

Russia After Communism, by Anders Åslund and Martha Brill Olcott, editors

Book Summary

This book is a collection of five essays, each written by a pair of Russian and American researchers, that analyze the most important political, economic, and foreign policy developments in Russia since the collapse of the Soviet Union. The editors are senior associates at the Carnegie Endowment for International Peace. Excerpts from each essay follow.

RUSSIA TRANSFORMED

Lilia Shevtsova and Martha Brill Olcott

Seven years after the collapse of the Soviet Union, Russia is still seeking to consolidate the institutional foundations of political pluralism, including a popularly elected legislature, the rule of law, an independent judiciary, civilian control of the military, and a constitution that embodies democratic principles which are accepted by government and society alike. A substantial majority of Russian citizens participate in regularly held and widely contested elections for local and national representatives and also for the country's president. While elected officials may not always be responsive to popular demands, they are still the most accountable rulers in Russian history. Freedom of expression is at an all-time high, and the Russian government must regularly confront public challenges to unpopular policies. A market economy is replacing centralized planning, though there is still considerable risk that a left-oriented government might reintroduce some of the mechanisms of a state-run and centrally managed economy.

There are many other challenges to Russia's democratic transition. Though not a single scheduled election has yet been cancelled, many people fear that constitutionally mandated

elections would not be held if President Boris Yeltsin were to die or become incapacitated before his term expires. The Russian legislature is weak compared with the presidency, and those two branches are still a long way from achieving the level of regular consultation that characterizes politics in most developed democracies. The weakness of the legislature leaves a lack of incentive for political groups to dedicate more time, thought, and money to the arduous process of forming mass parties, and the absence of parties denies Russian citizens a means of conveying their will to their elected representatives. In addition, the weakness of the court system, combined with the ineffectiveness of well-intentioned law enforcement officials, has forced a considerable portion of the Russian population to resort to semilegal or illegal means to gain protection and to seek redress of their grievances.

The quasi-democratic nature of the current political status quo and the incomplete nature of Russia's transition give all the major factions in the political establishment hope that the present system can be manipulated to their own advantage. This breeds some stability but little incentive for any group to push Russia toward more democracy than it presently enjoys.

Key members of Russia's governing elite still seem to believe that it is more important who will rule than how that ruler comes to power. In 1996 it was their view that a duly elected communist or nationalist president who ruled over an empowered parliament dominated by his own party would pose a greater risk to the future of Russian democracy than a democratic-minded president who came to power by undemocratic means. Fortunately, Boris Yeltsin ultimately rejected their advice and chose to run for the presidency, but there is little to suggest that the mindset of Russia's elite has changed. So long as Russia's political class struggles with this kind of dilemma, Russian politics will be dominated by individuals rather than institutions, and Russian democracy will remain incomplete and unconsolidated.

THE CHANGING FACE OF ELECTIONS IN RUSSIAN POLITICS

Michael McFaul and Nikolai Petrov

Since 1989 Russian citizens have voted often. There have been four parliamentary elections, two presidential elections, four referenda, three rounds of elections for regional legislatures, and three rounds of elections for regional heads of administration. These frequent elections have performed a somewhat different function in Russia's democratization process than have elections in other countries making a similar transition.

Three paradoxes are most salient. First, Russian elections have produced neither a change of power at the national level nor a complete replacement of political leaders from the Soviet era. Second, these elections have not stimulated the formation of a multiparty system. Third, the electoral process has not become more transparent or more competitive over time. In many ways, electoral procedures in Russia were less free and fair in 1996 than they were in 1990.

The function of elections in Soviet and then Russian politics can only be understood when placed within the larger context of Russia's unfolding political and economic transformation. Unlike transitions to democracy in Latin America and Southern Europe, the transition from Soviet communist rule was not only about the crafting of new democratic institutions. Negotiations over the new rules of the game for the political system occurred at the same time the Soviet command economy was being transformed into a market system and the Soviet state itself was being dissolved. In this context of rapid and simultaneous change of both political and economic institutions, leaders from the Soviet ancien régime and Russian challengers to the old order became polarized into two political camps. In contrast to negotiated transitions to democracies in other parts of the

world, these two camps failed to agree on a new set of political rules. Instead, in a polarized standoff in August 1991 and again in October 1993, these opposing political forces solved their differences not through negotiations but conflict and eventually armed struggle.

In this kind of transition, elections were not the goals or objectives of the political conflict but the means for obtaining other ends. During much of Russia's recent electoral history, the goal of consolidating democratic institutions was less important to most actors than securing or impeding economic transformation or Russian independence. Boris Yeltsin and his allies used elections to gain political power as a means of pursuing their more central goals of economic transformation and Soviet dissolution. Consequently, elections have not yet played the same positive force for the development of democratic institutions and practices in Russia as they have in other countries.

FROM ETHNOS TO DEMOS: THE QUEST FOR RUSSIA'S IDENTITY **Valery Tishkov and Martha Brill Olcott**

From its inception, the Soviet Union declared itself to be an internationalist state based on class solidarity and social homogeneity—but it remained a state in which ethnic affiliation, expressed as nationality, was omnipresent and untransformable. Thus, despite Russia's position as the only one of the post-Soviet states to emerge as a federation, it is unrealistic to expect that a sense of civic loyalty would have fully replaced ethnicity as the defining element of Russian identity. The Russian government is still unwilling to separate fully the question of citizenship from that of ethnicity.

Several factors make the process of forming a new identity for Russia particularly complex. First, ethnic Russians have a stronger positive identification with the former USSR than do other nationalities. This identification ranges from a formal allegiance to Russia as the legal successor to the USSR to a psychological bond to the USSR as synonymous with historic Russia. Second, Russia also has a form of institutionalized multiethnicity. Twenty-one of its eighty-nine autonomous formations are simultaneously federal units and nation-states. And while Russia's top leaders, particularly President Boris Yeltsin, are careful to appeal to the people of Russia (*Rossiyan*) rather than to ethnic Russians (*Russkie*), no one has been entirely successful in explaining what the culture of the *Rossiyan* (pan-Russian) is.

The Russian Federation has attempted to solve the problem of national self-determination through a form of ethnic federalism in which republics function as quasi-nation states and reflect the claims of a certain ethnic group to the territory it populates. But ethnic federalism presupposes that the population of a particular autonomy is composed of a homogeneous ethnic group, or at least that an ethnic group has a clear majority among this population. In many of Russia's ethno-territorial units, this is not currently the case.

The Russian Constitution does not grant its constituent republics the right of secession, and it proclaims the superiority of federal law over all other laws. But many of the republic constitutions also claim that their republic laws are supreme and implicitly assert an unlimited right of self-determination. Reconciling potentially conflicting constitutions and bodies of laws is one of Russia's foremost political challenges.

To date, Russian public debates have not focused on the problem of civic nationalism; most people still think about nationalism in ethnic rather than in civic or state terms. Nevertheless, there is some reason to believe that the Russian public, possibly even sooner than the political elites, will eventually embrace a civic identity, recognizing that the common needs of Russian state building should predominate over those of ethnic particularism.

ECONOMIC REFORM VERSUS RENT SEEKING **Anders Åslund and Mikhail Dmitriev**

The severity of Russia's economic problems, and the seeming inability of a succession of governments to solve them, have raised numerous questions about the painful reforms people there have endured since the collapse of communism. The August 1998 crisis caused great turmoil and hurt the welfare of the Russian people badly. Economically, the solution to Russia's problem was obvious.

The key question is why hardly any attempts were made to implement this solution. Our answer is that the rent-seeking interests in Russian society were so strong that they overpowered concern for the common good. Moreover, the competition among the rent seekers was so fierce that they could not halt their behavior, but drove themselves to financial collapse.

In Russia today, all the features of the communist command economy are gone. A pluralist structure of ownership has been established. From early 1996 until the summer of 1998, Russia had a reasonably stable currency. Since the summer of 1998, however, Russia has been in a serious financial crisis. Despite many improvements over what existed before, the emerging Russian market economy still displays serious imperfections. State ownership is more extensive than in almost any Western state, and even fully privately owned enterprises are heavily dependent on the state. State power is exercised with more arbitrariness than would be accepted in the West, and businessmen have little legal recourse in their relations with the state.

The main themes of the Russian reform agenda have been deregulation, stabilization, and privatization. Unfortunately, nothing conclusive can be said about the design of the reforms, since so little was actually implemented. Deregulation of all kinds is essential to end rent seeking. The reformers fought for the liberalization of commodity prices, but they lost. The reformers tried to

liberalize domestic trade, but with limited success. Yegor Gaidar, whom Yeltsin appointed to and removed from a number of senior positions, pushed for considerable freedom for enterprises, but his efforts were rebuked.

Today, Russian reformers are learning to understand the new rent seekers' mode of operation, which is now based more on politics than economics. Repeated failures of reformers in coalition governments to implement their policies successfully made many doubt the efficacy of reform from above at the current stage of development. A growing reformist opinion argues that a parliamentary majority in favor of key changes is necessary for real market economic reform to occur. Russia faces a regional conundrum, without a clear understanding of how to deal with the regions, making it unlikely a solution will soon be found.

RUSSIA AND ITS NEAREST NEIGHBORS

Sherman W. Garnett and Dmitri Trenin

Russia has faced many periods of internal turmoil and reform. Its diplomats have had to cope with periods when internal challenges constrained external ambitions. Current Russian policy formally embraces integration on the territory of the USSR as a vital national interest and as the key to the long-term restoration of Russian power in the world, but Russia's leaders have not been able to reach agreement with the leaders of most other CIS states on the terms and implementation of this integration. Thus, Russian policy toward its newest neighbors must ultimately come to terms with trends that are unfavorable to the kind of integration that President Yeltsin and others repeatedly embrace as a vital interest of Russia.

A crucial element of Russia's foreign and security policy is its diminished capacity. The essential elements of state power are all in systemic crisis and transformation. The range of interests and actors shaping foreign policy is much wider today. Russia also faces severe economic constraints in pursuing its foreign policy aims. The military is in precipitous decline even as it expands its involvement and commitments throughout the former USSR. Russia's policy has an additional obstacle: the new neighbors themselves are much more diverse, their sovereignty is more deeply rooted, and their links to the world beyond the former USSR are growing. The notion of a single geographical entity known as the former Soviet Union will be replaced by new designations focusing on geographic, cultural, and economic differences. The challenge will be to manage the increasing differentiation of the former Soviet space.

The real question for Russian foreign policy is whether Russia will understand the broad strategic changes in Eurasia, adjust to them, and adopt a policy that will diminish both the near-term threats from instability among its new neighbors and the long-term threats from the potential friction between Russia and the outside world. A successful Russian strategy has to be built upon cooperation

with the most successful of the new states. Russia must abandon its goal of a tightly integrated CIS. Real progress is more likely to come through bilateral and multilateral agreements that include states outside the CIS than through CIS-only accords. The first seven years of Russian foreign policy have focused largely on opposing the breakdown described above. It is now time to recognize that this breakdown is inevitable and to work for changes that will lead to a region of stable and prosperous states. Much depends on Russia understanding its own interests and using its powers to break with a czarist and communist legacy—a legacy that is unsuited to the new world that has appeared and to the forces that will continue to shape Eurasia in the years ahead.