Russia: A Long View by Yegor Gaidar

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Reading this book from economist Yegor Gaidar as a Russian historian rather than an economist was both interesting and disappointing. On the plus side, the style is easy to read and even complex economic features and arguments are usually stated clearly. If you are looking for a great deal of information on Russia, however, the book falls short, which is surprising given the title. Nevertheless, for broad-minded social scientists, world historians, and economists, this book is a treat.

Gaidar examines a long period of time from prehistoric times to the present, using multiple examples from around the world. What ties the book together is the question of how Gross Domestic Product (GDP) bears on the transformation of various models of society to stages of modern or postindustrial economic growth. The implementation, type, and extent of taxation also form common threads that strongly affect economic and social change. Gaidar notes that modern economic growth and capitalism, although sometimes co-existing, are not the same. Among the models Gaidar employs in his study are models of societies in antiquity, traditional agrarian societies, steppe societies, and mountain societies. He also examines models of democratic and authoritarian structures and considers both the Marxist approach to development and the transformation of Soviet society. Gaidar notes repeatedly that predicting the future is generally fruitless and leads to errors since there are different stages of development with different defining features, and because cultures have different traditions, customs, and realities that can alter the trajectory of a given stage of development. Thus, rather than making strong predictions, he presents the range of issues, features, and concerns that should be considered in a given model or stage of development for a specific society. In considering how specific states will fare in the transformation to modern economic growth, he notes several key factors, including the condition of the world economy, the country’s national ideology, the relative status of the state’s economic indicators, and the country’s cultural uniqueness. He also identifies education levels, urbanization, and technology as three distinct factors that influence the rate of growth. Concerning Russia, it is perhaps not surprising that Gaidar, who was on the team carrying out post-Soviet transformation, links most problems with the early post-Soviet era to previously existing conditions in the Soviet socialist authoritarian model, and not with the fledgling democratic party and President Yeltsin.

Though Gaidar discusses Russia throughout his text, there are only three chapters dedicated to Russian specifics. One of these presents the idea that Russia has long been historically a part of Europe: free city states like Novgorod, links to Norman rule, Germanic laws, intermarriage between royal houses, and trade all linked East and West. He fully supports the view that the Mongol period of rule forced Russia to fall behind Europe and sees no positive qualities gained from the Eastern influence. The Russian expansion and conquest of the nomads and Eastern peoples was due to their economic inability to support a permanent army; this last point, that economic and military power are based on the correlation between the two, appears throughout the book.

Much of what he asserts is not particularly new. He does, however, make the uncommon claim that the nineteenth-century Russian nobility were capable of adapting to emerging markets, and he argues that Russians actively sought modern economic growth. Their limited success, according to Gaidar, was the result of a weak banking system and poor business ethics, which led to the well-known policies of protectionism and state investment of the 1890s. Gaidar espouses the “optimist” side of the historical debate, which holds that the First World War destroyed a
system that was beginning to work and might otherwise have succeeded. He barely mentions the 1917 revolution and explains the later shift from the Bolshevik New Economic Policy to the Stalinist Five Year Plans by pointing to low GDP and competition with other states that resulted in collectivization and the push for industrial growth. Gaidar notes that the Five Year Plan did allow for growth in GDP but at the expense of the population.

Gaidar attributes the fall of the USSR to a number of factors. First, the rest of the world was moving into a postindustrial model that changed relations and ideals. Second, the Soviet Union had become an urbanized state with declining agricultural production and a failing manufacturing sector. Finally, the elite leadership invested heavily in military strength but was reluctant to consider market mechanisms. Gaidar examines other socialist societies and why they were able to adapt and finds that GDP, a balance of agricultural and industrial growth, and the pace of change each played a role. The Soviet system did not make the needed changes because both the state and the population had been in the system so long that they could not imagine or implement real change. The final blow came with the fall in energy prices, which left the USSR in debt to almost everyone by the late 1980s. The leaders, according to Gaidar, simply did not understand the dimensions of the financial crisis.

Gaidar begins his discussion of post-socialist societies with a riveting chapter on the fall of the Soviet Union and ensuing attempts to rebuild the country. As a witness, he notes that a true revolution followed the economic collapse. Problems occurred because institutions did not exist, as was assumed by Western supporters, to realize a market system. Challenges occurred due to the lack of cultural norms, business ethics, and other elements necessary for a free society to function adequately. Gaidar nevertheless strikes an optimistic note by stating that the recovery begun in Russia in the late 1990s will likely continue with steady investment. The last third of the book concentrates on systems and their relative importance throughout various models. It examines healthcare, education, migration, and military policies. Once again references to Russia appear sporadically, but often these are not specific, and Gaidar hesitates to make any real predictions. This is perhaps the weakest section of the book.

The sources used are extensive and are reflected both in the text and in the numerous tables and charts accompanying most chapters. The research is based on Western, Soviet, and Russian sources from all periods. Because this is not a textbook, a background in world historical knowledge is useful. The breadth and depth of the thinking, however, will give scholars much to consider.

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