

THE SPEEDING TROIKA

Andrew C. Kuchins
SPECIAL TO RN



A week of travel with the Valdai Discussion Club in Russia makes one feel as though he were along for the ride on Gogol's Troika. We were in constant motion on planes, trains, boats and buses from Sochi to Moscow to St. Petersburg and further north into Karelia. The subject of much of our discussions and my further ruminations was Russia's past and current efforts at modernization, a task that Russian President Dmitry Medvedev has made the top priority for his leadership. Like the metaphor of the speeding troika for Russia that Nikolai Gogol immortalized in his novel "Dead Souls" more than 150 years ago, there is no consensus in Russia about what the latest attempt at modernization should consist of.

The notion of modernization was the main topic of our three-day conference, during which nearly 100 Russian and international experts and journalists on the riverboat Kronstadt discussed "Russia's History and Future Development." Two striking impressions emerged from these discussions. First, there was no agreement about the definition of modernization. Some participants emphasized the importance of diversification of the economy away from its heavy dependence on export of hydrocarbons and other natural commodities. Often this was tied to the notion of re-industrialization with a particular emphasis on high technology and innovation. Others put a higher priority on the improvement of governmental, social and economic institutions to improve efficiency and raise Russian competitiveness. Others placed at the forefront attention to the development of human capital. The variety of interpretations reminded me of the late U.S. Supreme Court Justice Potter Stewart's famous line about hard pomography which I paraphrase as "I can't define, but I know it when I see it."

The second observation was that the Russian participants were far tougher in their assessments of Russia's modernization as well as its future prospects than their foreign counterparts. This was a departure from the past Valdai norm (this marks the seventh annual meeting) in which foreigners, mostly Europeans and Americans, were far harsher in their assessments of Russia and government policy



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than Russian participants. Even the venerable Harvard historian Richard Pipes was more generous in his assessment of positive change in Russia over the past decades than his Russian colleagues. Perhaps this reflects a more diverse Russian group of participants than in the past. It is also natural that citizens of Russia would be more impatient for modernization than outsiders. There is also a sense that when it comes to Medvedev's modernization, there is a lot more talk than action.

I find myself virtually astounded by the degree of progress since I started coming to the Soviet Union in 1979. And what are the key features that lead me to that conclusion? First, Russia is far more connected and integrated with advanced global processes; indeed Russia is more open to the outside world and its influences. Secondly, a higher proportion of Russians are enjoying a higher relative standard of living than at any time in their thousand-year history. Resources are being allo-

cated in more efficient ways that are more responsive to price signals and market forces. When I was told that Russia's de-modernization could be tracked by such an indicator as the drop in the production of Russian cars and many other manufactured goods from 25 years ago, my response was that today more Russians are driving better cars, foreign and Russian.

This gets to what I see as an often fundamental misunderstanding of what is modern in the Russian context from an economic perspective. There is a tendency to associate modernization of the Russian economy with diversification away from reliance on the production and export of energy and natural resources. True, such reliance leaves Russia vulnerable to the unpredictable vicissitudes of energy and commodity prices. It is also true that heavy reliance on energy resources often has deleterious effects on the quality of democratic development and political institutions and contributes to higher levels of corruption. But the hard fact of the matter is that energy and natural resources will remain Russia's principal economic comparative advantage for a long time to come—at least through the middle of this century.

In 2008, high-technology sectors comprised about 3 percent of Russian GDP and about 10 percent of its industrial output.

There is certainly room for growth, and this should be encouraged by the Russian government, but these sectors will not comprise the principal growth drivers for the Russian economy. As Keith Crane and Artur Usanov conclude in their excellent analysis of the role of high tech sectors in the recent book, "Russia after the Global Economic Crisis" (co-edited by myself, Anders Åslund and Sergei Guriev): "The economic drivers of the past decade will remain the more important drivers of growth: rising productivity across all sectors; growth in services, especially financial and business services; retail and wholesale trade; telecommunications; and government expenditures financed by taxes on exported energy."

And do Prime Minister Vladimir Putin and Medvedev agree about how best to promote modernization in Russia? One senior Russian government official assured us that they do, although they sometimes use different vocabularies and accentuate different aspects of modernization. He elaborated by noting that Medvedev has a broad approach to modernization that includes social and political modernization required to facilitate economic growth. Putin, on the other hand, views modernization as a long historical process in which it is essential to maintain political and so-

cial stability in order not to destroy the political-economic order in which modernization is taking place. While these two perspectives are not necessarily contradictory, it is hard to imagine modernization not having a significant impact on the existing political-economic order, since at its heart this process requires reform and greater efficiency of key state, business, and societal institutions.

For social scientists, Russia remains a paradox of modernization theory. One of the key postulates of modernization theory is that as a country's per capita GDP grows, and the level of \$10,000 is usually noted as a breakthrough point, it becomes more democratic—or at least its political institutions become more plural. So far Russia is defying this law (for which there is a wealth of evidence from East Asia to Europe to Latin America over the past several decades). For ten years, including the blip of the recent financial crisis, Russia's per capita GDP has grown and surpassed the \$10,000 milestone, but Russia is no more democratic, corruption has grown, and there is little evidence of improved state institutions. Probably this can be explained to some extent by Russia's unusual status of being the largest world economy so dependent on energy and natural resource exports. A number of Russians at the conference suggested that China's growth supports a new paradigm of authoritarian state-led growth. Perhaps, but despite its enormous achievements, China's per capita GDP remains far below the 10K milestone, so I would hold off on writing off modernization theory at this point.

However one defines modernization, it seems incontrovertible that it is taking place in Russia, even if the pace is not satisfactory to much of the Russian political elite. The role of reliance on energy and natural resource exports is not so clear cut as many suggest. Imagine if Russia were not blessed with enormous natural resource wealth; would it be more "modern"? The only thing I can say for sure is that it would be a lot poorer, and likely the political entity we know of as Russia would not exist in the form it is today, if at all.

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BIBLIOPHILE



RUSSIA'S DR. SEUSS

Irina Zabrodina
THE MOSCOW TIMES



More than 40 years after his death, Kornei Chukovsky remains one of the country's best-loved children's authors, and his classic books such as "Doctor Aibolit," about a doctor who speaks to animals, are still widely read.

Every September, fans of the author take part in a tradition started by the author himself as the "Goodbye Summer" party for children at his dacha in Peredelkino, outside Moscow. "The campfires at Chukovsky's house were set up by the author in 1955," said Sergei Beloruset, head of the Chukovsky children's festival. "His house was always full of children; he invented different games to play with kids."

The tradition was revived 10 years ago, and this year's party at his dacha marked the the 55th anniversary of the first campfire.

Chukovsky wrote short stories and poems, whose "clockwork rhythms and air of mischief and lightness," as one critic wrote, have captivated children — although not always parents.

One of his most famous poems is "The Crocodile," which he told to his son on a train journey. His son remembered the tale, and that was how the poem got written down when they returned.

"I like reading Chukovsky to my daughter Arina, who is 3 years old," said Valentina Shadrina, 34, a housewife. "She enjoys the rhythm of the verses and memorizes them very quickly."

"Some very little children seem to be actually afraid of the characters. You have to be very careful when reading Chukovsky to a child — some very sensitive listeners might not like it," said Tatyana Stupnikova, a speech therapist for preschoolers. Poet Anna Akhmatova once said Chukovsky's children's verse was satirical, a charge that has been made about many children's authors, including English writer Roald Dahl.

Apart from being a children's author, Chukovsky was also a professional reporter, translator and psychologist, who had a great impact on the issue of childhood education. His most famous work about children — rather than for children — is "From Two to Five," which came out in 1933, about children's speaking abilities.

He was also a writer, who, according to his diaries (which are also published in English), tried to help other Soviet writers when they fell afoul of the authorities.

When Boris Pasternak, who lived not far from Chukovsky in Peredelkino, won the Nobel Prize, Chukovsky was the only official writer to congratulate him.

After Chukovsky's death in 1969, his dacha was turned into a museum, and visitors can take tours around the old wooden house that contains his vast book collection.

Many of the books are in English. Before the Revolution, Chukovsky worked as a reporter in London, where he met writers H.G. Wells and Arthur Conan Doyle. He would later translate American poet Walt Whitman, as well as Daniel Defoe and Rudyard Kipling.

EXPAT FILES

IT'S GETTING HOT IN HERE

Jennifer Eremeeva
SPECIAL TO RUSSIA NOW



Autumn is here in Russia so of course, I have dug out my tank tops, light linen trousers and

flip-flops. The worst summer heat wave on record is over, but now I'm prepared to really sweat. Radiators have begun to sputter, hiss and clank as all over Russia as the Central Heating is switched on from one very evil central command center. The heat is full throttle for the next eight months, offering my own permanent sauna.

For many years I tried to turn down the radiator with various implements of destruction, including the heel of a boot, a hammer, and a copy of "Das Kapital," all to no avail. The knobs, into which the German prisoners of war who built the house clearly poured their resentment, remained unyielding.

Then, this past summer, grim radiators were replaced with more flashy models with shiny red knobs that... moved.

HRH (my Handsome Russian Husband) made it clear to me that, though the radiators were new, the heating system was not. "Our Soviet heating," he explained, remained something I had no business tinkering with. So of course I turned them off.

The result, while it lasted, was amazing. It was cool in the flat. It was like the sweet relief of a desert night after the sun has gone down, or the rush of fresh air when you step out of a trans-Atlantic flight onto the jet way.

The Big Chill lasted about a week. One mid-morning, impatient rings at the doorbell shattered my peace, so I simply ignored them: nothing good ever comes from unexpected rings at the door. The rings

were replaced by loud thumps on the door and shouts to open up for the ZHEK, the custodians of the building complex.

"Open up, Woman," they ordered.

"I'm not really dressed for it," I responded through the metal door.

"Woman, there is a problem with your heating. We need to see your radiator."

"The radiator is fine," I assured them. "It works beautifully."

"Woman, it is not fine. Your neighbors are complaining. Open the door or we will return with the police."

These officials are, of course, deeply capable of bringing the police around. They love to flex a bit of official muscle and play a minor, if not responsible part in a local drama. Bonus points for nabbing a foreigner.

So I opened up, resplendent in a neon blue masquerade. They seemed completely unfazed.

"I have," I told them softly, "a degree in Russian Studies from the same university Barack Obama attended."

"You are not allowed to turn off your radiator," said one.

"But it is so hot in here," I pleaded.

"You have turned off the heat for the entire building. Your neighbors have complained to the police, and it will go very badly for you if you turn the radiator off again."

"But how can I make it cooler here?" I pleaded. "You must be able to do something!"

"They looked at one another and sighed deeply.

"This isn't Paris, you know," the other guy finally said.

And on that, we could all agree.

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BRAIN FREEZE

Igor Fedyyukin
SPECIAL TO RUSSIA NOW



A few years ago our institution made a huge breakthrough: For the first time we hired a foreigner as a tenure-track professor. This was a really big deal, since foreign-educated academics are extremely rare at Russian universities. For us in particular, it was a welcome sign that we are competitive enough on the global market for researchers. Having sealed the deal, however, we had one small problem to solve.

How could we bring our new colleague into the country?

This was a huge problem. Unlike most countries, Russia does not have a special category of "academic" visas to be issued to foreign researchers and professors. Until recently, there was a single, all-embracing category of visas for all those planning to work. As a result, highly skilled professionals frequently had to stay in Russia on short-term visas, and were forced to travel to a neighboring country at the end of each quarter to apply for a new permission to enter.

Indeed, as far as his visa status is concerned, I still prefer to follow the "don't ask, don't tell" policy with my new American colleague.

The cumbersome and restrictive visa regulations make it much harder to attract the best and the brightest from all over the world; they have long been a significant obstacle to academic exchanges of all sorts. A large segment of the Russian officialdom, especially those with back-



A large segment of Russia's officialdom perceives any relaxation of visas as an invitation for spies.

ground in the security forces, naturally perceive any such potential relaxation as an invitation for other countries to send more spies into Russia. Others, often including those who might be generally quite liberal, are against any unilateral relaxation of the

visa regulations, which might be construed as a sign of weakness and an invitation for other countries to demand similar unilateral concessions on other issues.

Yet the seriousness of the problem seems to have been recognized by the government. Amendments to the immigration laws in May offer preferential treatment to "highly qualified" (and highly paid) foreign professionals. These new visa regulations went into effect this summer - but curiously, they do not apply to researchers and professors, who might not necessarily qualify as "highly skilled professionals" since under the new law

one must receive a salary of at least \$67,000, or 2 million rubles, to fit the bill.

New measures being discussed for faculty and researchers will, hopefully, solve some of the most pressing problems. Among these measures are the proposals to include professors into the category of "highly skilled professionals"; to create an option of receiving an "academic visa" in as little as three days; to allow foreign scholars in Russia to move more freely around the country without having to register with the authorities at each point they visit; to allow their spouses to work in

Russia without having to apply to separate work permits. While these amendments might seem less than revolutionary, they could help to attract more highly qualified foreign professionals to Russia.

A lot more needs to be done in this area to make Russia more competitive. Russian visa rules and regulations are still saddled with completely superfluous requirements. For example, foreigners planning a long-term stay in Russia must present together with their visa application a medical certificate showing that they are HIV-negative, whereas those coming for a short visit do not. This is not only an appalling act of discrimination, but also a measure that makes no practical sense at all. Russia's ability to attract academics from abroad requires changes in other rules: if we want to have a foreign Nobel prize-winning professor to teach at our university, we should at the very least recognize his doctoral degree — currently in order to receive such recognition he would have to translate his dissertation in its entirety and submit it for what is in fact a new defense!

While visa regulations are important, there is also the issue of their implementation. It is one thing to mandate a relaxation of immigration laws and to create new categories of visas; it is quite another to actually make Russian consulates to change their work habits and attitude towards visa applicants. Still, the very fact that President Medvedev in his address to the parliament last year openly said that "we need them" (i.e. skilled professional from abroad), and not the other way around gives some grounds for cautious optimism.

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