

# Russian Policy towards CIS (1991-2009)

-Rahul Kumar, Ashwani Kumar

## Abstract

This brief analysis of Russian Policy towards CIS should be understood in the background of how the USSR disintegrated and how state ownership, which had become the dominant form of ownership during the Stalinist period, eliminated the project of self-management and workers' democracy, envisaged in the Bolshevik Programme.

## Introduction

Bureaucratism and authoritarianism persisted in large and unwieldy bureaucracies that exercised power and control over citizens, distinguished between elite Russia and ordinary workers. Consequent to this, Gorbachev emerged as General Secretary of CPSU from within the highly unified and hierarchical structure of the Soviet political system in the year 1985. The subsequent death of two General Secretaries - Andropov and Chernenko of CPSU prompted the party elite to choose a younger and potentially more dynamic leader to head CPSU. Gorbachev had inherited a political system and mangle of a state, overshadowing his weaknesses into his strength. And by doing so he situated himself as a reformer in a hurry. Since his mentor Andropov pursued the theory of growth, Gorbachev was more in hurry to speed up the growth without knowing anything about it. That kind of growth had no place in the terminology of economics. This notion of growth has been popularized by supporters of the interests of the West. He is blindly pursuing the concept of growth in the USSR system. Gorbachev went from PEREISTROIKA to GLASNOST. Gorbachev's blind travel in a whirlpool of "growth" for six consecutive years paved the way for Boris Yeltsin, the first Russian president after the disintegration of the USSR in 1991, who transformed the Soviet bureaucratic communist system into a new specific form of capitalist democracy. Yeltsin's stay in power becomes part of his authoritarian style of functioning. This was perhaps not the fault of Yeltsin but the fault of intent, which rests on the belief that the transition to capitalism necessitated such a style of functioning. This unscrupulous style of functioning by Yeltsin, the first president of Russia, shows that the Russian model of globalization and integration with the dominant political economy seems to be no different.

In the light of the compulsions of politics-per-se-mentioned in this background, the Russian policy towards the CIS can be explained and analysed under the following heads and sub-heads:

1) Economic transformation 2) What is the status of CIS 3) Inherited Structures of Economy 4) Multilateral co-ordination 5) Economic Union.

## Economic transformation

The transformation of the Russian Economic System from a state-controlled, planned economy to a capitalist system dominated by market forces was a key agenda of the Russian regime and its western backers. It was believed that a new system of full-grown capitalism could emerge from the ashes of a completely destroyed state ownership system. Under the guise of this collapse, an attempt was made to weed out state-owned enterprises, which numbered in the thousands in the entire Soviet Union in 1989 and transfer ownership to a new class of individual entrepreneurs. Similarly, the collective farm system is to be privatized in the hands of capitalist agrarian individuals. This loot-for-all policy paved the way for global loot under the guise of "globalization," a policy that even the current Putinic regime does not deny; rather, Putinism is a parallel to western capitalism. The difference between Yeltsin's capitalism and Putin's is that the latter will not give up

until it turns into a fierce battle between the US and Russia on one side and the Latin American continent and the CIS on the other. Earlier, it was US capitalism vs. Soviet communism, and now it is Russian capitalism vs. US capitalism. Putin, the present Prime Minister of Russia and the future President of Russia, seems to contest capitalism by way of capitalism against the United States of America. It is not so much that they compete as to how far one can reach its labour and consumer markets. The difference between the two is that one of them is passive and the other is active. Again, in this battle of a Zero-sum game between active and passive actors, we should not wait for the final judgement because it happens every day.

In this background of US policy towards Latin American countries and Russian policy towards the Commonwealth of Independent States, and of course vis-à-vis, we should not forget that there are now going to be two types of globalization: one is the US type, and the other is the Russian type. The irony is that both of these countries have democratic systems. Both the United States and Russia claim a relationship with their neighbouring countries, implying CIS and LACS interdependence, and the reason for this is that both have found labour markets.

Before explaining statistical explanation on Russian policy towards CIS, here important to understand, like the US, Russia has also concentrated on the MANTRA of capitalism that is oil and gas, is actually a very important resource. In this respect, there is not much difference between America's Pan-Americanism and Russia's CISism. The bulk of the CIS countries seriously lags behind the minimum set of standards necessary for a democratic regime. It is believed that the absence of genuine democratic procedures in the CIS countries is facilitating Russia's relations with the elite in these countries. CIS appears to have divorced in an uncivilized way. The proposal or an agreement under which CIS was divorced 20 years ago has never been adhered to, and now it is the position of some or all of them when they feel confused about whether to accept CIS status or not. That way, the soviets who divorced the CIS are nowhere in the picture. Instead, there is someone else, and that is Russia. This is now up to Russia, who to take along and who to ignore. As the US is a champion of democracy, Putin appears to be a super-champion of sovereignty, but the kind of sovereignty enjoyed by the CIS is a blatant mockery of democratic terminology, as evidenced by the 287 agreements signed between Russia and the CIS. Monroe's doctrine of Pan-Americanism and Putin's doctrine of the CIS is the same thing.

**A dictum goes, "Win the war before the battles are drawn."**

Putin appears to have followed the dictum, and the failure of the US strategic presence or intrusion in the CIS is visible evidence of Putin's victory over the US intention to establish a strategic base in the CIS. Under the "collective security treaty", CIS agreed upon the presence of Russian military forces in the CIS. The forces are only there for the purpose of security and peacekeeping. Putin holds that this arrangement is to secure both the CIS and Russia from both the west and NATO. This means that CIS would never be able to enjoy a civilized divorce. That's perhaps, why CIS is still in a lurch, and the irony of their fate is that CIS cannot reintegrate themselves at their will. Herein lies the truth about democracy. "Democracy is a pathetic belief in the collective wisdom of individual ignorance" and that is what the CIS is facing.

### **What is the status of CIS?**

CIS consists of 11 states with a population of 278 million and a territory of 22.2 million Sq. km. This is about 95% of the population and 99% of the territory of the former Soviet Union. Development in this vast area is of great significance to the world, including India. The future of CIS is in a confused state of affairs. Both centrifugal and centripetal forces are in operation within the CIS. The final outcome is unpredictable. Unpredictable can be as future historians would have to investigate or track back the civilization in this vast area in a few centuries. About 287 agreements signed by CIS are still unimplemented and no one knows the

future of these agreements. Since copies of these agreements are not available in India, it is difficult to know what exactly these agreements are about.

### **Inherited Economic Structures**

The CIS is also a victim of a structured Soviet economy based on political and economic specialization, as well as a centralized mechanism to reap the benefits of diversity. Over 2000 industrial products were manufactured in a single unit. All large-sized boilers were produced by a single enterprise. Aside from industrial production specialization, agriculture was also specialized, resulting in distinct agricultural zones. The fruit is all grown in one of the CIS countries, and the cereals are grown in another CIS country. As a result, each CIS is dependent on the other, and the rest of the CIS is dependent on Russia. In such a web of integration, the future of the CIS is always dependent on Russia. This way, the CIS is a natural ally of Russia. It remains unclear whether Russia is a natural ally of all other CIS countries. It is because Russia has vast resources of oil and gas to develop its own economy. CIS is also the victim of these intra and inter-industry of which Russia is a sole beneficiary. Although Russia cannot go it alone because six of the eleven CIS countries are in a position to gain Russian favor Belarus, Ukraine and Kazakhstan are nuclear states that Russia cannot ignore, but two out of these three, Ukraine and Belarus, agreed upon the elimination of nuclear weapons from their territory.

### **Multilateral co-ordination**

The Center for International Studies of the Moroccan State Institute of International Relations identified three major trends in CIS in a study published in 1992.

- (1) Multilateral agreements to coordinate economic activities and establish the economic structures necessary to create a common economic space
- (2) differentiation
- (3) Bilateralization of relations between the members. There were 47 agreements signed, which were divided into two categories:
  - those establishing coordinating institutions, and
  - Modus Vivendi – those aimed at preventing the total collapse of the structures inherited from the former Soviet Union.

**Differentiation:** one such group called the "core group" consists of Armenia, the central Asian states excluding Russia and Turkmenistan; this group favors the consolidation of CIS as a common space. The third group, which consists of Central Asian states, favours creating a market of its own with preferential deliveries of its own.

**Bilateralization:** Steeply falling production and consumption arising from broken linkages and the failure of the efforts made multilaterally to restore the linkages, have pushed member states to bilateralize their economic relations. Initially, they grew vertically between Russia and the other CS members, but in recent months, they have grown horizontally.

**New orientations:** Right from the time of 'PERESTROIKA' the republics started their own economic and foreign policies. In this race for independence, Russia also initiated trade with the West. Russia pushed for stronger ties with the West. Kazakhstan developed relations with China, India, Japan, Iran and Pakistan and also with South Korea and Turkey. But then, after a year, members realized that their efforts are frustrating, thankless and almost in vain.

By the end of 1992, the economies of all CIS member states except Russia had entered a recession, and the economic crisis had begun; growth in almost all sectors, including agriculture, had been cut in half, the crisis

had deepened, and the financial condition of businesses was unstable. Indeed, many of them were on the brink of bankruptcy. There were several reasons for the economic crisis among the CIS members. The principal reason was the breakdown of relations between CIS members. The crisis was exacerbated further by the restrictions imposed by one member on the other.

### **Towards an Economic Union**

Since the beginning of 1993, the CIS members have decided to take several steps in the direction of mutual cooperation. They included the common central Asian market and the appointment of the chairman of the economic court. However, on May 14, 1993, the Economic Union issued at the Moscow summit consultative measures and protection securities. In January 1994, the leaders of the Commonwealth of Independent States agreed to establish an interstate bank to work toward a common banking system as well as credit and monetary policy. In this declaration, the members declared the common path for economic recovery by creating a common market for the free movement of goods, services, Labor and capital within the CIS to create a common economic space. The declaration was signed by all the CIS members.

Russia stands as the sole beneficiary among the CIS members because of its economic, political and diplomatic relations with other international powers like Europe, West and Gulf countries. Apart from these diplomatic relations, Russia remains the natural ally of the political elites of the Soviet regime. Russia with its enormous resources of oil, gas and other raw materials has turned a born capitalist unlike the other CIS members. It has its own market among its own members and also the free market economies of the world. The US is still entangled in Iraq, Iran, Afghanistan, and the Middle East. On the other hand, Russia is free from all such encumbrances. With the exception of weapons, space services, and certain types of equipment needed in the power and industrial sectors, Russia seems to stand in a better position than the United States of America.

Large-scale investments in advanced capital equipment, both domestic and imported, to make Russia's machines competitive across industries will not be realized in the foreseeable future. Similarly, independent states importing machinery and spare parts from other Soviet republics will still need a few years for industries to wean themselves off their dependence on compatible equipment. Russia in turn, depends on other members of the CIS for the supply of manufactured consumer goods, spans, and components.

### **Conclusion**

In this complicated situation, it would not be surprising if today's CIS members became another Russia's colonies tomorrow. If this hypothesis comes true, the whole international scenario will be changed and Russia, instead of the US will be at the center stage in world affairs.

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