Russia before 1917
In 1914, Russia’s population was 171 million people, significantly exceeding that of the United States (99 million), not to mention the economically developed countries of Europe. In terms of national income, Russia was fourth in the world, behind the US, Germany and Britain. Of the other world powers, France, Italy, Austria-Hungary and Japan ranked in 5th, 6th, 7th and 8th places. But in terms of income per capita, Russia lagged behind all major European countries, although it was ahead of Japan.

The welfare of Britain, France, Spain, Holland, Belgium and Portugal was ensured by the exploitation of considerable natural resources in their numerous colonies in Africa, in Asia and in South America. Germany (which in terms of its industrial development was leading in Europe), though it was called an ‘empire’, had almost no colonies, which significantly limited its economic prospects. The violent redistribution of colonial possessions that began at the end of the 19th century, however, was initiated in Asia by Japanese aggression against China, followed in 1904 by Japan’s attack on Russia, which ended in the loss of South Sakhalin and Port Arthur.

At the beginning of the 20th century, Russia remained an agrarian country, and its predominantly peasant population was united in communities for joint ownership of land. This system, which had existed for hundreds of years and sustained villages in difficult climatic conditions, was destroyed by the reforms of Prime Minister Pyotr Stolypin, who introduced private ownership of land and allowed peasant households to leave the
community and create farms. Stolypin’s reforms quickly increased agricultural productivity. By the beginning of 1914, Russia had become the largest grain exporter in Europe. There was rapid development of cities and industry.

Russia’s participation in the war with Austria-Hungary and Germany, which broke out in August 1914, was determined by its allied commitments and not by Russia’s national interests. The Russian army was the largest in Europe. But by the end of 1916, its losses amounted to 3.6 million killed, more than two million prisoners, and millions of wounded. Defeats in the war, and occupation by the German and Austrian armies of Poland, Ukraine and the Baltic, led to a sharp decline in food supply to Petrograd, at that time not only Russia’s capital but also the main industrial centre. At the end of 1916, the city’s population was approaching 3 million people. Rapid inflation and a sharp decline in the purchasing power of the rouble caused serious problems in providing food to Petrograd, which was connected to the south of the country by only one railway. Hunger riots, strikes and demonstrations began in the capital. Peasants in the south of the country refused to sell grain for depreciated roubles.

The February Revolution

The general strike of workers in Petrograd, which began on 23 February (8 March, according to the Gregorian calendar introduced later), spread to hundreds of factories. Barricades appeared on the streets of the proletarian districts of the capital. During the following days, many military units of the garrison began to shift to the side of the workers. The events of this period are described quite well not only by day, but even by hour. On 1 March (14), the Provisional Government of Russia was formed. Tsar Nicholas II’s renunciation of the throne was signed and announced on 2 March (15) 1917, and was met with universal rejoicing throughout Russia. It was the Provisional Government that carried out the country’s main reforms: the abolition of the death penalty, the dissolution of the gendarmerie, equal rights for all citizens, the abolition of the privileges of the nobility, the abolition of the ‘table of ranks’ for civil servants and the military, the amnesty of political prisoners and emigrants, and many others.

The revolutionary movement in Russia might have waned if the new democratic government had decided to withdraw from the war and negotiate peace with Germany and Austria-Hungary. This, however, did not happen, although the Russian army was falling apart. Russia’s Provisional Government, mainly under pressure from French and British allies, decided to continue the war ‘to a victorious end’. The offensive launched at the front ended in defeat.
The second critical problem was the financial one. Russia could survive the fall of the monarchy, but she could not survive the fall of the ‘royal’ rouble. Before the war, not only paper notes with the tsars’ images were printed. There were also minted gold coins, worth ten and five roubles; minted silver coins worth one rouble, and denominations of 50, 25, 15, 10 and 5 kopeks; kopeks and ½ kopeks were minted from copper. The presence of gold and silver coins in circulation reliably ensured the circulation of paper banknotes, of which the highest at par value was the 500 rouble note depicting Peter the Great. From 1915, inflation associated with the war led to the disappearance from circulation not only of gold and silver but also copper coins. They stopped minting. The government printed large amounts of paper notes. After the February Revolution, banknotes with images of tsars rapidly lost their ‘pecuniary’ status and were withdrawn from circulation. They were replaced by new banknotes, which the people called ‘karenki’, after Prime Minister A F Kerensky. These notes were printed on bad paper and did not have numbers and signatures. Provision of karenki, harvesting food, supplies to cities and ordinary trade all proved difficult. In autumn, with the onset of cold weather, hunger was again Petrograd’s main problem. Moscow, which had a knot of eight railways, survived due to natural commodity exchange.

**The October Revolution**

The October Revolution – the overthrow of the Provisional Government, and the transfer of power in the capital to the Military Revolutionary Committee of the Petrograd Soviet of Workers’ and Soldiers’ Deputies – was bloodless. Late in the evening of 25 October (7 November), the Second All-Russia Congress of Soviets of Workers ‘and Soldiers’ Deputies, in which the Bolsheviks and Left Socialist-Revolutionaries had a majority, proclaimed the transfer of power to the Soviets in Petrograd and throughout Russia. The Congress adopted not only the Decree on Peace, but also the Decree on Land, the main provision of which was the confiscation of landlord property to be transferred to the peasants. The Congress formed the new government of Russia – the Council of People’s Commissars (SNK), headed by Vladimir Ulyanov (Lenin). The government included L D Bronstein (Trotsky) as the People’s Commissar for Foreign Affairs, and I V Dzhugashvili (Stalin) as People’s Commissar for Nationalities.

The Brest Peace Treaty with Germany, signed in early March 1918 after the successful offensive of the German army, was essentially a surrender of Russia, which lost vast western territories, including Ukraine. The Brest
Peace was, however, annulled in November 1918 after the surrender of Germany and Austria-Hungary in the war on the Western Front.

**Civil War**

The civil war in Russia began only a year after the October Revolution. Hundreds of books have been written about this war. There are dozens of interpretations of its causes and consequences. The most important is the indisputable fact that it was the Bolsheviks, and the Workers’ and Peasants’ Red Army (RKKA) that they created, which won in this long war a victory that consolidated disintegrating Russia and transformed it into a new federal state, the Union of Soviet Socialist Republics (USSR). The ‘New Economic Policy’ (NEP) played a significant role in this victory. It was announced at the Tenth Congress of the Russian Communist Party (Bolshevik) (RCP (B)), replacing the policy of ‘war communism’.

**New Economic Policy**

Russia’s economic situation in 1921 can be characterized by one word: ruin. The territory of Russia, controlled by the Bolshevik government, declined as a result of Finland, Estonia, Latvia, Lithuania, Poland, and Bessarabia breaking away from the Russian Empire. Poland annexed the western regions of Belorussia and Ukraine, occupied by the Polish army. A significant reduction in Russia’s indigenous population was associated with losses in the Civil War, famine, epidemics and emigration. According to rough estimates, about 130 million people lived in the USSR in 1922.

The introduction of the New Economic Policy saved the country from economic ruin. New laws allowed private entrepreneurship and trade. Destructive interventions in agriculture were replaced by a tax in kind, which stimulated agricultural production. The development of market relations began with a financial reform – the introduction of ‘chervontsi’ guaranteed with gold, silver roubles and fifty kopeks. In the extraction of minerals and in industry, ‘concessions’ – leasing to foreign companies and firms of mines and factories – were allowed. The banking system revived. The country’s economy developed at a rapid pace. In 1928, national income grew by 18 per cent. In comparison with Western countries, which fell victim to difficult economic crisis in 1928, the Soviet Union stood out for its achievements.

**Vladimir Lenin**

Lenin was the leader and organiser of the October Revolution. Returning from exile to Petrograd in early April 1917, Lenin published in *Pravda* his
famous ‘April Theses’, which substantiated the need for the bourgeois-democratic revolution to grow into a socialist revolution, ‘during which power must pass into the hands of the proletariat and the poorest peasantry’. This programme was a new doctrine that contradicted the basic postulates of Marxism. In conditions of continuing war and the food crisis, however, there were chances of success.

The October Revolution did not change the critical food situation in the capital. The German army’s offensive against Petrograd continued, threatening Narva and Pskov. Finland announced its independence, its border with Russia in the southern part of the Karelian isthmus just 30 km from Petrograd. During the winter, the supply of food to Petrograd was hampered and bread rations for the population were reduced to 120-200 grams per day. State employees, bank employees, post and telegraph employees, without receiving cash wages, refused to go to work.

An historic solution to this critical situation was found. On 13 March 1918, the Council of People’s Commissars secretly decided to move the capital of the Russian Republic from Petrograd to Moscow. The Moscow Kremlin became the residence of the Soviet government.

However, Lenin himself often neglected security measures. At rallies in the factories, he often went by car only with the chauffeur. On 30 August 1918 at one of the factories in Moscow, Lenin was seriously wounded after an attempt on his life by the Socialist-Revolutionary Kaplan. By late October, Lenin had recovered sufficiently to resume his work and speeches. However, there was no complete recovery. Lenin’s state of health worsened. The last time he worked in his office in the Kremlin was on 12 December 1922.

Joseph Stalin

Lenin was not a dictator, he was a leader. There was a ‘dictatorship of the Bolshevik Party’, in the shape of its Central Committee and the Politburo. In his December 1922 ‘Letter to the Congress’, which he dictated realising that his days were numbered, Lenin gave brief descriptions of six of his closest associates, Stalin, Trotsky, Zinoviev, Kamenev, Bukharin and Pyatakov, noting their positive and negative qualities. The choice of a new leader of the Party was proposed to the next Congress. At the Thirteenth Congress of the RCP (B) in May 1924, the delegates decided on Stalin. Trotsky, with his idea of ‘permanent revolution’, was considered too radical.

The Communist Party in Russia, and then the USSR, through acquiring the monopoly of power via the liquidation of all other political groups,
gradually transformed itself into a governing system which, many years later, the Yugoslav communist Milovan Djilas defined as a ‘new class’.

‘… The case was the reverse with new classes in the Communist systems. It did not come to power to complete a new economic order but to establish its own and, in so doing, to establish its power over society.’

Djilas’ formulations reflected the new policy in the USSR begun by Stalin to industrialise the country and collectivise its peasant population, accompanied by a terrorist campaign of ‘eliminating the kulaks as a class’. These directions of reforms were mutually connected. Collectivising agriculture and removing kulaks from the countryside led to millions of peasants leaving the villages. They were sent, often compulsorily, to construct roads, mines, and plants. Streams of prisoners were sent to especially difficult regions of the Urals, Siberia and the Far East. It was the prisoners who built the White Sea-Baltic Canal, the Moscow-Volga Canal, the Vorkuta and Karaganda coal mines, the Norilsk nickel mines, the Kolyma copper mines, the iron ore mines of Magnitogorsk, the Komsomolsk-on-Amur shipyard, and many other ‘shock’ five-year building projects. A powerful military industry was also created.

For all these rapid transformations, the monopoly of power of the All Soviet Communist Party (Bolshevik) (VKP (B)) and its discipline proved insufficient. When creating a ‘command-administrative’ system in the economy, there was a major shift in the system and structure of power in the USSR. Stalin subordinated the Party to punitive organs of the People’s Commissariat for Internal Affairs (NKVD). Most of the old guard of the Party were destroyed. Repression affected millions of people and the command of the Red Army. Party ideology was supplemented by the cult of Stalin’s personality, and he himself became an unbridled dictator. A regime of totalitarianism, based on mass terror, was established in the country. The weakening of the army as a result of terror was clearly manifested in the Soviet-Finnish war of 1939-1940. The Soviet Union was unprepared for Germany’s surprise attack on 22 June 1941.

However, during the war years, the influence and power of punitive agencies and party structures weakened. Military discipline extended to all sectors of society. The level of mobilization of resources and the population for the war was more extensive in the USSR than in Germany. The highest authority was the State Defence Committee. Stalin had full authority as Supreme Commander-in-Chief and Chairman of the Council of People’s Commissars. Victory in the war against Germany, and then against Japan, returned to the Soviet Union a number of Russian territories
lost in 1905 and in 1918. After the Second World War, Stalin dismissed marshals and generals from power and again prioritised the punitive organs of state. Some mass repressive actions were of ethnic and religious nature. The second most influential man in the country was L P Beria. For the Party nomenclature, beginning with secretaries of the district committees, a secret system of the second higher salary was introduced, ‘Stalin’s envelopes’.

Nikita Khrushchev

After the death of Stalin, N S Khrushchev, holding the post of secretary of the Central Committee of the Communist Party of the Soviet Union (CPSU), relying on marshals and generals, made a new coup. Beria and his closest associates were arrested and shot, after a closed trial, and power in the country again passed to the party nomenclature. Stalin’s main collaborators, Molotov, Voroshilov, Mikoyan, Malenkov and Kaganovich were transferred to secondary posts. Khrushchev’s historic speech, ‘On the cult of personality and its consequences’ at the Twentieth Congress of the CPSU in February 1956, discrediting Stalin’s punitive dictatorship, ensured the rehabilitation of millions of convicts and a change in the structure of power. The totalitarian regime was replaced by an authoritarian one. The Committee for State Security (KGB), a smaller version of the Ministry of State Security (MGB), was subordinate to the Presidium of the Central Committee of the CPSU. The layer of privileged Party and Soviet nomenclature again acquired the character of a governing class, and government officials of all levels and enterprise managers submitted to decisions of Party committees. The Party organs became ‘directive’, the Soviets became ‘executive’. ‘Stalin’s cash envelopes’ were abolished as illegal. The high standard of living of the ‘new class’ was provided not only by increased salaries, but also by numerous privileges (large apartments, state dachas, cars with chauffeurs, special shops, special hospitals, special resorts, etc.). Industry, especially military-space production, continued to develop, stimulated by the confrontation of the ‘Cold War’. However, agriculture entered a period of protracted crisis and the provision of food to cities became dependent on imports.

Leonid Brezhnev

The removal of Khrushchev from all posts at the Plenum of the Central Committee of the CPSU in October 1964 again changed the structure of power in the USSR. The new system of governing the country was now
designated a ‘collective leadership.’ Prime Minister Alexei Kosygin could make independent decisions in this system of government. Mikhail Suslov led ideology and all the press, book publishing, radio and television. Leonid Brezhnev focused on the defence industry, military and international problems. The powers of the KGB were significantly reduced and political repression became limited. A favourable situation for the USSR on world markets, with high oil and natural gas prices, the country’s main exports, brought large sums of foreign currency to the Soviet budget. This allowed for a significant increase in the import of food and consumer goods, and stimulated housing construction. An increase in the well-being of the urban population was observed. The collective farm system experienced further decline. This led to the adoption of a new Constitution that equalised the rights of workers and peasants by issuing uniform passports to all citizens of the USSR. The ‘new class’ of privileged citizens of the country with a high standard of living was significantly expanded. It included not only those working for Party bodies, but also the upper stratum of civil servants, officers and generals of the army, and directors of enterprises. But membership of the CPSU was compulsory. The standard of living of workers, peasants and those in the mass professions remained low. Repressive measures against critics of the regime included deportation and psychiatric ‘expertise.’ Although the ‘Cold War’ with the West gave way to ‘détente’, tension rose in the East in relations with China. The Soviet military machine and arsenal of atomic and thermonuclear bombs and their means of delivery reached parity with NATO.

Yuri Andropov

Yuri Andropov, who headed the KGB from 1967, as a member of the Politburo managed to significantly increase the influence of this organization. Marshal Dmitry Ustinov, appointed to the post of Minister of Defence, had also joined the ‘collective leadership’ in 1974. Brezhnev’s illness, the accidental death in 1980 of Alexei Kosygin, and the death of Mikhail Suslov in 1981, meant that, after Brezhnev’s death in 1982, Yuri Andropov became leader of the CPSU. By this time, the ‘Brezhnev’ leadership of the USSR was deeply corrupted. Andropov, an ideological communist, ascetic and intellectual, made the basis of his policy a decisive fight against corruption in the Party and state apparatus. This made him popular. However, suffering from kidney disease, Andropov died in February 1984. Konstantin Chernenko, who succeeded him as General Secretary, was constantly ill and remained in power for only one year. By
that time Dmitry Ustinov had died. The priority of the Party and state elite was to choose a leader from the younger members of the Politburo. At the suggestion of Andrei Gromyko, the most authoritative and influential member of the Politburo at the time, Mikhail Gorbachev was elected as the new General Secretary, although he had then done nothing to distinguish himself. Gorbachev shared power with Gromyko, elected Chairman of the Presidium of the Supreme Soviet of the USSR, and with Nikolai Ryzhkov, appointed to the post of prime minister.

### Mikhail Gorbachev

Under Gorbachev, such concepts as ‘perestroika’ and ‘glasnost’ entered the political lexicon, but the economic policy of the new leader remained a hostage to the decisions of the Brezhnev era. Excess revenues from the export of oil and natural gas since the mid-1970s were viewed as a permanent factor in the world economy. The priority of developing nuclear energy was recognised as a guarantee of economic prosperity. In the Soviet Union, a programme was implemented to increase production and growth of oil and natural gas exports, as well as a long-term programme to construct nuclear power plants, including thermal nuclear in cities. It was assumed that, by the beginning of the new century, nuclear power would account for 50-60 per cent of electricity generation, and almost 50 per cent of budget revenues would come from oil and gas exports.

The Chernobyl disaster in April 1986 caused significant damage to this programme and the country’s economy. Construction of almost 60 nuclear power facilities was stopped. Hundreds of thousands of highly qualified people lost their jobs. About a million residents of contaminated areas needed resettlement. Tens of thousands of ‘liquidators’, mostly military, suffered from radiation. In 1986, due to excess production (‘glut’), world oil prices fell two-thirds. This deprived the Soviet Union of most of its export revenues. In late 1988, a powerful earthquake in Armenia led to the deaths and injuries of tens of thousands of people, and the destruction and damage of almost 30 per cent of the buildings in the republic, as well as halting two units of an Armenian nuclear power plant, compounding the complex of economic and humanitarian problems. Personally, Gorbachev was reproached for a failed anti-alcohol campaign launched in 1985.

In 1988, in this crisis situation, Gorbachev carried out the most radical political reform to democratise the country since February 1917. Until 1988 in the Soviet Union there was no reliable system for making laws. The joint decisions of the Central Committee of the CPSU and the Council of Ministers of the USSR had legislative power. The Supreme Council was
a decoration and met only for a few days a year to approve the draft budget.

Amendments to the Constitution of 1977 created a super-parliament, ‘The Congress of People’s Deputies’, whose members were elected by district on an alternative basis. The permanent real parliament, the ‘Supreme Soviet of the USSR’, which was created from among the people’s deputies, acquired legislative powers and approved the composition of the government. Elections of people’s deputies took place in spring 1989 in two rounds. Roy Medvedev was elected to the Congress of People’s Deputies and the Supreme Soviet of the USSR.

The Soviet Union stopped subsidising socialist and communist regimes in other countries; in Ethiopia, Angola, Vietnam, Cuba and Eastern Europe. This led to the collapse of the Council for Mutual Economic Assistance (CMEA) and to the complete end of the Cold War.

In 1990, the post of ‘President of the USSR’ was created, to which Mikhail Gorbachev was elected by the Congress of People’s Deputies.

The new reforms stimulated political activity among broad masses of the population. The CPSU lost its monopoly on power. Soviet citizenship was restored to ‘dissidents’ who had been expelled from the country. Among them was Zhores Medvedev. New laws permitted private entrepreneurial activity and the creation of productive, service and trade co-operatives.

Decentralization of the country’s governance and the democratic creation, in 1990, of permanent Supreme Soviets in all the union and autonomous republics led to the emergence of separatist tendencies in some places. On 12 June 1990, Boris Yeltsin, who was elected chairman of the Congress of People’s Deputies of the Russian Soviet Federative Socialist Republic (RSFSR), initiated adoption of the Declaration on State Sovereignty of the RSFSR. This ‘Declaration’ was the beginning of the collapse of the USSR.

In July 1991, Yeltsin was elected president of the RSFSR. In December, he initiated the agreement to liquidate the USSR and create a ‘Commonwealth of Independent States’ (CIS). The CIS included 12 of the 15 former union republics. Lithuania, Latvia and Estonia chose full independence. After dismantling the USSR, about 25 million ethnic Russians were left outside their historical homeland and were often subject to discrimination.

Boris Yeltsin

In 1992, after the collapse of the Soviet Union into the Russian Federation
and other CIS countries, the main problem was financial. The abolition of ‘Soviet’ roubles depicting Lenin deprived the population in Russia and in other republics of all their accumulated savings. Inflation of new ‘Russian’ money was rapid. In the Russian Federation, which became a sovereign state, for almost three years there was a struggle for power between the Congress of People’s Deputies and the president. In October 1993, the illegal forced dispersal of the Congress of People’s Deputies with the use of tanks, accompanied by a large number of victims, made Yeltsin a temporary dictator. The creation of a ‘market economy’ in the country and the privatisation of its natural resources and industrial enterprises through ‘mortgage auctions’ and privatisation vouchers, land privatisation, the dissolution of collective and state farms and many other acts of ‘shock therapy’ were carried out on the basis of Yeltsin’s Decrees. The new Constitution of the Russian Federation, which replaced the Supreme Council by the State Duma and radically increased the powers and authority of the president, was adopted without discussion by referendum in December 1993. Yeltsin, elected in 1991 as president of the RSFSR, then part of the USSR, unaccountably acquired new powers in the now sovereign country without re-election. The presidential elections envisaged by the new Constitution were delayed due to Yeltsin’s low rating and were held only in June 1996. In the first round of voting, Yeltsin gained 35 per cent of the vote. Between the first and second rounds Yeltsin was hospitalised with a heart attack. This fact was hidden from the public and Yeltsin’s few ‘appearances’, shown on television, were false.

In the period from 1995 to 1998, President Yeltsin and his ‘team’ tried quickly to create a new ruling class of millionaires, billionaires and bankers who paid a pittance for public property. They began to be defined by the people as ‘oligarchs’. Oligarchic capitalism at the end of the 1990s, represented by Berezovsky, Abramovich, Gusinsky, Potanin, Khodorkovsky, Smolensky, Nevzlin, Aven, and others, had nothing to do with capitalism in Russia until 1917, when the richest people, Demidov, Putilov, Morozov, Ryabushinsky and others, were representatives of the dynasties of entrepreneurs creating a variety of new industries in Russia.

Voucher and collateral privatization, which did not bring real money to the treasury, led to a significant budget deficit. About 60 per cent of the Russian economy was under the control of the oligarchs and a significant part of the profits settled in foreign banks. To generate money, in addition to the printing press, a financial pyramid of state short-term bonds (T-bills) began to be created. This collapsed early in August 1998. The result of the default and government crisis was Yeltsin’s forced appointment of
Yevgeny Primakov to the post of Prime Minister. Primakov had variously served as Foreign Minister, former Chief of the First Main Directorate of the USSR KGB, and director of the Foreign Intelligence Service of the Russian Federation (until 1996). Primakov was also a prominent orientalist scholar, member of the Russian Academy of Sciences, and director of the Institute of World Economy and International Relations.

However, it was Primakov’s success in overcoming the consequences of the financial and economic crises and the growth of his popularity that led Yeltsin and the oligarchs to unexpectedly and unreasonably dismiss him in May 1999. They tried in this way to deprive him of the chance of a presidential post. The role of Prime Minister was given to Minister of Internal Affairs Sergey Stepashin, who lasted only three months.

**Vladimir Putin**

Vladimir Putin, lieutenant colonel of the KGB reserve, who replaced as prime minister colonel-general of the Ministry of Internal Affairs Stepashin, headed the Federal Security Service (FSB) from July 1998. Putin was little known and, until 2000, did not hold any elected posts. In late 1999, with the next presidential election approaching in July 2000, Primakov was among the candidates for this post, according to public opinion polls. He was nominated by the party ‘Fatherland – All Russia’, which had a left-wing orientation. Primakov was ahead of the leader of the Communist Party of the Russian Federation, Gennady Zyuganov, by a small margin. Putin, at that time prime minister, was not in a party and was not nominated as a candidate for president. Meanwhile, the absolute priority for Yeltsin and the oligarchs was to prevent Primakov from coming to power. In this situation, a plan was created for the early voluntary resignation of Yeltsin, as a result of which Vladimir Putin, as prime minister, became constitutional ‘acting president’ without election, but for a short time. Three months of the presidency and some skilful management of the new war in Chechnya gave Putin the advantage when competing with other candidates. Primakov, the recent favourite of the election campaign, withdrew his candidacy. This provided Putin with victory – 53 per cent of the vote – in the first round.

The Constitution of the Russian Federation, drawn up ‘under Yeltsin’, endowed the Russian president with more powers than the presidents of the United States, France or China.

Putin, in the first term of his presidency, did not seek to redistribute property. However, he removed the oligarchs from influencing political decisions, subordinating the activities of those who did not go abroad to
the interests of the Russian economy. A new ruling party was formed, United Russia, which merged with the Fatherland party. The new party did not have a clear ideological programme. It had a patriotic platform, which provided the president and the government with the support of the majority of deputies in the State Duma and in the Federation Council. In 2004, in the presidential election, the new party nominated Putin. 71 per cent of those who took part in the elections voted for him.

The establishment of a real legislative power in Russia and in its main regions and autonomous republics led to the predominant development of the public sector in the form of joint corporations in the oil and gas industries, in the extraction of natural minerals, in large-scale and military industry, and in foreign trade. Many important enterprises were bought from private owners by the state. Thus, state corporations Rosatom, Rosgidro, Rosset, Rosneft, Gazprom, Rosnano and others emerged. On the basis of production infrastructure inherited from the USSR and its engineering and design personnel, the military industry developed successfully. Russia regained the status of a world military power. Light industry, agriculture and domestic trade remained and developed mainly in the private sector in strong competition with imports. During the 1990s and ‘Yeltsin’s rule’, the standard of living fell almost twofold. This was a bad advertisement for the ‘market economy’. During the period 2001-2014, according to the International Statistical Yearbook of the Encyclopaedia Britannica for 2016, Russia’s gross domestic product per capita increased from $1,750 to $13,200, which, in terms of purchasing power (purchasing power parity, the new index of economic statistics), is $24,710. This was slightly higher than the corresponding index in Poland ($24,090). (In the US, the gross national product (GNP) per capita is $55,860.) Russia’s external public debt declined over the same period from $101 billion to $35 billion. (In all states that arose after the collapse of the USSR, public debts increased).

All the problems associated with Putin’s new economic and international policies cannot be considered in this brief ‘jubilee’ essay. You can, however, ask the question, is there a ‘new class’ in modern Russia? It was definitely formed, and still exists. But this is not a class of the bourgeoisie. The political party of the big bourgeoisie, the Union of Right Forces, transformed in 2008 into the Right Cause party. It has never been able to reach the 5 per cent threshold in elections to the State Duma. Its rating did not exceed two per cent.

There most certainly is a ‘new class’ in Russia – if we understand by this concept groups of people whose incomes and property values are five to
ten times higher than those of workers in industry, agriculture, and those serving in the mass professions: teachers, nurses, public transport workers, trade and others. This middle class consists of state officials, army, navy and law enforcement officers, the judiciary and prosecutor’s corps, deputies of the Duma and the Federation Council, and elected bodies in the republics and regions, academicians and artists, small and medium-sized entrepreneurs, and some other categories of citizens.

From political economy it is known that the development of the productive forces of society changes the relations of production. At present, in the highly technological societies of the 21st century, the proletariat and the peasantry, in the forms in which they existed in Russia at the beginning of the 20th century, are no longer there. Political and economic realities, which in 1917 led to two revolutions in Russia, are no longer there. It is the middle class that dominates now in all countries of Europe. In the United States and in its economy and politics, large capital still prevails; one representative of which is its new president, Donald Trump. In the People’s Republic of China, power was reformed in the 1970s by the Deng Xiaoping’s Communist Party. It created ‘socialism with Chinese characteristics.’ Oligarchic capitalism has survived in Ukraine and Georgia – authoritarian rule in the Republic of Belarus and in Kazakhstan.

However, we should single out a special group of people as part of the Russian middle class, which can be defined as the ‘managing elite’. In general terms, it consists of those officials who are appointed to their posts by presidential decree, decisions of the prime minister, or are elected to posts in legislative bodies, the State Duma and the Federation Council. The ruling elite includes governors of oblasts, presidents of autonomous areas, top ranks in military and law enforcement agencies, the FSB, the Ministry of Internal Affairs, judges, prosecutors, leading employees of the Central Bank and a large number of other departments. The modern state system has a very complex structure.

Russia is not only the largest country in the world; it is also the most complex. The management system in Russia cannot be copied from other countries. There are 85 regions, of which 17 are autonomous republics. In these regions, local languages, Tatar, Bashkir, Chechen, Kalmyk and others have equal status with the Russian. The Christian Orthodox religion, Islam, Buddhism and Judaism are practised freely. The governors of the regions and the presidents of the Russian autonomous areas have more powers to solve major regional problems than party and Soviet administrators in the past. Strong presidential power, like a strong army, is for Russia in these conditions not a defect, but a necessity.
Vladimir Putin’s great power relies not only on his broad constitutional competences, but also on the high authority of the national leader and the apparent support of the majority of the population. We can assume that Putin will again be re-elected in 2018 for his final six-year term. The changes that will occur in the management of Russia after 2024 are difficult to predict.

The anniversary of the October Revolution, once the main holiday in the USSR, with parades and demonstrations, is not celebrated in modern Russia. But its 100-year anniversary certainly will not go unnoticed. This revolution was one of the turning points in world history. It had a great influence on the fate of many countries.

Russia’s main holiday was the ‘Day of the Great Victory’. On the eve of 9 May, every veteran of the war, about a million in 2017, receives at his home address in Russia, or abroad, through embassies, a congratulatory letter signed by the President of the Russian Federation.

The 100th anniversary of the October Revolution is an important historic anniversary, but not a holiday. In fact, nothing is celebrated on this day. The October Revolution changed the course of history, but it did not bring prosperity and justice to the peoples of Russia. In the gigantic political experiments of the peoples of Russia there was no continuity. The New Economic Policy rejected the destructive tendencies of war communism. Stalin’s Five-Year Plans buried the achievements of the NEP. Khrushchev’s ‘thaw’ exposed Stalin’s terror and the cult of personality. Brezhnev rejected the ‘voluntarism’ and authoritarianism of Khrushchev. Gorbachev tried to create a socialist democracy. Yeltsin destroyed both socialism and the USSR. The political and economic systems of modern Russia have their beginning in 2000, not 1917. In the development of new technologies, labour productivity, the welfare of the population and simply the health of people and their life expectancy, Russia is not a leader in the modern world. But in the time that has passed since October 1917, Russia and its peoples have acquired colossal political experience. Having the world’s largest territory and the richest resources, Russia is far ahead of all other countries of the world in its still unrealised opportunities and prospects.

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*Translation prepared by Nicole Morris and Tony Simpson.*