

# Russia's Curse: Weak Political Institutions Unable to Restrain Arbitrary Leadership

JUSTIN BURKE

Despite a decade of democratization, an immense amount of work is still needed before Russia can claim to be a law-governed state. Russia today lacks the political, economic, and social institutions capable of facilitating sustained and steady growth. In the vacuum of political checks and balances, Russia's development course remains heavily dependent on the paramount leader and a few other important personalities. In such a political culture, personal connections count far more than legal rights. Thus, the eventual success of Russia's post-Soviet reform attempt is far from guaranteed. Prolonged domestic upheaval, as well as renewed confrontation with foreign rivals, may result unless Russia's present political culture changes.

Russia's inherent and historical problem is the ability of its leaders to accumulate and exercise power unencumbered by checks and balances. From boyars to Bolsheviks and beyond, there has been one constant in Russian politics: The rule of law has never predominated, thus leaving the nation vulnerable to the vagaries of arbitrariness and upheaval. Because events have depended mostly on the will of autocrats and authoritarian figures, there has been little opportunity for stable and prolonged political and economic development. Reforms implemented by one leader have been often altered, if not reversed altogether, by the successor. As a result, Russia's development has consistently lagged behind the West.

Today, despite nearly a decade of "democratization" beginning with Mikhail Gorbachev's perestroika, the lack of a solid legal foundation still plagues Russia, as it did during the eras of tsars and commissars. And although elements of democratic institutions such as regular, multi-party parliamentary elections are evident, the Russian political tradition remains highly resistant to overhaul, especially when one takes into account the enormous authority of the president. Today's chief executive in the Kremlin wields sweeping powers, able to legislate and wage war largely free from legislative and judicial constraints. This tendency of Russians to fall back on authoritarianism will continue to hinder efforts to foster a sense of political continuity that transcends personalities. The reliance on a strong leader, along with highly centralized government, prevents Russia from fully utilizing its abundance of natural and human resources, which is the key to stability and prosperity.

The country's ability to fulfill its enormous potential requires new institutions, better able to facilitate economic progress. However, such institution building, given the nature of Russian politics, cannot succeed unless the nation is led by a visionary, self-sacrificing leader, who is, at the same time, sufficiently strong-willed to overcome stiff opposition to building a new order. In short, it would seem to require authoritarian means to attain democratic ends.

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Unfortunately, both Mikhail Gorbachev and Boris Yeltsin proved incapable of such action. Although the two offered glimpses of hope for modernization, both stumbled over the dilemma of having to sacrifice personal authority in order to reach the reform goal.

Reforming Russia admittedly has always been something akin to a Herculean task. Russians' deeply entrenched conservatism and endemic inertia, compounded by a fear of

disorder, have frustrated countless reform attempts. The examples of Peter I and Stalin, two of the strongest personalities in Russian history, show that no matter how great the opposition, rapid and fundamental change is nevertheless

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possible. Both leaders recognized in their times that Russia's backwardness threatened the state's security, and so undertook all necessary measures to modernize. Granted, the population was not necessarily intended to be the primary beneficiary of change in either case, especially as economic reforms were not accompanied by any move toward pluralism. But, in both instances, the reforms helped the state survive threats to its existence, even though the population suffered greatly.

### **Gorbachev's Socialism Conundrum**

When Mikhail Gorbachev came to power in 1985, he recognized an urgent need to overhaul the decaying state-planned economic system. But he had much less room for maneuver, and fewer instruments at his disposal, than virtually all of his modernizing predecessors. For example, the use of terror—something applied with vicious effectiveness by Peter I and Stalin—was never an option available to Gorbachev. At the same time, seven-plus decades of communism had anesthetized the population almost completely against the concept of individual initiative. Under the prevailing conditions, glasnost and perestroika were Gorbachev's way of trying to stave off threats to state security and integrity, and he deserves credit for undertaking such a daring experiment, especially at a time when he had not fully consolidated his grip on power. Yet, in retrospect, Gorbachev's reform attempt was virtually guaranteed to end badly.

A major reason for perestroika's collapse is connected to Gorbachev's own foibles. Although intelligent enough to see the need for reform, he was never able to solve his personal contradictions, which were accentuated by the process he unleashed. Seeing perestroika through to a successful conclusion would have required unswerving leadership. But that was never Gorbachev's style. He was more a consensus builder. Although admirable in most cases, when it came to perestroika this trait perhaps was more an impediment than a facilitator of change. It prompted Gorbachev to try to be all things to all people during a time and place in Russian history when it was impossible to appease every segment of Soviet society. Gorbachev's constant quest for consensus thus hindered him from cultivating and keeping a natural constituency that could act as a shock force for reform. Instead, Gorbachev constantly scrambled to form coalitions. Eventually he proved incapable of making good on all his deals, hastening the state's collapse.

Part of the reason for Gorbachev's preference for a consensus approach can be explained by his preoccupation with his public persona. According to some

Kremlin colleagues, Gorbachev was obsessed with his image. This obsession may also be linked to one of Gorbachev's great flaws: his indecisiveness. Concern for his personal prestige prompted Gorbachev to be hesitant and indecisive at times when faster and firmer action might have contained perestroika's potential for chaos. Due partly to his character traits, Gorbachev often found himself outpaced by events. This led him to take desperately hurried steps that exacerbated tension more often than they defused it. Yegor Ligachev, Gorbachev's chief Kremlin adversary during the early years of perestroika, suggests the Soviet president's tendency to hesitate was a major reason why perestroika went awry:

Gorbachev is one of those politicians who takes decisive measures when the situation is overripe. He waits for the apple to drop. . . . He always worried about how the country and the world would accept the solutions he offered. . . . He preferred reproaches for being too late to attacks for making mistakes.<sup>1</sup>

Gorbachev's indecision wasn't his only serious flaw. The source of many of his troubles was his unshakeable faith in socialism, and the belief that the Soviet system could somehow be reconciled with the twenty-first century. Even after the August 1991 coup, Gorbachev was still proclaiming loyalty to the "socialist choice." More specifically, Gorbachev never could abandon his opposition to private ownership of land, one of the cornerstones of any thriving market economy. His land-privatization conundrum was enough, on its own, to guarantee perestroika's collapse. His lingering attachment to general socialist principles caused Gorbachev to shy from various shock therapy plans that were, albeit arguably, Russia's best chance at forging a law-governed market democracy in the former Soviet Union.

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Another flaw with disastrous repercussions was Gorbachev's poor ability to judge character. Ironically, whereas Gorbachev was overly deliberate in his conduct of

perestroika, and later in attempts to keep the Soviet Union intact, he was impulsive and impatient in the sphere of personnel matters. This anomaly was especially unfortunate, as many of the cadre moves made early in his tenure he would later come to regret.<sup>2</sup> The fact that Gorbachev appointed all the key August coup conspirators is just one of many glaring examples of his knack for surrounding himself with mediocre subordinates. In addition, Gorbachev's ability to listen to advice seemed to diminish as perestroika went on. During his last year-and-a-half in the Kremlin, Gorbachev made several key decisions apparently without consulting close advisers. For example, long-time presidential aide Anatoly Chernayev asserted in his memoirs that he found out that Gorbachev intended to install Gennady Yanaev as Soviet vice president only when the president made the nominating speech at the Congress of People's Deputies in December 1990.

Largely because of his flaws, Gorbachev ultimately lost widespread respect, always an ominous development in Russia. Given the dependence of Moscow's political system on firm leadership, the appearance of a weak leader has often

been accompanied by intrigue and tumult. The exact point when Gorbachev's loss of respect attained critical mass is debatable. But certainly the May Day parade in 1990, when Gorbachev was jeered off Lenin's mausoleum, confirmed that his days in power were numbered. Lots of political maneuvering ensued, during which virtually all of his political allies either abandoned him or were cast aside, ending only when his enemies hatched the August 1991 folly. As for Gorbachev, the more respect he lost, the more he focused on retaining power. Perestroika's potential for renewal, and the construction of new political institutions, thus began to fade quickly. The situation was such that by 1991, the preservation, not the restructuring, of the Soviet Union appeared to be Gorbachev's primary goal.

Eventually Gorbachev sanctioned the use of force to preserve the state's integrity, and, indirectly, his preeminent position. Still, he proved to be indecisive in the application of force. And his wavering not only helped accelerate the disintegration of the Soviet Union, it probably served as an invitation for the coup against him. The events in Lithuania in January 1991 were critical in this respect. At the time of the botched clampdown in Vilnius, Gorbachev's tactical alliance with conservatives was at its zenith. But when it was over, the general secretary found himself mortally wounded politically, while the Soviet Union began lingering on its deathbed. Gorbachev denied any advance knowledge of the Lithuanian clampdown, but at least one arch-conservative Soviet parliamentary leader, Col. Viktor Alksnis, disputed the Soviet president's version. Alksnis claimed that not only had Gorbachev given the go-ahead for the crackdown, the president saw it as part of a grand plan to declare direct presidential rule in the independence-minded Baltic republics of Lithuania, Latvia, and Estonia. The plan failed not because of Lithuanian resistance, but because Gorbachev lost his nerve, according to the colonel. "Gorbachev betrayed us," Alksnis told the Danish newspaper *Berlinske Tidende*. "Halfway through he got cold feet and became afraid."

The abortive August 1991 putsch wrote the epitaph for perestroika, as defined by the attempt to reform the Soviet Union. But perestroika's demise offered a unique opportunity to build a new order in Russia out of the Soviet Union's rubble. The man in position to put Russia on a sound footing for the twenty-first century was Yeltsin. The Russian president appeared in late 1991 to possess a perfect mixture of firmness and vision. He projected strength and inspired broad respect, thanks to his courageous performance during the August coup. His pro-reform record also revived hopes for turning Russia into a law-governed state. In particular, he created the impression of wanting to solve the nationalities' question, telling authorities in Russia's ethnic republics in August 1990 that they could "take as much power as you yourselves can swallow." That raised the possibility for the formation of a truly federal state, something that would help promote a civil society.

### **Yeltsin's Squandered Opportunity**

The situation that existed in the months following the August coup offered perhaps the best chance in generations for a modernization-minded leader to break the vicious cycle of Russia's political tradition. The monolithic institution of the ancien regime, the Communist Party, had been routed by perestroika's implosion, offering Yeltsin the opportunity to implement his agenda without any serious opposition from the old guard. In addition, the population gave Yeltsin almost unanimous backing at the time. All that was needed, then, was fast and firm action.

Unfortunately, Yeltsin failed to seize the opportunity firmly. Instead of moving swiftly during the last half of 1991 to complete the break with the past, he withdrew from the political fray for several crucial weeks. The man who was resolute in defying the coup conspirators suddenly appeared lethargic in the failed

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putsch's aftermath. He seemed more intent on crushing his bitter rival, Gorbachev, than on creating a new order. As a result, the window for rapid reform quickly closed. Popular enthusiasm for a drastic overhaul fizzled and the Communist Party went to work restoring its shattered cadre networks. And when radical reforms were finally launched in January 1992, the

Yeltsin government did an inadequate job of preparing the population psychologically for the pain associated with the move to a market economy. The people believed that pain-free change was possible, and the leadership from Yeltsin on down did little to dispel this wishful thinking. Meanwhile, hopes for the formation of a truly federal state were shown to be illusory.

Upon gaining absolute control in the Kremlin in December 1991, Yeltsin began rapidly to overhaul his pre-putsch populist persona. Gone was the man who mingled with the people, and who drove around Moscow in a simple black Volga sedan. By 1993, Yeltsin was sitting in splendid isolation in the Kremlin, venturing out only in a Mercedes limousine. Over time, his priorities also shifted drastically. The man who gave the go-ahead for the Gaidar price liberalization in January 1992 subsequently became concerned with preserving his own power and slowed the reform pace significantly, discarding the reform architects along the way. In addition, his main criteria for major political appointments became personal loyalty instead of professional ability.

The inability of reform to match expectations under Yeltsin is understandable. As with Gorbachev, Yeltsin's flaws meant reform attempts never stood a good chance of success. Perhaps most damaging in Yeltsin's case was his inability to take a long view. Valentin Yumashev, a journalist and one-time confidant of Yeltsin, described the Russian president as “a classic apparatchik of the Brezhnev and perestroika eras.” He added that Yeltsin tended to devote all attention to immediate concerns. “This exclusive emphasis on the present would seem insufficient at a moment when Russia also needs an intuitive politician.”<sup>3</sup> By 1996, when he announced his intention to seek reelection as Russian president, Yeltsin was being described as a latter-day tsar by some Russian observers. “Yeltsin was never a democrat,” Russian political scientist Viktor Kremenyuk told the London *Sunday Times*. “He is first and foremost an anti-communist who jumped on the democratic bandwagon when it was convenient. And now he knows that democratic positions are not so popular.”<sup>4</sup>

During the perestroika era, Yeltsin was a drastically different person. He showed he was a generally pragmatic and shrewd politician. Without these qualities he could not have staged his genuinely astounding comeback, from Politburo expulsion in 1987 to mastery of the Kremlin in late 1991. Although he occasionally experienced lapses in judgement, such as the February 1991 television speech in which he demanded Gorbachev's resignation and was himself almost ousted by his Russian legislature, his ability to gauge the popular mood

helped him to outmaneuver his enemies constantly during his political revival. Yeltsin's pragmatism, though, seemed to abandon him after he assumed the mantle of power. First, there was the confrontation with Vice President Alexander Rutskoi, Supreme Soviet Chairman Ruslan Khasbulatov, and the Russian legislature, culminating in the infamous immolation of the White House in October 1993. There followed an even larger debacle: the Chechnya war. The decision to send tanks into Grozny can be characterized as the absence of rationality, given the history of Chechens' indefatigable will to fight back.

So what can explain Yeltsin's loss of political instincts? One possible cause, of course, is alcohol abuse. Immediately after arriving in Moscow from Sverdlovsk, Yeltsin demonstrated a knack for erratic behavior, and suspected drunkenness was frequently proffered as the cause. He controlled himself during his comeback, especially from

May 1990 until the end of 1991, when he was locked in a struggle to the political death with Gorbachev. But by 1994, Yeltsin was again sometimes behaving in an embarrassing manner. Most noteworthy was the 1995 stopover in Ireland, when he remained aboard his jet and failed to appear for a planned meeting with then-Irish Prime Minister Albert Reynolds. Another incident

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came during 1994 departure ceremonies that ended the Red Army's military stay in Germany. On that occasion, he sang boisterously and appeared to conduct a German military band with a drunken flourish.<sup>5</sup>

In addition, alcohol abuse may have contributed to Yeltsin's heart condition, which hampered his ability to govern for long stretches. A dangerous consequence of Yeltsin's health problems is that it strengthened his reliance on a coterie of advisers who approach reforms with suspicion. The emergence of Alexander Korzhakov as Yeltsin's closest confidant, for instance, raised widespread concern that a modern-day Rasputin was running the country. Indeed, whereas Gorbachev erred in surrounding himself with treacherous advisers, Yeltsin showed himself prone to cronyism. The political culture fostered by Yeltsin's administration has hindered the effort to strengthen political institutions. Those institutions that have appeared seem to be dominated by former Communists. A study by sociologist Olga Kryshchanovskaya, published in January in the *Izvestiya* daily, shows that while the names of Russia's political structures have been changed to reflect a break with the Soviet era, many of the same people remain in power. According to the study, three-quarters of those staffing the presidential administration were apparatchiks in the Soviet regime. In Russia's regions, 82 percent of the political elite were leading Communist Party members.<sup>6</sup> Given that many former party members remain in influential positions, it should not be surprising that personal connections still count far more than legal rights in the development of Russia's new economy.

The war in Chechnya seems to have delivered the coup de grace to hopes that Russia can evolve into a law-governed state any time soon. Indeed, Russian human rights activist and then-presidential adviser Sergei Kovalev, in the wake of the Pervomaiskaya fiasco in which Russian troops destroyed an Ingush

village, accused the president of making the "final break" from the "democratic path."<sup>7</sup> Leading politicians from all across the ideological spectrum began declaring in early 1996 that the longer Yeltsin lasted in power, the greater the risk for Russia to head down a tragic path. "Gambling on Yeltsin, after what has happened, would be suicide," said former Russian Prime Minister Yegor Gaidar, referring to the Chechen imbroglio.<sup>8</sup> At the same time, Gennady Seleznyev, the Communist speaker of the Duma, portrayed the president as an aspiring dictator, saying: "Yeltsin could go down as Russia's first and last president."<sup>9</sup>

### **Russia: Still Waiting**

Gorbachev and Yeltsin, far from being the dynamic duo of Russian modernization, succumbed to their flaws and thus squandered a terrific opportunity. They managed to behead the beast that was the Soviet system, only to allow a malformed monster, half capitalist, half socialist in composition, to take its place. During the combined Gorbachev-Yeltsin tenure, most attempts at building viable new institutions failed miserably, particularly in the legislative and judicial spheres. At present there is no balance among the three branches of government. The Constitution, which was adopted in December 1993 under dubious circumstances, places virtually all power in the hands of the president. It cannot be considered a democratic document if one takes into account Russia's

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authoritarian tradition. The 1993 Constitution, in fact, set the stage for new displays of arbitrariness, as exemplified by the storming of Grozny and the handling of the Per-vomaiskaya hostage-taking incident. The one sphere where there is still hope for a new order is in economics. Granted, the development of equity

markets, a major pillar of capitalism, has been uneven, with credibility damaged by an array of scams, including the MMM pyramid debacle, which involved 10 million investors. But the slow evolution of market institutions continues nonetheless.

Perhaps examining the motivation for the reform impulses of Gorbachev and Yeltsin can help explain why their experiments went awry. It can be argued that perestroika never was intended to induce the metamorphosis of the Soviet Union into a law-governed market democracy. Gorbachev, ever the loyalist to the socialist ideal, may have envisioned perestroika as a vehicle to retool the socialist system, with the Communist Party retaining its leading role into the twenty-first century. That would have meant a downsized, more efficient *apparatus*. If this is the case, and it may never be possible to know for certain, Gorbachev's behavior during the late stages of perestroika is more understandable. When reforms gained a momentum of their own, Gorbachev panicked and attempted to restore general secretary-like methods of control. However, he failed to understand that once the process was started, there was no going back.

There is evidence to support the hypothesis that perestroika's original aim was to restyle one-party rule, giving the Soviet system a more human face. Early in the reform process, Gorbachev repeatedly declared the object of his reforms was not to bring pluralism to Russia, but to advance along Leninist lines. A typical example of Gorbachev's thinking came in a speech to media

representatives and intellectuals in May 1988. "We must bring out the humanist potential of socialism: that is perestroika's task," Gorbachev said. "We cannot pursue perestroika, which aims to upgrade socialism to meet the parameters of Lenin's thinking in the interest of all the people, through a 'free-for-all.' We aren't, after all, destroying the social system, or changing the forms of ownership."<sup>10</sup> How much of these comments was rhetoric, designed to keep nervous apparatchiks in line, and how much reflected Gorbachev's own beliefs, is open to debate. Still, long after he engineered the abolition of Article 6 of the Soviet Constitution, which ensured the Party its leading role status, Gorbachev at best was a reluctant convert to pluralism. "Those who reject our socialist past I view with contempt," he said in an interview with CBS News during the twenty-eighth Party Congress in July 1990.

Given Gorbachev's views, it must be considered that his efforts to democratize society came mostly in reaction to circumstances. In particular, it was after he determined that persuasion alone wasn't enough to overcome internal Communist Party opposition to perestroika that he opted to establish the democratic institution of the Congress of People's Deputies. The Congress essentially was intended by Gorbachev to serve as a tool to help overcome resistance from that segment of apparatchiks who knew they had no place in a streamlined system. It was not envisaged as the foundation of a new order. Indeed, even though Gorbachev created the new legislature, he was not willing to submit to the Congress' authority. On occasions when lawmakers opposed his plans, Gorbachev often changed the rules. For example, when it appeared that the Congress would not ratify the appointment of Dmitry Yazov for defense minister, Gorbachev changed the procedures to ensure confirmation.<sup>11</sup> On the rare occasion that a parliamentary vote went against Gorbachev's wishes, the Soviet president often engineered a another vote, as was the case with Yanaev's election to the vice-presidency.

Whatever Gorbachev's motivation, it can be said that he launched perestroika with his country's best interests, or at least what he perceived them to be, in mind. He deserves to be lauded for generally shunning the use of force, especially in the case of Eastern Europe's defection from the Soviet sphere. If he deserves praise for restraint, however, he also should be condemned for his destructive conviction that a "third way" of politico-economic development, between socialist and capitalist paths, could be found. As for Yeltsin, Russia's best interests would appear, with hindsight, to have always come second to personal considerations. He has been brutal in pursuit of individual aggrandizement, underscored by his conduct during the October 1993 rebellion, and his handling of the Chechen war. He has demonstrated a repeated, if not congenital, inability to negotiate in good faith in the domestic political arena. Likewise Yeltsin has demonstrated signs of unreliability in foreign affairs, as Russia by early 1996 was balking at implementing various arms control commitments.<sup>12</sup> His style of leadership can only be considered anachronistic with late twentieth century conditions in Europe. His flaws dwarf those of Gorbachev, and thus he stands to be harshly judged by history.

The eleven-plus years of Gorbachev-Yeltsin Kremlin occupancy confirms just how much influence individuals have had over the course of Russian history. If Gorbachev had never become general secretary, for example, the Soviet Union could very possibly still be in existence today, although probably



The failures of Gorbachev and Yeltsin leave Russia still waiting for its next great modernizer, able to forge a civil society and outfit the country for the future. Any future modernizer will face essentially the same dilemmas that greeted Gorbachev in 1985, especially the entrenched conservatism and the need to end the dominance of personalities over the country's development course. Russia remains bereft of an economic system that can facilitate the realization of the country's vast potential. Only with governance of stable, decentralized institutions, not by its present reliance on personalities, will Russia be able to

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change the situation. Without institutions that can inspire popular confidence, the atmosphere of suspicion that currently hangs over the economy is unlikely to be lifted. The extent of popular distrust about Russia's current chances for stable development is best measured by the lack of confidence in the national currency, the ruble. At the end of 1995, Russians held more cash in U.S. dollars (an

estimated \$15-20 billion) than they did in rubles (worth approximately \$12 billion).<sup>13</sup> The flight of capital from Russia was also continuing unabated.

As for Russia's fledgling market economy, the crucial moment is approaching. The economy features many market elements, but it remains in desperate need of an expanded legal framework. Unless current conditions change quickly, Russia could end up in a situation somewhat similar to that which existed before the Bolshevik seizure of power. There could be an unbridgably vast chasm separating the relatively small group of extraordinarily wealthy property holders from the hordes of poor. A middle class, meanwhile, would be relatively small and unable to act as a force for stability. Such conditions could allow for a repeat of history, only this time dictatorship might come from the right, rather than from the left. A society in which there is little hope for upward mobility is often an incubator for revolution.

So how can the economic course be corrected? To begin with, structural flaws in the existing system must be fixed. Capital flight must be stopped with incentives, not arbitrary presidential decrees. Corruption and tax evasion are also serious problems that, unless they are addressed soon, threaten to become entrenched and to stifle economic development. Significant changes in the privatization process are also urgently needed. Some foreign defenders of the Yeltsin government claim the selloff of state property has been a success, pointing to the fact that roughly 70-80 percent of the economy is now in private hands. That figure, however, overlooks the fact that many medium- and large-scale enterprises have undergone pseudo-privatizations that essentially are employee buyouts. If such enterprises are ever to become profitable, they will have to shed workers to become more efficient. Employee-owners, however, are less likely to make the deep labor cuts needed because it would mean laying off themselves. As long as enterprises avoid streamlining operations, they will serve as a drag on economic growth, constantly draining state coffers with subsidy demands. In addition, many plant managers, or "red barons," have gained controlling interests in their enterprises. These plant directors have yet to

demonstrate a desire to retool their plants for international competition. They also show little feeling of responsibility to shareholders.<sup>14</sup> The failure of corporate governance to show improvement is one reason the *Moscow Times* stock index fell precipitously in 1995.

A lack of foreign investment has additionally hindered the development of the Russian economy. Russia's ability to remodel key sectors of the economy, such as oil, gas, and communications, may be impossible without Western assistance. But Russia demonstrated a decreasing desire in 1995 for Western help. Yeltsin took steps during the winter of 1995-96 that severely shook foreign investor confidence. First, he sacked privatization's darling, Anatoly Chubais, the last holdout from the radical reform team assembled by Gaidar. The dumping of Chubais came just a few weeks after the collapse of the government's planned sale of Sviazinvest, a privatized telecoms company, to Stet, the Italian state phone company. The failure of the telecoms sale was significant because it demonstrated Russia's reluctance to follow through with a transparent tender process. It reinforced the trend of secretive, insider privatization deals that discourage movement toward a civil society.<sup>15</sup>

### Conclusion

Gorbachev and Yeltsin have arguably done more harm than good to Russia's modernization capability. Indeed, the two created a situation heretofore seen in Russia only during the Time of Troubles and in 1917. Broad sectors of Russia's population now associate the market-democratic system with chaos, unemployment, and poverty, thus creating space for the potential appearance of a demagogue offering simple solutions. In addition, two dangerous trends appeared over the past decade that could have long-term implications for any attempt at building new institutions. First, organized criminal gangs have gained a major presence, if not a stranglehold, in the economic sphere. The so-called Russian *mafija* poses the biggest threat to the prosperity of small business, and therefore to the development of a broad-based middle class in Russia. Lacking a viable judicial system, *mafija* contract killings and intimidation are one of the prime methods of arbitration and regulation of the economy, especially in the banking sector.

The second alarming trend concerns the military. The collapse of the Soviet Union left military institutions and the officer corps in disarray. Amidst the chaos of the economic transition, many officers started to engage in shady business practices. Meanwhile, the military saw itself frequently dragged into domestic politics—never a welcome development in any society that hopes to emerge into a law-governed state. Before Gorbachev, the Soviet military's responsibilities were entirely connected with defense against external threats. But beginning in the late 1980s, with separatist sentiment simmering, the military started being called upon to keep autonomy ambitions in check. In some cases, conservative military commanders began acting beyond the Kremlin's control, starting with the 1989 Tbilisi crackdown. The result is that the military, which was once one of the Soviet state's most obedient institutions, has developed a somewhat independent attitude. The military's reliability in following civilian orders could no longer be assured in early 1996. Therefore, the military is a potentially destabilizing force in Russia, and perhaps in the entire former Soviet Union.

Without stable institutions capable of acting as a counterweight to flawed or arbitrary leadership, Russian reform may perennially be prone to taking one step forward and two steps back. History demonstrates that when all responsibility for

governance largely rests with one individual, or even a closed cabal, the state's ability to develop normally can be greatly hindered. Sooner or later arbitrariness or sloth leads to upheaval that destroys progress. Now is a critical period for development, not just for Russia, but for all world powers. The high-tech computer revolution threatens to widen gaps greatly, not only between rich and poor segments in individual nations, but also between developed and developing states around the world. Russia can be characterized at the moment as being stuck in the no-man's land between the developed and developing. Given its size and natural wealth, it needs to escape from this limbo quickly, joining the group of developed world economic powers. But Russia has produced little reason for optimism that it can soon become a reliable member of the community of law-abiding nations. This estimation is underscored by the Chechnya fiasco. If Russia is too slow in adapting to the twenty-first century, the consequences could be catastrophic; another implosion could easily occur. In this case, Russia would be a menace not just to itself, but to the entire world.

## Notes

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2. Robert Kaiser, *Why Gorbachev Happened* (New York: Simon and Schuster, 1991), 292.
3. John Morrison, *Boris Yeltsin—From Bolshevik to Democrat* (New York: Dutton, 1991), 151.
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5. Author's eyewitness account.
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7. *Vremya* evening news broadcast, 23 January, 1996.
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