

QUO VADIS RUSSIA?



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In August 1991, Boris Yelt'sin as President of the Russian Federation (within the Soviet Union led by General Secretary Mikhail Gorbachev) was the hero in the West when he climbed onto a tank outside the Russian Parliament to confront the troops that had been sent in by the group of coup plotters of eight hardliners, who had overthrown Gorbachev and arrested him in his Crimean home. Yelt'sin was calling for civil resistance against the "new reign of terror" and asked the troops not to fight their own people. It worked, the coup, ill-planned and badly executed, failed, one of the hardliners committed suicide, Gorbachev was re-instituted, but the seven coup plotters of the KGB and Army were never trialled in Court.

Yelt'sin took advantage of the hour, ridiculed Gorbachev in the DUMA, and became the accepted new leader. On December 21st, 1991 Gorbachev announced the dissolution of the Soviet Union and resigned as its General Secretary. Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Moldova, Turkmenistan, Tajikistan and Uzbekistan joined the Commonwealth of Independent States (CIS) which had been constituted on December 8th by the Republic of Belarus, the Russian Federation and Ukraine. The CIS never became more than a loose regional organisation with its security organisation failing; Georgia joined in 1993 and withdrew in August 2009, and Turkmenistan and Ukraine never ratified the CIS Charter.

Boris Yelt'sin as President of the Russian Federation became the new 'strong man' in the Kremlin, awaited with hopeful anticipation in the West as well as by his own people. But his second term in particular was overshadowed by chaos he had allowed to develop. The economy was in shambles, oligarchs who had accumulated and brought out of the country incredible amounts of money showed industry that it was possible to avoid taxation – a shadow economy with whole industry branches like the Nickel Industry on the Kola Peninsula selling their products without taxes going to the state. As a result the state did not have money to fight the war in Chechnya. For Russia, the end of 1999 was gloomy – with terrorist attacks, the conflict in Chechnya and continuing aftershocks from the 1998 financial crisis. Russia's President was widely criticised for his inability to stem the economic decline and his own alcohol addiction. At the end of 1999, Boris Yeltsin resigned, leaving Prime Minister Putin as acting President.

Vladimir Vladimirovich Putin inherited a country where mothers dreaded sending their sons to the Army. But Putin quickly realised that he had

to succeed militarily in Chechnya, and he did so, ignoring protests from all over the world against his punitive actions against Grosny. Internally he reversed Yelt'sin's course who had given the Federal Republics autonomy, leading to independence demands even, like in Tatarstan. He cleverly left many members of the old *nomenclatura* in office, a procedure designed not to create enemies, but he then changed the organisation in order to reduce their influence. And he inducted his companions of Saint Petersburg days into power and secured the support from former KGB companions by lifting them into *siloviki* offices when re-organising the security services. He founded the party United Russia (*Yedinaya Rossiya*) which secured 37.1 percent of the DUMA votes in 2003, a landslide victory further strengthening his position. He painted his image as the leader who would bring back to power Russia, promising higher defence expenditure and raising salaries for the military, and re-instituted the hymn of the Soviet Union, albeit with a new text.

And he fought the oligarchs: Gusinskiy and Beresovski narrowly succeeded to flee abroad where Abramovich already lived a life in clover. But LUKOIL boss Khodorkovkiy was less fortunate: When he declared that he would stand up against Putin in the forthcoming presidential election he was quickly trialled in Court and sentenced for fraud and tax evasion to nine (reduced to eight) years in labour camp. Putin was triumphantly re-elected President and now focussed his attention to external matters. Soon the West lamented the honeymoon with Moscow was over, but internally Putin enjoyed full support for his course. The Chechen capital became one of the most modern cities in Russia, where high heels are now seen rather than combat boots – the only reminder of the bloodshed is the shortage of available grooms.

After the Beslan tragedy, direct regional elections were abolished and Vladimir Putin introduced administrative changes – unavoidable changes, because some regions had become so independent, feudal even, that they could undermine the integrity of the entire Federation. While the assessment of Russia's political makeover is still a matter of debate, economic changes were more clear-cut. A decade ago, Russia was struggling to pay its debts, barely able to meet its social obligations. Now the country is a major international donor and its social spending has increased dozens of times – thanks to the price of oil and gas which had risen more than five times.

When the current President, Dmitri Anatoljevitch Medvedev, came to power because Putin could not be elected for a third term, many expect-

ed him to be the guarantor of a better life. Putin became Prime Minister and many argue that he still is the driving force in the Kremlin. But Medvedev's honeymoon in office did not last long. The global financial crisis was already gathering steam when Russia was drawn into its first international conflict in two decades. The war in South Ossetia tested the country's armed forces and also its political stamina. For almost a year after the confrontation with Georgia, Russia's contacts with the West remained frozen. The West could not speak up about Russia having occupied the CIS member country Georgia as well as a partner country in Partnership for Peace (PfP), because it was Georgia (encouraged by George W. Bush) that had broken the PfP obligations first, namely not to deal with border and minority issues with military power, by marching into South Ossetia.

After the visit of President Barack Obama to Moscow it looks as if relations with Moscow are back to 'business as usual'. But be not mistaken, the mutual recognition of their responsibilities was between Presidents Medvedev and Obama, while you could see in Prime Minister Putin's eyes sheer disdain and contempt for President Obama. And we will have to live with a President Putin again soon who will be elected into office with a clear mandate. Despite the many challenges that the past year posed, on New Year's Eve most Russians had more food on their tables than they did a decade ago. Russia wants and needs a strong President, and Putin knows how to give Russia the sense of recovered power. The Russians will like what he said on December 29th, that Russia must develop offensive weapon systems to counter US missile defence plans: "To preserve the balance, we must develop offensive weapons systems, not missiles defence systems as the United States is doing", Putin was quoted as saying on a working visit to Russia's Far East.

Our options? If we stood together, willing to beef up our defence budgets (which we will not), our defence industries (and economies even?) could benefit from a new arms race, a course we could sustain but Russia would not hold out long, especially if we made ourselves more independent of Russian oil and gas. If that seems an illusion, what is the alternative? We will have to bank on co-operation with a stronger and more self-confident Russia. Russia needs and will get a strong President, and we need a stable Russia which should become part of the European security architecture, but not as member of its institutions or of new structures which Putin wants to establish in order to weaken NATO and the EU and able to talk again at eyes height with the West. We have to live with Russia, not against it!


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