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*Russia in the 21st Century: The Prodigal Superpower* By  
Steven Rosefielde, Cambridge University Press 2005,  
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This book by Steven Rosefielde, an expert on Soviet economy and currently a professor of Economics at the University of North Carolina, Chapel Hill, challenges some of the established notions on Soviet economic performance. First, it challenges the Cambridge School and the CIA's theory that the Soviet official statistics were reliable or 'usable' and after the post-war period, there was a gradual decline in the Soviet investment in the arms production. The author argues the contrary and holds the view that the Sovietologists of these schools overestimated Soviet economic performance because they "directly or indirectly allowed the principles of tolerance, diversity, and conflicts avoidance characteristic of Western public culture to dull their judgement" (p. 31). Second, it challenges the notion that the Soviet Union was a superpower before the disintegration and holds the view that due to excessive investment in arms production there was a kind of structural militarisation under strong authoritarian regime and military industrial complex. As a result, the consumer welfare was neglected but that did not deter the Soviet Union to emerge as a 'prodigal superpower' only on the strength of arms. The author expresses fear that the post-disintegration system in Russia is not much different from the old one in its substance.

In this ten-chapter book, the author harps on about the backwardness of Russia, tracing its genesis to the old practices emerged in its post-Mongol period. Terming these practices as basic features of the peculiar 'Muscovite model', the author argues, Russia cannot emerge as a modern liberal market economy unless until it gives up this Muscovite model. The basic characteristics of this Muscovite system are, "modernised forms of autocracy, sovereign authority over private property, de facto tenure grants to servitors, rent seeking, network mutual support, plunder, protectionism, subjugation and extreme inequality" (p. 68). Applying Paul Krugman's dictum, the author argues backward nations would remain backward unless until they incorporate the ideas of the West in their policymaking. For backward nations like Russia donning the cloak of democracy and economic liberty, borrowing technology would not in and of themselves bring about the needed change unless until they adopt Western values in their true spirit.

Rosefielde also challenges Gregory Grossman's felicitous term 'command economy' in the context of Soviet economic performance in his book. He argues that the economic

system was not optimally controlled, "Soviet leaders, with the assistance of the State Planning Agency and State Statistical Agency, could determine the broad contours of aggregate and sectoral demand, but the details were inevitably left to government ministerial, administrative, and managerial functionaries and enterprise employees" (p. 59). Though this overall command structure provided the rulers the opportunity to order red directors to fulfill ambitious production plans, but in the process the Paretian task of manufacturing goods consumers wanted was replaced by autocratic designs. Hence, the author argues, the Soviet Union was not a micro-administered command economy designed to maximise socialist consumer welfare rather it was a physical management system that mobilised and processed resources and goods using physical rather than competitive market value criteria.

Had the Soviet leaders adopted some different measures rather than relying on shock therapy the transition from communism to post-communism could have been smooth. The author argues this point in the fourth chapter of the book titled, 'what could have been done'. Had Gorbachev and Yeltsin prevented resources from falling into wrong hands, redirecting physical systems management toward civilian needs, transforming physical into value-based systems management, adopting market-facilitating cultural reforms, building market institutions, establishing the rule of contract law, initiating self-purchase privatisation, providing lump-sum compensatory dividends for those unable to participate in self-purchase privatisation, and creating competitive asset markets, the transition could have ushered into a liberal market economy. The method of shock therapy adopted by the Russian elite created a parallel market, dominated by a privileged minority and, the author argues, it was no better for the majority than the physical management subsystems it replaced.

Under the current dispensation led by Vladimir Putin, a full transformation to the Western model of market economy is improbable. Structural militarisation still persists. The ambitious fifth generation military modernisation programme devised by Putin for the period 2005-2010 proves this point. The author expresses concern over the rising authoritarianism and consolidation of all powers in Kremlin. In this context, he mentions Putin's policies in Chechnya in other republics such as sacking of governors. The ambitious military upgradation under the authoritarian rule may ensure Russia the place of a superpower, albeit a junior one, but it will "strengthen authoritarianism, nail the coffin shut on democratic free enterprise, starve civilian investment, hamper global integration, and bind Russia to Soviet style impoverishment" (p. 100). However, Rosefielde believes high natural resource prices especially of the petroleum products may sail Russia through a full-scale rearmament programme. Some of the Kremlin concerns such as countervailing American hegemony, security concerns, and potential Chinese threat may provide reasons for such a programme. The author cautions, however, domestic constraints such as declining population and a parallel fall in the number of scientists and engineers may hamper a full exploration of Russia's economic and military potential.

If Russia cannot adopt the Western model of democracy and market reforms, then the author provides alternative models such as Deng Xiaoping's Chinese 'socialist' model, South Korean and Japanese models, a controlled disequilibrium model of the type devised by Hitler's finance minister, Hjalmar Schacht, Yugoslavian labour management system, etc. An American free enterprise model or a European social democratic model would yield better results, but these are only remote possibilities because they entail scuttling authoritarian privilege. Putin can choose between a military or a civilian focused version of strong property rights corporatist model. He can try with old Muscovite and Schachtian models with modifications but these would not in the long term ensure prosperity. Or Putin "probably won't choose. His authoritarian instincts will lead him gradually ally with the forces of structural militarisation" (122). The author holds the view that Putin has well utilised the opportunities presented by 9/11 and the Iraq war to have his ways through under the miasma of global engagement and this has widened the gap between illusion and reality. However, he believes in order to resolve the Muscovite challenge Moscow and the West must come to terms with Russia's tendency towards prodigal superpower and work cooperatively to overcome it.

The book is a must for the readers of Russian economy. It is well argued with full of statistical data. The book is more of economic in nature in its content and style, though the political givings are prominent. Though the author has adopted a balanced and empirical approach, at times he seems bit harsh while pronouncing Russia's incapability to cope up with the changing reality. The author seems to be more critical on Russia's economic performance and he sees little positive in the performance of Russian democracy and economy. However, the book is a valuable contribution to the understanding of the changing dynamics of Russian economy and polity.