ANDERS ÅSLUND

RUSSIA'S CAPITALIST REVOLUTION

WHY MARKET REFORM
SUCCEEDED AND
DEMOCRACY FAILED

Contents

Preface		XIII
•		xvii xxi 1 2 3
İ	Perestroika—The Great Awakening: 1985–87	11
		13
	Mikhail Gorbachev and the Outstanding Provincials	18
	Early Perestroika: Cautious Economic Réforms to Boost Growth	21
	Glasnost: Shattering All Illusions	30
		33
		38
	An Untenable Mix of Changes	41
2	The Collapse: 1988–91	43
	Elite Division: Yeltsin, Ligachev, and Gorbachev Part Company	44
	Democratization	46
	National Revival and Disputes	49
	The Demise of the Plan and the Rise of Rent Seeking	52
	A Parade of Reform Programs	59

vii

	Collapse of the Outer Empire	63
	Economic Collapse	67
	Political Collapse: Yeltsin at His Peak	73
	An Overdetermined Collapse	. 81
3	Revolution: 1991-93	85
	Yeltsin's Assumption of Power	86
	Dissolution of the Soviet Union	88
	Attempt at Radical Market Reform	90
	Parliamentary Revolt Against the President	99
	Ambitious Mass Privatization	107
	Abortive Financial Stabilization	111
	Failure of the West to Act	114
	Dissolution of the Parliament and Shootout at the White House	119
	Great Achievements but Mixed Results	123
4	The Rise and Fall of State Enterprise Managers: 1994–95	129
	The New Constitution	130
	The December 1993 Elections and the End of the Reform	
	Government	134
	The State Enterprise Managers	137
	The Making of Gazprom	140
	Precarious Financial Stabilization	142
	The Rise of Organized Crime	146
	The First Chechnya War	151
		.153
5	The Oligarchy: 1996–98	. 157
_	Who Were the Oligarchs?	158
	The Loans-for-Shares Privatization	161
	The 1996 Presidential Elections: Oligarchs and	-0-
	Reformers United	164
	False Dawn of Reform: The Bankers' War, 1997	169
	The Financial Crash of August 1998	173
	NATO and G-7 Enlargement	180
	Assessing the Oligarchs	181
6	Postrevolutionary Stabilization: 1999–2003	189
	Finally Financial Stabilization	190
	President Yeltsin's Final Days	197
	Vladimir Putin: KGB Lieutenant-Colonel	199
	The Second Chechnya War	202
	Putin's Assumption of Power: Elections of 1999 and 2000	205
	Muzzling of the Media	208

Centralization of Federal Power The Gref Program: Second Generation of Economic Reform Dictatorship of Law Serious Efforts to Join the WTO Siloviki, Oligarchs, and Reformers: Who Is Mr. Putin?	211 214 221 222 225
7 Authoritarianism and Recentralization: 2004–07 The Yukos Affair: The End of the Oligarchy Elections of 2003 and 2004 Inauspicious Start of Putin's Second Term Consolidating Authoritarian Rule: Deinstitutionalization Renationalization: The Creation of Kremlin, Inc. Toward State Capitalism? Corruption: Rationalized but Pervasive Colored Revolutions A New Distance from the West Does Russia Suffer from an Energy Curse? Putin's Model: Back to Nicholas I	233 234 241 244 247 250 257 259 264 268 270 272
8 Conclusions: Why Market Reform Succeeded and Democracy Failed Market Economy but No Democracy Russia's Capitalist Revolution Russia's History Is That of Its Leaders and Their Ideas Early, Radical, and Comprehensive Reforms Most Effective Essence of Privatization: Legitimate Property Rights Policymaking in the Midst of a Revolution Foreign Aid: Limited but Important Russia's Future: Contradiction Between Economic Miracle and Reactionary Politics	277 277 281 285 288 292 294 297
References	
Chronology	
Index	