 2001

Globalization and the Russian Transition

Insufficient attention has been paid to the fact that Russia has been going through a process of economic transformation in a time characterized by increasing globalization both of economic and political processes, remarked **Michael Bradshaw**, Professor of Human Geography, University of Leicester at a Kennan Institute lecture on **6 November 2000**. In order to understand why Russia's transformation has been so troubled, Bradshaw continued, it is necessary to look at questions of globalization which have great implications for the creation of a functioning state, a coherent federal system, and a market economy.

The process of globalization impacts the processes of change on the local and regional scale. According to Bradshaw, globalization implies a stretching of social, political, and economic activities across frontiers such that events, decisions, and activities in one region of the world can impact individuals and societies elsewhere, as well as an increased

interconnectedness which transcends individual states. In many ways, the state is no longer the key scale of action as the boundaries between domestic matters and global affairs are blurred. In the case of the Russian Federation and other post-Soviet states, Bradshaw remarked, we see societies that were previously closed off from global influence are now open to all these forces.

Globalization processes have a great impact on the progress of economic transformation in the post-Socialist world. The “transition economies” have been encouraged to open their crisis-ridden economies to international trade and attract foreign investment. The governments of these states have been powerless to combat the changing fortunes of the global economy. According to Bradshaw, Russia’s 1998 financial crisis was in large part caused by the changing sentiments of international financial markets. Equally, Russia’s current economic recovery is partly driven by high world oil prices. In addition, the devaluation of the ruble has actually been beneficial for Russia as import substitution revived domestic producers and encouraged foreign investors to produce locally.

The Russian government faces a dilemma—as do most transition economies—Bradshaw noted. Opening the economy to global, competitive forces may promise new wealth while ending state subsidies and protective measures as required by the World Trade Organization could unleash further destruction upon the Russian economy.

According to Bradshaw, it is unclear what role Russia will play in the global economy. It is necessary to consider the relationship between globalization and economic transformation as well as to look at the relationship between economic transformation and regional change. The regional dimension is a key factor explaining why Russia’s economic transformation has been so troubled, Bradshaw remarked. Russia inherited economic activity and geography that made some sense in a centrally planned command economy, but which is ill-suited to the demands of emerging market economies. Consequently, Bradshaw noted, economic transformation has brought a spatial restructuring, as the economic geography of Russia has started to reflect the market economy.

According to Bradshaw, however, the actions of the central and regional state have slowed down the process of spatial restructuring in order to protect the interests of the

old order. These actions have in turn hampered the emergence of a new economic geography. The result is a partially restructured economic map. There have been many changes, but most of them have been destructive—a consequence of collapse. One of the key indicators of whether or not Russia is becoming a market economy will be if its geography begins to reflect the logic of the market, Bradshaw argued.

It is at the regional level where the struggle between the old and the new is most obvious, Bradshaw stipulated. According to Bradshaw, there are regions in Russia which could benefit directly from greater interaction with international actors without dealing with Moscow. Globalization could free these regions from overdependence on Moscow.

In Russia, Bradshaw pointed out, statistics on import/export activity, foreign investment, and bilateral and multilateral technical assistance programs reveal that very few regions have been incorporated into the global economy. Moscow is a difficult and expensive place to operate, so companies developing a Russia policy must get beyond Moscow, Bradshaw argued. Patterns of foreign investment reflect a strong natural resource orientation in sparsely populated regions of Russia such as the north and far east. Conversely, statistics on “enterprises with foreign involvement” show a concentration in “gateway” and “hub” regions. In addition, Moscow oblast is becoming an obvious solution to the problem of expensive Moscow city, Bradshaw pointed out.

To make sense of any one region, one must look at the relationship between transition and regional change as well as the relationship between globalization and those two processes. Regions can use the links between the global and the local to increase their independence from Moscow—which will increase dependence on the global market. However, Bradshaw argued, that vulnerability may be preferable to being dependent on Moscow.

—by Jodi Koehn

Vol. XVIII No. 8 2001

Evolution of Center-Periphery Relations

In examining Yeltsin’s and Putin’s differing responses to ethnic conflicts along Russia’s periphery, **Emil Payin**, Director, Center for Ethnopolitical and Regional Studies, INDEM Foundation, Moscow and Galina Starovoitova Fellow on Human Rights

and Conflict Resolution at the Kennan Institute proposed that we might glean a deeper understanding of the varying directions that Russia has embarked upon in the recent past. Payin was joined by **Michael Thumann**, journalist, *Die Ziet*, Moscow Bureau, and Public Policy Scholar, Woodrow Wilson Center at a **1 December 2000** lecture at the Kennan Institute.

Connecting Putin to Yeltsin's late rule allowed Payin to deconstruct the myths of Putin as a representative of pragmatic liberal reform. Payin responded to the myth that Putin brought order and stabilization to relations between Moscow and the regions, finding that the second Chechen War particularly demonstrates a trend towards disintegration. While Yeltsin managed to squelch growing discontent at the expense of concessions to the republics, under Putin the situation has worsened. The pressure Putin places on the leaders of the republics revives their nationalist separatist strength.

As in any drawn out conflict in occupied territory, the demoralization of the Russian army and dissatisfaction of the people is at hand, as both economic and social losses are being felt. Another consequence is that Moscow's response to Chechnya has exacerbated developing Russian policy towards non-Russians. Putin's strategy is aggressive, contributing to the rise of separatist sentiment among the republics. This strategy fosters the growth of secret nationalistic movements, rather than responding directly to Putin's policies.

As the Chechen war drags on, the rebels cease to fear the army, and the perceived weakness may inspire other nationalities to accelerate the breakup of Russia. These strategies can lead to solidarity amongst all offended nationalities, threatening the notion of a unified Russia. If the Russian Federation had allowed Chechnya to succeed, Payin stated, it might have prevented the ensuing "domino effect." Instead, solidarity has formed among non-Russian nationalists along religious and cultural lines. The potential for such uprisings increases as the population changes along ethnic lines. Russians are becoming the minority group, particularly in much of the North Caucasus. It is estimated that Russians could become minorities in the biggest republics of the Povolzh region, Siberia and in the Far East.

Possible outcomes of the situation, noted Payin, are secession along the border

republics or, more seriously, the collapse of the country entailing the formation of one or two new countries in the heart of Russia. In order to curtail such a collapse, Payin advocated a multi-cultural doctrine, wherein the leaders would recognize the threat to the country and open representation in the central government to non-Russians. This tactic, Payin noted, is unlikely to bode well with the current leadership.

Payin concluded with murky optimism, that there is still time to overcome the present course of Putin's administration, in the process making way for new political powers of the liberal democratic sense.

In response, Thumann agreed that Russia's multi-ethnic character has always been a fundamental, yet often underestimated, factor in Russian politics. Using the Sakha region as a case study, Thumann explored Yeltsin's use of concessions to stabilize rebellious republics and contrasted this to Putin's more aggressive strategy of centralization.

Thumann credited Yeltsin with developing a "prudent though economically inefficient mode to prevent regions and republics from leaving the nation." Though critical of Moscow's motives in launching the two offenses into Chechnya, Thumann otherwise found that Yeltsin held the Russian Federation together by peaceful means rather than by war. Yeltsin, for example, granted the wealthy, yet far from independent, Sakha region a commitment that "whatever they wish to give they may give; whatever they wish to retain they may."

Using subsidies and tax breaks to accommodate the regions most inclined to protest, argued Thumann, the central government managed to diffuse a crisis before it could spread. This policy of appeasement inhibited the formation of a national ideology against which separatist movements could have rallied.

In contrast to Yeltsin's strategy of concessions, Putin has embarked upon the reverse strategy, naming Russia as a great power to strengthen support from the people for his reform policy. Thumann stated that many Russians were receptive to this policy after the 1998 crisis, as centralization enhances efficiency. Thumann credited the inception of this plan to Yeltsin's second term. Thus far, Putin has reduced the role of the Federal Council and eliminated the regions' leaders from this council while adopting Yeltsin's abandoned plan to divide Russia into districts

with individual presidential representatives. With the established policy of concession-making, Putin may find resistance as he moves towards centralization.

Thumann concluded by pointing to Putin's predicament of addressing the restructuring of the state as a whole, for doing so ignores ethnic identities. Instead, he found that discussions must be considered in terms of ethnicity in order to conceive of a broad sense of accurate citizenship. Should Putin's centralization efforts fail, substantial concessions to the republics will become inevitable.

—by Lauren Crabtree

Vol. XVIII No. 9 2001
National Security and Foreign Policy
under Putin

Russian foreign policy under Vladimir Putin has undergone a substantial evolution, remarked **Celeste Wallander** at a **27 November 2000** lecture at the Kennan Institute. Wallander, Senior Fellow, European Studies, Council on Foreign Affairs, addressed both the differing style and substance of the Yeltsin and the Putin administration's approaches to the world outside of Russia. Downplaying changes in style, Wallander found Putin a reasonable policymaker, whose goal is to bolster Russia's status as a world player rather than simply accept a supplicating role in international negotiations.

To understand these differences, Wallander began by challenging the criticism of Putin as being primarily motivated by anti-Americanism. Yeltsin and Putin do not vary significantly in their primary objects of economic prosperity and international stability, she argued. Their differences lie in the means they are willing to deploy in order to achieve such stability. Wallander sees Putin's policies as practical approaches to position Russian national security interests.

Yeltsin believed it best to approach the West "as subordinate, if necessary, because [Russia] was a weak supplicant ready to trade cooperation in political and military affairs for economic support and assistance," stated Wallander. In characterizing his relations with neighboring and weaker states, Wallander found Yeltsin's approach to be forceful, attempting "to bully and assert Russia's rightful place as a country more powerful than the others."

As Putin defines his role on the international front, Russia veers away from a perceived tradeoff between economic

cooperation and political concession the U.S. One of the themes emerging from the recent Putin policies is that cooperation, debt relief, and further resources from Western countries and institutions, like the IMF, are desirable, but not necessary.

Putin's assessment of national security interests is markedly different from Yeltsin's. Wallander identified two reasons for this difference. First, the composition of Putin's domestic, political, and economic coalition is unlike that of Yeltsin's, and, secondly, Putin is dealing with an economy driven by rising energy prices. Putin is now in a position to defy the oligarches' control over the country. The strength of the economy lies in capitalizing on advanced technologies and exporting competitive sectors of the defense industries. These interests are determined by Russia's national and foreign policy, a factor, Wallander argued, that the West often overlooks in criticizing Russia's international role.

Putin's overall objective, Wallander suggested, is to create conditions for the potential success of the market economy, and to further the success of industries on the international horizon. While Yeltsin concentrated his efforts on achieving low inflation and international credit-worthiness, Wallander reasoned that Putin "is unwilling to sacrifice the core economic and political sectors in order to achieve these broad objectives."

This stand is a prime indication of Putin's strength as a leader, Wallander stated. Putin refuses to be strong-armed by the U.S. for concessions based upon U.S. foreign interests. Wallander called upon the recent example of IMF negotiations, in which Russia walked away from the unfavorable conditions stipulated by the U.S., and referred to the Russian denouncement of the "unreasonable" compromise programs. "By declaring [U.S. terms] desirable, but not essential, [Russian leadership] has removed the single most important lever of influence that the West, and the United States in particular, had and wielded over Russian foreign and security policy in the 1990s."

Russia's alternative is to diversify its position, reaching out to countries such as China, India, Libya, and Iraq. In addition, trade with these countries has the added appeal of coinciding with the current leadership's own domestic priorities, such as military modernization and support for defense industries.

In changing the means by which economic prosperity is reached, Putin has

begun to take advantage of Russia's geopolitical location, seeking a multi-polar world in which Russia is a great Eurasian power. This strategy is not a primary goal, as in the days of Primakov, argued Wallander, for it seeks mutual benefits for a variety of countries.

Cooperation with the U.S., therefore, is not necessary for Putin to achieve his long-term goals. Rather than responding to anti-American motivations, as he has been accused, Putin is attempting a realistic assessment of the domestic, political, and economic state. Instead, Wallander found the U.S. has viewed Putin's foreign policy to date as motivated by anti-anti-Americanism, a position which reflects U.S. slow-footedness to adapt to the new international stage.

In conclusion, Wallander advocated that the U.S. "selectively focus [its] interests into areas where Russian interests really do conflict" with U.S. policy, and encouraged the U.S. to "welcome Russia's foreign policy diversification where it is in keeping with [U.S.] interests, such as in accelerating Russia's integration and cooperation in Europe, and to seek to address its causes where it is not, such as in the economic profit incentives fueling Russian-Iranian, Russian-Chinese and Russian-Indian arms sales." If the U.S. instead chooses to adapt to the new arena, and focus on economic cooperation and profit, it stands in a much better position to profit from Putin's approach to Russian foreign policy.

—by Lauren Crabtree

Vol. XVIII No. 10 2001
Social Organization and Exchange
in Rural Russia

Russian villagers operate primarily outside the market economy, making the Russian village the safest place in the country for economic survival, remarked **Margaret Paxson** at a **29 January 2001** lecture at the Kennan Institute. Paxson, a Title VIII-Sponsored Research Scholar at the Kennan Institute, continued to say that villagers are able to either grow or obtain much of what is needed for survival. This lack of dependency on the market, Paxson stated, reinforces the self-sufficiency of the village.

One of the most popular ways of obtaining what one needs is through exchange, which comes in several forms. Goods and services are often offered in exchange for goods and services. Money is useful, but can be an uncomfortable form of capital, particularly in certain contexts, Paxson noted. The

symbolism of "money" inherited negative connotations during the Soviet period. Within the ideology of socialism, the desire for money and endeavors to generate it was seen as a sin of the capitalist enemy. Owning dollars was a criminal offense in Soviet times, and dollars still bear this sort of underworld association, Paxson argued.

Paxson stated that another reason for the negative connotation of money is deeper and has to do with certain fundamental principles of exchange. Money is used in exchange where debts are precisely calculated and promptly erased. Money is comfortable where debt and the social connections it implies are uncomfortable. However, within the village, there are intricate webs of social connection. Money can quantify debt and erase social connection, which is appropriate if there is social distance between the traders. The closer the relationship between people, the more uncomfortable and socially inappropriate the use of money becomes. Exchange of goods and services is something that is done with categories of *svoi*—one's own people. Money is more appropriate to dealings with *chuzhie* (outsiders).

The preferred system of exchange is an informal one, where accounts are kept, but where there is a principle of returning more than what you received. In this system, Paxson remarked, villagers are connected by the dynamic of debts they owe each other. According to Paxson, such exchange is viewed as a positive feature of social life. For example, when there is social distance between families, exchange is avoided. Furthermore, when outsiders are involved, the social distance makes monetarized exchange more accepted.

For these reasons, there is a reluctance in the village to formalize economic exchange with money. When villagers occasionally sell each other produce, they are careful to name prices. Conversely, in terms of one's reputation and status in the village, it is absolutely necessary to reimburse people for their services.

Exchange is closely kept track of. An outsider to the village first sees countless examples of generosity. According to Paxson, in head-to-head social confrontations, to "win," it is necessary to be the one who gives more. Paxson referred to this as "one downmanship"—by spreading out one's surplus one wins status in the community. The "circle" of exchange groups appears to include an aspect of verticality. In short, vertical

extremes (of wealth) are avoided in the village economic system in favor of relative social “evenness.” Status is won by being an agent of redistribution, not of individual accumulation.

As time passes, it is clear that accounts are carefully kept in the village, even without formalizing them through money, Paxson noted. Giving someone a basket of produce does not imply a similar item in return, but it does create a debt which must be “paid” eventually. The debt is not meant to be quantified and then erased, but will instead continue to encourage future interdependence on a local level.

Furthermore, the unspoken rule that one should return more than what was received is the hallmark of a broader system of exchange that encourages economic homogeneity in the village community. In this system, generosity is good and in terms of one’s social status, generosity must be met with equal or greater generosity. In the Russian village, Paxson added, an inequality of means can become a social liability.

What does this system say about the prospects for reform in rural Russia? According to Paxson, there are two main issues. First, there is the question of how rural communities interact with non-rural communities. As was noted earlier, the closer the relationship between two parties, the less comfortable exchange involving money becomes. At the same time, Paxson noted, the closer the relationship, the deeper the interdependence. When considering rural reform, this is a problem since villagers should more actively engage with the market. Exchanges do occur involving money, but the question becomes how to continue to exchange through their comfortable “barter” system, Paxson argued.

Second, Paxson stated, in rural Russia, there is a dynamic of social interaction in which an individual gains status from their generosity and risks various forms of social “danger” by private acts of accumulation. This does not mean, however, that villagers will never accumulate wealth or lord it over one another, but that there is an unspoken, powerful mechanism for eliminating the extremes of wealth. Paxson concluded that this is part of an overall dynamic which tries to maintain a certain level of group cohesion. This dynamic, Paxson argued, can discourage the development of rural capitalism in its most extreme forms.

—by Jodi Koehn

Vol. XVIII No. 11 2001
Russia’s Demographic Crisis

Demographic trends in Russia limit its economic potential and social well-being, remarked **Nicholas Eberstadt**, Henry Wendt Chair in Political Economy, American Enterprise Institute, Washington, D.C. at a **5 February 2001** lecture at the Kennan Institute. These trends, Eberstadt continued, also limit the potential for improved productivity and Russia’s ability to have influence on the international stage.

Since the end of Communist rule, Eberstadt noted, Russia has experienced a drop in overall population due to a conjuncture of birth decline and mortality increase. Eberstadt argued that barring an unanticipated influx of foreign nationals, Russia’s population will continue to decline.

According to Eberstadt, there is nothing inherently worrisome in the short-term about a situation in which the number of deaths exceeds the number of births. In Russia today, fertility levels are extremely low: less than 1.2 births per woman per lifetime, if current trends continued indefinitely. Yet it is not the low levels of fertility, Eberstadt argued, that makes for Russia’s demographic crisis.

The crisis, Eberstadt stated, is due to the great increase in mortality in Russia over the past decade—and the prolonged period of stagnation in life expectancy during the late Soviet era. Over the past forty years, Eberstadt remarked, the Russian Federation has suffered a retrogression in health levels that is unprecedented for any urbanized literate society during times of peace.

Certain industrialized countries—such as Japan and West Germany—have experienced sharp declines in life expectancy, only to have health levels quickly restored and economic progress revitalized by those health improvements, Eberstadt stated. Yet those very cases highlight the differences in Russia, Eberstadt argued. In Japan and Germany, reversals in life expectancy were a result of war. When the war ended, prosperity returned and health levels rebounded. In Russia today, there is no war to end. Moreover, the maladies and afflictions experienced by the Russian population are inherently more difficult to deal with than the earlier health problems of other Western countries subject to mortality crisis.

To illustrate this point, Eberstadt gave the example of Japan in the early 1950s, in which the mortality level was slightly higher

than Russia's mortality level in the mid-1990s. The causes of death, however, were quite different. In Japan, respiratory diseases and tuberculosis killed a larger proportion of the population than is the case in Russia today. Those diseases responded to relatively inexpensive public health measures that could suppress infectious communicable mortality.

In Russia today, Eberstadt noted, the greatest killer of men and women is cardiovascular deaths, such as heart disease and stroke. Cardiovascular disease represents the "accumulation of a lifetime of insults"—often having to do with behavioral factors. The second greatest cause of death in Russia is due to injury and poisoning—many of which are alcohol-related.

According to Eberstadt, there is a great deal of "negative momentum" in Russian health patterns. To judge by mortality levels, contemporary adult Russian men and women are not as healthy as their parents were a generation ago.

Eberstadt offered a further comparison with Japan—which, despite disastrous losses in World War II, currently has the healthiest population in the world. According to Eberstadt, each successive birth cohort in contemporary Japan has had a dramatically lower death rate than birth cohorts 5–10 years earlier would have had at the same age. In contrast, in Russia, for people in their late 20's, the highest death rates experienced are for the generation that is now in their late 20's; for people in their late 30's, the highest death rates in the recent past are for people who are now in their late 30's. What this means, Eberstadt elaborated, is that it will take a great improvement of the existing "health stock" in the Russian Federation to simply re-attain their parents' level of health.

The health situation in Russia is a human tragedy, but there are economic implications as well. Eberstadt argued that in the 21st century, the wealth of a nation lies primarily in its human resources. When human resources are degraded, the economic potential of the country is constrained. According to Eberstadt, there is a strong correlation between a country's level of health and its productivity—wealth brings health and vice versa. On the international level, Eberstadt added, there is a strong correlation between life expectancy and per capita GNP.

Russia is not destined to continuing economic decline, Eberstadt observed. Yet Russia may suffer relative economic decline in the decades ahead, if its economy, due partly

to health constraints, registers positive growth, but grows more slowly than other regions of the world. Over the next twenty-five years, Russia's working age population will almost surely decline, Eberstadt stated. That decrease, combined with the implications of constrained per capita worker productivity, suggests the possibility that the Russian Federation's ranking among world economies might drop further in the decades ahead.

Eberstadt concluded that Russia currently seems to be in a period of historically unnatural weakness. The demographic trends suggest the possibility that today's weakness for Russia may only foreshadow continued relative decline.

—by Jodi Koehn

Vol. XVIII No. 12 2001
Ukraine's Regional Politics:
The Case of GUUAM

From the beginning of Ukraine's independence, it was obvious that Ukraine is a medium-sized state whose foreign policy interests are largely that of a regional nature, remarked **Oleksandr Pavliuk**, Kolasky Exchange Fellow, Canadian Institute of Ukrainian Studies; Visiting Scholar, Centre for Russian and East European Studies, University of Toronto; Director, Kyiv Centre of the EastWest Institute; and Advisory Council Member, Kennan Institute, at a Kennan Institute lecture on **12 February 2001**. Nowhere are those interests more important or more challenging than with GUUAM, the regional constellation of five countries (Georgia, Ukraine, Uzbekistan, Azerbaijan, and Moldova) formed in 1997 to explore mutual goals and needs in the post-Soviet space.

According to Pavliuk, prior to GUUAM, Ukraine's regional ambition centered mostly on the development of closer ties with the countries of Central and Eastern Europe, and to positioning Ukraine in Central and Eastern Europe. Yet, due to the difficulties of Ukraine's domestic transformation, not to mention Ukraine's cultural and psychological characteristics that differ dramatically from many other states in this region (i.e., Poland and the Czech Republic), Ukraine has so far failed to become an integral part of Central Europe.

Later on, in 1997, the southern or Black Sea dimension was added to Ukraine's priorities in regional politics. Ukraine's strategic interests in the Black Sea region stemmed from this region's geographic location, its

geostrategic importance, its economic and trade potential, as well as from the vital need to get access to the Caspian Sea's energy resources to diversify its energy supplies.

This new dimension of Ukraine's regional politics, Pavliuk underscored, was manifested in the country's leading role in the creation and development of GUAM initially, and then GUUAM, with the addition of Uzbekistan. Ukraine's interest in GUUAM was twofold: first, for Ukraine, especially in 1997–98, GUUAM became a kind of important political means of asserting itself as a regional leader, something that Ukraine failed to achieve in Central and Eastern Europe. In fact, since independence, Ukraine has played a critical role in sustaining geopolitical pluralism in the post-Soviet space, leading a group of countries that objected to the transformation of the CIS from a loose grouping to a supranational and closely integrated military alliance.

Secondly, and over time, increasingly important for Ukraine, GUUAM was seen as an institution that could become an instrument to deepen economic and energy cooperation, with priority given to gaining access to Caspian oil and gas. Heavily dependent on energy supplies from Russia, Ukraine put great hopes on being chosen as a transit country for the export of Caspian oil to Europe, Pavliuk noted.

Unfortunately, over the past two years Kyiv's capacities to help GUUAM withstand Russian pressure have decreased. Ukraine's persistent economic difficulties as well as its political weakness and vulnerability to Russian pressure have all affected Kyiv's ability and maybe its willingness to play its political role, Pavliuk said.

These challenges led to discussions within and among member states about GUUAM's priorities and its future development. Should it develop primarily into an energy-economic grouping or remain a framework for political cooperation and consultation? Should it be institutionalized or remain a loose consultative framework? Should it reach out to new members or focus on internal strengthening, Pavliuk asked.

Pavliuk argued that it is necessary and important that GUUAM retains its regional political and security dimension. At the same time, the value and importance of foreign policy coordination might decline over time if GUUAM fails to compliment this cooperation with the practical energy component. It is

energy transportation, notably the location of an oil pipeline, that is likely to be a major determinant of GUUAM's future. This is the issue that could either enhance or decrease the commonality of interests of GUUAM members.

Another important question is to what extent Ukraine is able and would stay committed to GUUAM cooperation. At present GUUAM becomes a barometer of Ukraine's further development and a kind of barometer of Ukraine's foreign policy in process. Given Ukraine's current domestic situation and its international standing and image, GUUAM remains perhaps the only foreign policy area where Ukraine can stay proactive, display initiative, and ultimately play an international role corresponding to the country's potential.

Pavliuk concluded by pointing to the need for support by the West of GUUAM, and in particular by the new U.S. administration. Only last year did the U.S. government start to show more attention to GUUAM, recognizing that it (GUUAM) has already contributed, and potentially can contribute, both to strengthening each of GUUAM's members internally and to bolstering regional security and stability in a region stretching from Central Europe, with Ukraine and Moldova, to Central Asia, with Uzbekistan. From this point of view, the support of the west and of the U.S. towards GUUAM would affect not only the fate of GUUAM, but also would help define the direction of Ukraine's foreign policy and, in the widest sense, Ukraine's development.

—by William Gleason

Vol. XVIII No. 13 2001
A Pollster's Perspective on the
Putin Phenomenon

"Different social strata see Russian President Vladimir Putin differently," declared **Aleksandr Oslon**, Director, Public Opinion Foundation, Moscow, at a **9 March 2001** lecture at the Kennan Institute, "but all strata see him as addressing their concerns. Young people see him as healthy and vigorous, and as providing an environment in which they can achieve. The elderly and ill see him as a guarantor of social benefits. Workers and professionals see him as a guarantor of stability. All these strata see in Putin, if not a guarantee, at least a hope that they will be provided with what they need." Faith in Putin as a leader has tracked consistently over 60 percent in polls, Oslon noted.

Oslo's Public Opinion Foundation, an independent, non-profit research organization in operation since 1992, has branches in almost all territories of the Russian Federation. The main source of funding is the presidential administration, which is supplemented by subscriptions from media outlets, major organizations, and business. The Public Opinion Foundation chooses the topics of its polls independently and publishes the results of these polls free of charge on its web site (www.fom.ru). In the years the Foundation has been in operation, the rapid rise of Vladimir Putin in the polls has been an unprecedented phenomenon, as has his continued high approval rating.

When Putin was appointed acting prime minister in the summer of 1999, his popularity stood at 1 to 2 percent and remained at that level for about six weeks. Putin was not alone in his unpopularity. Russian society was exhausted from the tumultuous 1990s and completely disillusioned with politicians. Oslon noted that when asked in a poll to identify the key oligarches in Russian society, people identified prominent politicians such as Anatoly Chubais and Boris Nemtsov right along with businessmen Boris Berezovsky and Vladimir Gusinsky. Putin's appointment as prime minister coincided with an intense media campaign between leading politicians in the run-up to the December parliamentary elections. Russians felt that their leaders were engaging in "virtual politics" rather than governing the nation, according to Oslon.

One event changed this dynamic. In September 1999 a series of bombs destroyed apartment buildings in Moscow and other Russian cities, killing hundreds. "This led to a very rare thing in Russian public life," noted Oslon, "at the same time, tens of millions of Russians experienced the feeling of fear in their own homes. No other event in the 1990s approached the effect of these explosions." Putin, the unknown politician with a 2 percent approval rating, reacted with swift, unexpected announcements promising action. "Our research," Oslon declared, "shows that the attitude of the Russian public towards Putin changed to one simple phrase: He is like us." Putin's popularity started climbing at a rate of about 5 percent per week, until by the end of the year it stood at about 49 percent where it remained until his election for president the following March.

Putin sustained his rising popularity with concrete policy actions. As prime minister, Putin addressed the issue perceived by the Russian people as the most important problem facing Russia—the non-payment of pensions by the government. According to polling data from 1996 onwards as many as 50 percent of pensioners had not received payments on time. The government cleared the backlog in 1997, but only as a one-time solution by borrowing money and by fall the problem returned. This was an example of the "virtual politics" that frustrated Russians. The pension arrears were eliminated in November 1999, which played a huge role in solidifying Putin's popularity. Not only have pensions continued to be paid on time, Oslon added, but they have also been increased. Putin's popularity immediately paid off in political terms. After announcing that he would vote for the newly-created Unity party in the December parliamentary elections, Unity captured the second largest bloc of deputies in the election.

Putin has taken other steps after his election to confirm the public's perception of him as a leader who does not engage in virtual politics, Oslon stated. He limited the power of regional governors. He took action to limit the influence of the oligarches over government. He has pledged judicial and land reforms, but has avoided launching sweeping initiatives on the scale of the economic reforms of the early 1990s. As president, he has maintained a constructive relationship with the Russian Duma.

At the same time, Oslon added, Putin worked to find issues that resonate with popular opinion. His decision to reintroduce the Soviet anthem and continue to pursue unification with Belarus may have elicited negative opinion from abroad and even from elites at home, but it reflected the desire of the majority of Russians as documented in national polls. Putin's statement that "only a stupid person believes that the Soviet Union can be reconstructed, and only a malicious person can object to nostalgia for the Soviet Union" captured the public mood, according to Oslon.

One frequent criticism of Putin is that he is not using his immense popularity to decisively address deep-rooted problems or introduce market institutions in Russia. Such criticism is unrealistic, argued Oslon: "It is naive to think that by signing a decree, the president can get results. There are issues out

there that will be very difficult to resolve, but no one can guarantee that he will fail.”

—by Joseph Dresen

Vol. XVIII No. 14 2001

Market Bolshevism against Democracy

Yeltsin's desire to remain in power at any cost after the events of 1993 compromised the growth of a successful democracy in post-Soviet Russia, argued **Peter Reddaway**, Professor of Political Science and International Affairs, George Washington University, and former Director, Kennan Institute at a **19 March 2001** lecture at the Kennan Institute. Reddaway stated that Yeltsin's method of imposing market reforms from above required the undermining of democracy. Reddaway labeled this approach of imposing quasi-market institutions on Russia “market bolshevism,” a phrase used in the title of his and Dmitri Glinski's recently published book, *The Tragedy of Russia's Reforms: Market Bolshevism against Democracy*.

To control the crisis of 1991, Yeltsin and his advisors advocated shock therapy, freeing many prices from government control, reducing government spending, courting financial backing from western institutions, as well as trying to create the institutional and legal infrastructure to support a market economy. Reddaway argued that accomplishing these goals was both culturally and politically impossible.

Since successive Russian parliaments opposed this economic strategy, Yeltsin had to undermine the very foundation of his democratic policy, often ruling by decree. Citing manipulated elections, plans of 1996 to dissolve parliament, and his relationship with the oligarches, Reddaway noted that “by 1998, Yeltsin's regime and the Russian state had become not just dangerously weak and corrupt, but also... financially dependent on Russia's wealthy elite and also on the West.”

In 1993, Yeltsin both dissolved the parliament and used armed force. It was during the time following these events that Yeltsin's dependency on the oligarches was firmly ensconced in his political operations, thereby exacerbating “the loss of legitimacy on the part of the state and its institutions.” Yeltsin's advisors, Aleksandr Korzhakov in particular, were interested in limiting the drop in Yeltsin's popular support, and embarked on several strategies to regain his popularity, including an attempt to link popular support to nationalism by launch-

ing the war in Chechnya in December 1994.

Another strand of this strategy was the development of “slush funds” for Yeltsin. He gave tax breaks to favored organizations on the understanding they would support him politically and financially in return. Also, Yeltsin's second volume of memoirs—financed by Boris Berezovsky and his associates—was used to corrupt him and his family. The three million dollars raised by this group were placed in one of Yeltsin's accounts, with the monthly interest deposited in a safe in Yeltsin's office. Though Yeltsin was told that these deposits were advances, they were in fact a bribe, and he was inextricably linked thenceforth to the interests of the oligarches.

While Reddaway highlighted the dependency created by these events, he acknowledged that some degree of corruption would have occurred during these years regardless of the personal corruption of Yeltsin. An interesting consequence of Yeltsin's dependency was that “Berezovsky's corruption of Yeltsin personally did reduce Yeltsin's personal power... thus reducing any possible danger of a strongly personal authoritarianism under Yeltsin.”

Yeltsin's focus on preserving his personal power was particularly clear in the events on March 1996, three months before the scheduled date for the presidential elections. While most writers and commentators have praised Russia for holding these elections, Reddaway pointed out that it later became clear that Yeltsin had decided to dissolve the parliament and postponed the presidential elections. Yeltsin consulted with his relevant colleagues and systematically lied to each of them, stating that everyone had agreed to the operation. It was only when the Interior Minister, Anatoly Kulikov, consulted them individually that Yeltsin's trickery was discovered. When confronted, Yeltsin refused to back down at first, though he did change his mind by the next morning.

These events, stated Reddaway, demonstrate that “Yeltsin had no firm commitment to his own constitution and the institutions that it purported to legitimate. Faced with the possibility of losing by far the most powerful office in the political system, he didn't hesitate to hang onto this office by crudely violating one of the constitution's most important provisions.” If not for Kulikov, Reddaway noted that Yeltsin may well have succeeded in subverting the political process.

A particularly harrowing aspect is that Yeltsin was acting in response to pressures from the oligarches to postpone the elections and rid the system of the communists. Following the failure of this tactic, Yeltsin, Anatoly Chubais, and the oligarches, in effect, rigged the election by spending hundreds of times more than the amount allowable for campaigns.

Putin, as Yeltsin's successor, has the pivotal role of determining whether the market bolshevism policy will continue. Reddaway sees Putin as a product of the Yeltsin system, who, "if he does try to change the system... will find himself a prisoner of the system." Though his style differs, his strategy is fundamentally a continuation of market bolshevism, leaving Russia in the lurch until new reform movements emerge.

—by Lauren Crabtree

Vol. XVIII No. 15 2001
The Anti-Revolutionary Revolution
in Russia

Is the Russian experience over the last ten years so different from the great revolutions of the past?, asked **Stephen Hanson**, Associate Professor, Department of Political Science, University of Washington, and former Title VIII-Supported Research Scholar, Kennan Institute at a **2 April 2001** lecture at the Kennan Institute. There are many definitions of revolution that apply quite easily to the Russian case, yet Western analysts have rarely used the concept.

The Russian revolution of 1991 and the revolutionary decade since have had a distinctive feature that sets it apart from other revolutions in history, Hanson stated. This is the first revolution in human history to be organized and directed *against* an officially revolutionary regime, Hanson argued. According to Hanson, "a revolution that was organized, directed, and consciously focused on rejecting a revolutionary regime is a revolution that cannot speak its own name. The moment that you say 'this is a revolution,' you are associating yourself with a discredited ideology of the past to which nobody wants to return." Furthermore, a revolution that cannot call itself revolutionary generates specific problems of legitimation, Hanson remarked.

According to Hanson, for the Soviet leadership up until 1991, the term "revolution" had positive connotations and was considered a source of legitimacy in official

ideology. Soviet leaders from Lenin to Gorbachev spoke of a revolutionary transformation in the country, although the general public became increasingly cynical about such phraseology.

With the collapse of the Soviet Union and leadership of Boris Yeltsin, however, revolutionary rhetoric disappeared. According to Hanson, Yeltsin—the "quintessential anti-revolutionary revolutionary"—promised a return to "normal" life and to Europe, which was viewed in the Soviet Union as the antithesis of revolution. Such a plan was seen as Russia's natural fate, a return to something that had once existed but had been derailed by the Soviet experience. This strategy, Hanson argued, was likely the only way for the democratic movement in Russia to gain mass support.

Hanson stipulated that the problem with such a strategy is that the level of social transformation needed to attain the goal of liberal capitalism is inconsistent with the rhetoric of a return to "normal life," evolution, and gradualism. This inconsistency, Hanson stated, led to a disconnect between the aspirations of Yeltsin's supporters and the reality of fundamental social changes which would be both costly and disruptive. The result was a split between formal ideology and the mass base in the democratic Russian movement, Hanson remarked.

Even Yeltsin's opposition would not use the terminology of revolution, Hanson noted. It would be logical for Yeltsin's "inability to sustain social support for revolutionary transformation under the guise of a return to normal life" to produce ideologues to lead the revolution in an anti-liberal, anti-democratic direction. Yet, political figures like Gennady Zyuganov and Vladimir Zhirinovski consistently claimed to be upholding tradition or centrism, not revolution. Meanwhile, genuinely revolutionary fascists and communists found little support. According to Hanson, the legacy of a "society that was forced into revolutionary rhetoric and to some degree revolutionary action...has actually undercut the social base for revolutionary movements of all types."

Vladimir Putin's strategy of "pragmatism and patriotism" continues Yeltsin's approach. The one difference is that Putin includes "radical liberalism" as another type of extremism to be avoided. However, such a policy makes it difficult for Putin to recruit genuinely committed supporters and estab-

lish lasting institutions. Thus, Hanson added, Putin's policy fails to overcome the uncertainty and unprincipled politics that have plagued Russia since 1991.

The irony is that the attempt to create legitimacy without the rhetoric of revolutionary ideology has sustained uncertainty longer than was seen in previous revolutionary periods. Revolutions usually end within a decade with the decisive establishment of an alternative ideological regime, Hanson stated.

Russia is attempting to live with the legacy of its revolution but lacks a clear focus or national identity. However, Hanson noted, the current regime cannot be easily overthrown because any figures with the desire to do so are immediately discredited by Russian public opinion. Most Russians do not want to return to any type of extremism. Unfortunately, Hanson added, even liberalism is now associated with revolution.

According to Hanson, the possibility that the current non-ideological regime might sustain itself for several more years is potentially a positive thing. Without a revolutionary figure taking charge, Russia can avoid the revolutionary outcomes of the past that were most disturbing for world stability and democracy.

American politicians, Hanson concluded, should therefore strive to take a long-term perspective. Russia might end up with an authoritarian regime, Hanson argued, but if so its lack of ideology and loyal supporters would limit its ability to sustain itself. The best case is one in which Putin does not fundamentally establish an authoritarian regime that the West cannot tolerate. If this happens, Hanson stated, it makes sense to think about a long-term process of transformation in which "the fact that ideology is gone represents an opportunity for global compromise and the spread of liberal democratic institutions."

—by Jodi Koehn

Vol. XVIII No. 16 2001
The Prospects for a Sino-Russian
Strategic Partnership

"The idea of a Russian-Chinese strategic partnership that Russian President Boris Yeltsin and Chinese President Jiang Zemin first proclaimed five years ago, in April 1996, evokes memories of the Sino-Soviet alliance of half a century ago, but it is actually nothing of the sort," stated **Steven Levine**, Mansfield Professor of Asia Pacific Studies, University of

Montana at a **11 April 2001** panel discussion at the Kennan Institute cosponsored by the Wilson Center's Asia Program. The panel also included **Aleksei Voskressenski**, Professor and Head, Department of Asian Studies, MGIMO-University, Moscow, and former Regional Exchange Scholar, Kennan Institute; **Jeanne Wilson**, Associate Professor, Department of Political Science, Wheaton College; and discussant **Alexander Lukin**, Visiting Fellow, Center for Northeast Asian Policy Studies (CNAPS), Foreign Policy Studies, Brookings Institution. Rather than a relic of the cold war, the panel agreed, the strengthening relationship between China and Russia is driven by a complex set of shared interests and different priorities.

China and Russia share a mutual interest in a stable border. By the late 1990s, Moscow and Beijing had resolved a long-standing border conflict that had once threatened to engulf the Soviet Union and China in outright war. Both Russia and China are also interested in limiting U.S. influence in Central Asia, as well as maintaining political stability in these new states.

The economic forces unleashed by globalization also work to reinforce this cooperative relationship, according to Voskressenski. While benefiting from international trade, Russia and China are also concerned about lagging behind Western nations more fully integrated into the global economy. Both nations seek to mitigate the negative consequences for globalization by promoting increased cross-border trade. China benefits from increased access to Russian energy supplies and Russia benefits through greater integration of the Russian Far East into the Pacific economy. Another aspect of the economic relationship between Russia and China is one that strongly concerns the United States—Russian arms sales to China. Wilson noted that 70 percent of Russia's arms sales went to China in 2000. For Russia, these sales represent a very important source of export earnings that also keep several enterprises in Russia's defense industry afloat. China, in turn, relies on Russia for sophisticated arms and military technology, as it is cut off from arms sales from the West.

It is international politics, however, that throws Russia and China together with the greatest urgency and public fanfare. Both Moscow and Beijing view with alarm the economic, political, and military dominance of the United States in global affairs. In their

eyes, Lukin stated, they are defending an international order rooted in the United Nations, where each holds veto power in the Security Council, from a United States bent on changing that order to its own advantage. NATO's bombing of Yugoslavia over Kosovo was particularly important in convincing Moscow and Beijing of the need to strengthen security ties. Both China and Russia are multinational countries, Lukin noted, and they wonder why the U.S. felt it could bomb Yugoslavia and not China and Russia, or even Turkey, for the same crime.

If the United States provides China and Russia with the strongest reason to unite, it is also the greatest source of contradiction in the relationship. Both China and Russia view their own bilateral relations with the United States as more important than their developing strategic partnership, the panelists agreed. Each also suspects the other of being willing to cut separate deals over vital security matters. Russia values China's cooperation in voicing opposition to U.S. hegemony, but it knows that China would not endanger its economic ties with the West over another round of NATO expansion. Bilateral trade between Russia and China may have reached a record \$8 billion in 2000, but this figure is only 1.7 percent of China's trade volume and is dwarfed by China's \$75 billion trade with the United States. China, on the other hand, is very concerned over any form of missile defense, given its limited nuclear deterrent and its desire to intimidate Taiwan with missiles based across the strait. China suspects that Russia may be willing to cut a deal with the West on missile defense that would negate China's deterrent without damaging Russia's.

Another challenge in the relationship is the reversal in relative power since the cold war. This change is evident in the demographic situation developing in the Russian Far East. Sparsely populated to begin with, the Russian population of the region is in decline. Over the border lies China, with the world's largest population and memories of territories annexed by the Russian Empire through a series of unequal treaties. If the security relationship between Russia and China is to endure as more than a reaction to the United States, they will need to come to terms with the shift in power and manage such vexing issues as the Russian Far East.

In short, the panelists agreed, the Sino-Russian relationship will fall far short of a

military alliance and will be based upon independently derived assessments of their convergent mutual interests. A strong relationship between these states is a positive trend, as it promotes stability in the region and economic development. An element of that relationship will be to challenge the United States, but that challenge will be mitigated by each nation's interest in maintaining positive relations with the United States.

—by Joseph Dresen

Vol. XVIII No. 17 2001
Contemporary Ukrainian Theater as
Baroque Carnival

The experience of Ukrainian theater is one of trying to balance classical heritage and a tragic history with innovation, according to **Pavlo Bosy**, Producer, Little Globe Theater, Kirovohrad, and OSI Research Fellow, New School University, New York. Speaking at a Kennan Institute lecture on **1 May 2001**, Bosy explained that theater is important for understanding Ukrainian culture because it is "that kind of art which is the most alive, metaphoric and capable of reacting to life issues." Theater, he declared is a "model of society."

In the 19th century, Ukrainian theater developed in three centers—Poltava, Lviv, and what is now Kirovohrad. The main genres, according to Bosy, were comedy, tragedy, operetta, and musical drama. The musical drama, which he portrayed as a Ukrainian invention, helped to make theater accessible to the lower class, but had stagnated by the 1920s and was no longer considered an art form.

Further experiments in theatrical art in Ukraine came to a halt under Stalin. During the 1920s and 30s, Soviet power brutally repressed all forms of artistic expression that was not in line with political preferences from Moscow. Ukrainian actors and playwrights were arrested and frequently executed.

By the 1940s and 50s, theater as an art form had become completely unified and identical throughout the Soviet Union. Special regulations dictated that every new theater should be built on the model of Moscow theaters. Actors were to be trained in the Stanislavsky method, and the repertoires of new and classical material were restricted. Musical dramas were favored, as they were simple and easily regulated.

Theatrical productions became limited to classical productions that were technically perfect, but stagnant. The only forum for innovation at that time was in stage design, and that form of artistic expression grew to be very important for Ukrainian theater, declared Bosy.

During the 1970s, theatrical experiments became more permissible in the provincial capitals of the Soviet republics. Playwrights from the provinces explored new issues for theater, and were eventually accepted on the stages of Moscow. In time, Moscow grew thirsty for material from the provinces. "The forced artistic unity of previous decades had vanished," argued Bosy, "Some theatrical centers became optimistic, while others, such as in Armenia or Lithuania, became openly tragic."

The 1980s and, especially, 1990s witnessed additional political liberalization. Directors, who in the past were forced to express their views in the symbolism of fables and parables, became freer to say what they wanted, but discovered that they had difficulty finding what to say with the erosion and disappearance of Soviet control. In response, Ukrainian directors turned to post-modern expression, and innovation was expressed in form rather than content.

"The result," stated Bosy, "was a baroque carnival in Ukrainian theater." Directors and playwrights started to reach back to draw upon images and themes from history in order to reinterpret them and place new forms on history. In this way, old classics and theatrical clichés were reinterpreted in absurdist approaches, with an emphasis on improvisation. For example, one production of Chekhov's *Three Sisters* was staged during World War II, with a KGB official playing the villain and accompanied by Elvis Presley music. Bosy described how another production staged a Chekhov play as if they were British actors with no knowledge of Russian life—for example, serving vodka from a samovar. Yet another company staged the Eagles' pop song "Hotel California" as a play. Bosy also described one director's technique of having actors trade roles mid-way through a play, and how another director became part of the performance by joining his actors on stage with a video camera.

In addition to a complicated historical and stylistic legacy, Ukrainian theater must also operate in a nation divided by ethnicity and language. Bosy noted that there are

different regional approaches to this task. For example, he explained that, by staging productions in English, the theater company that he heads in a provincial Ukrainian city is able to present more explicit and absurdist material than would be possible in Ukrainian or Russian. Fusing stylistic, cultural, and linguistic traditions is a challenge that the artists in Ukrainian theater are ready to meet, according to Bosy: "One of the translations of Ukraine is borderland—something between two worlds. It is like this for theater life as well."

Theater companies, regardless of their individual style or strategy, are an important element in the rebirth of Ukrainian culture. "Culture and art play an important regulative role in industrialized urban society," Bosy argued, "They help to adapt and integrate values of a multi-ethnic society."
—by Joseph Dresen

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Caspian Energy: Issues and Prospects

"The United States needs to support the independence of the Caspian states not only as a moral priority, but because their vulnerability will undermine our own security and energy interests." stated **Jan Kalicki**, Public Policy Scholar at the Woodrow Wilson Center at a Kennan Institute lecture on **14 May 2001**. A central element to ensuring the continued independence and stability of the Caspian states is the development of an east-west transportation infrastructure that would provide a route for Caspian energy to the world market independent from Russia and Iran.

The Caspian region is situated on the crossroads between Western Europe, East Asia, and the Middle East. The region holds gas and oil reserves that will become as important as the North Sea in assuring the future energy security of the West. Kalicki argued that it is vital to U.S. interests to promote the unfettered development and transportation to market of Caspian energy supplies. Doing so would not only promote the independence of the Caspian states, but also decrease the potential for the region to become a bridge to the flow of weapons of mass destruction, terrorists, and narcotics.

Kalicki, former NIS Ombudsman in the Clinton administration, argued that to defend these interests, disengagement from the region is not a serious option for the United States. Yet under President Bush, the position

of Caspian Coordinator has been downgraded to that of a senior advisor in the State Department, while the corresponding official in Russia holds the rank of Deputy Foreign Minister and is a former Minister of Energy.

U.S. policy under Clinton had been to advance commercial and foreign policy interests in the region by involving U.S. businesses, promoting the role of Turkey, curtailing the influence of Iran, and counterbalancing Russian influence. The centerpiece of this policy was both support for the Caspian Pipeline Consortium (CPC) pipeline across Russia and the plan for the Baku-Tbilisi-Ceyhan (BTC) pipeline—an east-west pipeline that would bring Caspian energy to the world market through the Turkish Mediterranean port of Ceyhan. The BTC pipeline would not only establish a route independent of Russia or Iran, it would also help solve the most sensitive problem currently facing the transportation of Caspian oil, which is Turkish opposition to ever-increasing oil shipments through the narrow 17-mile long Bosphorus straits.

Russia and Iran are actively developing their own alternatives to the BTC for transporting Caspian energy. Kalicki noted that Russia's Caspian negotiator, Deputy Foreign Minister Viktor Kaluzhny, has stated that while Russia no longer objects to the BTC in principle, it will move to create highly favorable tariff conditions to attract Caspian oil to its Transneft system. Iran has also been increasingly active in developing its ability to benefit from Caspian energy. "From a pipeline to the Turkish border to increased processing facilities," declared Kalicki, "from purchasing gas from Turkmenistan to pursuing oil swaps with Kazakhstan, Iran is becoming a player." Kalicki pointed out that European firms are actively investing in Iranian energy projects and Chinese enterprises are assisting Iran to develop transportation infrastructure that can be used for Caspian energy.

Kalicki argued that it is important for our Caspian energy strategy to have strong commercial and political components in developing an east-west transportation infrastructure. Commercially, there must be clear economic incentives to participate in building and operating the BTC, which will

cost an estimated \$2.4-2.7 billion to construct. Politically, it is necessary to maintain a framework conducive to the commercial development of the BTC.

If the strategy is to succeed, it is necessary to prepare against two contingencies, according to Kalicki. The first contingency, cost overruns, can be insured against, for example through a special facility under the Overseas Private Investment Corporation (OPIC), with deductibles and premiums set in advance to determine the shares to be borne by government and by participating businesses.

The second contingency is the threat that Russia and/or Iran may try to undercut the BTC through subsidized tariffs to ensure that Caspian oil and gas transit through their territories rather than through the Caucasus and Turkey. To defend against this second contingency, Kalicki argued, Turkey should make clear that any tariff war would have commensurate commercial consequences against future energy sales by Russia or Iran to the Turkish market.

Kalicki concluded by calling for a renewed focus on the region at the governmental level, as well as a reinvigoration of private-public sector consultations to achieve the goal of an east-west transportation infrastructure for Caspian energy. On the international front, Kalicki recommended that the U.S. consolidate a consensus with our Turkish and Caspian partners, and also with our European partners, on the importance of an east-west pipeline. Both Russia and Iran should be offered incentives not to oppose an east-west project, but we should be prepared to go forward without their approval. Kalicki stressed that the U.S. should oppose the transit of Caspian energy through Iran until there is an operating east-west pipeline.

"While it would be far more preferable to base pipeline development on purely commercial terms," declared Kalicki, "I would argue that the strategic importance of the east-west energy transportation infrastructure is large enough to justify consideration of political intervention as a final resort if this should make the difference for ultimate success."

—by Joseph Dresen

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