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## *Putin and Russia's Turn to Capitalism*

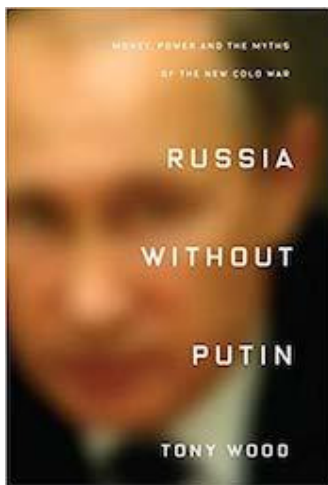
For the longest time Vladimir Putin has assumed the role of an Ian Fleming super-villain in the imaginations of both liberal and neoconservative pundits. Like one of those well-worn set pieces in a James Bond novel, he sits opposite our British super-spy in a chess game with the world hegemony awarded to the winning side. Or in the case of a draw, multipolarity.

Any book on Putin and Russia that departs from these stereotypes would be most welcome. When it turns out to be a first-rate Marxist analysis, it should be added to your must-read list for 2019. The good news is that book has arrived in the form of Tony Wood's Russia Without Putin: Money, Power and the Myths of the New Cold War, a ground-breaking study that departs from the lurid personality-driven narratives that are the stock-in-trade of MSNBC or the Washington Post. Additionally, for those on the left whose ideas are shaped by Stephen F. Cohen's pro-Putin apologetics, the book will serve as a wake-up call to return to a class rather than a chess analysis. If Rachel Maddow is for the chess-master playing white, there is no reason to uncritically root for who is playing black. In keeping with the palette analogy, it is worth recalling Lenin's citation of Mephistopheles's words from Goethe's Faust in his 1917 Letter on Tactics: "Theory, my friend, is grey, but green is the eternal tree of life."

Wood's title communicates his basic thesis, namely that Russia must be understood as a product of a post-Communist system that is riven with unresolved contradictions. Those contradictions explain the domestic and foreign policies of the Kremlin, not some grand strategy by Vladimir Putin. Despite the tendency to view Putin as the negation of Boris

Yeltsin, there is convincing evidence that he is instead a continuation of the status quo ante. In essence, Russia's turn to capitalism has not resulted in the sort of social democratic Utopia Mikhail Gorbachev promoted. When it became obvious that Western Europe and the United States had little interest in such an outcome, Putin turned eastward in the hopes of creating an alternative economic and security bloc such as the kind Aleksandr Dugin advocated. With the prospects for such a solution growing increasingly dim, Russia is forced to carve out a new role for itself in a crisis-ridden world. No matter how adept Putin is as a master strategist, this might be beyond his powers.

Putin continued Yeltsin's policies along two fronts. In October 1993, Yeltsin ordered a tank assault on the Congress of People's Deputies in a virtual coup. Afterward, he rewrote the constitution in order to increase the president's powers. This act, of course, was essential to the changes that were needed to convert the economy into a full-fledged neoliberal machine. His adviser Jeffrey Sachs prescribed this as the kind of



strong medicine that Russia needed to become a market-driven democracy. If domestic opposition had to be brought to heel, the same thing was true of the impudent Chechnyans who had the audacity to demand independence. Just as he had used tanks to silence elected legislators, he sent in an invasion force to quell their uprising. He was less successful there since the Russian army lacked the resolve of the men and women determined to win independence. Just as Sachs gave his benediction to internal repression, President Clinton sanctified Yeltsin's expeditionary force, likening it to Abraham Lincoln's army preserving the Union.

After Putin took over in 2000, these policies continued. His electoral "reforms" meant that only three ineffectual parties were left to challenge his own, the United Russia party. Boris Gryzlov, a United Russia legislator for a house-broken Duma, summed up the political system in these words: "Parliament is not a platform for political battles".

What about Sachs's shock therapy? Would a nationalist like Putin make sure to secure a social base for his new administration by easing up on the working class? Wood debunks the idea that Putin was a left-populist back then or ever for that matter:

Putin's first administration, from 2000 to 2004, was perhaps the most energetically neoliberal, introducing a series of measures designed to extend the reach of private capital: in 2001, a flat income tax set at 13 per cent; in 2002, a labour code scaling back workers' rights; tax cuts for businesses in 2002 and 2003. These moves were widely applauded in the West at the time: the right-wing Heritage Foundation praised "Russia's flat tax miracle", while Thomas Friedman gushed about Russia's embrace of "this capitalist thing", urging readers of the New York Times to "keep rootin' for Putin". His second presidency, too, was marked by moves to increase the private sector's role in education, health and housing, and by the conversion of several in-kind social benefits to cash payments — a 'monetization' that prompted popular protests in the winter of 2004-05, but which was carried through in modified form all the same.

As for Chechnya, Putin proved to be a much more skillful commander-in-chief. Or maybe the word is homicidal rather than skillful since Russian bombers turned the capital city into something looking like Aleppo or Homs. This victory over a people condemned as Islamic terrorists clearly inspired the Syrian intervention.

For those accustomed to the idea that Putin's scorched earth tactics in Syria are just another notch in his rifle's stock next to the Crimea annexation, Wood's analysis gives pause for deeper reflection. In his view, Ukraine has been a disaster for Russia.

He begins by presenting some cold, hard facts about the stakes over which the war began. If seen as an "anti-imperialist" counter-measure against the encroachments of the EU, this would have been news to economists looking at capital flows. For all of the Duginite propaganda about a new Eurasian bloc that was picked up by many of Putin's supporters both within and outside of Russia, this was never a viable project. In 2009, only fifteen percent of Russia's trade was with other members of the Russian Commonwealth. That was dwarfed by the fifty percent accounted for by EU countries. So what was good for the Russian goose was evil for the Ukrainian gander.

Always one step ahead of Putin, the EU created the Deep and Comprehensive Free Trade Areas (DCFTAs) in 2009 to draw Ukraine and other former Soviet republics into its orbit. While most of them would benefit from enhanced trade with the West, it was to the disadvantage of the smokestack industries of eastern Ukraine obviously not in a position

to compete with Germany and other EU nations. So that is a better explanation of why Donetsk seceded rather than the made-up threat of the Russian language being suppressed. Finally, joining the EU would allow Ukrainian workers to find jobs in the west. For a country beleaguered by IMF-imposed austerity, such an escape hatch was irresistible. Even when Yanukovich decided to accept a package from Putin that was sweetened by a \$15 billion of Ukrainian debt, it was not enough to turn the tide.

As for the annexation of Crimea, Wood characterizes it as one benefiting the West. It accelerated Ukraine's economic affiliation with the West and increased the support for becoming part of NATO, something that was never considered part of the Ukrainian nationalist project. Was flying the Russian flag over Crimea worth the sanctions imposed by the West? It may have solidified Putin's voting base but only in the short term. If the price of oil takes another steep dive, the patriotic fervor so integral to Putin's popularity might dive alongside it.

At 197 pages, "Russia Without Putin: Money, Power and the Myths of the New Cold War" says more than a dozen books written by International Relations scholars who can't get past the chess game metaphor. Like Yuliya Yurchenko's "Ukraine and the Empire of Capital: From Marketization to Armed Conflict" that I reviewed earlier this year (<https://www.counterpunch.org/2018/06/29/ukraine-behind-the-curtain/>), Wood's book is rooted in class relations rather than international relations. Or, better put, it combines both class and international relations. Putin must carry out a delicate balancing act. He is confronted by a significant portion of the population that is not happy with what Wood calls an imitation-democracy but is reluctant to loosen the restrictions that keep it at bay. In a sense, this authoritarianism is not just a throwback to Yeltsin but to the Soviet system that kept the masses atomized and passive until it became too much.

As for international relations, they are dark clouds on the horizon as well. In Wood's epilogue, he sums up the challenges facing the Russian leader who has ruled over the country for nearly twenty years:

But while the urge to speculate about Putin's personal fate is understandable, it is ultimately misguided. It prolongs the tendency to focus excessively on this single individual in order to understand Russia. The imitation-democratic system has indeed functioned much to the satisfaction of Russia's elite with Putin in charge. But it is fundamentally a system — that is, a set of power structures and political practices that has enabled Russia's particular, post-Soviet form of capitalism to thrive. That system can certainly continue with another person at its summit — perhaps less smoothly, or perhaps

better. The question we should really be asking, in fact, is not whether the system can function without Putin, but how long it can keep functioning in the same way, regardless of who is in charge.

On the one hand, the outlook for the regime is not especially positive. In addition to a tense international climate and unfavourable economic winds, it must struggle against its own internal exhaustion. The centralizing, neoliberal energies of Putin's first presidential term have been left behind, and while the patriotic turn after 2012 and the confrontation with the West have certainly helped firm up the regime's domestic support, they can't fully compensate for a lack of other motivating ideas or projects. On 1 March 2018 Putin made a speech laying out his governing agenda for the next six years. The part that drew the most attention in the West, inevitably, was his announcement — complete with video animations — of shiny new hypersonic missiles that could get around Western defence systems. The speech also promised increased spending on infrastructure, health care and education, as developmental priorities for the coming decade. But promises of this kind have been made before and proven hollow. The 2018-2020 budget, approved in December 2017, certainly envisaged no significant alterations to the system's current priorities. If anything, the new government will most likely simply continue the budgetary austerity and 'optimization' measures of the past few years, which have brought school and hospital closures even as wages and pensions lag well behind inflation.

School and hospital closures? Lagging wages and pensions? This doesn't sound much different than Western Europe, starting with France and Great Britain. Nor does it even sound that much different than the USA where nativism and faux populism are being used to anesthetize a population facing deepening austerity. Ultimately, this is a global crisis of capitalism that will require radical surgery of the sort that liberated Putin's Russia from Czarism just over a century ago. Putin once described the Bolshevik revolution as a "time bomb" that helped to destroy the Russian state. His anti-Communism is shared by the ruling classes in the West. With the capitalist crisis deepening worldwide as we slouch toward annihilation, that "time bomb" just might be exactly what is needed. As a weapon of the working class against the class that exploits it, it must be used mercilessly.