CHAPTER 3

END OF SYMMETRY

The final test of a leader is that he leaves behind him in other men the conviction and the will to carry on.

Walter Lippman (1889–1974)

The days and months of 1992 to 1993 were indeed an extremely worrying time for the Russian Federation. It seemed that the entire world of the then Soviet way of life and its very existence imploded, destroying society’s routine sense of equality and symmetry as well as the state structure itself. At the time, the predominant dreaded expectation was that the newly-formed Russian Federation would repeat the fate of the USSR and disintegrate, provoking all-out civil war in the process. A doomsday feeling of the End of History pervaded people’s thinking. In Moscow itself, these years were marked by the stubborn and intransigent stand-off between the Russian Presidency of Boris Yeltsin and the Russian Parliament under the chairmanship of Ruslan Khasbulatov.

As often happens in contemporary history, those times are still close enough to be always mentioned, but already distant enough to become clouded in the myths and clichés of ‘the uncompromising struggle between democracy and old order of things in Russia’. In fact, the 1992–93 period was marked by the all but total destruction of that idea of democracy, which came to the USSR with perestroika – the idea of democracy ‘by the people’. Democracy became just a slogan in the Machiavellian power struggle aggravated by the murky process of ‘insider’ privatization, the beneficiaries of which were mostly interested in weakening the state and keeping the country in a constant state of flux and instability. In this political tug-of-war presented as the ‘struggle for democracy’ a vast number of the gravest of economic and political mistakes were made, which even today continue to prove most difficult to undo.

In the economic sphere, the liberalization of prices undertaken by the government of Egor Gaidar and the Russian ‘young reformers’ has unleashed hyperinflation, which in a matter of days devoured the life-savings of the Russian population. The ‘voucher privatization’, when seemingly every citizen of Russia was given privatization vouchers for his or her share in the country’s wealth, turned out to be a monstrous scam, as no economic information whatsoever was made available to the masses, whereas the hyperinflation made the vouchers all but worthless. Many people just sold them below their nominal price, while others, like me, tried to invest them in the newly established financial vehicles, which proved to be short-lived and served only as an accumulator.
of funds for those who later used them to become the richest people in Russia and the entire world. I still have shares in some financial institutions, which have a funny name, to remind me of those days of colossal public deceit and contempt for the common man, by whose democratic choice it all was supposed to be happening. But, setting aside emotions and justifiable anger, we must look deeper into what was happening in Russia in those days. Only then can we fully appreciate the principles upon which the Tatarstan model rested then and which proceed through to the present day.

In 2001, the former Russian Prime Minister Victor Chernomyrdin who succeeded Egor Gaidar in December 1992, bitterly lamented:

I had the task of creating a market economy. Was there anyone who knew what the word ‘market’ meant? Can the market function without private ownership? Look, what happened in 1992 . . . The liberalization of the economy was undertaken, the prices were unleashed, and all of that was done without a single necessary law or decree. Therefore, we were forced to proceed with privatization quickly – in fact, forced to give away state property . . . I cannot imagine what would happen if we had stopped then. Chaos would surely have ensued! In which case the people would definitely have swept away everybody in power . . .1

Ruslan Khazbulatov, the then chairman of the Russian parliament, soon to be shelled by artillery, argued that V. Chernomyrdin was being hypocritical in his assessment, because some laws were in fact passed in parliament in an attempt to stop the chaotic stripping-off of the country’s assets. But here lies the inherent problem with the all-Russian legislative process, which has completely undermined the entire process of Russian transition in its early years. The Russian parliament would hastily pass laws, which could not be enacted in practice, because they did not correspond to the realities of daily life, nor in economic or political terms either. Life in the country, increasingly devoid of institutions, was changing much faster than the legislative process, while at the same time the power struggle at the very top precluded the authorities from carefully watching and analysing, let alone managing the developments on the ground.

In the days when great quantities of new residential areas were being built throughout the USSR, there was a shrewd method of determining where the public footpaths and pavements would be built to service the new developments. First, the developers would see how the new residents of apartment blocks made their way from their homes to the amenities and bus stops. Always choosing the most convenient and shortest way to their destinations, the residents would walk their own paths, which would later be cemented over and made into proper walkways. If the paths were laid beforehand, people would still make their own shortcuts, even if it meant breaking through the fences and hedges of the public areas. This approach could be seen as one more significant difference between East and West, because, in the West, paths would be laid down first and the people would probably follow them, whereas the opposite is still the reality in Russia today, which needs to be reflected on.

The above observation offers a useful parable for the process of law-making in Tatarstan. Throughout the entire transition process, the Tatarstan laws were made according to common-sense practice on the ground, each practice being