



ISSN: 2158-7051

INTERNATIONAL
JOURNAL OF
RUSSIAN STUDIES

ISSUE NO. 1 (2012/1)

THE END OF 'POST-SOVIET' RUSSIA?

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Summary

Mainstream analysis of a 'resurgent' Russia misreads the post-Soviet context. While high oil and gas prices and supply disruptions, as well as the 2008 conflict with Georgia create a sense that Russia is pursuing neo-imperialistic policies in its near abroad, in fact their approach has been the result of inadequate and political institutions. The primary legacy of the collapse of the Soviet Union is an institutional deficit in Russia, both in its domestic and international affairs. This paper analyzes recent events in the context of this deficit and assesses whether the current Russian administration is equipped to fully address this issue. Finally, the question is asked, when will it be appropriate to stop referring to Russia as 'post-Soviet'?

Key words: Post-Soviet, modernization, institutions, Russia-Georgia, Medvedev, Surkov, energy, Putin, history, legacy.

Two decades after the break-up of the Soviet Union (USSR), it is much easier to find people who agree that Russia experienced a low point in the 1990s than it is to reach a consensus about whether Russia has since rebounded and is currently on the rise. The collapse of the USSR, a superpower whose influence stretched from East Berlin to the Bering Strait, left the Union's legal inheritor economically and geopolitically crippled. About this there is general agreement.

It is not necessarily true, however, that what goes down must come up. Those who do think Russia is on the rise tend to cite increased oil and gas revenues, pipeline dominance, and Russia's exercise of political and military influence over its 'near abroad' as the main reasons that Russia is 'back.' Indeed, recent economic growth based on natural resource exports has allowed Russian

political leaders to continue what many in Russia viewed as a necessary stabilization and vertical integration of the governing apparatus, which many Russians believe prevented further deleterious consequences from the relative opening of the political system in the 1990s. Russia under Vladimir Putin has achieved success in implementing the ‘power vertical’ and returning to prominence on the world stage. This has been achieved by, among other measures, abolishing the direct election of regional governors, punishing oligarchs who threatened to become political competitors and rewarding those who were loyal, controlling major media outlets, and winning a ground war with Georgia in August 2008.

These facts – energy-led growth, domestic stability, and a willingness to take military action to preserve its sphere of influence – have prompted many observers of the Putin-Medvedev government to declare that Russia is on the rise, a force to be reckoned with in international politics, a potential partner but also once again a formidable adversary. This analysis is derived from an incomplete, stylized interpretation of post-Soviet political and economic development. An historical approach demonstrates that the so-called resurgence has taken place in the context of a severe institutional deficit that may in fact be the primary legacy of the Soviet Union. Moreover, the resurgence masks disturbing negative social and economic trends. Based on recent government policy statements, it is unclear if Russian leaders are fully prepared to engage in the long-term institution building necessary to lead Russia from the post-Soviet period into a new era.

The general tone of analysis of Russia by outsiders seems to have darkened mainly as a result of a few key events in the energy sphere. Specifically, many were surprised by the 2006 dispute between Russia and Ukraine, in which the flow of natural gas to Europe through pipelines built in the Soviet era was cut. The dispute’s much more serious 2008-2009 sequel further strengthened the argument that the Russian bear had returned with a vengeance. After considering a few similar occurrences, such as the periodic inexplicable halting of supplies to Lithuania’s Mazeiku refinery and the 2007 oil pricing dispute with Belarus, as well as bellicose rhetoric by Russian political leaders, the consensus crystallized around the notion that Russia had become an energy superpower, ready to wield its oil and gas resources as foreign policy weapons and seeking to dominate its near abroad.^[1] Such a turn of events at one point even led U.S. Senator Richard Lugar to propose expanding the mandate of the North Atlantic Treaty Organization (NATO) to include a guarantee of energy security to all member states, thus rendering the question of whether Russia could be engaged as a constructive partner largely rhetorical.^[2]

Like analysis of Russian activity in other spheres, it is superficial to declare that Russia is on the rise as an energy superpower that is willing to abuse the political economy of oil and gas. Although the aforementioned 2006 gas dispute between Russia and Ukraine was the first major conflict of its kind in the eyes of most Western observers, from the point of view of the post-Soviet states, trans-boundary commodity disputes have been matters of concern ever since the break-up of the USSR. The Eurasian pipeline system was constructed before notions of territorial integrity and resource ownership were foreign policy concerns of the individual Soviet republics. Everything was centralized, for better or for worse. Therefore the disappearance of the Soviet Union also marked the disappearance of an entity that served an administrative or problem-solving function. This vacuum has been an enabling factor for multiple oil and gas disputes. In 1997, for example, Russia blocked pipeline access for Turkmenistan’s gas exports, a move that had both political and commercial motivations.^[3] Blocking exports was Russian recourse for non-payment of transit fees as

well as a demonstration of political power in a region with still-fragile notions of sovereignty. The consequences of the 1997 gas dispute – the signing of a 25-year supply contract between Russia and Turkmenistan as well as the construction of a new Turkmenistan-Iran gas line – encapsulate the dynamics of the new Great Game being played out to this day. Regional powers seek to lock-up long-term sources of hydrocarbons in the pursuit of “energy security,” while suppliers and consumers alike entertain the notion of pipeline diversification.

Tracing the continuity between past and present energy conflicts, one sees that in the former Soviet Union, pipelines have been used as a policy instrument whether oil cost \$130 a barrel or \$13 a barrel (as it did in 1997). In all cases, pipeline politics prevail due to the absence of an alternative dispute resolution mechanism, a function previously served by the centralized Soviet administration. Furthermore, basic capacity constraints have led to trans-boundary commodity disputes throughout Eurasia, not just in Russia. Residents of eastern Anatolia have spent winters without heating as gas imports from Iran have been cut, while Iran in turn has dealt with a shortage in its own imports from Turkmenistan.^[4] This suggests that the same factors that have supposedly led to a “resurgent” Russia may instead be systemic features of post-Soviet institutional geography.

The second reason most commonly cited for Russia’s resurgence is the brief August 2008 war with Georgia. Russia, it is claimed, is newly assertive and aggressive, a military threat to new EU member states like Estonia and Poland.^[5] The clearest response to these claims, however, can actually be found by examining the post-war debate within Russia itself. Setting aside the predictable nationalism that accompanies any war, one main political consequence of the conflict with Georgia has been an increasingly serious attempt to reform the Russian military as an institution. It is understood that the quality of the military has decayed considerably since the Soviet collapse; it was designed to serve a function that existed in a previous era and is no longer relevant today. US military analyst Roger McDermott of the Strategic Studies Institute called the conflict the “final war of the twentieth century, fought by a Soviet legacy force. . . more suited to conducting the kind of large-scale conventional warfare that had passed into the annals of military history.” Consensus in political circles in Russia is that the army was aided by an incompetent and poorly equipped Georgian force that failed to cut off Russian routes into South Ossetia.^[6] As McDermott writes, “arguably the rapid collapse of the Georgian armed forces...was more a result of Georgian military weakness, poor management, and limited combat capabilities, than anything accurately reflecting the prowess of Russia’s armed forces.”^[7] As in the energy sphere, Russian military “strength” is more a legacy of the Soviet Union than a demonstration of resurgence. The Russian Federation inherited the bulk of the massive Soviet military system, while smaller republics like Georgia were left to build sovereign armies for the first time in modern history.

But Russia also inherited the Soviet military’s flaws. Corruption and brutal hazing remain endemic. The officer corps is considered bloated and even incompetent, while hardware and weaponry are obsolete and the command structure ineffective. In January 2010 the reforms resulted in the firing of a number of high-ranking generals, including the Commander-in-Chief of the Russian Army Ground Forces.^[8] In short, the ability of the second-largest active army in the world to rout a country with a GDP smaller than Albania proved little. Russian military forces remain vastly inferior in technology, training, and capability to NATO.^[9] Rather than as a sign of resurgence, the Georgian War should be seen as an opportunistic gambit of limited risk to increase Russia’s weight in considerations over possible NATO enlargement to Georgia and Ukraine.

Thus, just as Russia's short-term energy resurgence was based on post-Soviet institutional deficits, its recent military encounter also revealed a strong need for constructive reforms. In light of this, it is critical to understand the approach of Russian policymakers to strategic planning. What problems are they trying to solve, and what problems do they think they have solved?

When he came to power at the end of 1999, Vladimir Putin identified his main task in the same manner as many Russian rulers before him: his objective was to consolidate state power against internal and external threats. Maintaining centralized administrative control has been a constant problem for Russian leaders ever since Peter the Great decided to shape an empire to rival the European powers.^[10] Drawing adequate resources from such an under-populated expanse has required apparatuses that can exert immense pressure upon the Russian people. Protecting such extensive borders, many of which lack geographic definition, has required heavy military expenditure. Yeltsin's experiment in relaxed control and increased freedoms, many felt, had resulted in chaos and debility. In one of Putin's favorite expressions, his job was to help the country rise from her knees, both domestically and internationally.^[11]

But although Putin may have achieved his objective, this was not the most pressing issue facing Russia. He achieved centralized stability and renewed Russia's international prestige while ignoring serious longer-term trends such as the institutional weaknesses that pervade the energy sector, the military, the legal system, and public service delivery as a whole. The intellectual roots of this error are evident in Presidential Deputy Chief of Staff Vladislav Surkov's June 2007 "A View from Utopia," hailed at its release as the official ideology of the Putin Kremlin.^[12] Surkov's "sovereign democracy" is a combination of Slavophilism and technocracy, based on three supposedly uniquely strong elements of Russian political culture: centralization, idealism, and identification of political institutions with individual personalities. Reliant on Russian traditions of autocracy and popular approval of the current regime, it is a *post facto* justification of Putin's rule, not a principled argument for it. Throughout the essay, Surkov places preference on the consolidation of power in the center over the development of institutions. Russia's ban on regional, religious and professional political parties, for example, is designed to avoid division, rather than to prevent competition, even as it clearly discourages the development of local solutions to local problems. The identification of every political party in Russia with a single charismatic leader is taken as proof of an inherently Russian characteristic, rather than a flaw to be overcome by regulations that would encourage political competition via policies. Finally, greater trust in the federal government than in local administrators is considered proof of Russians' innate dedication to idealism and centralization, rather than of mistrust of local politicians and administration. This is a philosophy oriented towards the validation of autocracy, not the development of a dynamic and effective Russian state.

At the same time, however, it is interesting to note that current President Dmitri Medvedev recognizes the importance of reform in a manner counter to Surkov's ideology. In his September 2009 policy address, "Forward, Russia!", Medvedev dwells on the idea of 'modernization' (a new policy buzzword), while offering a sober look at major obstacles to Russian economic and political development. Modernization in Russia entails patiently and gradually reducing the economy's energy intensity; re-establishing Russia as a leader in nuclear, medical, and information technology; and developing a stronger base of human capital through improved health and education. Medvedev

cites a “primitive resource-based economy” and “chronic corruption,” as well as the tendency to blame outsiders for Russia’s predicament, as the main roadblocks to modernization. On the other hand, though, President Medvedev hedges his encouraging calls for reform by reminding readers at the very end of his text that Russia will continue to “exert substantial influence on problems with global consequences,” as evidenced by her willingness to help the oppressed people of South Ossetia.^[13]

There is unfortunately little reason to expect this contradiction, between the need for internal reform and a political emphasis on external threats, to recede in the short-term. The dominant political philosophy in Russia remains oriented towards addressing perceived threats to her power, rather than towards improving public service delivery, promoting sustainable development, or building institutions. In a September 2009 essay, Leonid Polyakov, Chair of the Department of Political Sciences at Moscow State University and an explicator of Surkov’s ideology, stated that “the fundamental value of the [Russian] regime continues to be freedom,” and that this freedom is understood to be:

- Economic freedom
- Freedom as a global competition between different poles, or centres of power, that compete for their national interests (freedom from anarchy)
- Freedom for each country to choose its own form of national governance – that is, freedom from any form of governance being imposed from the outside^[14]

Polyakov’s definition is remarkable for the absence of any political rights, negative or positive. Freedom of speech, freedom of religion, and freedom of assembly – all of which are included in the Russian Constitution – are absent. Instead, Polyakov’s definition is telling in that two of his three categories of freedom are addressed to an international audience. The second is a statement of mainstream Russian foreign policy thinking, while the last is an explicit reference to the Orange Revolution in Ukraine, which Moscow has depicted as a Western coup.^[15] Parts of the ruling class in Russia continue to see their country’s worth in terms of the force it can exert on the world stage. One serious consequence of Polyakov’s definition is that preserving the integrity of this kind of Russian “freedom” will require a significant expenditure of political and administrative capital, diverting resources from the type of modernization called for in “Forward, Russia!”

Russia’s educated elite is aware of this possibility. As the editors of the mainstream Russian news site *Gazeta.ru* stated in an unsigned editorial greeting the 2010 New Year, “no one is minding the country ... she is decaying and crumbling before our eyes.” Surkov’s ideological pronouncements contrast sharply with tangible, undeniable failures of public administration. Shocking and preventable physical disasters like the failure of a hydroelectric turbine in Sayanogorsk in August 2009, which killed 74, and a nightclub fire in Perm in December 2009, which killed 155, highlight the consequences of neglecting infrastructure and public services. Furthermore, the increasing visibility of police brutality and corruption, marked by a number of high-profile incidents, especially the murder of three citizens by a drunken police major in a Moscow supermarket in April of last year, have made the shortcomings of the country’s law enforcement structures impossible to ignore. Meanwhile, despite the declaration of the end of combat operations in Chechnya in June 2009, violence surged in the North Caucasus in the second half of the year. Nearly one thousand

policemen were killed or injured in south Russia in 2009.^[16] Federal forces and local paramilitaries are accused of extrajudicial executions and flagrant human rights violations, and prominent journalists and civil society activists continue to be targets of physical violence.^[17] These are some of the obstacles facing Medvedev's modernization program, reflective of what the President himself calls 'legal nihilism.'

Besides 'legal nihilism', other challenges to modernization identified by Medvedev include chronic corruption and economic "backwardness" (*отсталость*), as well as negative demographic trends. In Transparency International's 2009 Corruption Perception Index, Russia ranked 146th out of 180 countries. Meanwhile the Russian economy remains overly dependent on extractive sectors. As economist Valery Inozemtsev has noted, Russia's industrial exports in 2008 were a mere \$32 billion, while the combined output of Brazil, India, and China (Russia's BRIC-mates) amounted to \$1.42 trillion.^[18] In January of 2010, Finance Minister Alexei Kudrin announced that Russia's once robust Reserve Fund will be empty by the end of 2010.^[19] In terms of demographics, Russia is facing a stark population decrease due to low birth rates and poor health. Government statistics project the working age population will be less than 80 million by 2020, barely more than half of the 1993 peak of 149 million. Male life expectancy in Russia is a mere 59 years, lower than it was 50 years ago, while alcoholism and HIV/AIDS are widely recognized to be public health crises.^[20] It is unclear whether a modernization program such as the one set forth in "Forward, Russia!" is capable of addressing these challenges, both in terms of resource allocation and in terms of political will.

With the long-term in mind, it is very difficult to assess the viability of prospects for modernization in Russia. It is evident, however, that elements of the Russian government have begun to acknowledge some of the serious challenges the country faces. Such encouraging developments are often obscured by the characterization of Russia as a resurgent and at times belligerent power. The most sustainable path for the country lies in re-directing her focus away from perceived external threats to the very real challenges articulated here. To the extent that this re-orientation can be facilitated by external actors, the "reset" currently being attempted by the Obama administration is a welcome and necessary step. Though the process of building trust in areas of mutual interest may be slow and difficult (as evidenced by the START negotiations), de-escalation in the tone of rhetoric and analysis on all sides is crucial to enabling Russia to overcome the weight of her Soviet legacy. As Russia enters a new decade, the best one can hope for is that the period labeled as 'post-Soviet', a period characterized by severe institutional deficits and misprioritization of policy objectives, may finally come to a close.

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