9780170410151

# 02

# The collapse of the USSR and the nature of post-Soviet societies


Demonstrators in Latvia stage a peaceful protest against the Soviet Union's occupation of the Baltic States, 23 August 1989.

Alamy Stock Photo/Tiit Veermae

## STUDENTS WILL INVESTIGATE

In this chapter, students will examine the factors contributing to the collapse of the Soviet Union and the social, political and economic impacts of the dissolution on Eastern Europe.

Aspects to be covered include:

- The Soviet Union and Russia after communism
- The end of communism
- Mikhail Gorbachev
- The impact of the end of communism on Russia and Eastern Europe
- The emergence of Vladimir Putin in Russia

Modern History syllabus



02_nmh_two_10151_txt.indd 25 5/8/18 3:52 AM

# Introduction

The collapse of the Soviet Union and the fall of communism in Eastern Europe at the end of 1989 was one of the most significant geopolitical events of the second half of the 20th century. The experiment in European communism was over, and former communist states had to be transitioned into the liberal, democratic world order that was dominated by the political and economic values of the United States. So, during the 1990s, Russia exchanged one experiment for another – this time the attempt to install Western-style political and economic systems in a country with little democratic tradition. The privatisation of vast natural resources and industrial assets led to widespread corruption.

**bipolar**
The division of the world into two systems during the Cold War: American capitalism and Soviet communism

**Warsaw Pact**
The formal alliance of Eastern European countries and the Soviet Union established in 1955

For nearly 45 years, international relations were oriented around the Cold War and the **bipolar** world that had emerged out of the dominance of the US and the Soviet Union. That the conflict ended with the Soviet Union suddenly and peacefully imploding, as the result of a series of Mikhail Gorbachev–era policies designed to reform communism rather than destroy it, meant that policy makers and thinkers had to grapple with a new set of realities. What would the post-Cold War 'new world order' look like? What forces would shape international relations into the future? How would the USSR and the **Warsaw Pact** transition to a new political, social and economic system and what shape would this system take?

**superpower**
A great power that dominates the international system, has global reach that is underpinned by a strong economy and possesses superior military capacity

There was no shortage of attempts to explain the new reality. US political scientist Francis Fukuyama declared 'the end of history' and the triumph of Western liberal democracy as the final destination in humanity's political evolution. Samuel P Huntington warned that the next geopolitical threats to peace and security would come from a 'clash of civilisations'. The US emerged as the world's only **superpower** and President George HW Bush optimistically declared the introduction of a 'new world order' based on the rule of law and a set of global principles similar to those that established the United Nations. But in the practical business of transforming Russia's vast state-owned natural and industrial assets into private hands, and thus in shaping the political and economic contours of Russia throughout the 1990s, it was the ideology of market economics that would play a leading role.

The road to market and political reform in Russia would not be an easy one. The painful process of removing 70 years of state planning would be led by the first post-Soviet Russian president, Boris Yeltsin. The transition was characterised by chaos. Reforms that were meant to stabilise the economic and political situation in Russia instead resulted in high inflation, goods shortages, political upheaval, corruption and the threat of resurgent communism. Russia was facing deep economic and political uncertainly, most likely as a result of the speed of the reforms. Historians, economists and journalists now concede that **privatisation** went too fast, and as a result, the process was driven by corruption at the highest levels of government. The 1990s economic transition might be characterised as the mass theft of former Soviet state resources including heavy industry, natural gas and oil reserves, infrastructure and agriculture concentrated in the hands of a few out of which a Russian **oligarchy** emerged. At best, the transition was handled with gross incompetence. Russian President Boris Yeltsin became increasingly embarrassing on the international stage. He drank heavily and became ill, and Russians lost faith in him as the man to steer Russia through the complex transition to post-Soviet prosperity.

**privatisation**
The transfer of state-owned assets to private ownership

**oligarchy**
Rule by a small group; in the Russian context, the new class of ultra-wealthy Russians who benefited from the privatisation of the economy after the fall of the Soviet Union in the early 1990s

When Boris Yeltsin unexpectedly resigned from the presidency on 31 December 1999, his prime minister, Vladimir Putin, was appointed as interim president until new elections could be held in May 2000. A Cold War veteran and former KGB officer, Putin projected an image of Russian strength both domestically and internationally. His style was a significant departure from that of Gorbachev and Yeltsin. Humiliated by the fall of the Soviet Union, which he would later describe as the greatest disaster of the 20th century, Putin wanted to restore the power and prestige of Russia in the region and reassert its role as a superpower. He would reverse the trend to Western political and economic



9780170410151

02_nmh_two_10151_txt.indd 26 5/8/18 3:52 AM

values and challenge NATO's increasing move towards the east. He would appeal to nationalist sentiment to bring back into line states of the Russian Federation or former Soviet republics, such as Chechnya, Georgia and Ukraine, that did not toe the Kremlin line.

Putin's critics regard him as authoritarian, anti-democratic and corrupt. But in Russia he has enjoyed an approval rating of over 80 per cent for most of his presidency. Since the ascension of Putin, some observers speak of the renewal of Cold War tensions. While former Soviet states such as Ukraine seek closer integration with the European Union, Putin has resisted the drift in the region towards the West.

**The collapse of the Soviet Union and the nature of post-Soviet societies**

| | | |
|---|---|---|
| 1985 | March | Mikhail Gorbachev assumes leadership of the Soviet Union |
| 1989 | March | First free elections to the Soviet Congress of the People's Deputies |
| | November | Berlin Wall falls in Germany |
| 1991 | July | Boris Yeltsin is elected President of Russia |
| | December | The Soviet Union is dissolved |
| 1992 | January | Economic 'shock therapy' reforms commence |
| 1993 | March | Yeltsin suspends parliament in showdown over powers |
| 1999 | December | Vladimir Putin is made acting president after the shock resignation of Boris Yeltsin |
| 2000 | May | Putin sworn in as President of Russia |
| | August | *Kursk* submarine disaster |
| 2002 | October | Moscow theatre siege |
| 2004 | May | Putin commences his second term as president |
| | September | Beslan school siege and massacre |
| 2006 | October | Putin critic and journalist Anna Politkovskaya shot and murdered |
| | November | Former Russian FSB officer Alexander Litvinenko poisoned in London |
| 2008 | May | Putin steps aside as president after term limits run out and he is made prime minister |

# Reasons for the collapse of the Soviet Union and the role of Mikhail Gorbachev

The collapse of the Soviet Union was the result of long-term structural forces that stretched back to before Gorbachev's time in office, and the unforeseen consequences of two policies designed to reform the Soviet system rather than destroy it: *perestroika* (economic restructuring) and *glasnost* (political openness). These economic, social and political reforms were introduced in an effort to reverse the economic decline of the Soviet Union, which Gorbachev had inherited from the Brezhnev era. This decline resulted partly from huge sums of money being directed towards engaging in an arms race

9780170410151



02_nmh_two_10151_txt.indd 27 5/8/18 3:52 AM

against the United States and bolstering the communist states in Eastern Europe. Meanwhile, the living standards of ordinary Soviets at home remained poor by Western standards.

By the time Gorbachev came to power on 11 March 1985, the Soviet economy was stagnant – rife with corruption and low in productivity. Determined that the decline should not continue, Gorbachev decided on a plan for decisive action, despite being criticised for having a vision with no real plan to see it realised. Gorbachev's series of economic, social and political reforms eventually led to the collapse of the Soviet Union. A popular Russian saying about the reforms was: 'We are still on the leash and the dog dish is still too far away, but now we can bark as loud as we want.' The 'dog dish' was the promise of economic prosperity, and the 'barking' was any critical comment about the failure of the reforms to deliver on their promises.

### MIKHAIL GORBACHEV


Getty Images/Georges De Keerle

Mikhail Gorbachev was leader of the Soviet Union from March 1985 until December 1991. As a committed socialist, Gorbachev wanted to reform Soviet communism, which he believed was in deep, long-term structural decline from poor economic practices and lack of political participation. In an attempt to deliver prosperity to Soviet citizens, he wanted to minimise Soviet involvement on the international stage – first by withdrawing from an arms race with the United States and second by reducing the spending and military commitments needed to prop up communist states, particularly in Eastern Europe. Thus, Gorbachev's policies of *glasnost*, *perestroika*, arms reductions and repealing the **Brezhnev Doctrine** had the effect of opening up calls among the masses for greater democratic freedom and economic choice. In the end, Gorbachev's policies, which were meant to reform communism, would instead destroy it.

**Brezhnev Doctrine**
The Soviet commitment to intervene militarily in Eastern European communist states to stop reform movements

Gorbachev's strongest policy positions were laid out at the 27th Party Congress in March 1986. Writing about the 1970s in his book *Perestroika*, Gorbachev observes that it was an anomaly that great technological advances in this decade had the potential to deliver high living standards, but in the USSR growth was stalling. One of the features of Gorbachev's reforms was that he did not believe that productivity could be lifted through doing more of the same. For Gorbachev, things needed to change. To make them change, he would have to re-examine the nature of socialism and introduce limited market reforms in an effort to get the economy moving.

## Perestroika

Gorbachev inherited a Soviet economy in crisis. State-owned companies were poorly run and not producing goods of high enough quality or in sufficient quantity, and productivity was low. Alcoholism was rife in the workforce. Basic consumer items were absent from the shelves of Russian supermarkets. Huge portions of the Soviet budget were being directed towards military spending to allow Russia to keep up with the United States in the arms race and to fight a failed war in Afghanistan, while the living standards of ordinary Russians were low when compared with those in the West. Many of these problems had been inherited from the Brezhnev era. The economic **stagnation** of the communist bloc was deep and would require some market reforms to provide incentive.

**stagnation**
Low economic growth over a prolonged period



9780170410151

02_nmh_two_10151_txt.indd 28 5/8/18 3:52 AM

Gorbachev knew that there would have to be some economic restructuring and introduced the policy of *perestroika*. The policy reflected his commitment to a version of Leninism and drew comparisons with Lenin's 'New Economic Policy' because it included aspects of market capitalism alongside communism. Gorbachev hoped the reforms would help Russia out of its economic troubles and estimated that they would take more than a decade to bring real change.

Gorbachev believed that his reforms would provide greater incentive to work harder and to develop small enterprise. He allowed cooperatives and small businesses to be established. Hairdressers, restaurants and other small businesses began to pop up all over Russia. But the reforms did not fare so well in major industries, and in 1988 worker dissatisfaction led to a general coalminer's strike, which nearly crippled the country.

There are a number of reasons for the failure of *perestroika*. Factory managers and individuals could not really grasp the long-term benefits of the restructuring, and the short-term consequences were painful. The American economist Peter Boettke argues that *perestroika* was not supported by political will. He suggests that economic reform is necessarily painful in the short term because it removes subsidies, creates temporary unemployment and produces inequality of income – all of which would have been politically difficult for the communist bureaucracy to cope with.[1]

Instead of *perestroika* saving the Soviet economy, many citizens actually blamed it for the decline in living standards. At least, before *perestroika*, life was stable. According to economic historian William Moskoff, there were three reasons for the failure of *perestroika*:

- Gorbachev failed to show the same determination in his leadership at home that he showed on the international stage, and he vacillated with the reforms.
- The people were less committed to a market economy than to the production of plentiful goods at low and stable prices – in whatever system produced them. They wanted a painless transition.
- Gorbachev met powerful resistance along the way from the working class, who feared for their jobs, the military, who feared for their budgets, and the economic bureaucrats, who feared for their reputations.[2]

Gorbachev had inherited deep structural problems in the Soviet Union that he had to address. In implementing *perestroika*, he had hoped that he could turn the economy around. However, by 1988 only 750 000 people out of 135 million workers were employed in privately run companies.

## Views on *perestroika*

### SOURCE A

What specifically did we accomplish as a result of the stormy years of *perestroika*? The foundations of the totalitarian system were eliminated. Profound democratic changes were begun. Free general elections were held for the first time, allowing real choice. Freedom of the press and a multiparty system were guaranteed … Human rights now became an unassailable principle.

Mikhail Gorbachev, *On My Country and the World*, Columbia University Press, New York, 2000, pp. 57–8

### SOURCE B

I read *Perestroika*, the book by Mikhail Gorbachev that outlined his goals for restructuring the Soviet economy … Although he didn't describe it as such, it was a bill of particulars condemning the workings of communism, and it was as damning as anything ever written about Communism in the West. It was an epitaph: Capitalism had triumphed over Communism.

Ronald Reagan, *An American Life*, Threshold Editions, New York, 1990, pp. 702–3

9780170410151



02_nmh_two_10151_txt.indd 29 5/8/18 3:52 AM

**SOURCE C**

Gorbachev's economic incompetence was also serious. It led to his failure to make early progress in reforming the economy. In the first five years his only real accomplishment was the launching of a private, or cooperative, sector of the economy, which began at once to fill in some of the many holes in the state-run system. In many other sectors there was no progress, only deterioration ...

... Gorbachev's economic policies had been on the wrong track since the Central Committee plenum of June 1987, he said. The budget deficit had ballooned from three percent of gross domestic product (the Soviet equivalent of gross national product) in 1987 to ten percent in 1989, and higher still in 1990. The money that had to be printed to cover these deficits had dramatically aggravated inflationary pressures, he said. The anti-drinking campaign went out of control when prices for vodka were doubled, stimulating both an enormous black market and the disappearance of sugar, which home brewers used to make their own white lightning. The government had to spend 25 billion rubles to cope with the sugar crisis, Aganbegyan said. Then after the coal miners' strike of July 1989, wages started to rise at a terrifying rate, although workers' productivity fell. This generated more inflationary pressure. And the government's only response to all this, according to Aganbegyan, was to debate and discuss alternative reform plans.

Robert G Kaiser, 'Gorbachev: triumph and failure', *Foreign Affairs*, Spring 1991

**QUESTIONS**

1. Why did Gorbachev wish to introduce *perestroika* at a gradual pace?
2. Make a list of what Gorbachev feels that he achieved as a result of *perestroika*. Why do you think that his list does not include economic success?
3. Describe Ronald Reagan's attitude towards *perestroika*.
4. According to Source C, why did *perestroika* fail?

## *Glasnost*

The second of Gorbachev's major reform policies was *glasnost*, which, translated into English, means 'openness'. The intention of *glasnost* was to establish genuine transparency in the Soviet government. This would include holding multicandidate elections between members of the Communist Party (all other political parties were banned), encouraging political debate and giving the press greater freedom to comment on the actions of the government and the direction of policy.

Gorbachev believed that the communist elites were the most significant barrier to change in the USSR. *Glasnost* would help swing open the doors of democratic reform and this is what the old bureaucracy feared most. They were not used to having their decisions open to public scrutiny.

It would take a while for *glasnost* to establish itself. After all, for many years in the Soviet Union there had been no tradition of open debate or scrutiny of public officials, and little discussion about the future direction of society. The new openness led to the proliferation of organisations that were not under the umbrella of the Communist Party. By 1987 there were some 30 000 of these organisations meeting to discuss topics as varied as liberalism, nationalism and the environment. These groups, which were known as 'informals', were not supposed to offer a political alternative to communism, but Gorbachev knew that their existence would inevitably allow alternative political ideas to flourish.

Gorbachev wanted to go beyond using *glasnost* as a slogan, and he introduced a series of reforms that would encourage public debate. He knew full well that Russians were cynical of the old propaganda



9780170410151

02_nmh_two_10151_txt.indd 30 5/8/18 3:52 AM

techniques, and he wanted his reforms to create genuine change. To ensure that *glasnost* would take root within the Soviet citizenship, Gorbachev:

- engaged the support of the country's key intellectuals and writers to help him communicate the serious issues facing the Soviet Union. He wanted the workers to be aware of the problems and a part of the solution
- was interested in hearing about the lives of everyday people in ways that were unmediated by the bureaucracy. For this, he needed a free and open press
- encouraged and allowed intellectual debate about policy from within and outside the government ranks, and encouraged robust disagreement among conservatives and radicals
- enforced a more open government bureaucracy so that there would be no more secrecy. Information would henceforth flow freely.

The need for *glasnost* was tragically revealed on 26 April 1986, when the number 4 nuclear reactor at Chernobyl in Ukraine leaked radioactive waste. The Soviet people were not informed of the disaster until Gorbachev relayed the details on television on 28 April. In the previous two days, Chernobyl, only 130 kilometres away from the Ukrainian capital of Kiev, had been under real threat from explosions ripping through the other reactors and threatening the water supplies. Eight thousand lives were lost as a result of the explosion, and radioactivity in the area was not contained because of the veil of secrecy that accompanied the clean-up in the initial stages of the disaster.

In 1988, Gorbachev announced the first democratic elections in Russia, in the hope that his reforms would provide him with broad public support. However, by 1988 ordinary Russians were struggling with reform. The promises of *perestroika* were struggling to take effect, and inflation had gripped the country. There were shortages of consumer products and long lines for food.

The impact of *glasnost* was perhaps most significant in the Eastern European countries of the Soviet bloc. In countries such as Poland, Czechoslovakia, Hungary, Romania and East Germany, the hope of greater transparency and free speech gave weight to their desire for political freedoms. It was *glasnost* that would allow the pro-democracy demonstrations in those countries that led to the eventual collapse of their Soviet-backed regimes.

## Views on *Glasnost*

### SOURCE A

*Glasnost* made its way with considerable difficulty. The **nomenklatura** opposed *glasnost* in every way they could, both openly and secretly … But it was precisely *glasnost* that awakened people from their social slumber, helped them overcome indifference and passivity and become aware of the stake they had in change … *Glasnost* helped us to explain, and promote awareness of the new realities … In short, without *glasnost* there would have been no *perestroika*.

Mikhail Gorbachev, *On My Country and the World*, Columbia University Press, New York, 2000, pp. 60–1

**nomenklatura**
Appointed Communist Party officials

### SOURCE B

The closed nature and secrecy of the nuclear power industry, which was burdened by bureaucracy and monopolism in science, had an extremely bad effect. I spoke of this at a meeting of the Politburo on 3 July 1986: 'For thirty years you scientists, specialists and ministers have been telling us that everything was safe. And you think we look on you as gods. But now we have ended up with a fiasco … Chernobyl became a difficult test for *glasnost*, openness and democracy … shed a light on many of the sicknesses of our system as a whole … the concealing or hushing up of accidents and other bad news, irresponsibility and carelessness, slipshod work, wholesale drunkenness. This was one more convincing argument in favour of radical reforms.

Mikhail Gorbachev, *Memoirs*, Doubleday, New York, 1995, pp. 191–3

9780170410151



02_nmh_two_10151_txt.indd 31 5/8/18 3:52 AM

**QUESTIONS**

1. Which group of people had the most to lose from *glasnost*, and why?
2. How did *glasnost* benefit the whole of the Soviet Union?
3. How might Gorbachev's views, as expressed in his books, be regarded as promoting a positive image of himself?
4. Why did the Chernobyl nuclear incident reveal the need for *glasnost*?

1. What problems did Gorbachev inherit as leader of the Soviet Union?
2. Explain how *perestroika* attempted to introduce market reforms into the Soviet Union.
3. What did Gorbachev hope to achieve with *perestroika*?
4. Identify three reasons that *perestroika* failed.
5. Outline the main goals of *glasnost*.
6. What was the significance of the 'informals'?
7. Explain the measures that Gorbachev took to ensure that *glasnost* took root in Soviet society.
8. To what extent was the nuclear incident at Chernobyl a failure of *glasnost*?
9. What impact did *glasnost* have in Eastern Europe?
10. Evaluate the idea that *glasnost* was a success while *perestroika* was a failure.

## Political reforms and the break-up of the Soviet Union

The failure of *perestroika* and the freedom to protest allowed by *glasnost* made political reforms seem inevitable. Gorbachev believed that economic and social reforms would need to be accompanied by giving Soviet citizens greater say in the political process, but he could not have anticipated the extent of the hunger for change. Although there were calls for greater independence in the Baltic states as early as 1987, the first signs of mass revolution were to be found in Eastern Europe in the large pro-democracy demonstrations of 1989 and 1990. And, while Gorbachev was happy to support the democratic aspirations of the masses in Poland, East Germany, Czechoslovakia and elsewhere, his attitude within the Soviet Union would be another matter entirely. After all, Gorbachev was deeply committed to the communist cause, and the case of Estonia demonstrates the lengths that the Soviets would go to in an effort to prevent the Soviet republics from challenging communist institutions.



9780170410151

02_nmh_two_10151_txt.indd 32 5/8/18 3:53 AM

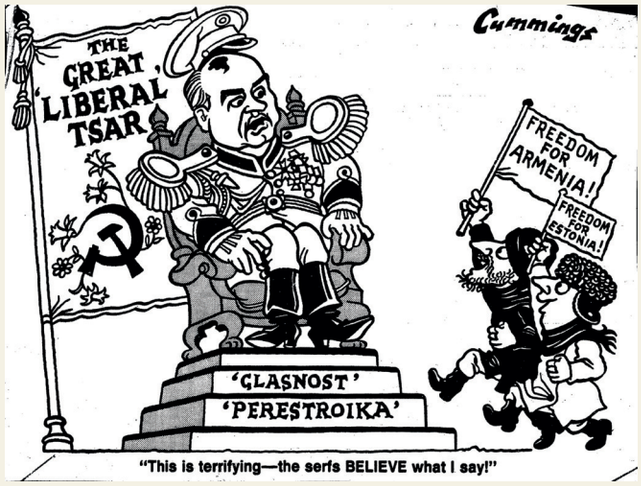
## Estonia and the 'singing revolution'

As early as 1987, the people of Estonia, who had long campaigned for their independence, stepped up their calls for greater political and economic freedom. The Estonians used music festivals as a cover for discussing Estonian patriotism and nationalist aspirations. Music festivals had had a long tradition in Estonia, but in *glasnost* they took on such a significance that the Estonians would refer to their pro-democracy calls as the 'singing revolution'. In late 1988, the Estonians issued a Declaration of Sovereignty, which was one of the first acts in the demise of the Soviet Union. Gorbachev and the Soviet leadership immediately rejected the declaration and the Estonians were ordered to annul it.

In May 1989, Gorbachev met a delegation of Estonian representatives from the Congress of Deputies. He insisted that any reforms could not significantly alter the character of socialism, nor would he entertain the idea of the break-up of the Soviet Union and Estonian independence. Instead, the focus of the delegation was on achieving full economic independence from the Soviet Union so they could pursue the introduction of free market principles. The Kremlin relented and, on 27 November 1989, Estonia was granted full economic independence. It was given its own central bank and a new currency.

In the following month, the other Baltic states – Lithuania and Latvia – joined forces. They petitioned the Kremlin to acknowledge the existence of a secret World War II agreement between the Soviet and German foreign ministers to illegally invade the Baltic states. This agreement, known as the Molotov–Ribbentrop Pact, became the next ground on which the fight for independence was fought. On 24 December 1989, the Congress of the People's Deputies voted that the pact was legally invalid. The vote effectively meant that the Baltic states were being occupied illegally and independence would soon follow.

In March 1990, the Baltic states declared independence. This was met with threats of military intervention and an economic blockade. But the constitutional damage was done. In May 1990, political violence between communist hardliners and the reformers broke out. In January 1991, Soviet special forces opened fire in neighbouring Latvia. On 20 August 1991, the Congress of Deputies finally voted to grant Estonia its independence. Four days later, Yeltsin gave his support. On 6 September, Gorbachev and the Soviet leadership recognised Estonian independence.




Cummings/Daily Express/N&S Syndication

**SOURCE 2.1** Of the growing calls for independence, Gorbachev met those among the Soviet Republics with a much firmer hand than those in Eastern Europe.

In July 1988, Gorbachev pushed the idea of establishing a people's parliament through the Politburo. In an atmosphere of genuine openness, he had hoped to channel the frustrations of the people through a political body that would give them a genuine say in the future directions of the Soviet Union. Elections to the newly created Congress of the People's Deputies were held in March 1989 and represented the first steps towards increasing democratisation in the Soviet Union. There were 2250 deputies from all the republics of the Soviet Union. For the first time, Gorbachev opened up a people's parliament where two-thirds of the seats would be filled by candidates elected directly by the people. Elections would no longer be a box-ticking exercise in which the communist-nominated deputy would be inevitably returned, and for the first time they would involve the discussion of political ideas.

9780170410151



02_nmh_two_10151_txt.indd 33 5/8/18 3:53 AM

Getty Images/VITALY ARMAND

**SOURCE 2.2** On 20 January 1991, more than 100 000 people marched on Moscow, demanding the resignation of Soviet leader Mikhail Gorbachev.

But by 1990 *glasnost* had opened a tide of change within the Soviet Union that Gorbachev was powerless to stop. When the Baltic states of Lithuania, Latvia and Estonia tried to follow the suit of countries in Eastern Europe by declaring their independence in the spring of 1990, Gorbachev was furious. He denied them permission to secede – but the momentum began to swing against him. The economic problems facing the Soviet Union were dire and political openness had led to growing calls for reform and secession. Pro-democratic forces grew stronger and their numbers were evident in large demonstrations on the streets of the capital.

By 1990, Gorbachev was readying Soviet citizens for a referendum on the future of the Soviet Union. With communism falling apart in Eastern Europe, the Soviet leadership was faced with a number of pressing questions: What would a new federation of the republics that made up the Soviet Union look like? What would be the character of each state's **sovereignty**? Was there even a need for a union?

**sovereignty**
The right of a state or nation to make its own laws, free from outside interference

The referendum was held in March 1991, and an overwhelming 77.8 per cent voted 'yes' to the question 'Do you consider necessary the preservation of the USSR as a renewed federation of equal sovereign republics in which the rights and freedom of an individual of any nationality will be fully guaranteed?' But this result did not stop the calls for reform.

WS
Policy or historical forces?

The drift towards democratisation became stronger with the rise of the populist Russian politician Boris Yeltsin. This time, the openness went one step further, with the call for multiparty elections. In December 1990, Gorbachev relented and, for the first time in 70 years, non-communist politicians became eligible to stand for elections. In giving ground in this way, Gorbachev hoped to sell the idea that the Communist Party was the party of reform. The pro-democracy movement that was successful in Eastern Europe moved first towards the Baltic states, and by 1991 it was at the centre of the Soviet Union's largest and most powerful state – Russia.

Getty Images/PIKO/Stringer

**SOURCE 2.3** Soviet leader Mikhail Gorbachev (left) opened the way for pro-democracy movements in the republics of the Soviet Union with his political reforms. In Russia, President Boris Yeltsin (right) asserted that Russian laws would take precedence over Soviet laws.

Constitutional questions emerged over the power of Soviet and Russian lawmakers. In June 1991, the Congress of the Russian Republic declared that Russian laws would take precedence over Soviet laws, and on 10 July Yeltsin was democratically elected to the position of President of the Russian Federation. The idea of sovereign Soviet republics took root. As a result, the political reforms had the effect of undermining the Soviet Union, and a period of dual authority resulted in a power struggle between Gorbachev and Yeltsin.



9780170410151

02_nmh_two_10151_txt.indd 34 5/8/18 3:53 AM

Yeltsin's election as President of Russia answered some of these pressing constitutional questions for Gorbachev. In the atmosphere of change, it was not clear where Yeltsin's authority began and Gorbachev's ended. Immediately after Yeltsin was elected, he declared that the sovereignty of Russia meant putting the needs of Russia before those of the Soviet Union.

It seemed the pace of reform was getting out of control. *Perestroika* was failing to deliver the promised living standards, while *glasnost* and democratisation were undermining the authority of the Community Party.

With a democratically elected President of Russia now at the centre of power, it seemed that the Soviet Union was slipping away. Communist party hardliners were furious and, on 19 August 1991, they attempted to reassert their authority by staging a coup against Gorbachev while the Soviet leader was on vacation in the Crimea. With the backing of the Soviet secret police, the KGB, tanks rolled into the square outside Russia's parliament building in Moscow, the leaders declared a state of emergency and Gorbachev was placed under house arrest.

Yeltsin was on hand in Moscow. Standing on one of the tanks, he addressed the crowd and called for a general strike until the attempted coup was over. He condemned the conspirators and demanded that Gorbachev be released from custody. Yeltsin came off looking like a champion of reform and a supporter of Gorbachev. He demanded that Gorbachev be released and that the rule of law be restored.

## The August 1991 coup

It is essential to give the country's president, Gorbachev, an opportunity to address the people. Today he has been blockaded. I have been denied communications with him. We demand an immediate [meeting] of an extraordinary Congress of People's Deputies of the Union. We are absolutely confident that our countrymen will not permit the sanctioning of the tyranny and lawlessness of the putschists [*sic*], who have lost all shame and conscience.

Boris Yeltsin, addressing the crowd outside the attempted coup on 19 August 1991

Looking back now at everything that happened, it is evident to me that the main orientation of Yeltsin and his entourage was to pursue a course aimed at the dissolution of the Soviet Union, at taking control of Russia, so as to seize power for themselves ... The August coup caused a breakdown in the process of the formation [of the new union], created complications and spurred on the process of disintegration.

Mikhail Gorbachev, *On My Country and the World*, Columbia University Press, New York, 2000, pp. 110, 135

**QUESTION**

Compare and contrast the views of Yeltsin and Gorbachev on the meaning of the August coup.

Although Yeltsin was not involved in the organisation of the coup, he took immediate steps to protect the interests of Russia following it. In the week that followed the coup, a number of large states, including Ukraine and Belarus, declared their independence from the Soviet Union. Gorbachev was becoming increasingly isolated and unpopular. The Russian people blamed him for the failure of *perestroika* but seized on *glasnost* to propel their revolution.

9780170410151



02_nmh_two_10151_txt.indd 35 5/8/18 3:53 AM

Getty Images/DIANE-LU HOVASSE

**SOURCE 2.4** Russian President Boris Yeltsin stands on top of a tank in defiance of a communist-led coup in August 1991. Although the coup itself was short-lived and non-violent, it eventually hastened the collapse of the Soviet Union.

It is ironic that, in trying to save the Soviet system, Gorbachev was the inspiration of so many who wanted to destroy it. The combined effects of the failure of *perestroika*, the success of *glasnost* and the political reforms that gave power to the pro-democratic forces resulted in the collapse of the Soviet Union.

On 25 December 1991, the Soviet flag featuring the hammer and the sickle was lowered above the Kremlin for the final time, and Mikhail Gorbachev was now a leader without a country. With the stroke of a pen, the Soviet Union was dissolved as large republics such as Russia affirmed their independence from the Union. Gorbachev had signed a paper relinquishing all of his duties as President of the USSR.

WS
Photographic exhibition

Mikhail Gorbachev – The man who lost an Empire

1. Why did Gorbachev feel that *perestroika* and *glasnost* should be accompanied by increasing political power for the masses?
2. What was the 'singing revolution'?
3. What was the significance of establishing the Congress of the People's Deputies in March 1989?
4. What was the result of the March 1991 referendum on the future of the Soviet Union?
5. Explain why there was a power struggle between Gorbachev and Yeltsin after July 1991.
6. What impact did the August 1991 coup have on the future of the Soviet Union?

# Political, social and cultural impacts of the dissolution of the Soviet Union in Russia and Eastern Europe

In the majority of Eastern European countries, communism ended with a whimper rather than a bang. In Poland, East Germany, Czechoslovakia, Hungary and Bulgaria, mass demands for democracy overwhelmed the ruling communist parties, resulting in peaceful revolutions. In Romania, the story was different as President Nicolae Ceausescu continued to fight against pro-democracy forces. But the end of communism did not necessarily mean that the transition to liberal democracies and free markets would be smooth. The dissolution of the Soviet Union in Russia resulted in a painful period of transition. Transforming 70 years of state planning would bring with it political and economic difficulties.

9780170410151



02_nmh_two_10151_txt.indd 36 5/8/18 3:53 AM

## The Russian Federation under Boris Yeltsin

When the Soviet Union collapsed, Boris Yeltsin was responsible for implementing a series of political and economic reforms that would transform Russia into a democratic state with a capitalist economy. While former Soviet leader Mikhail Gorbachev argued for gradual change, Yeltsin's decision to implement reform at a rapid pace meant that the early 1990s were characterised by political and economic chaos.

Seventy years of Soviet state ownership of wealthy natural, industrial and infrastructure assets such as oil and gas reserves, manufacturing plants and state-run banks meant that Russia would have to undergo the mass privatisation of these assets. The main question was: how would ordinary Russians share in the wealth of the former Soviet state? The answer to this question would result in significant political and economic ramifications and give rise to an oligarchy.

Soviet historian and expert Archie Brown underlined the chaos when he wrote, 'The legacy of Yeltsin's years in power was a hybrid political and economic system, combining substantial elements of democracy, arbitrariness and **kleptocracy**'.[3]

**kleptocracy**
A state that is run based on the theft of national resources

## A political and economic crisis

Soon after Yeltsin took power and the Soviet Union collapsed, Russia faced a deep crisis. In the triumphant atmosphere celebrating the end of communism, a power vacuum had been created by the sudden withdrawal of 70 years of state planning in the economy. The new government would have to move fast to design new constitutions and economic structures. States were forced to reorganise millions of people who for two or three generations had had no experience of markets or democratic parliaments. Change occurred in three phases:

1. Yeltsin and economic shock therapy, 1991–92
2. Privatisation and the rise of the oligarchs, 1993–95
3. The Russian financial crisis, 1998.

### Phase one: Yeltsin and economic shock therapy, 1991–92

Yeltsin's advisers convinced him that the only way to repair the Russian economy was with a dramatic transition to the market through a process known as economic **shock therapy**. Yeltsin surrounded himself with young economists with new ideas, including proponents of Milton Friedman's 'Chicago school', to lead the transition. Russian media labelled these young reformers, led by Yegor Gaidar and Anatoly Chubais, the **Chicago Boys**.

**shock therapy**
The rapid introduction of free market economics

**Chicago Boys**
The group of economists who were influential in the economic shock therapy of the early Yeltsin years

Yeltsin appeared before parliament in October 1991 to present his program of reforms. He admitted that, while the policies would be painful, they would last no longer than six months. The plan, which was known as shock therapy, included the following points:

- massive cuts to government spending that targeted defence, industry subsidies, consumer subsidies and public infrastructure projects
- reducing the government deficit
- the introduction of new taxes
- attempts to control inflation
- removal of government restrictions from prices.

Not everyone shared Yeltsin's faith in the reforms. As far back as July 1991, the former leader Gorbachev had attended a meeting at which leaders of the G7, the International Monetary Fund (IMF) and the World Bank put the program of shock therapy to him. 'Their suggestions', Gorbachev later wrote, 'as to the tempo and methods of transition were astonishing'.[4] It was not the path that Gorbachev would have chosen but, as communism crumbled around him, he had become isolated and by this time his influence had largely slipped away.

9780170410151



02_nmh_two_10151_txt.indd 37 5/8/18 3:53 AM

## Transitioning the Russian economy

### SOURCE A

*Perestroika* was a reform that aimed at gradual political change to create an infrastructure for market economics. We had several generations with no experiences of markets. You can't just announce the markets and see them appear overnight. I was actually saying it will take a generation for it to start working.

Mikhail Gorbachev, quoted in *Commanding Heights*, Episode 2 'The agony of reform'

### SOURCE B

A one-time changeover to market prices is a difficult and forced measure but a necessary one. For approximately six months, things will be worse for everyone, but then prices will fall, the consumer market will be filled with goods, and by the autumn of 1992 there will be economic stabilization and a gradual improvement in people's lives.

President Boris Yeltsin, addressing the Russian parliament on 28 October 1991, quoted in Reddaway and Glinski, 2001, p. 231

### SOURCE C

I never believed that Yegor Gaidar was a physician who could cure our sick economy, but I didn't think he was a quack who would finish the patient off, either ... it was quite a brutal but necessary policy. While the other 'doctors' were arguing over treatment plans, Gaidar dragged the patient out of bed. And I think the sick patient took a few steps.

Boris Yeltsin, *The View from the Kremlin*, HarperCollins, London, 1994, p. 146

### QUESTIONS

1. From your reading so far, what were the economic, political and social challenges facing Russia at the end of 1991?
2. Compare and contrast the *perestroika* and shock therapy approaches used to address the problems facing the Soviet Union.
3. What metaphor did Yeltsin use to express the situation at the end of 1991? Was it appropriate to the situation?

Picture Media/Reuters/Gennady Galperin

**SOURCE 2.5** Yegor Gaidar (left) was the key architect of Russian economic shock therapy through the year 1992. His reforms caused such distress to ordinary people that he was fired by President Boris Yeltsin by the end of the year. Anatoly Chubais (right) oversaw the controversial privatisation of former Soviet state assets.

Yeltsin characterised the reforms as brutal but necessary. On 2 January 1992, the shock therapy commenced with the lifting of price controls. Yeltsin and Gaidar guessed that prices would triple by April 1992 before quickly falling back. However, by the end of 1992 Russia was facing price rises up to 20 times higher than before the reforms. This caused the currency to plummet in value, wiping out the savings of ordinary Russians. While 10 000 rubles once was able to buy a car, it now could only pay for a pair of shoes.[5]

Russian and international media broadcast pictures of long bread queues and increasing poverty. The Russian parliament was furious and removed Gaidar from his post of Deputy Prime Minister at the end of 1992, less than 12 months after the shock commenced. In his autobiography, Yeltsin admitted that the reforms had hurt. He wrote, 'In September 1992, I looked at the economic figures for the preceding nine months. They were cause for alarm. The country was steadily creeping towards hyperinflation, the collapse of industry, the disruption of trade among large plants ...'.[6]



9780170410151

02_nmh_two_10151_txt.indd 38 5/8/18 3:53 AM

**Yeltsin's view of shock therapy**

By choosing the path of shock therapy … I chose this path for myself as well. The first person who would have to suffer this shock … would be me, the president. The debilitating bouts of depression, the grave second thoughts, the insomnia and headaches in the middle of the night, the tears and despair, the flood of criticism from the newspapers and television every day … The hurt from people close to me who did not support me at the last minute … I have had to bear all of this.

Boris Yeltsin, *The View from the Kremlin*, HarperCollins, London, 1994, p. 149

**QUESTION**

Describe Yeltsin's reaction to the path of shock therapy.

## Phase two: Privatisation and the rise of the oligarchs, 1993–95

The second task facing Yeltsin's transition to a market economy was the privatisation of Russia's wealth. The country was rich in vast natural reserves of gas, oil and precious metals, a highly developed industrial sector, and infrastructure, and the key question facing politicians was: what would be the fairest method of distributing the collective wealth of Russia?

In 1992, when ordinary Russians were reeling from hyperinflation, another major economic change was mistimed, resulting in an outcome that would turn Russia into a virtual oligarchy. New Deputy Prime Minister Anatoly Chubais distributed 144 million 'privatisation vouchers' to divide the country's wealth among the population. All citizens would be given a voucher worth 10 000 rubles to buy a share of Russian companies in public auctions. The system lasted between December 1992 and July 1994, and 40 million Russians became shareholders through the program. Unfortunately, economic hard times meant that many were forced to sell their vouchers on a thriving black market to buy clothes, food and other essentials. Others were swindled in so-called 'voucher investment funds' that quickly went broke.

*Moscow Times* journalists Matt Bivens and Jonas Bernstein argued that the first enterprises on offer at the auction block were largely the 'lemons' of Russian industry. The wealthy and profitable state assets were held back. The whole process had a ring of cronyism about it. While ordinary Russian people struggled under soaring inflation and plunging savings, the privatisation of industry was able to proceed without much protest. By mid-1994, nearly 70 per cent of Russian assets were privatised.

In 1995, it was the turn of Russia's vast natural resources and wealthy state industrial assets to be put up for auction. Accompanying this final wave of privatisation was a scandal known as 'loans for shares'. This involved newly created private banks lending the Russian government money in return for shares in rich Russian companies or natural resources. The shares would act as security against the loan, and if the government failed to pay in a few months the shares would be transferred permanently to the bank. Unfortunately for the government and the Russian people, the crippling economic impact of inflation meant that the government could not pay. Assets were transferred to banks.

The private banker Vladimir Potanin hatched the scheme, and Yeltsin and his advisers were forced to accept its terms. The president's approval rating had fallen to an unprecedented low of five per cent and he was facing an election the following year. Yeltsin needed the support of the new business leaders to gain any chance of re-election. The harsh economic reality of shock therapy meant that the Communist Party was achieving strong results in the polls and there was a threat that they would re-emerge as a real political force. The business leaders would use their considerable wealth and

9780170410151



02_nmh_two_10151_txt.indd 39 5/8/18 3:53 AM

media ownership to support Yeltsin's re-election. His choice seemed simple: lose the election to the communists, or sell off Russian assets cheaply to the new class of emerging oligarchs.

The government chose a series of banks to deposit its savings, and to prepare and run privatisation auctions. Uneximbank was one such bank and, remarkably, it was able to bid in the auctions it presided over. Bivens and Bernstein of the *Moscow Times* list a series of companies that sold at knockdown prices to the wealthy few of well-connected bankers, politicians and their associates:

- A 40 per cent stake in the Surgutneftegaz oil company sold for US$88 million.
- A 38 per cent stake in Norilsk Nickel, which produces 25 per cent of the world's nickel, was sold off for US$170 million. Three years later, Norilsk was earning US$2 billion per annum. The winning bidder was Uneximbank.
- A 51 per cent stake in Sidanko oil sold for US$130 million. The winning bidder, an affiliate of Uneximbank, paid roughly 2 cents per barrel of Sidanko's oil reserves at a time when oil was selling for US $4 or US $5 per barrel on the international market. [7]

It is not difficult to imagine the astonishing wealth transferred to these individuals, who later became known as the 'oligarchs'.

While one-third of Russians fell below the poverty line, this small group of oligarchs became instant billionaires from the privatisation sales – a perverse reversal of Yeltsin's earlier promise that Russia needed millions of shareholders, rather than a few millionaires. State assets were sold cheaply. Corruption and political cronyism turned the promise of economic reform on its head.

The figures on savings demonstrate the concentration of wealth in the hands of the oligarchs. By 1996, there was the equivalent of US$140 billion in personal savings held in Russia – over US$100 billion of which belonged to the top five per cent of Russians. Of those funds, US$70 billion was held in cash – mostly US dollars – meaning that it was not being reinvested into the Russian economy.[8] The bottom 70 per cent of the population enjoyed a total of US$4.5 billion. Many oligarchs simply fled to London with their newfound riches, buying soccer clubs, newspapers and department stores. By 2013, the Swiss bank Credit Suisse reported that 35 per cent of the entire wealth of Russia was concentrated in the hands of 110 oligarchs. [9]

WS
Speech

## Phase three: The Russian financial crisis of 1998 and its aftermath

The effects of economic shock therapy, hyperinflation, privatisation and political corruption left the Russian Federation reeling by the end of the 1990s. It was difficult to see how the hopes of pro-democracy demonstrators to bring greater openness and prosperity to Russia were being realised. During 1998, the economic challenges within Russia spilled out into international markets.

Throughout 1998, a number of economic issues came together, culminating in the so-called Russian financial crisis that began in August 1998.

- During 1998, the Russian ruble was being devalued. This meant that it was not as attractive to international investors.
- Interest rates on loans began to rise.
- There were rumours that the Russian government could not meet its debt obligations.
- Russian government bonds – financial products deemed to be the 'safest' investment available – were selling at interest rates of 200 per cent. This means that investors saw them as extremely risky.
- Wealthy individuals within Russia were so afraid of collapse that they began to move their money outside Russia and deposit it in foreign banks at an alarming rate.
- Shares on the Russian stock market lost 75 per cent of their value between January and August 1998.
- Inflation started again during 1998 and was at 27.6 per cent before the crisis.
- The economy as a whole shrunk by 5.3 per cent.

9780170410151



02_nmh_two_10151_txt.indd 40 5/8/18 3:53 AM

All of these factors acted like a financial snowball, and the Russian economy was on the brink of collapse. In early August 1998, approximately 6 rubles would buy US$1. On 17 August, the Russian government defaulted on its domestic debt and declared that it could not meet its international debt obligations. In the following month, the ruble lost two-thirds of its value. It now took 21 rubles to buy US$1.

The impact of the crisis was that inflation hit 84 per cent and unemployment rose. Banks were forced to close their doors as people tried to withdraw what little money they had left. Government tax revenues fell because of unemployment, at the same time as pressure on welfare services increased.

The Russian financial crisis was a low point; the system was on the brink of collapse. There were two factors that aided the recovery. The first was that after 1998 a high price for oil on international markets meant that Russia could sell its vast resources at a premium. This helped significantly. The second factor was that the IMF facilitated the restricting of international loans in 1999 and 2000.

1. What was 'shock therapy' and where did the ideas originate?
2. Outline the economic actions that accompanied shock therapy and describe their impact.
3. Outline the challenges of privatising the vast resources of the former Soviet Union.
4. Explain how Russia came to be in a situation where it became an oligarchy.
5. Explain how the 'loans for shares' plan worked.
6. Do some research on *one* Russian oligarch. How did they acquire their wealth and what did they do with it?
7. To what extent was Russia in August 1998 the victim of a 'snowball effect' of negative economic factors?
8. What was the impact of the Russian financial crisis?

## Political and social consequences

Alongside the harsh economic measures and their impact on the people, Yeltsin was trying to build democratic systems and institutions in Russia. The attempts at reform could not have come at a more difficult time. Yet, despite the pain of economic reform, Yeltsin received strong support from the politicians in the West and institutions such as the IMF, even when his authoritarian tendencies emerged against the new democracy he pledged to protect.

During the 1990s, Yeltsin was engulfed in a number of political conflicts with the Russian parliament.

At the beginning of his presidency, the Russian parliament had agreed to give Yeltsin expanded powers in order to push through radical economic and political reforms without parliamentary approval. In March 1993, 15 months after the economic reforms began, the parliament voted to repeal Yeltsin's **rule by presidential decree**. Yeltsin simply was not delivering on the economic miracle promised by the 'Chicago Boys', and the parliament grew impatient.

Confident of the support of US President Bill Clinton and other Western leaders, Yeltsin declared a **state of emergency** in response to the parliament's vote of repeal. The IMF threatened to cancel a US$1.5 billion loan, after becoming nervous that the Russian parliament was baulking at the market reforms. Yeltsin dissolved parliament and called fresh elections. In another astonishing move, he issued Decree No. 1400, abolishing the Constitution. In response, the parliament voted 636–2 to remove him as president. Parliamentary faith in Yeltsin had totally collapsed.

Over the next few months, the crisis deepened into armed conflict. Yeltsin sent troops to block the parliament building, cutting off power, heating and telephone lines. Pro-democracy demonstrators,

**rule by presidential decree**
The temporary granting of powers to a president to rule without parliamentary approval, normally reserved for a crisis

**state of emergency**
The temporary suspension of normal constitutional processes to deal with a crisis

9780170410151



02_nmh_two_10151_txt.indd 41 5/8/18 3:53 AM

fearful that they would lose their democracy, staged massive demonstrations. Yeltsin resorted to violence. On 3 October 1993, Yeltsin sent tanks to disperse the crowd and 100 people were killed by machine-gun fire. On 4 October, Yeltsin ordered Russian troops to storm the parliament building, resulting in the deaths of 500 people.

Despite Yeltsin having dissolved parliament, abolished the Constitution and set fire to the parliament building, the United States stood by him.

By the end of 1995, the Russian people were tired of instability and reforms, and the Communist Party re-emerged as a political force with 22 per cent of the vote in the December 1995 elections. The loans for shares program had taken a large political toll on the government. Anatoly Chubais, the Russian prime minister and one of the 'Chicago Boys', would later admit that it was a mistake to allow banks to both organise and participate in the auctions.

The Russian people had a word for the privatisation program that translated as 'grabification'. It was remarkable that Yeltsin was able to hold on to power for so long given his plunging popularity and his increasing instability as a leader.

The social implications of the economic reforms and political instability were a tragic episode in Russian history. By 1998, 74 million people lived below the poverty line, in comparison to two million in 1989, and consumption of alcohol had doubled. The number of heroin users rose by 900 per cent between 1994 and 2004. The suicide rate in 1994 was twice that of 1986.[10]

Given Russia's difficult transition to the free market, many people have nursed a longing for the communist past at various times in the country's post-Soviet history. In 2008, Joseph Stalin was voted the third most popular Russian figure in a large-scale television poll. It was not insignificant that the contest drew 50 million responses in a nation of 143 million people.

The beloved Russian writer Aleksandr Solzhenitsyn, who had recently returned to Russia after going into exile in 1974, lamented the privatisation program and the emergence of the oligarchs, decrying it as little different from the previous system. In an article published in the Russian newspaper *Obshchaya Gazeta*, he pointed out that the oligarchy of 150–200 people, which effectively decided the direction of the entire nation, was uncontrollable, lacked public accountability and was as immune from prosecution as the communist government had been.

1. Why did the Russian parliament grant Yeltsin rule by presidential decree, and why did the parliament later remove it?
2. How did Yeltsin respond to the removal of rule by presidential decree between March and October 1993?
3. Using your knowledge of the economic reforms and the political crises around Yeltsin, explain why the vote for the Communist Party may have been strong in the December 1995 election.
4. Explain the term 'grabification'.
5. What social impacts did the economic and political reforms have on the Russian people during the 1990s?
6. Outline Aleksandr Solzhenitsyn's attitude towards the reforms.

## Political, social and cultural impacts of the dissolution of communism in Eastern Europe

The states of Eastern Europe used the policies of Gorbachev – particularly *glasnost* – to exert pressure on their communist governments. The transition from 45 years of communism in the Eastern bloc to predominantly stable liberal democracies and free markets was relatively peaceful.

9780170410151



02_nmh_two_10151_txt.indd 42 5/8/18 3:53 AM

As John Lewis Gaddis pointed out, events in Eastern Europe moved very fast throughout 1989.

> At the beginning of 1989, the Soviet sphere of influence in Eastern Europe seemed as solid as it had been for the past four and a half decades. But in May, Gorbachev's aide Chernyaev was noting gloomily in his diary: 'Socialism in Eastern Europe is disappearing' … By October, Gennadi Gerasimov, the Soviet foreign ministry press spokesman, could even joke about it. 'You know the Frank Sinatra song "My Way"?' he replied when asked what was left of the Brezhnev Doctrine, 'Hungary and Poland are doing it their way. We now have the Sinatra Doctrine'.
>
> John Lewis Gaddis, *The Cold War*, Penguin, London, 2005, p. XX

The following examples of Poland, Czechoslovakia and Romania demonstrate some of the political, social and cultural impacts of the dissolution of communism.

## Poland

Poland had enjoyed a longer tradition of protest and reform than its neighbours during the communist era. In the early 1980s, the Solidarity movement led by Lech Walesa protested the excesses of Soviet rule at the shipyard at Gdansk, and as a result Solidarity was banned and its leaders were jailed. But the strength of the trade unions and the Roman Catholic Church made it difficult for the Soviets to totally stamp out the impulse to reform within the country.

Between 6 February and 5 April 1989, the Communist Party and the state-sponsored Polish United Workers' Party engaged with Solidarity and the Roman Catholic Church in the so-called Round Table talks. The willingness of the ruling party to talk to its opposition was in response to the protests against the difficult economic conditions of the 1980s. There were three main results that emerged from the talks: Solidarity was legalised, parliamentary elections were called for 4 June 1989, and an agreement known as Contract Sejm allowed for 161 seats, or 35 per cent of the total number of seats, in the Sejm or lower house of the parliament to be contested by non-communist candidates. Sixty-five per cent would be retained by the Communist Party. A new upper house, the Senate, was also created, with 100 available seats.

The outcome of the election was a shock. The result was a landslide against the communists, and Solidarity took 160 of the 161 available seats in the Sejm. In the Senate, Solidarity won 99 of the 100 seats. It was clear that confidence in the Communist Party had collapsed.

In November 1990, Lech Walesa was elected President of Poland, a vote which marked huge political, economic and social change. With the end of communism, far-reaching free market economic reforms were introduced. The Balcerowicz Plan was an expression of economic shock therapy. It involved privatising government assets, removing international trade barriers and subsidies for state-run enterprises, and removing price controls. The reforms represented a rapid transition from a centrally planned economy to a market economy and, while they are widely regarded as a success, they were implemented only with a great deal of pain.

Throughout 1989, the Polish economy had suffered stagnant wages, low productivity and runaway inflation, with prices rising by about 50 per cent per month. The first act of the new government was to attempt to arrest these forces. With support from the IMF, in the form of a US$1 billion loan to stabilise the economy, and from American economists, the reformers set about their work.

Getty Images/Peter Turnley

**SOURCE 2.6** Lech Walesa was the hero of the 1981 Solidarity movement. He was instrumental in the peaceful transition of Poland to a liberal democracy, and in 1990 became its first post-communist president.



9780170410151

02_nmh_two_10151_txt.indd 43 5/8/18 3:53 AM

They commenced by withdrawing state support from the economy. This resulted in a spike in unemployment of an additional 1.1 million workers, bringing the unemployment rate up to 20 per cent. But these jobs were soon replaced by over 500 000 new businesses that were set up by the end of 1992. Supporters of the reforms argued that the initial pain meant that inefficient state-run enterprises were replaced by new businesses, and that the long-term effects included an annual growth rate of over five per cent until the end of the decade.

The prominent American economist Jeffrey Sachs was instrumental in the reforms. Writing in *Foreign Affairs* in the summer of 1990, Sachs defended the reform measures by saying that not only had Poland had to transition from a planned to a market economy, but that the starting point was one of deep economic malaise. He argued that economic prosperity equated with political success.

> The political situation in Eastern Europe remains fragile. If the reform programs of the new democratic governments fail, the meager living conditions in Eastern Europe will fall further, which could in turn provoke serious social conflict and even a breakdown of the new democratic institutions. But there are also profound possibilities for rapid improvements in living standards, if the East European countries can successfully make the transition from central planning to the market economy.
>
> J Sachs and D Lipton, 'Poland's economic reform', *Foreign Affairs*, Summer 1990

The economic changes were accompanied by a great deal of social change, as ordinary Poles transitioned to a society that was dominated by free market thinking. Workers who had previously enjoyed the security of a job for life, provided by the state, now had to upgrade their skills to meet the demands of competition in the workforce. Women, former employees of agricultural collectives and older workers were most under threat from this new way of thinking and working.

Of course, it was political change that hastened the introduction of economic reform. The first non-communist prime minister in Poland, Tadeusz Mazowiecki, highlighted the success of the transition to democracy without bloodshed, and he believed that Poland was providing an example for other Eastern European countries.

1. Which two groups had significant support in Poland during the communist era?
2. What were the Round Table talks?
3. Explain the significance of the election results on 4 June 1989.
4. How did the post-communist reforms change the economic and social life?
5. Why did Jeffrey Sachs argue that economic reforms were a political necessity?
6. To what extent was Poland successful in transitioning to a post-communist world?

## Czechoslovakia

Czechoslovakia enjoyed a peaceful transition from communism in the so-called Velvet Revolution, a term reputedly inspired by the music of Lou Reed and the Velvet Underground, which was smuggled into Czechoslovakia after 1968. Initially it did not look as though the ruling communists would tolerate the kind of openness and calls for reform that were on display in Poland and Hungary. Political dissent was punished as the repressive regime sought to hold on to power. This repression included strict controls on the press, purges of communist party reformers and punishment of political activists.

On 17 November 1989, a student march was organised to mark International Students Day. The march soon turned into a protest against the communist government and 167 students were beaten by police and hospitalised. This state-sponsored violence rallied other student groups and unions to march and demand more democratic freedoms for Czechoslovakia.

9780170410151



02_nmh_two_10151_txt.indd 44 5/8/18 3:53 AM

The philosophy of non-violence underpinned the Velvet Revolution. In the initial 17 November protest, students offered flowers to the police officers who were beating them. Over the following six weeks, the non-violent protests became larger and the government could no longer deny calls for reform.

The so-called Civic Forum was established two days after the initial protest, and called for the overthrow of the communist government and the release of political prisoners. The group's leader, Vaclav Havel, was a poet and playwright whose plays had been banned since the Prague Spring, an attempted Czech uprising in 1968 that had been crushed by Soviet troops in August of that year. Havel's literary works and plays were primarily concerned with the impact of a repressive government on the individual.

In addition to the growing protests, Havel called a general strike for 27 November 1989. Soon, tens of thousands of workers and protesters were marching. In the two days before the general strike, 750 000 assembled peacefully in the Czech capital, Prague, calling on the government to resign. On 27 November, 75 per cent of the population is said to have participated in the strike.

It was surprising to most, including Havel himself, how readily the communist government tolerated the new movement. On 28 November, the Communist Party announced that it would allow multiparty elections. On 10 December, the communist leader Gustav Husak resigned, and on 29 December Havel was appointed to the position of president until elections could be held in the following June. Havel won that election.

In the aftermath of the Velvet Revolution, liberal economic and political reforms were introduced. Like Poland, Czechoslovakia adopted rapid economic reforms that were painful in the short term. But the political reform took on a life of its own. This gave rise to one of the most significant social and cultural changes, which was the rise of the middle class and a large group of small-business owners who believed in the economic values of the West. Some of this change can be attributed to the rise in globalisation and the changes wrought by technology.

Alamy Stock Photo/CTK

**SOURCE 2.7** Vaclav Havel, poet and playwright, had been instrumental in Czechoslovakia's reform movement since as far back as 1968. In November 1989, he led the peaceful Velvet Revolution. In this photograph, Havel addresses a crowd in Prague just before his appointment as interim president.

The cultural and social changes introduced by democratic political institutions in a country that was born out of World War I, suffered Nazi occupation after 1939 and then endured 45 years of communism after 1945 should also not be underestimated.

By 1 January 1993, Czechoslovakia had undergone the so-called Velvet Divorce, when it split to become the separate countries of the Czech Republic and Slovakia. The Czech Republic's 10 million citizens were mostly ethnic Czechs, while the 5 million Slovaks were mostly Slovak and Hungarian. Although Slovakia celebrated its independence, the Czechs did not welcome the separation.

The impulse to Slovak independence coincided with the Velvet Revolution. Slovak nationalist groups had argued that the capital, Prague, was Czech-dominated and they called for an independent homeland for the Slovaks. The former communist Vladimir Meciar was a prominent Slovak nationalist. After the fall of communism, arguments began between the two sides about their relative economic and political strength and benefits, given their numbers.

9780170410151



02_nmh_two_10151_txt.indd 45 5/8/18 3:53 AM

In 1992, Vaclav Klaus became prime minister of the Czech region of Czechoslovakia and Vladimir Meciar was leader of the Slovak section. The two pursued significantly different policy agendas and this led to high-level discussions about a separation. President Havel resigned at news of the talks, not wanting to oversee the separation but being constitutionally unable to stop it. As with the Velvet Revolution, the separation was swift and amicable. Assets – from embassies to military equipment and property – were divided at the rate of two-thirds for the Czechs and one-third for the Slovaks, to reflect their relative populations.

Significantly, the Velvet Revolution and the Velvet Divorce demonstrated that transitions can be conducted peacefully. In both instances, not a single life was lost. In contrast, events in the former Yugoslavia and, to a lesser extent, Romania showed the potential for violent conflict.

1. What were some of the features of the Velvet Revolution?
2. What was the Civic Forum and who was its leader?
3. How important was the personality of Vaclav Havel to the Velvet Revolution?
4. How did political change lead to a new social structure?
5. Explain the Velvet Divorce.

## Romania

While the transition to democracy was peaceful across the rest of Eastern Europe, in Romania it was marked by violence as the hardline leader Nicolae Ceausescu and his wife, Elena, attempted to cling to power. During the 1980s, in the face of economic stagnation, they pressed ahead with a Stalinist agenda that consisted of rapid industrialisation while their population suffered very low living standards.

The revolution in Romania started when the Hungarian Reformed Church pastor Laszlo Tokes was removed from the pulpit by Romanian government authorities. Tokes had been a vocal critic of the Romanian regime and had written about human rights abuses in the country. He feared that the Ceausescu program of 'systemisation' – whereby small villages were integrated into larger towns and, as a result, populations were forcibly relocated and services removed – would target the minority Hungarian population. In March 1989, Tokes was ordered to stop preaching, which resulted in mass protests in the city of Timisoara. Throughout the rest of 1989, Tokes was harassed by the Romanian security services, who by December had placed him under virtual house arrest.

Getty Images/Terry Smith

**SOURCE 2.8** Laszlo Tokes was an ethnic Hungarian pastor in Romania. The protests over his removal from the pulpit for criticising the Romanian regime led to state-sponsored violence against protestors. This outraged ordinary Romanians and led to the fall of the Ceausescu regime. This photograph of Tokes was taken shortly after his release from house arrest.

On 16 December 1989, a growing crowd assembled around Tokes' Timisoara flat and parish church, voicing their support. Security forces threatened to disperse the crowd with water cannons if the assembly did not break up. The Hungarian and Romanian crowd started singing banned anti-regime patriotic songs. Ceausescu's security forces became



9780170410151

02_nmh_two_10151_txt.indd 46 5/8/18 3:53 AM

increasingly concerned and, on the following day they fired on the crowd, killing 97 people.

On 21 December 1989, Ceausescu appeared before a large crowd in Budapest, hoping to show television images of widespread support. He was not well received. The crowd chanted anti-Ceausescu slogans and the Communist Party staged a coup, removing him from power immediately. Romania was thrown into chaos. Ceausescu and his wife fled by helicopter but were captured soon afterwards. Pro-Ceausescu forces clashed with the new government, which named itself the National Salvation Front. Over the following days, approximately 1000 people died in the clashes.

Ceausescu and his wife Elena were executed on 25 December 1989. The bloodied, lifeless bodies were broadcast on national television.

Getty Images/ Eric BOUVET

**SOURCE 2.9** After the December Revolution, it was revealed that the Ceausescu family enjoyed vast amounts of wealth in a series of palatial homes while the rest of Romanian society lived in abject poverty.

In the months after the downfall, the lavish lifestyle the Ceausescu family had led was broadcast around the world. Images of Romanian orphanages with babies living in abject deprivation were shown alongside the gold-laden official palaces of the leading family. This further stoked anger.

But the Romanian transition to democracy was unlike other, peaceful revolutions, not only in its violence, but in the absence of new leaders who were committed to liberal democracy. In effect, leading Communist Party members simply changed their political colours and continued to rule. Unlike in other countries, in which former Communist Party members were banned, the first president of post-communist Romania, Ion Iliescu, had himself been an active member of Ceausescu's government. Many party members and members of the security forces benefited from the privatisation programs that accompanied the economic reforms of the period. Moreover, no effective justice was handed to the victims of Ceausescu's 25-year reign of terror, and the Communist Party members simply resumed their seats in parliament.

Romania in the years after the communist period remained affected by low living standards and corruption. It was awarded membership of NATO in 2004, and European Union membership in 2007.

The fall of communism

WS
Change: from communism to democratic liberalism

1. In what sense was Ceausescu a Stalinist?
2. Explain how the removal of Pastor Laszlo Tokes started the revolution.
3. How did the Romanian people stage their revolution and what was the response of the Ceausescu regime?
4. To what extent was the Romanian revolution a continuation of communism by another name?

9780170410151



02_nmh_two_10151_txt.indd 47 5/8/18 3:53 AM

# Nature and role of the Russian Federation under Vladimir Putin to 2011

On 31 December 1999, Boris Yeltsin suddenly resigned from the Russian presidency. The new century would be ushered in with the arrival of a new interim president – Yeltsin's prime minister, Vladimir Putin. Among Putin's first acts as president was to guarantee that Yeltsin and his family would be immune from any criminal charges or investigations arising out of the privatisation program during the 1990s. Yeltsin was able to retire to his property just outside Moscow, and he died in April 2007.

Vladimir Putin rose from relative political obscurity. He had spent the end of the Cold War as a KGB operative in Dresden, East Germany, and then as a high-ranking official to the mayor of St Petersburg, before coming to Moscow in 1996.

The rise of Putin might be seen as part of the resurgence of Russian power. Putin himself in 2005 famously remarked, 'Above all, we should acknowledge that the collapse of the Soviet Union was a major geopolitical disaster of the century'. To outsiders, it seemed that Putin was determined to regain some of the prestige and power of Russia, and his actions after the year 2000 certainly supported this idea.

Getty Images/SVF2

**SOURCE 2.10** Vladimir Putin (centre) emerged from relative political obscurity to become President of the Russian Federation in 2000. His nationalist, anti-Western actions after 2000 represented a break from the drift towards Western values in Russia after the fall of communism.

Despite his relative political inexperience, Putin emerged as a shrewd political operator. US President George W Bush famously said in 2001 that he had looked into Putin's eyes and seen his soul. Bush, like Clinton before him, believed that Russia was becoming increasingly tied to the Western liberal democratic mindset. But in the chaos of the 1990s, Western leaders were not banking on the rise of Putin.

Vladimir Putin successfully contested the 2000 election as interim president and was sworn in as President of the Russian Federation on 7 May 2000. Putin served two terms as president between 2000 and 2008, but term limits prevented him from seeking a third. In a widely criticised deal, Putin was appointed as new president Dmitry Medvedev's prime minister between 2008 and 2012, effectively maintaining his power. This period was known as **tandemocracy** – the idea that, although Medvedev was president, the real power lay with Putin. As prime minister, having pushed through Russian parliament the approval of new term limits, extended from four to six years, Putin successfully contested the 2012 election. Medvedev was made his prime minister. Despite his unpopularity in the West, Putin has enjoyed significant presidential approval ratings at home – often at well over 80 per cent, according to polling undertaken by American news agencies.

**tandemocracy**
A system of government in which power rests with two rulers or authorities

## Political reforms and life under Putin

The nature of the Russian Federation under Putin has been variously described as autocratic, oligarchic and corrupt. Western observers say that Putin holds unparalleled personal control over the organs of the Russian state, including the parliament, industry, the media and the military. He has been labelled a modern-day tsar.

9780170410151



02_nmh_two_10151_txt.indd 48 5/8/18 3:53 AM

Putin's first act as president in May 2000 was to reform the administrative structure of the Russian Federation to concentrate more power in his own hands. In 1993, there were 89 'federal subjects of Russia', which were city or regional groupings, all of which had equal status under the constitution with their own heads, parliaments and constitutions. Although Putin did not tamper with the constitutional arrangements, he grouped them into seven federal districts, each with a head who was appointed by, and answerable to, the president. In July of that year, the Russians passed a law giving Putin the right to dismiss the heads of the federal subjects. Finally, in 2004, the direct election of each of these federal subjects was replaced with a nomination of the president. In a slow process of political 'reform', Putin has concentrated a great deal of constitutional power in the hands of the office of president.

## Putin and the oligarchs

There are a number of high-profile cases in which the oligarchs who benefited from the privatisation program of the 1990s fell foul of Putin in the 2000s. Many of them, such as Boris Berezovsky, lived in exile overseas in the United Kingdom, where they had significant business interests.

The most famous former oligarch was Mikhail Khodorkovsky, the former CEO of Yukos Oil. Khodorkovsky became a political opponent of Putin and, in October 2003, he was arrested and charged with fraud. He was given a sentence of 10 years and released in 2013. The Khodorkovsky case sent a message to other oligarchs that their continuing patronage was dependent on good relations with Putin and the Kremlin.

## Political violence

Another feature of life in Russia under Putin has been violence against political opponents, and even against the free press. The journalist Anna Politkovskaya was shot dead in the lobby of her apartment building in October 2006. The Russian government was criticised for not doing enough to protect an independent media and some went as far as to allege Russian government involvement. In London, a high-profile former head of the Russian security services, Alexander Litvinenko, was poisoned after accusing the Russian government of being involved in the Politkovskaya murder. He fell ill on 1 November and died three weeks later in a London hospital. The circumstances around his death were highly suspicious because he was poisoned with radioactive polonium. An independent British inquiry ruled in January 2016 that he was probably poisoned by the Russian security services, and the ruling went so far as to accuse Putin of approving the murder.

Alamy Stock Photo/SPUTNIK

Getty Images/Natasja Weitsz

**SOURCE 2.11** Russian journalist Anna Politkovskaya (left) was a vocal critic of Putin's presidency. She was murdered in her apartment lobby in 2006. Alexander Litvinenko (right) was a vocal political critic of Putin. He was murdered in London in the same year.

9780170410151



02_nmh_two_10151_txt.indd 49 5/8/18 3:53 AM

## Putin's response to domestic crises in Russia

Putin demonstrated very early in his presidency that he would resist Western attempts – as he saw them – to meddle in the affairs of Russia, even when it came to disasters and terror incidents. A number of crises showed this, including the:

- *Kursk* submarine disaster in 2000
- Moscow theatre siege in 2002
- Beslan school hostage crisis in 2004.

### Sinking of the *Kursk*

In August 2000, Putin's first major test as president came. During a large-scale naval exercise in the Barents Sea, the submarine *Kursk* exploded underwater and sank. The explosion was so great that it registered 4.2 on the Richter scale. The Russian government was criticised for being too slow to respond and for rejecting offers of international expertise to assist in the salvage operation. When Putin finally agreed to accept the help of British and Norwegian engineers five days after the explosion, it was found that all 118 members of the crew had been killed.

The difficulty for Putin in accepting international help was that the *Kursk* was heralded as an unsinkable vessel. In the context of Putin's attempt to reassert Russian strength, the incident was a humiliation to the Russian military and to national pride. It was also a political disaster for Putin himself. Initially, he refused to come back from his summer holiday to deal with the crisis, and when he finally met with the victims of the families on 22 August, they shouted at him and accused him of incompetence. The *Kursk* disaster taught Putin a valuable lesson in public relations. When the famous US broadcaster Larry King asked Putin what happened to the *Kursk*, Putin appeared to smirk as he said the words, 'It sank.' The broadcast was highly controversial at the time and angered many within Russia. From now on, Putin would exert greater control over the media.

### Dubrovka Theatre siege

The next major domestic incident was the 2002 siege in a Moscow theatre, which resulted in the deaths of 130 people. On the evening of 23 October, 700 Russians were enjoying the musical *Nord-Ost* when 50 rebels from the Chechen Republic, armed with machine guns and explosives, stormed the Dubrovka Theatre in Moscow. Once again, Russian authorities were accused of being slow to act and, when they did, their actions during the botched rescue attempt and afterwards were heavily criticised. On the morning of 26 October, the theatre was pumped full of a dangerous narcotic gas before Russian special forces raided the theatre. It was the gas that killed many of the victims, leaving many to choke and lose consciousness.

Getty Images/ALEXANDER NEMENOV

**SOURCE 2.12** Russian special forces entering the Dubrovka Theatre to break the 2002 siege.

The terror attack was in response to the Russian government's war on Chechnya, a breakaway republic to the south of Russia. The war had been renewed in August 1999, and Putin had adopted an aggressive stance against the rebels during the election campaign of May 2000. In retaliation for the siege, the Russians were accused of committing atrocities, such as torture, in Chechnya.



9780170410151

02_nmh_two_10151_txt.indd 50 5/8/18 3:53 AM

As with the *Kursk* submarine disaster, the Russian government was accused of covering up vital information about the incident. The main issue has been around the use of gas and its role in killing those inside the theatre. Putin went on Russian television asking for forgiveness from the Russian people for not being able to save all the victims, but Russian officials would not reveal the type of gas used at the time. This failure to identify the gas made it difficult for doctors to treat survivors.

Getty Images/SVF2

**SOURCE 2.13** Putin has been accused of being heavy-handed in dealing with domestic crises, resulting in the unnecessary deaths of hostages at the Moscow theatre siege in 2002 and the Beslan school siege in 2004 (above).

### Belsan school hostage crisis

On 1 September 2004, Chechen rebels demanding the withdrawal of Russian forces from their Chechnya and recognition of their independence stormed a school in Beslan in North Ossetia. They took 1100 hostages. Three days later, Russian security forces stormed the building, which resulted in the deaths of 385 people – including nearly 200 children. Once again, the Russian security services were put under scrutiny.

In April 2017, the European Court of Human Rights ruled that Russian forces used disproportionate force in ending the siege, resulting in the deaths of some of the victims. Again, independent Russian investigations into the siege had been stalled and ended, prompting the victims' families to go to the European court.

## Foreign policy and the Putin Doctrine

The war in Chechnya would also press heavily on Putin's early years in power. The former Soviet republic had pushed for its independence, but a 2003 referendum declared that it would be a part of the Russian Federation. Chechen rebels had fought against Russia in a bloody war for independence for the largely Muslim state.

One of the central foreign policy initiatives of Putin has been to reassert Russia as the regional power. The integration into NATO of former Soviet satellites, such as Poland, the Czech Republic and the Baltic states, has seen Putin become increasingly suspicious of the Western military alliance and embark on what some observers have called a third Cold War.

Soviet-born American scholar Leon Aron has dubbed Putin's foreign affairs policy the **Putin Doctrine**.[11] Putin is reasserting Russia's superpower status and trying to become the dominant power in the region. One of the key planks in his foreign policy has been his ongoing suspicion of NATO's continuing movement east, which has seen former Soviet states such as the Czech Republic, Bulgaria, Latvia, Lithuania, Estonia and Poland become members.

**Putin Doctrine**
Policy of recovering the economic, political and strategic assets lost by the Soviet state in 1991

At other points, Putin has been willing to go to war to prevent NATO's move east. Russia went to war against Georgia after it made moves to join NATO. Putin has also threatened to halt natural gas deliveries to Ukraine after Ukraine sought closer ties with Europe. In 2006 and 2009, he followed through on the promise. In 2014, Ukraine's attempt to forge closer ties with the European Union resulted in Russian military involvement in that country. In addition, the Russians annexed Ukraine's predominantly Russian-speaking region of Crimea. Putin argued that Russian involvement in the Ukraine was for the defence of Russian-speaking populations in the east.

9780170410151



02_nmh_two_10151_txt.indd 51 5/8/18 3:53 AM

Feature: Putin in power

As with the rest of the Western world after 2001, Putin has been able to prosecute a domestic political agenda by claiming that Russia is under siege from terrorists. He pointed as proof to the Moscow theatre siege and the Beslan school massacre, both of which claimed ties to separatist forces in Chechnya.

Under Putin, Russia has strengthened its military capability. The Russian defence budget went from US$29 billion in 2000 to US$64 billion in 2011. In a 2012 campaign commitment for the presidency, Putin promised to spend US$770 billion on defence in the next decade.

1. Identify two facts about Putin's background that shaped his leadership style and presidency.
2. In what ways is Putin a break from Gorbachev's and Yeltsin's relationship with the West?
3. How did Putin's political reforms in his first presidency allow him to concentrate greater power in the hands of the president?
4. Outline the role of violence in Russian political life since the Putin era began.
5. What do the *Kursk* disaster, the Moscow theatre siege and the Beslan massacre reveal about Russia's responses to domestic crises?
6. Explain how the Putin Doctrine is an expression of Putin's intentions to reassert Russia's global power.

## Putin in power

### SOURCE A

Putin, a product of the country's murkiest intelligence service, has failed to transcend his origins and stop behaving like a lieutenant-colonel in the Soviet KGB. He is still busy sorting out his freedom-loving fellow countrymen; he persists in crushing liberty just as he did earlier in his career.

Anna Politkovskaya, *Putin's Russia*, The Harvill Press, London, 2004, p. 1

### SOURCE B

Putin believes in 'sovereign democracy' or 'managed democracy' rather than the Western variety; his democracy is one that operates through a rational, hierarchic system that he calls 'the vertical of power'; in other words, power flows naturally downwards from the presidential office in the Kremlin to the various echelons of offices … and only then down to the masses.

Chris Hutchins, *Putin*, Matador, Leicester, 2012, p. 6

### SOURCE C

Vladimir Putin is both a product and producer of this pervasive system of corruption. Of course, he is not the only Eurasian or Western leader to have collected gifts and tributes. But to have created with this clique … is by any account an impressive achievement. I argue that the outlines of the authoritarian and kleptocratic system were clear by the end of Putin's first one hundred days in 2000.

Karen Dawisha, *Putin's Kleptocracy*, Simon and Schuster, New York, 2014, p. 12



9780170410151

02_nmh_two_10151_txt.indd 52 5/8/18 3:53 AM

### QUESTIONS

1. What attitude does the writer in Source A have towards Putin? Give detailed examples.
2. According to Source B:
   - **a** How does Putin's style of democracy differ from the Western liberal version?
   - **b** Explain the meaning of the 'vertical of power'.
3. What is the argument of the writer in Source C?
4. Using all three sources and your own knowledge, discuss how Putin's time in office has shaped the Russian political landscape.

## Putin: A personality cult?

Vladimir Putin has cultivated an image of a tough guy. He has famously been photographed riding shirtless on horseback, fishing, hunting, patting big cats, firing automatic weapons, piloting submarines, driving F1 cars, competing in judo and scuba diving.

### QUESTIONS

1. Compile a photographic essay titled 'Putin: A personality cult?' in which you gather as many 'action' images of Putin as you can.
2. Explain how visual imagery can help shape the public perception of a leader and discuss how Putin is exploiting that image.

Getty Images/AFP/Stringer

**SOURCE 2.14** Russian Prime Minister Vladimir Putin rides a horse during his vacation outside the town of Kyzyl in Southern Siberia, 2009.

9780170410151



02_nmh_two_10151_txt.indd 53 5/8/18 3:53 AM

# Chapter summary

- Gorbachev, Yeltsin and Putin oversaw the transition to a post-Soviet society in Russia, each of them facing unique difficulties.
- Gorbachev wanted to reform a system he deeply believed in, and, although he is ultimately responsible for its collapse, he did everything to prevent it.
- Yeltsin's presidency was marked by a chaotic transition to liberal democracy and free markets.
- Putin challenged the growing Westernisation within Russia and sought to reassert the role of Russia on the international stage.
- The transition to liberal democracies in the Eastern European bloc was largely peaceful.

## Further resources

- *Commanding Heights*, Episode 2 'The agony of reform'.
- Dawisha, Karen, *Putin's Kleptocracy*, Simon and Schuster, New York, 2014.
- Gorbachev, Mikhail, *On My Country and the World*, Columbia University Press, New York, 2000.
- Politkovskaya, Anna, *Putin's Russia*, The Harvill Press, London, 2004.
- Yeltsin, Boris, *The View from the Kremlin*, HarperCollins, London, 1994.

## Endnotes

1 Boettke, P, 'Why Perestroika failed', in *The Freeman*, March 1992.

2 Moskoff, W, *Hard Times: Impoverishment and Protest in the Perestroika Years*, M.E. Sharpe, New York, 1993, pp. 3–5.

3 Brown, A, and Stevtosova, L, *Gorbachev, Yeltsin, Putin: Political Leadership in Russia's Transition*, Carnegie Endowment for International Peace, Washington, 2001.

4 Quoted in Naomi Klein, *The Shock Doctrine: The Rise of Disaster Capitalism*, Metropolitan Books/Henry Holt, New York, 2007, p. 219.

5 Bivens, M, and Bernstein, J, 'The Russia you never met', in *Demokratizatsiya: The Journal of Post-Soviet Democratization 6 (4)*, pp. 613–47.

6 Yeltsin, B, *The View from the Kremlin*, HarperCollins, London, 1994, p. 149.

7 Bivens and Bernstein, 1998, pp. 627–8.

8 Figures cited in Bivens and Bernstein, 1998, p. 621.

9 www.independent.co.uk/news/world/europe/110-oligarchs-own-a-third-of-russias-wealth-8869725.html, 9 October 2013.

10 Klein, 2007, pp. 237–8.

11 Aron, L, 'The Putin Doctrine', in *Foreign Affairs*, 8 March 2013, https://www.foreignaffairs.com/articles/russian-federation/2013-03-08/putin-doctrine.



9780170410151

02_nmh_two_10151_txt.indd 54 5/8/18 3:53 AM

# CHAPTER REVIEW

1. Outline the problems that *perestroika* and *glasnost* were supposed to address after 1985.
2. Explain Mikhail Gorbachev's attitude to change within the Soviet Union, as opposed to reform movements in Eastern Europe.
3. With reference to one Eastern European country, outline the transition from communism to liberal democracy.
4. Outline the key issues in the power struggle between Gorbachev and Boris Yeltsin during 1990 and 1991.
5. To what extent was Gorbachev responsible for the collapse of communism in the Soviet Union? Give detailed reasons for your response.
6. Why was the transition to liberal democracy and free markets in Russia after the collapse of communism so chaotic?
7. What political and social impacts did economic shock therapy and privatisation have on Russia?
8. Evaluate the view that Boris Yeltsin failed in his attempt to build strong democratic structures in Russia.
9. Outline the nature of Russian political and social life under Vladimir Putin.
10. To what extent was Putin's foreign policy an attempt to reassert Russia's role as a superpower?
11. To what extent do you agree with the idea that Putin was a success as an autocrat and a failure as a democrat? Give detail in your judgement.

9780170410151



02_nmh_two_10151_txt.indd 55 5/8/18 3:53 AM