## **1** Introduction

The experience of globalisation has taken a special form in the post-Communist world, a region that has at the same time undergone the re-introduction of market relations from scratch, re-entry into the international economy and the formation of new states and state structures. It can be seen as an extreme special case, and many of its features appear similar to those of other parts of the world that have endured the most severe stresses under globalisation. In the fifteen former republics of the USSR, the majority of citizens have seen the manifold security they used to enjoy in their personal lives vanish. They have grown poorer and lost entitlements to employment, housing, education, health care and pensions, and have often been exposed to crime for the first time in their lives. Many people's overriding sense has been of loss, as even the increased political security they gained with the end of Soviet repression has been compromised by the weakness and instability of the successor states. Yet despite pervasive economic crisis, political instability and human insecurity, the region has remained largely at peace for nearly ten years. This surely requires some explanation.

This article examines these phenomena by reference to the collapse of the USSR in 1991 and its consequences in the successor states. The canvas is large and the brush used must be broad; that is inevitable as this was so recently a single economic and political space. The emphasis will be on internal factors specific to that region. Despite the parallels with other places, a simple 'globalisation' model does not fit a series of countries which just ten years ago were isolated from the rest of the world, and even now are integrated in the world economy only to a limited extent. Nevertheless, certain common features with other regions will appear, and maybe they will prove the most instructive.

### 2 Political and Economic Background

From the outset, a word should be said about the nature of the Soviet state and its collapse. Even without abusing the benefits of hindsight one may say that by the 1970s there were signs of its unsustainability. The achievements of mass

# At Peace but Insecure The Paradoxes of Post-Soviet Life

IDS Bulletin Vol 32 No 2 2001

education, industrialisation and urbanisation remained plain to see. But in a famous underground *samizdat* book, the dissident author Andrei Amalrik (1970) asked, 'Will the Soviet Union survive until 1984?' The foreign visitor was struck not only by the political repression, but by the country's inefficiencies, the lack of pride many people took in what they did, and, if they ventured beyond Russia's borders, the extent to which Russian rule was an imposed feature.

Much of the underlying picture only became visible with the official openness of *glasnost* in the late 1980s; for example, concerning the USSR's slow financial degradation:

In the last 25 years during which the USSR bought grain abroad, Moscow was in effect financing the development of agriculture in other countries, instead of its own ... If ... the highest volume of pure gold reserves was reached in 1953 at 2,049.8 tonnes, then all the gold mined after that date, between 250–300 tonnes annually, was sold for grain ... In 1975, for instance, 50.2 million tonnes [of grain] were produced, while consumption amounted to 89.4 million tonnes. (Volkogonov 1995: 339–40)

By the late 1980s these massive gold reserves had been completely run down. Between the end of 1988 and the end of September 1990, the USSR drew down its deposits at the intergovernmental Bank for International Settlements from US\$15bn to US\$8bn. In the third quarter of 1990 it received a German bank credit of DM5bn (US\$3bn), guaranteed by the federal government in Bonn. Even so, by the end of that year the country had fallen into arrears of US\$5bn on Western supplier credits. (UNECE 1991: 95-7)

Against the background of bankruptcy and debt, the republics of the former Soviet Union (FSU) embarked on independence in 1991 in the most inauspicious circumstances. Of Russia, a report in December 1991 commented: 'There is a sense of bewilderment, possibly grief, and humiliation ... One [British] journalist ... compared the atmosphere with a defeated country – defeated in the Cold War' (Lines 1991: 4). Fourteen new states suddenly appeared with little preparation. There were popular independence movements in about half of them, but even these had existed for three years at most. Because of the severity of repression. no politician in opposition to the Communist Party had previously had a chance to gather experience.

Under the Soviet Union, the fifteen republics had had the formal apparatus of self-rule but not its reality. The state was highly centralised on Moscow, and so was its economy due to central planning. The ruling circles were referred to in Russian as 'the Centre'. By extension, other capitals and republics could be seen as subordinate - both economically and politically peripheral. Like the tsars before it, the USSR had pursued a policy of 'russification'. Notes and coins were produced only in the Russian republic; military industries were concentrated there and in those regions which were culturally closest to it - most of all in Moscow itself (Cooper 1991); and it was routine for the second secretary in each republic's Communist Party to be an ethnic Russian. Then in 1991 the main centralising institutions collapsed: the Communist Party, the central plan and the KGB secret police. Each republic suddenly had to run its own ministries and foreign trade, fix relations with the outside world and establish its own economic policy. There was almost no one outside Moscow who had experience of these matters. The importance of this difficulty has attracted too little attention.

The economy was also in a state of collapse. Inflation shot up in 1991 to 100 per cent year-onyear, while President Gorbachev's half-hearted reforms had destroyed some of the linkages which helped central planning to work, without putting any new institutions in their place. The subsequent reform policies only exacerbated the situation. The post-Soviet economic and social disaster is sometimes portrayed as having come like a bolt from the blue, yet some of the most knowledgeable experts warned of it in advance. Thus Alec Nove, the doyen of analysts of the Soviet economy (who died in 1994) is quoted as writing in 1992:

[In] Russia in particular, it is hard to see how one can rely on a market mechanism that has yet to be created, while decline accelerates and a new Time of Troubles' looms ahead. To create the conditions for a market economy surely requires action, 'interventionism', under conditions of dire emergency analogous to a wartime economy, with the real supply side in such disarray as to render impossible macroeconomic stabilisation. (Brown and Cairncross 1997: 496)

The economy badly needed to be opened up to competition, but its very fragility meant this had to be done with extreme care. The policies pursued by Russia's new government, with the International Monetary Fund's backing, were based on the 'Washington consensus' of structural adjustment and monetary stabilisation. Yet these 'shock therapy' reforms could hardly have proved more destabilising as sudden price and trade liberalisation led to rampant inflation, huge arrears in commercial payments, wages and pensions, and a sharp decline in the circulation and use of money. As the commentary quoted above predicted:

Monetary stabilisation ... may do nothing for real output while with many people already on the brink of despair, it could be socially and politically disastrous ... The IMF will insist on the same deflationary policies as have prevented Third World debtors from emerging from economic crisis over the last ten years ... Opening up directly to international competition would simply destroy much of existing industry. (Lines 1991: 4, 9)

However, the other fourteen states had little choice but to follow Russia's lead. Only after the Russian financial crash in 1998 did IMF officials begin to admit that their policies had underemphasised institutional change. Yet to many observers it had always seemed axiomatic that that was the central requirement.

# 3 An Erosion of Human Security

The Russian Revolution of 1917 was preceded by nearly a century of ferment, permitting the gradual formation of an alternative political class to replace tsarist autocracy. Given the suddenness of the USSR's collapse, there was no chance of this being repeated in 1991–92. Moreover, that collapse was instigated by members of the Soviet elite as much as by any popular pressure (Kotz and Weir 1997). According to an age-old Russian tradition, change was prompted from above. In the anarchy that prevailed, those with control over assets were quick to appropriate them, with no mechanisms in place for public accountability or political control over them. Since then, a commonly-heard justification of petty dishonesty, or refusal to pay taxes, is, 'If our rulers don't obey the rules, why should we?' This turns on its head the idealistic liberal dissidents' demand in the 1970s that the Soviet authorities should obey their own laws.

In the preceding era, ordinary citizens had known political insecurity because of the systematic repression, and its relaxation in the later perestroika period has been regretted by few. On occasions when there has been political violence, as in the storming of Russia's parliament in October 1993 and the First Russo-Chechen War in 1995, a widespread popular reaction was one of revulsion.

People, however, do remember that the USSR provided a secure and predictable life for anyone prepared to accept the political rules that prevailed. By the 1970s there was a stable political order after half a century of disturbances, and economic progress was being made. Standards of living may have remained 'lower than in developed market economies (DMEs) and shortages were endemic, but there were secure entitlements to employment, housing at low rents, free education up to tertiary level, free health care, and pensions at 55 or less. Holidays, transport and utilities such as gas, heating and electricity were charged at prices which by international standards were very low in relation to incomes. What might be termed 'emotional' security was supported by the enforced political stability, low levels of crime, and traditions of support mutual within families and neighbourhoods. While impossible to quantify, the psychological value of being citizens of one of the superpowers should also not be underestimated.

Since 1991, many of these aspects of security have been reversed. The extent of economic collapse is unprecedented anywhere in peacetime since before the Industrial Revolution. In Russia (not the worst affected country), national income fell by nearly a half and there was no overall growth in any year before 1999. Table 1 shows the extent of economic collapse in the twelve countries of the Commonwealth of Independent States (CIS) (that is, all the ex-Soviet republics except Estonia, Latvia

	Real GDP in 1998 as % of 1989 equivalent	Highest year-end consumer inflation rate, with year
Armenia	41	10,896 – 1993
Azerbaijan	44	1,788 – 1994
Belarus	78	1,996 – 1993
Georgia	33	7,488 – 1993
Kazakstan	61	2,984 - 1992
Kyrgyzstan	60	1,363 – 1993
Moldova	33	2,198 – 1992
Russia	55	2,506 - 1992
Tajikistan	42	7,344 – 1993
Turkmenistan	55	9,750 – 1993
Ukraine	37	10,155 - 1993
Uzbekistan	91	1,281 – 1994

Table 1

Source: EBRD (2000)

and Lithuania), and the worst years of the great inflation that followed price liberalisation.

The catastrophic policy mistakes and their consequences are discussed in detail in Amsden, Kochanowicz and Taylor (1994), Kolodko (2000) and Nolan (1995). Market-oriented reforms became popularly associated with declining real incomes and job insecurity as jobs were cut, employees found little protection in the workplace, and wages were paid months or even years late. The severe inflation following rushed price liberalisation created uncertainty and destroyed savings. Much of the rural economy has returned to subsistence farming, which has also played an increasing role for urban dwellers as they grow food on private plots. But meanwhile, members of the elite with access to profitable resources took advantage of the uncertain situation to grab whatever share of property or income was available. In Russia, income inequality increased with exceptional rapidity. After starting the 1990s with lower differentials than in any of the DMEs, by 1998 the share of income of the lowest 10 per cent of Russia's population was 1.7 per cent and that of the highest 10 per cent, 38.7 per cent. This left it with a Gini coefficient of 48.7, similar to Peru and Venezuela (World Bank 2000: 67–8).

In most countries housing has been privatised, but other social entitlements, including pensions, vanished or were severely eroded. Charges have become almost universal for health care and occur widely in education. In cities it is common to see beggars with notices explaining that money is urgently needed for an operation. In agrarian Moldova, where much of the population now depends on subsistence agriculture, many rural schools have closed while others demand fees. In other countries, prices for utilities were introduced or sharply increased. Fares for all forms of travel increased similarly, often leading to the dislocation of families, which might be spread between republics and hundreds or even thousands of kilometres apart.

Widespread crime emerged against both property and the person. Mafia-style protection rackets and public corruption have received wide publicity internationally. The level of crime overall is very hard to gauge in a culture where many people avoid contact with the police (or other emergency services such as ambulances and hospitals) at all costs. After all, methods of recording crime can vary widely even between generally similar countries. However, certain statistics are probably more closely comparable than others: for example, it is less easy to leave a murder unreported than a rape or blackmail. General levels of recorded crime still appear fairly low: the highest rate in a CIS country in 1994 was 1,779 crimes per 100,000 people in Russia, as against 5,367 per 100,000 in the United States and 12,671 in Sweden (UNDP 2000: 247). However, Ellman (2000: 1426) reports that Russia's death rate from homicides (which seemingly was somewhat higher than that of the United States in 1990)

...in 1999 was 25.9 per hundred thousand of the population, which was about three times the rate in the USA, 15 times the rate in Italy, 25 times the rate in the UK and more than 40 times the rate in Japan. I[t] was also substantially above the homicide rates in Mexico and Brazil, but much less than that in Colombia.

The changes since the late 1980s have brought immense personal benefits, especially in human freedom and self-expression. Yet many indicators point to profound social distress. Male suicide rates in some ex-Soviet countries are now by some way the highest in the world, at 72.9 annually per 100,000 adult men in Russia and 73.7 per 100,000 in Lithuania in the period 1993–98 (UNDP 2000: 251–3). Female rates were relatively high, but less exceptionally so, at 13.7 per 100,000 in both cases. The overall suicide rate in both republics had been 26 per 100,000 in 1987–90. (The highest rates among DMEs in the 1990s period were 38.7 per 100,000 for men in Finland and 11.0 for women in Belgium.)

In general, mortality rates increased sharply in the early years of transition. According to the World Bank (1996: 128). 'More Russians are dving during transition. Male life expectancy fell by six years between 1990 and 1994 (from 64 to 58) and that of women by three years (from 74 to 71).' Crude birth rates fell sharply, in Moldova from 20 per 1,000 people in 1980 to 17 per 1,000 in 1991 and 10 per 1,000 in 1998, and in Russia from 16 to 12 to nine per 1,000 respectively. Tuberculosis has advanced rapidly in Russia, where in 1997 there were 106 new cases per 100,000 people (World Bank 2000: 42-3, 103; 1993: 290-1). By 2000 Russia also had the world's fastest rate of increase in HIV infection, with 72,000 AIDS cases officially registered and the true number estimated at between 300,000 and 720,000, according to Tatyana Shumilina of the United Nation's AIDS project in Moscow. She said the main cause was drug abuse (interviewed on BBC radio, 1 December 2000, World AIDS Day).

## **4** Identities and Nationalities

There are many signs of increased social friction, although they rarely find political expression. In the early 1990s it was frequently observed that people had, almost overnight, become more selfish. Severe problems of personal and national identity have ensued. The sensitivity of national questions was seen as early as December 1986, although it was never understood by Gorbachev. In that month the Communist leader of Kazakstan was replaced against convention by a Russian, not a Kazak. The decision was quickly revoked after riots in Almaty, the capital, in the first public sign of civil society asserting itself under perestroika. Many of the disturbances in the later perestroika period were interethnic: for example, between Uzbeks and Meskhetian Turks in Uzbekistan, or Azerbaijanis and Armenians in Nagorno-Karabagh, and in nationalist campaigns in the Baltic and Caucasian republics and elsewhere. In a period of social distress, it is little surprise that such phenomena continue. Thus, The Economist recently reported from Russia (2000: 30):

In September [2000], masked right-wing extremists stormed into a Jewish school in Ryazan, terrifying the children and breaking furniture. The police have done next to nothing. The recently elected governor of the Kursk region, Alexander Mikhailov, said his fight against Jewish 'filth' was supported by the president. The Kremlin rebuked him, but merely for 'foolishness'.

It has been widely suggested that Vladimir Putin's early gains in popularity as prime minister in 1999 resulted from a recovery in Russian self-respect during the second Chechen war. Anyone spending long in ex-Soviet countries becomes aware of problems of social identity. Analysing such matters is notoriously subjective, but they add much to the sense of confusion and uncertainty in several countries. If some generalisations may be risked, among Russians the phenomenon arises from a collapse in confidence after losing territorial control, facing endless economic problems, and seeing their country suddenly turn from a feared superpower into what seems an object of international pity. But problems of group identity are probably inevitable in a society where previously football spectators could be arrested during a match for unfurling a flag in their team's colours, as this writer saw in Leningrad in the 1970s. Much of what has happened since 1991 has to be seen against the background of Soviet nationalities policy. As invented by Lenin, this was supposed to provide for equality between the nations of the USSR by assuring them of political space as well as linguistic and cultural rights. However, the actual supremacy of the Russian language (and social superiority of Russian-language schools) was reflected under perestroika in the almost universal demand in non-Russian republics for their 'own' languages to have equal standing. An acute consciousness of ethnicity probably derives from the practice, inherited from Soviet times, of each citizen's ethnic group being specified in their identity documents - however arbitrary it may be when their parentage is mixed. On the other hand, the attempt to create a common 'Soviet' national identity was at least partially successful, although it had a clear Russian cultural marking.

The confusion is well illustrated in a small country like Moldova, which was part of the semiindependent state of Moldavia for 400 years until a Russian invasion in 1811, and then alternately ruled by Russia (as Bessarabia) and by Romania until the Soviet invasion of 1940. The national language is Romanian, but over nearly two centuries many cultural influences have been absorbed from Russia. Even the name of the language is disputed, as in Soviet times the Cyrillic alphabet was used and the local dialect was defined as the Moldavian language. Nationalistic Moldovans do not have their own 'nation' to appeal to, but desire reunification with Romania. Yet economic ties remain closer with the Ukraine and Russia, and despite those economies' instability it seems hard for Moldovans to look elsewhere. Similar conflicting loyalties can be found in all parts of the former Soviet Union.

# 5 Conflict and its Rejection

The USSR's collapse was as momentous an event as the French and Russian revolutions or US independence; arguably more so because of the fundamental changes in economic and social systems that it entailed. The Russian Revolution came after two and a half years of disastrous foreign warfare and was followed by a civil war which lasted quite as long. Yet while Russia's economy declined as much after 1990 as in 1914-21, there was no general conflict; and such political violence as did occur was largely limited to peripheral parts of the FSU. Frequently, local intellectuals or foreign observers have predicted that in their country there would soon be a 'social explosion' or a 'civil war'. Yet in almost no case has this happened. Social conflict remains limited or local at most, and overt conflict has, if anything, reduced since the early 1990s.

Between 1988 and 1994, major conflicts did occur in three regions of the ex-Soviet periphery: the Caucasus, with wars in the Nagorno-Karabagh region of Azerbaijan, South Ossetia and Abkhazia in Georgia, and the Chechnya region in Russia; Tajikistan, bordering on Afghanistan and China, which suffered a savage civil war killing between 20,000 and 50,000 in 1992–93; and the Transnistria region of Moldova, where a rebel regime was established after a brief war in 1993 and remains in control of the left bank of the River Dniester. There was a brief but brutal civil conflict in Georgia in 1992, resulting in the overthrow of President Gamsakhurdia, an extreme nationalist leader.

Since the late perestroika period there have been smaller episodes of political violence within the so-

called Soviet 'Centre', or its core area: the arrest of President Gorbachev in the Crimea and the abortive coup d'état in Moscow by his conservative opponents in August 1991, and then the attack launched at President Yeltsin's behest on Russia's Supreme Soviet building in October 1993, after a breakdown in their mutual relations. Earlier in the perestroika period, while the Soviet regime thought it could still crack down on unrest, there were episodes of mass brutality by military forces of the Centre against civilians engaged in nationalist protests in Tbilisi (Georgia) in January 1989, Baku (Azerbaijan) in January 1990, and both Vilnius (Lithuania) and Riga (Latvia) in January 1991. According to reports, hundreds were killed in both Caucasian capitals, fourteen in Vilnius and five in Riga.

There have also been incidents of non-violent social conflict, mostly between 1989 and 1991. Labour unrest occurred sporadically, especially among more privileged industrial workers such as miners. It was motivated as much by demands for political change as by economic ones. In 1988-91 there were political demonstrations in all major cities. Some lasted for several weeks such as a sit-in in Baku in late 1989, before the military incursion in that city. Some were very imaginative; for example one in 1988 that claimed to mobilise a million people linking arms along the road between the three Baltic capitals. Public protests have become much rarer, but they still occur sporadically; for example, a student protest lasting for several days in Chisinau, capital of Moldova, in April 2000.

The remainder of this section discusses the background to these phenomena, first in the light of the inherited political culture, then in international relations between the ex-Soviet states. Like the discussion of identity, the former is necessarily rather subjective and even anecdotal, but it is important for an understanding of political developments.

#### 5.1 Political culture

The CIS countries are beyond the stage of transition towards a new order. However unsatisfactory it may be, that order is now in place and its very existence (and the new vested interests that support it) reduce the areas of life which are open to political dispute. But this is unlike other revolutions due to the limited degree of change in the political elites. Five of the twelve CIS states (Azerbaijan, Georgia, Kazakstan, Turkmenistan and Uzbekistan) are ruled by their former Communist Party first secretaries, another (Kyrgyzstan) by a former official of the Soviet Central Committee in Moscow, a seventh (Russia) by a career KGB man, and the Ukraine by the former director of a missile factory. Such universal political rights as were gained have failed to be matched by any significant reduction in bureaucratic power or improvement in the ability to get legal redress for grievances. Changes in relations between citizens and the authorities have been more apparent than real, despite formal changes such as privatisation, the legalisation of entrepreneurship and media liberalisation. Working in the reputedly reformist region of Nizhni Novgorod in Russia between 1997 and 1999, it was clear to me that this was the case there. Even intelligent, resourceful and successful liberals showed a fear of the political authorities, and a future backlash against anyone who might let their heads be seen above the parapet. (With President Putin's more autocratic style of government, that backlash may now have begun.)

As a Russian recently interviewed on BBC radio commented, it has never been part of the Russian tradition (or, by extension, of other parts of the CIS) to appeal to the law to protect one's interests; people instead use bribery or personal contacts or go outside official channels altogether. The failure of the so-called democrats was summed up by a comment heard in Baku just before President Elchibey was overthrown in June 1993 by Heidar Aliyev, a former ally of Brezhnev: 'It's better [for our rulers] to be corrupt and competent than corrupt and incompetent.' It has been pointed out that throughout Russian history, no person in senior authority has ever been tried for an abuse of power. A number of states (Azerbaijan, Belarus, Kazakstan, Kyrgyzstan, Turkmenistan and Uzbekistan) have established a 'Central Asian model' of autocratic rule, scarcely more liberal than the one it replaced.

In 1992–93 there developed a mood of political exhaustion and disillusionment with reform. There is a sense, apparent in media interviews with the general public after Russia's financial crash in August 1998, that the accumulation of pent-up frustrations is so vast that if people did protest it would quickly run completely out of control; they therefore continue to keep themselves in check. Russians refer to '*bezvykhodnost situatsii*', literally 'the exitlessness of the situation'. Society remains atomised, with widespread mistrust among people as well as between citizens and the state. But people are stoical and patient, as their grandparents and great-grandparents learnt was necessary earlier in the twenthieth century, when they endured '*adskoye terpeniye*', or 'the patience of Hell'. Most people keep well clear of politics and the authorities. Many stresses are reflected or managed in non-political ways, whether through the rich culture of humour, friendship and partying, the revival of religion and superstition, or in more negative ways such as drugs, alcoholism and suicide.

The culture of acceptance was vividly evoked by the Polish author Ryszard Kapuscinski (1994: 143–6), describing an unexplained stopover at a Siberian airport in the winter of 1989–90:

I looked around at my neighbors. They stood staring fixedly straight ahead. Just like that: staring fixedly straight ahead. One could see no impatience in their expressions. No anxiety, agitation, anger ...

I asked one of them if he knew when we would be taking off. If you suddenly ask someone a question here, you must wait patiently ... Then an expression of slight and even amused surprise crosses his face – what's the moron asking for? ... For his entire experience teaches him that no advantage accrues from asking questions, that no matter what, a man will learn – questions or not – only as much as they will tell him (or, rather, won't tell him) ...

It is true that a bit of time has elapsed since the epoch of Stalin, but its memory is alive ... How many of them (or their families, acquaintances, and so on) went to the camps because during a meeting, or even in a private conversation, they asked about this or that? How many in so doing ruined their careers? How many lost their jobs? How many lost their lives?...

A civilisation that does not ask questions, one that banishes from within its compass the entire world of anxiety, criticism, and exploration – the world that expresses itself precisely through questions – is a civilisation standing in place, paralysed, immobile. And that is what the people in the Kremlin were after, because it is easiest to reign over a motionless and mute world.

There is meanwhile a tradition equating strength and stability with strong personal rule. In recent troubled times, it has often been asserted that 'v dome nuzhen khozyain', and that 'order must be restored' ('nado privesti poryadok'). A humdrum translation of the former is that 'Every household needs a head', but that misses the rich connotations of the word 'khozyain'. The word is masculine; the 'lady of the house', formally toasted at any dinner party, is 'khozyaika'. Khozyain also means the boss or owner of a business, while the now disused Soviet term for economics was 'narodnoye khozyaistvo', or 'national housekeeping/ management'. We also hear complaints about 'bezkhozyaistvennost', likening the nation to an untidy and ill-disciplined family home. In other words, a tough boss is needed to knock things back into shape. Order is understood as something imposed from above, which of course matches the historical experience not only of Russia but the ancient civilisations of Central Asia. It is not generated by social conventions or the accountability required by democracy and the rules of business.

#### 5.2 Russia and its neighbours

If only because of its size, Russia remains the dominant power in the region, economically and culturally as much as diplomatically and politically. Its tentacles can be seen in many of the region's state security problems, as it pursues Cold War traditions of war by proxy to destabilise those acting counter to its perceived interests. During the break-up of the USSR, some politicians pointed to the KGB's exploitation of minority ethnic groups to destabilise smaller republics, especially the more radically nationalist ones. Since independence, Russia has made continued play with large ethnic-Russian minorities and other sensitive links in contiguous neighbours such as Latvia, the Ukraine and Kazakstan. Immediately after these became independent, Russia made sure, with Western backing, that the nuclear weapons based in Belarus, the Ukraine and Kazakstan were destroyed, although it held on to its own. Any mischievous intent aside, the dispute over the Black Sea fleet and the Crimean port of Sevastopol was motivated by Russia's maritime retreat to short coastlines on the Baltic and Black Seas.

In Transnistria the Russian army itself was deployed, and stayed on for many years, in a conflict that started just as Moldova's leaders began to talk seriously of reunification with Romania. That was ruled out as a political option. Further east, the historical alliance between Russia and Armenia (Orthodox Christian nations which have Turks as their secular rivals) was seen by Azerbaijanis to be behind the war over its region of Nagorno-Karabagh, while Russia did little to hide its support of irredentism in the South Ossetia and Abkhazia regions of Georgia. The war in Tajikistan gave Russia the opportunity to keep an army on the USSR's former southern flank, while the brutal wars in Chechnya have been a warning to ethnic minorities in Russia itself not to push too hard.

Russia has many forms of pressure available besides the military. The Ukraine's and Moldova's freedom of manoeuvre has been severely compromised by their dependence on energy imports from Russia, for which they can ill afford to pay. Diplomatic, corporate and other pressures have been deployed to reduce the advantage to Azerbaijan of its oilfields in the Caspian Sea. Political pressures with an impact on ordinary people have also been used. An example was President Putin's announcement that Russia would unilaterally revoke the CIS agreement on visa-free travel; he introduced visa requirements first for citizens of Georgia, which has been seen as insufficiently amenable to Russia over the conflict in neighbouring Chechnya.

Among the public at large, strong cultural and media influences remain. The continuing use of Russian as the 'language of interethnic communication' ensures that cultural influence is maintained, although other international languages such as English have made advances. The main Russian television stations continue to be broadcast almost throughout the FSU's territory, and because of their relative financial and professional strengths they remain popular everywhere. In the Ukraine they have been accused of influencing election campaigns. Russian popular newspapers are published with local supplements and win the highest national circulations in places like Moldova and Georgia.

## 6 Concluding Remarks

While, as anywhere in the world, there are local reasons for the instability and multiple insecurities found in the ex-Soviet region, there are also international influences held in common with the most highly stressed parts of the Third World. In all cases, the opening up to global economic forces has been carried out according to an agenda dictated by neoliberal economics. Most crucially in the region we have discussed, this compromised the ability of weak fledgling states to gain strength, when the initial problem had itself arisen from the collapse of the Soviet state. An energetic and resourceful developmental state was an essential prerequisite for economic and political reform; but to neoliberals, the problem lay in the very existence of an active state, the destruction of which had to be abetted. They seemed to expect efficient markets to develop of their own accord once the state was out of the way. These nostrums also reinforced influential local theorists, whose political instincts suggested that extreme state domination of the economy must be overcome by going to the opposite extreme and removing the state from it altogether. In some cases (most notoriously, Russia), this 'unholy alliance' became personified in close partnerships between powerful advisors from the West and corrupt political groupings who were in powerful government positions.

As in the traditional developing world, the practices of donor aid programmes and conditional IMF credits meant that in effect the elites became more dependent on satisfying the donors' requirements, whatever they might be, than answering to their own people. The state was further bypassed by other parts of the 1990s donor agenda, such as the view that effective governance was to be achieved primarily through the development of civil society. Civil society of course lies outside the state and in some respects aid to it sought to displace the state too. But for all the cultural and historical reasons cited above, initiatives to boost civil society have had little effect, while a more urgent governance requirement was to build up the representative and judicial functions of the new form of state itself. Transition to democracy and the rule of law was, after all, just as important as the transition to a market economy; in many people's eyes, more so. The biggest requirement of the post-Communist transition was not to dilute or bypass the state, as neoliberals thought, but to help it recreate itself with effective institutions to represent society, define and regulate the market, and lead a national strategy of reform. From this fundamental failure of understanding much insecurity and instability has flowed.

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#### Note

1. A period of political confusion in Russia around the year 1600

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