

Unclenching the Iron Fist

by John Feffer

As Boris Yeltsin relates in his autobiography, the incident occurred at a construction site in Sverdlovsk during his first job as a foreman. One of the convicts routinely hired to fill out the workforce stormed into his office, demanding a restoration of the higher convict wages that the young Yeltsin had rescinded as one of his first initiatives. This imposing fellow carried an axe and looked ready to use it. "You just remember that I've got nothing to lose," the man cried. "I'll smash your skull before you've even had time to squeak."

There was no room to escape, and no way that the new foreman could avoid the axe's reach. Yet Boris Yeltsin was not about to back down. So, thinking quickly, he simply raised his voice and roared "Get out!" while keeping his eye unwaveringly upon his challenger. The convict, awed by the powerful voice of authority, dropped his axe and submissively slunk out of the office.

This story typifies not only Yeltsin's political style, but the attitude of radical Russian reformers. There are forces afoot in Russia that are anti-reform. They make demands, generally unreasonable. They want to block progress. They may be strong, menacing, and have unappetizing histories. But all that it takes to dispel them is a display of authority, even if only rhetorical. Compromise is anathema. Democracy is no match for an axe. This uncompromising strategy, sometimes referred to in Russia as the "iron fist," has represented a modernizing alternative to democracy of the socialist or liberal varieties. According to this school of thought, a strong central government, ideally focused around one charismatic individual, pulls Russia kicking and screaming into the 21st century, much as Stalin had brought the Soviet Union into the 20th. The iron fist ensures stability even as it introduces the otherwise destabilizing effects of the free market.

Yeltsin and his motley crew of modernizers have employed this strategy on many occasions in the new Russia. In the fairy tale version of Russian reform, Boris stood up to the inept Gorbachev and the evil Ligachev almost from the beginning of perestroika. Boris battled the tanks and the snipers to defeat the brief coup of August 1991. He tried thereafter to teach democracy to a recalcitrant parliament and, failing, blew the White House down in October 1993. He put the ogres Khasbulatov and Rutskoi behind bars. And he has set his sights on future demons such as the Zhirinovskiy brownshirts and the resurgent Russian reds.

Fairy tales aside, the politics of no-compromise has produced nothing but misery and instability for Russia. The chimerical, axe-wielding monster of reaction has not been cowed into submission. Where the forces opposed to anti-democratic shock therapy are truly monstrous, such as Vladimir Zhirinovskiy's reactionaries, they only feed on strong-arm tactics. As for the palatable opponents of the iron fist, a centrist coalition has reconstituted itself. Still the West backs Yeltsin and his vision of reform. Eager to cultivate a friendly and "responsible" elite, the West is neglecting viable and necessary alternatives that are both politically benign and economically fair.

The Fist Strikes

Boris Yeltsin began 1992 with an indecent proposal. I'll make you all millionaires with our capitalist shock therapy, he promised the Russian people, and all you have to do is trust me (and temporarily tighten your belts a notch or two as well). Without putting this proposal to a vote, the new Russian government went ahead and lifted price supports and removed industry subsidies. It neglected to put into place a social safety net, nor did it index wages to prices. And it attempted the impossible by proposing to eliminate, virtually overnight, a government deficit that amounted to roughly 17 percent of gross domestic product. Such a plan, devised with liberal suggestions from the West, immediately polarized the population. Not only did the rich get richer (by taking advantage of

new "business" opportunities) and the poor get poorer (by watching their real wages plummet), but the political sphere divided along strong ideological lines.

This ideological divide—between the radical reformers and the anti-reformers—might not have produced violence if another political variable had not been introduced into the Russian equation: Yeltsin's quest for greater authority. Realizing that an eco-

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nomie reform that benefits a minority can never win majority support, the Russian president attempted to subordinate all key decision-making powers to the executive branch. In order to legalize his putsch, he called for a new Russian constitution favoring presidential over parliamentary rule.

Such moves naturally engendered a strong response from the parliament and its chairman (and former close Yeltsin ally) Ruslan Khasbulatov, as well as from "centrist" members of Yeltsin's own executive such as nationalist Alexander Rutskoi and industrialist Yuri Skokov. The more Yeltsin refused to compromise throughout 1993 with these forces, the more he made his opponents in his own image—increasingly vitriolic, uncompromising, and demagogic. The iron fist, in other words, generated a counterpunch. Western governments, by overtly supporting Yeltsin and covertly discouraging compromise with these "forces of reaction," only furthered the transformation of Russian politics into a boxing match. Who could take sides at this point? Yeltsin and his allies were stepping up the confrontational rhetoric. Khasbulatov, Rutskoi, and Skokov were making ever more ludicrous suggestions, pushed into positions they would probably never have taken a year previous if

John Feffer is a member of the board of the Campaign for Peace and Democracy. He is the author of *Shock Waves: Eastern Europe After the Revolution*, and co-editor of *State of the Union 1994* (see review on page 49).



Communist woman protesting against the government, Moscow.

compromise had been possible. By the time of the October 1993 stand-off, the conflict was no longer over economic reform or even over different versions of the Russian constitution. It was a naked struggle for power between equally unattractive forces. In such an environment the center—and its alternatives of slower economic reform, more diffuse authority, greater public engagement—had become untenable.

In October 1993, Yeltsin quite nearly unleashed a civil war when he suspended the constitution, abridged a slew of civil liberties, arrested 90,000 suspected agitators, and forcibly deported 10,000 Caucasian and Central Asian refugees from Moscow. Yet, he emerged from the conflagration with his democratic credentials intact, at least as far as the West, and particularly the United States, was concerned. The Clinton administration argued that, of all the potential leaders of Russia, Yeltsin was still its man in Moscow.

Although preserving international support for the Russian president, the clean-slate strategy did not accomplish its political objectives. The December 1993 elections pushed Yeltsin's allies into a parliamentary minority. A large chunk of the parliament, elected freely by Russian citizens, is allied with Zhirinovskiy or that mixture of apparatchiks and the reform-minded found in

the Communist and Agrarian parties. The often over-looked remainder are "centrists"—independents collected in the bloc "New Regional Politics," the Women's Party, or Nikolai Travkin's Democratic Party. Support for movements opposed to radical reform remains so high that the Russian authorities postponed local elections after the Communist Party won several test races.

Moreover, the burning of the White House has done little to improve Russia's worsening economic condition. Although the official unemployment rate is only 1 percent, most knowledgeable observers talk about a 10 percent figure that includes workers on unpaid leave and those who haven't bothered to register. Unemployment benefits are low, the minimum wage even lower. The government has indulged in various tricks to keep to International Monetary Fund limits on spending—by stringing along government workers and not paying its other bills. Strikes have broken out among coal miners, construction workers, teachers, and ambulance drivers. The enormous defense industry awaits major restructuring. There is little money available to transform the crumbling roads and railway lines. Inflation remains quite high. Privatization functions as an elaborate confidence game, shifting ostensibly public money into the hands of an elite.

The economic and political policies of Yeltsin and the radical reformers, in other words, have not brought Russia any closer to democracy, prosperity, or stability.

Alternatives to the Fist

The iron fist strategy has failed in large part because it conceives of reform as a battle between two forces, both homogenous, both resolute in their positions, both incapable of compromising. There is no denying that strong decisive action is in many cases appropriate for Russia. For instance, the courageous conduct of Yeltsin, Khasbulatov and others during the August 1991 coup succeeded where negotiations would have been fruitless. But Russia is in desperate need at this point of different values, ones associated more with the give-and-take of democratic politics. Such values of compromise and consensus should be at the core of Russia's transitional political economy and of the West's policy toward the former Soviet Union.

The current Russian political balance of forces, although roundly condemned by the radical reformers and their Western supporters, can serve as the basis for a compromise strategy. Around Yeltsin remain the shock therapists, though in fewer numbers given the

prominent defection of former Finance Minister Boris Federov and the departures of Western advisors Anders Aslund and Jeffrey Sachs. Victor Chernomyrdin, the prime minister, has gathered about him individuals committed to continued industrial and agricultural subsidies, such as Oleg Soskovets and Alexander Zaveryukha. And finally, in the parliament, a variety of groups hope to temper the strong executive powers granted by the new Russian constitution, approved by a slender majority of voters in December. These three blocs of power might be expected to produce only gridlock. But the iron fist might finally be unclenching. "The events of the fall are a serious constraint on all of us," the Agrarian Party's Ivan Rybkin told British journalist Jonathan Steele. "We are doomed to consensus." A centrist version of economic reform has emerged. Composed chiefly by Leonid Abalkin, Nikolai Petrakov, and Stanislav Shatalin, the program emphasizes state intervention during the market transition and a much stronger commitment to social safety net features such as minimum pay, health care, and education. Meanwhile, tax increases have gone into effect on higher profits; a special tax has been levied to help economic priority sectors and a one percent transport tax will go directly to developing road and rail transport.

The Chernomyrdin team, with economic assistance from the above economists and political support from centrist forces in the parliament, could very well construct a viable and reasonably popular economic alternative to shock therapy. By constructing a tripartite system linking government leaders, key industrialists, and union leaders, a revived political center could also ensure a measure of civic peace during what will inevitably be a difficult transition. Assuming Western support and the relaxation of certain IMF demands (big assumptions perhaps), should progressives embrace such an economic alternative?

Viewing the Options

The left has generally looked askance at corporatism, the top-heavy coordination of economic policy. After all, a key tenet of the left is popular sovereignty. And strengthening the liberal state by distributing power among representative interests has usually been a tactic to contain popular dissatisfaction and coopt mass movements. The Roosevelt administration expanded the welfare state to prevent an uprising of the poor. The post-war Austrian state installed corporatism to prevent the resurgence of

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Nazism and the growth of Communism. Russia currently faces a similar possibility of popular uprising. But this revolt would not be one from the left. It would not consist of workers demanding self-management, citizens demanding greater popular enfranchisement, or interest groups such as feminists or Green activists demanding post-industrial futures.

No, the chief threat facing Russia today comes from the right. Vladimir Zhirinovsky appeals to the Russian electorate not simply because of his economic views (which, by the way, have reversed from his pro-market days

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during the presidential campaign of 1991). Rather, he appeals to Russians who want to see a real iron-fist strategy (backed by arms not simply rhetoric), a Russia that keeps order in its own sphere of influence, and a superpower that competes on favorable terms in geopolitics. The Zhirinovsky camp and the reemerging coalition around Aleksander Rutskoi—as well as the myriad other groups of law-and-order nationalists—are not fond of democratic procedure and perhaps have less faith than Yeltsin in political compromise. And it is not simply Zhirinovsky who adheres to the greater Russia line. His views on the “near abroad” (the areas where the 25-million strong Russian diaspora live) and the world at large can be discerned even in the speeches of the ostensibly pro-Western Russian foreign minister Andrei Kozyrev.

Faced with these threats from the right, the center alternative is clearly more palatable. It would be nice to support a more representative democratic socialist alternative. But Russian voices supporting such a vision are few; no Chiapas rebellions have broken out on Russian soil. During the transition period, then, a strong welfare state appears the best alternative. As Russia's infrastructure becomes stronger, its democratic institutions more secure, its population more evenly prosperous, its national ambitions more modest, and its leaders more accustomed to the dreary but critical exercises

of compromise, then perhaps democratic socialism will garner greater popular support. Finally, there is some Western support for a centrist, corporatist alternative. Both in G-7 meetings and at the IMF, Japan has consistently expressed concern over rapid privatization and the deindustrializing effects of monetarist reform. Western unions have backed tripartite structures that at least bring workers into the reform process. Chastened by the rise of Zhirinovsky and the eclipse of the radical reformers, many Western governments have supported stronger social safety nets provisions. But it isn't only for economic or political reasons that the West should consider the centrist alternative.

The Fist Abroad

Boris Yeltsin has tried to sell himself to the West as Russia's only democrat. Similarly, he has tried to position Russia as the only force for stability in the region. To accomplish this latter task, he has attempted to bind together all of Russia's disparate regions (several of which want complete autonomy), to bring many of the new independent states (NIS) into a common economic zone (with Moscow at center), and to coordinate all “peacekeeping” operations on NIS territory (including dubious interventions in Moldova, Georgia, and Tadjikistan). Nationalists to the right of Yeltsin are more strident. They assume Russian (ethnic, not civic) hegemony over nationalities within Russia and throughout its “historic” borders (which could include Alaska and Poland depending on the historical period).

The appeal for Russians of these maximalist positions only increases with economic disintegration and political infighting. Russian politicians, unable to show off the fruits of internal reform, look toward successes in the “near abroad” (the Falklands-Persian Gulf syndrome). A centrist, corporatist reform can, however, redirect Russia's energies away from such expansionist urges and toward concrete, realizable economic goals. The West can do much to facilitate this process. Instead of dividing Russia off from the rest of Europe by building a new iron curtain, the West must encourage common security structures in the region. It must promote cooperation within the NIS instead of insisting that these countries compete for Western favors. Yet the West must also counteract growing Russian hegemony in the region: by helping to build strong economies in the NIS, by linking aid to guarantees of equal rights for minorities (especially for Russians living in the “near

abroad”), and by earmarking more money for Russian military conversion (paralleled by good-faith conversion in the West). And the West should stop looking at Russian aid through the prism of its own short-term self-interest (the best oil deals for Chevron, tractor contracts for Caterpillar, wheat agreements for farmers) and instead work to preserve Russian industrial and agricultural self-sufficiency.

The centrist economic alternative is not a cure-all. It is not deeply democratic. It does not necessarily curb Russian expansionism or even Russia's mixed attitude toward demands for autonomy within its own federation. But if economic reform is perceived as fair, instead of as state-sponsored robbery, and if the West plays a constructive rather than destructive role in the process, then what may eventually emerge is a democratic Russia that is at home with rather than at war with its neighbors. Only then will the iron fist—and its uncompromising appeal—become a true historical dead-end, like its fraternal predecessors tsarism and Bolshevism. □

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