

Was Liberty Really Bad for Russia? (Part II)

LEON ARON

Abstract: In part I of this article, the author dealt with what might be called the errors of commission, or false attribution, in the “chaos-of-the-1990s” stereotype, which became a major theme of the Putin Kremlin’s propaganda. The economic crisis of that era, mostly inherited from the decaying Soviet economy, was laid at the revolutionary regime’s door. Yet the “chaos” legend also contains errors of omission: On closer inspection, there was a great deal in the 1990s besides the alleged “chaos.”

Keywords: 1990s, democratization, economics, Russia, Yeltsin

“When it shall be found that much is omitted, let it not be forgotten that much likewise is performed.”

—Samuel Johnson¹

A leading Eastern European student of post-Communism called the reforms following the demise of the Soviet bloc “one more modernizing leap forward in Eastern Europe’s timeless bid to catch up with Western Europe.”² In the 1990s, Russia embarked on the same long, slow, and difficult journey. After three-quarters of a century of an economy marked by fiat, relentless shortages, ubiquitous lines, forced labor, and barter, Russia began to acquire major elements of modernity. These include the sale of goods and services replacing distribution based on position in the political hierarchy; fresh food abundantly available without the indignity of ration coupons, lines, and informal networks of connection and exchange; consumer choice; a national currency convertible inside the country—anyone with rubles could buy what used to be sold for special coupons (“certificates”) only in the special stores for the elite or those lucky enough to be able to work abroad; the ability to travel abroad; newspapers, books, art, and foreign broadcasts free from government

Leon Aron is a resident scholar and director of Russian studies at the American Enterprise Institute (AEI) in Washington, DC. Aron was born in Moscow and came to the United States as a refugee from the Soviet Union in June 1978 at the age of twenty-four. He received a PhD from Columbia University in 1985. Aron has contributed numerous articles on Russian affairs to newspapers and magazines and writes the “Russian Outlook,” AEI’s quarterly essay on economic, political, social, and cultural aspects of Russia’s post-Soviet transition. He is a frequent guest of television and radio talk shows. He has appeared on CBS News’s *60 Minutes*, PBS’s *The NewsHour with Jim Lehrer*, and NPR’s *All Things Considered* and *Talk of the Nation*. Aron is the author of the first full-length scholarly biography of Boris Yeltsin, *Yeltsin: A Revolutionary Life*, and most recently published *Russia’s Revolution: Essays 1989–2006*. He is currently working on *Roads to the Temple: Ideas and Ideals in the Making of the Russian Revolution* (forthcoming, Yale University Press). Copyright © 2008 Heldref Publications

ensorship and jamming; religious freedom; the end of state anti-Semitism and discrimination against Jews in employment and education; and the freedom to start a private business.

Where even the most basic institutions of a modern economy had not previously existed, there sprang a stock exchange, a currency exchange (Moscow Interbank Currency Exchange, or MICEX, in 1992), the Federal Commission for the Securities Market (FCSM, in 1996), commercial banks, a treasury to deposit taxes and set interest rates (in 1997), and arbitration courts. Computers, so rare and expensive that in the late 1980s apartments were burglarized and people murdered over them, were suddenly everywhere.

As President Vladimir Putin said a few days after Boris Yeltsin's death in April 2007, when the "chaos" theme was temporarily muted, "it was precisely during this complicated period [of the 1990s] that the foundation of the future change was laid."³ By 1997, the economic freefall ended: the country's industrial production expanded by almost 2 percent and, for the first time since 1990, there was minuscule growth. Thirty-one Russian families in one hundred now owned a car—an increase of more than 70 percent from the 1990 level, when only eighteen of one hundred families did.⁴ By the spring of 2000, car ownership expanded to 40 percent of all families, more than double the 1990s's percentage.⁵

In 1995, Russian tourists spent an estimated \$11.6 billion on travel abroad.⁶ A year later, according to the World Tourism Organization (WTO), of twenty-five top country-by-country spenders, the Russians were tenth, ahead of the South Koreans, Brazilians, Spaniards, and Chinese.⁷ In 2000, there were 16,000 travel agencies in the country.⁸

By 1998, after several presidential decrees, three-quarters of the Russian population legally and permanently owned a piece of land, including 22 million urban families who reveled in the ownership of their beloved suburban gardens and *dacha* plots. In the countryside, 90 percent of the former collective farms became, at least nominally, joint-stock companies or cooperatives, owning some 345 million acres of formerly state-controlled agricultural land—63 percent of the total.

Despite the Duma's staunch resistance to the government's attempts to pass legislation affirming the right to own, buy, and sell land, the freeing of prices on agricultural products and the privatization of wholesale and retail trade resulted in a revival of food production that the Soviet Union had wasted untold trillions of rubles to achieve. Instead of buying millions of tons of grain and cereals, Russia exported ten million tons in 1997—its first grain sales in decades.⁹

Following the largest privatization effort in history, the private sector accounted for 70 percent of Russian GDP by 1997, not counting the very sizable (and private) "gray," or underground, sector.¹⁰ Close to a million privately owned small and medium businesses were registered (the total number was much higher) to feed and clothe Russians, repair their apartments and their cars, and provide thousands of goods and services that were impossible or nearly impossible to receive in the Soviet days. Russia began a long trek toward becoming a normal, low-income European country.

Many hopelessly decrepit plants and factories, unable to meet demand for quality products, were either gradually closed or replaced with private companies that would soon receive international seals of approval, such as the juice and yogurt maker Wimm-Bill-Dann, which became the first Russian consumer goods producer to be listed on the New York Stock Exchange in 2002. Privately owned cellular phone companies began to lay the foundation for a spectacular expansion, which, fueled by price wars and fierce

competition for customers, overtook the dilapidated landline network and resulted in near-saturation levels of cellular ownership, first in large cities, and gradually throughout the country.

As a result of restructuring, consolidating, and modernizing in the second half of the 1990s—helped by the cheaper ruble in the wake of the 1998 financial crisis and the rising world commodity prices—the new private owners of Russia’s top oil, steel, nickel, and aluminum companies engineered spectacular growth in production and the capitalization of their properties. Initially met with sullen and dispirited workers, who in some cases had not been paid for months, many new owners proceeded to turn their acquisitions into world-class corporations awash in cash.

The young “oligarchs,” many of whom acquired stakes in the crooked “loans-for-shares” auctions, invested heavily in their enterprises—proving many Western “experts,” who had confidently predicted they would strip the assets and live abroad off Swiss bank accounts, wrong. (“Plunder” is another cliché that, notwithstanding all evidence to the contrary, is still used by Western journalists.¹¹) Between 1999 and 2004, Russia’s private oil companies reinvested 88 percent of their profits, or \$36.4 billion, in exploration, drilling, and modern technology.¹² As a result, instead of becoming a net oil importer—a possibility seriously entertained by Russian and foreign specialists and the Russian government in the early 1990s¹³—Russia became the world’s second largest (and in some months, leading) exporter of oil as the private oil sector increased production by 47 percent.¹⁴ (During the same time, the output of state-owned companies grew by 14 percent, with the largest, Rosneft, essentially stagnant.¹⁵ Following de facto nationalization of the top two private oil companies, Yukos and Sibneft, production growth decreased from an average of 9 percent a year to 2 percent in 2005–06.)

Benefits of a Market Economy

Contrary to the “chaos” cliché, there was no breakdown in higher education and public health care in the 1990s. The number of colleges and universities grew by 75 percent between 1992 and 2000, and the number of students increased 50 percent, primarily because private institutions of higher education multiplied rapidly to meet demand.¹⁶ There was also a ninefold increase in private schools (gymnasiums) from 177 in 1991 to 1,606 in 1997.¹⁷

Russia’s spending on health care almost doubled from 2.9 percent of the GDP in 1990–91 to 5.7 percent in 1995. (The ratio was 2.2 percent in 1985.¹⁸) Russia spent proportionately more in 1997 (7.3 percent) than in 2005 (6.4 percent).¹⁹ Most likely, a 7 percent decrease in infant mortality from 1989–98 reflects the increase in expenditures.²⁰

Private economic activity and a civil society free from state control forged a religious revival with thousands of new or restored churches, mosques, and synagogues opening their doors to hundreds of thousands of worshippers. Religious instruction and the publication of religious texts, such as the Bible and the Koran, flourished. Private charities skyrocketed from zero in 1988 to 60,000 in 1998, with an estimated 2.5 million Russians actively helping thirty million of their fellow citizens.²¹

The emergence of the post-Soviet middle class also rejuvenated the book publishing industry. In the last years of the Soviet Union, an average of 1,500 new titles appeared in Russia every year. By the end of the 1990s, the number grew to 12,000, largely because of privately owned publishing houses.²² By 2001, the national book fair in Moscow featured

2,000 publishers, 80 percent of them privately owned. *Samizdat* (privately circulated forbidden texts) and the black market in books disappeared as bookstores—only a few years before drab and pitiful in their few dozen offerings—were revamped with fare for every age, taste, and political persuasion.²³

In yet another exception to the “chaos” canon, economic reforms were not forced on a cowed population, but were actually supported by majorities or pluralities at every key juncture. With public opinion becoming the most potent political factor in the 1990s, the government had no means of overcoming consistent opposition to its policies even if it tried—its coercive powers had been significantly weakened, in many cases deliberately, by the regime’s own policies. The new political ethos in the Kremlin revered and feared public opinion as much as, and perhaps even more than, mature democracies. Ministers, top advisers and aides to the president were fired after an independent media publicized real or alleged scandals. When the war in Chechnya became unpopular, it was ended by Yeltsin a year and a half after it began by granting *de facto* independence to the breakaway province.

Russians elected Yeltsin president in the first democratic contest for the Kremlin in 1991. After voters chose Yeltsin’s platform of radical transformation, they had at least two opportunities to reverse the course. In the April 1993 referendum, with monthly inflation at 19 percent, 59 percent of voters (40.5 million people) voted “yes” to the question of whether they “trusted” Yeltsin, and 53 percent (36.6 million) answered positively when asked, “Do you approve of the socioeconomic policies carried out by the President of the Russian Federation and the government of the Russian Federation since 1992?” Three years later, after a tough race that nearly cost the very sick Yeltsin his life, 40 million Russians voted to reelect Yeltsin, giving him a 54 to 40 percent victory over his Communist opponent.

In monthly surveys conducted between 1989 and 2004, Russia’s most respected independent polling firm—led by the dean of Soviet and Russian pollsters, Professor Yuri Levada—asked the respondents whether the reforms ought to be stopped or continued. In a perennial memorial to Russian people’s wisdom and courage, apart from a few occasional months, the “continue” line on the chart is always above the “stop” line. Support for reform was highest during the hardest times, between March 1992 and March 1994.²⁴

Demilitarization

Building on Mikhail Gorbachev’s and Eduard Shevardnadze’s policies of “new thinking in foreign policy” that aimed at bringing the country into the “civilized world,” post-Soviet Russia divested itself of the empire and undertook a peacetime demilitarization of the economy and society unprecedented for a country not defeated in a war and not occupied by the victors.

One of the first acts of the Yeltsin-Gaidar government in January 1992 was an 80 percent cut in defense spending from at least 25 percent of GDP to under 5 percent. By 1999, the outlays were further reduced to 2.3 percent of GDP—less than one-tenth of the Soviet level. Between January 1992 and January 1998, the armed forces were slashed by more than half, from 2.7 million troops to 1.2 million. After his reelection in 1996, Yeltsin ordered the retirement of 500 generals from the immensely bloated field officer corps. The government proclaimed its major goal of transitioning to a 600,000 member professional volunteer military by the year 2000, though it lacked the money to implement the reform.

The foundation of the Soviet Union's military might—its enormous strategic nuclear arsenal—was reduced just as decisively. Russia went from 10,000 warheads in 1991 down to 6,000 in 1994 in fulfillment of its obligations under the 1991 Strategic Arms Reduction Treaty (START I) with the United States. Although the left-nationalist Duma majority never ratified the 1993 START II agreement, Russia cut its arsenal further to 4,500 warheads during the 1990s.

These reductions were not the result of economic weakness, however. Countries do not make decisions of such magnitude based on accountants' recommendations of what they can and cannot "afford." If per-capita GDP determined defense expenditures, the Soviet Union, Hu Jintao's China, Ho Chi Minh's North Vietnam, Fidel Castro's Cuba, Saddam Hussein's Iraq, and Mengistu Haile Mariam's Ethiopia would spend a far smaller share of national wealth on the military than Holland or Denmark, let alone post-World War II France, Germany, or the United States. Instead, the amount a country pays to maintain its military reflects the public's (or the dictator's) priorities, which in turn are shaped by its pride, fears, perceived dangers, and, perhaps most of all, the criteria for national progress and greatness.

"A great power is not mountains of weapons and subjects with no rights. A great power is a self-reliant and talented people with initiative."

These criteria underwent a fundamental change in the 1990s. As President Yeltsin declared in a televised address to the nation in June 1997:

A great power is not mountains of weapons and subjects with no rights. A great power is a self-reliant and talented people with initiative. . . . In the foundation of our approach to the building of the Russian state . . . is the understanding that the country begins with each of us. And the sole measure of the greatness of our Motherland is the extent to which each citizen of Russia is free, healthy, educated, and happy.²⁵

(The 1990s national consensus on defense expenditures was strong enough to survive the change of regimes from Yeltsin's revolutionary presidency to Putin's restorationism. Despite Russia's oil wealth, military spending is still kept under 5 percent of GDP, and in 2002, Russia agreed to a further reduction of nuclear warheads to between 1,700 and 2,200.)

Equally breathtaking was the revolutionary regime's management of the disintegration of the Soviet Union's East Central European and domestic empires. From 1992–95, Russia repatriated 800,000 troops, 400,000 civilian personnel, and 500,000 family members (frequently without homes for the officers' families or jobs for their spouses). In the former Soviet Union, between the end of 1991 and the last months of 1993, Russia reduced its troops in Estonia from between 35,000 and 50,000 to 3,000. The departure of the last Russian soldier from the Paldiski submarine training base in Estonia in September 1995 marked the end of the Russian presence in East Central Europe. The lands acquired and held during 250 years of the Russian and Soviet imperial conquests became newly sovereign nations. Almost everywhere, Russia returned to its seventeenth-century, pre-Peter the Great borders.

The separation from Ukraine was especially painful because of its unique place in Russia's historic memory and national consciousness. Kyiv was the birthplace of the first Russian state and of Russian Christianity. Russia not only officially recognized an independent Ukraine in 1997 and pledged friendship with it but it also left behind the beautiful and fecund island of Crimea, which had been the staple of Russian poetry and Russia's most popular summer resort for two centuries.

Along with Crimea, Russia surrendered its entire Black Sea Fleet and its main base, the city of Sevastopol, where tens of thousands of Russian soldiers and sailors lost their lives in the heroic defense against the British and the French in 1854–55 and the Germans in 1941–42. One needs only to recall the horrific bloodshed that followed the collapse of the Ottoman, British, and French colonial empires, and the divisions of Ireland and Yugoslavia to recognize the enormity of what was achieved in the “chaos” of the 1990s.

Democracy

With the very significant exception of Yeltsin's unlawful dissolution of the Congress of People's Deputies and call for new elections to overcome a political stalemate that brought the country to the brink of a civil war in the fall of 1993, the 1990s saw mighty strides in the institutionalization of necessary (although, as it turned out, not sufficient) elements of democratic political order. Perhaps most important, free elections came to be recognized as the sole legitimate means of acquiring national leadership positions.

Public opinion reflected this sea change. In 1994, essentially the same proportion of respondents in a national poll opposed (33 percent) as supported (35 percent) a hypothetical dictatorship if it were necessary to “restore order.”²⁶ By 1997, the opposition to a dictatorship grew to 55 percent, while support stagnated at 35 percent.²⁷ In 1995, 54 percent of those polled said they did not “consider the Communist system acceptable for Russia”—precisely the proportion of the vote Yeltsin garnered a year later in a runoff against the Communist candidate for president.²⁸

Although often and rightly faulted for its loopholes and its obviously “Gaullist,” “presidential,” and quasi-authoritarian bias toward the executive, the constitution proved a remarkably lasting, reliable, and resilient foundation for the Russian republic.²⁹ Even during the fiercest ideological confrontations of the 1990s, neither the executive nor the opposition risked venturing outside the new constitutional framework.

Among the “foundations” of the new political order, the constitution's first chapter lists “man, his rights, and liberties” as the “highest values,”³⁰ and the recognition, observance, and protection of these rights and liberties are declared a “duty of the state.”³¹ It further describes a new Russian state as based on “ideological diversity” and “multiparty-ness” (*mnogopatriynist*).³² No official ideology or religion may be established.³³ Throughout the rest of the document, separate articles guarantee freedom of religion, speech, demonstrations, and mass media.

In two national referendums, three parliamentary elections, and one presidential election between 1993 and 1999, Russia came close to fulfilling Joseph Schumpeter's requirement for a minimalist, bare-bones, “poor” democracy: “free competition for a free vote.”³⁴ Thirteen electoral blocs or parties—most sharply and vocally critical of the government—and 1,567 independent candidates outside the party lists competed for 500 seats in the first Duma election in 1993; forty-three and 2,688, respectively, in the 1995 election; and twenty-six and 2,320 in 1999. The only time turnout in a national election fell below 61 percent was in December 1993, after the leftist-nationalist rebellion and the

bloodshed in Moscow. Seventy percent of the population voted in the 1996 presidential contest. (In the past three midterm elections in the United States, the average turnout for Congressional elections was around 40 percent; the turnout was 56 percent in the 2004 presidential election.)

The hard-line, “irreconcilable” (*neprimerimaya*), Communist-led “popular patriotic” opposition held a plurality in the 1995–99 Duma, and the Communist Party of the Russian Federation (KPRF) was the largest faction in the legislatures elected in 1995 and 1999. In the 1996 presidential election runoff, the KPRF’s chairman, Gennady Zyuganov, garnered thirty million votes (40 percent of the total) and beat Yeltsin in thirty out of eighty-nine regions.

Free from government censorship—and in many instances privately owned—print, radio, and television ensured immeasurably greater transparency of political and economic decision making than in the Soviet days and provided a reliable and extensive outlet for political opposition. State-owned television channels also regularly castigated the Kremlin and the president.

Like other registered parties, the “irreconcilable” Communists received government subsidies for their leading newspapers and funding for campaign expenses. They also enjoyed complete freedom to demonstrate, distribute campaign materials by tens of thousands to door-to-door organizers, and advertise in print, electronic media, billboards, and banners. They even received free airtime on three state-owned national television channels and on four radio networks. Zyuganov’s 1996 presidential campaign, like that of other candidates, was allotted and used a free hour and a half on television and two hours on the radio. The opposition’s views and electoral platforms were thoroughly covered by large independent and privately owned newspapers and magazines, and by half a dozen national and more than 150 local pro-Communist periodicals with a combined daily circulation of more than 10 million.³⁵ The Communist candidates, including Zyuganov, were regularly interviewed on national television and participated in the nationally televised debates, most frequently on the independent, privately-owned NTV network.

Separation of powers began to emerge, reflected in pitched battles between the president and the parliament and in vetoes and veto overrides on issues ranging from land privatization to freedom of religion. In January 1994, over the strenuous objections of the Kremlin, the Duma used its constitutional prerogative to give amnesty to everyone involved in the September and October bloody leftist-nationalist uprising in the center of Moscow (known also as a “mini civil war”). Some of the uprising’s leaders, including those who openly called for the execution of Yeltsin and his government, were subsequently elected governors and members of the Duma.

Law and Order

Russia, often viewed as too big and diverse to be governed democratically as one state, has traditionally been held together by the authoritarianism of the tsars or one-party dictatorship. Tyranny’s only alternative was anarchy. In the 1990s, a new federal Russian state was born: decentralized and consisting of self-governing provinces, yet resilient and whole.

Although Yeltsin’s decree authorized direct elections of governors in 1995, by then many regions had already begun to elect the “heads of the regional administrations.” All of Russia’s eighty-nine regions held at least three gubernatorial and regional legislative elections in the 1990s as a result. The Kremlin’s support was not a guarantee of success. In 1996, the candidates supported by the opposition People’s Patriotic Union of Russia won one-third of the contested governorships.

The 1990s also ended the state's ownership of justice and, with it, the unchallenged dominance of state prosecutors over judges and defense. The constitution declared all citizens equal before the law, affirmed their right to defend "personal rights and liberties in court," guaranteed the "independence" of judges and their "immunity" from prosecution, established an "adversarial and equal basis" for the relationship between the prosecution and defense in court, and outlawed a key tool of Soviet justice—forced self-incrimination.

Spurred by the constitution, the increasingly independent courts began to function as such, rather than as rubber stamps for the prosecution. The October 1995 "instruction" of the Supreme Court allowed regional and district courts to review the constitutionality of the actions of local

"In the 1990s, a new federal Russian state was born: decentralized and consisting of self-governing provinces, yet resilient and whole."

and federal authorities. After this, the courts became a venue not only for citizens successfully defending themselves against the state but also for suing it and winning. As the courts proceeded to invalidate national and local decrees and laws, including those of the president, a cascade of decisions bolstering the freedoms of speech, place of residence, religion, and conscientious objection to the military draft followed.³⁶

Among these "firsts" was the December 1999 acquittal, unprecedented in Russia's history, of a defend-

ant charged with treason in a case brought by the security services. In undermining the legality of the state's case, the defense team of the former navy captain and environmental activist Alexandr Nikitin—who was arrested by the Committee for State Security's successor, the Federal Security Service, in 1995—drew on the constitutional right to "freely seek, receive, pass on, produce and disseminate information," and on the constitutional ban against the application of unpublished laws and the retroactive application of the law.

Fall from Grace

Every one of these hopeful developments has been eroded or reversed in the past few years. Independent candidates may no longer run for Duma seats—all candidates must belong to a party, while the blocs of smaller parties are outlawed and registration of parties for elections is made so cumbersome and expensive that virtually any party could be disqualified by the Central Election Commission (CEC), which is now completely subservient to the Kremlin. Leading opposition parties have already been refused registration for the December 2007 election, including the liberal-right Republican Party of Russia and the left-nationalist Great Russia. Other parties are effectively blackmailed into "behaving" by the threat of losing the chance to be represented in the Duma. The threshold for entrance to the Duma has been raised from 5 percent to 7 percent of a national party vote. It is widely believed the CEC will alter the official results to allow or disallow the parties in the parliament on the Kremlin's orders unless there is independent verification of the vote by the opposition.

The state's virtually unlimited control over the political process renders multiparty elections in today's Russia impossible. Gone with them is an essential element of

democracy: effective political opposition capable of appealing to the electorate and influencing the regime.

In a flagrant violation of the constitutionally mandated people's right to self-government, gubernatorial elections have been abolished.³⁷ Governors are now appointed by the local legislatures following the Kremlin's "recommendations," not one of which, thus far, has been rejected. In turn, governors chosen by the government now appoint one of the members of the upper house of the Federal Assembly and the Council of Federation; the regional legislature selects the other members. With the executive branch's control over the legislative branch, separation of power has also become a thing of the past. (Between 1993 and 1995, the Federation Council, informally known as the "Senate," was filled with two representatives elected from each of the country's eighty-nine regions. During the rest of the decade, the council was filled, *ex officio*, by the governor and the chairman of the regional legislature, both of whom were elected by the people of the region.)

Society's ability to make informed judgments on the regime's performance and to make informed political choices is further reduced by the state's ownership or firm control of all national television channels. Government supervision of television programming reportedly includes weekly lists of "recommended" topics for coverage and lists of opposition leaders, independent commentators, and journalists who under no circumstances should be allowed to be interviewed or appear as guests on talk shows. "The real freedom of speech has existed in Russia only for nine short years: from the moment Yeltsin wrestled it from the State Committee for a State of Emergency (GKChP) [the leaders of the August 1991 attempted coup] to the time he handed it over to the heirs of GKChP [on the last day of 1999]," noted a prominent Russian journalist. "It disappeared afterwards—at least for the consumers of the major state-owned or pro-government television and radio channels, that is, for the absolute majority of the population."³⁸

A majority of the most popular independent newspapers and magazines have either been forced to fold (including the magazines *Itogi*, *Novoe vremya*, and the flagship newspaper of glasnost, *Moskovskie novosti*) or have been "tamed" ("neutered" might be a better term) by change of ownership (for instance, the newspapers *Nezavisimaya gazeta* and *Izvestiya*). Not counting Internet publications, accessible to 15 to 20 percent of the population at most, all that remains of the 1990s muckraking, raucously-critical-of-the-authorities mass media with nationwide reach is Ekho Moskvyy radio, with an estimated weekly audience of 900,000 listeners.

The courts' autonomy has also been gravely weakened by a series of high-profile cases replete with gross procedural violations, including jury manipulation and the replacement of judges. The trials and convictions of former oil tycoon Mikhail Khodorkovsky, arms-control expert Igor Sutyagin, and professor and satellite technology expert Valentin Danilov (the former was accused of tax evasion, fraud, and embezzlement, the latter two of espionage) signaled the return of the Soviet-style "telephone rule"—the right of state representatives at every level to dictate the outcome and verdict over the phone. Along with the legislative branch, the judiciary now appears to be under almost total dominance by the Kremlin.

Memories of the 1990s

After Yeltsin died, 25,000 people stood for hours in a very long line on a cold night in April 2007 night to pay their respects to Russia's first freely elected chief executive—until

the authorities suddenly whisked away the body for a quick burial after fewer than twenty hours of lying in state.³⁹ Even more remarkable, given the negative opinions of Yeltsin and his era to which the Russian people had become accustomed, was the tone of the obituaries (mostly on the uncensored Internet sites) that strongly challenged the “chaos” stereotype. Obituaries, appreciations, and comments portrayed the Yeltsin era as a precious and unique moment in Russian history—a hectic time, marred by ignorance and corruption, but, in the main, an earnest trial-and-error search for modern liberal economic and political arrangements best suited to the national conditions.

Putin’s former personal economic adviser, Andrei Illarionov, captured the tenor of the reevaluation when he wrote that Yeltsin had “pulled the country out of Communism, out of empire and out of its past” and “pushed it forward toward civilization, openness, and freedom.”⁴⁰ In another view, the 1990s have shown that the traditional Russian “feudal mentality” and the worst features of Russian political culture that many consider immutable—disrespect of laws, the delegation of complete power and responsibility to the supreme leader, the “thousand-year-old corruption,” the notion that authorities of all ranks were there to “feed” off whatever they were appointed to supervise, the servility toward those above, and the contempt (and violence) toward those below—could, at least in principle, be changed.⁴¹ It is possible in Russia to “respect liberty,” tackle “laziness,” and not treat other people “as enemies and scoundrels.”⁴²

In the 1990s a new Russia began to be forged—not an empire or a monarchy, but a “democratic and civilized country, of which others are not afraid,” wrote a former Yeltsin aide. “A country that did not harbor treachery or hostility. A country that is liked in the world. A country in which there could be market economy, competition, freedom of speech.”⁴³

Writing about the American republic almost half a century after its birth, Alexis de Tocqueville noted “a mature and thoughtful taste for freedom.”⁴⁶ The first decade of Russian political and economic liberty brought a different order of being to Russia, but hardly made its taste for it mature. The development of such a taste, along with a balanced view of the 1990s, untinged by the political needs of a ruling regime, now seem likely to take decades.

Acknowledgment

The author is grateful to American Enterprise Institute research assistant Kara Flook and Web editor Laura Drinkwine for their help in editing and producing this essay.

NOTES

1. Samuel Johnson, “Preface to a Dictionary of the English Language,” in *Rasselas: Poems and Selected Prose*, ed. Bertrand H. Bronson, 259 (San Francisco: Rinehart Press, 1971).

2. Edmund Mokrzycki, “A New Middle Class?” in *Culture, Modernity and Revolution: Essays in Honor of Zygmunt Bauman*, ed. Richard Kilminster and Ian Varcoe, 191 (New York: Routledge, 1995).

3. Quoted in Ekaterina Grigor’eva, “Prezident Putin—Federal’nomu sobraniyu” [President Putin to the Federal Assembly], *Izvestiya*, May 1, 2007.

4. Steve Liesman, “Surprise: The Economy in Russia Is Clawing Out of Deep Recession,” *Wall Street Journal*, January 28, 1998.

5. Gregory Feifer, “People’s Carmaker Evolves,” *Moscow Times*, May 30, 2000.

6. “Travel Fever,” *Washington Post*, August 2, 1997.

7. “Round and Round They Go. And Where They Stop and Shop,” *New York Times*, April 12, 1998.

8. Ekaterina Terpigoreva, "Nevziraya na vizey" [Visas Notwithstanding], *Novoe vremya* 30 (July 2000): 7.
9. Leon Aron, "The Strange Case of Russian Capitalism," in *Russia's Revolution: Essays 1989–2006* (Washington, DC: AEI Press, 2007), 53.
10. See, for example, Stanley Fischer, "The Russian Economy at the Start of 1998" (speech, U.S.-Russian Investment Symposium, John F. Kennedy School of Government, Harvard University, Cambridge, MA, January 9, 1998).
11. For instance, Serge Schmemmann writes of "the plunder of national assets by a handful of oligarchs." Serge Schmemmann, "When the Bear Cries Wolf: Trying to Understand Vladimir Putin," *New York Times*, July 19, 2007.
12. Vladimir Milov, "Russian Energy Policy in a Broader Context," U.S.-Russia Working Group, AEI, Washington, DC, May 19, 2006, www.aei.org/docLib/20060519_MilovPowerpoint.pdf (accessed July 20, 2007).
13. See, for example, "Boris Yeltsin: ushla epokha," *New Times*, April 24, 2007, <http://newtimes.ru/talkshows/ts61/> (accessed April 25, 2007). "Before the loans-for-shares auctions the government discussions were about what we would do when, following the clear trend, Russia stopped being an exporter of oil and became an importer."
14. Vladimir Milov, "Neftyanoe gosudarstvo" [The Petro-State], interview in *Novaya gazeta*, December 22, 2005.
15. Vladimir Milov, "Russian Energy Policy in a Broader Context."
16. *Strategiya razvitiya Rossiyskoy Federatsii do 2010 goda* [The Strategy of Development for the Russian Federation to the Year 2010], Center for Strategic Planning, Moscow, June 2000, 57; Harley Balzer, "Demography and Democracy in Russia: Human Capital Challenges to Democratic Consolidation," *Demokratizatsiya* 11, no. 1 (Winter 2003): 95–109, http://findarticles.com/p/articles/mi_qa3996/is_200301/ai_n9186650 (accessed August 27, 2007).
17. *Strategiya razvitiya*, 57.
18. Anders Åslund, *Building Capitalism: The Transformation of the Former Soviet Bloc* (New York: Cambridge University Press, 2002), 321, table 8.9.
19. World Health Organization (WHO), "Russian Federation: National Expenditure of Health" (Geneva: NHA Unit, EIP/HSE/CEP, WHO, 2007), <http://www.who.int/nha/country/RUS.pdf> (accessed August 27, 2007).
20. Anders Åslund, *Building Capitalism*, 320, table 8.8.
21. "Russian Love in a Cold Climate," *Economist*, August 15, 1998.
22. "Soyuz pravyykh—zavtrashnyaya vlast" [The Union of the Right Political Forces Is the Government of Tomorrow], *Novoe vremya* 49 (December 1999): 13.
23. A typical middle-size Moscow bookstore, Mir Pechati, off Tverskaya Street, which the author visited in June 2000, offered 11,000 books from 281 publishers (*Katalog knig* [List of Books for Sale] [Moscow: Presstorg, 2000]).
24. "Monitoring peremen: Osnovnye tendetsii" [Monitoring Changes: The Main Tendencies], *Vestnik obshchestvennogo mneniya* 72, (July–August 2004): 5, table 6. The only exception of a significant length was six months after the 1998 financial crisis.
25. Boris Yeltsin, "Teleobrashchenie Prezidenta RF Borisa El'tsina" [Televised Address by the President of the Russian Federation Boris Yeltsin], National Information Service, Moscow, June 12, 1997), 2.
26. Richard Dobson, "Is Russia Turning the Corner? Changing Russian Public Opinion, 1991–1996" (Washington, DC: U.S. Information Agency, September 1996), 55, table 25.
27. Steven Grant, "How Unsteady Is Russian Democracy?" (Washington, DC: U.S. Information Agency, May 1997), 2.
28. Inga Mikhailovskaya, "Russian Voting Behavior as a Mirror of Social-Political Change," *East European Constitutional Review* 5 (Spring/Summer 1996): 60.
29. See, for example, Leon Aron, *Yeltsin: A Revolutionary Life* (New York: St. Martin's Press, 2000), 714–17.
30. *Konstitutsiya rossiyskoy federatsii* [The Constitution of the Russian Federation] (Moscow: Norma, 2003), 2.

31. Ibid.
32. Ibid., 7.
33. Ibid.
34. Joseph A. Schumpeter, *Capitalism, Socialism, and Democracy* (New York: Harper Colophon, 1975), 271. For the concept of “poor democracy,” see Leon Aron, “Poor Democracy,” in *Russia’s Revolution*, 203–15.
35. “We thank the journalists of *Pravda*, *Sovetskaya Rossiya*, *Pravda Rossii*, *Glasnost*, and all 150 local publications,” Zyuganov said in early May 1996. See Gennady Zyuganov, “Patrioticheskaya vlast’ vosstanovit spravedlivost’” [A Patriotic Government Will Restore Justice], *Pravda*, May 5, 1996.
36. In December 1994 the presidential administration issued a decree dismissing the mayor of Vladivostok, Viktor Cherepkov. After a lengthy legal battle, the country found the dismissal unlawful. Twelve days after the court’s decision, Yeltsin signed a decree restoring Cherepkov to office.
37. Constitution of the Russian Federation, Chapter 1, Article 32, Part 2, 15; Chapter 8, Article 130, Part 2 and Article 131, Part 1, 74–75.
38. Nataliya Gevorkyan, “Vytravim—i postvim” [We Will Squeeze Out (the Slave in Ourselves) and Erect (a Yeltsin Memorial)], *Gazeta*, April 24, 2007, available at http://www.gazeta.ru/2007/04/24/oa_237579.shtml (accessed April 25, 2007).
39. Ilya Barabanov, “Manevry vmesto pokhoron” [Military Exercises Instead of Burial], *New Times*, available at http://www.newtimes.ru/magazine/issue_12/article_447.htm (accessed August 28, 2007).
40. Quoted in Andrei Illarionov, “In the End, Yeltsin Went the Way of Freedom,” *Moscow Times*, April 28, 2007.
41. Daniil Dondurey, “Yeltsin pokazal” [Yeltsin has shown], *New Times*, April 30, 2007.
42. Ibid.
43. Comment by Sergei Filatov in Daniil Dondurey, “Yeltsin pokazal.”
44. “Rossiyane o pervom prezidente” [Citizens of Russia about the First President], *Levada-sentr*, May 17, 2007, <http://www.levada.ru/press/2007051701.html> (accessed May 18, 2007).
45. Ibid.
46. Alexis de Tocqueville, *Democracy in America*, trans. George Lawrence (Garden City, NJ: Anchor Books, 1969), 72.