Chapter

18 Continuing communism, collapse and aftermath, 1953 to the present

SUMMARY OF EVENTS

This long period falls into four phases:

1953–64
After Stalin's death, *Nikita Khrushchev* gradually emerged as the dominant leader. He began a de-Stalinization policy and introduced new measures to strengthen the Soviet economy and reform the bureaucracy. In 1962 the USSR came to the brink of war with the USA over the Cuban missiles crisis. Khrushchev's colleagues turned against him and he was forced to retire into private life in October 1964.

1964–85
This was a period of stagnation and decline, during which *Leonid Brezhnev* was the leading figure.

1985–91
Mikhail Gorbachev tried to reform and modernize Russian communism and to encourage similar progress in the satellite states of eastern Europe. However, he proved unable to control the rising tide of criticism directed at communism, and in 1989–90, non-communist governments were established in most of the states of eastern Europe (see Section 8.7). When Gorbachev failed to keep his promises of economic reform and higher living standards, the people of the USSR turned against communism and he lost power to *Boris Yeltsin*. The Communist Party was declared illegal, the USSR broke up into 15 separate states and Gorbachev resigned as president of the USSR (December 1991).

1991–2012
Boris Yeltsin was president of Russia, which was now a separate state, from 1991 until his resignation at the end of December 1999. After the collapse of communism, Russia was plunged into chaos as successive governments tried desperately to introduce new economic and political systems. The problems were vast: inflation, unemployment, poverty, trouble in Chechnya and clashes between Yeltsin and parliament. In 2000, *Vladimir Putin* became president and was re-elected for a second term in March 2004. The constitution did not allow a president two terms, so in 2008 Putin's close supporter, Medvedev, was elected president with Putin as prime minister. In the 2012 elections, in spite of declining popularity and allegations of electoral fraud, Putin was elected president for a third term.

18.1 THE KHRUSHCHEV ERA, 1953–64

(a) The rise of Khrushchev, 1953–7

With the departure of Stalin, the situation was similar to that after Lenin's death in 1924: there was no obvious candidate to take charge. Stalin had allowed no one to show any initiative in case he developed into a dangerous rival. The leading members of the Politburo, or Praesidium, as it was now called, decided to share power and rule as a group. Malenkov became chairman of the Council of Ministers, Khrushchev party secretary, and Voroshilov chairman of the Praesidium. Also involved were Beria, the chief of the secret police, Bulganin and Molotov. Gradually Nikita Khrushchev began to emerge as the dominant personality. The son of a peasant farmer, he had worked as a farm labourer and then as a mechanic in a coalmine before going to technical college and joining the Communist Party. Beria, who had an atrocious record of cruelty as chief of police, was executed, probably because the others were nervous in case he turned against them. Malenkov resigned in 1955 after disagreeing with Khrushchev about industrial policies, but it was significant that in the new relaxed atmosphere, he was not executed or imprisoned.

Khrushchev's position was further strengthened by *an amazing speech which he delivered at the Twentieth Communist Party Congress (February 1956) strongly criticizing various aspects of Stalin's policies*. He:

- condemned Stalin for encouraging the cult of his own personality instead of allowing the Party to rule;
- revealed details about Stalin's purges and the wrongful executions of the 1930s, and criticized his conduct of the war;
- claimed that socialism could be achieved in ways other than those insisted on by Stalin;
- suggested that peaceful coexistence with the west was not only possible but essential if nuclear war was to be avoided.

Why did Khrushchev make this attack on Stalin? It was a risky step to take, bearing in mind that he and most of his colleagues owed their positions to Stalin and had gone along with his worst excesses without protest. Khrushchev genuinely believed that the truth about Stalin's crimes would have to come out sooner or later, and that it would be better if the Party took the initiative itself and confronted the issue before it was forced into it by public pressure. This argument enabled him to secure the approval of his colleagues for him to deliver the speech, and then he used the opportunity cleverly for his own political ends. He emphasized that he had only joined the Politburo in 1939, giving the clear impression that his seniors – Malenkov, Molotov, Kaganovitch and Voroshilov – were all infinitely more responsible for the bloodletting than he was. His publicly condemning Stalin's behaviour in this way made it more difficult for any future leader to attempt to imitate him. Khrushchev genuinely felt, too, that Stalin's system had held up progress and stifled initiative; he wanted to get things back on the track that Lenin would have followed, and rule as an enlightened dictator.

Khrushchev was not quite supreme yet; Molotov and Malenkov believed his speech was too drastic and would encourage unrest (they blamed him for the Hungarian revolution of October 1956), and they tried to force him out of office. However, as party secretary, Khrushchev, like Stalin before him, had been quietly filling key positions with his own supporters, and since he could rely on the army, it was Molotov and Malenkov who found themselves compulsorily retired (June 1957). After that, Khrushchev was fully responsible for all Russian policy until 1964. But he never wielded as much power as

Stalin; the Central Committee of the Party was ultimately in charge, and it was the Party which voted him out in 1964.

(b) Khrushchev's problems and policies

In spite of Russia's recovery during Stalin's last years, there were a number of serious problems: the low standard of living among industrial and agricultural workers, and the inefficiency of agriculture, which was still a long way from providing all Russia's needs. Khrushchev was fully aware of the problems both at home and abroad and was keen to introduce important changes as part of *a general de-Stalinization policy*.

1 Industrial policy

Industry continued to be organized under the Five Year Plans, with Number Six starting in 1955; for the first time the concentration was more on light industries producing consumer goods (radios, TV sets, washing machines and sewing machines) in an attempt to raise living standards. To reduce over-centralization and encourage efficiency, over a hundred Regional Economic Councils were set up to make decisions about and organize their local industries. Managers were encouraged to make profits instead of just meeting quotas, and wages depended on output.

All this certainly led to an improvement in living standards: a vast housing programme was started in 1958; there were wage increases, a minimum wage, tax cuts on low incomes, a shorter working week, increases in pensions and disability allowances, and the abolition of all tuition fees in secondary and higher education. Between 1955 and 1966 the number of radios per thousand of the population increased from 66 to 171, TV sets from 4 to 82, refrigerators from 4 to 40 and washing machines from 1 to 77. However, this was a long way behind the USA, which in 1966 could boast no fewer than 1300 radios, 376 TV sets, 293 refrigerators, and 259 washing machines per thousand. Of course, much depends on how one measures progress, but it was Khrushchev himself who rashly boasted that the gap between Russia and America would be closed within a few years.

After the initial improvement, economic growth began to slow down, partly because the Regional Councils were inefficient, and partly because insufficient investment took place. This was because of the enormous cost of the armaments programme and the advanced technological and space programmes. The achievement which gained most publicity both at home and abroad was the first manned orbit of the earth by Uri Gagarin (1961).

2 Agricultural policy

One of the most serious problems left behind by Stalin was the inefficient state of agriculture. Collectivization had not achieved the ambitious targets set for it by Stalin; the main priority therefore was somehow to increase food production. Because of his peasant background, Khrushchev considered himself an expert on farming matters. He toured the countryside meeting peasants and talking about their problems, which no previous Russian ruler had ever taken the trouble to do. His special brainchild was *the Virgin Lands Scheme* (started 1954), which involved cultivating for the first time huge areas of land in Siberia and Kazakhstan. The scheme was implemented by tens of thousands of young volunteers, with the government providing over 100 000 new tractors. Khrushchev also aimed to increase yields from the collective farms: peasants were allowed to keep or sell crops grown on their private plots, their taxes were lowered and the government increased its payments for crops from the collectives, thus providing incentives to produce more.

By 1958 there was a dramatic increase in total farm output, which rose by 56 per cent; between 1953 and 1962 grain production rose from 82 million tons to 147 million, and all this helped to improve the standard of living. But then things began to go wrong; the 1963

grain output was down to 110 million tons, mainly because of the failure of the virgin lands scheme. Critics in the Party complained that too much was being spent on agriculture to the detriment of industry; Khrushchev had to give way, and the supply of agricultural equipment dwindled. But the main problem was that much of the land was of poor quality, not enough fertilizers were used, because they were expensive, and the exhausted soil began to blow away in dust storms. In general there was still too much interference in agriculture from local party officials, and it remained the least efficient sector of the economy. The Russians had to rely on grain imports, often from the USA and Australia; this humiliation contributed to Khrushchev's downfall in October 1964.

3 Political, social and cultural changes

There were important changes in all these areas. Khrushchev favoured a more relaxed approach in general and the period became known as the 'thaw'. In politics this included a return to party control instead of Stalin's personality cult. Khrushchev was careful not to act too much like a dictator for fear of laying himself open to similar charges. There was a reduction in secret police activities; after the execution of the sinister Beria, sacked politicians and officials were allowed to retire into obscurity instead of being tortured and shot. The labour camps began to empty and many people were rehabilitated. Unfortunately this was too late for some people: Nadezhda Mandelstam received a letter addressed to her husband Osip, informing him that he had been rehabilitated; sadly, he had died in a labour camp in 1938.

There was more freedom for ordinary people, and a higher standard of living. It was estimated that in 1958 at least 100 million people were living below the poverty line, but in 1967 this had fallen to about 30 million; the improvement was due mainly to the introduction of a minimum wage.

There was more freedom for writers, for whom Khrushchev had great respect. Ilya Ehrenburg caused a stir with the publication of *The Thaw*, a novel full of criticisms of the Stalin era (1954). Anna Akhmatova, Bulgakov and Meyerhold were rehabilitated. Alexander Solzhenitsyn's novel *One Day in the Life of Ivan Denisovich*, about an innocent man sentenced to hard labour, drew on his own experiences of eight years in a camp. The simple test of Khrushchev's reaction to a new work was: if it attacked Stalin and his system, it would be approved; if it attacked the Party or present aspects of Soviet life, it would be denounced and banned. Some writers overstepped the mark and found themselves disgraced and expelled from the writers' union. But at least they did not end up in labour camps.

The 'thaw' also had its limits in other areas; for example, Khrushchev decided that the Orthodox Church was gaining too much influence in Soviet life. Thousands of churches were closed down and it was illegal to hold gatherings in private houses without permission; since this was never granted for religious meetings, it became extremely difficult for Christians to worship. In 1962 when some factory workers at Novocherkassk went on strike and organized a demonstration in protest against increases in meat and dairy prices, tanks and troops were called in. Troops fired into the crowd, killing 23 people and injuring dozens more; 49 people were arrested and five of the ringleaders were executed.

4 Foreign affairs

Following his Twentieth Party Congress speech, Khrushchev aimed for *peaceful coexistence and a thaw in the Cold War* (see Section 7.3), and seemed prepared to allow different 'roads to socialism' among the satellite states of eastern Europe. However, these departures from strict Marxist–Leninist ideas (including his encouragement of profit and wage incentives) laid him open to Chinese accusations of *revisionism* (see Section 8.6(d)). In addition, encouraged by his speech, Poland and Hungary tried to break free from Moscow's grip. Khrushchev's reaction to the developments in Hungary, where the 'rising'

was brutally crushed, showed how limited his toleration was (see Sections 9.3(e) and 10.5(d)). The greatest crisis of all came in 1962 when the USSR clashed with the USA over the question of the Russian missiles in Cuba (see Section 7.4).

(c) Khrushchev's fall

In October 1964 the Central Committee of the Party voted Khrushchev into retirement on the grounds of ill health; in fact, although he was 70, his health was perfectly good. The real reasons were probably the failure of his agricultural policy (though he had been no less successful than previous governments in this), his loss of prestige over the Cuban missiles crisis (see Section 7.4(b)), and the widening breach with China, which he made no attempt to heal. He had offended many important groups in society: his attempts to make the Party and the government more efficient and decentralized brought him into conflict with the bureaucracy, whose privileged positions were being threatened. The military disapproved of his cuts in defence spending and his attempts to limit nuclear weapons. Perhaps his colleagues were tired of his extrovert personality (once, in a heated moment at the United Nations, he took off his shoe and hammered the table with it) and felt he was taking too much on himself. Without consulting them he had just tried to win the friendship of President Nasser of Egypt by awarding him the Order of Lenin at a time when he was busy arresting Egyptian communists. Khrushchev had become increasingly aggressive and arrogant, and at times seemed to have developed the 'cult of personality' almost as much as Stalin.

In spite of his failures, many historians believe that Khrushchev deserves considerable credit; his period in power has been described as 'the Khrushchev revolution'. He was a man of outstanding personality: a tough politician and yet at the same time impulsive and full of warmth and humour. After Stalin's grim remoteness, his more approachable and human style was more than welcome; he deserves to be remembered for the return to comparatively civilized politics (at least inside Russia). Alec Nove believed that the improvement in living standards and his social policies were perhaps his greatest achievements. Others see his 'peaceful coexistence' policy and his willingness to reduce nuclear weapons as a remarkable change in attitude.

Martin McCauley sees Khrushchev as a kind of heroic failure, a man with a noble vision, whose success was only modest because he was let down by the greed and concern for their own positions of those in authority. Powerful vested interests in the Party and the state administration did everything they could to delay his attempts to decentralize and 'return power to the people'. Dmitri Volkogonov, who was not a great admirer of any of the Soviet leaders, wrote that Khrushchev had achieved the virtually impossible: as a product of the Stalinist system, 'he had undergone a visible change in himself and in a fundamental way also changed society. However much his successor, Brezhnev, may have sympathized with Stalinism, he could not bring himself to restore it; the obstacles placed in his way by Khrushchev proved insurmountable.'

18.2 THE USSR STAGNATES, 1964–85

(a) The Brezhnev era

After Khrushchev's departure, three men, Kosygin, Brezhnev and Podgorny, seemed to be sharing power. At first Kosygin was the leading figure and the chief spokesman on foreign affairs, while Brezhnev and Podgorny looked after home affairs. In the early 1970s Kosygin was eclipsed by Brezhnev after a disagreement over economic policies. Kosygin pressed for

more economic decentralization, but this was unpopular with the other leaders, who claimed that it encouraged too much independence of thought in the satellite states, especially Czechoslovakia. Brezhnev established firm personal control by 1977, and he remained leader until his death in November 1982. Reform disappeared from the agenda; most of Khrushchev's policies were abandoned and serious economic problems were ignored. Brezhnev and his colleagues were less tolerant of criticism than Khrushchev; anything that threatened the stability of the system or encouraged independent thinking was stifled, and this applied to the states of eastern Europe as well. Brezhnev's main concern seems to have been to keep the *nomemklatura* (the ruling elite and the bureaucracy) happy.

1 Economic policies

Economic policies maintained wage differentials and profit incentives, and some growth took place, but the rate was slow. The system remained strongly centralized, and Brezhnev was reluctant to take any major initiatives. By 1982 therefore, much of Russian industry was old-fashioned and in need of new production and processing technology. There was concern about the failure of the coal and oil industries to increase output, and the building industry was notorious for slowness and poor quality. Low agricultural yield was still a major problem – not once in the period 1980–4 did grain production come anywhere near the targets set. The 1981 harvest was disastrous and 1982 was only slightly better, throwing Russia into an uncomfortable dependence on American wheat. It was calculated that in the USA in 1980 one agricultural worker produced enough to feed 75 people, while his counterpart in Russia could manage only enough to feed 10.

The one section of the economy which was successful was the production of military hardware. By the early 1970s the USSR had caught up with the USA in numbers of intercontinental missiles, and had developed a new weapon, the anti-ballistic missile (ABM). Unfortunately, the arms race did not stop there – the Americans continued to produce even more deadly missiles, and at each step, the USSR strained to draw level again. *This was the basic problem of the Soviet economy – defence spending was so vast that the civilian areas of the economy were deprived of the necessary investment to keep them up to date.*

2 The Eastern bloc

The Eastern bloc states were expected to obey Moscow's wishes and to maintain their existing structure. When liberal trends developed in Czechoslovakia (especially the abolition of press censorship), a massive invasion took place by Russian and other Warsaw Pact troops. The reforming government of Dubček was replaced by a strongly centralized, pro-Moscow regime (1968) (see Section 10.5(e)). Soon afterwards Brezhnev declared the so-called *Brezhnev Doctrine*: according to this, intervention in the internal affairs of any communist country was justified *if socialism in that country was considered to be threatened.* This caused some friction with Romania, which had always tried to maintain some independence, refusing to send troops into Czechoslovakia and keeping on good terms with China. The Russian invasion of Afghanistan (1979) was the most blatant application of the doctrine, while more subtle pressures were brought to bear on Poland (1981) to control the independent trade union movement, Solidarity (see Section 10.5(f)).

3 Social policy and human rights

Brezhnev genuinely wanted the workers to be better-off and more comfortable, and there is no doubt that life improved for most people during these years. Unemployment was almost eliminated and there was a full programme of social security. The increasing amount of accommodation enabled millions of people to move from communal apartments to single-family flats.

However, personal freedom became more limited. For instance, by 1970 it was impossible to get any writings published which were critical of Stalin. Historians such as Roy

Medvedev and Viktor Danilov had their latest books banned, and Alexander Solzhenitsyn, after the success of *One Day in the Life of Ivan Denisovich*, found that his next two novels, *The First Circle* and *Cancer Ward*, were rejected. He was expelled from the writers' union, which meant that it was impossible for him to publish in the USSR.

The KGB (secret police) were now using a new technique to deal with 'troublemakers' – they were confined in psychiatric hospitals or mental asylums, where some were kept for many years. In May 1970 the biologist and writer Zhores Medvedev, Roy's twin brother, was locked up in a mental hospital and diagnosed as suffering from 'creeping schizophrenia'; the real reason was that his writings were considered to be anti-Soviet. This sort of treatment made reform-minded intellectuals more determined to persevere. A Human Rights Committee was formed by the physicists Andrei Sakharov and Valeri Chalidze, to protest about conditions in labour camps and prisons, and to demand free speech and all the other rights promised in the constitution. Writers began to circulate works in typescript around their little groups, a practice known as *samizdat* – self-publishing.

The Human Rights Committee gained a new weapon in 1975 when the USSR, along with the USA and other nations, signed the Helsinki Final Treaty. Among other things, this provided for economic and scientific cooperation between East and West, as well as full human rights. Brezhnev claimed to be in favour of the treaty, and appeared to make important concessions about human rights in the USSR, but in fact little progress was made. Groups were set up to check whether the terms of the agreement were being kept, but the authorities put them under intense pressure. Their members were arrested, imprisoned, exiled or deported, and finally the groups were dissolved altogether. Only Sakharov was spared, because he was so internationally renowned that there would have been a world-wide outcry had he been arrested. He was sent into internal exile in Gorky and later in Siberia.

4 Foreign policy

'Peaceful coexistence' was the only Khrushchev initiative which was continued during the Brezhnev period. The Russians were anxious for détente, especially as relations with China deteriorated almost to the point of open warfare in 1969. But after 1979 relations with the West deteriorated sharply as a result of the Russian invasion of Afghanistan. Brezhnev continued to advocate disarmament but presided over a rapid increase in Soviet armed forces, particularly the navy and the new SS-20 missiles (see Section 7.4(c)). He stepped up Soviet aid to Cuba and offered aid to Angola, Mozambique and Ethiopia.

(b) Andropov and Chernenko

After Brezhnev's death in 1982, Russia was ruled for a short period by two elderly and ailing politicians – Yuri Andropov (November 1982–February 1984) and then Konstantin Chernenko (February 1984–March 1985). Head of the KGB until May 1982, Andropov immediately launched a vigorous campaign to modernize and streamline the Soviet system. He began an anti-corruption drive and introduced a programme of economic reform, hoping to increase production by encouraging decentralization. Some of the older party officials were replaced with younger, more go-ahead men. Unfortunately Andropov was dogged by ill health and died after little more than a year in office.

The 72-year-old Chernenko was a more conventional type of Soviet politician; he owed his rise to the fact that for many years he had been Brezhnev's personal assistant, and he was already terminally ill when he was chosen as next leader by the Politburo. Clearly the majority wanted somebody who would abandon the anti-corruption campaign and leave them in peace. There was no relaxation in the treatment of human rights activists. Sakharov was still kept in exile in Siberia (where he had been since 1980), in spite of

appeals by western leaders for his release. Members of an unofficial trade union, supporters of a group 'for the establishment of trust between the USSR and the USA' and members of unofficial religious groups were all arrested. This was how Dmitri Volkogonov (in *The Rise and Fall of the Soviet Empire*) summed up Chernenko's 13 months in power: 'Chernenko was not capable of leading the country or the party into the future. His rise to power symbolized the deepening of the crisis in society, the total lack of positive ideas in the party, and the inevitability of the convulsions to come.'

18.3 GORBACHEV AND THE END OF COMMUNIST RULE

Mikhail Gorbachev, who came to power in March 1985, was, at 54, the most gifted and dynamic leader Russia had seen for many years. He was determined to transform and revitalize the country after the sterile years following Khrushchev's fall. He intended to achieve this by *modernizing and streamlining the Communist Party* with new policies of *glasnost* (openness) and *perestroika* (restructuring – of the Party, the economy and the government). The new thinking soon made an impact on foreign affairs, with initiatives on détente, relations with China, a withdrawal from Afghanistan and ultimately the ending of the Cold War in late 1990 (see Section 8.6).

Gorbachev outlined what was wrong at home in a speech to the Party Conference in 1988: the system was too centralized, leaving no room for local individual initiative. It was a 'command' economy, based almost completely on state ownership and control, and weighted strongly towards defence and heavy industry, leaving consumer goods for ordinary people in short supply. *Gorbachev did* ***not*** *want to end communism; he wanted to replace the existing system, which was still basically Stalinist, with a socialist system which was humane and democratic*. He sincerely believed that this could be achieved within the framework of the Marxist–Leninist one-party state. He did not have the same success at home as abroad. His policies failed to provide results quickly enough, and led to the collapse of communism, the break-up of the USSR, and the end of his own political career.

(a) Gorbachev's new policies

1 Glasnost

Glasnost was soon seen in areas such as *human rights and cultural affairs*. Several well-known dissidents were released, and the Sakharovs were allowed to return to Moscow from internal exile in Gorky (December 1986). Leaders like Bukharin, who had been disgraced and executed during Stalin's purges of the 1930s, were declared innocent of all crimes. *Pravda* was allowed to print an article criticizing Brezhnev for overreacting against dissidents, and a new law was introduced to prevent dissidents from being sent to mental institutions (January 1988). Important political events like the Nineteenth Party Conference in 1988 and the first session of the new Congress of People's Deputies (May 1989) were televised.

In cultural matters and the media generally, there were some startling developments. In May 1986 both the Union of Soviet Film-makers and the Union of Writers were allowed to sack their reactionary heads and elect more independent-minded leaders. Long-banned anti-Stalin films and novels were shown and published, and preparations were made to publish works by the great poet Osip Mandelstam, who died in a labour camp in 1938.

There was a new freedom in news reporting: in April 1986, for example, when a nuclear reactor at Chernobyl in the Ukraine exploded, killing hundreds of people and releasing a massive radioactive cloud which drifted across most of Europe, the disaster was discussed

with unprecedented frankness. The aims of this new approach were to use the media to publicize the inefficiency and corruption which the government was so anxious to stamp out, to educate public opinion and to mobilize support for the new policies. *Glasnost* was encouraged provided nobody criticized the Party itself.

2 *Economic affairs*

Important changes were soon afoot. In November 1986 Gorbachev announced that 1987 was to be 'the year for broad applications of the new methods of economic management'. Small-scale private enterprise such as family restaurants, family businesses making clothes or handicrafts or providing services such as car and television repairs, painting and decorating and private tuition, was to be allowed, and so were workers' co-operatives up to a maximum of 50 workers. One motive behind this reform was the desire to provide competition for the slow and inefficient services provided by the state, in the hope of stimulating a rapid improvement. Another was the need to provide alternative jobs as patterns of employment changed over the following decade: it was clear that as more automation and computerization were introduced into factories and offices, the need for manual and clerical workers would decline.

Another important change was that responsibility for quality control throughout industry as a whole was to be taken over by independent state bodies rather than factory management. The most important part of the reforms was *the Law on State Enterprises (June 1987)*; this removed the central planners' total control over raw materials, production quotas and trade, and made factories work to orders from customers.

3 *Political changes*

These began in January 1987 when Gorbachev announced moves towards democracy within the Party. Instead of members of local soviets being *appointed* by the local Communist Party, they were to be *elected by the people*, and there was to be a choice of candidates (though not of parties). There were to be secret elections for top party positions, and elections in factories to choose managers.

During 1988 dramatic changes in central government were achieved. The old parliament (Supreme Soviet) of around 1450 deputies only met for about two weeks each year. Its function was to elect two smaller bodies – the Praesidium (33 members) and the Council of Ministers (71 members). It was these two committees which took all important decisions and saw that policies were carried out. Now the Supreme Soviet was to be replaced by a Congress of People's Deputies (2250 members), whose main function was to elect a new and much smaller Supreme Soviet (450 representatives), which would be a proper working parliament, sitting for about eight months a year. The chairman of the Supreme Soviet would be head of state.

Elections went ahead, and the first Congress of People's Deputies met in May 1989. Well-known figures elected included Roy Medvedev, Andrei Sakharov and Boris Yeltsin. This was a dramatic comeback for Yeltsin, who had been sacked as Moscow first secretary and forced to resign from the Politburo by the conservatives (traditionalists) in the Party in November 1987. During the second session (December 1989) it was decided that reserved seats for the Communist Party should be abolished. Gorbachev was elected president of the Soviet Union (March 1990), with two councils to advise and help him: one contained his own personal advisers, the other contained representatives from the 15 republics. These new bodies completely sidelined the old system, and it meant that the Communist Party was on the verge of losing its privileged position. At the next election, due in 1994, even Gorbachev would have to stand and put himself to the test of a popular vote.

(b) What went wrong with Gorbachev's policies?

1 Opposition from radicals and conservatives

As the reforms got under way, Gorbachev ran into problems. Some party members, such as Boris Yeltsin, were more radical than Gorbachev, and felt that the reforms were not drastic enough. They wanted a change to a western-style market economy as quickly as possible, though they knew this would cause great short-term hardship for the Russian people. On the other hand, the conservatives, like Yegor Ligachev, felt that the changes were too drastic and that the Party was in danger of losing control. This caused a dangerous split in the Party and made it difficult for Gorbachev to satisfy either group. Although he had some sympathy with Yeltsin's views, he could not afford to side with Yeltsin against Ligachev, because Ligachev controlled the party apparatus.

The conservatives were in a large majority, and when the Congress of People's Deputies elected the new Supreme Soviet (May 1989), it was packed with conservatives; Yeltsin and many other radicals were not elected. This led to massive protest demonstrations in Moscow, where Yeltsin was a popular figure, since he had cleaned up the corrupt Moscow Communist Party organization. Demonstrations would not have been allowed before Gorbachev's time, but *glasnost* – encouraging people to voice their criticisms – was now in full flow, and was beginning to turn against the Communist Party.

2 The economic reforms did not produce results quickly enough

The rate of economic growth in 1988 and 1989 stayed exactly the same as it had been in previous years. In 1990 national income actually fell, and continued to fall – by about 15 per cent – in 1991. Some economists think that the USSR was going through an economic crisis as serious as the one in the USA in the early 1930s.

A major cause of the crisis was the disastrous results of the Law on State Enterprises. The problem was that wages were now dependent on output, but since output was measured by its value in roubles, factories were tempted not to increase overall output, but to concentrate on more expensive goods and reduce output of cheaper goods. This led to higher wages, forcing the government to print more money to pay them with. Inflation soared, and so did the government's budget deficit. Basic goods such as soap, washing-powder, razor-blades, cups and saucers, TV sets and food were in very short supply, and the queues in the towns got longer.

Disillusion with Gorbachev and his reforms rapidly set in, and, having had their expectations raised by his promises, people became outraged at the shortages. In July 1989 some coal miners in Siberia found there was no soap to wash themselves with at the end of their shift. 'What kind of a regime is it', they asked, 'if we can't even get washed?' After staging a sit-in, they decided to go on strike; they were quickly joined by other miners in Siberia, in Kazakhstan and in the Donbass (Ukraine), the biggest coalmining area in the USSR, until half a million miners were on strike. It was the first major strike since 1917. The miners were well disciplined and organized, holding mass meetings outside party headquarters in the main towns. They put forward detailed demands, 42 in all. These included better living and working conditions, better supplies of food, a share in the profits and more local control over the mines. Later, influenced by what was happening in Poland (where a non-communist president had just been elected – see Section 10.6(c)), they called for independent trade unions like Poland's Solidarity, and in some areas they demanded an end to the privileged position of the Communist Party. The government soon gave way and granted many of the demands, promising a complete reorganization of the industry and full local control.

By the end of July the strike was over, but the general economic situation did not improve. Early in 1990 it was calculated that about a quarter of the population was living below the poverty line; worst affected were those with large families, the unemployed and

pensioners. *Gorbachev was fast losing control of the reform movement which he had started*, and the success of the miners was bound to encourage the radicals to press for even more far-reaching changes.

3 Nationalist pressures

These also contributed towards Gorbachev's failure and led to the break-up of the USSR. The Soviet Union was a federal state consisting of 15 separate republics, each with its own parliament. The Russian republic was just one of the 15, with its parliament in Moscow (Moscow was also the meeting place for the *federal* Supreme Soviet and Congress of People's Deputies). The republics had been kept under tight control since Stalin's time, but *glasnost* and *perestroika* encouraged them to hope for more powers for their parliaments and more independence from Moscow. Gorbachev himself seemed sympathetic, provided that the Communist Party of the Soviet Union (CPSU) remained in overall control. However, once started, demands got out of hand.

- *Trouble began in Nagorno-Karabakh*, a small Christian autonomous republic within the Soviet republic of Azerbaijan, which was Muslim. The parliament of Nagorno-Karabakh asked to become part of neighbouring Christian Armenia (February 1988), but Gorbachev refused. He was afraid that if he agreed, this would upset the conservatives (who opposed internal frontier changes) and turn them against his entire reform programme. Fighting broke out between Azerbaijan and Armenia, and Moscow had clearly lost control.
- *Worse was to follow in the three Baltic soviet republics of Lithuania, Latvia and Estonia*, which had been taken over against their will by the Russians in 1940. Independence movements, denounced by Gorbachev as 'national excesses', had been growing in strength. In March 1990, encouraged by what was happening in the satellite states of eastern Europe, Lithuania took the lead by declaring itself independent. The other two soon followed, though they voted to proceed more gradually. Moscow refused to recognize their independence.
- Boris Yeltsin, who had been excluded from the new Supreme Soviet by the conservatives, made a dramatic comeback when he was elected president of the parliament of the Russian republic (Russian Federation) in May 1990.

4 Rivalry between Gorbachev and Yeltsin

Gorbachev and Yeltsin were now bitter rivals, disagreeing on many fundamental issues.

- *Yeltsin believed that the union should be voluntary*: each republic should be independent but also have joint responsibilities to the Soviet Union as well. If any republic wanted to opt out, as Lithuania did, it should be allowed to do so. However, Gorbachev thought that a purely voluntary union would lead to disintegration.
- Yeltsin was now completely disillusioned with the Communist Party and the way the traditionalists had treated him. He thought the Party no longer deserved its privileged position in the state. Gorbachev was still hoping against hope that the Party could be transformed into a humane and democratic organization.
- On the economy, Yeltsin thought the answer was a rapid changeover to a market economy, though he knew that this would be painful for the Russian people. Gorbachev was much more cautious, realizing that Yeltsin's plans would cause massive unemployment and even higher prices. He was fully aware of how unpopular he was already; if things got even worse, he might well be overthrown.

(c) The coup of August 1991

As the crisis deepened, Gorbachev and Yeltsin tried to work together, and Gorbachev found himself being pushed towards free, multi-party elections. This brought bitter attacks from Ligachev and the conservatives, who were already outraged at the way Gorbachev had 'lost' eastern Europe without putting up a fight, and worst of all, had allowed Germany to be reunited. In July 1990, Yeltsin resigned from the Communist Party. Gorbachev was now losing control: many of the republics were demanding independence, and when Soviet troops were used against nationalists in Lithuania and Latvia, the people organized massive demonstrations. In April 1991, Georgia declared independence: it seemed that the USSR was falling apart. However, the following month Gorbachev held a conference with the leaders of the 15 republics and persuaded them to form a new voluntary union in which they would be largely independent of Moscow. The agreement was to be formally signed on 20 August 1991.

At this point a group of hardline communists, including Gorbachev's vice-president, Gennady Yanayev, decided they had had enough, and launched a coup to remove Gorbachev and reverse his reforms. On 18 August, Gorbachev, who was on holiday in the Crimea, was arrested and told to hand over power to Yanayev. When he refused, he was kept under house arrest while the coup went ahead in Moscow. The public was told that Gorbachev was ill and that an eight-member committee was now in charge. They declared a state of emergency, banned demonstrations and brought in tanks and troops to surround public buildings in Moscow, including the White House (the parliament of the Russian Federation), which they intended to seize. Gorbachev's new union treaty, which was due to be signed the following day, was cancelled.

However, the coup was poorly organized and the leaders failed to have Yeltsin arrested. He rushed to the White House, and, standing on a tank outside, condemned the coup and called on the people of Moscow to rally round in support. The troops were confused, not knowing which side to support, but none of them would make a move against the popular Yeltsin. It soon became clear that some sections of the army were sympathetic to the reformers. By the evening of 20 August, thousands of people were on the streets, barricades were built against the tanks and the army hesitated to cause heavy casualties by attacking the White House. On 21 August the coup leaders admitted defeat, and they were eventually arrested. Yeltsin had triumphed and Gorbachev was able to return to Moscow. But things could never be the same again, and the failed coup had important consequences.

- The Communist Party was disgraced and discredited by the actions of the hardliners. Even Gorbachev was now convinced that the Party was beyond reform and he soon resigned as party general secretary; the Party was banned in the Russian Federation.
- Yeltsin was seen as the hero and Gorbachev was increasingly sidelined. Yeltsin ruled the Russian Federation as a separate republic, introducing a drastic programme to move to a free-market economy. When Ukraine, the second largest Soviet republic, voted to become independent (1 December 1991), it was clear that the old USSR was finished.
- Yeltsin was already negotiating for a new union of the republics. This was joined first by the Russian Federation, Ukraine and Belorussia (8 December 1991), and eight other republics joined later. The new union was known as the Commonwealth of Independent States (CIS). Although the member states were fully independent, they agreed to work together on economic matters and defence.
- These developments meant that Gorbachev's role as president of the USSR had ceased to exist, and he resigned on Christmas Day 1991.

(d) Assessment of Gorbachev

At the time of his downfall, and for some years afterwards, a majority of people in Russia dismissed him as a failure, though for different reasons. The conservatives, who thought the USSR and the Party still had a lot to offer, saw him as a traitor. Radical reformers thought he had stayed with communism too long, trying to reform the unreformable. Ordinary people thought he was incompetent and weak, and had allowed their standard of living to decline.

However, there can be no question that Gorbachev was one of the outstanding leaders of the twentieth century, although his career was a mixture of brilliant successes and disappointing failures. Some historians see him as the real successor of Lenin, and believe that he was trying to get communism back on the track intended for it by Lenin before it was hijacked by Stalin, who twisted and perverted it. The two main disappointments were his failure to streamline the economy, and his complete misunderstanding of the nationalities problem, which led to the break-up of the USSR.

On the other hand, his achievements were enormous. Archie Brown sums them up:

> He played the decisive part in allowing the countries of Eastern Europe to become free and independent. He did more than anyone else to end the Cold War between East and West. He initiated fundamental rethinking about the political and economic systems he inherited and about better alternatives. He presided over the introduction of freedom of speech, freedom of the press, freedom of association, religious freedom and freedom of movement, and left Russia a *freer country* than it had been in its long history.

He began by believing that the Communist Party could be reformed and modernized, and that once this was achieved, there could be no better system. But he discovered that the majority of the Party – the elite and the bureaucracy – were resisting change for their own selfish reasons; the whole system was riddled with racketeers, black-market operators and all kinds of corruption. This discovery led Gorbachev to change his aims: if the Party refused to reform itself, then the Party would have to lose its dominant role. He achieved that goal peacefully, without bloodshed, which was remarkable in the circumstances. His achievement, especially in foreign affairs, was enormous. His policies of *glasnost* and *perestroika* restored freedom to the people of the USSR. His policies of reducing military expenditure, détente and withdrawal from Afghanistan and eastern Europe made a vital contribution to the ending of the Cold War.

(e) Was the communist system reformable?

Could Russian communism have survived if Gorbachev had followed different policies? Many Russians are convinced that it could, and that if the USSR had followed the same path as China, it would still be communist today. The argument is that both Russia and China needed reform in two areas – the Communist Party and government, and the economy. Gorbachev believed these could only be achieved one at a time, and chose to introduce the political reforms first, without any really fundamental economic innovations. The Chinese did it the other way round, introducing economic reform first (see Section 20.3) and leaving the power of the Communist Party unchanged. This meant that although the people suffered economic hardship, the government retained tight control over them, and in the last resort was prepared to use force against them, unlike Gorbachev.

Vladimir Bukovsky, a reformer and social democrat, explained where Gorbachev went wrong: 'His only instrument of power was the Communist Party, but his reforms weakened precisely that instrument. He was like the proverbial man sawing off the branch on

which he was sitting. There could be no other outcome except what happened.' If Gorbachev had put into operation a carefully worked-out programme of economic reform designed to last ten years, arguably the situation could have been saved.

Other observers argue that the Communist Party was beyond reform. They point out that any political system or party which enjoys a long, uninterrupted period in power becomes arrogant, complacent and corrupt. Both Khrushchev and Gorbachev tried to reform the *nomenklatura*, and both failed, because the elite, the bureaucracy in the government and the economic system, were solely concerned to further their own careers and refused to respond to the changing circumstances. In theory, reform should have been possible, but it might have been necessary to use force, as the Chinese government did in Tiananmen Square. Given Gorbachev's extreme reluctance to resort to force, the prospects for success would not seem promising.

(f) The legacy of communism

Any regime in power for over 70 years is bound to leave its marks, both good and bad, on the country. Most historians seem to feel that the achievements of communism are outweighed by its ill effects. And yet no system could have survived for so long by force alone. One important achievement was that the system brought benefits in the form of promotion, and reasonably well-paid jobs with privileges, to large numbers of people from 'lower-class' backgrounds who had been excluded from such things under the tsarist regime. Education and literacy became more widespread; Soviet 'culture' was encouraged and so was sport; the performing arts, especially music, were subsidized by the state, and science was given special prominence and funding. Perhaps the greatest achievement of communism was that it played a vital role in defeating the evil regime of Hitler and the Nazis. After Stalin's death, although in one sense the country stagnated, the system brought a certain stability and an improved standard of living for the majority of its people.

On the other hand, the Soviet system left behind a whole range of problems which would be extremely difficult for the succeeding regime to cope with. The whole system was rigid and over-centralized, initiative had been stifled for generations and the bureaucrats opposed any radical changes. The country was overburdened with its vast military expenditure. Boris Yeltsin had played an important part in destroying the Soviet system. Would he be able to do any better?

18.4 THE AFTERMATH OF COMMUNISM, YELTSIN, PUTIN AND MEDVEDEV

Yeltsin's eight years as president of Russia were packed with incident as he and his successive prime ministers tried to transform the country into a political democracy with a market economy, in the shortest time possible.

(a) Yeltsin, Gaidar and 'shock therapy'

Boris Yeltsin's problem was daunting: how best *to dismantle the command economy and transform Russia into a market economy* by privatizing the inefficient, subsidized state industries and agriculture. Yeltsin was hugely popular, but this would only last if he could improve the people's living standards. He chose as his vice-president Yegor Gaidar, a young economist who was influenced by the theories of the Western monetarists (see Section 23.5(b)). He convinced Yeltsin that the necessary changes could be achieved in

one year, beginning with 'price liberalization' and going on to privatize almost the entire economy. It would be difficult for about six months, but he assured Yeltsin that things would then stabilize and people's lives would gradually improve.

This 'shock therapy', as it was called, began in January 1992 with the removal of price controls from about 90 per cent of goods, and the ending of government subsidies to industry. Prices rose steeply and kept on rising after the first six months. By the end of the year prices were, on average, 30 times higher than at the beginning; there were plenty of goods in the shops but most people could not afford to buy them. The situation was disastrous, since wages did not keep pace with prices; as sales fell, factory workers were laid off, and over a million people lost their jobs. Thousands were homeless and were forced to live in tents outside the towns. Many people had to rely on food parcels sent from abroad.

When the privatization programme began, it seemed as though the intention was for all big state industries and collective farms to be transferred to the joint ownership of all the people. Every citizen was given vouchers to the value of 10 000 roubles as their share, and there were plans for workers to be able to buy shares in their enterprise. However, none of this happened; 10 000 roubles was the equivalent of about £35 – a minute amount at a time of rapid inflation; nor could most workers afford to buy shares. What happened was that managers were able to buy up and accumulate enough vouchers to take over the ownership of their plant. This continued until by the end of 1995 most of the former state industry had fallen into the hands of a relatively small group of financiers, who became known as the 'oligarchs'. They made enormous profits, but from government subsidies, which were reintroduced, rather than from the market. Instead of reinvesting their profits in industry, as the government intended, they transferred them into Swiss bank accounts and foreign investments. Total investment in Russia fell by two-thirds.

Long before this stage was reached, Yeltsin's popularity had dwindled. Two of his former supporters, Alexander Rutskoi and Ruslan Khasbulatov, led the opposition in the Supreme Soviet and forced Yeltsin to dismiss Gaidar, replacing him with Viktor Chernomyrdin. In January 1993 he reintroduced some controls on prices and profits, but at the end of 1993, after two years of 'shock therapy', according to one report: 'Our country has been thrown back two centuries to the "savage era" of capitalism.' As a first experience of any kind of 'democracy', it was a grave disappointment for the vast majority of people. In the words of Daniel Beer, 'the Yeltsin government presided over an economic collapse so vast and devastating that for most Russians the term became synonymous with chaos and the plunder of state property (that is, society's) by a small clique of robber barons. ... By 1993 Russians were bitterly referring to *dermocracy – dermo* being the Russian for "shit".' Sadly, corruption, fraud, bribery and criminal activity became part of everyday life in Russia. Another report, prepared for Yeltsin early in 1994, estimated that *criminal mafias had gained control of between 70 and 80 per cent of all business and banking*. One Russian writer, Alexander Chubarov, recently described the government's policies as 'deformed capitalism'. It was an attempt to create in six months the sort of market capitalism which had taken generations to evolve in the West.

(b) Opposition and the 'civil war' in Moscow

The leading politicians lacked experience of democracy as well as of how to organize a market economy. At first there were no properly organized political parties on the western model, and the constitution, a leftover from the Soviet era, was unclear about the division of powers between president and parliament. However, in November 1992 the Communist Party was legalized again, and other groups began to form, although Yeltsin himself did not have a supporting party. *A majority in parliament strongly opposed Yeltsin's policies and tried to get rid of him*, but in a referendum in April 1993, 53 per cent of voters

expressed approval of his social and economic policies. Yeltsin's success surprised many, and suggested that although he was unpopular, people had even less confidence in the alternatives.

Yeltsin now tried to neutralize parliament by producing a new constitution, making parliament subordinate to the president. Khasbulatov and Rutskoi were determined not to succumb. They rushed to the White House, where the Supreme Soviet met, and barricaded themselves in, together with hundreds of deputies, journalists and supporters. After a few days the building was surrounded by troops loyal to Yeltsin; some supporters of parliament attacked the mayor of Moscow's headquarters and a television station, whereupon Yeltsin ordered the troops to storm the White House (3 October 1993). Eventually the deputies surrendered, though not before around 200 had been killed, some 800 wounded and the White House badly damaged. Yeltsin's new constitution was narrowly approved in a referendum (December 1993). In elections for the new lower house of parliament (the *Duma*), Yeltsin's supporters won only 70 seats out of 450 whereas the Communist bloc won 103. This was a clear rebuff for Yeltsin, *but his power was not affected since the new constitution allowed him to dismiss parliament and rule by decree if he chose to.*

Although he had great power, Yeltsin knew that he could not afford to ignore public opinion completely, especially since presidential elections were due in 1996. He tried to avoid confrontation with the *Duma* and relations improved. Meanwhile the move towards privatization continued and the creation of a new, wealthy property-owning class was completed. Yet the state treasury seemed to benefit very little from these sales; what had happened was that, in effect, the state enterprises had been sold off to former managers, entrepreneurs, bankers and politicians at knock-down prices. Strangely, Yeltsin, who had once been the scourge of corrupt officials in Moscow, did very little to restrain his underlings. *For most people there were no obvious signs of improvement*: prices continued to rise during 1995; the number of people living in poverty, unemployment and the death rate increased; and the birth rate declined. The situation had not been helped by the outbreak of war with the Chechen republic in December 1994.

(c) Conflict in Chechnya, 1994–6

The Chechens are an Islamic people numbering about one million, who live in the area north of Georgia, inside the borders of the Russian republic. They were never happy under Russian control; they resisted communist rule during its early years and the civil war, and they resisted collectivization. During the Second World War Stalin accused them of collaborating with the Germans; the entire nation was brutally deported to Central Asia, and thousands died on the way. In 1956 Khrushchev allowed the Chechens to return to their homeland, and their autonomous republic was restored.

When the USSR broke up, Chechnya declared itself an independent republic under the leadership of Jokhar Dudaev. After attempts to persuade them to rejoin the Russian Federation failed, Yeltsin decided to use force against them. Reasons given were that their declaration of independence was illegal and that Chechnya was being used as a base from which criminal gangs were operating throughout Russia. In December 1994, 40 000 Russian troops invaded Chechnya. To their surprise there was fierce resistance before the Chechen capital, Grozny, was captured in February 1995. All round the world, television viewers saw shocking images of Russian tanks rolling through the ruined city. But the Chechens would not surrender and continued to harass the Russians with guerrilla attacks. In the summer of 1996, by the time the Chechens had succeeded in recapturing Grozny, the Russians had lost 20 000 men. The *Duma* had voted overwhelmingly against military action and the general public did not support the war. As the elections drew nearer, Yeltsin decided to compromise and a ceasefire was signed (May 1996). The Russians agreed to

withdraw their troops, the Chechens promised to set up a government acceptable to Moscow and there was to be a cooling-off period of five years. However, the Chechens did not drop their demands for independence, and fighting started again long before five years had elapsed.

(d) Elections: December 1995 and June/July 1996

Under the terms of the new constitution, elections for the *Duma* were to be held in December 1995 and the presidential election in June 1996. The results of the *Duma* elections were disappointing for the government, which was still unpopular. Yeltsin and his supporters won only 65 seats out of the 450, whereas the Communist Party, led by Gennady Zyuganov, took 157 seats; together with their allies, they could muster 186 seats, by far the largest grouping. There was obviously much residual support and nostalgia for the old days of the USSR and strong government. In a genuinely democratic system the communists would have taken a leading role in the next government; but this did not happen: Yeltsin remained president for the time being at least. The big question was: would the communist candidate win the presidential election the following June?

Almost immediately, the politicians began to prepare for the June election. Yeltsin's popularity rating was so low that some of his advisers wanted him to cancel the election and resort to force if necessary. However, to his credit he allowed it to go ahead, and over 20 candidates registered for the first round, including the communist leader Zyuganov and Mikhail Gorbachev. Early opinion polls put Zyuganov as the likely winner, causing consternation in the West at the prospect of a return to communism. However, Yeltsin and his supporters rallied well; he had suffered a heart attack in the summer of 1995 but now he seemed to find new energy, and toured the country promising everything to everybody. His greatest boost came when the ceasefire was signed in Chechnya shortly before the election.

Zyuganov also presented an attractive programme, but he lacked Yeltsin's personal charisma and failed to distance himself sufficiently from Stalin. In the first round Yeltsin won a narrow victory with 35 per cent of the votes to Zyuganov's 32 per cent; Gorbachev received barely 1 per cent of the votes. In spite of his ill health, Yeltsin's team continued to campaign vigorously; in the second round he won a decisive victory over Zyuganov, taking 54 per cent of the votes. It was a remarkable victory, considering his low popularity at the beginning of the campaign and the fact that the economic situation was only just beginning to improve. The reason for Yeltsin's victory was not so much that people liked him, but that they liked the alternative even less. If the communists had put forward genuine social democrat policies, Zyuganov might well have won. But Zyuganov was not a social democrat; he made no secret of his admiration for Stalin, and this was a fatal mistake. When it came to the push, the majority of Russians could not bring themselves to vote a Stalinist-type communist back into power. They gritted their teeth and voted for the lesser of two evils.

(e) Yeltsin's second term, 1996–9

As Yeltsin began his second term as president, it seemed that at last things had reached a turning point: inflation had fallen to only 1 per cent a month, and for the first time since 1990, production ceased to fall. *But the promise was not fulfilled.* The great weakness of the economy was lack of investment, without which no significant expansion could take place. In the autumn of 1997, external events had an adverse effect on Russia. There was a series of financial crises and disaster in the Asian 'tiger' economies – Thailand, Singapore and South Korea – which affected stock markets all over the world. There was

a fall in the world price of oil because of overproduction, which was a disaster for the Russians, since oil was their greatest export earner. The projected profits for 1998 were wiped out, foreign investors withdrew their funds and the Central Bank was forced to devalue the rouble (August 1998). It was another financial catastrophe in which millions of people had their savings and capital rendered worthless.

With the government floundering, the *Duma* suggested a new prime minister, Evgeny Primakov, a distinguished economic scientist and veteran communist who believed that the state should continue to play an important role in organizing the economy. To the surprise of most people, Yeltsin agreed to appoint Primakov, who planned to reduce imports, prevent capital from leaving the country, attract foreign investment and root out corruption. Almost before his policies had begun, the economic situation quickly improved. The world oil price recovered, devaluation made foreign imports too expensive, and this provided a boost for Russian industry. The government could afford to pay the arrears of wages and pensions, and the crisis passed. Opinion polls showed that 70 per cent of the voters approved of Primakov's policies. After only eight months, however, Yeltsin sacked him (May 1999), claiming that a younger and more energetic man was needed (Primakov was almost 70). It was rumoured that the real reason was Primakov's determination to eradicate corruption; many influential people who had gained their wealth and power by corrupt means put pressure on Yeltsin to dismiss Primakov. However, his dismissal caused consternation among ordinary Russians and Yeltsin's popularity rating fell to only 2 per cent. Yet Yeltsin's regime was certainly not a complete failure. By his programme of privatizations and allowing what passed for competitive elections, he had laid the foundations of a new Russian-style capitalism for the twenty-first century. Certainly in the eyes of the US Clinton administration, he had done as well as could be expected in such a rapid transition from communism to capitalism.

(f) Enter Putin

In preparation for the *Duma* election set for December 1999 and the next presidential election (June 2000), Yeltsin appointed as prime minister Vladimir Putin, the director of the security police, and a former KGB leader. The constitution prevented Yeltsin from standing for a third term, so he wanted to make sure that the candidate of his choice became next president. If a president were to retire before the end of his term, the constitution stipulated that the prime minister would automatically become president for three months, during which time presidential elections must be held. Opinion polls suggested that Primakov might well be elected next president, but events in September 1999 changed the situation dramatically. There was a series of bomb explosions in Moscow; two large apartment blocks were blown up and over 200 people killed. Putin claimed that the Chechen rebels were responsible and he ordered an all-out attack on the Chechen separatists. This time public opinion, outraged by the bomb attacks, was in favour of the war. Putin impressed people by his decisive handling of the situation and his determination to wipe out the warlords.

The renewed war in Chechnya worked in favour of Putin and his party – the Unity bloc. In the *Duma* elections Primakov's supporters won only 12 per cent of the seats, Putin's Unity bloc 24 per cent and the communists 25 per cent. On 31 December 1999 Yeltsin resigned as president, confident that his candidate, Putin, would be next president. As acting president Putin immediately pulled off a master stroke: his Unity bloc formed an alliance in the *Duma* with the communists and a few other smaller groups, giving the pro-Putin bloc a majority, something which Yeltsin had never achieved. In the presidential election held in March 2000, Putin won outright on the first ballot, taking 53 per cent of the votes; once again Zyuganov came second.

(g) Putin's first term, 2000–4

Putin had a reputation for political acumen and the ability to get things done. He was determined to stamp out corruption – to destroy the oligarchs as a class, as he put it – to develop a strictly controlled market economy, to restore law and order and to bring an end to the war in Chechnya. He was able to get his new measures approved by the *Duma* thanks to the continuing alliances formed after the December 1999 elections, and he achieved considerable success.

- Two of the most influential 'oligarchs', Vladimir Gusinsky and Boris Berezovsky, who between them controlled most of Russia's television companies and had been critical of Putin, were both removed from their positions and threatened with arrest on corruption charges. Both men decided to leave the country, and state control over the television network was re-established. In 2003 a third business tycoon, Mikhail Khodorkovsky, once said to be the wealthiest man in Russia, was arrested and jailed.
- New regulations for political parties meant that no party with fewer than 10 000 members would be allowed to take part in national elections. This reduced the number of parties from 180 to about 100, and the great advantage for the government was that it would prevent wealthy oligarchs from financing their own groups of supporters. In October 2001, Putin scored another success when his Unity party merged with one of its largest rivals, the Fatherland movement; together they were set to become the majority group in the *Duma*.
- The economy continued to recover, production increased and Russia continued to benefit from the high world price of oil, though this began to fall at the end of 2001. The federal budget moved into surplus and the government was able to service its debts without any more borrowing. Putin felt that the recovery was still precarious and he continued with more economic liberalization policies.
- In contrast to the Yeltsin presidency, Putin cultivated a 'strong-man' image. He was firm and authoritative, and he could be ruthless if the situation required it. As a precaution, the budget of the secret police (the FSB – successor to the KGB) was trebled, and an increasing number of important positions in the government administration apparatus were filled by people with a background in the security services.

Putin also had less successful experiences. When the nuclear submarine *Kursk* sank mysteriously in the Barentz Sea with the loss of all 118 crew members (August 2000), the government came under criticism for its unimpressive handling of the tragedy. Putin failed to bring a decisive end to the conflict in Chechnya, and terrorist bomb outrages continued. In October 2002 a group of between 40 and 50 armed and masked Chechens occupied the Dubrovka Theatre in Moscow, and took some 850 members of the audience hostage. They demanded the withdrawal of all Russian troops from Chechnya and an end to the Second Chechen War. After two and a half days, neither side would make any concessions, so government troops pumped noxious gas into the theatre through the ventilation system and then launched an attack. They killed 39 of the rebels, but unfortunately 129 hostages were also killed, most of them by the toxic gas. Again the government came under criticism for its handling of the crisis, especially from doctors. They claimed that they would have been able to save more of the hostages if the government had not refused to disclose the name of the gas used. To make matters worse, estimates published in the summer of 2003 suggested that one-third of the population were still living below the poverty line.

However, Putin's personal popularity remained high among the general public, enabling him to face the elections of 2003–4 with confidence. He had achieved a great deal for the Russian people, especially through his tax and pensions reforms. Most people were

delighted with his attacks on the 'oligarchs', the economy was flourishing and foreign investors were showing interest in Russia again.

It was no surprise when in the *Duma* elections of December 2003, Putin's United Russia party won a massive 222 seats out of the 450. The real surprise was the poor showing of Zyuganov's Communist Party, which lost almost half its MPs and was left with only 53 seats. Some observers believed that this marked the end of the road for the communists, who had provided the only real political opposition to the government. One reason for the communists' poor showing was the creation of a new party – *Rodina* (Motherland) – only four months before the elections. This was a nationalist party pledged to raise company taxation and return to ordinary people the fortunes made by the oligarchs in their shady privatization deals. *Rodina* took most of its votes from the communists and ended up with 37 MPs, who would vote for Putin.

Analysts pointed out that Putin was developing distinct authoritarian tendencies: *Rodina* had been deliberately founded by the Kremlin in the hope of taking support away from the communists, as part of Putin's strategy for 'controlled democracy'. In other words, he was trying to create a parliament 'in his own image'. If he could secure a two-thirds majority in the *Duma*, he would be able to change the constitution to allow himself a third term as president. Clearly democracy in Russia was in the balance.

In the presidential election of March 2004, President Putin won a sweeping victory, taking 71 per cent of the votes cast. His nearest rival was the Communist candidate, Nikolai Kharitonov, but he gained only 13.7 per cent. Observers from the Council of Europe reported that the election had failed to meet healthy democratic standards. In particular, it was alleged that rival candidates had not been allowed fair access to the state-controlled media, and that there had been no genuine pre-election political debate. However, President Putin dismissed these criticisms; he promised to press ahead with economic reform and to safeguard democracy.

(h) Putin's second term, 2004–8

There was a tragic early reminder of the Chechen situation when, on 1 September 2004, the traditional start of the Russian school year, a group of heavily-armed Chechen guerrillas occupied a school in the town of Beslan, in North Ossetia, and took around 1100 children and adults hostage. They demanded an end to the Second Chechen War and the complete withdrawal of all Russian troops from Chechnya. After three days Russian security forces stormed the building, using tanks and rockets. This soon ended the crisis, but not before over 300 people had been killed, including 186 children. The government was criticized for its handling of the situation on the grounds that excessive force was used. Alexander Litvinenko, a former member of the KGB, claimed that it was an 'inside job', that the security services had organized the hostage-taking to keep public opinion anti-Chechen and to justify stricter security measures. Soon afterwards Putin introduced tougher anti-terrorist laws and increased the powers of the security forces. In June 2006 the Duma passed a new law which gave the FSB (successor to the KGB) authority to send commandos abroad to assassinate 'terrorist groups'; this power was to be used only at the discretion of the president.

Litvinenko had a history of criticizing the government and the security services: in 1998 he accused FSB bosses of ordering the murder of the oligarch Boris Berezovsky. This led to Litvinenko's arrest on charges of 'exceeding his authority'. The charges were dropped, but in 2000 he took refuge in the UK where he worked as a journalist and acted as a 'consultant' for the British intelligence services. In 2002 he published a book in which he accused the FSB of organizing the series of terrorist attacks that were blamed on the Chechens, in order to justify the Second Chechen War and bring Putin to power. This was

dangerous stuff, and his comments on the Beslan crisis proved to be the final straw. In November 2006 Litvinenko was killed in London by a rare radioactive poison, Polonium 210. Investigations suggested that the poison had been administered by Andrey Lugovoy, a Russian security agent, who was charged with the murder. The UK authorities requested his extradition from Russia, but this was refused. Although the UK government did not directly blame the Russian government, there was a clear inference that the murder was indeed sponsored by the Russian state. In 2007 another Russian exile, Alex Goldfarb, with the collaboration of Litvinenko's widow, Marina, published a book containing compelling evidence that Putin himself must have ordered the murder. Nor was this the first time a critic of the Putin regime had been murdered. A few weeks earlier, in October 2006, Anna Politskovskaya, a journalist and writer, was shot dead in the lift of her apartment block. She had been a long-time critic of the Chechen War, and in 2004 had published a book, *Putin's Russia,* in which she claimed that Russia still had elements of the police state, or mafia state. On the more positive side, as Putin began his second term as president, *the economic situation was looking bright.* Oil prices were rising: around £28 a barrel in 2000, they now stood at £40 a barrel, and by the end of 2006 they had reached over £60. By this time Russia was the largest producer of gas in the world, and the second largest exporter of oil after Saudi Arabia. As Europe becomes more dependent on fuel supplies from Russia, this could well strengthen Moscow's influence and leverage. *The economy had grown steadily by over 6 per cent a year since Putin became president in 2000.* Another contributor to the success story was the software-manufacturing industry: in 2006 exports of software were worth $1.5 billion as opposed to only £128 million in 2001. This success was encouraging more foreign investment. There were plans to use some of the increased revenue to improve living standards. In 2005 the National Priority Projects were announced, designed to improve the health system, education, housing and agriculture, including wage increases for health workers and teachers.

However, Putin decided to use much of the cash to build up a large reserve fund to protect against a fall in oil prices. This meant less government investment and stagnation in the economic reform programme. To make matters worse, Russia was hard-hit by the 2008–9 world financial crisis, which cut off the flow of cheap credit and investment from the West. Fortunately Putin's $90-billion reserve fund helped Russia to cope, and by the end of 2009 the economy was growing again. On the downside, the National Priority Projects suffered. Under the Soviet system, universities and academies were well financed, as were the arts – orchestras, theatres, film studios and publishers. Admittedly, there was a price to pay in the form of strict censorship, but following the 1998 economic crisis, this funding had been drastically reduced – for example, the budget for higher education had been slashed to only 12 per cent of the 1989 level. By 2008, in spite of its promises, the government had largely failed to reverse these cuts. Average wages of lecturers and teachers were only two-thirds of the national rate. Even the Ministry of Education reported that only 20 per cent of institutions of higher education had retained the high standards that were the norm under the Soviet system. The state now provides less than a third of their funding. The same is true of the health service: although this is still free, the care is far inferior to that provided under the communists. To get the best and quickest treatment, patients must pay. Probably worst affected are the elderly; although prices have rocketed, pensions have not increased. In most Russian towns and cities, old people can be seen on street corners trying to sell bits of produce, fruit and vegetables, as they struggle to make ends meet. Understandably, many ordinary Russians look back on post-Stalinist Soviet times with nostalgia, in spite of its drawbacks.

During 2007 there were a number of protest demonstrations, known as Dissenters' Marches, in Moscow, St Petersburg, Nizhny Novgorod and Samara, but later demonstrations were met by police, and overt public support soon dwindled. Although by the end of 2008 there was much hostility to the Putin regime, most of it was in private, and there was

very little public criticism. This was partly because the government kept tight control of the media, and journalists and writers were afraid of meeting the same fate as Anna Politskovskaya and Alexander Litvinenko. There was another reason too: according to Perry Anderson:

> it is the knowledge, which can only be half-repressed, that the liberal intelligentsia is compromised by its own part in bringing to being what it now so dislikes. By clinging to Yeltsin long after the illegality and corruption of his rule were plain, in the name of defence against a toothless Communism, it destroyed its credibility in the eyes of the population, only to find that Yeltsin had landed it with Putin.

The constitution did not allow Putin to stand for a third consecutive term, so he chose his close friend and ally, Dmitri Medvedev, as the United Russia presidential candidate. Before the election, Medvedev announced that if he won, he would choose Putin as his prime minister. Their election slogan was 'Together We Win'. In March 2008 Medvedev won a sweeping victory, taking around 70 per cent of the popular vote. His nearest rival, the Communist leader, Gennady Zyuganov, received just under 18 per cent. In spite of the dissatisfaction with falling living standards, it seemed that Putin's personal popularity was still sufficient to win elections. Whatever his faults, he and his United Russia party were still more attractive than any of the alternatives.

(i) Putin and Medvedev, 2008–12

The day after he became president in May 2008, Medvedev duly appointed Putin as prime minister. The State Duma approved the appointment by 392 votes to 56; only the communists voted against. Clearly Putin would continue to be extremely influential, and journalists soon labelled the new government the 'tandemocracy'. They were soon faced with a crisis – *The South Ossetia War.* When the USSR broke up, Georgia became independent. But South Ossetia and Abkhazia soon declared themselves independent of Georgia, and were supported by Russia. Georgia refused to accept this, and the conflict dragged on. In August 2008 Georgian troops suddenly invaded South Ossetia. Medvedev reacted swiftly – Russian forces counter-attacked and after five days of heavy fighting, the Georgians were driven out. Russia officially recognized South Ossetia and Abkhazia as independent states. Medvedev's decisive handling of the crisis was popular with most Russians, though the Western media, especially in the USA, sided with Georgia. Towards the end of 2008 Russia began to feel the effects of the world financial crisis (see Section 27.7). Fortunately the government was able to use the large surplus accumulated earlier to bail out any banks that were in difficulties, and to help struggling companies with generous loans. Even so GDP fell by around 10 per cent in 2009, and the economy only began to move forward again in 2010. The reserve fund had been emptied and this delayed various reform and modernization programmes. Medvedev's main aim was to reduce Russia's dependence on income from oil and gas exports by diversifying into nuclear technology and pharmaceuticals, and by further developing information technology and software production. In January 2011 Medvedev admitted that one of his other key policies – to eliminate corruption – had so far been a failure. As the time approached for the next Duma and presidential elections, there was great speculation as to whether Medvedev would stand for re-election or step down in favour of Putin. There had been rumours of a breach between the two. However, in September 2011, Medvedev announced that he would not stand again and he officially proposed Vladimir Putin as the United Russia party candidate. In the Duma elections held on 4 December 2011, United Russia suffered something of a setback. Their share of the vote was below 50 per cent for the first time; it actually fell

from 64 per cent in 2007 to 49 per cent, and the party lost 77 seats, down from 315 to 238, out of a total of 450. The Communists took 37 of these seats, going up from 57 to 92. Of the two smaller parties, Just Russia won 64 seats and the Liberal Democrats 56. Putin and Medvedev's party had lost their two-thirds majority, although they still had a small overall majority. The election was followed by protest demonstrations in Moscow and St Petersburg claiming widespread electoral fraud and demanding annulment of the results. These were followed by even larger demonstrations in support of the government. In March 2012 the presidential election brought a decisive victory for Putin, who took 63 per cent of the votes, against 17 per cent for Gennady Zyuganov, the Communist leader, who came second of the five candidates. On 7 May 2012, Vladimir Putin was inaugurated as president for the third time. Although there were more protests about irregularities at polling stations, there could be no doubt that Putin was still remarkably popular. He defended what he called his 'managed democracy' on the grounds that this was the most suitable type of democracy for Russia, because the country had no history of Western-style democracy. And a majority of people evidently agreed. Putin was set to continue in power, either as president or as prime minister, for the foreseeable future. No matter what the state of the nation, and in spite of numerous protest demonstrations, he seemed to be unassailable.

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QUESTIONS

1 Khrushchev believed that communism in the USSR could be reformed and modernized and made more efficient. How far had this been achieved by 1970?
2 'The USSR remained politically and socially stable in the years 1964 to 1982 despite the policies of the Brezhnev era.' How far would you agree with this view?
3 Consider the view that if Gorbachev had followed different policies, the USSR could have survived, in the same way that communism survived in China.
4 'It was Gorbachev's reluctance to commit himself to sufficiently radical changes that led to the break-up of the Soviet Union.' Assess the validity of this view.
5 Explain why the collapse of the USSR was followed by serious economic and political problems.
6 'Putin's Russia may well have been a police state, but at least he rescued the country from the chaos of the Yeltsin years.' How far do you think this is a fair comment on both presidents?

 There is a document question about Khrushchev's promises for the future on the website.