

RUSSIA'S UNCERTAIN FUTURE

by: Miklos K. Radvanyi

Mysticism History

Nothing is more fatal to the healthy development of a nation or society than to embark on the path of progress without leaders of the highest intellectual quality and moral authority. Intellectual inaptitude and moral relativism inevitably result in the failure of society and the destruction of the individual.

Throughout its history Russia had been a fraud, always pretending to be something else of what it metamorphosed into in reality. Neither had Russia in its historical incarnations as an absolute monarchy, then communist dictatorship, and finally as pseudo-democracy ever represented an original political idea. Nor had Russia ever created a realistic and functioning economic system. Isolated, backward, primitive and chauvinistic with a big power complex, Russia had never existed in a real political space or in a modern economic time zone. Eternally anticipating divine interventions in the form of irrational miracles amidst regularly recurring catastrophes, Russia had barely survived on living an unreal, virtual political and economic existence. Unlike Europe, China, India and Japan, Russia had never developed into a normal and functioning civilization.

Like the phoenix, the mythical bird of the Arabian Desert, the western part of the European continent rose from its Middle-Ages' ashes in the mid-fifteenth century. Designated as the long sixteenth century, the years between 1450 and 1640 were clearly the defining three centuries of Europe's future dominance of the world. The bridge between medieval civilization and the long sixteenth century was called Dante Alighieri. In his Divine Comedy he expressed an unshakable belief in a social order in which truth and knowledge will create a just and more equitable system to human existence. Thus commenced the movements of Renaissance and Reformation, the synthesized expressions of fundamental economic, political, social and intellectual changes in the continent. In 1486, Count Giovanni Pico della Mirandola produced "The Dignity of Man." In this manifesto of humanism Mirandola declared the rebirth of man in the likeness of God. Man has the power, through the freedom of choice, to control his destiny. However, free will also demands a high degree of moral and social responsibility. The free moral choice of good and evil must be balanced by social discipline. The long sixteenth century also became the age of Leonardo and Michelangelo, Luther and Calvin, Thomas Moore and Machiavelli, Copernicus and Galileo, Hooker and Hobbes, Shakespeare and Cervantes.

In the eastern part of Europe the capital of the Byzantine Empire, Constantinople, fell to the Ottoman Turks in 1453. As the final collapse approached, Byzantine scholars and noblemen fled into Italy. Vestiges of the orthodox priesthood found their way to the Grand Principality of Moscow. Humiliated in defeat, but armed with unparalleled cultural arrogance steeped in intolerance and hatred, these priest helped to facilitate the myth of Moscow as the “Third Rome”, the only legitimate political heir to the great Roman Empire and Constantinople and the sole spiritual center of Christian Orthodoxy. The intellectual beginnings of Russia’s own long sixteenth century could not have been more ominous. This era stretched from the beginning of the reign of Ivan III (1462) to the coronation of the first Romanov, Czar Mikhail I (1613).

Russia’s long sixteenth century did not produce a Dante, a Hobbes, a Michelangelo, a Raphael, a Shakespeare, or a Cervantes. Culturally, the fifteenth, sixteenth and seventeenth centuries were not the golden, but the iron age of Russia. The transition from the Mongol rule to the unification of the various Russian principalities was marked by the rule of Ivan III, also known as Ivan the Great (1462-1505). He and his successor, Vassiliy III (1505-1533), followed a policy of relentless territorial expansion. The former added to Muscovy Novgorod (1471), Tver (1485) and the border territories of Lithuania (1503). The latter conquered Pskov (1510), Smolensk (1514) and the independent grand dukedom of Ryazan (1517). Internally, both Ivan the Great and his son Vassiliy cemented autocracy with concomitant social changes. Ironically, the key to these changes was the rigid adherence to the conservative structures of power. The militarized monarchy was built on the absolute power of a single ruler totally unencumbered by any other countervailing force within the state. While enhancing the ruler’s limitless powers, this development arrested any progress toward further feudalization of society.

Ivan IV (1533-1584), called the Terrible, set out to consolidate internally and externally the new state. Upon the advice of Metropolitan Makariy, he was crowned a czar in 1547. Successive royal decrees in the 1550s stabilized the archaic and, therefore, barely structured totalitarian military monarchy. At the core of these legislative activities was the czar’s desire to eliminate even the last vestiges of the powers of the nobility (the boyars) and the church. The first decree limited the scope of mestnyichestvo within the military. The second decree called for the establishment of a professional military class, the strelec. The most important legislative achievement of the 1550s was the publication of a new compilation of laws called Sudyenyik. Sections 43 and 91 introduced the taxation of church properties and forbade city merchants to reside within the walls of a monastery. Another decree, entitled “The Chosen Thousand”, provided land to over a thousand serving noblemen in exchange for military services. Since neither the compilation of laws nor the decrees differentiated between degrees of nobility, the intent to strip the powerful boyars of their privileges was obvious. The decisive break for Ivan IV came in 1560. With the introduction of the oprichnyina the czar declared war on his subjects. The oprichnyina basically divided the state into two parts. Territories within the oprichnyina belonged to the czar and were administered directly by him. In the other part, called zemshchina, the boyars ruled, but only nominally. In actuality, the

oprishnyiks, a band of ruthless thugs numbering about six thousand, terrorized the zemshchinas. In addition, Malyuta Skuratov, the czar's secret police chief, produced innumerable criminal cases against leading boyars and clergymen. Thus the first era of great terror was born. One of the oprishnyiks, the German Staden, described the situation thus:

“The Muscovites mutually accuse and slander each other before the despot. Their hatred toward each other is deadly. The despot likes this very much. Nothing is sweeter to his ears than to listen to the denouncers and the slanderers. He does not care whether their information is true or false. The important thing is only that their information can serve as a pretext to the annihilation of people.”

The czar used his protracted illness in 1553 to build a case of treasonous conspiracy against the boyars serving in his court. Accusing them of trying to kill him and his family, the alleged ringleader, Andrei Starickiy, the czar's nephew and a potential heir to the throne, was poisoned. Subsequently his entire family was annihilated. Another leading boyar, Chelyadnyin-Fodorov, was killed with a kitchen knife by the czar himself. Later, the destruction of the city of Novgorod followed. Finally, on July 25, 1570, three hundred Muscovite boyars and their families were murdered in a single day. Shortly before his death, the czar killed his heir Ivan with a single blow to the head with an iron-pointed staff. When Ivan IV died in 1584, he left to his successor a country in deep political, economic and social crisis. In particular, the economy was in a dire state. Compared with the economic conditions in the beginning of the century, the percentage of tax paying agricultural entities in and around Novgorod decreased by 5.8%. 62.9% of the villages were deserted by their inhabitants. In the Muscovy district 84% of the arable land was abandoned. The economic crisis triggered a social landslide. Peasants moved from the central districts of Muscovy, Novgorod and Pskov to the large river areas. The mass escape depopulated the oprichnyinas. This, in turn, led to the collapse of state finances. The introduction of land slavery, the holop, in 1590 was, therefore, a question of life or death for the monarchy. Subsequent attempts by the czar Boris Godunov to restore Russia to economic health resulted in a political catastrophe. The “Time of Trouble” engulfed Russia.

In the beginning of the seventeenth century, Russia slowly reemerged from its self-inflicted anarchy. The coronation of Mikhail Fyodorovich Romanov, a relative of Ivan IV's first wife Anastasia, also signaled the establishment of a new aristocracy, no more privileged by birth, but exclusively dependent on the goodwill of the czar. Autocracy beyond the framework of absolute monarchy reasserted itself with a vengeance. Taxes, both direct and indirect, were drastically raised. State monopolies on the export, import, manufacturing and distribution of essential goods were strictly enforced. The most infamous among them, the monopoly on the production and the sale of alcohol based products, has had a devastating effect on Russian society. Perpetual enslavement of the peasantry through serfdom was also complete. In this manner, an entire nation was kept at the abyss of starvation and idiocy for the sake of maintaining an expansionist autocracy. The aggressive pursuit of militarism was perpetuated by the most inhuman and immoral means. In the early seventeenth century Russia created a

new vicious circle that directly led to the inglorious disappearance of the autocracy in 1917. In this uniquely Russian tragedy a long line of Romanovs from Peter I (1689-1725) to Nicholas II (1894-1917) were obsessed with protecting the autocracy from a hostile people by brutalizing the latter.

In early 1917, crushing military defeats imposed by the Imperial German Army and rapidly worsening political and economic conditions left czarist Russia in total chaos. Soldiers, criminal elements, students and monks deserted their various institutions. The army disintegrated and administration was dislocated. Neither the courts nor the police functioned normally any longer. People paid no taxes. Mobs pillaged factories and shops. The czarist autocracy was paralyzed. In this situation proponents of a representative republic petitioned the czar, Nicholas II, to appoint a new Council of Ministers. The czar responded to the petition in the negative. The Russian Parliament, the Duma, met on March 12, 1917, and formed a new provisional government. On the same day, leaders of the various communist and socialist movements hastily organized a Soviet of Workers and Soldiers. On March 15, 1917, the czar abdicated. His designated successor, the Grand Duke Mikhail Alexandrovich, refused to ascend the throne. Russia found itself in a limbo between autocracy, which was no longer possible, and populism, which was not yet attainable. This dangerous state of affairs was bound to produce anarchy. The people, dismayed by the weakness of the Duma and appalled by the ultra-revolutionary ideas of the Soviets, grew increasingly indifferent to politics. While the Duma could not strengthen its authority, the Communists thrived on the chaos and anarchy. They prevented the Duma from establishing a police force, organizing the judiciary and setting up an administration capable of ensuring order. The stage was set for the Communist coup d'état.

The violence against the people that made this seizure of power possible reinforced the inherently Russian political mentality of ideological extremism and militancy of the Communists, a small, select and homogenous minority. The psychological impact on the Communist mind of this experience with the political utility of using excessive force proved equally lasting and enormous. It set a precedent that later served to legitimize, institutionalize and traditionalize the use of violent methods for the dual purpose of preserving the Party's monopoly of power and achieving desired political objectives internally as well as internationally.

It was the supreme irony of the Soviet socio-political experiment that the glorification of violence as the main political instrument had an undesired and destructive impact on society as a whole and on individual party members too. The indiscriminate use of violence helped to create a socio-psychological situation within the Party that led members fear for their physical and professional security. To counter the constant threat of annihilation, party members, especially the ruling elite, had to pay close attention to every development and adjust to them accordingly by forming new coalitions, gaining new allies and abandoning old ones. Passivity could be fatal. Thus party members acted preventively and aggressively to secure their survival.

The collapse of the czarist autocracy did not fundamentally altered Russia. In his essay of November 19, 1917, Nikolai Berdayev opined that "...I venture for myself to think that everything happening in Russia – is of the sheerest phantasms and hallucinations. In all this there is nothing substantial and genuinely real. ...But it must be realized that nothing essentially has changed, nothing new has occurred." (Byla Li V Rossii Revoliutsiya? Has There Been in Russia a Revolution? Article originally published in the weekly journal Narodopravstvo, No. 15, p. 4-7). Indeed, the communist coup d'etat opened the door for another brutal garrison state dictatorship in Russia. The principles of power remained the same. A few men, the Communist Party autocrats, made all the crucial decisions. Opposition was eliminated and not tolerated. Private ownership was non-existent. The economy became centralized. The principle of "democratic centralism" was the basic organizational rule of the Communist Party and the Soviet state. In essence it said that confidence must ascend from below and authority must descend from above. A tiny minority presented itself as superior to the people and wholly independent of the latter's will. The people lost real political power to control their own destiny. Consequently, the Soviet state was doomed to lead a miserable political existence amid permanent, irresolvable and perpetually fluctuating contradictions. It sought but never found stability. Suspended in a political vacuum and weighed down by the disastrous effects of their own deceptions, successive Soviet leaders clutched at a mixture of incoherent ideologies. Marxism, religious orthodoxy, nationalism, chauvinism, and even racism, produced a terrible political regime, the evil empire of the Soviet Union.

From 1917 to its ignominious collapse in 1991, the history of the Soviet Union was characterized by Lenin's, Stalin's, Khrushchev's, Brezhnev's and Gorbachev's single minded, but unsuccessful attempts to catch up with the West through forced industrialization. From recapitalization in the 1920s under the banner of the "New Economic Policy" (NEP), through Stalin's terror economy, to the reform courses of Khrushchev and Brezhnev, Soviet leaders failed to fundamentally change the political foundations and the economic policies of the Soviet Union. Politically, the Soviet Union always existed as an autocracy. Economically, the state remained a giant clearing house, a redistribution center, for goods and money. Until the very end, political and economic institutions served to uphold the autocracy's absolute power and privileges. Ultimately, corruption, lawlessness and institutionalized criminality rendered reforms of the authoritarian and despotic Soviet regime impossible. The exhausting political and military competition with the United States revealed the incompatibility of the regime with a complex industrialized economy, increasingly urbanized society and globalization. Andropov's concept of strengthening discipline, responsibility and control throughout the economy, coupled with Gorbachev's faint attempts at political relaxation were the last desperate grasps of a clueless autocracy to avert its inevitable collapse.

Misha – Gorby – Gorbachev, the Clueless Reformer

In the mid-1980s Soviet Russia arrived at the end of its historic cul-de-sac. Alienation between the Party autocracy and the totally disenfranchised and oppressed majority became unsustainable. Gorbachev, the new General Secretary of the Communist Party of the Soviet Union, accused the people of laziness, idleness, greed, fecklessness and recalcitrance. The people, in turn, regarded the autocracy as stupid, corrupt, power-crazed and illegitimate. In the same vein, factory managers denounced the rapacity of the workers, while workers and farmers railed against the privileges and hypocrisy of the managers. Traditional enmity among regions and republics within the Soviet Union and historic hatred among the states of the empire reached destructive proportions. As these fissures in the political, economic, cultural and social fabric spread in all directions, the Soviet empire began a rapid disintegration. Party bosses, state bureaucrats and economic managers became locked in a triangle of mutual vituperation and incomprehension. Military leaders lamented the lack of discipline, quality and growth in heavy industry. Low-paid industrial workers and exploited farmers complained angrily about shortages of food and basic consumer goods, comparing their lot with the standards enjoyed by the privileged minority.

Lev Trotskiy's questions "What is the Soviet Union? What should be its direction?" acquired renewed importance. Mikhail Gorbachev concentrated on four basic issues: 1/ In order to fight the advanced criminalization of the party and state bureaucracies, the democratization of the political and economic autocracy was a key to the survival of the regime; 2/ Stopping the rapidly increasing technological backwardness of the Soviet Union vis-à-vis the West; 3/ The reform of the entire economic system through decentralization and adaptation of some market economy features; 4/ Restoration of the moral authority of the Party through a systematic war against corruption and the scourge of alcoholism that destroyed discipline and productivity in the workplace.

In the mid-1980s, these were relevant problems. However, the solutions offered by Gorbachev and his colleagues were totally inadequate. Most importantly, they did not have a detailed political and economic modernization strategy. Therefore, the future existence of the Soviet Union was not predicated upon democracy and free market economy. On the contrary, their political mentality was driven by the reflexive logic of the communist autocracy to preserve its total political power and economic monopoly. Thus, the beneficiaries of perestroika and glasnosty were the party, state and local bureaucrats, the military and Moscow, as the unchallenged administrative center of the empire. Essentially, the autocracy won and society lost again. The autocracy did not start to distribute the riches of the empire among members of society. Everything that was produced (and stolen) within the empire was spent to maintain the irrational and utterly impractical edifice of the autocracy.

Thus remained the bad tradition of the past unchanged. The leaders of perestroika could not discard the myth of “revolution from above.” Clearly, the autocracy resisted reforms because it could have not imagined a useful role for itself in a more populist Russia. Moreover, Gorbachev and his colleagues were the children of Khrushchev’s “thaw.” They grew up to manage the status quo, not to change it. They all were party apparatchiki. They all were men of words, not politicians of actions. And the autocracy was unmoved by discredited words and slogans. In 1987, the Soviet economic bureaucracy consisted of thirty eight federal committees, thirty three all-Soviet ministries and more than three hundred regional ministries and so-called statewide authorities. With the companies and state farms directly under their control, this bureaucracy employed close to twenty million workers, approximately 20% of the total workforce.

In spite of these impressive numbers, Gorbachev’s perestroika quickly turned into katastroika. Industrial production plummeted, stores emptied and inflation rose steadily. The Soviet Union was losing its inner equilibrium. At the end of 1988 Gorbachev had to face reality. To avoid sudden economic collapse, he decided to perform the political equivalent of the “Great Leap” forward. What followed again were words, but little action. Yet the tunes of glasnosty were sweet music to the ears of European politicians and the American Left. When events happened that met the West’s approval, either by accident or because of Western participation, Gorbachev proudly proclaimed: “Well, even if it is not too much, at least I was able to accomplish something.” When, on the other had, actions accompanied by bloodshed occurred, like in Tbilisi in 1989 and in Vilnius in 1991, Gorbachev immediately distanced himself: “I did not do it”; “I did not know anything about those cruel police actions”; “I was abroad”; “I did not give the order”; “I am surrounded by Stalinists and hawks”; etc. Throughout his macabre performances Gorbachev repeated the same refrain: “Look what my enemies want to do with me. Look United States and Europe what our common enemies intend to perpetrate against you and against our joint enterprise of creating a peaceful, democratic and prosperous Soviet Union.”

In this manner, Gorbachev proceeded to become the politician for all seasons. Paraphrasing Shakespeare, he wanted to be, but he wanted not to be. He wanted to act, but he ended up doing nothing. As the satirical song of the day went: “And he (Gorbachev) just talked, always just talked.” (A on vsyo govoril, vsyo govoril). He wanted to dissolve the Warsaw Pact, but he labored to save it. He wanted to be a strong leader, but he craved to be loved by the people. He wanted democracy, but he remained a devout communist. He wanted market economy, but he strived to maintain state ownership of industry, agriculture, trade and financial institutions. He wanted freedom of speech, but he believed firmly in the virtue of censorship. Suspended between autocracy and the alternative of democracy, Gorbachev existed in a vacuum. And because in politics a vacuum is unsustainable in the long run, his short reign ended in disgrace when members of the autocracy and the various opposition groups agreed on a new choice that seemed to have a big enough behind and stamina to ride the twin horses of the Soviet Union’s shame transformation into “Mother Russia.”

The political vacuum created by Gorbachev's cluelessness opened the door to a colorful kaleidoscope of political organizations centered on the ideologies of extreme Russian nationalism and fascism. Already since Stalin's death, many Russians feared that the unsuccessful reform attempts undertaken by Khrushchev and Brezhnev will lead to the collapse of Soviet statehood (*gyerzhavnosty*) and with it to the demise of the Russian nation. The obvious failure of perestroika only reinforced the feeling of helplessness, humiliation and defeatism. According to these organizations, freedom threatened the greatness of the Soviet Union and the very existence of the Russian nation. Thus, paradoxically, Gorbachev and the autocracy appeared to conquer the future, while the opposition wanted to recapture the past. This hysterical phobia of impending national annihilation was echoed by Dimitriy Vassilyev of Pamyaty, an organization with an unambiguous fascist agenda. Organized, financed and controlled by the KGB and the Central Committee of the Soviet Communist Party, Pamyaty was designed to channel the deep-seated anger and even hatred against the regime into a manageable organization. Vassilyev's basic grievance was the pessimistic demographic projection: "According to credible demographers, within twenty to thirty years the Russian nation will be reduced by 50%. And in fifty years it will cease to be a great nation." Of course, this tragedy will be the result of the Zionist-Free Masonic plot against the honest, naïve, gullible, trusting and, therefore, always victimized Russian nation. As the Pamyaty's "Manifesto to the Russian Nation" put it in 1986: "Under the guise of liberty, the anti-Russian forces are stabbing the Russian nation in the back." The struggle against the conspiracy of the anti-Russian forces is a life and death situation. Therefore: "They (the Zionists and the Free Masons) hope in vain that Russia is finished. As long as a single faithful Christian remains in Russia, Russia will live. The victory will be Russia's. The day of reckoning will come. The hour of judgment will come. Then everybody will have to pay the penalty for his sins." The Manifesto even got more explicit: "The Russian nation is hostage in the hands of the fifth column of the Zionist-Free Masonic group. For this reason, the Russian is entitled to grab the iron rod and finish with his enemies. We will turn into ashes those who stand in our way." Moreover: "Search and find the homes of the conspirators. Get hold of the media. Unmask the corrupt journalists. Mother Russia is in mortal danger. We demand daily vigilance of you." This verbal incitement almost turned into a bloody pogrom in June 1989, in Moscow. At that time, leaflets were distributed by supporters of Pamyaty and members of the Russian National Socialist Workers' Party throughout the city. In it both organizations promised that "the peoples of the villages" will march onto "the whore cities" and against "the rich", and will carry out pogroms in Moscow.

The fact that perestroika, the political and economic modernization, could have not commenced without glasnosty, namely, revealing the real condition of the Soviet Union and telling the truth about the myth of the heroic communist empire, only contributed to the overall xenophobia. Charges from defamation of the Russian nation to treasonous betrayal of the Soviet Union contributed to pervasive desperation and hopelessness concerning the future. All the sacrifices of the past, all the deprivations of the present, and all the poverty that awaited the people coalesced into a giant sense of malaise. The autocracy could have not used force because it would have been senseless. For the autocracy it was also impossible to continue lying to and defrauding the people.

The Soviet Union appeared to be on the verge of a violent explosion with far reaching international repercussions.

The political situation of December 1989 was analyzed by Alexander Kabakov, author of the movie novel "1993": "Many people ask me whether there is a chance of a civil war. In my opinion, presently, we have a fifty-fifty chance of either having a civil war and of avoiding it. And there is a single escape for the country: the approach that Gorbachev represents. I repeat, that is the only escape, which means the going back and forth of managing political power. The only guarantee of perestroika is the person of Gorbachev. There is nothing peculiar in this in a country like ours. Outside of personal political power no other mechanism existed in our country. It is so in every level of power, including government offices and factories. The more decisively will the political power proceed against the people the more intense reaction it will provoke by its enemies, radicals and right wingers alike. And that will surely bring us closer to a civil war. Therefore, we have no choice but mark time. We must pass resolutions and then amend the existing resolutions. It appears that the biblical comparison is valid here: wandering for forty years in the desert with everything that it entails, starvation and waiting for the heavenly manna. Forty years of wandering, until the change of generation will occur in a natural way, until the transformation of the souls will come about." (Knyizhnoye Obozreniye, 1989/49).

Thus, procrastination became the Gorbachev era's official strategy to avert political chaos and human tragedy. The symbolism of Gorbachev's performance as General Secretary and President tallied eerily with the negative achievements of his professional life. Throughout his political career Gorbachev was always a resounding failure. In Stavropol, where he succeeded his mentor Fyodor Kulakov, the agricultural results were so bad that he had to build a circus to compensate for the shortage of bread. In Moscow, under Gorbachev's stewardship, Soviet agricultural production went from bad to worse. In 1979, the Soviet Union had to import from the United States thirty million metric tons of corn. In 1980, this amount rose to thirty five million. In 1981, again, the quantity of imported corn went up to forty six million metric tons. Similarly, Gorbachev's comprehensive "Food Program" was an unmitigated failure. And so it went until 1991 when he had to face his humiliating political demise.

Essentially, Gorbachev was the end-product of the Soviet Union's development from state terrorism to political insignificance. There was no substance in him. He was completely hollow. He was a collection of empty gestures, forms and appearances. Milovan Djilas described Stalin as the greatest criminal in history: "For in him was joined the criminal senselessness of a Caligula with the refinement of a Borgia and the brutality of a Czar Ivan the Terrible." Nikolay Bukharin's definition was more concise: "Stalin is Genghis Khan with a telephone." The political epitaph of Gorbachev is a joke. Accordingly, Gorbachev drives his own car. Suddenly, he spots a man lying on the road. Gorbachev gets out of his car and walks up to the man. Upon realizing that he is drunk, Gorbachev proceeds to lecture him: "Are you not ashamed of yourself. You are getting drunk when thanks to perestroika life is getting better in the Soviet Union. If you do not stop drinking, you will be left behind." The drunken man mutters a couple of

incomprehensible words. Slowly it dawns on Gorbachev that the man did not recognize him. So he changes his tune: “Get up you miserable creature. The General Secretary of the Communist Party is talking to you.” The drunken man looks up at Gorbachev and begins to smile: “Oh, it is you Misha. I am sorry, but I did not recognize you without your wife Larissa.” And thus, Gorbachev became the clueless Genghis Khan with a wife and nothing else.

His communist empire was not overthrown. Neither did the Soviet Union collapse. It simply metamorphosed into an entity that once again defied political logic and understanding.

Boris (the Impostor) Czar and Yeltsin the (Fraudulent) Terrible

Toward the end of the Gorbachev era in 1990 and 1991, the political fermentation reached the highest ranks of the Party and the KGB. Within the Party three factions emerged with their distinctive solutions to the huge political and economic problems of the Soviet Union. The first faction, supported by the majority of the KGB's top brass, believed that the Soviet Union could be saved by the traditional east-European methods. Accordingly, employing once again the politics of "Iron Fist" by the Party, the KGB, the military and the police, order and normalcy will be restored. Then, by borrowing at least \$30 billion from the West, consumerism in the economy will be fostered. In this plan, it was conveniently overlooked that the advanced disintegration of the Soviet Union made it impossible to restore normalcy without the introduction of a new wave of terror, unseen since Stalin's reign in the 1930s and the 1940s. Reestablishing a semblance of consumerism was also not feasible because of insufficient funds. Had this group of "reformers" possessed a modicum of political integrity, they should have campaigned for more reforms of the labor market, more discipline in the workplace, more transparency in the political and economic decision making processes and more individualism and less collectivization. Yet, such an honest campaign would have not resonated well with the people. As the economist Gavriyl Popov stated: "The basic problem is the following. The new regime cannot be established without the defeat of the apparatchiki of the bureaucratic socialism. This victory, however, can only be won with the active participation of the masses. But the new regime's promise is the elimination of economic equality among the peoples. Thus, the peoples are called upon to fight for the right of a tiny minority to earn ten times more than the vast majority. How can we, therefore, mobilize the masses without telling them the truth?" (Literaturnaya Gazeta, April 1989).

As it turned out, there was no need for honesty. The unexpected passivity of the people resulted in another fraud perpetrated on them by the second faction within the Party and the KGB. This second faction was more pragmatic than the old-timers of the first. Its members wanted to undermine the regime from within by appropriating the fabulous wealth of the state and the Party for themselves. To accomplish such a brazen crime, they allied themselves with the most dangerous criminal elements of the Soviet underworld, known as the "thieves' world" (vorovskiy mir).

The third faction consisted of the "reform intellectuals" and was dubbed the "Gorbachev center." Its main objective was to avoid a civil war by slowing down perestroika and glastonsty. Its maneuvering necessarily led to rapid loss of authority, including the personal integrity of Gorbachev himself. Even by his supporters, Gorbachev was viewed increasingly as merely a tactician, devoid of any political courage required of a politician. As V. A. Tyikhonov observed: "The worst thing that can happen in a revolutionary process is inconsistency. The government thinks that it maneuvers wisely. Yet, its maneuvering is actually not smart at all. Most importantly, it will have horrible consequences." (Literaturnaya Gazeta, 52/1989).

Already in 1987, the first full year of perestroika, popular extremism captured the emotional fantasies of the vast majority of the peoples. Later, the manifest failure of perestroika only intensified the shift toward radical emotionalism in Soviet politics to the detriment of rational debates and discussions. The speedy rise and fall of Boris Yeltsin in 1987 as a political outsider, a Sibiriyak, and his subsequent political rebirth in 1990 as a populist Russian politician, was a testament to the hopeless irrationality of Soviet politics under Gorbachev and in the last decade of the twentieth century. His heroic and lonely fight against the autocracy, his defeat and, finally, his triumph, established Yeltsin as a legitimate legend of populism in Russia. Yet, from the beginning on, Yeltsin was an opportunistic populist. His brand of populism derived from the myth of a pure or purified communism. Thus, his objective was to purge and punish those who abused their power and redistribute their ill-gotten wealth among his supporters. Clearly, such a populist political and economic strategy was totally opposed to modernization and reforms. Yeltsin only wanted to eliminate the upper echelon of the autocracy. But he did not intend to end the communist autocracy itself. Beside, a strategy based on market economy, the rule of law, guaranteed private ownership, political pluralism, the division of powers among the three branches of government, were all alien concepts to the thinking and mentality of the majority educated and conditions under the rigid system of Soviet communism.

For different reasons, essential changes in the political, economic and emotional realms were opposed jointly by the apparatchiki and the people. To gain absolute power, Yeltsin needed the support of the Party and the state bureaucracies. The apparatchiki had to create a façade behind which they could preserve their monopoly of power. The centuries-old Russian syndrome of the decapitation of the autocracy and the periodic cleansing of the bureaucracies gave the illusion of instant political healing to the people and the perfect cover of business as usual to the autocracy. The deal between Yeltsin and the entrenched criminal autocracy was sealed with the political blood of Gorbachev and his colleagues in the Politburo.

However, before his conversion from populist communist to stout democrat Yeltsin needed both Gorbachev and the Politburo to fool the West. Members of the Politburo had to play the role of the enemy, both of the people and democracy. Humiliated daily, Gorbachev was forced to stay on as President of the Soviet Union until its dissolution at the end of 1991. The Politburo was routed in the wake of the ill-fated coup d'état in the summer of 1991. Yeltsin's two remaining competitors, the populist general Alexandr Rutskoy and the Speaker of the Parliament Ruslan Khasbulatov, were arrested and the elected Parliament dissolved in a bloody coup d'état on October 4, 1993. The stage was set for another war against the people by the new-old autocracy. The second era of the "Time of Trouble" ended. Predictably, the spirits of Ivan the Terrible and Peter the Great prevailed again. Autocracy, the historical framework of Russia was restored. The myth that Western political principles and institutions could take hold in Russia was dispelled for the umpteenth time. Modernization became the political tool of the autocracy to preserve its absolute power. Russia was saved for the time being, but the people lost again. The rape of Russia by its new czar and his coterie began.

In the tradition of the “good czars” Yeltsin played the contradictory roles of the righteous autocrat and the benevolent anti-politician democrat. The righteous autocrat’s lonely war was not designed to succeed. Its foreordained destiny was to fail. In the long history of mankind no nation was ever modernized by command. By punishing shopkeepers, farmers and small businessmen for profiteering and “speculation”, competition to the criminal alliance of politicians and the state-sanctioned “mafiya” was eliminated. In this manner, the looting, redistributive, omnipotent state once again prevented the emergence of a modern market economy. In the end, Yeltsin’s solution was that of a populist Russian communist. Instead of democracy, he introduced a more equitable feudalism. Instead of removing the state from the market, he banished entrepreneurship from the economy.

Developing a market economy was an absolute necessity for establishing democracy in Russia. Absent existential and material security for the individual, there was no guarantee for freedom and pluralism in society. While superficially paying lip service to the principles of democracy, Yeltsin’s real objective was to solidify his autocracy by any means that served the attainment of this end. This objective and the interests of Yeltsin’s coterie of criminal bureaucrats and “businessmen” converged into a single-minded desire to defend their existence and preserve their power against the people. The latter continued to be isolated from the modern world by official design and abject poverty. In fact, they were doomed to fight daily for their meager existence. Their hatred for each other and the new autocracy was only surpassed by their fear from the unknown future. During Yeltsin’s first term in office, politics was reduced to a level of near anarchy. Russian society submerged under primitive orthodoxy and historic mentalities. Communism was alive and well in Yeltsin’s Russia. Autocracy was successfully preserved. The struggle for survival by both the rulers and the ruled dimmed any interest for reforms and renewal. Moscow and St. Petersburg glittered. Every other city and the villages around the metropolises were kept in poverty through exploitation, neglect and alcoholism. The wealth of the new autocracy was built on the broken backs of the Russian people.

As the rule of the czars and the communist dictatorship in the Soviet Union, the Yeltsin regime’s stability also rested on total oppression and fear. The more it sought to legitimize itself as a democracy, the more it became frightened by the incoherence of its own lies, fraud and usurpation. In fact, Yeltsin’s Russia made sense only if one understood that it did not solve the historic dilemma of Russian politics, namely, the eternal conflict between the deceptive idealism and the actual viciousness and conservatism of its rulers. The dangers inherent in these and other political, economic and social contradictions of the early 1990s were apparent to Boris Yeltsin. To perfect his autocracy, he had to take control of the KGB.

As Andropov’s protégé, Gorbachev enjoyed the very strong support of the KGB. In turn, Gorbachev never called for reforms, let alone the dismantling of the state security organization. While the Communist Party of the Soviet Union collapsed and was declared illegal by Yeltsin, the KGB survived unscathed. The aftermath of the anti-Gorbachev coup d’etat in the summer of 1991 provided Yeltsin with the perfect

opportunity to reorganize and co-opt the old KGB. First, the top leadership of the KGB was removed. Upon Yeltsin's insistence, the former Minister of Interior of the Soviet Union, Vadim Bakatin, was appointed chairman of the KGB. Second, a special commission, the Soviet State Commission to Investigate the Security Organs, was formed under the chairmanship of Sergey Stepashin. Simultaneously, the Russian Parliament established another commission under the leadership of Lev Ponomaryev to "investigate the causes and circumstances of the August putsch." Both commissions were also charged with the responsibility of drawing up recommendations for reform of the KGB. Finally, Bakatin carried out a limited purge of the rank and file with the objective of turning the Soviet KGB into the main offensive and defensive Russian instrument of coercion by Yeltsin and his coterie.

Accordingly, Avvakumovich Oleynikov and Nikolay Sham, both Yeltsin protégés were named "First Deputy Chairmen" by Bakatin. Foreign intelligence was entrusted to Yevgeniy Primakov, a hard line, anti-American, old-fashioned communist. Moscow and the Moscow oblast (region) was placed under the authority of the mayor of Moscow, a vocal anti-communist, named Gavriyl Popov. He, in turn, appointed his deputy, Yevgeniy Savostyanov, another anti-communist, to head both organizations. In spite of these changes, the rank and file remained imbued with the "Chekist" mentality. Contempt for civilian control, cronyism and corruption ran rampant. Opposition to reforms, coupled with the lure of big money from criminal business associations, further eroded discipline within the KGB. Yeltsin realized that in order to save the KGB, he must reorganize it. Thus, on November 26, 1991, he signed Presidential Decree No. 233, renaming the Russian KGB the Federal Security Agency (Agenstvo Federalnoy Bezopasnostyi). Former chairman, Viktor Ivanenko, became the new chairman of the Russian AFB. While institutionally preserved, the old-new KGB was firmly placed under the civilian control of President Boris Yeltsin and his loyal coterie.

Having arrived in Moscow in the waning days of the Soviet Union, Yeltsin was determined to present himself as the only viable alternative to Gorbachev. Contrasting his political style with that of Gorbachev's, Yeltsin played the role of a forceful, determined and tough politician with the soft heart of a true Russian. During his first term, he thrived on conflict, chaos and anarchy. His administration was embroiled in numerous political battles and economic crises. Yet as soon as there was no fight to pick or enemies to attack, Yeltsin became lethargic and turned into a lame duck. His was a classic case of manic depression. For Yeltsin the detailed and time-consuming labor of constructing a stable country was an anathema. His propaganda machine characterized the liberalization of prices thus: "With a firm hand and displaying no mercy, Yeltsin liberated the prices." In the same vein, market reforms were hailed in the following manner: "Yeltsin forced the enemies of free market economy to their knees and introduced with an iron hand free market reforms." The times were post-Communist, but the mentality conjured up the methods and the language of the universally reviled "War Communism." Confrontation, however, was only a game, not an essential element of a coherent strategy. It was never designed to solve real problems or offer practical solutions. It remained hopelessly self-serving and impotent. The result was always untold suffering of the people, poverty and even tragedy. Like tracer bullets over the

battlefield, Yeltsin's confrontational ideas illuminated Russia only for seconds and then quickly disappeared in the dark.

To understand the reasons for the complete failure of Russia's democratic transformation under Yeltsin's watch, it is essential to point to Lenin's and Stalin's cynical abuse of utopian Marxism as the ideology of legitimizing an inherently usurpatory, fraudulent and evil autocracy. Defining the new class in the Soviet Union, Milovan Djilas stated: "The greatest illusion was that industrialization and collectivization in the U.S.S.R., and deconstruction of capitalist ownership, would result in a classless society...The capitalist and other classes of ancient origin had in fact been destroyed, but a new class, previously unknown to history, had been formed...The party makes the class, but the class grows as a result and uses the party as a basis. The class grows stronger, while the party grows weaker; this is the inescapable fate of every Communist party in power." Moreover: "If we assume that membership in this bureaucracy or new owning class is predicated on the use of privileges inherent in ownership – in this instance nationalized material goods – then membership in the new party class, or political bureaucracy, is reflected in a larger income in material goods and privileges than society should normally grant for such functions. In practice, the ownership privilege of the new class manifests itself as an exclusive right, as a party monopoly, for the political bureaucracy to distribute the national income, to set wages, direct economic development, and dispose of nationalized and other property." As a result: "To divest Communists of their ownership rights would be to abolish them as a class. To compel them to relinquish their other social powers...would mean that Communists were being deprived of their monopoly over property, ideology, and government. This would be the beginning of democracy and freedom in Communism, the end of Communist monopolism and totalitarianism. Until this happens, there can be no indication that important, fundamental changes are taking place in Communist systems, at least not in the eyes of men who think seriously about social progress." And finally: "The so-called socialist ownership is a disguise for the real ownership by the political bureaucracy."(Milovan Djilas: *The New Class; An Analysis of the Communist System*, Praeger Publishers, 1971).

Even before the dissolution of the Communist Party in the end of 1991, party bureaucrats and business managers, who were without exception party members, embarked on a peculiar form of privatization. Separating the relatively profitable activities of their businesses from the non-performing parts, they successfully preserved the communist elite's monopoly on the national wealth. By the same token, the state was left to manage a host of bankrupt businesses that rapidly grew into a huge political liability. In order to avoid a politically disastrous rise in unemployment, that would have come in the wake of the mass decommissioning of military personnel, the government had no choice but to subsidize this man-made bankruptcy. This, in turn, provided the same former party bureaucrats and managers with a new opportunity to embezzle the subsidies too. Communism and its ruling class were dead. Long live the "new class" of post-communist Russia.

Adding insult to injury, Yeltsin's reformist acting Prime Minister, Yegor Gaidar, with the able assistance of Anatoliy Chubais, another reformist darling of the West, freed prices upon the sage advice of Harvard economist Jeffrey Sacks. The "shock therapy" precipitated hyperinflation, wiping out the savings of the entire population. The coup de grace to a democratic transformation came with the voucher privatization in 1993-94. The impoverished Russians were in no position to utilize those vouchers for their own economic benefit. Since there was no competition, the "new class" was able to purchase the vouchers for a pittance. Then, with the help of the political bureaucracy and the state-owned banks, the value of those vouchers was artificially re-inflated. Finally, the thus re-inflated vouchers were put to good use during the rigged loans-for-shares auctions of 1995-1997, also orchestrated by Chubais. The looting and re-conversion of Russia's national wealth was complete. The "Mafiya Capitalism" came into full existence. This politically managed redistribution of wealth, however, rested on a miscalculation by Yeltsin and his team in the Kremlin. They believed that through their command privatization, they created a loyal class of home-grown entrepreneurs, who will support the new autocracy. The new class, however, was more calculating. To begin with, they distrusted the politicians and classified them as criminals. In addition, they all recognized the economic futility of creating additional wealth in a bankrupt state with its impoverished population and non-existent rule of law. Thus, these state-appointed businessmen moved their wealth abroad. The mass flight of capital unleashed the financial crisis of 1998.

As the Soviet Union disintegrated and the central government's powers diminished, the doors of the countless prisons and labor camps were flung wide open, releasing an estimated hundred sixty thousand professional criminals. Among those were about four thousand Chechen gangsters, who quickly moved to Moscow and other Russian cities and took control of many profitable businesses. Wholesale trade of big ticket consumer items, hotels, casinos, the drug trade, extortion rackets, joint ventures with corrupt politicians and representatives of law-enforcement authorities and protection of businesses from other criminal gangs constituted a business empire that existed in a legal gray zone of Russia's newly found "democracy." The Chechens also developed close working relationships with the organized-crime groups of the Caucasus from Georgia, Dagestan and Ingushetia. Yeltsin and his coterie of bureaucrats and businessmen were determined to establish a counterweight to the Chechens and their allies. This they found in the Solntsevo Brotherhood and its Slavic allies. The politically managed Mafiya war that raged in 1993-1994, was fought for the control of the national wealth within the autocracy. When it was over, Boris Berezovsky, his partners and associates, and the Yeltsin "Family" with its bureaucracy remained in control of Russia. The bulk of the banned Communist Party and Komsomol funds, Western aid money and Colombian narco-dollars lined the bulging pockets of Russian politicians, businessmen and, ultimately, the "Family." At the end of 1994, the number of major organized-crime gangs exceeded five thousand. According to official estimates, forty percent of all private businesses, sixty percent of all state-owned companies, and more than eighty five percent of all banks were wholly or partially owned by the alliance of politicians, businessmen and criminals. Jointly they represented almost ninety percent of Russia's

national wealth. The Soviet Union, a police state, transformed itself into a Mafiya Republic.

Russian style political democratization and economic liberalization resulted, not in Russia evolving into a normal European state, but in a grotesque involution, total demoralization and irreparable de-modernization of the social fabric. Between 1988 and 1998 the Soviet Union/Russia deteriorated into political and economic insignificance. In 1990 the GDP of the Soviet Union stood at \$2531 billion. This GDP comprised forty four percent of the GDP of the United States. In 1992 the GDP of the Russian Federation, that inherited seventy six percent of the territory of the former Soviet Union and roughly half of its population, shrunk to \$852 billion. This GDP was only fourteen percent of the GDP of the United States. In 1993 the GDP declined to \$777 billion, in 1994 to \$656 billion, in 1995 to \$626 billion, in 1997 to \$450 billion, and in 1998 to \$426 billion. The historically determined gap between Moscow, St. Petersburg and the rest of Russia grew even deeper.

Meanwhile Yeltsin declared “a ferocious and merciless war” on corruption. Between 1992 and 1997 presidential decrees against corruption flooded Russia. The patently fraudulent character of the anti-corruption campaign required a relentless pursuit of this evil phenomenon. It was a parody orchestrated by Russia’s new autocracy. It was also a deception vital for the unperturbed continuation of the real show, the thorough looting of the national wealth. It had to be also all-encompassing, total and savage, at least on the rhetorical level. In April 1992, a presidential decree forbade government employees to participate in business activities. On October 8, 1992, the Inter-Departmental Commission to Fight Crime and Corruption was established within the powerful Russian National Security Council. On January 19, 1993, Yeltsin convened a conference in the Kremlin “to mount a frontal attack on crime, bribery and corruption.”

On February 1993, Yeltsin delivered a report on “Crime in Russia” at an All-Russian conference. In April 1993, Yeltsin traveled to Novokuznyetck and announced the arrest of three deputy ministers for active bribery. Subsequent research could not find any proof to substantiate the arrests. In the same month, another decree was published to stamp out the scourge of corruption that “directly threatens the national interests of the state.” The decree authorized Yeltsin to personally head the Inter-Departmental Commission within the National Security Council, set up in the previous October. In May 1993, at a meeting of the Inter-Departmental Commission, Yeltsin demanded that the Ministers of Interior and National Security introduce “tough measures” to combat corruption. On June 1993, a presidential decree created a leading body to manage the affairs of the Inter-Departmental Commission. This leading body consisted of thirty five members, hardly a model of effective leadership. Actually, they were charged with collecting compromising material on Aleksandr Ruckoy, a political opponent of Yeltsin. In the same vein, throughout August and September of 1993, Yeltsin chaired several meetings of the Inter-Departmental Commission and gave countless interviews on the topic of corruption. In November 1993, a presidential decree abolished the leading body to the Inter-Departmental Commission. In March 1994, the same Commission approved Yeltsin’s program on fighting corruption. At a press conference, on June 10, 1994,

Yeltsin acknowledged that “the entire state apparatus is infected with the deadly virus of corruption.” In May 1995, The Inter-Departmental Commission within the National Security Council was renamed the Societal Security Council. In December 1995, Yeltsin refused to sign laws passed by the Duma to fight corruption and to amend the Criminal Code to conform to existing laws and regulations. In the spring of 1996, corruption became the center piece of Yeltsin’s presidential campaign. Throughout the campaign, he entertained the population with his sensational, but mostly unsubstantiated announcements concerning corrupt officials and ongoing investigations. Needless to say that Yeltsin’s zeal ended with his reelection.

In spite of this charade, the Russians were not totally fooled. In December 1995, the Communists and Vladimir Zhirinovskiy’s nationalist party won two thirds of the seats in the Duma, the lower house of the Parliament. In January 1996, just six months before Russia’s presidential election, Yeltsin and the new oligarchs were in a seemingly hopeless situation. The revived Communist Party’s top candidate, Gennady Zhyuganov, was far ahead in the polls. Yeltsin’s approval rating hovered between five and eight percent. The protection of the ill-gotten wealth and the status quo became a life and death question for the Yeltsin “Family” and the oligarchs.

The ingenious plan to reelect Yeltsin consisted of a grand theme and several tactical elements. The grand theme of Yeltsin’s reelection campaign was of religious nature. Boris, this good but ailing czar, this bear-like father of all Russians, burdened with the heavy cross of public responsibility, was resurrected by a miracle to only sacrifice himself for the sake of his beloved people. The implementation of this grand design called for a well choreographed political theatre. Accordingly, Yeltsin was portrayed as a beastly, yet not a bestial, Muzhik, the Russian equivalent of the German word Mensch. His role was to lend credibility to the mythological character of a sentimental, endearing, loveable monster, which in its isolation needs the unconditional support of the people. He had to masquerade as a bear with the head of a prairie wolf. By his very nature, such a bear-coyote hybrid cannot be a slick politician. He cannot speak fluently. He is not comfortable in front of the television cameras. He abhors publicity. He avoids the limelight. He stumbles. He moves awkwardly. He mumbles. But all these seeming shortcomings only prove his honesty. He is a Muzhik. He is our Mensch. Only heartless and deceitful politicians talk in grammatically correct full sentences and walk around gracefully. Russians, beware of a smart politician. Do not trust an intellectual. The Russian Muzhik speaks with his heart and not through his mouth.

Once the quintessential modern Russian czar was made, Yeltsin’s creators gave birth to his political opposition, with the purpose of weakening his only real competitor, Gennady Zhyuganov. The two additional monsters thus created were also bear-like quasi politicians, Vladyimir Volfovich Zhirinovskiy and General Aleksandr Lebed. The Zhirinovskiy phenomenon was described by two Russians, a historian and a politician. Aleksandr Yanov, the historian, after immigrating to the United States wrote an article to *Novoye Vremya* in 1992, under the title “Fenomen Zsirinovskij.” “The intellectual weakness of Zhirinovskiy could become his real power. Unquestionably, he is a

charismatic leader: No less than Hitler not so long ago. And like Hitler, he is proud that the intellectuals abhor him.” With his misleading and superficial characterization of the Zhirinovskiy phenomenon, Professor Yanov wanted to please his new American audience, the Leftist academia and media. The politician, Gregoriy Yavlinskiy, leader of the Yablonko reform democrats, characterized Zhirinovskiy in 1994 thus: “A clown who is admired by ten percent of the population. Whenever such a character breaks into politics with his unstoppable verbal diarrhea, he will always find followers. According to my Italian friend, if Zhirinovskiy would be shown on Italian television, he would get as many votes as those prostitutes who perform in the media and then run for a seat in the Parliament. The American political system is different. There he could not run for office, but as an entertainer, he would be a huge success. The Zhirinovskiy phenomenon is a sad testament to our political conditions. The political system in Russia cannot manage extremism. A civilized society would keep such a person outside the constitutional framework. In Russia, however, the autocracy is interested in having a Zhirinovskiy. The autocracy needs him. Yeltsin explicitly supported and promoted him. Zhirinovskiy helped to solve many of Yeltsin’s problems. Yeltsin needed a whipping boy.” But the main reason Yeltsin and his staff needed a Zhirinovskiy was to politically eliminate the reform democrats and usurp their political slogans and recommendations during the campaign. They knew that in Russia no one took Zhirinovskiy and his ranting seriously. Neither were the Russians impressed or frightened by his antics. Yeltsin took no risk domestically with Zhirinovskiy. In the country defined by the Russians themselves as “the country of idiots” (strana durakov), Zhirinovskiy was an instrument of letting the accumulated steam of frustration and discontent escape into the air. But the West was a different issue. There Zhirinovskiy was paraded as a real political threat, a fascist and an uncompromising enemy of the West. Again, how easy it was to fool the United States and Europe. Just before the 1996 election, the European Council debated the admission of Russia. A favorable vote was by no means a done deal. Then Zhirinovskiy entered the scene. He hurriedly told the Western media that: “If Russia is refused admission to the European Council, I would be the happiest man on earth. It would be the greatest political gift to my presidential campaign.” In the United States, the very epitome of intellectual thoughtfulness, Arthur Schlesinger, opined of “the lengthening shadow of fascism” in Russia. In reality, Zhirinovskiy, his party and his campaign was completely bankrolled by Yeltsin and the oligarchs. His political role was useful because he took away enough votes from Gennady Zhyuganov to ensure Yeltsin’s miraculous political resurrection and convincing victory. He also neutralized the West and prevented organizations dedicated to the promotion of democracy in Russia to intervene in the presidential election.

The other useful monster, General Aleksandr Lebed, was portrayed as a liberal-intellectual version of Boris Yeltsin. Nonetheless, he was a bear too. His role called for a stern, incorruptible and honest general, who loves Russia more than Zhyuganov, Zhirinovskiy, Gaydar, Nemcov, Yavlinskiy and Luzhkov do. Hence, his campaign spots, called roliks in Russian, depicted him in front of gently rolling hills, quietly flowing rivers and golden corn and sunflower fields. He truly was a bear with the pure heart of an authentic Muzhik. As a former communist party member and successful general, he took away votes from the nationalists and the communists alike. Lebed was an equal

opportunity political bear. It came as no great surprise, therefore, when Zhirinovskiy and Lebed bowed out of the race and threw their enthusiastic support behind Yeltsin in the second round of the presidential election. After spending two billion dollars, Yeltsin won by a landslide. The Russian miracle worked again. And many idiots applauded the show within and outside Russia. Meanwhile, Yeltsin and the oligarchs laughed all the way to the bank. The transformation of Russia came to a happy ending. There was no civil war. Only politicians, oligarchs and gangsters died. Inside Russia peace was preserved. The falling bear did not burry the defenseless lambs. Politics Russian style turned out to be the most profitable business in the world.

Vladimir Vladimirovich Putin, the Naked Genghis Khan of Virtual Russia

In early 1998, the combined effects of the shock therapy, voucher privatization, the flight of money and spiraling government debt landed the Yeltsin autocracy in the throat of a monumental economic and financial crisis. Back wages to government employees and subsidies to state owned businesses were not paid for months. Essentially, Russia was bankrupt. Emerging from his by now customary winter hibernation, Yeltsin publicly blamed his prime minister, the highly incompetent and extremely corrupt Viktor Chernomyrdin, and his equally corrupt first deputy prime minister Anatoliy Chubais, for the disaster. Predictably, both were fired on March 23, 1998. The same day, Yeltsin appointed his minister of fuel and energy, Sergey Kiriyenko, to be his next prime minister. The new prime minister had the reputation of a tough, decent and energetic manager. He also belonged to the group of liberal reformers who opposed the privatization schemes of the Chernomyrdin government. In particular, he foiled the fraudulent privatization of Rosneft by Boris Berezovskiy and his fellow oligarchs. A strange alliance between the oligarchs and Zhyuganov's Communist Party opposed Kiriyenko. He was only confirmed on the third ballot on April 29, 1998. To preempt hyperinflation Kiriyenko refused to close the huge budget deficit by increasing the money supply and thus continue subsidizing the oligarchs' looting of the treasury. In response on May 12, 1998, the coal miners of Siberia were on the move. Egged on and financed by the oligarchs, they shut down the pits and paralyzed traffic on the Trans-Siberian Railroad. Berezovskiy's and Gusinskiy's media outlets reported gleefully about the plight of the workers. Political pressure on the new government intensified. In April and May of 1998, the Russian banks, owned by the same oligarchs, embarked upon a rapid and mass liquidation of their government security portfolios. The so-called T bill (the Russian acronym was GKO) crisis resulted in immense losses for foreign banks and investors. But the oligarchs also suffered. Most of Russia's commercial banks collapsed. On August 17, 1998, the Russian government stopped protecting the ruble. The value of the Russian currency plummeted by seventy five percent and inflation skyrocketed by hundred percent. Kiriyenko went down in flames. Russia laid in ruins.

Following several unsuccessful attempts by Yeltsin and the oligarchs to reappoint Viktor Chernomyrdin, Yevgeniy Primakov, an old KGB hand, became prime minister on September 11, 1998. Primakov's appointment had a calming effect on politics as well as the economic situation. He tamed the financial crisis by stabilizing the ruble. The stabilization of the currency, in turn, brought down inflation. Politically, he developed good working relations with the communists and the nationals in the Duma. He also allied himself with the powerful mayor of Moscow, Yuriy Luzhkov. Together they led the Fatherland-All Russia Party that enjoyed overwhelming support in the country. On the anti-corruption front, criminal investigations were opened against several oligarchs for corruption, money laundering, tax evasion and other alleged crimes. Prosecutors in Moscow investigated possible collusion between the Yeltsin administration and the oligarchs. Police and SWAT teams raided the offices of large companies owned by businessmen close to Yeltsin and his family. The prosecutor-general, Yuriy Skuratov,

personally supervised a high-profile investigation of more than eight hundred top bureaucrats for revealing and personally utilizing insider information to play the T bill market. Internationally, his office cooperated with the U.S. departments of Treasury and Justice on the criminal investigation against the Bank of New York. In Switzerland, the Mabetex scandal featuring Pavel Borodin, the top official in charge of the Russian state's real-estate holdings, was growing like a cancerous tumor on the Yeltsin administration. The offices of Boris Berezovskiy's companies, Andava and Forus, were searched in Geneva and Lausanne. At home, with Primakov's encouragement and active participation, the Duma opened formal impeachment proceedings against Yeltsin for a variety of political crimes. From Yeltsin's and the oligarchs' perspective, Primakov developed into a real political threat.

On May 12, 1999, Primakov was duly dismissed. He was succeeded by Sergey Stepashin, the minister of interior and an old KGB man with close ties to Yeltsin and the oligarchs. His first deputy was the same Nikolay Aksoyenko who, as the former head of the Ministry of Railways, made a name for himself as the most corrupt government official. To round up the picture, Vladimir Rushaiko of the Moscow police and also an old Yeltsin loyalist with strong financial connections to the oligarchs was named minister of interior. The loyal Stepashin, however, did not stop the ongoing criminal investigations. For this political insensitivity he was dumped unceremoniously on August 9, 1999. His replacement was Vladimir Vladimirovich Putin, the head of FSB-KGB.

The elevation of Putin to the second highest office was just the latest in the long line of Russian political miracles so abundantly performed by the supreme autocrat of the moment. For until he was chosen jointly by Yeltsin and the oligarchs, the forty six year old prime minister labored in relative obscurity. Born on October 7, 1952, in Leningrad, the past and future St. Petersburg, Putin graduated from the law school of his hometown university in 1975. After joining the KGB, he finished his training as a spy in the KGB's Andropov academy. Assigned to the First Chief Directorate charged with foreign intelligence, he toiled as a desk officer for seven years in Leningrad. In 1984, he received his first and only foreign assignment to the former East Germany, aptly called the German Democratic Republic. Posted to the provincial backwater Dresden, Putin was one of ten spies on the local KGB staff. Subsequent to the fall of the Berlin wall, he was sent back to Leningrad and demobilized into the KGB reserve with the rank of lieutenant colonel. After the failed coup d'etat in August 1991, he resigned his commission from the KGB. The unemployed Putin was rescued by his former law professor, Anatoliy Sobchak, who was just elected mayor of Leningrad. Sobchak appointed Putin a deputy mayor and chairman of the municipal council's Committee on Foreign Relations. His responsibilities ranged from liaison with foreign consulates accredited to Leningrad, foreign trade, foreign investment, foreign humanitarian aid, planning and organizing foreign trips and reception of foreign dignitaries. In 1994, Putin was elevated to the post of first deputy mayor responsible for economic planning, privatization and tax collection. As a speaker Sobchak cut an impressive figure. As a mayor he was an unmitigated disaster. Employing to his city's economy Jeffrey Sach's infamous "shock therapy", he managed to impoverish Russia's richest metropolis within

five years. In 1996, the renamed St. Petersburg sank deeply into debt and abject poverty. On June 16, 1996, Sobchak was voted out of office. For the second time, Putin became unemployed. However, his unemployment was again short-lived.

On July 3, 1996, President Boris Yeltsin was reelected. He owed his reelection to Anatoliy Chubais who successfully united the oligarchs behind Yeltsin's candidacy. Like Sobchak and Putin, Chubais was also a native of Leningrad/St. Petersburg. The reelection campaign's brain trust consisted almost exclusively of young liberal democrats from St. Petersburg's Leontyev Institute. This group was complemented by Aleksey Kudrin and his colleagues in the Finance Committee of St. Petersburg's municipal council. Since Yeltsin's opposition relied on Moscow born intellectuals, the preeminence of the St. Petersburg crowd in the second Yeltsin administration was predictable. In addition to Putin and Kudrin, the other newcomers from St. Petersburg were: Sergey Stepashin, Dimitriy and Sergey Vassilyev, Pyotr Filipov, Georgiy Hizha, Sergey Belyayev, Alfred Koh, Yuriy Boldiryev, Mikhail Dmitriyev, Sergey Ignatyev, Anatoliy Zelinskiy, Andrey Illarionov, Natalya Gyemenyteva, Oksana Dmitriyeva, and Ilya Yuzhanov.

The conquest of the Yeltsin administration by the intellectuals from St. Petersburg foreshadowed a change in style and substance from the Byzantine mentality of Moscow to the more businesslike, rational, practical and "Western" modus operandi of the northern metropolis. Initially, Putin was appointed as deputy to Pavel Borodin within the Chubais-led Presidential Administration. His chief responsibility was the supervision of state property abroad. In March 1997, when Valentin Yumashev replaced Chubais as head of the Presidential Administration, Putin was appointed deputy, and in June, first deputy chief of staff. In his new assignment he also chaired the Control Commission that oversaw the working of the country's provincial governments. In July 1998, Putin took over the powerful FSB-KGB by replacing Nikolay Kovalyev, a long-time ally of Yuriy Luzhkov and Yevgeniy Primakov. Putin's first act on the new job was to frame Yuriy Skuratov, the prosecutor general who directed several promising investigations into the corrupt activities of the Yeltsin family and the oligarchs.

Like the Communist Party in early 1996, the Fatherland All-Russia Party was way ahead in the polls in the summer of 1999. Luzhkov and his coterie were eager to retake power from the newcomers of St. Petersburg. Primakov was seething to avenge his dismissal. They both railed against corruption within the Yeltsin administration and promised to clean house. Yeltsin and the oligarchs had no choice but to seize the initiative. Yeltsin's image makers and spin meisters of the 1996 election faced two main challenges. First, they had to package and sell the obscure and widely unknown prime minister as the collective Putin, the unambiguous choice of Russia. Second, they had to thoroughly discredit Primakov as a viable political alternative to Putin. To counter the first challenge, the brain of the 1996 campaign and a PR genius Andrey Vinogradov, also known as the "great wizard", was appointed deputy head of the Presidential Administration. He, in turn, reassembled the 1996 brain trust. Gleb Pavlovskiy, Yuliya Russova, Dimitriy Medvedev, German Gref, Kseniya Ponomaryova, Anatoliy Chubais, Yeltsin's daughter Tatyana Dyachenko, Putin's right hand man Igor Sechin, Vladimir

Surkov, Aleksandr Abramov, Dimitriy Kozak, and Gazprom chief Rem Vyahiryev were brought back to prevent Primakov from unmasking and legally destroying Yeltsin and the oligarchs. The team was chaired by the head of Presidential Administration Pavel Voloshin.

The strategy to “remake” Putin rested on two assumptions. The first assumption was that Primakov’s popularity rested on his status as an insider advocating reforms of the existing conditions from within. Furthermore, Primakov’s success indicated that the majority of Russians distrusted outsiders, and rejected any new political alternative, regardless of its content. Consequently, the person who sits on the top of the power structure, the prime minister/president, had the best chance to win the upcoming election. The second assumption held that Primakov’s rising popularity was mainly due to the perception that Yeltsin’s presidential powers were already transferred to the former. Thus, by pre-anointing Yeltsin’s successor, Primakov can be portrayed as the false pretender to the throne of the reigning autocrat.

With the financial support of the oligarchs, estimated to have exceeded three billion dollars, the Voloshin-led PR team also created a new party, the Inter-Regional Unity Movement (Mezhregionalnoye Dvizheniye Yegyinstvo). The new party was interchangeably called “Medvegy” (Bear) and “Unity”. The reappearance of the Russian imperial symbol of the bear was no coincidence. Yeltsin and the oligarchs had to counter the Brezhnev-Andropov image of bearish tranquility, bearish stability and bearish power projected by Primakov and Luzhkov. The new bear displayed youthfulness, vigor, energy and the unity of Moscow and St. Petersburg with the entire country. New recruits to the Unity Party such as Aleksandr Karelin the three time wrestling Olympic champion, and Aleksandr Gurov the tough police general and the scourge of the “Red Mafiya”, were prominently featured in the media, at campaign rallies and huge outdoor billboards. Chairman of the Unity was the same Aleksandr Soygu who from 1991 successfully directed the Ministry of Emergency Situations. As party chairman he promised: “In the last ten years the management of the affairs of the state consisted exclusively of defending Russia from the consequences of emergency situations. My goal is to ensure that Russia will not always be governed under emergency conditions. Where there is leadership, namely, pre-planning, where the situation is under control, where projections are made, where discipline reigns, there are no catastrophes. In order to eliminate emergencies, these principles must be made the guiding principles of the state.” Alas, the technocrats from St. Petersburg and the provinces promised order, discipline and a functioning country to the people. In contrast, Luzhkov and Primakov wanted to bring back the parasite order of Moscow to the detriment of St. Petersburg and the rest of Russia. In the final “remaking” of Putin one crucial element was still missing. It was incumbent upon the PR team to prove that Putin was a real bear. And this required a monumental crisis. It called for an armed conflict. The reenactment of the Chechen war of the early 1990s was in order. As in 1996 peace was the key to Yeltsin’s reelection, the rigor of 1999 and 2000 demanded a Blitzkrieg against the unruly Chechniya.

The Chechen question and more broadly the problem of the Caucasus are as old as Russian expansionism in the region. Neither Imperial Russia nor the Soviet Union

was able to accomplish the political feat of making Russian rule acceptable to the many tribes, ethnic groups and religious communities in the region. Historically, Russia/Soviet Union had two sets of policies in dealing with their Asiatic subjects. Where the population was culturally, religiously and politically homogeneous, both practiced uneasy neglect, as long as the people in question did not threaten the relative stability and peace of the Caucasus, or Russia proper. In the case of armed rebellions, Russia, as well as the Soviet Union, unleashed the most brutal military campaigns imaginable. Where the population was militarily less significant, or disunited, or scattered, Russia and the Soviet Union attempted forced political and cultural assimilation. When the people objected to the benevolence of the czars and the communists, their lives were rendered so miserable that they either turned to resistance, or fled from their native land. Nor were these the two exclusive alternatives. The Chechens, considered to be particularly dangerous, were twice expelled from their native land by the grace of the communists.

When the Soviet Union disintegrated, Chechniya was still an incorrigibly tribal society, brutalized beyond redemption by two centuries of Russian/Soviet occupation. To prevent further disintegration of the new Russian Federation, the Yeltsin administration struck a deal with most of the regions in the Caucasus. In exchange for local autonomy and thus free reign over local resources for the privileged few, the regions pledged not to press for full sovereignty from Russia. The political element of this deal called for Russian assisted installment of loyal communists as local potentates. In essence, Yeltsin's policy amounted to a counter-revolution and the resulting restoration of the status quo ante throughout the Caucasus. The exception to the rule was Chechniya. In Chechniya the forces of sovereignty decisively defeated the proponents of Soviet style regionalism. The reasons for this development were manifold. During the heydays of Gorbachev's perestroika, he appointed a crony Doku Zavgeyev to preside over the unruly Chechens. Zavgeyev belonged to the Nyizhaloy teyp (Chechen ethnic-territorial tribe). By allowing the Soviet leader to appoint him, Zavgeyev and his tribe were branded by the other Chechens pro-Russian and pro-communist. In addition, the Nyizhaloy teyp resided in the plains. Traditionally, the tribes inhabiting the plains were more peaceful, tolerant, and less religiously devout than the tribes originating from the mountains of Chechniya. In its house cleaning zeal, the Yeltsin administration engineered the overthrow of Zavgeyev by a former major general and a trusted member of the Soviet Communist Party, Dzhohar Dudayev. Little did the "liberal democrats" in Moscow know that Dudayev opposed Soviet style regionalism as well as the moderate political movement of Chechen intellectuals, the Daymokh. Dudayev chose to become the leader of the extreme nationalists defined by their tribal ethos and failed assimilation in Russian society. Dudayev himself was a member of the Yalhoroy teyp, a tribe that for two centuries bore the full brunt of Russian military cruelty and cultural insensitivity. During their second expulsion from Chechniya to Kazakhstan, members of this tribe came under the influence of a secretive vird (a Sufi religious community) that constituted an extremely violent and radical sect within the Kadariya Islam community. Kadariya Islam opposed Communism. Moreover, Kadariya Islam fought the more liberal Naksbandiya Islam established by the Caucasian freedom fighter Imam Salim. While Dzhohar Dudayev excelled as a general and a communist, his brother Bekmuraz became a leader within the vird of Kadariya Islam. At the end of 1991, Dudayev was elected

president with fifteen percent of the votes. As president he did not waste his time. He immediately massacred his opposition. Chechniya sunk into a tribal abyss, eliminating any chance for peaceful coexistence with its neighbors. In 1991, Chechniya did not become autonomous or sovereign. Instead, Chechniya turned itself into a criminal enterprise and a pirate community. Paradoxically, however, its existence was guaranteed by the new Russian Federation, more precisely, by the rapidly expanding and internationalizing Mafiya Republic of Russia.

Throughout Yeltsin's presidency, he and the oligarchs, especially Boris Berezovskiy, played a cruel political game in Chechniya. On the international and national levels they used the Chechen question to prove their unyielding determination to root out terrorism, drug trafficking and money laundering. In reality, the Russian government financed, maintained and protected the criminal activities of the warlords in the region. Aslan Maskhadov, elected president of Chechniya in January 1997, complained in *Komsomolskaya Pravda* and *The Independent* (November 3, 1998) that Boris Berezovskiy, at that time a government official in charge of Chechniya, was financially supporting several Chechen organized-crime groups directly and through his business partners Badri Patarkatsishvili and Movladi Udugov. The latter was also deputy prime minister and a leader of the most extremist faction within the government of Chechniya since 1996. In his interview Maskhadov stated in no uncertain terms: "The aim of the Russian government is to discredit the Chechen people. Support for organized-crime groups is encouraged by Russian government officials. Kidnappings are also encouraged as legitimate means to channel huge sums of money to the warlords."

In the summer of 1999, the Chechen question again emerged as Putin's trump card to the presidency. A chain of kidnappings, the occupation of several villages in the neighboring Daghestan by the infamous Shamil Basayev, and the bombings of some shabby apartment buildings in a working-class district of Moscow, conveniently served as *casus belli* for a massive invasion of the North Caucasus. From Yeltsin's and Putin's perspective, the second Chechen war was not intended to eliminate terrorism and criminal activities in and outside Chechniya. Dubbed by the Kremlin as a "sacred defensive war", the second Chechen war became a desperate election campaign war. It had to demonstrate to the Russian people and the West that the unknown and faceless Putin is not merely Yeltsin's and the oligarchs' puppet, but the savior of Mother Russia. In this hour of national crisis, Boris czar had to be replaced by a collective Putin. This collective Putin had to resemble the reincarnation of the late KGB chief and Communist Party General Secretary Yuriy Andropov. In this context, the war served the single political purpose of perpetuating the status quo. Putin and his PR team had their last piece in place in their disturbing campaign strategy. Within three months, Putin's campaign strategy bore the first political fruit. His "bears" defeated decisively the Primakov-Luzhkov coalition. On December 31, 1991, Boris Yeltsin, of course in full compliance with the constitution, transferred presidential power onto his prime minister. On the same day, the acting president granted his predecessor and every member of his extended family unconditional pardon from criminal prosecution. Yeltsin and family were also awarded countless state benefits and privileges. The subsequent presidential election in the spring of 2000 was a mere formality. Actually, it became a farce and a

morbid Russian joke on democracy. The miracle of turning a faceless bureaucrat with just five percent approval rating in August 1999 into a president with over sixty percent of the votes in early 2000 was accomplished again. Yeltsin's and the oligarchs' choice was duly legitimized. What was missing once again from this scenario was a truly democratic transfer of presidential authority. The "liberal democrats" from St. Petersburg and the oligarchs alike judged it to be "un-Russian" to yield power to a freely elected politician. And so, in his first inaugural speech Putin promised to be a synthesizer of Russian past and future, and a unifier of poor and rich, Russian and non-Russian. Unbiased students of Russian history knew that unity and synthesis always called for an autocrat and a strong state

With the presidency of Vladimir Putin, Russia got both. His greatest challenge was that he inherited a monumental political and economic mess. Moreover, this situation was only partially the fault of the Yeltsin administration. Russia's failure of democracy and capitalism was rooted in its history. For historically, Russia, and later the Soviet Union, never developed into a politically normal state with a rationally functioning economy and a diversified and healthy society. Czarist Russia and the Soviet Union were militaristic states. That militarism was upheld against the interests of the people and society. The state was powerful, but its power rested on the blood of the people, fear, autocratic rule, official lawlessness, criminal corruption and lack of alternative political, economic, civic and cultural organizations. Yeltsin failed because he did not reform Russian politics. The misguided and perverse implementation of Western political and economic principles to such a rotten, destructive and deeply ingrained political regime only exacerbated an already hopeless situation. What Putin also failed to understand was that even an all powerful state without the willing cooperation of a healthy society cannot reform Russia. In reality, the Putin presidency was doomed from its inception by the dual handicap of impossible circumstances and his Checkist mentality. Regrettably, the dramatic political, economic, social and cultural decline of the 1990s, led even Yeltsin's opposition to espouse the virtues of a strong state as an independent political force. Putin wholeheartedly agreed with this opinion. Already on December 29, 1999, he opined: "The key to the rebirth and reemergence of Russia can be found in the political-administrative sphere. Russia needs strong state power, but it must be reestablished. It does not mean that we will return to a totalitarian system. A strong state power in Russia means only a democratic and functioning state. Perhaps the most important lesson of the 1990s is that the creation of a state organization that encompasses the social and economic spheres is an absolute necessity."

In spite of his rhetoric, Putin envisioned a political regime in which state power is basically usurped and exercised by the administrative elite, politically unaccountable to the legislature, the judiciary and the people. That mentality was unequivocally confirmed by his presidential appointments. Almost exclusively, his initial appointees were his "Chekist" buddies and economists from the Sobchak administration. The head of the St. Petersburg KGB, Viktor Cherkosov, became the chairman of the FSB-KGB. Viktor Ivanov, Putin's trusted aid in St. Petersburg, took over the internal security operation of the same organization. Currently, he is the head of the personnel department of the Presidential administration. Another Ivanov, Sergey, was appointed secretary of

the National Security Council. Nikolay Patrushev, another KGB colleague, was elevated to Putin's old job at the FSB-KGB.

Still, Putin felt that his hold on power was less than absolute. For that he had to politically and economically disenfranchise Russia's top oligarchs. In Russia/Soviet Union wealth always depended on political connections. A wealthy person had to trade away every vestige of political independence, moral integrity and individuality for an ephemeral condition of relative well-being. Proceeding with the utmost deliberation of a Russian autocrat, Putin issued an ultimatum. The oligarchs either support him blindly, or risk losing everything. For good measure, Vladimir Gusinskiy, who supported the Primiakov/Luzhkov ticket, was thrown in a jail cell crowded with HIV infected homosexual criminals. Thus convinced of his sinful political transgressions, he quickly gave up his considerable holdings in Russia, and hastily departed to Israel. Boris Berezovskiy sought and was granted asylum in Great Britain. Roman Abramovich and Viktor Vekselberg complied with Putin's dictum. Abramovich was rewarded with the governorship of Chukotka in Siberia. Vekselberg is slated to become the governor of Kamchatka in 2007.

To his misfortune, Mikhail Khodorkovskiy, founder of Menatep Bank and chairman and majority owner of Yukos, harbored separate political ambitions. His politically engineered and legally executed Calvary speaks volumes of the survival of the past, the complete failure of democratization at the present and the uncertainties of the future in Russia. The Khodorkovskiy affair also gives the lie to the Western myth of the "democratic Russia." This erroneous belief was Khodorkovskiy's biggest mistake too. In the twenty first century Russia, autocracy is still above the law. Wealth is held at the mercy of the autocrat and his bureaucracy. Unwritten rules developed through the centuries by various autocrats matter more than the laws passed by the legislature. Criminal investigations are politically motivated. Judges are subordinated to the will of the autocrat. Defense lawyers are harassed, intimidated and murdered. Autocracy is unpredictable and inherently unfair. No autocrat can be trusted to keep his word or to uphold the rule of law.

The charges against Mikhail Khodorkovskiy did not address the fraudulent closing of his Menatep Bank in 1998. Neither was the outrageous acquisition of seventy eight percent of Yukos's shares, worth an estimated fifteen billion dollars, for a mere three hundred million dollars a part of the indictment. No, the indictment centered on the allegedly fraudulent privatization in 1994 of Apatit, an obscure and defunct fertilizer company. For good measure, personal tax evasion, embezzlement of Apatit's profits and heading an organized criminal group were added to the main charge. In his own defense, Khodorkovskiy claimed rightly that questions related to the privatization were litigated in civil court and decided in his favor. However, facts in Russian courts never matter. The spirits of Ivan IV, Peter I and Stalin were in open display in the twenty first century jurisprudence of the "new Russia." Predictably, Khodorkovskiy was found guilty and sent to jail for nine years. With the less than sterling reputation of Russian prisons for security and cleanliness, his chances to survive do not appear to be good.

While the trial was still in progress, Yukos was slapped with a twenty eight billion dollar tax bill. Simultaneously, the company's bank accounts were frozen, ensuring that the tax bills remained unpaid. Then in December 1994, five months before the court's verdict was handed down, in a transaction amateurish even by Russian standards, Yuganskneftegaz, Yukos's main production arm, was forcibly sold in another rigged auction, to a front company, "Baikalfinance", registered at a provincial grocery shop, for almost ten billion dollars. The identity of the company and the origin of the money are still shrouded in one of those eternal Russian mysteries. Clearly, the sale of Yuganskneftegaz was the swindle of the year, a shame paper transaction. Days later, Baikalfinace sold Yuganskneftegaz to Rosneft, a state owned oil company, headed by Putin's crony, Sergey Bogdanchikov. The question, whether Rosneft satisfied the tax authority's demand, still begs for a definitive answer.

Sadly, it appears that rude violations of the rule of law are becoming official policy. Just recently, prosecutors opened a criminal investigation against Mikhail Kasyanov, Putin's former prime minister. Acting with unusual haste on a complaint from a pro-Putin parliamentarian, they accuse Kasyanov of illegal acquisition of lucrative state-owned real estate through bogus companies on his last day in office. His unpardonable sin appears to be his political chutzpa of declaring his availability to run for the presidency in 2008. Another likely victim of Putin's and his cabal of siloviki (in Russian, people in power), is Mikhail Fridmann and his business empire, the "Alfa Group." In a study published recently by the obscure National Strategic Council the authors, all high ranking former KGB officers, claim that the Yeltsin-oligarchs are plotting to seize power in 2008. The alleged ringleader is Mikhail Fridmann. The study identifies Fridmann's religious affiliation and emphasizes that the other oligarchs are also Jews.

Indeed, several siloviki and prominent politicians in the Duma openly declared in writing and in speech that a worldwide Zionist conspiracy from Moscow to Tel-Aviv and Washington, D.C. exists to seize power in Russia. Claiming that "Zionist capital", in cahoots with their paid experts, wrecked Russia's economy, Gennadiy Zhyuganov, the Communist Party boss, wrote in defense of those who were criticized for being anti-Semitic: "Our people are not blind. They cannot but see that Zionization (sic) of the government authorities of Russia was one of the reasons of the present catastrophic conditions of the country, mass impoverishment and dying out of its population. They cannot turn a blind eye to the aggressive, destructive role of Zionist capital in ruining Russia's economy and plundering her property owned by all." He went on to state that either the Jews assimilate, or they leave Russia. What they cannot do is "to be inner immigrant in Russia, acting to damage her interests in favor of another state or a supra-national oligarchy." This is the second important lesson of the Khodorkovskiy saga: that in Russia, reviving old and emotional prejudices deflects criticism from the oligarch and boosts poll ratings. After the Khodorkovskiy verdict in May 2005, Putin's ratings rose from eighty percent to over ninety percent.

While enjoying strong public support, Russia's internal conditions must be a constant concern for Vladimir Putin. The gradually rising tide of oil and gas revenues,

combined with relative spending discipline, have provided the government with enough surplus to repay most of Russia's foreign debt. The country's foreign reserves are at hundred fifty billion dollars. The lion's share of the surplus money goes to the military. The 2006 budget contains a twenty one percent increase in direct military spending to six hundred sixty eight billion rubles. Social spending is to be raised by fourteen percent to two hundred ten billion rubles. However, most of the surplus money this year and in 2006 will be distributed among Putin's cronies and unproductive business entities. Bickering among the siloviki and the top bureaucrats within and outside the cabinet, and fears from popular unrests, has paralyzed Putin and his administration. Such an economic policy smuta (in Russian, stagnation, or time of trouble) will undoubtedly spell trouble for the future. After years of steady growth since 1999, the Russian economy is already in decline. Putin's political xenophobia and the heavy-handed micro-management of the economy by Prime Minister Mikhail Fradkov and Economy Minister German Gref, have poisoned the already fragile business climate. Foreign investment has fluctuated. Oil output has stagnated. Capital flight has reached pre-2000 proportions. Economic growth has slowed down by over two percent from seven and a half to five point two percent within one year. The long-promised economic-modernization program has been shelved. And as the 2006 budget shows, proponents of loose fiscal policy are gaining the upper hand.

A much-criticized, yet ambitious restructuring of the municipal governments, was scheduled to take effect in January 2005. Disagreements within the pro-Putin Unity party erupted into open conflict, delaying a vote on the draft law indefinitely in the Duma. In the wake of the Beslan school tragedy in North Ossetia in 2004, Putin took another decisive step to further centralize his autocracy. The resulting new election law creates a legislature completely subservient to the executive. Before, the electoral system provided for half of the Duma's deputies to be elected directly from individual districts. Candidates were not required to belong or be supported by a political party. In the future, all candidates must be elected from a party list. The thus elected deputies cannot change parties and factions. The penalty for doing so is loss of the mandate to the party. The parliamentary threshold was also increased from five to seven percent of the total votes cast for every party. Additional restrictions to form election alliances between parties and the exclusion of regional political organizations from nation-wide elections are also designed to cement the current overwhelming majority of the pro-Putin parties in the Duma. Today, out of the four hundred fifty mandates, the pro-Putin parties, Unity and Rogyina, hold three hundred and two and forty seats respectively.

The supreme irony of Putin's overwhelming power is that the more authority he accumulates the weaker his position appears to be. Stable and lasting power can only be based on strong political institutions. The precondition of creating a strong legislature, an independent judiciary, political parties with enduring legacies, and civil organizations, is a constitution rooted in pluralism and the rule of law. Putin was twice chosen, and not elected, to give a new lease of existence to Russian autocracy. His power-base amounts to the siloviki and some frightened oligarchs. The two pro-Putin parties did not even exist until mid-1999. Their power-base is equally small. Their enduring existence is uncertain and closely tied to Putin's political fortunes. None of the major government

institutions are for real. The Duma only functions as a virtual parliament. The courts constitute a virtual judiciary. Parties are virtual political organizations. Non-governmental organizations do not exist at all. Russia is a virtual state. Putin is a virtual president. His current popularity is temporary. His success cannot be translated into permanent and stable governance. He will fail at the end, as every autocrat before him did in equally monumental causes.

Abroad, including what the Russians call the “near abroad”, there is also an inherent irony as well as a lesson for Putin and his siloviki. The main problem is that their world view is frozen in the Soviet times. Essentially, Putin believes that his autocracy’s survival is inextricably linked with maintaining a strong military and an aggressive posture vis-à-vis Russia’s neighbors and Europe. For Putin restoring Russian military power and the promise of international importance serve as the ultimate legitimization of his autocratic regime in the face of the palpable political and economic failures at home. After all, this policy proved to be effective for decades in guaranteeing the relative stability of the Soviet Union. Thus, for the Russian people, the illusion of imperial greatness and relevance in world affairs are presented as substitutes for the unfulfilled promises of reforms and better life in the twenty first century. With Russia’s enduring political, social and economic problems, with communism and democracy discredited, the Putin administration attempts to prove its usefulness to the nation by appealing to the base feelings of extreme nationalism and xenophobia of the people at large.

While the traditional direction of Russian foreign policy remains unchanged, the new challenges of the new century are bound to influence specific policy responses. Popular movements in Ukraine, Georgia and Kyrgyzstan facilitated the removal from power of the pro-Russian leaderships. Particularly, the failure of Leonid Kuchma to rig the presidential election and transfer power to his pre-selected successor damaged Putin’s reputation as an effective and strong leader. This election and its aftermath also reminded the Russian people of Putin’s own seizure of power in 2000 as well as 2004. His revenge in Uzbekistan that will result in the closing of the Karshi-Khanabad (K2) air base from the U.S. air force in a couple of months, will only provide temporary respite for Russia in its southern borders. The former Muslim republics of the Soviet Union will pose major and enduring security and political challenges for Russia. An even more threatening challenge will emanate from China. Arms sales and joint military exercises will not neutralize China’s desire to retake possession of the Siberian territories unjustly annexed by Imperial Russia in the previous two centuries. In spite of Russia’s attempts at deepening the fissures in the Western alliance, the relationship between the former and the European Union is deteriorating. The view from Moscow is that Great Britain, France and Germany are busy of constructing an empire that in close cooperation with the United States attempts to contain and isolate Russia. On the other hand, member states of the expanded European Union are divided over their policies toward Russia. Personal experiences, historically ingrained reflexes, emotionally motivated prejudices and Realpolitik will render the emergence of a unified set of policies extremely difficult, if not impossible. To counter this specific American/European challenge, the Putin administration is in the process of finalizing specific energy policies. These policies are

designed to exploit the growing demand and dependency of the European Union on Russian energy. The 2003 arrest and subsequent conviction of Mikhail Khodorkovskiy in May 2005, the carving up of Yukos, shattered any illusion that Putin's Russia supports the private oil industry. By playing local politics, Putin politicized Russia's energy management. He also proved to be unreliable on several planned pipeline construction projects. Mired in obscure and economically irrational political considerations, the foreign investment community will remain reluctant to commit large sums of money to support contradictory Russian political objectives.

The "new Russian energy policy" has disappointed the United States too. For these reasons, Putin's determination to control the energy market will backfire and hurt Russia more than it might its intended targets. Ultimately, the political mismanagement of valuable energy resources will further isolate Russia, both politically and economically. In spite of President Bush's repeated endorsement of Putin, U.S.-Russian relations remain tenuous. The catalogue of contentious issues include Russia's growing desire to forge a military alliance with China, its support of Iran's nuclear ambitions, its repeated attempts to undermine the unity of NATO, particularly its opposition to the war in Iraq together with France and Germany, its manipulation of the U.N. and its role in the Oil for Food scandal, its ambiguous policies on the war on terror, its adherence to an expansionist imperial nostalgia, its repudiation of democracy in favor of autocracy, its rude interference in the internal affairs of the former Soviet republics, its support of criminal activities throughout the world, and disregard for the rules of international trade. Realists within the Bush administration remain highly suspicious of Putin's policies. Indeed, Russia's current policies and objectives will only increase suspicion and distrust in the United States and Europe. Putin's behavior will also prevent Russia from developing trust and becoming a part of the solution in the Middle-East.

The last nail in Putin's foreign policy coffin was his incompetent handling of "Victory Day", the sixtieth anniversary of the Allied defeat of Nazi Germany in May 1945. His opening salvo was amateurish and unfortunate: "First and foremost it is worth acknowledging that the demise of the Soviet Union was the greatest geopolitical catastrophe of the century." His failure to use this solemn occasion to provide a balanced account of Soviet policies after 1945 particularly enraged the formerly captive peoples of Central and Eastern Europe. His eagerness to reclaim the expansionist heritage of the Soviet Union raised fears that Russia is both ready and willing to risk another confrontation with the West. In this spirit, he enthusiastically embraced and uncritically hailed the barbaric brutality with which the process of satellization was implemented by Stalin and his local minions. Clearly, as long as Putin continues to display an imperial mindset, Russia cannot develop stable relationships with western organizations, let alone join them. Moreover, isolation from the West will doom Russia to fatal backwardness and render it vulnerable to Chinese expansionism.

THE END

The overdue obituary of Russia will, when written, provide the most illuminating and convincing proof of the historic truth that no state or society, even as centralized as Imperial Russia or the Soviet Union, can be based permanently on fraud, lies and deceptions. The borrowing, or more plainly stated the usurpation of Western ideas to overcome periodic catastrophes, will not avert the day of reckoning before the court of global political and economic competition. The five-century old dilemma of Russia, Westernization or the creation of an alternative, uniquely Russian civilization, was decided in 1991. The communist experiment with isolating half of the European continent and a sizable part of Asia from the rest of the world, ended with the collapse of the Soviet Union. This eternal dilemma was poignantly stated in a conversation between the Russian political scientist Vlagyimir Mironov and the infamous French radical Marxist Regis Debray.

“Debray: For me the most important question is: whether there is an alternative to the market rationality. I personally fight against turning the entire globe into a giant supermarket. That in the ocean of the market states and cultures and the islands of other entities would survive. That those states, cultures and islands would not be subjugated to the power of supply and demand. This fight, in its essence is anti-capitalist, although the history of the twentieth century proves that there is no alternative to the market economy.”

“Mironov: Until now, the only island in the ocean of the market was the Soviet Union. It is not by accident that the marketization of Russia is resisted bitterly. However, this resistance is not based on our technological backwardness, but is rooted in certain communal elements of our inner world. Where this inner spirit was successfully merged with technology, there Russia marched in the forefront of human progress. In the conquest of space, or in the arms race, Russia was able to score brilliant victories, because in these spheres the scientific-technological progress appeared as the common cause of the entire nation, in which the common spirit of the entire nation was expressed. Today, we are lost and struggle to find the uniquely Russian variation of our market economy.”

“Debray: I think that the goal for Russia is to transform itself. That through this transformation it would reborn and not return to an archaic way of life, or to nationalistic, ideological political regimes. For Russia the dilemma is to remain Russian, while reaching the level of the twenty first century. I trust that the new technologies and Russian society can be tied together. If such an alliance fails, it would be the end of Russia. In this latter case, either Americanism would swallow up Russia, or Russia would return into the past: to the monstrous fascist formations of the past that would again isolate Russia from the rest of the world.” (Vlastyy idey i ideya vlastyi. Nyezhasisimaya Gazeta, April 25, 1995, p. 3).

The Soviet Union, this anti-Western, anti-progress experiment, was decisively defeated. With it, generations of Russians and other nationalities lost their way of life that was presented to them by their masters as natural and normal. The “new Russia” did not come into being. Therefore, today’s Russia is politically dead and economically defunct. There is no common cause (obscheye gyelo) to pursue. Expelled from the hell of Orthodox Christianity and Communism, for Russia there was no miraculous landing in the world of globalization. With its corrupt and blotted bureaucracy, its ridiculous insistence on centralization, and its misguided superpower posturing, Putin’s Russia is a toothless imitation of the Soviet Union.

The rest of the world is moving irresistibly toward globalization. Virtual Russia is unable and perhaps unwilling to stop or follow the world toward a more democratic and prosperous future. The gap between Russia and the West will continue to widen. Russia will view globalization with a mixture of bewilderment, hatred and admiration. For the rest of the world, Russia’s misery will reflect the historic tragedy of a nation that, in spite of its emotional craving for a just and free society, had always resisted attempts at political modernization.