



Russia: Behind the Headlines

—A look at why U.S. criticism falls on deaf ears in Russia.

By Alexei Pankin

Historical background

Let me start with an old Soviet joke: A young aspiring Communist party functionary was once asked: “You always agree with your bosses, but do you have an opinion of your own?” “Of course I do,” the young man replied, “but I disagree with it strongly.”

This, in a way, is quite similar to my own state of mind. As a Russian, I strongly dislike many of the things about my country and my people. As a pro-Western Russian, I hate to admit even to myself that Western policies towards Russia did more to slowdown our democratic development than to promote it. Yet, unlike the aforementioned Communist apparatchik, I live in a free country. And, I do not hesitate to voice my opinions, however controversial they seem, even to myself.

Now, before I go to the topic let me offer a brief historical context:

- Russia has a 1000 year history of Christianity.
- Serfdom, however, was abolished only in 1861.
- Until then, the majority of Russians were not free. They were owned by the nobility and could be traded like goods.
- There were some democratic reforms in the late Tsarist period. They lasted for 12 years, 4 of which were during World War I when democracy was given a back seat to survival.

Following that arduous history, we had the terrible 70 years of Communism.

- From 40 to 60 million people died as a result.
- Those who survived were driven into collectivist stables and ac-

quired their living habits there.

Reforms in the USSR started in April 1985. Russia's greatest achievements in democracy happened under Gorbachev. It was then that the basic democratic rights and institutions were established:

- Free elections
- Freedom of speech
- Religious freedoms
- Freedom of travel
- Rights to private property.

Many countries take these for granted. But for us, they had not even been a distant goal back in 1985. They were an impossible dream. Now, thanks to Gorbachev, even we Russians take these things for granted.

Russia is well on the road toward a mature democracy and civil society. The road has had some serious bumps, however.

On the Way to a New Cold War?

On March 5th, the day when the world media marked the 60th anniversary of Winston Churchill's famous "Iron Curtain" speech, which set the tone for the Cold War, a report was released in Washington entitled, "*Russia's Wrong Direction: What the United States Can and Should Do.*" It was produced by the Council on Foreign Relations' under the chairmanship of ex Senator John Edwards and former Congressman Jack Kemp. It made headlines in Russia and provoked speculation on whether it represents a prologue to a new Cold War. Soon after that report's release, the White House issued a National Security Strategy document that accused Russia of a diminishing commitment to democratic freedoms and institutions.

A roll back of democracy. A slide towards authoritarianism or even totalitarianism. I've seen these themes quite a lot in the U.S. media. *Washington Post* editorials time and again question the place of Russia among the G-8 nations.

Back home in Russia, top officials and political observers claim that the renewed criticism of Russia are a hostile reaction to Russia's economic revival and her more assertive role in world affairs. U.S. and Western policies in neighboring countries are interpreted as "encirclement". These Western criticisms and actions are viewed as interference in our domestic affairs. Russian public opinion polls reflect that an increasing number of Russians want their President to more firmly stand up against pressures from the West.

A new Cold war, this may not yet be. But much of the rhetoric on both sides of the Atlantic seems familiar from those bad old days.

Missed Opportunity

In the fall of 1991, soon after the failed August coup, I wrote an article for the London *Financial Times*. It was called something like “The ‘Center’ Did Not Vanish, It Moved West.” By the center I meant our center of governance. My message was that while the people were longing for democracy and reform, they lost faith in their home-grown leaders, Gorbachev and Yeltsin, and would have happily accepted American leadership into the brave new world of full scale democracy and market reform. Not only did we unilaterally surrender in the Cold War, we were also prepared to accept a benevolent Western “occupation.” Not in the literal sense of the word of course, but in a sense that we hoped America would do for us what it did for the Germans and Japanese after World War II. Take my word for it – this was a genuine sentiment all over the country and across a broad political spectrum.

Of course it was a romantic notion, indeed even unrealistic. Yet, it was a historical window of opportunity – both for the democratic world and for Russia – to take a short cut from the otherwise long and winding road from autocracy and totalitarianism, the only experience we had had in a thousand years of history, to a full fledged democracy.

And this opportunity was missed!
Why?

Supporting “Democrats” Instead of Democracy

One would have thought that the task for Gorbachev’s successors would have been to build on his achievements and start proper democratic and market institution-building. Instead, if there was a genuine reversal of democracy in recent history, it was when Yeltsin took over from Gorbachev.

The system imposed on us under Yeltsin was what I would call a combination of chaos and anarchy. That’s how it was for 97 per cent of the population. The remaining three per cent were beneficiaries of feudalism. The people lost the social safety net of the previous era. At the same time, they were also losing jobs as whole industries were closed. Wages and pensions went unpaid for months and months. Meanwhile, like a feudal sovereign, Yeltsin was giving out the natural resources of the world’s

richest country to his vassals and cronies for a song. They in their turn would not even pay taxes, and would quickly send their ill-gotten fortunes off-shore, as other segments of our economy languished for lack of investment.

Unfortunately, in post-Soviet Russia, the West threw its full weight behind people who were adventurers, thieves, market bolsheviks, robber capitalists. These people proclaimed themselves to be democrats. But, they were not. Their rule led to catastrophic consequences for the Russian economy, for living standards, and for people's self-esteem. It failed to create any stable institution. Not a working parliament, nor free and independent media. We saw a consistent dismantling of democratic institutions and erosion of checks and balances.

And all these failures, in the eyes of the vast majority of the Russian population, are now associated with Western support.

The Russian parliament had different views on economic policy. So, in September 1993 Yeltsin dismissed it. When the Constitutional Court proclaimed his move unconstitutional, Yeltsin suspended it. When the Parliament refused to obey and rebelled, he sent tanks against it. On October 3 1993, we lived through several hours of national tragedy and shame as the Russian Army shelled the Russian Parliament in the Moscow downtown.

This October atrocity met with much less criticism from the West than Putin's decision to replace citizen gubernatorial elections with a ratification process through elected regional legislatures. Nor do I recall any talk about selective justice when the Constitutional Court was suspended and its Chairman forced into resignation.

Following Yeltsin's military attack upon parliament, he devised a new Constitution that afforded huge powers to the presidency and significantly weakened the legislature. He put it to a referendum. The results, as few people in Russia doubted, were rigged. U.S. and European observers called the referendum free and fair.

Yeltsin refused to let the media become independent. He instigated laws that made it impossible for media enterprises to become profitable. That left them at the mercy of the oligarchs and regional political bosses. From that time on, the media turned into nothing more than a weapon in the fight between various oligarchs for access to state coffers. Yeltsin vetoed a broadcasting law that would have established an independent regulatory body. Instead, he preferred to issue broadcast frequencies to his cronies. Vladimir Gusinsky, widely heralded in the West as a beacon of press freedom, received his license to broadcast nationwide directly from

the President. There were no tenders, there was no competition.

Gusinsky received over one billion dollars in loans from state-controlled sources to build Most Media, the parent company of his network, NTV. But, when in 2001 he defaulted, his business manager estimated that the company was worth circa \$200 million. What about the difference between \$1 billion plus loans and \$200 million? What happened to that money? How was Gusinsky able to tap into state funds so readily?

A recent book by Yelena Tregubova, Kremlin correspondent for the national daily *Kommersant*, gives some hints: When Gusinsky felt that a government official stood between him and the state coffers, he would have his journalists do an expose. They would expose the official's corruption. Then, they would arrange for Yeltsin to see the purported investigative report. The official would be punished, and the road to state subsidies would open again.

For outside observers, of course, this looked like a courageous fight against corruption in high governmental circles by independent journalists working for an independent TV network. And this was how most of our so-called independent media operated in the service of the state and the oligarchs.

Once I compared our Yeltsin-era media to a remarkable flower called *Victoria Regia*. It grows in Brazil. From a distance you see a huge beautiful flower. Then you realize that it has no roots and can only survive in the hard to replicate environment of tropical marshes. And, finally, when you really get up close, you find that it stinks!

“Consent By the Governed”

The current Western wisdom is that under Putin, Russia is backsliding from democracy. My answer to that is that there was nothing to backslide from. Any leader who followed Yeltsin would have faced the same challenge: to minimize the damage and to reconstruct from ashes a prototype of a working state. It is a job akin to calling in the riot police to restore order.

Putin had no practical choice but to try to start with creating what we call in Russia a vertical of power. It meant that he had to take measures that on appearance looked undemocratic. He had to reign in the oligarchs who viewed Russia as their war spoils. In doing so he inevitably had to reign in the media. That is because the Russian media served not the public. The media were used by the oligarchs as weapons for plundering public resources, and as instruments for blackmailing the state. Putin had

to reign in the governors, many of whom had turned into semi-independent feudal lords. And, in the absence of functioning democratic parties, he hardly had any choice but to create a loyal and obedient party and let it have a working majority in the parliament.

Now, after years of turmoil and chaos, people find themselves in a more predictable and stable Russia. Their living standards are gradually improving. Between 2000 and 2004, the number of Russians living below the government's poverty line dropped from forty-two million to twenty-six million.

Is it any wonder that Putin's popular approval stands at 76 per cent, an unprecedented success for any mid-second term Presidency?

If you consider that the most simple and basic definition of democracy, as stipulated in the U.S. Declaration of Independence no less, is rule by "consent of the governed," then under Putin, Russia has made spectacular progress compared to the Yeltsin era.

Is Putin Perfect?

Nonetheless, if you ask me if Putin is perfect, my answer will be 'No.' Just take one area for example, the control he established over national TV. That initially served to disenfranchise the corrupt and self-serving oligarchs. Unfortunately, however, Putin has displayed no rush to establish a system so that broadcasting can become genuinely independent. We even see a trend now wherein government-friendly oligarchs are taking over smaller networks and some newspapers, and they are imposing editorial policies that they feel are loyal to the administration. That's not progress.

Vertical bureaucratic power is inherently unstable. It breeds corruption if it is not supported by functioning, representative bodies, a judiciary, and a civil society. It is fraught with stagnation and a tendency towards authoritarianism. On this I fully agree with the current U.S. criticism. But, with one exception: there's nothing new in this. We have been living with these risks for the past 15 years.

And this small qualification of mine explains why U.S. criticism is falling on deaf ears in Russia. Worse things have happened under the rule of the self-proclaimed democrats. They met with the approval of or passed unnoticed by the Western democracies. Thus, the sudden harsh criticism of comparatively trivial transgressions committed by a genuinely popular leader, cannot but evoke suspicion of double standards. This reinforces defiance both from the Russian public and the political establishment.

Tragically, the free world earlier had disqualified itself from the role as a steward to Russia's journey towards democracy. And unless the U.S. becomes able to respect Russian democracy more than the so-called Russian democrats, we will have to travel this long and bumpy road all by ourselves, to wherever it takes us. I'm hoping that both Russian and American leaders will see greater mutual good in a more cooperative approach.

Thank you.

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[Note: Mr. Pankin's remarks were presented before the World Affairs Councils in Philadelphia and Hartford, April 4 and 6, 2006 respectively. On his speaking tour he also met with Connecticut Governor Jodi Rell, PBN Chairman (and former National Treasurer of the Democratic Party) Peter G. Kelly, Connecticut Public TV CEO Jerry Franklin, and many other key business and civic leaders. Before returning to Moscow, Mr. Pankin was received in Washington by officials at the U.S. Department of State, International Center for Journalists, and the national headquarters of the World Affairs Council.]

Alexei Pankin is a leading Russian political and media analyst and journalist based in Moscow. He writes a popular column for *The Moscow Times*, offers his commentary and analysis to international media, and provides confidential political analysis for corporate leaders. At *Izvestia*, the country's leading national daily, he developed the first Western-style Op-Ed section to be published in an indigenous Russian newspaper, and served as its first editor. Mr. Pankin is a former analyst with the Academy of Sciences and founder of Russia's first media management magazine.