

WILL RUSSIAN COMMUNISM RISE AGAIN?

Not so long ago, prudent American policy-makers used to follow this simple rule regarding the Soviet Union: "Moscow's intentions we cannot know. So it's her capabilities that we must worry about." That stance proved to be a wise one, and ultimately contributed to the victory over the "evil empire."

Today, with secretive Communists once again contending for power in Russia, this same approach ought to be used. It is an endless and ultimately futile task to try to guess exactly what Gennady Zyuganov and his henchmen believe in. Instead of divining what they intend, we ought to plan on the basis of what they *could* do.

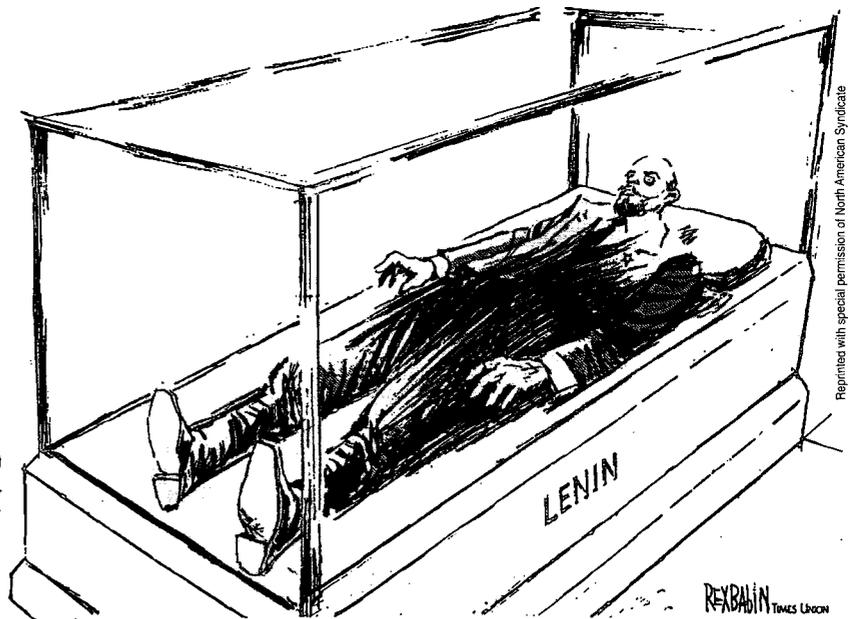
And what they *could* do is rather less than what many observers assume. I suggest that the chances of a successful Left-radical reversal of Russia's 1991 revolution are slim at best.

The most obvious barriers to a return to the Soviet model are regionalism and privatization. Since 1991 Russia has become a federated state somewhat like the United States, with a weak center and semi-autonomous regions that jealously guard their liberties. The endless and intense public haggles over laws and tax revenues between Moscow and the 89 "Subjects of Federation" are testimony to an often overlooked reality: for the first time in 400 years, Russia is not synonymous with Moscow, and control over "the center" doesn't automatically translate into dominance over the country.

Re-nationalizing the Russian economy would be no less arduous a task than recreating a unitary political state. First, there is the enormous diffusion of private ownership. In the last four years, tens of millions of Russians have become actual owners or shareholders of businesses. Today, Russia's capital is what might be called "tough." It is concentrated in giant conglomerates with significant criminal involvement and is assisted by small private armies of "enforcers." At the top, Russia's two dozen or so largest financial and industrial fiefdoms control banks, arms manufacturers, oil supplies, television channels, and newspapers. Dispossessing these people would not be easy.

The Russian business sector today is far richer and incomparably better organized than the government. And they would resist nationalization of their assets; too many people have fought too hard and done too well for themselves in the past four years to give it all up.

BY LEON ARON



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True, a weak government and politically disintegrated countryside didn't prove insurmountable obstacles to earlier Communists like Lenin or Mao. To avoid becoming too confident we should keep that in mind. But at least two circumstances distinguish present day-Russia from 1917 or 1949, and both of them subtract significantly from the capabilities of the Russian neo-Communists.

First, past history suggests that indigenous ideological totalitarianism usually triumphs only in what could be called "knocked-down" societies: bloodied, shocked, disoriented and brutalized either by protracted war (Russia, China, Cambodia) or by its horrible aftermath (Germany). Without exception, such societies were either pre-democratic or ones in which democracy had been fatally weakened by serious privation.

While for millions of Russians (especially among the older generation) the transition of the past four years has been very rough, it cannot be compared with the fallout of a world war or a long and merciless civil conflict. Externally, there is peace and generous assistance from former enemies. Domestically, there is a very imperfect but real democracy, tested in two free and fair national elections and treasured by the populace. No matter how angry they are about everything else, overwhelming majorities of Russians, in poll after poll, indicate unwavering support for basic civil liberties: freedom of the press, freedom of demonstration, multi-party politics, and freedom to travel.

In theory, this, too, could be overcome by mass slaughter. But such a strategy calls for a Lenin, Stalin, Hitler, Mao, or Pol Pot—a committed, fanatical ideologue, willing to kill (and be killed) to implement his societal blueprint. And herein lies the final and perhaps decisive deficiency in the capabilities of today's Russian Communists: the weakness of ideology. Of course there are "neo-Marxists" and "Leninists" and "social-democrats," or whatever, in Russia today. But neither among the leadership nor among the Russian masses are there Bolsheviks—men powered by an all-consuming secular religion that drives them to icy devotion to victory at any cost. Compared to them, as Alexander Solzhenitsyn put it in *The Gulag Archipelago*, an ordinary villain like Macbeth was no more than a "lamb"—and so, it seems, is Mr. Zyuganov.

Of course, even two-bit dictators sometimes “grow” into something more dangerous in office (witness Castro). Yet, historically, a certain core existential baggage has been a necessary component of an ideological dictator’s equipment. This usually requires years of underground struggle in which a commitment to The Cause is cemented by daily risk and the cutting off of all other avenues of living, in which The Cause itself is steadily radicalized, until its triumph becomes the only thing that matters. In this respect, everything we know about Gennady Zyuganov and his comrades makes them unlikely candidates for ideological totalitarians.

Make no mistake: I do not argue that new Russian Communists wouldn’t try to recreate their glory days. But their odds of succeeding are long. Compared to 1917, another attempt at instituting totalitarian Communism in Russia is likely to be, in Marx’s famous paraphrase of Hegel, not a tragedy but a farce. Messy, worrisome, perhaps bloody—but a farce nevertheless.

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OMINOUS PARALLELS

GERMANY IN THE 1920S AND RUSSIA TODAY

Exactly who leads Russia in the immediate future may be of little consequence—because trouble lies ahead in any case.

Russia is in the grip of powerful historical forces that no one man or election can make disappear. To gain perspective on the chaotic drama unfolding in the former Soviet Union, one need only consult three ominous parallels between Russia of the 1990s and Germany of the 1920s.

1. *Both countries lost a war.* Germany lost World War I to the allies. In addition to the shame of defeat, the Germans suffered “vindictive” reparations and territorial concessions. Berlin was forced to cede Alsace-Lorraine to France, West Prussia to Poland, and Schleswig to Denmark. It also lost its overseas colonies.

Seventy years later, Russia lost the Cold War in peaceful uprisings encouraged by the victors, mainly the United States. Russia lost East Germany and other European captive states, as well as its internal republics like Ukraine, the Baltic states, Georgia, and Armenia. Unlike Imperial Germany, Russia has received generous aid from the victors, rather than a demand for payments. Still, the mighty Soviet Union was humbled before the world—a psychological blow fraught with political danger.

2. *Both countries established democratic republics.* With no tradition of popular rule, Germany set up the democratic Weimar Republic and Gen. Paul von Hindenburg was elected president. Under heavy reparations and catastrophic inflation, the Republic collapsed.

Russia has similarly established a democratic republic and elected Boris Yeltsin, a weak and indecisive president (except for his crackdown on Chechen rebels). His foreign minister has forged links with scofflaw regimes like Iran, Iraq, and Libya. The fledgling democracy is assailed by galloping inflation, crime, and corruption.

3. *The totalitarian temptation.* Demoralized, humiliated, and angry, Germany in the 1920s longed for a return to its former power and glory. Exploiting the people’s angst, a messianic Adolf Hitler gave them hope, promised a greater Germany, and mobilized them for a war of expansion that engulfed all of Europe.

Today, many demoralized Russians are tempted by the siren calls of leaders who hark back to the glory of the czars or commissars. On March 15, the Communist-dominated Duma, the lower house of parliament, voted to reestablish the USSR. On the extreme Right, Vladimir Zhirnovsky threatens to recover Eastern Europe, expand into the Middle East, and even take back Alaska. Much of his bravado can be dismissed, but then so was much of Hitler’s.

These ominous parallels between Germany then and Russia now are both mitigated and exacerbated by significant differences between the two situations. The most dangerous difference is Russia’s arsenal of 12,000 nuclear missiles that could devastate the United States. Though Moscow claims they are not targeted at us, we have no way of verifying this. Russia’s formidable conventional land, sea, and air forces are a potential threat to its neighbors. In the 1920s, the Versailles treaty limited Germany’s army to 100,000 men and prohibited an air force or U-boats, so the country threatened no one.

The most hopeful difference between yesterday’s Germany and today’s Russia is the existence of NATO backed by a significant U.S. military presence in Europe. In the 1920s, an isolationist America abandoned Europe. Today, America is pouring billions into Russia to encourage it to pursue responsible domestic and foreign policies.

Whatever the near-term election results, Russia is likely to be whipsawed by chaos and instability for years to come. As a result, this is not the time for the United States to embrace Russia as an ally. On March 26, President Clinton backed a massive \$10.2 billion IMF loan to boost Boris Yeltsin in the election. I suggest our government should be wary of becoming too cozy with any particular Russian leader or regime. In addition, NATO should ignore Moscow’s objection and promptly accept Ukraine, Poland, Hungary, and the Czech Republic as members.

Since history is a better guide than good intentions, it would be prudent to view Russia as a potential adversary.

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BY ERNEST W. LEFEVER

THE VIEWS OF RANK AND FILE RUSSIANS

Thanks to some pioneering opinion research done by professor Richard Rose of Scotland's University of Strathclyde, we no longer have to guess about the direction of Russian public opinion. Here are some telling results from a January 1996 survey of a scientific sample of 2000 residents from all across Russia.

CURRENT CONDITIONS

Everything is not too bad and it is possible to live	8%
Life is hard, but we can get by	49
Our miserable situation can't be tolerated any more	36

How would you describe your mood in recent days?		How would you describe your family's current economic situation?	
Excellent	2%	Very good/good	3%
Normal	30	So so	42
Tense	43	Bad	39
Depressed	14	Very bad	12

Were there times during the last year when your salary was delayed?		The worst times for Russia lie ahead	52%
Yes	64%	They have already arrived	21
No	36		

In the past twelve months, did your family have to do without any of the following?			
	Food	Heat/Electricity	Clothes/Shoes
Often	33%	14%	44%
Sometimes	28	21	26
Rarely	19	19	18
Never	19	46	12

Which problems worry you most?	(Top ten answers)
Inflation	73%
Crime	63
Unemployment	51
Economic crisis/decline of industry	49
Armed conflicts at Russia's border	43
Unjust distribution of income	35
Ethnic tensions	33
Weakness of the state	32
Crisis of morals	24
Corruption/bribery	24

RUSSIAN VIEWS OF CAPITALISM

Market reforms should be		Which economic system is better?	
Continued:	30%	State planning and control	36%
Halted:	27	Private property and the market	27
Don't know:	42	Don't know	37

It is better when there are plenty of goods in shops even if they are expensive:	59%
It is better when the state keeps prices low even if it means few goods in the shops:	41

THE PRESENT SYSTEM VS. THE OLD

View of Russia's pre-perestroika political system (positive/neutral/negative)	59% / 19% / 22%
positive ratings by age:	
18-29	50%
30-59	60%
60+	70%

View of Russia's current political system (positive/neutral/negative)	28% / 26% / 46%
positive ratings by age:	
18-29	35%
30-59	28%
60+	21%

View of Russia's pre-perestroika economic system (positive/neutral/negative)	72% / 14% / 14%
positive ratings by age:	
18-29	67%
30-59	72%
60+	78%

View of Russia's current economic system (positive/neutral/negative)	22% / 19% / 58%
positive ratings by age:	
18-29	29%
30-59	21%
60+	19%

We should return to the Communist system	Agree: 39%	Disagree: 61%
by age:		
18-29	25	75
30-59	38	62
60+	61	39

What is more important for Russia now?	Order: 77%	Democracy: 9%
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If Parliament was suspended, would you...	Approve: 34%	Disapprove: 65%
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Dictatorship is the only way out of our current situation	Agree: 34%	Disagree: 66%
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THE DISTANCE ALREADY TRAVELED

I'm employed by a	
state enterprise or collective farm	54%
partially or fully private enterprise	45

What is the probability your employer will be privatized?	
Already is privatized, or never was state-owned	35%
Very likely or maybe	20
Unlikely or no chance	45

What kind of house do you live in?	
Government owned	40%
Privately owned or rented	52

THE COMING RUSSIAN BOOM

REUTERS/CORBIS-BETTMANN



MOSCOW—A man trades in privatization vouchers to buy stock in the Zil automobile factory.

Whether Russia prospers matters not only for Russians but for the whole world. A prosperous Russia is an important outlet for Western exports and Western capital—and a more peaceful neighbor. And despite the gloominess of most press reports on Russia today, there is strong evidence that the Russian economy will grow rapidly in the future.

Russia enjoys a far better educated population than most countries with comparable incomes. Adult illiteracy is around two percent, compared with over 15 percent in most other countries of similar income. Russian education is particularly strong in mathematics and the physical sciences. While business education is of course primitive, many scientists have abandoned the defense industries, for instance, to reach the top in finance and business ventures.

Russia is still the world's top nation in natural resources. On a per capita basis, Russia produces more than the United States of natural gas, oil, steel, aluminum, nickel, platinum, and many other key resources. In due course, Russia's farmland, the third most extensive in the world, will become a significant asset.

The best economic news is that Russia has privatized faster than any of its East European neighbors. Many avenues for growth have opened up as Russia throws off the shackles of communism and an excessive military spending. Russia will likely grow at a faster rate than mature market countries for many years to come.

From the beginning of Eastern Europe's transformation, the proper speed of privatization has been debated. Everyone agreed that private ownership was the goal, but some people, like the Hungarian economist Janos Kornai, maintained that selling off existing state enterprises was less important than removing obstacles to *new* firms—because fresh competitors would eventually replace many state firms. This policy, a European version of the Chinese model which lets new enterprises

Richard Layard & John Parker

of the old state enterprises were of potential value if they could be managed properly by new owners. How to make this transfer?

It was easy to privatize small businesses, which could be sold for cash, often to their workers or managers. But when it came to large firms, it made no sense to simply auction off the companies, because the few parties in the country with enough money to buy them would have made an unreasonable killing. If state enterprises were to be privatized fast, they would have to be given away for nothing—or at a very nominal price.

But the question that had to be answered by Anatoly Chubais, Russia's first privatization minister, was to whom the former state enterprises should be given. Workers' representatives told him he should give the factories to them. Managers made their case. Pensioners and people not employed in state enterprises, such as teachers, doctors, and bureaucrats, demanded that privatization be blocked unless they got their share.

As he looked at the history of privatization in other countries, Chubais concluded that if he wanted to privatize quickly, he had to give enough to *all* the main claimants in order to get their support. He first proposed that workers receive 25 percent of the shares for free and be allowed to buy an additional 10 percent. Managers could buy 5 percent. And Russian citizens would get vouchers which they could exchange for most of the remaining stock.

Workers and managers—and their representatives in the Supreme Soviet—opposed this scheme. So Chubais called it Option I and proposed an Option II, where workers and managers could pay somewhat more and obtain 51 percent of the shares, with each enterprise's work force choosing which option to fol-