



Harry Kreisler: Welcome to a “Conversation With History.” I’m Harry Kreisler of the Institute of International Studies. Our guest today is Anders Aslund who is a Senior Fellow at the Peterson Institute in Washington D.C. His new book is Russia’s Capitalist Revolution. Dr. Aslund, welcome to Berkeley.

Anders Aslund: Thank you very much.

HK: Where were you born and raised?

AA: I was born in [...?...], a small industrial town in Sweden.

HK: Looking back, how do you think your parents shaped your thinking about the world?

AA: Well, they had pretty clear ideas of the importance of freedom, democracy and market economy.

HK: Was there a discussion of great interest around the dinner table about the Soviet Union, or about international politics?

AA: Yes. Something quite important was that my mother, who was a dentist, had a colleague who was from Latvia, so I learned about the repression of the Baltic people at the end of the Second World War, very much firsthand as a child from this dear colleague of my mother.

HK: Living and growing up in Sweden, was there a greater sense of the forbidding of the Soviet Union so close?

AA: Sure. Sweden always had a pretty strong defense because it was neutral and because the Soviet Union was so close. So, there was always a sense that there was a threat.

HK: What did you major in as an undergraduate and then in your graduate studies, and where did you get your degrees?

AA: I had my main degree in economics from the Stockholm School of Economics, then I had another degree in Russian/Polish history from Stockholm University, and I've done my doctorate at Oxford.

HK: What was your doctorate on?

AA: Private enterprise in Poland and East Germany, why did the private sector survive and how did it function.

HK: When did you complete your degree and begin your formal role as a professor in relation to the history of the Soviet Union? What year would that have been?

AA: Well, you can say that I worked on Russia ever since 1972 when I started doing Russia, actually at Uppsala University in Sweden, and I traveled to Russia the first time – or the Soviet Union in 1972. And of course, to go to the Soviet Union then was a shock. It was a terrible third world place. It was not only third world but it was cold, dirty, dark.

HK: Once you had your economics training what impressed you the most? Was it the stagnation and decay of the economy, the failure of the economy, or was it more the lack of political freedom?

AA: Well, something different. I'm generally interested in political and economic systems and you can say that the Soviet Union was quite different as in an economic system but culturally it was not so far away. So, it was quite comprehensible at one level. At the other level it was just closed.

HK: Students watch this program, in addition to the general public, and so I want to talk a little about what skills are required to do what you do. What is the best training? It sounds like you have to know everything from math, to Russian, to comparative history.

AA: Yeah, I think that this is the kind of studies that I specialize in, where it's more eclectic, that you need a bit of everything and not going deeply into mathematical models, or such things. So, I do – where you have more the use of many different kinds of knowledge, a bit of politics, a bit of economics, quite a bit of history, and also languages.

HK: And it would seem that you need all of those together because it seems like you can really misunderstand things if you're just looking at the economics.

AA: Indeed. I think this was the big mistake for a long time, when U.S. knowledge about the Soviet Union was dominated by CIA people who never visited the Soviet Union, because the analysts, they stay home, it was the daring agents that were out on the spot, and they were, of course, not contributing to the analysis.

HK: Your book is subtitled “Why market reform succeeded and why democracy failed,” and so I want to walk you through the main points, and let’s talk, first of all, about the situation during the Gorbachev period, because your analysis requires looking at various things and one is this question of Gorbachev and his inability to reform the system. Talk a little about that because we in the West thought he would be able to do more than he wound up doing, although he did a lot.

AA: Yeah. I think that the fundamental problem was that the Soviet Union was deep frozen. It was too petrified. So, there was a change [...?...] at the top and at the bottom but nothing could ever change, and then Gorbachev and a few of his colleagues thought that this is not good enough, we can change, we have to change. And first they tried with some economic reforms and they realized that nothing happened because everything was sabotaged by the overwhelming bureaucracy that was really the true dictator in the Soviet Union, and they did what they wanted. I’ll give you one example. One month after Gorbachev had come to power – I was working at the Swedish embassy then – I went up to see a top official, the Soviet minister of agriculture, and I asked him what one of the first decrees about agricultural reform that had been issued by Gorbachev actually meant, and this senior official said, “It doesn’t mean a damned thing. Why should I bother about a decree signed by the Secretary General of the Communist Party of the Soviet Union? He’s not my boss. I work at the Ministry of Agriculture.” So, I thought that this was one of these old fogies who would soon lose out. Nothing of the sort. He just advanced. So, the point was that the bureaucrats felt secure. They could attack even the Secretary General of the Community Party.

HK: But in some areas Gorbachev did a great service, for example in foreign policy, because he made it possible for the Soviet empire to end – he set the conditions for that happening.

AA: Yeah, and you can also say that he saw that there was some low hanging fruit to be picked up in foreign policy. So, his most successful period in foreign policy was really the first two years or so, when he managed to get the INF Treaty with the U.S. – that is, the Treaty on Intermediary Nuclear Forces in Europe. And this was very important, a breakthrough in 1987, and of course, Gorbachev’s personal very high standing and the very good relations that he developed with virtually all countries – but partly I think that it was because he enjoyed it most of all because he saw this as a lever to do the much more difficult changes that were needed at home.

HK: And in a way, his failure over and above his skills, his skill set, which I think you’re suggesting was not as good as the ultimate in some respects – that his failure that he saw himself as a reformer and the system could not be reformed.

AA: Indeed. His ultimate failure was that he thought that Communists could be reformed and it could only be destroyed. On the other hand, if Gorbachev hadn’t tried to reform it, it would not have gone away as peacefully as it did. So, he did a great service but his service was based on his misunderstanding, and he doesn’t seem to understand it even today.

HK: There's a theme that runs through your book, which we're going to touch on right now and then we're going to pick it up again, and that is the role of external actors. And it's very important to the foreign policy debate here, whether the Reagan policies with regard to Star Wars, the defense challenge, pushed the Soviet Union off the cliff. What is your take on that? Is it a contributing factor, or there were too many internal contradictions so this would have happened anyway?

AA: The outside world was important, and of course, Star Wars was an important part of it, but I think the fundamental issue was that Gorbachev and his allies felt that the Soviet Union was falling ever more behind and something had to be done. So, I think it would be wrong to pick one specific issue, but you can say that the Star Wars idea was very much a wakeup call.

HK: Now as a comparativist, somebody who looks at different economic and political situations to understand the course that revolution takes, there is a tendency to want to equate what's happening in Russia with what happened in China. Let's talk about that. Why are the two cases so very different, which is an argument you make in the book?

AA: Well, they're very different for many reasons. You can say that China started in a crisis situation. Deng Shaoping came in when everybody thought that something must be done differently. Gorbachev came in at a time when almost everybody thought that nothing must change. And in the Soviet Union the officials didn't obey, in China they were still afraid and they obeyed, because they were not as firmly in charge as they were in the Soviet Union, and even today China's GDP per capita is one-quarter of Russia's, in current dollars. So, China is a much simpler and poorer economy, then [?] you can go about it in different ways, and part of that was that three-quarters of the Chinese worked in agriculture, to compare with one-quarter in the Soviet Union, or less. So, they were totally different. In China you could leave the state owned industrial side. In the Soviet Union you had to hit the industry hard because that was more than fifty percent of the economy. In China you had manual labor and the actual entities of production were relatively small. In the Soviet Union you could hardly find a cow shed without four hundred cows, everything was large scale in the Soviet Union, so you had to break it up, and that made it so much more difficult to reform in the Soviet Union. Also, Soviet products in manufacturing were awful. Living in Moscow in 1985, you could buy only a few things that were available and of western quality, salt, mineral water, vodka, bread, hardly anything else. And all these other products that were produced, if it was cars, or if it was household machinery, or clothes, it was useless, while in China they didn't produce all that much, at the time when the reforms started.

HK: Before we talk about the revolution and how the levers of power were seized to make the economic reform possible, I want to ask you – because you had this unique opportunity to be both an observer analyst but also a participant, and not just by your many visits but you actually at a critical point were advising the then Russian government. Talk a little about that. Does your work as a scholar greatly enhance your insight, and do those insights have important policy implications?

AA: I think it is quite important to see how things are actually being done, and in particular what you can do and what you can't do. For example, if you see the Prime Minister of Russia and you're acting as a policy advisor, not as a foreign dignitary, then you do take more than fifteen minutes of his time. You have a clear message, you want to get it through, and you want to get more meetings. So, then you have to be focused, sharp, clear. There's no time for a lot of nuances, certainly not exceptions. You have to have a policy message and you must have strong arguments for it so that you can convince the policy maker. And of course, it's important, also, to see how the government operates, simply how the mechanism of a government functions, what works and what doesn't work, and that's often quite surprising. For example, in Russia, on the one hand things are very formal, on the other hand many of these formalities, but not all, can be thrown overboard in certain circumstances.

HK: And you have your feet in terms of your scholarship in both the economic realm and the political realm, and before we talk about the differences in the revolutions, is there a difference that you would make as an analytical observer between politics and economics, and economic policy and the policies related to political reform?

AA: Well, I would emphasize that the economists are more keen on being aboard in actual economic policy. You can say that there's more demand for economists in government jobs, while it's more uncommon that political scientists go for political jobs, outside of foreign policy.

HK: Is that because economists have better theories?

AA: No, I would say it's because there are simply more functions of government that require economists, as simple as that.

HK: Okay. So, what we have in this period of the end of Gorbachev and then the rise of Yeltsin is a revolutionary situation. Talk a little more about it. You touched on it, but what made it really revolutionary upon which a good leader could take action?

AA: Well, you can say that a revolution is when the constitution order ceases to function, and when you go beyond the roles [roads?]. Some people argue that there must be violence. I would argue that is not part of it. So, the fundamental issue is that the institutions cease to function, and that means two things. One the one hand, it means that very little can be done by the state, there is no state capacity. Typically the bureaucrats are just sitting and they're rolling their thumbs and are not working. And the other issue is that nobody stands up, **if the** [?] top policy makers are making fundamentally new decisions. So, this is the time when you can think big but you can't think small. You can't do the small things, you can't improve the healthcare system, but you can change the constitution.

HK: And the situation was truly revolutionary because the Soviet empire collapsed, the regions, the provinces, were not submitting money to the treasury, so there was a real opportunity and it was

seized by Yeltsin. You enumerate the elements of what a leader, a true leader, in a revolutionary situation should do, and you believe that a lot of this happened between October '91 and January '92 under Yeltsin's presidency. Let me just enumerate these items that you mention in your book. "Your ideas must be clear, simple and relevant; the ideas must be translated into a set of policy actions; the political leader must take the lead and make authoritative policy declarations; the leader needs to appoint a group of policy makers who can execute the reforms, you must have parliamentary support, and there is a brief window of opportunity for extraordinary politics." Yeltsin saw that and acted in a way, in most instances, along these lines. Is that correct?

AA: Yeah, very much so, and you can see it particularly in **Vasic** [?] and part of **Izmamars** [?] where he discusses the events as a revolution. He saw what he thought was truly important and he emphasized these two things, to dissolve the Soviet Union and to undertake market economic reform. What he did not understand was what to do about the political system, because he thought that the political system somehow worked. He wanted to have a new constitution but that was not his prime issue.

HK: And so, let's look first at the economic revolution. Walk us through briefly the steps that were taken, and the goal is very clear, a market economy, and there are clear indicators of what that goal is like when you reach that point.

AA: Yeah. So, it was very much an idea that we have to do it now, if we don't do it now we'll fall into complete chaos, and we don't know what will happen. The danger of civil war was always in the background and the economy was truly collapsing. And the idea was also not to do something that was original but to do something that was standard, and a standard market economy, you can say, raised on three pillars, free trade and prices – that's the first. The second is privatization. You need a predominance of private property. And the third is reasonably stable prices, to get the state finances and monetary policy under control so that inflation is limited.

HK: And these were all done in this environment, but what about the reactions you get when you do this, I mean if you had had a different leader? Because you have chaos, you have a kind of breakdown of institutions, but the consequences of what you're doing as policy is unclear at the time. Correct? The theory tells you it'll work but that's different than convincing people that it will work.

AA: Yeah, and of course, there're many problems and shortcomings. The first is that the old elite knows different things, they know a socialist economy and they think that this is wrong, they say that this is unprofessional, and they put forward all their outstanding economists. So, the only problem was that it was the wrong economics that they knew. So, that's part of it, and then you have all the politicians who have come up in one way or the other, in the revolutionary chaos, and they think that they should have the top jobs because they did the revolution. And now instead, there are people who knew economics who are getting the top economic jobs, which makes them very upset. And then you have a lot of operators who utilize the chaos to make money for

themselves. That actually turned out to be the biggest danger, but eventually all these forces colluded and caused a lot of trouble.

HK: One has the sense, as you read through your book, that there is really an evolution of the economic groups that rise and fall. We begin with the insiders who benefit, you move to the oligarchs, and so on, but for whatever reasons there was a resiliency within the Soviet Union so there was movement forward. How did that happen? One would think that at any one point one of these groups would have stopped the revolution in its tracks.

AA: Yeah, and also there were – let me take one thing. I spent a lot of time in December '91 in Moscow, and I walked around, and the people had a sense that the sword of Damocles was hanging over them and that a terrible catastrophe would come over them. So, they were all of a sudden very kind. Moscovites are normally not very kind but they were kinder than ever before because they felt that there was a great danger hanging over them, and the stranger thing was that everybody continued to go to their jobs. Soon enough they didn't get salaries but they continued to go to their jobs anyhow and they didn't really work, but there was an amazing social calm which, of course, the authorities tried to maintain. But this was the backdrop, so while events were very dramatic on the surface it was surprisingly calm. After 1990 there were no mass demonstrations. It was a social demobilization. When the prices were liberalized nobody took to the street. It was the same in Russia as everywhere else. If you liberalized the prices, you changed the paradigm. People understand that it's something new, they're worried, but they don't take to the streets.

HK: And is this because under the Soviet system they had become passive? Is it something with historical roots in Russian character and culture?

AA: No. On the contrary, this is the dynamics of a revolution. In February 1990, Moscow saw the biggest demonstrations. The liberals, the democrats, had 500,000 people out in demonstrations a couple of times, and their opponents, the hard line Communists, had 300,000 people out in demonstrations, in February-March 1990. That was the time when people were mobilized, but when things were getting more complicated most people felt that they didn't know what – and therefore they became demobilized, and this is typical of a revolutionary situation, that in the midst of a revolution people get demobilized.

HK: Let's go back now to this theme about external intervention. We talked about it earlier with regard to the fall of Communism. What kind of grade do you give the West and the United States during this very important period of the implementation of the economic revolution? Were we intervening at the right time or not? Did we provide the critical aid and advice when it was needed?

AA: The West didn't do anything at all. There were – **they suggested** [?] but there was no concrete aid. During the first year of radical market reforms in Russia the West didn't help in any way at all, and this was clearly a U.S. policy. George Bush, who was President at the time, thought that it was not popular to provide the financial support to the outside world. If you take the Desert war that

took place at the same time it was entirely financed with contributions from other countries, mainly from Saudi Arabia, that Jim Baker, then the Secretary of State, traveled around the world in order to collect. So, it was very much Bush who said, no, we don't do this. And another was that they didn't want to talk to the Russians and suggest that. In Washington the dominant interest was the Treasury that said, "We want our money back. We want the Soviet debt to be serviced." It was serviced and in fact, the Soviet Union has paid back more on its old Communist debt than has been given in Western aid. And this is in the height of a systemic change, in the early '90s. So, the West simply took a back seat and it's in the early stage that you can really do something. And also, this was when the economic crisis was at the worst, and the West only provided some humanitarian assistance but didn't help the reforms at all.

HK: Now Yeltsin really made a difference, and I think that your discussion of him – although you fault him on some things, and we'll talk about the political failures in a minute – but in terms of the economics he followed your criteria. And so, I guess the question is, what made the qualities of leadership in him? What was it about him that led him to act according to address the problems of this revolutionary situation? And then what does that tell us about the importance of an individual, a personality, in changing the course of history?

AA: Of course, Yeltsin was very intelligent, and he was very well read. The last time I met him, which was in 2004, I asked him what he was doing and he said, "I'm reading one book a day," and particularly he read history. So, he knew, for example, of the Russian revolution of 1917 extremely well himself. And Yeltsin was one of these rare people who was at the same time intelligent and intuitive. He just felt what was the right thing to do. Nobody could really understand how he reached that, because Yeltsin was by and large a man of few words. He didn't present his argument. He said, "This is the issue," then he listened to people who discussed [it], and then he came to the conclusions, which always confused people. But he was one of these few true heroes, a man who stood up, drew the conclusion, took the lead himself, and had an enormous civil and physical courage, and he was a very jovial, pleasant person by character, obviously a manic depressive character, not that he was sick but that he was sometimes very manic and sometimes very depressed, which I think is typical for these outstanding heroes. So, he was at his height when the crisis was really severe. Whenever there was a severe crisis he had a tendency to wake up and come to his own, and then he was absolutely unstoppable. So, he had an enormous psychological strength, and that's why he could draw these radical conclusions and carry it out, and of course, in the early '90s he was enormously charismatic.

HK: And that's what I was just going to ask you about. So, he was a populist attuned to where the people would be if there was actually a functioning democracy in Russia.

AA: I wouldn't say populist. He was a popular leader. He was one of these people who could go out and look at a crowd, and feel them, and work them up. It's the kind of ability that Bill Clinton or Mike Huckabee have. So, he had a tremendous political scale. Give him a crowd and he will take the lead.

HK: And were all these characteristics, in addition to seeing the way to go, very important in bringing it all together so the reforms happened?

AA: Yeah. Yeltsin was, of course, crucial. Without Yeltsin I think that Russia would have ended up in complete chaos. So, there was nobody but Yeltsin. He was the only plausible leader, and of course, Yeltsin was very Russian in so many ways, but he was also intelligent and had this intuitive scale of using his intelligence. And of course, he loved elections. Whenever there was an election he knew how to campaign, and he won time and time again, March '90, March '91 – sorry, March '89, and also the presidential elections in June '91. And when he was quite ill still, in '96, when he decided to run for president, he started from 3% popularity rating and he won reasonably on his election.

HK: Now when you give out the grades on political reform in the Soviet Union marks are not high. Where did Yeltsin go wrong in terms of implementing democratic reform?

AA: Well, the fundamental mistake was in August '91, and it's easy to understand. Yeltsin at the time – he prohibited the Communist Party. That was the real revolution. And he thought that was essentially what needed to be done. He had the parliament, he had just been elected democratically, Russian presidents – that institution was there, and there was a Soviet Russian constitution that could easily be amended so that one could get it reasonably right. But the problem was that this constitution and the parliament that had been elected one and a half years before was not democratically elected, so it didn't really represent anything. So, therefore Yeltsin soon realized that the parliament turned against him after a little bit more than half a year, never to come back again. So, what he should have done is dissolve the parliament. It was clearly not – no particular constitutional ground for it, but at that time Yeltsin could do absolutely everything. The parliament would have voted with acclamation for his own dissolution, if Yeltsin had asked for it, but Yeltsin's sense was, "The parliament works, the political system works, so I need to concentrate on these two other issues, dissolution of the Soviet Union and the economic crisis. I can't do everything at once."

HK: And the kinds of things that didn't develop were a successful multi-party system, as a result of this? A new parliament might have been a place where that could happen.

AA: Indeed. So, what was needed was essentially proportional elections with a threshold for representation that all the successful east central European democracies have done, early founding elections that would strengthen the parties, and also that the parliament was relied upon to do legislation. Another foolhardy thing Yeltsin did in that regard was that he asked for **one GS right** [?] to rule by decree so that he could take **very man** [?] in **not all** [?] decisions by decree, and as a consequence these decrees were not well founded and the parliament didn't have any meaning for occupation, so therefore it started doing things that were outright harmful.

HK: Steven Fish who's on the faculty here – you cite him as saying, “Too much oil, too little economic liberalization, and too weak a national legislature.” Do you agree with those points as adding to the mix here in creating the situation where there isn't take-off in the democratic revolution?

AA: Yeah, well, at that time it was only the weak legislator that was a problem. Later on, we have too much oil. In the 1990s the oil price was so low, so that was not much of a concern.

HK: Was it inevitable that Yeltsin's mistakes with regard to reform pave the way for a Putin, if not the Putin?

AA: No. I think that the selection of Putin was quite accidental, and it's not at all clear how much Yeltsin was really involved in it himself. So, it was a coterie of close advisors to Yeltsin who pushed for Putin, and Putin accepted – or Yeltsin accepted Putin. It was not Yeltsin's proposal. And the fundamental mistake here that Yeltsin did was that he did not dissolve the KGB fully. He divided it, and weakened the KGB, but what has happened now is that the old KGB has largely come together again.

HK: So, we are left, after your tour de force here, of an analysis of both these revolution, one that succeeded and one [that] didn't, we're left with a contradiction which is, a market economy has been put in place by all objective measures but democracy and a democratic reform has not taken hold, and can the Soviet economy move forward unless there is an adjustment with regard to implementing the democratic revolution.

AA: Well, as I see it, Russia is now one of the richest countries in the world that is not a democracy. The other countries up there are seven oil countries, small ones, and Singapore, and possibly Malaysia. Otherwise all countries that are this wealthy are democracies. So, this is an anomaly. So, from this grouping we immediately see that it's easy in small – in oil dominated countries to maintain a dictatorship, but Russia is not small, Russia is a big country. So, I think that whenever the oil price just moderates a little bit we will see that the regime collapses, and one reason is that the dominant concern in all east central European democracies is corruption. Therefore the incumbent government almost always loses an election in these new post-communist democracies, and Russia has a bit more corruption than they. So, I think that when the old revenues dry up ever so little there will be a sharp reaction against the corruption, which is truly outrageous in Russia today.

HK: In the meantime, talk a little about how Putin has moved to consolidate his power and authoritarianism in the system.

AA: Putin has done this very systematically. What he did immediately was that he hit on the big media oligarchs that control the big television channels and brought them under state control, and what he also did immediately was that he brought the regional governors under state control, and then he has taken virtually all power out of the parliament. He has systematically manipulated

elections at all levels. Russia has a lot – or had a lot of elections all the time, as regional elections were held at various times, and they became evermore manipulated. Leading candidates were nullified for no sensible reason, in the last minute businessmen were told not to provide money for candidates that were not supported by the government, etc. And eventually in 2005, Putin managed to make the governors appointed. So, now Russia has a senate that is appointed, governors are appointed, a Duma that is totally manipulated by the government, or the Kremlin, and the government itself is not very important. So, Putin really rose [rode?] through the presidential administration and through the various secret police services, and media are strictly controlled, non-governmental organizations are strictly controlled, have to be licensed, so if they really carry out the prohibition of a non-licensed – non-governmental organizations, three-quarters of them will have to close down. And financing is controlled by all kinds of means, mainly illegal, and foreign interaction with independent sector is being brought to a halt. So, it's a very systematic authoritarian role but not very hard. There are some political prisoners but not many, and there are a number of killings but not many.

HK: Does he remain popular amidst all of these changes, and if he does, is that because of the oil money which might pass when the price goes down?

AA: Well, the question here is what is popularity. When the media are controlled and present him as a great hero who does everything for the people, and no negative publicity on Putin is allowed on main media – you can find it on the internet, and in serious books, etc. – and then Putin also controls most of the opinion poll organizations. So, what does the popularity mean? If I were asked in Russia today if I support Putin, I would say, "I love him," because you presume that people who work with opinion poll organizations work for the secret police also. So, there is no reason to pay any attention to what opinion polls say about such sensitive issues, nor do we know if they are really true, as with regard to the last elections. There have been big claims that ten, fifteen million votes were added in the Duma elections in December. So, we simply don't know these things, so therefore I shouldn't take it seriously. If you look upon the opinion polls that are produced, Putin's popularity is between seventy and eighty percent.

HK: So, let us pick up this theme of the West, and U.S. foreign policy in this new phase. What do you see as the opportunity here, the contribution that the Western economic powers, that U.S. foreign policy, might make toward a positive evolution of the Soviet Union – of Russia?

AA: Well, there is one fundamental number. The U.S. today has only five percent of Russia's foreign trade while the European Union has fifty-two percent. So, the U.S. is not very important to Russia today. The U.S. remains important in one regard, and that is a nuclear arms agreement and such matters. So, the relationship between Russia and the U.S. is, you can say, almost entirely strategic and nuclear, and nothing else. Of course, other parts of the relationship need to be developed, more integration. Russia has become a member of the **W2** [?] on which is a good way to become a member of the OECD, and also amazingly, the U.S. has not managed to get the agreed bilateral investment treaty ratified by Russia. The U.S. Senate has ratified it but thirty-eight other

countries have managed to ratify it. And the of course, American companies don't invest directly in Russia from the U.S., they use their foreign subsidiaries, because they are covered by much better investment protection treaties than U.S. companies are. And I think that the big thing that needs to be done today – it is to restore the arms control regime that the current U.S. administration has paid very little attention to, with abandoning the anti-ballistic missile treaty of 1972, and then recently Russia has responded by suspending the treaty on conventional forces in Europe, and there are other treaties that Russia may very well abandon now. And this is, of course, not in U.S. or any other global interest.

HK: Does the mixture of Putin authoritarianism, the oil wealth, lead to a situation which should give us concern about future Russian foreign policy?

AA: Yes and no. It's, of course, not healthy. On the other hand, it's not very aggressive. Russia does nothing to reform its military. The Kremlin throws more 1970s arms on them, intercontinental and ballistic missiles that they can't use, similar with the aircraft carrier, and nuclear submarines. They stay in a time warp and do things that you did in the 1970s. It has not moved on. We should be worried if Russia undertook serious military reforms, developed rapid deployment forces, and developed smart arms. They don't. And so, that is actually somewhat reassuring. What we should be concerned about is a massive corruption at the top level today in Russia, and if I take one example, the confiscation of Yukos Oil Company. That was one hundred billion dollars that moved to the state. And this is divvied up in one way or the other by the top government officials. So, we are seeing a larceny that probably has never occurred anywhere in modern times, and this means, also, that Russia buys politicians. We can see how Gerhard Schroeder was bought by Gazprom, a Russian gas company...

HK: This is the former chancellor of Germany going to work for the Russian gas company in Europe.

AA: Yeah, immediately after he had **the jump** [?]. And there had been one president and one prime minister of Lithuania who have been ousted because they had taken money from big Russian companies. So, when you have a country, a government that pursues corruption as a government policy – that's something that we should be worried about, not by Russian arms. That's not what they're using today.

HK: How do you compare Putin with the other two that we've talked about, Gorbachev and Yeltsin, as a leader? Is he a man of his time, or was it just contingent that he came to power and rose, or was it inevitable that somebody like that would come to power?

AA: I don't think that it was inevitable, and of course, he's different in every regard. Both Gorbachev and Yeltsin were men who loved the West, perhaps too much. They shared Western values and wanted to be as much part of the West as possible, but they didn't know the West very well. Neither of them spoke foreign languages, they came from the provinces, they hadn't spent

much time abroad. Putin, on the contrary, speaks foreign languages, he knows the West well and he doesn't like it. He's quite contemptuous of it. His view is that the West is decadent and stagnant. He praises China far more, he likes – he's really kind of a growth Darwinist. He likes high growth, he doesn't like weakness, and the West, to him, is just weak. And it's a totally different attitude. Both Gorbachev and Yeltsin were quite open about what they wanted to do. Putin is extremely closed. I met Putin three times in the early 1990s at meetings in St. Petersburg and I don't remember him. He's a person who doesn't leave any impression, who is just discreet, a person who doesn't show his cards. And of course, both Gorbachev and Yeltsin wanted to open Russia and to build democracy. Putin says that he wants to build democracy, he speaks in a Jeffersonian way, but he does the opposite. So, there's a systematic lying in whatever Putin does.

HK: One final question. What do you think are the lessons here for other transitions that we will be confronting in other parts of the world, or is the Russian experience really unique?

AA: I don't think that it's unique, and the fundamentalist view is that if you phase a revolutionary situation, then you have to front load the change. So, for example, the Ukraine after the Orange Revolution should have dissolved the parliament and held new parliamentary elections immediately. Then they would have come a better foot, I think that they will manage even so, but that would have been a better start, so that one should never say wait a little. If you wait, you lose. That's the fundamental insight about a revolutionary situation. Then which **papillars** [?] are, we have discussed. They need to be introduced immediately and one shouldn't wait. And revolutions have a way – Russia now is in the post-revolutionary destabilized – still post-revolution stabilization, when people are tired of politics and want to make money instead, when the economy is coming back. And then it's much easier to restore an authoritarian rule, which Putin has done quite successfully.

HK: Dr. Aslund, I want to thank you very much for being here, discussing your book, and I want to show your book one more time because I think we can't do justice to all that you cover in this book. So, thank you again for being with us today.

AA: Thank you very much. My pleasure.

HK: And thank you very much for joining us for this "Conversation With History."

[End of Interview]