

Transition and Oligarchy

The Role of the Russian Oligarchs during the Yeltsin Era

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Abstract

By employing the concepts found within the neo-Gramscian theory this thesis analyzes the role and effects of the Russian oligarchs during a period of transition in Russia, primarily from 1991 to 1993, during the so-called Yeltsin era. The political and economic changes during this period of time, especially the new market and privatization reforms that were implemented under Yeltsin contributed to a weak hegemonic development, for instance, and enabled the oligarchs to advantageously position themselves within politics and finance. The oligarchs went from giving guidance to the government on the privatization reforms to controlling a large percentage of the Russian economy and holding relevant positions in the Russian state apparatus. This was partly due the skillfulness of the oligarchs but the political circumstances under Yeltsin were also favorable to them and as the neo-Gramscian theory shows, their rise and role were in large connected to the political and economic development of the time. Some of the effects that the role of the oligarchs had on the transition process was a more fragmented Russian society and an uneven distribution of capital and power. The Russian government largely became a government of and for the oligarchs.

Key words: Oligarchs, Transition, Neo-Gramscian, Yeltsin, Class

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1 Introduction

The burgeoning of transition in post-communist Russia had its origins in the abundance of the Soviet system and in the political and economic changes that followed the Union's sudden end. During the early 1990s there were numerous groups within civil society either supporting or opposing the changes that were taking place. One group within civil society at the time that supported the changes happening and that managed to 'set themselves up' during the transition were the oligarchs. The phrase 'oligarchy' within political science refers to a group of individuals not primarily concerned with political power but with economic expansion and dominance (Worth 2005: 105, 106).

The oligarchs were skillful individuals that originally were sought out by the political leaders in Russia in order to help with the task of privatizing state property. After giving aid and guidance to the government they soon managed to obtain significant positions within both politics and finance, partly by exploiting a weak Russian state apparatus and on the other side through the effects of the ineffective policies implemented under Boris Yeltsin after the Soviet Union had ceased to exist (Shevtsova 2007: 104).

Many have blamed the role of the oligarchs during an early transition period for the greatly fragmented Russian society, and the oligarchs have often been seen as one of the main causes behind Russia's economic and social problems that the country experienced after the end of communism. Others see the difficulties that Russia is facing today, both in terms in politics and economy, as an extension of poor political and financial decisions that were made in a transition period that allowed the oligarchs to become more powerful than what they otherwise might have become (Worth 2005: 105). Considering that by 2005 the 22 biggest oligarchs controlled around 40 percent of total portion of sales in Russia, there is no denying that they still today are commanding a large role within politics and finance. This fact was furthermore acknowledged when Putin was elected president in 1999. He had included in his political manifesto that the oligarchs had been given too much power and influence, and he vowed to diminish their role. Putin invited the oligarchs to the Kremlin and told them that in terms of finance and economy he would support them, but politically the oligarchs would have to recognize him as the boss and they should not intervene in his business (Rigi 2005: 64). The recent arrest and sentencing of one the original oligarchs, Mikhail Khodorkovskiy in December this year has given fuel to the debate on the oligarchs and their power in Russia and proves that the oligarchs as a group still are legitimate business in Russia (Washington 2010).

By studying the oligarchs, one can ask oneself how one such grouping within society managed to become so influential. Were the political circumstances during the Yeltsin period so beneficial to them that this was the sole reason that they

managed their extraordinarily climb to power? Or was their existing role during the transition something that they managed to take advantage of? The questions arising from looking to oligarchy within Russia are many and by using the political concepts found within the neo-Gramscian theory this thesis aims to analyze the role of the oligarchs during the early transition period under Yeltsin. The thesis will furthermore present some of the effects that their role had on the period of transition and for the Russian society at large. By using neo-Gramscian approaches and combining this with the study of a particular class, the role and effects of the oligarchs will be contrasted to particular historical processes in order to explain the co-dependency between the two.

1.1 Thesis Topic

Aiming to understand and analyze the role of the oligarchs during a period of transition, this thesis will examine the following: What role did the Russian oligarchs have during the transition period in Russia? What were the effects on the transition process and for society as a whole?

The purpose of the thesis is to use the key concepts found within the neo-Gramscian theory and apply them to some chosen historical processes from 1991 to 1993 in order to assess the role and effects of the oligarchs. The reasons for doing so is due to the fact that the oligarchs as a group never have seemed to be debated much in the literature on post-communist transition nor analyzed to a large extent from a neo-Gramscian perspective. Moreover combining the concept of transition to a social group such as the oligarchs, in order to understand their role and effect under a process of transition is something that is not often done when looking the transition process in Russia. This thesis aims to do just that in order to bring something new to the debate on both transition and oligarchy within Russia.

1.2 Method and Limitations

This thesis will have the nature of a qualitative study. Moreover a case-study will be employed, one that is informed by the neo-Gramscian political theory.

Employing a case-study usually means devoting ones attention to either the reasons behind or the effects that a certain issue may present. The topic for the thesis does however make it valuable to look at both the reasons behind and the outcome of the role of the oligarchs (Teorell, Svensson 2007: 27).

Studying something that presents such complexity as a transition process brings it challenges. Many different routes can be taken in order to understand such a process, one not necessarily being more adequate than the other. As the aim of this thesis is not to analyze the reason behind the transition itself but, to

look at one specific group's role during such a period of time, the difficulties in explaining the causes behind a transition process can be avoided. However, the nature of the thesis calls for a comprehension of what a transition process actually might entail. Thereby some understanding of a transition process is important. As studying transition is a huge field, the choice of theory will aid with the selection of what aspects of transition that is to be highlighted. The overall objective is however to study the role of the oligarchs and what the outcomes of their position was for the transition process. Explaining the actual transition itself will only take on a minor part (*ibid.* p. 73).

The support that the neo-Gramscian theory lends in order to understand transition and the role of a social class or group, will furthermore be backed up by limiting the time frame for this thesis. The purpose is here to look at the early stages of transition, primarily from the years 1991 to 1993, the so-called Yeltsin period (even if Yeltsin served as president until 1999). This means that even if it can be argued that that a transition process is still on going in Russia, this thesis will look back in time, making it a so-called post-facto study drawing much from historical analyses (*ibid.*).

Conducting this form of research means that including some historical information is crucial in order to enable the reader to follow the arguments that are presented. Avoiding a sort of 'historical recital' can be done by combining the historical information to that of the concepts of the chosen theory, the neo-Gramscian theory. By doing so it becomes possible to avoid giving history too much room. It is a matter of permitting the theory to speak to the empery (*ibid.* p. 236, 242).

1.3 Material

The material for this thesis consists of books, anthologies and articles on both post-communist transition and the Russian oligarchy.

Investigating post-communist transition means venturing into a field of immense richness. Studying post-communist transition means that the possible explanatory factors are many and that there tends to be disagreement between different schools of theory and between different scholars as to what triggers transition in the first place and what the effects of it were. Studying oligarchy also presents its challenges as their role within the transition process is debated. The ongoing debates on transition and oligarchy do however make it an interesting and significant field to study.

The frequent use of neo-Gramscian concepts by scholars such as Owen Worth and Stuart Shields has led the material for this thesis to be dominated by much of their work. This has both its advantages and disadvantages. An advantage is that their work helps to bring attention to what aspects of the neo-Gramscian theory one might focus on as the work of this political theory is massive. The work of Shields and Worth serves as inspiration for limiting the theoretical framework, for instance. With this being said, the intention is not to compare this study to those

of Shields and Worth, the authors are more like ‘role models’ in terms of material that they have used in their studies and how they conceptualize the theoretical framework.

The disadvantage of letting the material largely be informed by two authors or scholars is that the circumstances of their studies are different than what this thesis aims to investigate. The study by Shields investigates the Polish post-communist transition while the study by Worth largely looks to the neo-Gramscian notion of hegemony and the Russian post-communist transition. The intention here is not to look to the results of their studies or to conduct a similar study to the works of Shields and Worth; thereby this disadvantage does not really become a problem for the thesis.

The advantage of using previous studies with regard to the theoretical framework is being able to assert a pattern for what elements of the neo-Gramscian theory other authors deem important. Finally, no study is like the next and no direct application of factors or notions used in one study to another is either advisable or beneficial. Factoring the specific circumstances to each study with regard to what it is that actually is to be studied always needs to be the bottom line (Teorell, Svensson 2007: 236).

1.4 Employing the Material for the Study

A large quantity of the material for this thesis is based on previous studies in terms of theory, as mentioned, by few, select scholars. What previous studies already have assessed is that the oligarchs as a social group may have had a negative impact on processes such as for instance democracy, civil society movements and economic development, if these developments are to be seen from a neo-Gramscian standing. The oligarchs as a group have been studied in periods of transition and change but their role have not before been seen in linkage with historical processes by using Gramscian approaches. The concept of class and transition is furthermore something that has not been brought to attention on previous studies concerning oligarchy within Russia, the emphasis in most studies has either been on democracy and problematic economic developments. The reason for using previous studies as a “starting point” for the thesis is to aid with the selection of what aspects of the neo-Gramscian theory that is to be employed and focused on. This is meant interconnecting the two parts of the thesis. It is here important to state that the latter parts of the thesis are not connected to the previous work of scholars such as Worth and Shields, the reference use is simply meant to lead back to the more theoretical parts of the thesis, to show that the thesis is theory driven.

The contribution this thesis means to lend to the concept of oligarchy and oligarchs is that the historical processes of the time enabled them to rise to power. By seeing the new market reforms, as for instance a passive revolution and the hegemonic development under Yeltsin as connected to the neo-Gramscian theory, it becomes possible to assess the role and effects of the oligarchs. Moreover

studying a particular group or social class under a period of transition is something that is meant to contribute to the already existing studies on oligarchs, as these two concepts never have seemed to be combined in the case of Russia. Funny enough there are plenty of studies connecting a class to a transition period in other regions of the world such as Latin America, east Europe and particularly Russia never have seemed to have gotten the same treatment by scholars conducting studies by using neo-Gramscian approaches.

What is then to say that the neo-Gramscian theory is correct, and why can the new reforms be seen as a passive revolution and the development under Yeltsin as a weak hegemonic one? This is simply one way of understanding the Russian transition process in connection with the notion of oligarchy within Russia. By seeing some of the historical processes of the time in connection with the neo-Gramscian concepts as a passive revolution and as a possible weak hegemonic development it becomes possible to connect these notions to the concept of class agency which is something that is not discussed in previous studies either on transition or oligarchy within Russia. Through this sort of analysis it becomes possible to both connect the notion of class agency to other neo-Gramscian concepts such as hegemony and a passive revolution in order to gain some understanding of the rise and role of the Russian oligarchs. What this enables to add to current knowledge on oligarchy is that it can be argued that the historical processes may have seemed to intervene to the rise of the oligarchy. And through assessing the oligarchs from Gramscian approaches it becomes feasible to better understand their role in a period of transition. Finally, using the neo-Gramscian theory in order to do this is simply one way of studying transition and oligarchy within Russia, other theories or approaches may have been better suited, but from an individual standing the neo-Gramscian theory lends immense support in order to understand transition and it is an interesting theory of choice to combine to the study of a certain class.

1.5 Previous Assessments

As mentioned above concerning previous results by authors or scholars that already have employed Gramscian approaches for the Russian case, the results presented tend to emphasize a weak democratic and/or economic development. By using Gramscian approaches the focus is often on looking back in time, trying to find periods of change that may have had either a positive or negative effect on democracy, for instance. In terms of Russia and the study of this region the authors usually tend to stress the difficulties that the country has experienced in terms of both democracy and economy. The arguments established thus tend to use Gramscian approaches in order to assess and understand the transition or period of change concerning both the Russian economy and state development, in order to explain why the country has experienced such difficulties of late.

1.6 Outline

After this introductory chapter the neo-Gramscian political theory is presented, the reasons for choosing it as well as the concepts that are found under this school of thought. Thereafter the Russian transition and the Yeltsin legacy are investigated from a neo-Gramscian perspective. After this the reasons behind, the role and the effect of the role of the oligarchs are analyzed in connection to the previous chapters on the Russian transition and the Yeltsin legacy. To end a conclusion on transition and oligarchy is presented.

2 Why Choose the Neo-Gramscian Political Theory?

'in Russia the state was everything, civil society was premorbid and gelatinous; in the West there was a proper relation between state and civil society, and when the state trembled a sturdy structure of civil society was at once revealed' (Gramsci 1971: 238).

The Italian school, or the neo-Gramscian political theory, emerged in response to the epistemological difficulties that were associated with the political theory of positivism and in reply to the Wallersteinesque form of historical materialism (a theory in the field of sociology). Around the same time that the neo-Gramscian theory emerged other similar schools also arose, such as post-modernism, post-structuralism and feminism, all contributing to challenging the narrow ontology of international political economy at the time (Worth 2005: 15). Antonio Gramsci was as one might have guessed an Italian scholar. He was arrested in 1926 because of his critical voice toward the fascist regime in Italy. After being arrested a ten year stint in prison began. He did not waste his time in prison as it was during this time he wrote the Prison Notebooks as well as some 500 letters to family members and friends. His work from prison did not emerge until several years after World War II when the communist party in Italy started to publish extracts from his work (Rosengarten 2010).

The study of a particular social class, such as the oligarchs, reflects different schools of thought. For example, liberal approaches usually focus on the role of leaders on issues such as coordination and efficiency. Constructivists analyze social settings, institutions and identification processes that affect social constructions and collective action. On the other hand, the poststructuralists tend to focus on links between discursive practices and their effects. Each school contributes to a better understanding of the role a certain class plays in society or on a national or international level. Many of these theories do however fail to capture different power relations that are involved between state and non-state actors (Graz 2003: 323). It is here that the neo-Gramscian political theory can help one to understand the different power relations between for instance the state and a group within civil society such as the oligarchs. The neo-Gramscian theory furthermore gives insight into how a social class is constructed and how it interplays with other groups and society as a whole. It is also worth mentioning that there is an upheaval of literature to be found on the former Soviet Union as well as on contemporary Russia (mentioned in the material chapter). Much of this literature develops arguments on international political economy and state reconstruction in Russia as an elite-driven process that is linked to the interest of transnational capital (Morton 2010: 324).

The neo-Gramscian theory is largely mentioned in studies on post-communist transition. Many of these studies mention the neo-Gramscian theory, use it as a basis for their arguments or aim to distance themselves from it by criticizing it. The richness of the theory itself in combination with how many times it has been used in order to study transition in various parts of the world, made the choice of using the neo-Gramscian theory for this thesis seem like a sensible one.

At the same time the neo-Gramscian theory presents its challenges. As much of the theory's concepts were pinned down in a fascist prison in Italy in the early 20th century and because much of it relates to the Italian circumstances in this period, makes one question how and whether the thoughts and notions the theory presents can be applied to other cases than the Italian one. Robert Cox, the American political scientist, managed to overcome this hesitation and theoretical dilemma by using the thoughts by Gramsci to explain how this theory could be developed into a form of critical methodology against the narrowness that defined international political economy during the 1980s and earlier. Moreover, the real 'break through' the neo-Gramscian theory came when the theory was used to study Fordism and the American economy after World War II (Worth 2005:9).

Other flaws within the theory are often described as conceptual stretching. This means that one concept used by Gramsci may be contrasted with several other partners depending on the given circumstances. This evokes complications as hegemony; a crucial concept used by Gramsci sometimes may refer to domination and at other times be compared to the economic sphere (Adamson 1980:10).

What is more, the Prison Notebooks are far from an easy read. The Prison Notebooks present some four thousand pages of manuscript that sweep across Italian political and cultural history. The Prison Notebooks provide some of the richest sources of Marxist theory, but at the same time they appear forbidding in the sense that understanding everything that is written in them in one go is near impossible (ibid. p. 8). The flaws mentioned above can be avoided as here the emphasis is not so much on applying the precise definitions described by Gramsci in his Prison Notebooks but rather to adapt them to the study of transition and oligarchy in post-communist Russia. The thesis is in other words informed, not governed by the neo-Gramscian theory.

In spite of the neo-Gramscian theory's imperfections the theory does however give good insight into how one might study transition and a particular social class. The Russian state autonomy is in many ways unique and much of its characteristics in the early transition period laid in its ability to transform its current political and economic system (Worth 2009: 10).

2.1 Neo-Gramscian Concepts and Transition

Some of the most important concepts within the neo-Gramscian theory are the concepts of hegemony, historic blocs and passive revolution. As this thesis also aims to study the oligarchs in Russia, the neo-Gramscian concept of class agency

has also been used. Class agency is not a concept that can be seen as particularly Gramscian, even if Gramsci himself was interested in the study of classes. The chapter on class agency is more inspired by previous assessments from the neo-Gramscian theory and is more an independent contribution, as this is something that is deemed important for studying a group such as the oligarchs.

Before commencing with deciphering the neo-Gramscian concepts of hegemony, historic blocs, passive revolution and class agency, it is necessary to mention the notion of transition. In the dictionary the term 'transition' is described as a movement, passage or change from one position to another (www.dictionary.reference.com 2010-12-21 ((no author))). The dictionary definition is pretty much what the neo-Gramscian notion of transition can entail, a passage or change.

The transition process in Russia can be seen as a change from communism to post-communism as well as a change from a market economy to a neoliberal economy. The end results of the transition process in Russia are often seen in terms of a more neoliberal economy and a post-communist political system. There are also some structural legacies that need to be understood and considered for understanding a process of transition, in accordance with the neo-Gramscian political theory. Such legacies may include inheritances from the Soviet time that hindered or complicated the transition. As well as considering structural legacies, it is also important to remember that Russia due to both its size and historical legacy had its own distinct features that were different from other communist states undergoing transition and change during the same period of time and also later on (Granville, Oppenheimer 2001: 64).

One might ask what the importance of studying a transition process in post-communist Russia is. First, highlighting a transition process for understanding a certain phenomenon is something that often is overlooked within broader studies on post-communist transition. Here the focal point is often on the democratic or economic development, especially concerning Russia as the country of late has become more and more embedded within global capitalism. Second, much of the development in Russia that took place after the fall of the Union is in some way connected with the many social movements or groups in the country at the time, as well as with the strategies that the state employed in an attempt to construct hegemonic projects. Thereby the study of transition is a prosperous and important project (Worth 2005: 28, 41).

2.2 Hegemony

To begin, what one puts into the concept of hegemony can vary from one political theory to another. The positivist for instance, focus on showing how one particular state can construct a form of dominance within the international system and, the state can either reduce or increase this dominance with the aim to to promote greater economic growth or stability (Worth 2005: 14).

Gramsci's understanding of hegemony does however differ from that of the positivist. The neo-Gramscian understanding of hegemony takes on a more philosophical role by assessing how legitimacy is administered through economic and socio-cultural formats that may change over time. The concept of hegemony represents the ruling totality 'and the might of hegemony saturates into society to such an extent that it even constitutes the limits of common sense for people under its sway' (Robinson 2004: 42). Hegemony in other words is something powerful and almost authoritarian in character if it is in place. Within hegemony social awareness is assembled and the components that add together to form the hegemonic bloc, adds and enhances this social awareness (Worth 2005: 17).

Writing down his thought on hegemony in a fascist prison, it was the sociology of the state itself that inspired Gramsci's interest of hegemony and principle was applied to achieve an understanding of the social groups that form in the hierarchal structure of a state and how these groups actually exist within civil society. To gain a better understanding of how these groups function it is also necessary to understand how they looked historically. Using this form logic the historical processes leads to a change within civil society and the perceived norm of how people are supposed to live their lives. The change being brought around by the change of hegemonic nature can be described as a passive revolution, a neo-Gramscian concept addressed later on in this chapter (ibid.).

The neo-Gramscian understanding of what hegemony entails can therefore be understood as it is written in Sassoon's Gramsci' dictionary: 'It (hegemony) has to do with the way one social group influences other groups, making certain compromises with them in order to gain their consent for its leadership in society as a whole. Thus in particular, such sectional interests are transformed and some concept of the general interest is promoted. Hegemony has cultural, political and economic aspects and it is the foundation of Gramsci's argument that the modern state is not simply an instrument of class which it uses for its own narrow purposes.' (Cornell 2003: 167).

2.2.1 Historic Blocs

The neo-Gramscian notion of historic blocs is a concept that provides further understanding to neo-Gramscian concept of hegemony and how the concept is placed within the theory (Worth 2005: 18).

A historic bloc refers to a structure that is created when hegemony is in place and working like it is supposed to. The formation of a historic bloc is actually very dependent on the functioning of hegemony. Hegemony is something that in turn binds together all other parts of society into a sort of relationship. This relationship recognizes norms of culture as well as political and economic practices (ibid.).

Within a historic bloc there exists a set of circumstances; these circumstances include the positioning of social relations and economic means of production. These circumstances interconnect with each other to produce a constructed form of hegemonic relations that are consistent within a historical framework. Within

each historic bloc each hegemonic character is different, as is the set of beliefs and assumptions of common sense that is formed between the dominant and subordinate classes (ibid.).

2.2.2 Problems with Studying Hegemony

The hegemonic concepts within the neo-Gramscian theory are closely related to the transnational historic materialist approaches. These approaches give ways of emphasizing the importance of consent for power on an international level. While the neo-Gramscian political theory provide ways of theorizing the unity that is required to situate the relationship between state and non-state actors, there are not many studies to date on transnational elites that have been inspired by the neo-Gramscian theory (Graz 2003: 324). The fact that not too many studies on elites have been inspired by the neo-Gramscian theory should not be a crucial reason for not using it to for instance study a group within society such as the oligarchs. The neo-Gramscian theoretical framework does provide plenty of material on elites and class, and the criticism as described above can simply be avoided by engaging with the writings by Gramsci.

Furthermore the neo-Gramscian concept of hegemony, it has been argued, does not specifically explain why some networks or social groups are more successful than others. Because of this it is crucial to identify what concretely enables the hegemonic function of certain instances and not others. What is missing is a proper theorization of the process of socialization in which such practices of power take place, it has been stated (ibid. p. 325).

Another specific problem with the study of hegemony and the neo-Gramscian theoretical framework is that studies that have been governed by the theory have tended to construct a top-down model of hegemony. The focus has been on demonstrating how one leading state has used its influence to inspire a global order in which 'common sense' has been the overall ambition. What is ignored in these sort of studies on hegemony are the struggles that take place between different social classes at the level of nation states that are not seen as important for shaping ideas and institutions at a global level. Here Russia does however provide a suitable case study. As a state that has almost collapsed from being one of the two powers that shaped and conditioned post-war society to one increasingly regarded as semi-peripheral or even one seen a third-world body, the social struggles that exist within post-communist Russia provides an important level of analysis for studying hegemony (Worth 2005: 2).

2.3 Passive Revolution

The term passive revolution could initially be found in Gramsci's Prison Notebooks. The concept of passive revolution was used by Gramsci as a means of

interpreting the Risorgimento, the unification of Italy, as process in which the bourgeois domination was gradually established (Callinicos 2010: 492).

The neo-Gramscian concept of a passive revolution helps with capturing concrete historical circumstances in which aspects of social relations of capitalist nature either are instituted and/or expanded. This results in a 'revolutionary' rupture and 'restoration' of the social relations. 'The problem' as Gramsci argues, 'is to see whether in the dialect of "revolution/restoration" it is revolution or restoration which predominates' (Gramsci 1971: 219). What a passive revolution therefore represents 'a hindered condition of rupture in which socio-political processes of revolution are instantly fulfilled and displaces' (Morton 2010: 316). A passive revolution is moreover a reaction to the pressure that comes from capitalist expansion, from the core to the periphery. This notion has been given a 'new start' by the explosion of non-capitalist systems in Eastern Europe and the former Soviet Union (Simon 2010: 446).

Gramsci used his concept of a passive revolution in two different ways. The first usage, type a, had its origin from an analysis of the Italian unification taking place in the 1860s. The other usage, type b, was applied to Fordism and the New Deal in the US and furthermore to Italian fascism. In both type a and type b, ruling elites respond to the threat of social change, a process that is fuelled by a domestic crisis and/or revolutionary transformation somewhere else. This is done by furthering the role of the state and altering the relations of production, which is a basis of class rule and its ideology (Simon 2010: 431).

The passive character of the revolution comes from the exclusion of the masses from any real participation in the process of changes, opposition leaders and other groups are on the other hand gradually allowed space in the ruling bloc, *trasformismo*. A type a passive revolution involves an abolishment of feudal, capitalist relations of production, but this comes at the cost of developing cooperation between the bourgeoisie and the old feudal ruling class which puts strings on the transition and restricts the capacity of the bourgeoisie to exercise its hegemony. In a type b passive revolution, capitalism remains in place, but with many alterations (*ibid.*). The concept of passive revolution is thus not a phenomenon that is necessarily specific to Italian circumstances, but one that can be used in 'every epoch characterized by complex historical upheavals' (Gramsci 1971: 114)

2.3.1 Problems with Studying Passive Revolution

In other studies on post-communist transition by other scholars than Owen Worth and Stuart Shields, it has been said that in Russia 'there was neither revolution nor evolution but economic involution, a gradual hollowing out of production by exchange...a process of primate disaccumulation' (Burawoy 2009: 54, 55). This means that there is a disagreement between different scholars, regardless if they are in favor of a neo-Gramscian perspective or not, if there even was a passive revolution in Russia to begin with. There was however a transformation taking place in Russia embedding for more of a capitalist development. Answering

scholars who state that a passive revolution never took place in Russia, that the process of transition was entirely something different, it is important to remember and emphasize what it was that Gramsci meant with the concept of a passive revolution to begin with, a process where capitalism is either instituted or expanded (Gramsci 1971: 219).

A scholar by the name of Rick Simon states that ‘Gramsci’s key insight, that passive revolution is a reaction to the pressure exerted by capitalism expanding from its core to its periphery, has been given fresh impetus by the implosion of non-capitalist systems in Eastern Europe and the former Soviet Union’ (Morton 2010: 325). If there was a capitalist development to start with, Gramsci’s concept of a passive revolution justifies that the change that took place in Russia can be seen as a passive revolution. It would be safe to say that nearly all scholars studying Russia and post-communist transition would agree on that there have been changes taking place of late in Russia and other Eastern European countries. Considering these changes as a passive revolution is just one way at looking at it. It has been mentioned earlier that no political theory is complete, but much of the criticism directed at the concept of a passive revolution has its roots in the fact that the scholars critiquing it often choose to base their views on transition in Russia on other political theories. It becomes clear that much of the criticism is based on preferences in terms of political theories, and the criticism targeted against the concept of a passive revolution may because of this seem a bit unfair.

2.4 Class Agency

The neo-Gramscian theory furthermore presents some thoughts about class and different social movements or groups within civil society.

Within the neo-Gramscian theory different social groups and social classes are considered to have very different ambitions or goals that they work and operate toward. For instance, at any given time within civil society there will exist both groups favoring and opposing a transition process, for instance. This means that there will both be groups working toward progression or toward more nationalistic goals, as also was the case in Russia during the early transition period (Worth 2002: 298).

The neo-Gramscian notion of class agency sums up the development in post-communist Russia, as mentioned above, as there were different social movements or social groups hoping for very different outcomes in terms of transition. The oligarchs, for instance, fancied change and development because it helped them become more influential in politics and finance as well as in society in general, whilst other more nationalistic groups within Russia believed in keeping things distinctly Russian and not wanting to open the country up to a more westernized, liberal, political and economic development (ibid.).

When studying class agency from a neo-Gramscian perspective, there exists no definite standards nor any fixed norms for assessing development within a social movement, social group or social class. This is because each group is

different. What is more, regional variations also occur between different groups, furthermore there will be periodical changes to the different groups as time goes by. However, the neo-Gramscian concept of hegemony as well as the overall notion of transition is very much connected with the development and nature of different groups within society. This makes class agency an important factor to consider when trying to understand for instance the role of the oligarchs during a period of transition (ibid. p. 314).

Moreover, class agency also to some extent represents a sort of discursive representation of the state. Social change for instance, also requires active involvement from the state. What is more, transition and in particular the neo-Gramscian concept of hegemony state that different social groups need to be able to work together and cooperate in order to enable a more positive development process (ibid.).

3 Passive Revolution: The Russian Transition 1991- 1993

Evidently what might constitute a passive revolution may vary depending on what aspects of the Russian transition one focuses on. Here, a passive revolution is understood as a capitalist development that was expanded through the economic plans of Yeltsin. The development of the new market reforms primarily took place between the years of 1991 to 1993, therefore this limitation of time concerning the passive revolution and transition. If one understands the implementations of the new market reforms as a sort of passive revolution, the capitalist ambitions of the Yeltsin government can be seen as a reaction of the pressure from both the outside world for a positive development process in Russia, as well as from the government itself, the desire for change was apparent (Simon 2010: 446).

The new market reforms got their start by the end of 1990 when Yeltsin made public a blueprint of an economic plan that would later on serve as a basis for the market reforms that would come later on. The so-called '500-days' plan had been prepared by a team of experts working for the Soviet government. The plan was approved by the Soviet court despite the fact that it was written for the Soviet economic and political system, and not the newly instated Russian government. Ironically, Yeltsin and his government went through with the plans for the new reforms even if a large majority of the people actually wished to preserve the Soviet Union and opposed themselves to any radical change. Around 71 percent had voted for preserving the Soviet Union. The wish to do was partly due to the fact that there was an image circulating in Russian society that the other republics in the Union depended on Russia, and needed the support of the country in order to ensure financial and political success. Going ahead with grand plans of change, Yeltsin took the opposite route than what the general public seemed to want. One can question whether this was due to pressure from abroad for a capitalist development in Russia after the perestroika period when the abundance of the Soviet Union system seemed to draw nearer (Shevchenko 2004: 43, 44).

The 500-days plan was however not laid to rest, when it dawned on the government that the Soviet 'style' of the plan would not work for the new Russian government. In December 1990 the Congress of People's Deputies prepared the Council of Ministers and its chairman Ivan Silaev with the task of preparing a new plan of reforms that would be written with the Russian circumstances in mind. This statement from the congress of People's Deputies resulted in a new economic plan appropriately named the 'Yeltsin-Silaev' plan. The plan was a revised version of the previous '500-days' plan and it outlined new measures that were designed to ease the development of a significant private sector in the Russian economy. The plan was not however without its weaknesses, the greatest weakness

of the plan laid in the fact that there were not real measures presented as to how the plan would actually be carried through. This led a representative from the Supreme Soviet Committee on Economic Reform to call the plan not much more than a statement of intents. In other words, the plan was not much more than a presentation of how great the Russian economy could be if the capitalist development was successful. Another deputy noticed the lack of calculations proving the effectiveness of the plan. Even if the 'Yeltsin-Silaev' plans to put it simple lacked a lot of data and such to prove its effectiveness and a plan measure for its implementation, the plan was approved. This approval was a sure vote of confidence for the Russian cabinet. The intended implementation of the 'Yeltsin-Silaev' plan can be discussed because of the upcoming presidential elections in 1991; it became evident that the implementation of a new plan would not be possible before a president was elected, even if Yeltsin to some extent was ensured the position. The 'Yeltsin-Silaev' plan was however a start, a sort of background check, for the upcoming reforms that were implemented fast and without too much consideration when Yeltsin finally became president (ibid. p. 44).

It becomes possible to see the intended economic plans as a starting point for the passive revolution. The circumstances within the passive revolution furthermore are connected with the weak hegemony under Yeltsin, as the intended economic plans laid the foundation for much of the later policies that were a fact under the presidency of Yeltsin. If the policies of Yeltsin are to be seen as a passive revolution, it becomes possible to contrast this development to the rise of the Russian oligarchs and furthermore as a sort of starting point for the uneven and fragmented Russian society. Of course it can be debated whether the new policies under Yeltsin can be seen as a passive revolution or not, but if it is seen as a passive revolution it then becomes interesting to connect this notion to the concept of class in order to better understand a certain group within civil society.

4 The Yeltsin Legacy: Minimal Hegemony

Hegemony where the role of legitimacy is usually examined proves interesting to look at when examining the legacies left by Yeltsin. Not only do the policies and reforms that were implemented during the period serve to weaken hegemony but the leadership style of Yeltsin also proves itself interconnected with many of the policies of the time.

The most apparent legacies that were left behind by Yeltsin were the attempts of trying to apply neoliberal policies as an incentive in order to deal with transition and change. The first indications of these ambitions could already be seen relatively soon after the collapse of the Soviet Union. Furthermore in the period of 1991 to 1993, the first period when Yeltsin served as president, can in its aftermath be seen as the most 'revolutionary' as this was the period when the first attempts at shock therapy were made. The shock therapy did however fail to make any significant changes to the former nomenklatura system (where elites usually held key positions in the government and other state institutions), meaning that the legitimate power of Yeltsin was left weaker than desired. The results of this were that the businesses that had benefited from policies introduced during the perestroika were able to further their positions by manipulating and increasing prices for their own benefit. This was done without having to increase the level of production. These businesses were often run by the oligarchs, and even before Yeltsin had come to power, their influence had started growing during the perestroika period (Worth 2005: 96, 99).

Many political scientists outside of Russia actually thought Yeltsin's new reforms were necessary, instead they argued for more emphasis on for instance social rights and equality rather than new reforms and the attempts from Yeltsin at building democracy. What is more, within Russia the consensus and popularity of Yeltsin's new reforms was scarce. The old nomenklatura were opposed to the reforms from the very beginning. The opposing arguments from them were due to the weak legislative role of the parliament. This meant that the political leaders rarely had to appear before the parliament, thus making them poorly known by the parliamentarians. The parliamentarians in turn became frustrated by this political system (Åslund 2007: 102, 103).

Yeltsin's shortcomings as a political leader alone were not to blame for the minimum hegemony found under his rule. Yeltsin wanted a new constitution to take form but was unable to implement a new agreement before the political consensus in Russia went in its opposite ways. Furthermore, the people closest to Yeltsin did hardly have any good idea as to what solid democracy building

actually meant, making Yeltsin's desires for a new constitution even more difficult (ibid. p. 102).

Furthermore the political management by Yeltsin and Gaidar (the acting prime minister in 1992 and one of the architects of the shock therapy plan), during the time of the implementation of the new market and privatization reforms was far from satisfactory. To begin, a lot of new people in the Kremlin, with considerable political power were young, financial researchers that belonged to the intellectual elite in Moscow and St. Petersburg. Yeltsin defended this by stating that he had appointed them purely as professionals and furthermore that his new found team took pride in the fact that they were not politicians. Despite of this, both Gaidar and the newly appointed politicians had minimal access to Yeltsin. Yeltsin kept his 'employees' at distance and provided them with no direct access to himself. Yeltsin himself rarely participated or bothered to show up at all in the weekly cabinet meetings. The implemented reforms would not have come to be without Yeltsin's approval, but his insufficient involvement and participation in the cabinet meant that he could not count on the political support that his policies, reforms, as well as his political and financial desires called for (ibid. p. 105).

Yeltsin's questionable hiring's for positions within the Kremlin and other political and financial institutions within the Russian state apparatus continued when in 1992 he appointed three industrialists or oligarchs as deputy prime ministers. A direct consequence of this separation between the president, the government and the legislature meant that no new reforms could be adopted between certain periods of time. One of these stretches of time was from June 1992 until December 1993. Gaidar described the situation as the following: "[D]ecisions made by one branch of government were automatically cancelled out by decisions made by another" (Gaidar 1999: 230). If one considers that fact that the reforms required hundred of new laws and policies for instance, the reform efforts were severely distorted by the separation within the Russian state apparatus. Considering that the transformation to a new market reform required hundreds of new laws, the reform effort was impeded and distorted. Many of decisions concerning privatization or deregulation could be undertaken by a decree, but laws and legal codes had to be negotiated in the parliament, and thereby the nature of the reforms that could be implemented lacked the requiring cooperation between different branches of government and the necessary legislature. This, as well as the legacies presented above meant that the structural legacies from the passive revolution as well as the legacies from early Yeltsin period made for a difficult implementation of hegemony (Åslund 2007: 107). This in turn enabled the further rise of the oligarchs and made their role during a period of transition more powerful than what might otherwise have been the case. If some of the legacies left behind by Yeltsin are to be seen as weak hegemonic ones and this is also something that may be debated depending one where one stands theory wise. However, weak hegemony may be one factor towards explaining why the oligarchs where able to carry important positions within Russia and one way at looking at how they were enabled to climb to power. Thus the neo-Gramscian concept of hegemony is also something that is interesting to

contrast to the notion of class, if it is seen in dependence with certain historical processes.

5 Class Agency and the Russian Oligarchs

The oligarchs embraced the changes taking place in Russia under the early transition period. Instead of opposing the new market reforms that were implemented under Yeltsin it is safe to say that the oligarchs made the most out of the new political and economic climate in Russia. The role of the oligarchs was one that could be seen as one that was connected to the government and state. In the beginning the oligarchs mostly served as experts on finance, for instance, which made for a close relationship both with the government and state. The oligarchs worked closely together with the government and state to begin with but as time went by took their own route. The oligarchs have previously been assessed by scholars as Worth as a group that wrongly were enabled to take power and that this was something that affected the development of for instance a strong and robust democracy. (Worth 2002: 298).

To begin a brief introduction to who the oligarchs actually were will be presented, thereafter reasons behind their rise and finally their role during the transition period. To end the effects of their role will be looked at.

5.1 Who are the Oligarchs?

As described in the introductory chapter the term oligarch within political science refers to a group of individuals who are not primarily concerned with political power but with economic expansion and dominance (Worth 2005: 105). In everyday life in Russia the notion of an oligarch is often understood as businessman that controls a sufficient amount of resources, this makes it possible for the oligarch to influence national politics. One powerful oligarch during the transition period, who became even more influential after its end, was a man by the name of Mikhail Khodorkovsky. He started his career during the perestroika and later went on to establish his own oil company and bank, making him one of the wealthiest and most powerful men in Russia (Rigi 2005: 58, 59).

On one side, the oligarchs are both willing and able to lobby for development and market institutions because of their considerable wealth. They are pretty much the only Russian business owners who can afford to invest and restructure the Russian industries in what is a very hostile business environment. On the other side, some see the oligarchs as a group that has weakened the Russian economy by stripping assets from Russian firms and spending the money abroad. Further criticism includes that the oligarchs have brought the ideas of private property and

corporation into disrepute. Additionally the oligarchs are often blamed for weakening the Russian democratic institutions by causing tremendous inequality through their capture of federal and state politics. A brief introduction to who some of the oligarchs actually were is deemed somewhat important for the reader thus the above chapter on who the oligarchs were (Guriey, Rachinsky 2005: 131).

5.2 How did the Oligarchs Gain Control?

The 'original' oligarchs often came from the nomenklatura political system. Before the transition many of them were managing enterprises or working for government agencies that were supervising the enterprises. When many of enterprises were privatized under the Yeltsin period, the oligarchs converted their control into ownership rights. The younger oligarchs did not come from the nomenklatura system but they started from scratch in the late 1980s building much of their initial wealth during Gorbachev's reforms when the coexistence of the regulated and quasi-market prices created huge opportunities for trade. By 1992, when the price liberalization and privatization began, many of the younger oligarchs already owned leading trading companies, banks or investment funds. When the privatization of many of the industrial enterprises started, the oligarchs had the financial capacity to purchase ownership in the privatization auctions held by the government (Guriey, Rachinsky 2005: 139).

Something that is often accredited for giving the Russian oligarchs their start and one of most influential reasons behind their rapid rise to power and their influential role is the notorious 'loans-for-shares' deal. The 'loan-for-shares deal' refers to an instance under Yeltsin's privatization campaign that permitted some of the largest state industrial assets to be leased through actions for money; the money was lent by commercial banks to the government. In the most common scenario regarding the 'loan-for-shares' deal system the government would appoint a commercial banker to run an auction that would divide a stake of for instance a large natural resource enterprise in exchange for a loan to the government that the government did not intend to repay. The auctioneer always rewarded himself the stake for a nominal bid by excluding all of the outside bidders. The system of the 'loan-for-shares' deal was indented to gather the banking system's support for Yeltsin's re-election campaign in 1996. Yeltsin's popularity within the banking world might have risen, but the 'loan-for-shares' deal is usually seen as the most scandalous episode of the Russian privatization campaign (ibid. p. 138).

Additionally the meteoric rise of the oligarchs to political and financial influence was made possible because of the fact that Yeltsin's leadership was in a state of paralysis and he was no longer able to gather the support of the elite or rely on society as a whole for implementing his policies. The oligarchs also had links with Yeltsin's family as his daughter ended up marrying one of the oligarchs. Some have argued that she served as a channel through which the oligarchs could influence the president and his entourage. Other arguments of this

sort claim that these bonds that the oligarchs had with Yeltsin's family might have helped to hasten, perhaps unintentionally, the merging businesses with the state authorities at the top, this blending of power and business also spread further to other levels of the political system (Shevtsova 2007: 105, 106).

Moreover, the rise of the oligarchy was made possible because many of the old Russian business managers failed where the oligarchs succeeded. The new market conditions that became a reality under Yeltsin proved difficult for the old managers, many of them simply put could not handle running their enterprises in the new business climate. Many of the old managers did not know a lot about finance and they failed to keep up with the changes that were taking place. Gradually, one after one the old managers had little choice but to quit as they were ousted by the oligarchs and others, exactly like Yeltsin's campaign had hoped for. The oligarchs rise to power could be seen as one of the first effects of the early transition period and many Russian's were fascinated by the oligarchs (Åslund 2007: 157). The reasons behind the rise of the oligarchs are also important if they as a social class are to be seen in co-dependence with certain historical processes under Yeltsin.

5.3 The Role of the Oligarchs

In the beginning the role of the oligarchs was giving aid to the state in financial matters during Yeltsin's privatization campaign. The role of the oligarchs can be described as a form of decentered sovereignty, meaning that their role was exercised through a network of state officials, other oligarchs and the mafia. This network was in other words quite disorganized, and the process through which power was divided was a somewhat illegal process, often corrupt and violent. The oligarchs usually used three means when negotiating with other groups, connections, money and force (Rigi 2005: 60, 61).

The role of the oligarchs was furthermore characterized by a division of major resources among themselves. Acquiring resources was made possible due to the decentralization of the state that happened during the Yeltsin period. The decentralization had happened alongside two influential networks of oligarchs in Moscow and St. Petersburg, as well as other influential networks that enjoyed a high level of autonomy. These new divisions of power allowed the oligarchs to gain access to assets that previously had belonged to the state, thus the Yeltsin government had somewhat turned into a government of oligarchs that used their connections in order to make themselves more powerful or more wealthy (ibid. 64).

The oligarchs furthermore had the possibility to intervene into politics if they wished to do so. This was again because of the fact that they had wealth, power and connections. During the Yeltsin period a few of the oligarchs controlled some of the largest television channels in Russia. Staging commercials and other spectacles through television was a way to gain more power and influence and at other times to attest to how powerful they were. The first channel in Russia at the

time, ORT, was under the control of an oligarch by the name of Berrezovsky. NTV, another large television channel was controlled by an oligarchy by the name of Guvinsky. The oligarchs had thus enormous possibilities to reach a large percentage of the Russian population and bombard them with propaganda, commercials and entertainment. This was something that Yeltsin recognized as he used the media opportunities in order to secure the next presidential election. Yeltsin's airtime did not come free of charge as when the oligarchs allowed him access to their media output they expected minimum government intervention into their business in return (ibid. p. 64, 65).

Many of the oligarchs during the Yeltsin period saw the state as a big bully that they desperately wanted to avoid. Going about their business as usual meant that business had to be done through networks that were not necessarily associated with the state. Doing business usually meant doing it with people one knew. Thereby the typical business was started by a group of friends and then expanded through personal contacts and through the forging of contacts with other that were not considered friends. This helped the oligarchs to for instance falsify the real value of transactions and thus cheat the state (ibid. p. 64, 64).

Even though the state did not have much control over the total flow of capital being distributed by the oligarchs, the oligarchs as a social class or group were confined to the state and the political elite and state officials were quite bossy toward the oligarchs even if the oligarchs to some extent were more powerful. All of this seems quite erratic and strange as the state to a large degree was at the service for the economic interests of the oligarchs. It becomes possible to say that the Russian state is of and for the oligarchs. Even so the oligarchs were not completely content with this. An envisioning of their own state had always been there, and these ambitions always created some tension between the state and the oligarchs (ibid. p. 67). This could be one important factor in order to understand the development under Yeltsin, both as weak hegemonic tendencies and the changes taking place as a burgeoning passive revolution.

5.4 What were the Effects of the Role of the Oligarchs?

The influence of the oligarchs and other elitist groupings within Russian civil society has been one of the abiding features of the transition taking place in the country. The elitist characteristics of the Russian transition have been one of the abiding features of transition. Through the reforms and neoliberal ambitions of for instance Yeltsin, everyday life for a lot of people in Russia changed in the configuration of the elitist political strategies, in the end making for a more fragmented society (Shields 2009: 175). To understand the effect the oligarchs and their role had for the transition and the Russian political and financial system in general, employing a historical perspective is useful. The oligarchs, or as they preferred to call themselves, 'big business' or 'big capital', were not real oligarchs

in the sense that they actually ruled Russia. The oligarchs had the ability, and sometimes it proved a necessity to rapidly change both their persona and behavior. In what was already a hostile business environment in Russia, the oligarch set up their own security forces and managed to cleanse their enterprises of organized crime. This was something that the old business managers had failed to do but at the same time it became more and more difficult for 'normal' people to make it in the business world. Having both financial assets and money often was necessary in order to make it really big in Russia during the transition (Åslund 2007: 181, 182). Moreover concerning the business environment in Russia during the transition, the influential role of the oligarchs for instance meant that the different businesses did not have equal access to external capital. The influential role of the oligarchs furthermore meant that the oligarchs in 2005 controlled about 40 percent of annual portion of sales in Russia (Pöyry, Maury 2010: 312).

Other effects of the role of the oligarchs were that the oligarchs often used their power and large financial assets to expropriate minor shareholders. This in turn meant that the oligarchs were made even more powerful. As the oligarchs helped finance Yeltsin presidential campaign they were to some extent offered protection from the state. This favorable treatment from the state continued with tax cuts, for instance. This favorable treatment also spread to other businesses that were not in connection with the oligarchs, other than personal contacts. Simply by being involved with the oligarchs, other firms and businesses could benefit from their influence and power (Maury, Liljebloom 2009: 414, 415).

It may also seem like the oligarchs and the fragmented Russian society is still something that the country is battling with today, even if life for the overall public has gotten better since after the turbulent years after the Soviet Union ceased to be. After they acquired their businesses and money not much has been done to change their role. It seems like the overall tone within Russia has been that the oligarchs would be left alone to do as they like, as long as they promised to stay out of politics (ibid. p. 413). The role of the oligarchs is furthermore something that may be compared to some of the neo-Gramscian approaches, and especially to the notion of class in order to understand the role of the oligarchs as something that is linked to the historical processes taking place before the role of the oligarchs became apparent.

6 Transition and Oligarchy: Conclusions

The role of the oligarchs during the early transition period in Russia was to start, to lend their expertise on financial matters to the government when the first attempts at privatization were made. As time went by, their role was more and more characterized by taking advantage of the 'political circumstances' under the Yeltsin period. This meant that the overall weakness of the attempts at a more neoliberal economy and a more Westernized political system enabled the oligarchs to further their influence as they already had one foot in, in the halls of power. The effects of the role of the oligarchs could be seen as a more hostile and difficult business environment to break into, as well as a more fragmented society where the gap between different social classes was more apparent (Maury, Liljebloom 2009: 413).

The neo-Gramscian concepts that were used in this study (hegemony, historic blocs, passive revolution and class agency) are in one way or another connected to each other. If one concept is to work correctly this usually means that the one before or the next to come also needs to be in place. For instance, the passive revolution may weaken or strengthen the concept of hegemony depending on the given circumstances. Just as the neo-Gramscian concepts are dependent and connected to each other, so is the role and effects of the oligarchs connected to history, if seen from a neo-Gramscian perspective. If the Russian transition is seen as a passive revolution where the growth and expansion of capital was the case and intention through the reforms that were implemented under Yeltsin, the Russian passive revolution is linked with the weak hegemony that later on was found under the leadership of Yeltsin. Studying the oligarchs and a process of transition from a neo-Gramscian perspective means that it becomes possible to understand the rise, the role and effects of the oligarchs on the transition process.

The overall effects the role of the oligarchs had on the transition process can be seen as rupture of the social relations. The government became an institution that more or less supported the oligarchs in return for financial aid, advice or support in upcoming presidential elections. If the oligarchs did not intervene too much into politics and finance they were given much freedom to do as they pleased. The problem with studying oligarchs and transition in Russia is as it is stated within the neo-Gramscian theory, deciding whether the transition process is either a revolution or restoration of change and new ideas. It is however possible to see the passive revolution in Russia as both a revolution and restoration. It was a revolution in the fact that the transition process was something completely new that was taking place; it was also a restoration of a weak Soviet economy to that of an envisioned strong, liberal economy. One thing is for certain however, the

oligarchs managed to become very powerful and influential within Russian society and as a group they are still debated. The very recent arrest of Khodorkovskiy and the alleged intervention from the government as well as allegations of a non-independent court of law, gives fuel the debate on oligarchy within Russia. One can ask oneself why the oligarchs as a group were allowed to grow so powerful before the government much later on changed their mind about them and decided that they were crooks. Was this perhaps one way of coming to terms with the at times questionable politics of Yeltsin? (Washington 2010). The questions arising from studying the oligarchs are many, and bizarrely enough, one group that began their climb to power after the Soviet Union ceased to be still have not reached their expiration date.

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Appendix: Time Line

1991

- June 12: Boris Yeltsin becomes the first elected Russian president
- July 10: Yeltsin's inauguration
- August: **The August 1991 Coup:** Other political leaders announce takeover, Yeltsin barricades himself in the parliament building, Gorbachev announces his resignation and the Soviet Union ceases to exist.

1992

- January 2: The Prime Minister frees prices
- April 6: The Congress of People's Deputies begins to question the government
- June 15: Yegor Gaidar is appointed acting prime minister
- October 1: Voucher privatization begins
- December 14: Victor Chernomyrdin replaces Gaidar as prime minister

1993

- March 11: The Congress of People's Deputies passes a resolution limiting the governments ability to pass new reforms
- September 18: Gaidar rejoins as the first deputy prime minister
- September 21: Yeltsin dissolves the Congress of People's Deputies

(www.bucknell.edu 2010-12-30).