

GEORGI DERLUGUIAN

## RECASTING RUSSIA

**A**MIDST THE CLOUDS of apocalyptic farrago surrounding the attacks of September 11, the most significant immediate change in world politics has been largely obscured. The American bombardment of Afghanistan has relocated Russia within the international geopolitical order. Putin's accession to power on the last day of 1999 was welcomed by Western capitals from the start. Blair sped to embrace him on Clinton's behalf before he had even been installed by the manipulated popular vote of spring 2000, while relations between Moscow and its creditors in Berlin and Washington were held on an even keel throughout. But the operation that secured Putin's domestic victory at the polls—the unleashing of a murderous second war in Chechnya—remained something of a foreign embarrassment. Although Clinton could freely hail the 'liberation of Grozny', for European sensibilities—at any rate on the continent—the mass killings and torture of Chechens was a troubling spectacle. Germany did its best to smooth over such misgivings, *pentito* Foreign Minister Fischer acting in the best traditions of the Wilhelmstrasse during the Armenian massacres. But public opinion—even occasionally the European Parliament—remained uneasy.

Republican victory in the Presidential elections of 2000 promised further difficulties. Where Clinton and Gore had been intimately connected to Yeltsin and protective of his successor, Bush's programme was critical of American complicity with the kleptocracy in Russia, and dismissive of the need to save Moscow's face, pressing ahead regardless with the new version of Star Wars on which Washington had already embarked. Between European humanitarian hand-wringing and American real-politiker cold-shouldering, Russia under its former KGB operative was little more than an uncomfortable guest at the banquets of the G7.

Overnight, the destruction of the World Trade Centre changed all that. Once the US had targeted Afghanistan for retaliation, Russia became a vital partner in the battle against terrorism. If Moscow no longer rules Central Asia directly, none of the local strongmen can take strategic action independent of it. Putin's prompt decision to welcome B-52 bombers shuttling from Missouri to Kabul across Russian airspace, to give the green light for US mountain regiments to be flown to Uzbekistan and to put its bases in Tajikistan at the disposal of the American war effort, represented a diplomatic revolution. However passive during the Gulf War, or eventually collusive during the Balkan War, Moscow has not joined Washington in an outright military alliance since the Second World War. The rewards of full compliance with Western designs have been immediate. Three thousand or so US casualties have put thirty to forty thousand Chechen casualties in their proper moral light—a bagatelle in a defence of civilization that requires a common struggle against terrorism in Grozny as in Manhattan. The hand of bin Laden, US officials now acknowledge, has been fomenting mayhem in the North Caucasus all along. Abroad, Putin has achieved apotheosis in the Bundestag, with a speech in German whose affecting unspoken message—*Ich bin ein Dresdner*—won more hearts even than Kennedy. At home, he has become the first ruler since Nicholas II in 1914 to reconcile Slavophiles and Westernizers in a common patriotic embrace, as the suppression of banditry in Chechnya, vital to the first, becomes indistinguishable from solidarity with democracy, dear to the second. Chauvinist colonels and liberal intellectuals can now stand united in admiration for Russia's new statesman, as once were champions of pan-Slavism and enthusiasts of the Entente for the last Romanov.

Such echoes remind us of the need for a sense of history in looking at Russia's place in the global order today. To grasp the likely range of futures that now lie before the country, it is essential to consider the world-systemic constraints that determine the space of political decisions and imagination in contemporary Russia—as elsewhere. But these only emerge in their starkest contours against the background of a millennial past that has shaped Russian state and society over an exceptionally *longue durée*, stretching all the way from the Vikings to the epoch of Brezhnev. The defining feature of this extended historical trajectory was the predominance of state-making over capital accumulation—not as a choice of strategy but rather as an organizational adaptation to a geopolitical environment. What was elsewhere a chief capitalist function—the

continuous creation of production bases with attendant labour controls and distribution networks—in Russia traditionally remained the concern of state rulers. The underlying reason was always the same. The origins of Russia's economic concerns were rooted in geopolitical competition with an increasingly capitalist West. Russia so often lagged behind and was in such dire need of catching up.

This situation was hardly exceptional. All the most formidable agrarian empires of modern times—Ottoman, Persian, Chinese, Japanese, or Spanish—faced similar challenges and constraints. In every case the positional similarity of these states resulted in comparable splits between nativist and westernizing cultural reactions and attendant political struggles; periods of impasse and stagnation; alternating bouts of reform and revolution. Within this general typology, the key advantages of the Russian state lay in its combination of a relative cultural and geographical proximity to Europe, with a huge territorial surface and natural resources. Historically, it started much earlier than any of its counterparts on the path of Western emulation, and for long periods proved inordinately successful at it. Strategic parity with the West was achieved three times: in the reign of Ivan IV—‘the Terrible’—in the 16th century; under Peter I and Catherine II—hence both ‘Great’—in the 18th century; and under Stalin and Khrushchev in the 20th century. All three historical successes came at the cost of horrendous terror and coercion, as a fast-growing population allowed the rulers of Russia to treat the waste of millions of lives as the *faux frais* of state-making, mere demographic ‘statistics’ in the expression attributed to Stalin. But all three were also reactions to external threats that were only too real. Russia had virtually no natural defences—only its size and climate stood between it and foreign predators.

### *From Viking settlement to gunpowder empire*

The story starts in effect a thousand years ago, as the expanses of northern Eurasia were roved by groups of pillaging racketeers: Viking boat-nomads, Turkic horse-nomads. At some point around the 10th century, these bands established more durable monopolistic bottlenecks on the major waterways linking the tribal peripheries of northern Europe to the centres of ancient civilizations in the Mediterranean and the Fertile Crescent. This was the general pattern of early state formation in Northern Eurasia, from the Baltic to the Volga, with the composite

Scandinavian–Slavic entity of Kievan Rus somewhere in the middle, on the banks of the Dnieper. The geography of the major river systems then determined which religious and political models were imported from the core civilizations by these barbarian peripheries. Latin Christianity spread along the Western shores of Europe; the Turkic nomadic chiefs of the Caspian–Volga basin adopted Islam from the Baghdad caliphate; while imperial Byzantine Orthodoxy travelled across the Black Sea, up the Dnieper, to the lands of Kievan Rus.

The Mongol conquests of the early 13th century disrupted this geopolitical configuration. A new tide of nomadic cavalry from the Gobi devastated the already declining civilizations of Central Asia and the Near East, whose ruins were then absorbed into the purely parasitic tributary structures of Genghis Khan’s successors. A hundred years later Moscow emerged as a far-off captive and diadoch of this Mongol system, as it decayed in its turn. With a mixture of luck, cunning and ruthlessness, typical of all successful states in this brutal period, the princes of Muscovy first wrestled from their nomadic overlords the power to retain a larger share of collected tribute, then slowly proceeded to enlarge their tributary base at the expense of similar competing units. Towards the late 15th century, inconclusive feudal warfare turned into the outright destruction of rivals by Moscow: the principality of Tver, the urban republics of Novgorod and Pskov, and above all—much the most dangerous—the Tatar khanates of Kazan and Astrakhan. In the course of these struggles, the old pattern of occasional raiding by lordly retinues was transformed into systematic warfare and permanent occupation by standing armies. The winners were those who centralized faster, grabbed more lands and subjects, extracted more resources and so acquired more swiftly the new weaponry—muskets and cannons.

It was in this period that the differences in institutional design between the emergent Russian state and the early modern monarchies of Western Europe were first described as a cultural chasm. Consider the colourful statement of a sixteenth-century English observer: ‘Wilde Irish are as civil as the Russies in their kind / Hard choice which is the best of both, each bloody rude and blind’.<sup>1</sup> Russia was obviously much bigger than Ireland—and, happily for it, farther from England. But it possessed a much larger advantage, in the resilient imperial model that played a

---

<sup>1</sup> See Charles Tilly, *European Revolutions 1492–1992*, Oxford 1993, p. 190.

crucial role in the first revolution from above in Russian history—the transition in the mid-16th century from a loose feudal confederacy to a centralized autocracy, reliant on a new standing army of *dvoriane* cavalry and musketeer *streltsy* infantry. Russia thus emerged in the front ranks of early gunpowder empires, organizationally akin to its unacknowledged half-brother of Byzantine inheritance—Ottoman Turkey.<sup>2</sup> A long-standing misconception has regarded the infamous reign of terror of the later years of Ivan the Terrible as a necessary instrument of state-building, supposedly engrained in Russian tradition. The epoch was rich in absolutist tyrants: the Ottoman sultan Selim the Grim, lord Hideyoshi of Japan, the English king Henry VIII. Nonetheless the chaotic reprisals of Ivan's *oprichnina* defy attempts to find a cumulative logic of class warfare or administrative calculation in them. The early Russian autocracy arose before the terror, in battle against Tatar power to the East. It was this new state apparatus that enabled Ivan's madness to rage unchecked, with lasting damage to the cohesion of the nascent power, as the old *boyar* aristocracy was looted or scythed down. By the end of Ivan's reign the Swedes had cut off access to the Baltic; within a few decades, invading armies from the West—first Poles, then Swedes—occupied Moscow itself.

### *Absolutism and its discontents*

By the mid-17th century it was already clear that, if Russia was to compete in European power struggles, its standing armies would have to be matched by a regular navy, and both would need rational management by a permanent corps of military and administrative officers. But it was not till the turn of the 18th century that Peter the Great brought the empire up to contemporary, Western-dictated standards of militarism, enabling Russia to maintain a splendid parity with the more advanced predators of continental Europe. The key to his modernization of the Tsarist state lay less in its import of Western organization or technology than in its massive expansion—a tenfold enlargement—of a state-dependent nobility, forcibly inducted into new careers and ways of life. The Petrine reforms created a robust social vector for his absolutist edifice, but also, in Georgi Fedotov's expression, split Russia into a thin nation of Westernized lords divided from a traditional Muscovite

---

<sup>2</sup> The Ottomans, chief bogey of the West in this period, were several generations ahead of Russia in instituting the *sipahi* cavalry and *janissary* musketry (from the Turkish *yeni cheri*—new infantry).

people (*narod*), consisting of the rest of the non-aristocratic estates.<sup>3</sup> This profound gap would persist down to the 20th century, when it was finally eradicated by the calamitous social homogenizations of the Civil War and Stalin's great leap forward.

Peter's reign put paid to Swedish expansionism and made Russia a Baltic power. But it also committed the monarchy to sustain high levels of socially prescribed consumption by its Westernized service nobility. It was Catherine the Great who clinched these, conquering superbly fertile lands in the south where Russian armies finally knocked off the last predatory nomadic horde, the Crimean khanate, and put an end to the internally disorganized Polish state. Munificent grants of lands and bonded peasants to the nobility brought a new swagger and cohesiveness to Russian absolutism. Catherine and her illustrious courtiers made big efforts to raise the productivity and efficiency of feudal agriculture. This was an explicitly aristocratic policy unconstrained by any bourgeois concerns, aiming to foster domestic markets and export outlets for the cash-crops generated on noble estates, alongside an expansion of serfdom that looked increasingly like plantation slavery. The Russian state had become a major European player, its ascent all the more spectacular against the dismal failure of the Ottoman Sultans to modernize in this period. Catherine's was the most successful enlightened despotism of the time.

But, just as Ivan IV's legacy proved no match for Swedish power in the succeeding generation, so Catherine's empire reached its apogee just as the epoch of the French and Industrial Revolutions got under way in the West. Russian absolutism was able—just—to fend off Napoleon's military onslaught, but the economic impact of Manchester and what followed was another matter. Even as its troops entered Paris, the basis of international power was shifting. However vast in scale, the acquisition of prime land followed by rapid agricultural colonization in feudal moulds was not enough to sustain the Russian elites against a rapidly industrializing West. Predictably, as the 19th century wore on, Russia started to experience the problems typical of peripheral plantation economies—massive imports of luxury goods, increasingly unfavourable trade balances, persistent economic and technological inefficiency, constraints on domestic entrepreneurship, a demoralized and

---

<sup>3</sup> Georgi Fedotov, *Tiazhba o Rossii*, Paris 1982.

immiserated peasantry. Political reaction against this scene came first from younger top aristocrats, vaguely inspired by French revolutionary ideas. The Decembrist mutiny of 1825 closely paralleled the contemporary Liberal conspiracies in Southern Europe, germinating in discussion clubs and officers' messes. The aristocratic rebels intended to use state power to legislate progressive Western norms. But Tsarism, unlike the Iberian monarchies, had emerged triumphant from the Napoleonic wars, and quelled the uprising with little difficulty. Russia remained a Great Power strong enough to batter the Poles, the Persians or Turks; and still capable of expansion to the East, in the backward regions of Central Asia.

### *Industrial outflanking*

Against the West, however, it had now fallen hopelessly behind again. In the 1850s, the humiliations of the Crimean War made it clear that the Petrine model of Russian absolutism had become obsolete in the age of Anglo-French industrial imperialism. Russia once again faced the prospect of catching up.<sup>4</sup> This time, however, it would be necessary to overhaul not just the state apparatus or the ruling elite but the whole economy and society. The inertia of the imperial bureaucracy and egoism of the entrenched nobility frustrated all attempts at sustained modernization from above. An independent Russian bourgeoisie began to emerge and thrive in the late 1850s and 60s, but its rise was fettered by the world economic depression of 1873–96—erratic rates of profit, huge booms followed by enormous busts—that led entrepreneurs, elsewhere protecting themselves by cartels or trusts, to seek security in bureaucratic patronage.<sup>5</sup> Of the educated classes, that left only the intelligentsia as active candidates for a reconstruction of the country. Created by the reforms of the 1860s, this was a stratum of professionally educated specialists, intensely conscious of its patriotic mission to lead the latest round in the modernization of Russia. By default it became the main source of political ferment in late Tsarist society.

---

<sup>4</sup> As a result of the same war, the Russian state's closest kin, Ottoman Turkey, embarked on its own bout of Westernization in the 1860s.

<sup>5</sup> Consider the line from Ostrovsky's classical play: 'Your Excellency, but how can you imagine a railroad consortium without at least one general on the Board?'. Note that in the Ottoman state the heady reforms of the Tanzimat era were also followed by nearly four decades of reaction, known as *zulum* or 'age of oppression'.

Structurally, the Russian intelligentsia of this period found itself caught between the lack of any opportunity to exercise political responsibilities (the autocracy remained too strong) and the paucity of openings to a comfortable professional existence of the kind that its Western counterparts enjoyed (local capitalist markets remained too weak to absorb a large number of lawyers, doctors and technical specialists).<sup>6</sup> This double constraint channeled the energies and frustrations of Russian intellectuals into artistic and philosophical pursuits, hot debates over reform and revolution, and quixotic acts of heroic despair—while the autocracy, paralysed by conflicting pressures on it, resigned itself to sluggish inaction or at best very partial reforms. It was only the third generation of the Russian intelligentsia that was given a chance to break out of its ghetto, at the turn of the twentieth century. Once again, the precipitant of change was Russia's slide downwards in the hierarchy of international power. Defeat in the Far East by Japan, a country whose state-led modernization—also dating from the 1860s—had triumphantly accomplished everything Russia had not, triggered the revolution of 1905–7. Defeat in the West by Germany, in a World War that shattered the Imperial armies, detonated the February and then October Revolutions of 1917. On each occasion, different intelligentsia-made parties were the only serious contenders for power. The winner proved to be the most radical and tightly disciplined among them, the only one capable of taming peasant rebellion and rebuilding the state, repelling foreign invasions and incorporating national insurgencies, to reconquer the larger part of the imperial territory.<sup>7</sup>

### *Rise and fall of a Soviet superpower*

At the crest of their unexpected victory the Bolsheviks realized that their hopes for revolution in the developed West were overhasty, and that

---

<sup>6</sup> For further discussion of the relations between the intelligentsia, enlightenment and revolution, see my 'The Capitalist World-System and Socialism', in Alexander Motyl, ed., *The Encyclopaedia of Nationalism*, vol. 1, New York 2001.

<sup>7</sup> Once again Turkey offers a useful parallel. After the defeat of the Ottoman Empire in 1918, a group within the military intelligentsia succeeded in repudiating the imperial past almost wholesale and mobilizing the peasantry for patriotic defence, with strong undertones of a civil war. The new Turkish state adopted the same German model of geopolitical mercantilism combined with an ideology of nationalist republicanism. The Turkish military officers, however, unlike the Russian civilian intelligentsia, were ideologically inspired by French Jacobin traditions and mostly read Durkheim rather than Marx.



nowhere in his writings had Marx left a recipe for a functioning socialism, least of all in a predominantly agrarian country like Russia. In the ensuing disarray, leadership was captured by the least educated of Bolshevik chiefs. Stalin used Marx's rhetoric and eschatological vision, but in practical matters of state-building relied on his own brutal intuitions and the example of other Germans—Ludendorff and Rathenau, architects of the Wilhelmine war economy. The Stalinist 'revolution from above' of 1929–34, collectivizing agriculture and launching the First Five-Year Plan, combined an extreme version of military mercantilism with the dictatorial institutions forged in the Russian Civil War. Party cadres, disheartened during the interlude of NEP and Bolshevik factionalism, suddenly felt inspired and flattered to lead another epic struggle—this time directed against the rural masses and nationalities whose interests the Bolsheviks were supposed, among others, to represent. The intelligentsia too—much of it already exiled or repressed in the wake of the October Revolution—was now thoroughly broken, as the Party leadership around Stalin adjusted downwards to social recruits of cruder background and mentality. Believing themselves a vanguard entitled to suppress 'backward elements' blind to the direction of history, these terroristic cadres would mostly perish in the subsequent Great Purge, when they were replaced by obedient bureaucrats—the promotions of 1938, who later became indistinguishable dull faces in the Brezhnev-era Politburo.

The all-out industrialization of the 1930s, spurred by fear of capitalist encirclement, transformed the face of Soviet society. The scale of social mobility and cultural change experienced by those who came of age and survived through the Stalinist modernization was unprecedented. Millions of illiterate Russian and non-Russian peasants were reborn as industrial workers or administrative employees, with rudiments of education, living in urban environments. The speed of this transition induced in its younger cohorts feelings of genuine optimism and loyalty to all things Soviet, along with ardent willingness to participate in grandiose civilian and military construction alike. The resulting social homogenization was widely taken to be proof positive of Marxist–Leninist predictions regarding the arrival of a truly communist society, without either class divisions or the trappings of national identity. The outcome was a dictatorial state geared to conducting heroic mobilizations to achieve strategic goals, regardless of human or material costs. Its validation came with the Second World War, and long-expected assault

from the capitalist West. Unlike its Tsarist predecessor, the Stalinist regime passed the test of German attack with flying colours. Soviet industry vastly outproduced the Nazis in tanks and airplanes, the Red Army crushed the Wehrmacht, and Moscow seized control of Eastern Europe. Twenty years later, the USSR was matching the USA in atomic weapons and missiles. Within a generation, a decrepit agrarian empire had been transformed into a nuclear superpower.

For a 'late developer' like Russia, these were incredible feats. To many, they seemed worth the colossal sacrifice of lives they required, eliciting a wave of local attempts to emulate them among the intelligentsia elites of other, weaker states of the periphery. For a while this produced the impression that the Soviet model was becoming a historically ascendant alternative to the hegemony of the capitalist West. The zenith of its prestige arrived during Khrushchev's rule, when postwar recovery and the partial demilitarization of the Soviet economy resulted in high rates of economic growth and a significantly larger share of civilian investment. The launch of Sputnik—originally a purely military programme of orbital flights—became the period's symbol of triumphant scientific progress. Politically, the subordination of the secret police to party authority and new debates within the top leadership over the future direction of the Soviet experiment ushered in the so-called thaw, in which all kinds of hitherto suppressed cultural and social aspirations began to find expression.

The Party apparatus immediately—and quite rightly—felt threatened by the youthful enthusiasm of the sixties generation. These *shestidesiatniki* were generally too young to have suffered from the Stalinist terror but remembered the heroism of the War and the elation of 1945, and had entered adulthood in the optimistic, expansive conditions of the late 1950s. Their hopeful expectations and romantic projects were thoroughly socialist—or at least politically harmless: the emblematic song of the period promised the blossoming of apple trees on Mars. But their outlook was objectively subversive of the stolid and hypocritical realities of the paternalistic bureaucracy in place. The nomenklatura used all its power to abort the nascent youth movement and, in 1964, disposed of Khrushchev as too unpredictable a master for the times. Relieved of his rambunctiousness, the bureaucratic apparatus settled into a comfortable routine, protected by a set of formal and informal defences against significant change. It no longer had any heroic goals or ideology to offer.

So by default it now opted to promote the taming, philistine values of consumerism and personal comforts instead. Such a blatant departure from the Marxist–Leninist ideology had to be ritualistically decried in word, while being systematically implemented in deed. The result was inevitably a spreading atmosphere of cynicism.

### *From thaw to collapse*

Since 1945 the Soviet state—designed for war-like campaigns and mass production of industrial-age weaponry—had entered a long period of peace, in which it found itself confronted with the tasks most unnatural to it: namely, cost-efficient, flexible, uninterrupted output and distribution of consumer goods and services. Its failures in this field are famous. But they can also be exaggerated. The leap in Soviet mass consumption between 1945 and 1975 was arguably tremendous, from extremely low starting levels. Why did it still fall so short of rising expectations? The answer lies in the rapid transformation of peasants into urban wage-labourers employed by the vast monopolistic apparatus of the Soviet state. By breaking up largely self-sufficient peasant households and pouring its disaggregated members into the harsh moulds of Soviet industry, bureaucracy and army, the State took on responsibility for all aspects of its employees' social and physical reproduction: from health, education and welfare to food and clothing, sport and leisure. But simply providing the rudiments of these was not enough. Cold War competition ensured that the Party had to deal with the mighty—and consciously propagandistic—demonstration effects of Western consumption patterns. Attempts to curb the flow of cultural information about these were futile, not merely because of modern communications systems, but also because the ruling elite itself (even more so its children) proved eagerly susceptible to the temptations of capitalist lifestyles. Power, after all, carries the seduction of enjoying its material fruits.

The political thaw of the mid-1950s was driven primarily by the collective desire of the ruling bureaucracy to liberate itself from the intolerable work-pressure and precariousness of Stalin's terroristic regime. But with the despot gone and pervasive fear diminished, the administrative system lost its major negative incentive—punitive central control over bureaucratic cadres—which had also been a major instrument for driving through technical and political innovations. At the same time, all concentrations of educated urban wage-earners create a potential for

collective claim-making (witness the strike in Novocherkassk in 1962, or stirrings among the new Soviet-minted intelligentsia, ranging from the fad for the songs of Vysotsky to the tiny but vociferous circles of dissidents). Where open collective action is repressed, industrial workers still have plenty of 'weapons of the weak', from tacit slacking to outright theft or unofficial redistribution of goods and services. Those who believe that shoddy goods were an exclusively Soviet malaise should look at the quality of current American automobiles. But the Soviet state excluded the discipline and accountability instilled by market competition: its overall organization of production was particularly wasteful, inertial and blind.

In the 1970s, a conservative paternalistic compact with Soviet consumers could still be sustained, so long as Soviet stability appeared to form a soothing contrast to contemporary troubles in America. The windfall of petrodollars after 1973 subsidized the budgets of the Brezhnevite order, which included the expensive superpower pursuit of the latest armaments, space exploration and overseas clients. But already by the late 1960s the Soviet failure to race the Americans up to the Moon and the widening gap in the development of advanced electronics had pointed to looming troubles in the most sensitive areas of symbolic competition between the superpowers. The Soviet rulers did not resort to mobilizing campaigns in order to catch up. The bureaucratic apparatus was now so entrenched that any galvanization of society was beyond it. By the turn of the eighties, economic growth and social mobility were close to zero. The ensuing disillusionment, pervasive hypocrisy and individualistic opportunism had an immensely damaging effect on the Soviet citizenry: although largely unseen and unmeasurable by common social indicators, the decline in work ethic and civic morality of the Brezhnev era was to become a major structural antecedent of the post-communist morass.

The end came suddenly. Constrained by the contradictions of its corporate existence, the Soviet nomenklatura had from the time of Khrushchev intermittently toyed with various surrogates for market discipline and democratic accountability, without ever making the resolute leap to an alternative organizational design. Successive half-hearted attempts to reform finally became reality with Gorbachev's perestroika, which in its first phase questioned the central controls over all areas of Soviet life—and then spectacularly failed to move into the second phase of installing

competitive mechanisms in either economy or polity. Frustrated at home, Gorbachev's head was easily turned abroad. Daydreaming of the figure he would cut in the West, he handed over Eastern Europe with scarcely even a tip to show for it, and was surprised to find himself cast aside without ceremony by domestic foes and friends alike. Even had it acquired a more capable leader, perestroika came too late, amidst increasing strategic pressures, advanced economic decline, administrative ossification and social demoralization. But the aged, embittered, yet still stubbornly romantic *shestidesiatniki* who finally got their opportunity under Gorbachev need not be ridiculed. They stood no chance of salvaging the Soviet Union, whose demise was written for all to see in the debacle of its satellites in 1989. But they helped to spare it a catastrophic implosion, for without the reform communists (and, of course, the discrediting of the military in Afghanistan) the last rulers of the USSR might well have been disastrously reactionary chauvinists of the sort that proliferated in the final years of Yugoslavia.

### *Great transformations*

The collapse of the USSR marked more than the failure of the Bolshevik experiment. It signalled the end of a thousand years of Russian history during which the state had remained the central engine of social development. From the early modern period onwards, the general trend in peripheral zones was towards a strengthening of the state, as ever more daunting challenges came from the West. Three times Russian elites rose to the challenge, constructing states capable of defeating the most daunting external pressures on the country. On each occasion, no sooner was victory won, at huge cost, than the terms of competitive struggle changed, rendering it obsolete. Ivan IV's successes were undone by Europe's first conscript army, spearheading Swedish expansion. Alexander I's glory was outflanked by the industrial revolution, spreading from England to the Continent. Stalin's empire was outmoded by the arrival of a post-Fordist world in the West.

This time, however, something deeper has changed. Structurally, capitalism is cosmopolitan by nature. But historically, men of money have always depended on men of the sword for aid and protection in creating infrastructural conditions for their traffic that no individual capitalist could afford. This was so in the Age of Discoveries, when Genoese bankers subsidized and trailed the maritime expansion of the Iberian

Catholic monarchies. It was still so in the *Pax Britannica* of the 19th century, when the access of investors to all the exotic places of the earth had to be secured by colonial armies and administrations. Imperial states with their Gatling guns were needed to ‘pacify’ local rulers, tribal chiefs, warlords, bandits or local rulers; to tax, supervise and train the natives; to explore the local geology, ascertain natural resources, identify tropical diseases; to build harbours, lay railway lines and telegraph cables around the globe.

Then came the World Wars of the 20th century and their consequences. The implosion of Europe in 1914 spread to the imperial peripheries in shock waves of revolts, decolonizations, revolutions and counter-revolutions. The mutual near-suicide of the colonial Great Powers, unfolding despite all their bureaucratic rationality and liberal institutionalization, opened a new cycle of state-led national development. In 1917 the Russian Revolution set the counter-hegemonic pattern for contestation of the capitalist world order, through the revolutionary creation or reconstruction of peripheral states under the leadership of local intelligentsias. The aftershocks lasted until the mid-1970s, when the United States paid the price for the blunder of siding with the relics of the French empire in Indochina, and the last sizable colonies, the Portuguese possessions in Africa, won political independence after long guerrilla wars. The Brezhnevite regime in the USSR, materially assisting the victory of both these anti-imperialist upheavals, imagined itself at the forefront of historical advance. In fact, these were the final episodes of an epoch that was vanishing. A Great Transformation, in the full Polanyian sense, was already under way.

This world-historical shift began with a severe crisis in the US superpower, while the USSR was still prospering. In 1968 the American state suffered military humiliation in Vietnam, coupled with a massive wave of domestic protests, both against the war and over the fate of its black population. The misguided attempts of Nixon’s administration to bolster its power and the US economy backfired spectacularly in 1973–75. Amid the acceleration of inflation, the oil crisis, and the collapse of the Bretton Woods system, Washington had to abandon economic and social mechanisms of regulation that dated back to the Great Depression and the Second World War. What eventually emerged from the turmoil of this period was the global regime of liberalized markets we know today. Struggling to overcome the crisis of the early 1970s, America

used its hegemonic position to marshal the resources of its numerous allies and client states in a system that would invalidate the model of nationally bound economic growth and Fordist industrial organization that had hitherto prevailed across the Atlantic world. In two decades of experimentation with new types of governmental and corporate policies, and search for new technologies and production-sites, there emerged that politico-economic regime which different schools of analysis have dubbed post-Fordism, flexible accumulation, or globalization. The new order had little to do with fashionable claims that bureaucratic regulation has been replaced with miraculous start-up firms and self-clearing markets. In reality the American-led thrust to demolish the economic barriers imposed by national governments shifted control to private and international bureaucracies, much less open to public political pressures; while intra-elite interactions evolved (or reverted) towards less formal networking, along Davos lines. By the mid-1980s, the outlines of an emergent globalized system were clear. The cycle of national development had continuously shaken the framework of capitalist world markets; but in the end, these proved more resilient and, contrary to Schumpeter himself, actually benefited from the backlash of revolutions and decolonizations.

### *Russia's downward spiral*

The undoing of the rigidities and constraints of the post-1945 period was experienced by the United States as a regime crisis, at a time when the country was still wealthy and institutionally robust. Two decades later, its poorer and weaker Soviet rival would succumb to a very similar sequence of pressures, with much more devastating consequences. First came the shock of humiliating stalemate in a war against Third World guerrillas—Afghanistan was strikingly similar to Vietnam—which set off rising military costs, followed by the loss of group confidence and emergence of conflicting projects among the ruling elite. These in turn released a wave of national and democratic protests (starting in Poland in 1980), as the country plunged into a traumatic economic crisis after several decades of prosperity which the rulers had pledged to perpetuate. A vicious circle was set in motion: less legitimacy, less institutional capacity to govern, fewer resources. The American state could still muster the loyalty and reserves of its West European and Asian allies. The USSR faced exactly the opposite situation in Eastern Europe and the Third World extensions of the Soviet bloc. The Stalinist model

of military-industrial mass production (inspired back in the 1920s by the same American Fordism) was outclassed in the electronic age, and collapsed at the end of the 1980s—its severed fragments remaining comatose ever since. The project of national bureaucratically supervised autarky ended in moral and financial bankruptcy.

The collapse of the Soviet Union removed the last trappings of post-1945 geopolitics and so readied the new Great Transformation for full take-off. Globalization brings for most of the world a significant decoupling of the extraction of profits from the burdens of statehood. Corporate investors now enjoy a choice of nearly two hundred national states competing to attract them. Modern governments, especially in the non-Western countries, must assume the costs of upgrading infrastructure, training labour, providing welfare safety-nets, guaranteeing foreign-owned assets and security to extraterritorial market operators. Promising learners are offered tutoring and stipends from global monitoring agencies like the World Bank, plus the efforts of the spate of NGOs that have inherited the noble and naïve causes of the missionaries. The unruly and the laggards are punished by marginalization and starvation. This is a regime that no longer requires formal imperial administration. National states themselves remain the essential supporting structures of the world-system, but the balance of power between states and markets has changed. Among other seminal consequences, this means that war has become a dubious path of expansion—as opposed to retribution (regularly meted out by the North American hegemon)—and the traditional idea of revolution as the forcible seizure of offices of the state by mass movements has been put out of court, to the extent that markets too obviously escape beyond the reach of national governments, especially weaker non-Western ones.

The regime of market globalization will endure as long as three main conditions are met: that the latest economic expansion continues; the US maintains its ideological, diplomatic and military hegemony; and the social disruptions provoked by the spread of market operations are kept in check by welfare or policing methods. *Rebus sic stantibus*, we can probably give the current form of globalization another ten years or so. But for one country more than any other in the world, the new order poses fundamental problems of historical identity. The Russian state faces perhaps uniquely acute dilemmas today, not simply because of its abrupt shrinkage in size, but because its major assets and traditional



orientations have been drastically devalued. Capitalism in the globalization mode is antithetical to the mercantilist bureaucratic empires that specialized in maximizing military might and geopolitical throw weight—the very pursuits in which Russian and Soviet rulers have been enmeshed for centuries.

### *Implosion from the middle*

The Soviet Union was not brought down from without—the West stood watching in amazement. Nor was it undermined either from above or below. Rather it imploded from the middle, fragmenting along the institutional lines of different bureaucratic turfs. The collapse occurred when mid-ranking bosses felt threatened by Gorbachev's flakiness as head of the system, and pressured by newly assertive subordinates beneath them. The eruptions of 1989 in Eastern Europe provided the demonstration prod. In the process of disintegration, it was the particularly cynical apparatchiks of an already decomposed Young Communist League who led the way. In their wake followed the governors of national republics and Russian provinces, senior bureaucrats of economic ministries, and section chiefs all the way down to supermarket managers. As in many declining empires of the past, the basest servants—emboldened by the incapacitation of emperors and frightened by impending chaos—rushed to grab the assets that lay nearest to hand. Mingling with them were nimble interlopers, ranging from the would-be yuppies whom Ivan Szelenyi has wryly dubbed a 'comprador intelligentsia' to former black marketeers and outright gangsters. The luckiest few in this motley *galère* would become the celebrity post-communist tycoons.

For the most part, predatory privatization—*prikhvatizatsia*—stopped there. With the removal of its central stem, the old Soviet pyramid of power fell into disjointed segments. The former nomenklatura sought to assert *de jure* or *de facto* property rights over public assets, but in the absence of effective state institutions could only succeed very imperfectly. Quite rationally, if often at horrendous costs, some attempted to liquefy their fixed assets and transfer the loot to off-shore havens abroad: the source of much criminal violence and many corruption scandals in the 1990s. Many other managers, lacking exportable assets or viable alternatives, resumed Soviet-era practices with minimal *ad hoc* adaptations to generalized decline—shifting allegiances to provincial governors who had to cater one way or another to local industries, in

order to avoid complete socio-economic breakdown in their bailiwicks. Withdrawal from the monetized economy was a widespread response, unforeseen by neo-classical textbooks. Inter-enterprise barter and other monetary surrogates, embedded in regional networks of mutual elite dependency, became common—a formula for further corruption, as such transactions typically require political patrons, shady banks or out-right protection rackets.

Meanwhile the mass of the post-Soviet population, caged in decaying industrial environments, struggled to maintain the modest routines of their life, to the best of their ingenuity and resilience: reporting to work, sending their children to school, taking vacations, hustling to supplement precarious household incomes with allotment agriculture and petty trade. At ground level Yeltsin's Russia felt much like Brezhnev's USSR, only smaller, poorer, more chaotic and unbundled. Most trends in Russian society of the 1990s were traceable to the 1970s or earlier. No longer contained within the Soviet framework, after 1991 they simply came into the open. Michael Burawoy calls these processes Russia's industrial involution.

### *Yeltsin's achievement*

Economically, the restoration of Russian capitalism proved to be a ramshackle and purulent affair, rife with crime and corruption, and dogged by deteriorating social indices. Gross national product contracted, wages plummeted and population fell through the 1990s. By 2000, a third of the population was living below the officially defined poverty line, and income inequality had trebled.<sup>8</sup> Presiding over this apparently dismaying scene was an aberrant product of the Siberian wing of the CPSU of old. As ruler of post-Soviet Russia, Yeltsin had real if limited skills: a master of court intrigue and the manipulation of subordinates, he could stage public displays of dashing improvisation and sheer will when the occasion demanded it. In other circumstances these would hardly have offset his obvious liabilities as a leader—brutish greed and incompetence, drunken buffoonery, long periods of inertia. In an ordinary sense, little went right under him. After engaging and discarding Gaidar as champion of 'shock therapy', he was soon at loggerheads with the

---

<sup>8</sup> For the latest data, see the Economist Intelligence Unit's *Country Profile—Russia 2001*, pp. 30 et seq.

country's first elected parliament. Dispersing it with a blitz of tank-fire, he pushed through an autocratic constitution with a fraudulent referendum, and then launched a disastrous war in Chechnya. At a nadir of unpopularity, he was planning a military coup to perpetuate his power when he was rescued by financial oligarchs, who hired American campaign managers to re-elect him. The chief event of his second term was a financial collapse that forced a suspension of payments on Russia's foreign debt and a massive devaluation of the rouble.

Nevertheless, Yeltsin's rule was, in the sense that counted, an impressive success. In Russia the transition to any kind of standard market economy was always going to be a chaotic and protracted process. But its first condition was a political system irreversibly committed to capitalism. This—by the end of his reign—Yeltsin had achieved. He was able to do so, despite the low esteem in which he was soon held by most Russians, because he enjoyed the support of the three decisive forces of the period: the West, the oligarchs and the intelligentsia. The first was, of course, the most important. American and European officials were under no illusions about him. In the words of a senior policy adviser of the time: 'The only good thing about Yeltsin was that he was an anti-Communist'. But that was everything. No matter how blundering, sleazy or illegal his actions, the Clinton Administration extended him unstinting support as the Guarantor of Reforms. Since Russian state solvency depended completely on Western credits, the IMF was instructed to ignore its standing rules of operation, and bankrolled the Family to the end. All potential challengers to Yeltsin were aware of the veto that the West now held over occupancy of the Kremlin, and none seriously pressed their case. For their part, the handful of financial oligarchs who carved up all that was really lucrative in the economy owed their billions to Yeltsin's tenure, and understandably protected him through thick and thin.

Still, trump cards though the good will of Strobe Talbott and Boris Berezovsky might be, the regime also needed a modicum of social support inside the country. This it found above all in the ranks of the former intelligentsia, whose younger and better located elements felt that they could finally recast themselves into a professional middle class: westward-looking, well-off and socially autonomous. The outlook of this stratum was naturally liberal, since it had to defend itself against the arbitrariness of a self-serving state bureaucracy, of which it had only

too much experience. But the liberalism of this aspiring middle class was westernizing in a much stronger sense than that of its predecessors in the 19th century, since the West was now not only the source of its imagery of a good life, but also of actual political and cultural recognition. The Russian population of less educated background did not matter so much, supplying at best a potential recruitment pool for a new elite of ‘normal European’ (*po-evropeiski normalnye*) Russians. All this reproduced a rather typical semi-peripheral situation: an aspiring Western-style middle class of professionals and small property owners undertakes to play the role of a traditional bourgeoisie in the absence of such a class that might self-consciously restrain and eventually democratize autocratic power.

In Russia this layer was bound to the Kremlin under its neo-tsarist tricolour by a double tie. Yeltsin, though a former Politburo member and hardly an intellectual, let alone a liberal, had risen to power after expulsion from the top Communist bureaucratic leadership, through his alliance with an intelligentsia-led bloc of ardently liberal reformers. It was he who had led resistance to the military putsch of August 1991, and outlawed the CPSU. Over and above this historic debt, Yeltsin’s legitimacy and wherewithal—once he was in power—came largely from the West, to which for its own reasons the intelligentsia overwhelmingly looked. Thus, no matter how doubtful Yeltsin’s policies might appear to become, intellectuals could never really break with him. But over time divisions started to emerge. One section found profits and places in the new regime itself, as Presidential aides, staffers for media magnates, advertising executives and the like—merging, in effect, with the *nouveaux riches* or ‘New Russians’ *tout court*—while another remained torn by loyalties to earlier ideals, becoming increasingly disaffected. The outlook of these last found expression in the *NTV–Itogi–Segodnya–Ekho Moskvy* complex, an ideological project whose finest hour came with the Chechen War of 1993, which it strongly opposed. So long as the only alternative was Zyuganov’s retrograde neo-Communism, they would stick by Yeltsin. But as his second term drew to a close, there was palpable relief at the prospect of his departure.

### *The Anti-Gorbachev*

Such was the context in which Yeltsin’s castling moves of August to December 1999—first appointing Putin Prime Minister, then resigning

to make him automatically President—stunned political competitors manoeuvring to succeed him in the elections of spring 2000. The intrigue was probably designed by the Kremlin's well-rewarded spin doctors or 'political technologists' (as this new breed of Russian intellectual mercenaries prefer to call themselves) in the first instance to protect the 'Family'—Yeltsin and his daughters, chamberlains like Chubais, and the leading oligarchs—against the risk of future legal action. Putin's first act in office was to grant his patron immunity from prosecution. In appearance, the hand-picking by the President of his successor looked much like the time-honoured Mexican practice of the *dedazo*. But the PRI procedure, of course, depended on an institutional stability that was nowhere in sight. There had seemed little chance it would work so smoothly in Russia.

Timely explosions in Moscow and skirmishes in Daghestan changed everything. Within a month of becoming Prime Minister, Putin was waging an all-out second war on Chechnya to halt these outrages. The campaign—heavy bombers, tanks and artillery, massed regiments—had plainly been long and meticulously prepared. By the time Yeltsin handed over the Presidency to him, Putin was claiming to have crushed a terrorist secession threatening the lives of ordinary people, and the integrity of the country. His poll ratings skyrocketed within weeks, from near zero to imminent landslide. Prospective contenders for the spoils of Yeltsin's demise instead hurried to jump on an unexpected bandwagon. In the spring of 2000 Putin was elected President by a margin far exceeding any vote for Yeltsin.

In style, the KGB colonel suddenly lofted to head-of-state projects the image of a paradigmatic anti-Gorbachev. Russians now have a leader who talks little, exudes macho fitness and professional harshness, dislikes reporters and parliamentary chatterboxes, praises the military-industrial complex, uses unrestrained force against ethnic separatists, and stands for national discipline. But in substance, it is the contrast with Yeltsin that is the more striking. Indeed politically, Putin's formula of power in some ways inverted that of his predecessor. The West, once assured that continuity of restoration was not in question, took more distance from the new incumbent, for reasons already touched on—Europeans cavilling at the slaughter in Chechnya, Americans turning away from IMF bail-outs and the rituals of multilateralism. Much of the intelligentsia, though considerably quieter about the second than

the first war against the Chechens, could not overcome its mistrust of an officer from the secret police, who never broke the Soviet corporate code. The oligarchs, accustomed to a more or less free hand under Yeltsin, were less comfortable under a ruler who showed no compunction in resorting to threats or arrests to bring them to heel.

But set against relative political disinvestment on this side of the ledger was a broader base of popular support, firmer control of institutional apparatuses and better economic climate than Yeltsin had ever enjoyed. The Duma that had been a constant thorn in Yeltsin's side was now a tame assembly, with a bland Presidential majority formed of subordinate bureaucrats hastily recruited during Putin's march to triumph at the ballot box. Provincial governors, many of whom had become virtually autonomous local potentates in the days when Yeltsin was in his cups, have been capped with a set of 'plenipotentiaries' from the centre. Independent broadcasting has been harassed or neutered—the Kremlin taking control of what was once Gusinsky's empire, and using the ever more venal mass media to discredit or silence potential opposition. Such ongoing recentralization of the Russian state has been much assisted by the economic windfall of the last two years—a fivefold depreciation of the ruble since the default of 1998, and steep rise in oil prices. In 2000, for the first time since the collapse of the Soviet Union, the budget was in the black, there was a trade surplus, and economic growth of 8 per cent was recorded. This is still a fragile recovery, but enough to be felt at all levels of society.

Common Russians have therefore continued to feel content with their new sober, diligent president. This is not deep support, but popularity by default—others politicians left on the Russian scene appearing vainglorious talkers or corrupt manipulators, without credible alternatives. The silent majority of Russians are mostly atomized middle-aged individuals, beaten-down, unheroic philistines trying to make ends meet as decently as they can. They have lived through twenty years of betrayed expectations: the deadening twilight of Brezhnevism, the illusory excitements of perestroika, the factional corruption and cynicism of the Yeltsin years. They are profoundly tired and resistant to any public mobilizing. Nor is the Russian intelligentsia that once served as the principal catalyst of an active public life in much better shape. In the past decade much of it has been demoralized and undone as a social force by the drastic reduction of its professional sustenance

in virtually non-paying jobs (a professor at Moscow University earns \$80 a month), by the corrosive venality of culture and business in the new age and, perhaps most of all, by the loss of its moral independence, as so many projects for making Russia a 'normal', prosperous and democratic society turned into a shameful travesty and betrayal of national self-identity. Current polls show that not one of the officially established parties enjoys any recognition whatever among the younger generation of Russians.

### *Stability and Chechnya*

Such are the circumstances in which Putin, with two-thirds of the population steadily behind him, could also command the support of such an unlikely constellation as Alexander Solzhenitsyn, Mikhail Gorbachev, Yegor Gaidar, Roy Medvedev, Tatiana Tolstaya. Little in his performance in office has justified particularly high expectations. Corporate tax reform, limited economic deregulation, and the first steps in the privatization of land are under way. On the other hand, military reform has so far stalled over lack of funds and the inability of the top brass to agree on their longer-term interests. Internationally, the sinking of the *Kursk*, the futility of Russia's role in the Balkans, and the refusal of the German government to write off Soviet debts, were the main features of the first year of Putin's Presidency. A mediocre record, however, is no real drawback when the main claim a government makes to its people is to be giving them stability. This is Putin's watchword, and the key to the breadth of popular acceptance of him.

Stability, however, is always relative. To most Russians Putin's rule, compared with Yeltsin's, may for the moment appear tranquil and methodical. But there is a canker in this fruit. Two years after its tanks blasted through the shell of Grozny once again, the Russian Army is mired deeper than ever in the quagmire of Chechnya.<sup>9</sup> The multiplication of its massacres and cruelties has only hardened guerrilla resistance against Moscow. Casualties among its brutalized conscripts are approaching the levels of 1996, when it was driven out of the country. Probably the best Putin can hope for is a perennial blockade of the mountainous parts of Chechnya, where the resistance is unbeatable,

---

<sup>9</sup> For background, see my 'Che Guevaras in Turbans', NLR 1/237, Sept–Oct 1999, pp. 3–27.

and a dispersal of the population of the plains into a second internal diaspora. But diaspora breeds nationalism too, unless its leaders are assiduously bribed. To avert looming fiasco in Chechnya would require Moscow to switch from crude repression by its bulky and demoralized army to more sophisticated imperial tactics of indirect rule. Historically, however, the Russian bureaucracy—whether under the Tsars or Stalin, Yeltsin or Putin—has invariably sought to rule this frontier tribal society by harsh, direct coercion. Today, after a decade of perfidy and violence, Chechen hatred of Moscow is unlikely to be easily disarmed.

Riding to power on what was held out as victory in Chechnya, Putin is vulnerable to a bloody stalemate or defeat. If so far ordinary Russians have followed him, their outlook is foreign to imperial pursuits or national revanchism. They will approve the war in Chechnya only so long as the conscripts are not their sons, but only youths adrift from tough proletarian suburbs with neither the money nor minimal skills to escape the draft. The experience of Vietnam and Afghanistan shows how little such initial support can be relied on. The intelligentsia is even less dependable. Russian liberals, to the extent that their primary identification is with the West, find themselves culturally cut off from the rest of the population. They cannot put together a wider political bloc glued by nationalist sentiments *and* at the same time have a reasonable expectation of being accepted in Europe, as the more successful post-socialist intelligentsias of Poland, Hungary, or the Baltic states have done. Socially and geographically isolated in Moscow, St Petersburg and a few other cities, Russian intellectuals remain prey to guilt at their semi-collusion with the slaughter in Chechnya, and likely to break ranks sooner than any other group. By this summer, it looked as if Putin would be bound to seek a distraction from a war he could neither win nor abandon.

### *Operation Enduring Freedom*

This was the situation in which the planes of September 11 came like manna from heaven. Providentially, the carnage in Chechnya now became a front-line of the battle fought by the entire international community against terrorism. The West, still murmuring of the need for a peaceful settlement, muted all criticism of the Russian war effort. The intelligentsia, taking its cue from the West, rallied to the cause of civilization against a barbaric fundamentalism. The Kremlin, setting aside



long-standing prejudices, welcomed the American war machine into its Central Asian backyard. A page in diplomatic history is being turned.

‘Operation Enduring Freedom’ poses more starkly than any other development since the collapse of the USSR the question of Russia’s future within the world of globalized capitalism. Twice before it recovered, after shattering blows, larger than ever as a territorial empire. This time, however, the fall has been more drastic than in the 17th or early 20th centuries, and there is no going back to earlier ways. Historically, the rug has been pulled out from under its traditional pattern of strategic recovery. Today another bout of statist reorganization to restore Russia’s geo-political pre-eminence would be an anachronism. With the end of the Cold War and the passing of the Soviet Union, Russia is at a historical nadir. Its demented hammering of the tiny enclave of Chechnya—a few hundred square miles, a few hundred thousand natives—can only be seen as a pathetic, unconscious compensation for the enormous losses it has suffered in its Slav homelands, where the amputation of the Ukraine and White Russia has reduced Moscow to a smaller perimeter than in the days of Boris Godunov: a shock so vast that the state still acts as if it feels these limbs twitching. The terrible shrinkage is not just territorial, but demographic. Ten centuries of population increase have gone into reverse. Today, Russia has fewer inhabitants than Pakistan. Of the classical assets of a major state, it has only a rusting nuclear arsenal, useless for what external operations are left to it—petty meddling or bullying in the Caucasus or Turkestan. Now it has given up the pretension to a monopoly of interference even there.

The reason for such new-found modesty is not hard to seek. The post-Soviet state is tightly constrained by a drastic loss of financial autonomy. Foreign debt makes Moscow a hostage of the West in a way it has historically never been before—not even when a declining tsarism was forced to ally with its international lenders, abandoning its geopolitical rivalry with the British Empire and France, in the run-up to 1914. A century later the economic dependency of Russia goes beyond the general weakening of peripheral states vis-à-vis global firms and markets. With a quarter of its budget absorbed by debt repayments, the room for policy manoeuvre in Moscow is now extraordinarily limited. The apogee of American influence on the internal political system, which reached remarkable lengths under Yeltsin, has passed, along with the emergency loans from the IMF that secured it. But this is still a regime kept on

a tight external leash. The West has, of course, to keep up diplomatic appearances—treating the incumbent in the Kremlin with proper outward respect, expressing occasional misgivings about the conduct of the authorities, etc.—the better to conserve a façade of independence which has lost so much of its substance.<sup>10</sup> The underlying realities could already be seen in the complete inability of Moscow to resist NATO expansion to its borders (in breach of Bush Sr’s promises), to do anything, finally, except implement Washington’s will in the Balkan War, or to put up more than token opposition to abolition of the ABM Treaty. In opening Russian airspace to American bombers and Uzbek bases to US troops, Putin has decided to make a cooperative virtue of what was till now a reluctant necessity.

But if the imperial option is closed, what of the prospects for modern capitalism in Russia? There is little doubt that some of the conditions for more normal patterns of accumulation are gradually emerging—this is one of the meanings of the ‘new stability’. But the majority of Russian enterprises are redundant to world markets, remaining dependant on high levels of domestic protection. Russian labour, though cheap compared with the West, is costlier and more undisciplined than huge and widely available pools in the Third World. The country is currently attractive to Western corporations only as an export platform for raw materials and a potential concentration of consumers. Industrial output fell by half over the past decade. Russia has become once again a typical peripheral producer of primary commodities, with little competitive manufacturing capacity and primitive levels of services. Its principal exports today are oil to Germany, gas to Italy, prostitutes to Turkey, capital to Cyprus. If this pattern were to continue, Putin’s regime might

---

<sup>10</sup> Russians are not oblivious to this reality. It is a sign of more authoritarian times that the famed counterculture of political jokes has reappeared in Putin’s Russia. Last December, when the tune of the old Soviet anthem was restored (Sergei Mikhalkov, Stalin’s poet laureate, was actually still alive to amend—very slightly—his erstwhile text), a splendidly complex joke appeared on the net. President Putin receives a phone call from the top manager of Coca-Cola proposing that the red flag of the USSR be restored too, replacing only the hammer and sickle with the logo *Always Coca-Cola*, in exchange for a consideration that would allow the Russian government to resume payment of pensions. *Ein moment!*, replies the President in his excellent German, pushes the mute button on the phone and calls his Prime Minister on another line: ‘Kasyanov, we have a serious bidder here. Remind me, when does our current promotional agreement with Aquafresh for the tricolour expire?’

come to look rather like the larger Latin American countries of old—a strongman with an electoral façade, operating within an informal US jurisdiction; dealing with local caciques at very low levels of internal taxation, but extracting enough mineral wealth to keep foreign bondholders at bay and the coffers of a central coercive apparatus replenished. In sum, a kind of Porfiriato, without its developmental spirit—but also without its simmering but diffuse popular discontent.

Yet the genetic code of imperial states does not change so easily. The reflexes of centuries are embedded in a Russian bureaucracy that, unbelievably, actually expanded in numbers under Yeltsin. Under further globalization, the supply of military protection could itself become a marketable commodity, as it was in the early modern world. Russian armies have always been conscript forces, but today there is talk of creating a professional military establishment. If that were ever to materialize, it could have a promising mercenary future in front of it—the state undertaking, for a fee, the risks and brutalities of imposing stability in some of the nastiest hot-spots of the world. Such an outcome would be very Russian indeed—looking like Turkey or Mexico in the beginning, but then applying coercion for different purposes. If Putin emerges as even a moderately successful ruler, the likely outcome over the next ten years will be a protectionist, semi-authoritarian, inescapably corrupt but somewhat better-off Russia, helping to police the remnants of an unstable former empire. The West has every reason to look to it for assistance in keeping this part of the world under the lid. Naturally, whatever else endures on either side of the Oxus, it is unlikely to be freedom.