ICWA
LETTERS

Institute of Current World Affairs
The Crane-Rogers Foundation
4545 42nd Street NW, Suite 311
Washington, DC 20016

EA-1
RUSSIA

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One Step Into New Russia

By Elena Agarkova

July, 2008

MOSCOW–I have a memory from childhood of watching a show on Soviet TV called "The Contrasts of Fifth Avenue." This was probably around 1982 or 1983. My TV showed the extremes of New York life, millionaires who lived and walked down the street next to homeless people, gleaming glass doors of skyscrapers revolving next to cardboard shelters, neon restaurant signs luring customers above beggars' paper cups. I don't remember whether this was a single show or whether it was a series. What I do remember is that it made me feel proud to have been born in the USSR, a place where no one was homeless, no one was starving, and everyone had access to free education and medicine. In addition to feeling proud, I also remember thinking that I was very lucky.

To say that things have changed since the 1980s is an understatement. The propaganda and myths that fed my childhood pride have dissipated, vanished, crumbled along with the borders of the Soviet empire… Or have they? What forces are shaping modern Russia?

Strange to believe, but Moscow today is a mirror image of the Soviet propaganda vision of New York. An advertisement for a Russian mutual fund I saw in a weekly Moscow magazine summarizes this neatly. The advertisement shows two shopping checks and says, "Our shareholders can afford MORE." One check lists three items — black bread, mineral water, and "Tasty" dumplings, for a total of 76 rubles, or 3 US dollars.

You can see only a part of the second check, listing various gourmet foods

The window of GUM, a Russian abbreviation of "State Universal Store," a formerly drab Soviet mall on the north side of Red Square that went through a designer makeover and is a popular shopping destination for the Russian elite. One of the stores in the mall, Bosco, owned by a Russian distributor of luxury clothing which in 2002 began sponsoring the Russian Olympic team, sells a popular line of (quite expensive) athletic clothes based on the team uniforms, in the colors of the Russian flag and decorated with a paisley-like motif from a Russian coin.

About the Fellow:

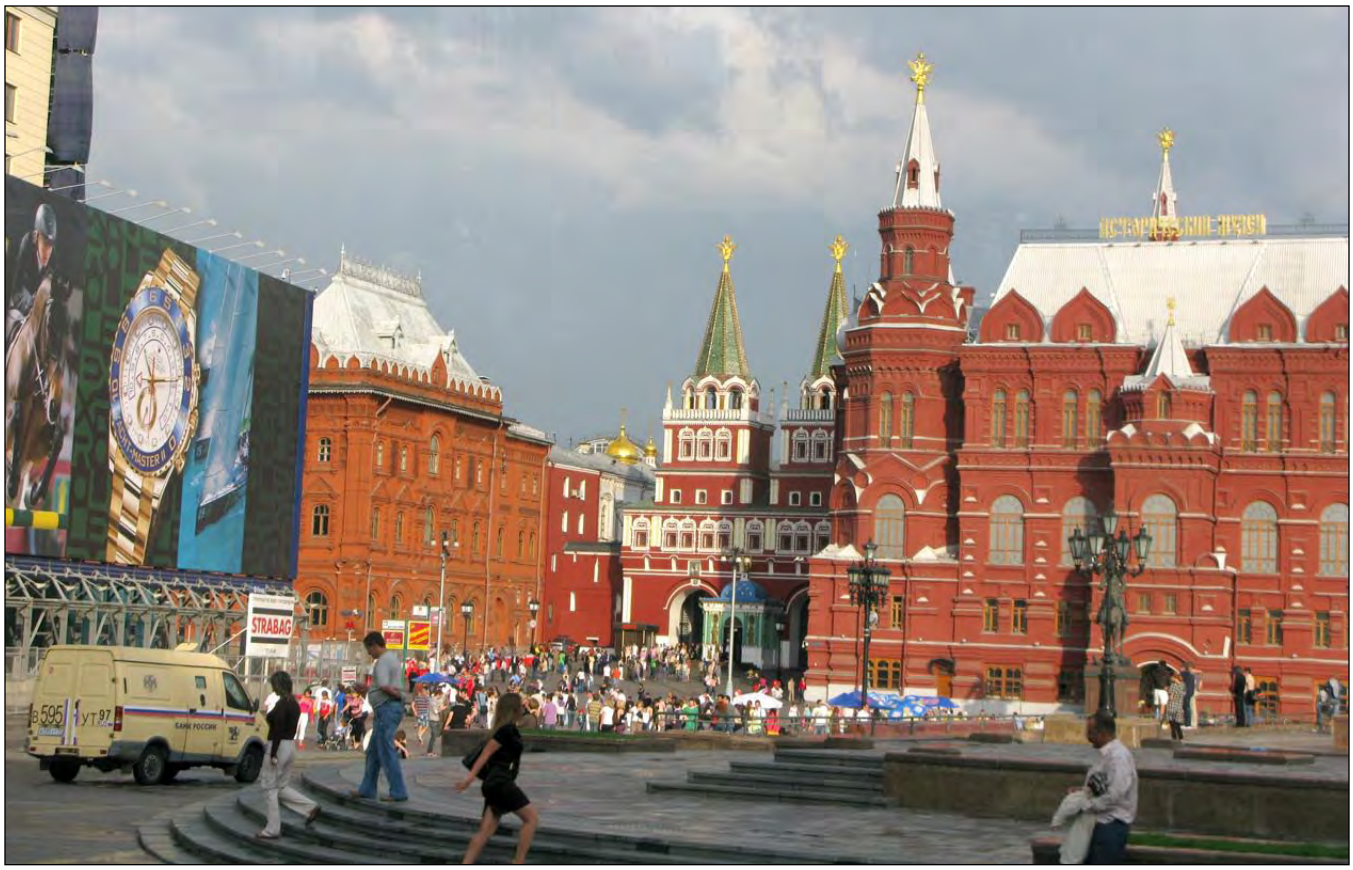
Elena Agarkova is exploring the management of Siberian natural resources and the relationship between Siberia's natural riches and its people. Previously, Elena was a legal fellow at the University of Washington's School of Law, at the Berman Environmental Law Clinic. She has clerked for Honorable Cynthia M. Rufe of the federal district court in Philadelphia, and has practiced commercial litigation at the New York office of Milbank, Tweed, Hadley & McCloy LLP. Elena was born in Moscow, and has volunteered for environmental non-profits in the Lake Baikal region of Siberia. She holds a law degree from Georgetown University and a bachelor's degree in political science from Barnard College.

(including, in addition to the expected caviar, "alligator tongue — 8,000 rubles; nightingale paté — 9,000 rubles; killer whale, fried — 5,000 rubles"), extravagant household purchases ("gold jewelry, 4 kilograms — 128,374 rubles; french perfume, 2 barrels — 94,500 rubles; snakeskin wallpaper, 12 meters — 2,304 rubles"), and other tongue-in-cheek accoutrements of la vie en rose.

After taking a stroll through Moscow one can conclude that this jokey ad is remarkably close to reality. Beggars — very often old women, with their heads covered in traditional scarves — are a common sight in the city. These women spent their entire lives working for the promise of a communist future. Now they have to count every ruble to make sure they'll be able to buy the bare necessities.

Communist relics, be they statues or people, provide a gloomy background to the modern invasive species, universal symbols of a booming consumerist economy. Huge banners advertising the latest luxury goods are stretched across streets and facades of historical buildings; Lamborghini and Bentley dealerships are within a five-minute walk from the Kremlin; a bird's view of Moscow suburbs reveals rivers and lakes dotted with yachts and boating docks.

Moscow is lovely in the summer — blue skies in the morning, clouds and occasional rain by midday, clear,



An ad for a new Rolex faces Red Square.

warm again in the evening. It's far enough north for the sun to rise by 5 a.m., and still light out around 9 p.m. Muscovites take advantage of the good weather by taking walks along the Moscow river promenades and in numerous city parks. Old men play chess; couples and old women push baby strollers; girls gossip, holding hands as they walk. Summer cafes pop up in green spaces, hawking ice cream, shish kebobs, and fast food. I am, as on my previous visits, struck by how many people carry beer as they walk down the street, drink sitting on a park bench or on a bus (but less so than they did before).

The first McDonald's to open up in Russia is still here, on Pushkin Square, one of the main squares in Moscow, and a traditional meeting spot for people who needed to connect with each other in the center of the city. The square is named after one of the greatest Russian poets, who is credited with creating modern Russian literature by discarding archaic styles of writing and using vernacular, until then considered unfit for 'high-brow' literary pursuits.[1]

The first Russian McDonald's is still popular, except instead of young professionals who went there on fancy dates when it opened (and lines to get in wrapped around the block), it now attracts a younger, punkier crown. Teenagers in black clothes and spiky leather bracelets hang out on the café terrace and smoke on the sidewalk. To the dismay of some disgruntled old communists, punk is no longer taboo.

The yuppies have moved on to pricier establishments. Their parents' options were limited to ordering gray dumplings with an unidentifiable filling and watery tea at

A Bosco Olympic clothing ad on one of the main thoroughfares of the city.

1 An interesting piece of information about Pushkin's heritage is that his grand-grandfather, christened Abram Hannibal, was most likely from Ethiopia. A Russian diplomat brought him as a child from Constantinople as a 'curiosity' gift for Peter the First. Young Hannibal accompanied the tsar everywhere. He eventually went on to study engineering in France, and rose in the army ranks, retiring a general.

A warm July evening on the shores of the Moscow river.

a local state-run 'stolovka,' a peculiar type of "communal eating establishment" from the Soviet era, characterized by the presence of rude waitresses, dirty dishes, clouds of harsh smoke from dirt-cheap cigarettes, and a very short menu. The city now has plenty of high-priced — and very good — restaurants. Some restauranteurs are making a fortune building culinary empires.

One of the fanciest Moscow restaurants is across from the McDonald's, on the other side of Pushkin Square. It's called, simply, the Pushkin Café. I've been there with friends before. The food is outstanding, due to the quality of the ingredients and unique presentation of dishes. The menu is written in 19th century Russian (or a stylistic approximation thereof), and the chef recreates 'old Russian cuisine' based on ancient recipes. The opulent interior evokes an old mansion, with antique books lining ceiling-high shelves, gold chandeliers, and toilets decorated with Gzhel' motifs, a type of Russian folk art done in blue paint on white ceramic (this last touch some consider to be almost sacrilegious). This is a place that strives to be pretentious, showing off its exclusivity on par with that of its patrons. Prices at the Pushkin Café are the same as or higher than European and American counterparts. The deal-making businessmen and women who lunch pay their bills without taking a second look at the total. It's all part of the new lifestyle.

Tremendous amounts of money circulate in today's Russia. This is especially visible in Moscow. The gorgeous wives of the new elite plan their days around visiting designer boutiques in chauffeured cars, where they drink champagne and try on the latest outfits. Before going out they confer with their friends to make sure they won't wear the same outfit to tonight's restaurant or gallery opening. Russia even has its own Paris Hilton, Ksenia Sobchak — a blonde daughter of a famous Russian politician, the first mayor of Saint Petersburg. Miss Sobchak has taken clues from Paris' recipe for infamous fame, by becoming an (often inebriated) fixture at high society events, and the two socialites hung out together when the American heiress visited Moscow.

Gated communities are sprouting all over the city and nearby. Many of the new wealthy have bought land along the Rublevka highway (which, perhaps symbolically, goes west from Moscow; in the 1930s high Communist Party functionaries became its first highfalutin settlers, building

Kids practice bike jumping moves nearby Red Square, next to a memorial wall with a quote by Lenin: "MARX'S DOCTRINE IS OMNIPONENT BECAUSE IT IS RIGHT."

dachas, or summer homes, along the road), creating a "golden mile" of enormous mansions. High-end spas, restaurants and boutiques followed. There's a writer who became famous for her bestselling *romans à clef* about the lives of the Rublevka crowd, and later co-authored a book with Miss Sobchak (see above) called "How to Marry an Oligarch." Such social aspirations may be a slight improvement from the early '90s, when public polls showed that high school girls' top choice of a profession was to be a "hard currency" call girl — meaning that they would work only for dollars or similarly "stable" bills. During the economic collapse of those years bosses fired women first, arguing that men were primary bread-winners; newspapers were full of ads for female secretaries that specified hair color, age, and required body measurements.

This ad for a "Belgian Village" 12 kilometers away from the Moscow city line says, "Immigrate every evening." It hangs across the street from Lenin's Library, the biggest library in the country.

The tastes of the Russian wealthy have certainly become highly refined since the '90s, when the Russian term for a nouveau riche, "novyi Russkyi" — literally translated as "the new Russian"— appeared for the first time. People used it to refer to thuggish businessmen in crimson-magenta jackets (the origins of this unexplainable fashion choice are shrouded in mystery), who drove foreign cars and considered themselves above the law — reinforcing that belief by having police on their payroll, killing each other in high numbers in turf wars, and getting away with occasional assaults on innocent bystanders. These men were a motley crew of former KGB personnel, black market operators, heads of state enterprises, outright criminals, and sometimes all of the above. Through their connections and violence they capitalized on the chaos of the '90s, taking over state factories, often for laughable sums of money, and created financial networks for siphoning off the country's resources, depositing the proceeds in Swiss or offshore accounts. The Wild Wild West atmosphere of those days is no more, but those years gave a bad name to the word democracy in Russia. Quite a few people now associate it with lawlessness and blatant thievery that blossomed under Yeltsin.

Dostoyevsky's monument in front of Lenin's Library (recently renamed as Russian State Library, however, the name on the library façade still says USSR and Lenin).

The regular people retaliated in the only way they could, by making fun of the new elite. The '90s saw a proliferation of jokes about the new Russians. If before people laughed at the hypocrisy of the Soviet regime and its inarticulate leaders, now they laughed at the new Russians' need to assert their social status by showing off wealth. A popular joke from that period describes two new Russians meeting in Paris. One points at his tie and says, "I just got this for a thousand euros." The other takes a look at the tie and replies, "You moron, I could've shown you a store around the corner where you could've bought for two thousand!" I've also heard a story, presented as true, about an owner of an antique store in Moscow who

was having problems selling a pool table — until someone recommended that he add a zero to the price tag. He sold the table the next day.

By now the Russian elite is becoming just as sophisticated in its lifestyle choices as that of any European country. But it may be that one of the main differences from the '90s is its subordination to the government. In 2000 one of the wealthiest men in the world, Russian tycoon Roman Abramovich (owner of the Chelsea soccer team), had no choice but to accept a post as the governor of Chukotka, a desolate, sparsely populated, and economically depressed area of Siberia, upon Putin's request. Abramovich was 34 at the time. He had close ties to the Kremlin, having been the 'chief banker' to Yeltsin's family. There was a lot of speculation about his reasons for accepting the task, from trying to secure immunity for possible criminal investigations into his business dealings, to using the post to push through huge infrastructure projects. Whatever his reasons were at the time, the media has hailed the results of his seven-year rule as an economic miracle. Abramovich and his team of managers did pull the region out of its crisis. They built schools, hospitals, and brought in federal and foreign investment. The average salary in Chukotka is now higher than that in Moscow. Some analysts also mention the fact that during his rule the tycoon paid the taxes on his personal income (about 1 billion rubles a year, or more than U.S.$42 million) directly to the Chukotka treasury. He also allegedly contributed more than $1 billion of his own money to the region's causes.

Even though Abramovich allegedly asked in December 2006 to be relieved of his governorship, Putin declined his request in January 2007. More than a year later, in July of this year, the government finally allowed the tycoon to step down from his political assignment.

Abramovich is not the only wealthy businessman in Russia who is proving his allegiance to the regime by serving the public good. There's almost an ongoing competition for the biggest show of loyalty. In 2004 another oligarch, Victor Vekselberg, bought nine Faberge eggs from the Forbes family for an undisclosed amount of money, rumored to have been much more than Sotheby's estimated starting price of $90 million. Vekselberg bought the eggs before the auction began. His motivation? A patriotic desire to return Russian art home. But even such gestures may have been overshadowed by a statement that Oleg Deripaska, possibly the richest man in Russia (and the 9th in the world according to Forbes), made to the *Financial Times* last summer. Deripaska, who since 2001 is linked by marriage to Yeltsin, said that he will give up his company to the state if asked. "I don't separate myself from the state. I have no other interests," said the businessman. A symbiosis of Marx and JFK Jr.'s ideals, achieved at last.

So far these men managed to escape the fate of Michael Khodorkovsky, the owner of Yukos, who is still serving time in a Siberian prison on fraud and tax-evasion charges. Yukos has been taken over by the state. Khodorkovsky's attorneys are appealing the sentence, arguing that the government put the oligarch away in retaliation for his financing of Kremlin opposition parties. But I've noticed that many regular Russians don't seem to share the tycoon's pain. The main reason is that since he made his fortune during the lawless '90s, people see him — and others who got rich buying former state enterprises — as crooks beyond a reasonable doubt. The common refrain is that he got what he deserved. Whether the government used tax evasion charges to punish his political activity doesn't really matter to them (just remember Al Capone); what matters is that at least someone of his kind did not get away with what they see as outright stealing.

The people passing judgment on Yukos' owner are the ones who don't order 200 ruble espressos (the ruble is currently trading at 23.50 to one U.S. dollar, making this a $9 cup of coffee). They, like my 84-year-old grandmother who lives in Moscow, notice when the price of bread goes

A T-34, said to be the Soviet Army's most effective WWII tank, in front of a casino named "Ibiza." In the background are modern housing units that most Muscovites call home.

up by two rubles overnight — as it did recently. They do a lot of their daily shopping at small food stores that have popped up on the ground floors of tall cement buildings built in the '70s and '80s to solve the housing crisis. The shelves in these stores carry the necessities, which here means a variety of canned goods, be it fish, meat, or vegetables. Usually there's also a good selection of beer, ice cream, and candy. The prices are slightly cheaper than those in supermarkets.

The official average line of poverty (or the minimum subsistence income, determined by the government based on the price of a "minimal food basket") in Russia is at 4,000 rubles a month, or about $172 dollars. It's 3,191 rubles, or $137 dollars, for retirees. When I took my grandmother to a dentist a couple of weeks ago, she got into a conversation with a 70-year-old woman who was walking to the same clinic. They talked about pensions and prices, and the other woman mentioned a friend of hers who has "a good pension." My grandmother asked what she meant by that. The woman said that her friend gets 8,000 rubles a month. "Yes, that is a good pension," agreed my grandmother.

Constraining inflation, which may hit 12 percent this year (surpassing the government's projections by a couple of percentage points) will be one of the main challenges for the new president, Dmitry Medvedev.

The foreign and Russian media are engaged in a lot of speculation about this man. How liberal will Putin's choice for Russia's president be? How independent, with Putin as a prime minister and most of the old structures of power remaining in place? Medvedev's speeches are full of liberal rhetoric, but what's going on behind the scenes? Public polls right now show that Putin's approval and trust ratings are higher than Medvedev's. (Despite the Western media's criticism of Putin's regime and the conduct of the elections, I think that the majority of people did vote both for Medvedev now and for Putin earlier, because they find current stability a welcome respite from previous decades of bloodshed, tyranny, chaos, and unpredictability.) But even as Putin's hand-picked successor, Medvedev still has to work on gaining legitimacy in the eyes of the country, to prove that he has the necessary mettle for the job. What are the hidden levers of power, spheres of influence, warring Kremlin factions that will influence Medvedev's decisions?

A lawyer by training, Medvedev may be used to manipulating language in subtle ways to let interested parties hear what they want. The current arrangement can even be seen as a high-profile version of the good cop, bad cop strategy. But while the analysts make their predictions, the people have hedged their bets already. The new bestsellers in the office-decoration departments are double portraits of Putin and Medvedev, standing together.

Of note is the fact that there are many, many fewer jokes about Putin than about previous rulers. Why that happened is an interesting question in itself, given the importance of humor in Russia's political life, at least until Putin's presidency. (During my Soviet childhood, I remember spending many an evening telling jokes in a circle with my friends, and as we were getting older, the jokes were getting more political. They covered the entire communist spectrum, from Lenin to Gorbachev.) Are people scared of making fun of the former head of KGB? (Quite a few people have served time for telling political jokes in the USSR days, starting in 1929.) Is he seen as much more competent than his predecessors? Or do people see less hypocrisy in Putin's words and actions than in those of its Soviet leaders? Political analysts, folklore experts and linguists have weighed in on this issue, and it appears that there is no simple answer.

Here is a modern joke that's similar in spirit to the old ones: A farmer is walking along Red Square with a watermelon. He bumps in Putin, who asks, "How much is the watermelon?" The farmer says, "It's not for sale." Putin again asks him to sell the watermelon. The farmer says, "Ok, choose." "But how can I choose — you only have one!", says Putin. The farmer replies, "Well, how did YOU get elected as president?!"

The joke is better in the original because the word for "elect" and "choose" is the same in Russian.

Ambivalence is in the air. That's not surprising, given the fact that in less than a lifetime, Russians lived through the fall of an empire, a severe economic crisis (during which many lost their life savings), and witnessed the rise of a new economic and political order. When the USSR came apart, its former citizens woke up in third world countries. It was a painful change for many. And even though Russia has recovered from the economic woes of the '90s, and its economy is being propelled by the ever-increasing prices of oil and gas, the question of Russia's proper place in the world is subject to heated debate on all sides.

Some still long for the USSR days, when the country unquestionably was a major player in world politics. Perhaps more importantly for an average person, those were the days of relative stability. There are many ways of exploiting such nostalgia, from organizing pro-communist parties to selling CDs of retro songs and t-shirts with USSR emblazoned across the front. Most Russians have moved on. But whereas they may not pine for the days of the Soviet empire, they do object to what they see as the West's unfairness and hypocrisy in its dealings with Russia. They take offense at the mainly negative portrayals of their country in foreign media. As for the West's enactment of protective policies in response to Russian companies' increasing investment in European and American economies, Russians see such policies as ironic at best, after years of the West urging Russia to open up its markets to unrestricted foreign investment into all sectors of economy.

During my stay here so far I have found it curious

A street ad for a book titled, somewhat awkwardly, "Of Russian Slavery, Dirt and 'Prison of Nations'," from a two-volume series "Myths About Russia." Their author is a member of the Russian Duma (from the United Russia party, the largest political party of which Putin is the chairman as of this April), who set out to deconstruct and disavow "most damaging and self-destructive myths" about Russia. The title of the other volume is "Of Russian Alcoholism, Laziness and Cruelty."

that the Russian flags and patriotic spirit came out most not during the Russia Day (a somewhat new holiday meant to celebrate, ironically, Russia's independence), or the May 9th celebrations that mark the Soviet Union's victory in WWII, but during the recent Euro 2008 soccer championship. After Russia's 3-1 victory against the Netherlands, futbol ('soccer' in Russian) fans draped their cars in Russian flags and took to the streets, bringing traffic in the center of Moscow to a halt. RussiaToday, a Kremlin-sponsored news channel, wrote that the victory restored "Russian pride… Half a million people surged onto Moscow's streets for a post-game party. Seldom in Russian history has a sporting event provoked such a reaction." Even though Russians lost the semi-finals to Spain, President Medvedev has joked about giving Guus Hiddink, the Dutch-born coach of the Russian soccer team, a Russian citizenship.

Even Putin's party, United Russia, seems to think that sports are the key to Russia's heart. On soccer fields in the front yards of many apartment buildings I've seen, instead of Coca-Cola or similar commercial ads, the following slogan: "United Russia is an Athletic Russia!"

Silly? Perhaps. But in fairness, all of the themes I touched upon so far deserve a more in-depth treatment, which I hope to give to them in the upcoming newsletters. Also to come — a description of one of the feats of totalitarian architecture, the Moscow Metro, a marvelous amalgam of engineering thought and social art. And perhaps an excursion into the secret underground tunnels of Metro-2, built for safely transporting high-level communist officials and securing a speedy exit out of the city under attack. ❑

Thousands of Muscovites pour through the tunnels connecting Moscow Metro stations every day.

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ICWA Letters (ISSN 1083-4273) are published by the Institute of Current World Affairs Inc., a 501(c)(3) exempt operating foundation incorporated in New York State with offices located at 4545 42nd Street N.W., Suite 311, Washington, D.C. 20016. The letters are provided free of charge to members of ICWA and are available to libraries and professional researchers on our web site.

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