

# The transfer of power in Moscow: what it means for Russia's political trajectory

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What does Putin stand for? This is the question that has dominated newspaper columns since the surprise resignation of Russian President Boris Yeltsin, who transferred power to his self-appointed successor Vladimir Putin on New Year's Eve.

Although Putin has led the government for the past five months, his political aims and intentions remain generally unknown. It is known merely that he obtained his professional and political training in the ranks of the Soviet secret service, the KGB; that he unconditionally supported President Yeltsin when the latter held the reins of power and that, upon being appointed prime minister, he waged a ruthless campaign against the civilian population of Chechnya in the course of the current war.

Putin was born in 1952 in Leningrad (now St. Petersburg), studied law and immediately after completing his studies (1975) began working for the KGB. He was a leading member of the KGB's foreign department, working in East Germany, where he was stationed in Dresden for over 10 years. The exact character of his work as a KGB agent occupies an unfilled place in his biography.

Putin first made himself known on the political stage in the turbulent years of 1990-91, as a follower of the radical capitalist market "reformers" Anatoli Sobchak and Anatoli Chubais. He worked as an advisor and eventually as a deputy to Sobchak, the mayor of St. Petersburg. Although he remained in the background and was infrequently seen in public, Putin was regarded as an "eminence grise" in the city administration. At that time St. Petersburg had acquired a reputation as a city of corruption and scandal, where contract killings were a normal component of business life.

In 1996 Chubais brought Putin to Moscow to join the administration in the Kremlin. Within a short period of time he had risen to the rank of deputy of the Kremlin staff. In 1998 Yeltsin appointed him head of domestic intelligence forces, the FSB (successor to the KGB), and in March 1999 Putin was appointed secretary of the National Security Council.

In these posts Putin acted to protect Yeltsin against a plague of scandals. One incident was especially notorious. State Attorney Yuri Skuratov dared to undertake an investigation into the financial practices of the Yeltsin family and their principal backer, Boris Beresovski. The FSB came up with a video showing Skuratov in an incriminating situation with prostitutes. The case was wrapped up and Skuratov was forced out.

Against this background the change in office at the Kremlin appears to be a clever move on the part of Yeltsin to secure for five more years the influence and privileges of his family and his entourage, made up of extremely rich oligarchs. As a result of Yeltsin's resignation, elections for the presidency, planned for June, will be held three

months earlier on March 26.

At this point in time an election victory for Putin is regarded as assured, all the more so under conditions where he can use the advantages arising from his post as acting president. The German *Süddeutsche Zeitung* likened the transfer of power in Moscow to "establishing a line of succession in the manner of the tsars".

The first official act of Putin as president supports such an interpretation. He signed a decree guaranteeing Yeltsin life-long freedom from prosecution and granted him a number of material privileges.

Nevertheless, following Yeltsin's withdrawal from the political stage, the question remains: what does Putin himself stand for? Is the change of presidency merely a change of figures, or is it bound up with the introduction of a new political line?

A preliminary answer is provided by a paper which appeared on the government's web site under Putin's name. One theme runs like a red thread through the paper: the call for a strong, authoritarian state.

Putin begins by drawing a devastating balance sheet of economic development under his predecessor. In the course of the 1990s Russian Gross Domestic Product nearly halved, Gross National Product stands at one-tenth of the equivalent American figure and one-fifth of the Chinese total. With the exception of raw materials and the energy sector, productivity in Russia is 20 to 24 percent of America's.

Equipment and machinery, vital to the quality of production, are hopelessly outdated. Just 5 percent of current Russian machinery is less than five years old, compared with 29 percent 10 years ago. The total amount of direct investment from abroad totals \$11.5 billion, compared to \$43 billion for China. There is almost no investment in Russian research and development.

Real incomes have sunk continuously since the start of pro-capitalist reforms. The entire monetary income of the population is less than 10 percent of the comparable American total. Health and average life expectancy have declined in an equally dramatic manner.

Although the figures cited by Putin are all drawn from the so-called reform period, i.e., since the dissolution of the Soviet Union, he describes the current economic and social situation in the country as "the price which we have to pay for the economy we inherited from the Soviet Union". He concedes that, due to miscalculations and inexperience, errors were made in the reform period. He concludes, however, that there is "no alternative" to market economy reform.

He rejects any nostalgia with regard to the former Soviet Union, speaking of "the outrageous price our country and its people had to pay for that Bolshevist experiment". He calls Soviet "communism" a blind alley, "remote from the mainstream of civilisation".

On this basis, Putin argues for a correction of the current economic

and political course. Russia, he writes, has exceeded its “limit for political and socio-economic upheavals, cataclysms and radical reforms.” He continues: “Our people and our country will not withstand a new radical break-up, be it under communist, national-patriotic or radical-liberal slogans”. What is needed are “evolutionary, gradual and prudent methods”.

According to Putin, the experience of the 1990s vividly demonstrates “that the genuine renewal of our country cannot be assured by a mere experimentation in Russian conditions with abstract models and schemes taken from foreign textbooks.” Russia “has to search for its own way to renewal ... combining the universal principles of a market economy and democracy with Russian realities”.

What this means in concrete terms is made clear on the following pages. Putin's outlook is that of a power-monger from the intelligence service for whom the greatest abomination is any genuine democratic strivings on the part of the broad masses. The two most important prerequisites for his aim of implementing a liberal economic programme are a powerful state and a strong and highly nationalist ideology.

Very much in the style of a budding Bonaparte, he complains that, at the moment, far too much energy is wasted in “political squabbling ... instead of tackling the concrete tasks of Russia's renewal”.

He invokes “traditional Russian values” as the basis for “the unity of Russian society”. Included amongst such values are “patriotism”, “belief in the greatness of Russia”, “a strong state” and “social solidarity”. On the need for a strong state, he writes: “For Russians a strong state is not an anomaly which should be gotten rid of. Quite the contrary, they see it as a source and guarantor of order and the initiator and main driving force of any change”.

The next chapter bears the headline “Strong State”. Again it emphasises, “Russia needs a strong state power and must have it.”

The paper concludes with a chapter entitled “Efficient Economy”, which pays homage to the traditional postulates of economic liberalism—an improved climate for foreign investment, a more effective tax and finance system, integration of the Russian economy into world economy. Above all, however, the chapter calls for the active intervention of the state in economic affairs. Russia, the paper declares, “needs to form a wholesome system of state regulation of the economy and social sphere”.

When one considers Putin's rise in light of this paper, it becomes clear that what has taken place following Yeltsin's resignation is not just a change of faces. Yeltsin's task—at least in his early years in office—consisted in dismantling the state institutions inherited from the Soviet Union and making possible the rape of society and economy which has gone down in history as “privatisation”. This was the purpose of the dissolution of the Soviet Union in December 1991 as well as the bombardment of the Russian parliament in October 1993.

The unparalleled economic and social decline which followed, together with the aggressive advances of the US and NATO into the former Eastern block countries and to the south of the Soviet Union, now threatens the basis of the Russian Federation itself. Once again powerful state institutions are necessary in order to defend the interests of the new ruling clique both at home and abroad.

It is noteworthy that in his paper Putin continually refers not only to America, but also to China. The Stalinist bureaucracy in China has taken the path of capitalist restoration with as much determination as the ex-Stalinists of the Kremlin. But China has maintained its old repressive state apparatus, including its Communist Party, army and

secret police, and has encountered fewer problems than Russia. Putin's paper indicates an accommodation on the part of Moscow to the “Chinese way”.

The general orientation outlined by Putin sheds light on the war in Chechnya, which first opened the way for Putin's precipitous rise to prominence. In terms of foreign policy, the war serves to make clear the claims on the part of the Russian ruling clique to the Caucasus and the Caspian regions which have increasingly been subject to western influence. Domestically, the war serves as a lever for propagating the patriotism necessary for the construction of Putin's strong state. The enormous brutality with which the Russian army has proceeded against the local population in Chechnya is just a foretaste of what awaits all those who object to Putin's recipe for national unity or protests against the social devastation inside Russia itself.

Nevertheless, the war has not been won. Large-scale losses by the Russians, or a military defeat such as that experienced by Russia in the first Chechnya war, could lead to a very dramatic decline in Putin's popularity.

In the *Frankfurter Rundschau* Karl Grobe described Putin as “the personified expression of the transfer of power to the military-secret police complex and its unification with the predatory oligarchy”. This is a fitting characterisation.

Nevertheless, one should not lose sight of the fact that this transfer of power has taken place against a background of profound social crisis and growing dissatisfaction on the part of broad masses. Up until now this dissatisfaction has failed to take a politically articulate form. This has made it possible for Putin to temporarily cloak his plans for a stronger state with pseudo-democratic phrases. But that will change to the extent that open class confrontations develop.

Generally, Western governments have expressed the wish for close collaboration and good relations with Putin. Up until now none of them has expressed objections to his domestic plans. Only a few individual voices have warned that Putin could prove to be a more difficult negotiating partner than his predecessor.



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