

Why Yeltsin won

Bob Arnot examines the background to Yeltsin's victory in the Russian presidential elections

THE second round has seen Yeltsin achieve 53.7% of the vote against 40.4% for his challenger, Gennady Zyuganov. It is worth noting however, that with a turnout of just over 67%, only 36% of the population as a whole actually voted for Yeltsin. Far from being the dramatic endorsement of market reforms, as it has been described in the west, it is a rather weak endorsement of the changes introduced since 1992 and shows the narrow social base that supports the reforms.

Furthermore, while the western media has presented the elections as a direct struggle between "capitalism" and "communism", between "democracy" and "repression", between "continued reform" and "Communist revanche", this is essentially misleading. This line of argument has simply followed the media presentation of Yeltsin and his aides. While Yeltsin has a completely submissive domestic media, the media in the west is hardly more critical.

The reality of the election campaign and the platforms of the contenders, is that the battle lines were scarcely drawn on these terms at all. Both the contenders accept the market, both adopt a rhetoric that seeks to pander to nationalism and chauvinism and both are deeply resistant to the idea of democracy. Yeltsin's credentials on democracy include bombing a parliament building and effectively ruling by presidential decree, whilst Zyuganov's party (the Communist Party of the Russian Federation, KPRF) has virtually no internal democracy.

The lack of distance between the two candidates led a group of 13 powerful Russian businessmen to suggest a coalition prior to the elections rather than an electoral fight. The elections were essentially an intra-elite struggle between sections of the old nomenclature, as they vie for control over the criminalised economy that has been the result of the disintegration of the former Soviet Union.

Zyuganov's main support comes from the middle and lower levels of the old nomenclature and sectors of the economy where it has not been easy to transfer their old position into new wealth. For example, enterprise directors and apparatchiks in the uncompetitive manufacturing sectors, the military production sector and agriculture that cannot earn foreign currency as easily as their raw materials and energy counterparts. Both candidates reflect the interests of the old ruling group and their

desire to get to the market so that privilege can be enjoyed in a market form; so that privilege can be passed between generations; and so that the surplus extraction process can be rendered more secure, more guaranteed and more veiled in a market form. For Russian workers there was nothing to choose between the two candidates and even the FNPR refused to support either of them.

However, this raises two questions. Who does support Yeltsin and how did Yeltsin manage to increase his support from less than 5% in the opinion polls in December and January and win in July? The answers to these questions expose the hollowness of Yeltsin's victory, the contradictory and unstable nature of his regime and offer some hope for the future.

Who supports Yeltsin?

THE clearest constituency positively for Yeltsin are the "New Russians", perhaps best described as the "Old Soviets". These

*"The clearest
constituency
positively for Yeltsin
are the 'New
Russians', perhaps
best described as the
'Old Soviets', who
have benefited most
from disintegration."*

are the people who have benefited most from the disintegration process and include bankers, "businessmen", traders of a variety of kinds and the criminalised market sector. Recent sociological surveys have shown that one of the best indicators of current wealth and income in Russia was the position held in the old system. For example, more than 70% of the bankers are former members of the Komsomol. These beneficiaries of the reforms have been estimated at about 2 million people, heavily concentrated in Moscow and St Petersburg, but represented in smaller numbers in every region.

Furthermore, there are clear sectoral interests which have done well out of the reform process. This extends beyond the elite and includes workers in those sectors who receive well above average incomes. These sectors would include the raw materials and energy producers, communications and mass media, finance, services and trade. The army also has sup-

ported Yeltsin quite strongly and it has been estimated that more than 80% of the troops serving in Chechenya voted for Yeltsin. This is not unconnected to his pre-election promise that if he was re-elected the tour of duty would be reduced to 6 months and then they would be demobbed!

But perhaps the best explanation of Yeltsin's victory and a measure of its hollowness is the tactics adopted in the period in the run-up to the presidential election and in the period between the first and second rounds.

Yeltsin's tactics

DURING 1995, as a result of an attempted tight money policy, Yeltsin's government, at the behest of the IMF and in order to receive IMF funds, had been able to reduce inflation to 1-2% per month. However, the cost of this was an increase in wage debt to almost 30 trillion rubles and as a consequence an increase in strikes from 514 enterprises on strike in 1994 to 8,856 enterprises on strike in 1995. Furthermore, the non-payment crisis between enterprises, caused because government was neither making payments nor allowing the money supply to increase, meant that revenues to government were also contracting. On top of this, the decline in production, the decline in investment and the massive outflows of funds from the Russian economy meant that Yeltsin began 1996 and the approach to the presidential elections with the possibilities of a financial and budgetary crisis, continuing decline in production and living standards against a background of increasing worker militancy. It is on this unfavourable ground that Yeltsin had to choose his electoral tactics.

Throughout 1996 Yeltsin has used his position as president and the budget funds of the Russian Federation to ensure his re-election. He was quite open about this and when campaigning in Arkhangelsk said that he had "come with full pockets". He has made massive spending commitments almost regardless of the consequences. It may well be the case that many of these will be reneged upon after the elections but estimates have suggested that his spending commitments, at least those that were actually costed, were in excess of 50 trillion rubles. The most important of these included: spending to alleviate the wage arrears both in the budget sector and in the regions; doubling the minimum pension; compensation for those pensioners who had seen their savings eroded by the economic reform and consequent inflation; higher social benefits for single mothers and large families; increased wages for teachers and health workers plus higher pensions for education workers; increased student grants; assistance targeted to specific sectors and regions, for example the

defence industries, mining, private agriculture, the Far East and the Far North etc. This amounted to a massive bribe to the electorate, or at least to those sectors of the electorate that he thought may prove crucial.

Yeltsin also announced that compulsory military service will be phased out by the year 2000, in order to increase his appeal to the young, and presumably to many parents who fear for their children's lives once they enter the armed services. Yeltsin's cynicism is only matched by the contempt he must have felt towards an electorate which he believed he could buy so cheaply, particularly after four years of hardship.

Yeltsin has also ditched inconvenient advisors or members of government. Early in the year the remaining member of the Gaidar team of liberal reformers who was primarily responsible for the privatisation process, Chubais, was removed from office. Yeltsin graphically made a commitment not to return to the extreme liberal form of market reforms, although Chubais did play an important part in Yeltsin's re-election campaign.

Then in the interval between the two rounds of the presidential election, Yeltsin ousted the hard-liners in his immediate entourage, Kozhakov and Barsukov and removed from government the unpopular defence minister Grachev, who was most closely associated with the Chechen debacle, and the first deputy prime minister Oleg Soskovets. In this way Yeltsin has been able to distance himself from a whole series of unpopular decisions and actions for which he is undoubtedly ultimately responsible. It has also allowed Yeltsin to appeal to both nationalists and liberals simultaneously!

Yeltsin and his team had almost complete control of the media. The only other candidate who obtained reasonable access to the television during the run-up to the first round was General Lebed! The same General, of course, who Yeltsin absorbed into his group, after his third place in the first round of the elections. It is quite conceivable to argue that Lebed's access to the media was planned by the Yeltsin group as a method to draw the Nationalist vote away from Zyuganov (and to a lesser extent from Zhirinovskiy) safe in the knowledge that Lebed could not win but could stop others from winning. His absorption may be a smart short-term move but in the longer term Lebed may well pose problems for Yeltsin. Perhaps even more so for his Prime Minister Chernomyrdin.

Through his control of the media Yeltsin ran a massive anti-Communist campaign which dwelt extensively on the past experience of the Russian people. In the week running up to the election the main TV channel showed: an hour long video on the civil war, the famine, the purges, the camps, ending with scenes of starving children, the execution of "enemies of the people" and environmental degradation; a movie on the murder of the Tsar; a two part documentary on the secret police; and finally, the movie *Burnt by the Sun* which

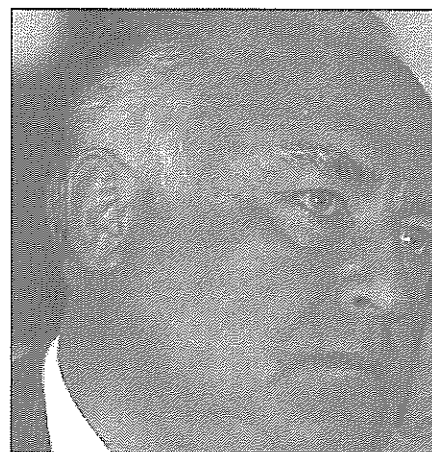
depicts a family in turmoil in the purges of the 1930s. To reinforce the anti-Zyuganov message, even the advertisements encouraging people to vote carried a pro-Yeltsin message.

It has been estimated that the 11 candidates in the first round, who were allowed by electoral law to spend up to \$3 million each on their campaigns, spent approximately \$400-500 million, the bulk of this being spent by Yeltsin. Against this background and coupled with the huge amounts of federal money committed by Yeltsin it is surprising that even though he did win he could only muster the support of 36% of the total electorate.

A future contradictory factor in Yeltsin's victory has been the part played by Zyuganov and the Communist Party of the Russian Federation (KPRF). As Renfrey Clarke has pointed out, not only did the KPRF make organisational and tactical mistakes — for example not running extensive paid TV advertisements — but their problems were much more fundamental. To defeat Yeltsin would require a party that could appeal to the broad mass of the population that has lost out because of the reforms, and they would require to offer some positive alternative. The KPRF, however, remains very much the party of the old state apparatus, (as noted above), hierarchically structured with poor mechanisms for rank-and-file decision making and little presence in the struggles of Russian workers. Furthermore the KPRF, unlike its counterparts in other East European countries, did not distance itself from its Stalinist past and indeed Zyuganov explicitly praised Stalin. The KPRF did not develop a popular, democratic campaign and indeed could not. As a consequence Zyuganov, in the period between the two rounds, simply confirmed that he shared many positions with Yeltsin, by offering a coalition of National Unity. So there really was no choice and the third of the electorate who did not even bother to vote confirm this fact.

Will the election resolve anything?

NO matter who had won the election the fundamental contradiction of the reform process still remains. How do you impose the pain of the market on a populace who don't want it? The economic reform process is fundamentally flawed and the events of 1995 and early 1996 provide a stark warning for the Yeltsin government. Yeltsin's strategy through the campaign has simply delayed the harsh choices that have to be made. His re-election has not caused the budget crisis to disappear and in fact his promises have exacerbated it. A massive crisis in the financial sector has been long predicted for the late summer or autumn of this year, based upon the fundamental unsoundness of the financial system and the cavalier attitude of the government to increasing government debt. The non-payment crisis cannot be resolved in the framework of financial stringency imposed by the IMF and the net effect of this is the non-payment of wages and the



Zyuganov: not so far from Yeltsin

possibilities of even deeper social tension and conflict in coming months. Even the one apparent success, based on the curtailment of inflation is unlikely to last, and rapid inflation will quickly erode any temporary benefits any sections of the community may have derived from Yeltsin's electoral bribes. The economic and financial crisis has not been resolved by the elections, merely postponed and those who will suffer most will be those who have least to lose — the ordinary workers of the Russian Federation. The fact that western governments and the Russian stock market breathed a sigh of relief at Yeltsin's re-election is a measure of their incomprehension of the social processes taking place.

Has anything positive emerged?

THE best that can be said is that the role of the KPRF will have been clarified by the presidential elections. No one on the left, either in Russia or the West, can now harbour any illusions about the objectives or nature of the KPRF. Support for Stalin and the Stalinist past, no matter how bad the present might be, will provide no basis for a mass movement. Ultimately Zyuganov sought power, or at least a share of power, for himself and his supporters by taking a fundamentally reactionary and nationalist stance with no real alternative. It is ironic but in the west once you have made money you seek political power (for example, in the manner of Ross Perot or James Goldsmith) but in Russia the way to real wealth is to obtain political power!

Secondly, for all the talking up of the election results, Yeltsin only achieved a little over a third of the electorate's support and this is a testimony to the weakness of his social base and is likely to be temporary.

Thirdly, the combination of the workers' strikes of last year, which showed the willingness of people to act, and the lack of a credible alternative in these elections, highlights the necessity for an independent workers' party providing a real alternative. The probable trajectory of the reform process over coming months is likely to provide the objective conditions for more independent worker activity. The test for the Russian left is to meet these challenges and pose a credible alternative. This is a formidable task. ■