Yeltsin’s Newest Coup

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Between 17 and 20 June 1996, President Boris Yeltsin virtually decapitated Russia’s entire defense and security leadership. First, he fired Minister of Defense Pavel Grachev, National Security Advisor Yuri Baturin, and Security Council Secretary Oleg Lobov. Though Lobov became a first deputy prime minister responsible for overseeing industrial policy, replacing Oleg Soskovets who also was fired on 20 June, the others as of this writing have yet to be reassigned.

A week later, Yeltsin fired seven generals and leading security council officials who had been loyal to either Grachev or Lobov. They were: three deputy chiefs of staff, Col. Gen. Viktor Barynkin, Col. Gen. Anatoly Bogdanov, and Col. Gen. Vyacheslav Zherebtsov; Lt. Gen. Sergei Zdorikov, head of the defense ministry’s Main Directorate for Educational Work (i.e., political indoctrination); Lt. Gen. Dmitri Kharchenko, head of the International Military Cooperation Directorate; Col. Gen. Valery Lapshov, head of the ministry’s Main Administrative Staff; and Lt. Gen. Vladimir Shulikov, deputy commander-in-chief of the ground forces. Yeltsin also fired security council deputy secretaries Vladimir Rubanov and Aleksandr Troshin and replaced them with Vladimir Denisov and Sergei Kharlamov.

To head the security council, Yeltsin brought in retired Lt. Gen. Aleksandr Lebed, who had come in third in the preliminary presidential elections on 16 June, with 14 percent of the vote. Lebed instantly declared his intention to administer “shock therapy” to the security council and to purge the defense ministry, which allegedly had organized a mutiny or coup (or at least an effort to pressure Yeltsin to retain Grachev), charges the ministry subsequently denied. Indeed, by the weekend of 22-23 June, Lebed was backtracking from his charges, which looked more like an effort to purge the ministry than a truly serious accusation.

On 20 June and with Lebed’s visible support, Yeltsin fired his personal security chief and head of the Presidential Security Service (SBP), Gen. Aleksandr Korzhakov; Korzhakov’s client, Federal Security Service (FSB) Director Mikhail Barsukov; and Soskovets, a friend of the defense and heavy industry sector. These three men were frequently attacked for being the “brains” behind the war in

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Chechnya, for corruption, for opposition to further reform, and in general for being hard-liners. Korzhakov had illegally detained two Yeltsin campaign workers the night before, ostensibly on the grounds that they were carrying half-a-million dollars out of the Kremlin. This action, according to Yeltsin’s campaign spokesman and former Deputy Prime Minister and Economics Minister Anatoly Chubais, supposedly reflected the trio’s opposition to carrying out the scheduled round of the presidential election and its preference for instituting a coup instead. (Chubais subsequently became presidential chief of staff.) Lebed echoed this theme, claiming that he and Yeltsin had foiled a second attempted coup. Initial media reports in the United States and Russia praised Yeltsin for his decisiveness in removing obstacles to reform and democratization.

Clearly, Lebed’s appointment triggered a series of moves that will shake up the whole structure of Russian defense policies and Russian politics in general. Indeed, at the time of this writing, the true nature of Russia’s executive branch, the way in which presidential powers will be manifested, and the direction of future defense and security policy are all unfathomable. The significance of these personnel moves is not fully understood abroad even as the dust gradually clears. We seek to lay out at least some of those actions’ implications.

On closer inspection, the two linked purges indicated something other than moves toward democratization, even though Yeltsin’s 3 July victory in the second round undoubtedly ensured the continuation of privatization and market economic reforms. When one examines the actual facts and personalities involved in the firing of Grachev and then of Korzhakov’s group, a more disturbing interpretation of Russian politics comes to the fore.

**Lebed Replaces Grachev**

In Russia and abroad, these moves appeared to be popular. Grachev had become more than an albatross around Yeltsin’s neck and the president knew it. Since 1994, servicemen, officers, and the general public had come to associate Grachev with the corruption and demoralization of the Russian army, which, according to one observer, is at its weakest point in four hundred years.\(^3\) The army was under-equipped, ill-trained, underpaid, composed all too often of undereducated, mentally deficient, and criminal elements, and its officer corps had also become progressively corrupt—to the point where soldiers and seamen were starving to death in Russia’s more remote outposts because supplies never reached them. To anyone who has ever served in an armed forces, there is no greater dereliction of duty an officer could commit than to let soldiers starve and freeze to death. Yet this is the everyday reality of the Russian army and a source of continuing demoralization both within the army and in society, which does everything possible to avoid sending draftees into the army.

Grachev was widely and rightly blamed for this state of affairs, yet he retained Yeltsin’s support. Yeltsin had publicly claimed on 29 May that he was satisfied with Grachev’s performance and earlier had said he was the greatest defense minister since the great tsarist minister, Dmitri Miliutin. At the same time, Yeltsin well knew that military reform was “very poorly implemented” and that Grachev
was in many ways a liability. Nevertheless, his loyalty to the president and willingness to politicize the military for him had always saved Grachev. Therefore, Grachev was always held in contempt by lower-ranking officials who did not owe everything to him. Despite his best efforts, he could not deliver the sizable military vote to the president. For example, in the 1993 and 1995 parliamentary elections, despite efforts to rig the military vote in the president’s favor, the results went against Yeltsin and to his opponents. Thus, as the presidential elections drew near, there was widespread speculation that Yeltsin would dump Grachev in order to win the “patriotic” and liberal vote.

Lebed, nobody’s sycophant, had come to detest his ex-boss and publicly castigated him for corruption and for destroying the army. Lebed also had been the target of numerous efforts by Grachev and by Barsukov’s predecessor, Sergei Stepashin, to depose him or get something on him to discredit him. Ultimately, Lebed resigned his commission and went into politics, allegedly to uproot the pervasive official corruption in the high command and the government.

Meanwhile, the public outcry in the media against Grachev was growing (which likely would not have happened if the media had not sensed his increased vulnerability) and the State Duma was considering legislating a new military council to formulate defense policy. The council would have included Grachev as one of several ministers in an organization that would have had the power to make personnel recommendations to the president for ministerial and major appointments in the security area. It is noteworthy that Lebed was quickly appointed to the Military Commission, the body that oversees appointment of generals, so his authority over defense ministry personnel was clearly part of his bargain with Yeltsin and an effort to deflect the parliamentary challenge that would have undermined the authority of the defense minister, Lebed, and Yeltsin.

Such a council would have limited Yeltsin’s ability to use the domestic and regular armed forces for his own personal goals or their commanders’ goals, and would have checked his all-but-legally-sanctioned autocratic power over the military. Given the narrowness of Yeltsin’s victory in the first round, the sacrifice of Grachev would clearly benefit, not hurt, the president for the second round. If sacking Grachev was a way to deflect the Duma’s challenge and win the election as well, it certainly was worth doing. Finally, there was no way Grachev could have reported to Lebed, whom Yeltsin needed to guarantee victory in the second round, so the defense minister’s resignation was to be expected.

Impact on Defense and Security Policy and the Ministry of Defense

The true blame for the sad state of the armed forces is more Yeltsin’s than Grachev’s because the latter was clearly the president’s “quartermaster” and loyalist in the army. Indeed, the Achilles heel of Yeltsin’s presidency has been his policy with respect to civil-military relations, a policy that may be summed up in the officially voiced outlook that because the president is a civilian, the military is under civilian control.

As a result of Yeltsin’s policies, loyally executed by Grachev, the regime has alienated the overwhelming majority of officers and soldiers, and the population.
In addition, Russia’s military leaders blundered in appallingly cavalier fashion into a protracted war in Chechnya that they had no idea how to end. The war dragged on with repeated cases of officers disobeying or flouting presidential authority with impunity, a further sign of the army’s decay.6

The Grachev-Korzhakov era of leadership also presided over the corruption, demoralization, and disintegration of the Russian armed forces and officer corps to the point that admirals now petition the Duma that unless the navy is funded it will die within a few years.7 The same leadership deliberately created twenty-two different official entities of armed force in a calculated divide-and-rule policy that literally starved the regular armed forces and created multiple, politicized organizations headed by men whose sole merit was their loyalty to Yeltsin. Nor were the leaders of these forces accountable to anyone but Yeltsin. They constantly duplicated and created new offices to rival officially chartered organizations like the ministry of defense and the general staff. If unchecked, this trend could have led to a personalized control of various armed forces outside the regular state administration and armed forces, neither bound by law to any agency nor accountable to anyone except Yeltsin and his minions. The forces would be, in effect, the private armies of the “tsar” or his servitors.8

Political or personal loyalty allowed Yeltsin to overlook the enormous, well-documented, and growing corruption at the expense of the state and the army. It is worth noting that Yeltsin entrusted these very areas—military reform, security, and the fight against corruption—to Lebed’s authority. And Lebed chose for himself the task of extricating Russian forces from Chechnya.

Limited by the constitution from seeking a third term, Yeltsin also virtually anointed Lebed as his heir. This gave Lebed a great deal of power to try to place his people in the key power ministries. It also made him the target of everyone else’s intrigues and opposition, guaranteeing a continuation of the infighting among the “court camarilla” and “palace guard” that has so disfigured Russian politics. No sooner did Lebed begin to show his avidity for greater powers and for being vice president—an office that no longer exists and would require amending the constitution—than Prime Minister Viktor Chernomyrdin began sniping at him in public. Thus, by replacing Grachev and the Korzhakov clique, Yeltsin only redefined the factional struggles around him, which now become mainly Chernomyrdin versus Lebed. Just as both sides intensely fought over the choice of Grachev’s successor, they made oblique but pointed sallies against each other, with Lebed indicating that he would focus his corruption charges on Chernomyrdin’s Gazprom domain and have his supporter, Duma Defense Committee Chairman Lev Rokhlin, attack as corrupt virtually every candidate for defense minister that Lebed would not support.

Therefore, a critical indicator of future trends is Lebed’s and Yeltsin’s restructuring of the policy-making institutions for defense and security. Lebed’s allegation of a coup identified five prominent generals (Barynkin, Shulikov, Sitnov, Kharchenko, and Lapshov) known for their loyalty to Grachev, his much hated press secretary, Yelena Agapova, and Georgian Defense Minister Vardiko Nadibaidze, who owed his appointment to Grachev and was ready to base Rus-
sian troops in his country. It is not accidental that Lebed and Yeltsin fired most of those individuals.

Lebed also indicated his intention to reorganize the presidential security council to ensure its involvement in personnel, organizational, and financial decisions made in the ministries whose chiefs sit on the council. He also wanted to appoint security council representatives to the regions, claiming Yeltsin’s agreement. Yeltsin did agree on 10 July to a decree calling for giving the council emergency powers in the struggle against crime, but the nature and effectiveness of those powers remain to be seen. Those steps would have made Lebed a kind of super-minister and super governor-general, able to encroach upon the powers of the rest of the security and defense establishment and intervene in all regional governments as under tsarism—another example of how the absence of rule of law in Russian politics encourages turf grabs, and endless factionalism around the leader, and despotism in his name, whether he is president, general secretary, or tsar.

Lebed also intended to liquidate the analytical staffs attached to the security council’s various commissions, directorates, and departments. Instead, he stated that he would create a unified information-analytical center. These moves would have permitted him to control key appointments and convert the security council into a superministry that will coordinate all of its member ministries’ activities. This organizational transformation seems to make the council into a new version of the Soviet Defense Council, whose mandate was the coordination of all ministerial and military activity during World War II, reaching down to the command level. This system continued until the Gorbachev period. If carried out as planned, the security council transformation would have concentrated enormous power in Lebed’s hands, and it is not clear if he knows how to use such power wisely.

Lebed’s choice for defense minister, Col. Gen. Igor Rodionov, . . . earlier outlined such a reorganization as part of the program of the former political party with which Lebed was affiliated.”

This “defense council” would be a collective organ, in permanent operation, with its functions, composition, and powers established by law or by the constitution. As Rodionov observed, the council’s membership cannot be named or
Yeltsin’s Newest Coup

replaced by any one person, and its decisions must be binding and have force of law upon all structures of executive power. Finally, the professional military would dominate decisionmaking in this new organ.

One need not stretch logic very far to see that this organ, as conceived by Rodionov and perhaps by Lebed, could permanently militarize government leadership and administration, even during peacetime, and aspire to a kind of omnicompetence, even if it is nominally restrained by law. It is unlikely that the fractious and weak Russian parliament could stand up to this organ. Furthermore, this reform takes dead aim, not at the departed Grachev, but at Yeltsin.

The plan for this putative council repudiates the hallmark of Yeltsin’s organizational policies, namely, has habitual fostering of competitive divide-and-rule policies among his quarreling barons. Indeed, commentators have long known that Yeltsin’s relationship with his government in general and with the rival power organs and their leaders (Grachev, Korzhakov, Barsukov, Border Troops Commander-in-Chief Andrei Nikolayev, and Interior Minister Anatoly Kulikov) has been tsarist or feudal, with constant promotions of divisions among factions. Yeltsin’s style is also evocative of Stalin’s rule.10

Finally, the proposed reorganization of the entire security policy mechanism gave another turn of the wheel to the relationship between the Ministry of Defense and the general staff. This is one of the permanent issues in Russian defense politics because two rival schools of thought contend here. One sees the general staff as the “brain of the army,” which could control the process of threat assessment, strategic planning, and operational command and control of the troops, while the ministry deals with procurement and the raising and training of troops. The other view asserts the primacy of the Ministry of Defense over operational as well as procurement issues and its preeminence in strategic planning and threat assessment. Adherents of the former view always want the chief of the general staff to report to the highest political authority in the land and be the chief operational authority of the armed forces, while the defense ministry is restricted to the raising of troops and procurement of their armament and supplies, whereas the partisans of the second view always insist on the chief of staff’s subordination and accountability to the minister of defense and then to the legitimate political authorities.11 The past statements of Rodionov and Lebed and much military thinking inclines toward the first option, which would have the chief of staff report directly to either Yeltsin or Lebed and bypass the Ministry of Defense. The chief of staff would also carry substantial strategic and policy responsibilities. Although the resolution of these organizational and political issues under the Yeltsin-Lebed team is not yet clear, that process will tell us much about the future direction of Russian defense policy.

In any case, it is unlikely that the trend toward politicization of the supreme military and security policy-making organizations and of the armed forces has ended. Rather, the foci of loyalty have changed from Grachev, Korzhakov, and their cliques to a new leadership, including Lebed and the new appointments he will influence. Contrary to much Western writing, the danger is not—and probably rarely was—that the army might mutiny or try to seize power in Russia. It
could not even do that effectively in 1991. Instead, as in 1989 and thereafter, the danger is that the supreme political leadership or its rivals would try to use one or another branch of the armed forces to carry out a coup of its own from above and then disclaim responsibility for the ensuing tragedy. This is exactly what happened in Tbilisi in 1989, Baku in 1990, the Baltic states and Moscow in 1991, and in 1993 when, if not for the reckless decisions of the Rutskoi-Khasbulatov group in the Supreme Soviet, Yeltsin might not have had any armed forces to defend the constitutional leadership or the state to which they had sworn allegiance.12

It is not the armed forces on their own making these moves, but rather political leaders and political generals, such as Grachev then and Lebed now, and Yeltsin; all have insisted on politicizing the army with baneful effects on morale, civil-military relations, and Russian politics in general. In 1991, U.S. Ambassador Jack Matlock heard Gorbachev deny that he had lost control over the forces attempting the coup in the Baltic states or that he had given the order to do so.13 Yet the army was clearly not acting on its own but on orders. It later became known that, in 1988, Defense Minister Marshal Dmitri Yazov had begun a covert campaign to politicize the armed forces against perestroika.14 In a sense, Yeltsin and company have continued to harvest more deeply what Yazov had sown.

Thus, despite claims that Yeltsin’s team was not violating the law banning political agitation in the armed forces, this same report indicated that a sophisticated campaign was doing just that and actively working inside the army for Yeltsin.15 Grachev claimed that sailors and officers aboard submarines and ships at sea had already voted for Yeltsin by 5 June, eleven days before the election—and claimed he knew this from reading daily reports on their moods. If this is true, it could have happened only if ballot boxes were opened before the elections or if officers had instructed their men how to vote. In that case, it is likely that their orders would have come from the top.16

Such orders, as in the false reporting of the military vote in the 1993 parliamentary election and constitutional referendum and the 1995 parliamentary race, would be the standard procedure. Thus, there was widespread pressure on the military to vote for the official slate in 1995, even to the point to violating the Organization for Security and Cooperation in Europe’s Charter on Civil-Military Relations, to which Russia is a signatory.17 On 22 May 1996, the head of the defense ministry’s main directorate for educational work, Lt. Gen. Sergei Zdorikov, instructed all units and commanders to voice a position in favor of Yeltsin; appoint authoritative individuals in each unit to lead the campaign; conduct daily political briefings; miss no opportunity to canvass support for the president; create instructional information centers with new daily materials on Yeltsin’s activities; explain that the troops must defend the commander-in-chief, and work with soldiers’ families, women’s councils, veterans’ organizations, and the like; canvass every possible apartment block; cull the media for reasons to vote for Yeltsin and distribute the articles; and “galvanize the work” via television. Zdorikov also instructed that all soldiers write letters home to relatives, telling them to vote for Yeltsin.18 Nor were the Communists innocents in this game. They, too, reportedly organized strike units, armed insurgency along with mass action, and cultiva-
There can be no doubt that Yeltsin was playing the military card and would play it further if he had lost in round one. As Lee Hockstader of the Washington Post reported, “Yeltsin’s own biography contains no hint of a man who has ever contemplated a graceful exit from the political stage.” Few, if any, observers in or out of Russia believed he would leave office if he had lost. Indeed, Yeltsin told a January 1996 meeting of Western aid experts, “I may not win the election, but I will certainly not lose.” It is also widely believed that, in March 1996, Yeltsin actually contemplated the use of interior ministry troops and other forces to declare emergency rule and impose martial law. This occurred when the State Duma voted to declare invalid the collapse of the Soviet Union; two days later, on 17 March, troops cordoned off the parliament building, allegedly due to a bomb threat. Interior Minister General Anatoly Kulikov reportedly warned that he and his troops would not support an unconstitutional crackdown, i.e., they would not be used once again in a domestic situation by political leaders seeking to use the armed forces for their own partisan ends.

Yeltsin also was certainly contemplating scenarios that, if he lost the first round, would have allowed him to call off or delay the second round—an operation that could only be done by employing force. News reports indicated that Yeltsin had ordered six teams of advisors and Kremlin aides to devise contingency plans if he trailed his Communist rivals by five percent or more after the first round. Kremlin sources told Scott Bruckner of the Moscow office of the Carnegie Endowment for International Peace that Yeltsin’s options ranged from the mildest one of charging the Communists with ballot stuffing and delaying the second vote by six months or more by tying up the election in court; to a last-minute deal with his democratic challengers to step on the Communist snake by forming a united pro-reform coalition; to a deal with the Communists; or most drastically, canceling the second round, declaring emergency rule, and imposing martial law.

Despite the victories of Lebed and Yeltsin, there is no reason to expect the government to abandon what has become an ingrained habit of trying to politicize the armed forces, if not divide them against one another. Once Lebed had inherited much of the power residing in the various ministries and military formations, it would probably ask too much of human nature to have expected both him and Yeltsin to refrain, as has been the case, from using any of the armed forces to resolve domestic political crises. Indeed, to follow that well-established course of politicizing the armed forces became the natural tactic for Yeltsin after the election, in order to check Lebed and balance him against another challenger, such as Interior Minister Kulikov, over whom the security council secretary was given no authority. Nor should one have expected Lebed to enforce the military’s political neutrality. In other words, the coups of 17-20 June, having been the fruit of military politicization, will not establish effective, civilian, democratic control of the armed forces or consolidate democracy. More likely than not, the June actions retarded democratization, if not gravely injured the process. And that conclusion
becomes apparent when one examines the coup against the Korzhakov group in greater detail.

The Korzhakov Circle’s Downfall
Korzhakov’s circle was no more popular than Grachev’s. But the presidential security chief’s power was immense and growing. Korzhakov had made repeated attempts over the years to interfere in policy, even calling for postponing the 1996 elections, lest there be a civil war. He also had amassed a large fortune and was visibly expanding it, increasingly demonstrating corruption and power. One of his clients was head of the Russian Sports Fund, which made up to $2 billion a year in duty-free alcohol and cigarette imports. As Zavtra, the paper supportive of presidential candidate Vladimir Zhirinovsky, pointed out, the arrangement amounted to “legalized smuggling.” When the director of the fund was arrested for narcotics possession, Korzhakov replaced him with another client. Meanwhile, as other newspapers indicated, Korzhakov either alone or through his allies, possessed “practically unlimited power.”

Korzhakov organized Yeltsin’s May 1996 trip to Chechnya, keeping all the other security organs completely in the dark until the last moment, and autonomously solving all of the problems connected with this risky and delicate venture. The Presidential Security Service (SBP) that he controlled protects the first family and “other persons” on the president’s instructions. It was a state organ that is part of the presidential administration, and therefore answers to nobody but Yeltsin; with Korzhakov at its head enjoying the military rank of general and civilian stature equal to government minister, the SBP was legally accountable only to Yeltsin, with no checks and balances. Not only did the SBP protect the president in his official residences and while traveling, but it also had the mandate to “discover, anticipate, and thwart unlawful actions at facilities, the list of which is determined by the president.” As Komsomolskaya pravda noted, the word “facility” could mean any site on Russian territory as determined by Yeltsin or Korzhakov.

Thus, the detentions on 19 June could be viewed as not being illegal since, if the two campaign officials were indeed out to bribe other political figures, their action could easily be construed as falling within the scope of the SBP’s mandate. (This makes it all the more likely that their arrest was part of a provocation against the Korzhakov group.) Furthermore, since the SBP can “call on the men and equipment of state organs for ensuring security,” i.e., all of the twenty-two different security services now present under law in Russia, the SBP can mount any kind of security operation it deems necessary, even if Yeltsin’s protection is not at issue. Thus, the newspaper observed that any “dangerous actions” by Yeltsin’s opponents or their supporters could fall under the SBP’s “preventive measures” and involve the entire panoply of the state’s power organs.

The Federal Security Service (FSB) under Barsukov, the inheritor of the KGB’s domestic structures and functions, has not only been an unreformed domestic police, but was in a position to block the second round of elections. There was much scope for such malpractice, even though foreign and Russian
Observers agreed that both rounds were generally open and fair. Central Electoral Commission Deputy Chairman Aleksandr Ivanchenko told the Open Media Research Institute in Prague that the results could not be falsified since each polling station would be watched by ten observers to monitor the entire counting process from the time the sealed ballot box is opened until the end of the vote count. This was not the whole story.

Professor Marc Galeotti of Keele University recently listed several ways the election could be falsified:

There is no reliable register of those eligible to vote and no outside scrutiny of votes cast either postally or in "special" polling stations, such as those in army bases. Even in the normal stations, actual ballot papers will not be available to election observers, who will only have the right to check the integrity of the seal on the ballot boxes and to count unused papers. As the security of the whole process is the responsibility of the Federal Security Service (FSB)—run by one of Korzhakov’s allies—it would be possible for boxes to be "stuffed" with forged papers: there is also no scrutiny of the state’s printing of ballot papers, allowing the production of many "spares."

Galeotti also observed that the Korzhakov faction could manipulate the transmission of vote counts to the center and the media through FAPSI, another former KGB entity headed by a Korzhakov ally. Since no observers would have access to the raw data at either polling stations or the central coordination center, and given the size of the operation with 100,000 stations, it would not be difficult to falsify reports during the transmission and collation processes. It should be noted here that nothing Galeotti indicated contradicts Ivanchenko’s claims about the election’s strict controls. Rather, Ivanchenko’s statement appears to be carefully worded to mislead Western audiences. And despite the firings of those in charge, nothing prevented the Yeltsin regime from following these possible options in the second round. As it was, the voting appears to have been generally fair and open. But the massive bribery of the news media, the president’s flagrant violation of campaign spending laws, and the coy hints by American media consultants about who was advising the campaign as they worked for Yeltsin and oversaw much of the effort, can only impugn the reputation of the elections and tarnish much of the legitimacy and luster of Yeltsin’s second round victory.

Finally, Korzhakov and his allies were feuding for a long time with the campaign directors, who had replaced the ineffectual Oleg Soskovets in February and March. On 18 June, ITAR-TASS, the official state news wire service, reported that at a meeting of Yeltsin’s campaign staff, Korzhakov had attacked Chubais and Sergei Filatov, head of the All-Russian Movement for the Social Support of
the President, who had organized support for the president among the intelligentsia and the general public. Korzhakov said they should not appear so much on television, since “They do not make a good impression on people.” Reporting on this meeting, ITAR-TASS observed that the factions around Yeltsin were already jockeying for influence over the president in the expectation that he would win the second round.

This observation is the key to what actually happened after the first round on 16 June. In the aftermath of Yeltsin’s narrow victory by 35 to 32 percent, the numerous options the president and his campaign had considered earlier now became urgent realities. Thus, the option of making a final deal with Lebed, who had come in third with 14 percent (with financial backing from the Yeltsin camp to draw votes away from more extreme nationalists), became all the more pressing. Since Grachev could never work with Lebed and was a political liability who failed to deliver the military vote, he was now expendable and was fired (or resigned, depending on which version one believes) on the night of 17 June. Yeltsin also launched new efforts to bring other reformers, such as supporters of the Yabloko party led by Grigory Yavlinsky, into his camp. Since the Communists were also now courting Lebed, even offering him Chernomyrdin’s job, haste was essential to win over the retired general. The public has yet to learn all the quid pro quos offered. Korzhakov and company possibly saw Lebed as a formidable rival, and given their opposition to the reform-minded Chubais, Filatov, and Igor Malashenko, they may have been gearing up to strike at them and at the strategy of courting the reformers and Lebed. The facts, however, do not bear this out.

Undoubtedly, the Korzhakov group was at odds with Chubais and his faction. According to Arkady Yevstafeev, one of the two men Korzhakov had had arrested, his interrogators were particularly interested in eliciting information about Chubais’s involvement with the contested funds. Various commentators have argued that the Korzhakov group was also eager to remove Chernomyrdin and find something to use against him, because he had been instrumental in getting Yeltsin to replace campaign director Soskovets with Chubais when the campaign was flagging in February 1996. Indeed, Chernomyrdin cryptically observed that the episode was not the first time people had tried to undermine him.

One should remember that it was Korzhakov who had negotiated the deal with Lebed weeks before the first round. Nor was Lebed in favor of Chubais’s earlier privatization policy, which he has attacked. Lebed advisor Dmitri Rogozin told John Helmer of the *Journal of Commerce* that Lebed was already moving toward Yeltsin in January 1996 and drawing financial and organizational support from Yeltsin’s former close advisor Gennady Burbulis. By April, there were “understandings” between Lebed and Yeltsin so that neither would attack the other. By May, Korzhakov and Barsukov were negotiating the deal to give Lebed the dual post of national security advisor and secretary of the presidential security council, rather than to try to go through a lengthy amendment process and make Lebed vice president and heir presumptive.

It also must be noted that, at the same time as the option of cementing a cartel des anti-communists was activated, Prime Minister Chernomyrdin was nego-
tiating with Communist leader Gennady Zyuganov for a coalition government. Obviously, the first thing that Zyuganov ascertained during their 19 June meeting was that Yeltsin had authorized such discussions. Chernomyrdin voiced his belief that he had always felt cooperation was possible and recognized the need to avoid a society-wide confrontation and split. It also bears noting that Chernomyrdin dismissed Lebed’s talk of a mutiny or coup within the Ministry of Defense as “nonsense,” and that little more of such talk was heard afterward. Nor had Chernomyrdin once talked about democracy or any threats to it, though he did make numerous unflattering remarks about Lebed. Therefore, it seems more likely that Chubais and his faction, fearing an imbalance of power now that Lebed had joined with the former’s rivals, launched a preemptive strike against Korzhakov, but Lebed joined it to rid himself of his unsavory allies. This explanation seems to dovetail with the facts more than any other plausible alternative and accounts for Chernomyrdin’s negotiations with the Communists, his distrust of Lebed whom he rightly sees as a rival, and the facts surrounding the arrest of Chubais’s men.

To recapitulate, on the morrow of Yeltsin’s narrow 16 June victory, the president made a deal with Lebed at Grachev’s expense and began moving toward a coalition with both the liberals and the Communists, while at the same time his own camp was divided. In other words, Yeltsin was pursuing many of the non-military options laid out by his advisors, because there was no need to opt for the military ones. Having won the first round, recruited Lebed, and dumped Grachev, Yeltsin could reasonably count on a majority in the second round even as he authorized Chernomyrdin to meet with Zyuganov. There was no need for or plan of a coup. Lebed’s statements to this effect, and those of Chubais on 20 June when Korzhakov was fired, were either mistakes, dissembling, or lies intended to mask what really happened.

The Day of the Dupes, or What Really Happened

If we are to grasp what really did occur, and how and why it occurred, we must take a step back to examine the Russian political scene in a broader context. Politics in Russia is essentially an elite struggle around small factions whose members are linked by personal and professional ties, and who strongly contend for access to Yeltsin and other top decision makers. The objects of their struggle are political favor, the power to implement policy decisions to benefit themselves, economic concessions, and, of course, control over decisionmaking. In this context, the concept of national interest is, all too often, seen through the distorting prism of personal or factional self-interest. Thus, the decision for war in Chechnya appears to have been influenced by the Korzhakov group’s calculation that a short, victorious war would greatly benefit their standing and that of the president.

Contrary to the belief that Yeltsin was somehow prisoner of these factional Kremlin maneuverings, the president’s favored method of rule is to manipulate and divide the factions around him. Yeltsin elevates one group and downgrades another to keep all off balance, thus safeguarding his own power much as the later tsars did with ministerial intrigues, factional infighting, and the refusal to be
bound by laws and institutional regulations. “Deinstitutionalization,” to use Rowland Evans and Robert Novak’s ungainly but accurate term, has been the consistent hallmark of Yeltsin’s tenure as president of Russia. Other astute foreign observers have made similar analyses. In 1995, just after the invasion of Chechnya, Dimitri Simes wrote that Yeltsin’s personal administration overshadows or even dwarfs the cabinet, and that the president reshuffles ministers as he sees fit. Behind his back, Yeltsin’s subordinates call him “Boss,” “Master” (Khozyain), or even “the leader” (Vozhd, as Stalin was called). Yeltsin has conceded that he operates this way, telling U.S. Ambassador Jack Matlock that he kept all those purporting to act and speak in his name “at arm’s length.” He drew a diagram of a circle with spokes radiating from its center and said, “That way—I can use them when I wish, but they don’t control me or speak for me.”

Korzhakov’s faction constituted one such group and was at odds with other factions; the Gazprom group of energy industries headed by Chernomyrdin, Defense Minister Grachev and his supporters; and of particular importance in this case, the 1996 presidential campaign group around Chubais, Filatov, and the independent NTV television network. The two campaign workers that Korzhakov had arrested were NTV employees or associates—members of the “clan” backed by the financial resources of the Most Group led by Vladimir Gusinsky, the Logovaz Company led by Boris Berezovsky, and the political resources of the mayor and boss of Moscow, Yuri Luzhkov, who was re-elected in a landslide on 16 June. Gusinsky and Luzhkov had many scores to settle with Korzhakov. Just before the December 1994 invasion of Chechnya, Korzhakov’s security forces invaded Gusinsky’s offices to silence his media campaign against Yeltsin and the then-covert misadventure in Chechnya, and his campaign on behalf of Luzhkov, who held presidential aspirations. The raid caused Gusinsky to flee to England and Spain for a time, leading Luzhkov to reaffirm his solidarity with Yeltsin.

There is little doubt that the Gusinsky-Berezovsky-Luzhkov faction had been seeking its revenge and was preparing for the impending opportunity. Indeed, even before the first round of balloting, some signs of the coalition were emerging. On 11 June “an almost sensational deal” was announced. Gazprom’s joint stock company purchased 30 percent of NTV. Igor Malashenko, NTV president and a key figure in Yeltsin’s campaign, stressed the extreme significance of the purchase on the eve of the election while discounting fears that NTV would become dependent on the gas monopoly. Gazprom Chairman Rem Vyakhirev stressed the role of public opinion in influencing his decision. One can see here the cementing of an alliance between the Most-NTV group and Gazprom that would clearly target Korzhakov and his clan, as well as Lebed. This coalescence or gathering of clans was in preparation for either a Yeltsin victory or defeat; the Most-NTV and Gazprom clans had much to lose from the attacks on corruption and privilege promised by Korzhakov and Lebed, on one side, and the Communists, on the other.

Now that Yeltsin had won a narrow victory based on Luzhkov’s majority in Moscow, a Yeltsin stronghold, and the television campaign’s “get out the vote” activities, the rival factions in the Yeltsin campaign team immediately began to
reassess their positions in light of an expected victory, especially when Lebed officially came on board. According to some insiders, Lebed’s decision was not surprising. The Times of London reported that the Yeltsin campaign financed Lebed’s media exposure, making the retired paratrooper’s effort the second best funded operation in the election.45 Newsweek also confirmed that the deal with Lebed was made weeks before the election, when hardliners and reformers each put aside their differences. Money then flowed to Lebed and he received more time on pro-Yeltsin television networks, including NTV.46

It would be surprising if the Most Group and NTV had not been directly involved; the objective was to divert nationalist and patriotic votes from the Communists and ultranationalists, and as one banking source noted, “apart from the money Lebed was receiving and the airtime he was allowed, he was the only presidential candidate not to attack Yeltsin.”47 This support for Lebed also suggests how Yeltsin, as many expected, deceived the electorate and cast a giant shadow of doubt over the seemingly democratic nature of the process leading to the first round of balloting.

It is also clear, as Yeltsin himself remarked, that many liberals and reformers not only had been urging that Grachev be removed, but had been insisting that Korzhakov’s entire faction be ousted because of its power, obstruction of reform, tendency to resort to force, corruption, apparent preference for a deal with the Communists, or even a desire to suspend the elections. Having opted for the reformers and anti-Communists with his moves toward Lebed and other liberals like Grigory Yavlinsky, and using Chernomyrdin as a decoy or fallback alternative to the Communists, Yeltsin and the Most-NTV campaign group now had little reason to keep Korzhakov. The presidential security chief and his faction were a liability to the expected second-round victory and an obstacle to the designs of the Most-NTV clan, as well as to Lebed.

Thus, the entire sequence of events of 19–20 June appears to have been a carefully staged provocation by Korzhakov’s opponents, and not a foiled coup attempt by Korzhakov himself. Rather than a struggle to save democracy, it was a struggle for the spoils of an expected election victory, merely another round in the factional struggle around Yeltsin.

We can reconstruct the following sequence of events: Korzhakov and his SPB guard force apparently were tipped off that, on the evening of 19 June, the two campaign workers would be leaving the Kremlin with a large sum of money, presumably for corrupt purposes. At about five o’clock on the afternoon of 19 June, Yevstafyev and Sergei Lisovsky were arrested and interrogated for the next ten hours. Undoubtedly, this seemed to be a marvelous way to discredit Chubais, Filatov, and their subordinates. But it was really a trap; Lisovsky and Yevstafyev later claimed that they had been able at some point to contact their colleagues with their cellular telephones to inform them of their plight. This explanation is inconceivable to anyone familiar with the traditional manner of interrogating political detainees in Russia.48 At midnight, NTV broadcast a denunciation of the arrest, and sent a denunciation via fax to the ITAR-TASS state wire service.

Phone calls from Logovaz headquarters where Berezovsky, Malashenko, and
Gusinsky were meeting placed NTV and the state-run ORT network on alert to interview Lebed. The broadcasts apparently assumed a sensational character. At approximately 4:20 a.m., Lebed drove up to the Spassky Gates of the Kremlin, where his car slowed down and he emerged to hold an impromptu news conference with the two television crews who happened to be dispatched there. Lebed denounced the arrests as a mutiny, or at least an attempt, and demanded the campaign workers’ release.

This incident is crucial, because official vehicles never slow down as they approach the Spassky Gates. Instead, they accelerate for security reasons until they are well inside the Kremlin compound. Also for security reasons, television crews are never permitted at the gates without a prearranged meeting or photo opportunity. The midnight NTV report, the camera crews at the Spassky Gates, and Lebed’s seemingly impromptu press conference were all organized parts of the coup’s script. They were part of the provocation against Korzhakov and company who, to put it bluntly, were set up.

Unfortunately, the conspirators’ inexperience showed, for their cover story has unraveled steadily since 20 June. First, Lisovsky and Yevstafyev were carrying $538,000 as authorized by the Ministry of Finance, a fact that indicates that the ministry has at its disposal a large, unaccountable hard currency slush fund for black operations such as bribing the media, a widespread and massive characteristic of the campaign. Second, the case shows that Korzhakov and his group acted in accordance with procedures and that they were clearly set up. Otherwise, why would two men carrying money with official authorization not reveal their mission to the authorities and avoid an unpleasant and scandalous interrogation? Obviously, the reason is that they could not admit that the funds were for black operations directly financed by the government. The existence of these monies also testifies to the government’s deception of the International Monetary Fund (IMF), which has not received full information concerning the sources of funding available to and employed by the Russian government. Indeed, it would be interesting to learn where this and other such monies originated, whether from tax receipts or foreign sources such as the IMF loans. Diversion of IMF-provided funds intended for economic stabilization or debt service would mean that Western aid financed Yeltsin’s re-election and the large-scale corruption of the democratic process. Third, the facts invalidate Chubais’s vehement denials that Yevstafyev and Lisovsky were carrying the money, and throw into question Chubais’s contention that the Korzhakov group was planning a coup. In fact, as Yeltsin undoubtedly knew when he appointed him chief of staff, Chubais has not yet told the truth in his account of the events.

Furthermore, the initial sequence, alleged to have taken place on the morning of 20 June, now appears not to have been the case. Allegedly, after a series of hur-
ried meetings of Yeltsin’s campaign staff and the security council that morning, Korzhakov and his two closest security associates were fired. In fact, Yeltsin and Lebed both denied that the security council had discussed the events. Instead, Chubais spoke of the affair to Yeltsin directly. And while Yeltsin approved, Chubais was apparently not soon forgiven; only on 12 July did Yeltsin announce his intention to make Chubais his chief of staff, undoubtedly as a check to Lebed. Furthermore, Yeltsin’s press statement on 20 June, where he looked like the proverbial cat who had swallowed the canary, suggested his own involvement; he feigned surprise at the reports of the extent of the Korzhakov group’s corruption and the threat the group presented to his regime. The next day, he suddenly inveighed against corruption in the military leadership. At the same time, it appeared that Chernomyrdin, sent to disarm the Communists with talk of a coalition, knew that there was no coup from Grachev and the Korzhakov faction, and strongly implied the falsity of such claims. Thus, the cover story began to unravel within twenty-four hours of the firings of Korzhakov, Barsukov, and Soskovets. Subsequently, it unraveled further when Lebed denied that there was a defense ministry coup conspiracy. Nevertheless, the firings were popular, strengthening the appearance of Yeltsin’s commitment to reform and enhancing his chances of victory.

The problem with public perception of that appearance was that democracy was not endangered by a coup, but by Yeltsin and his eponymous reformers. Rather, “Yeltsin has said almost nothing about the direction he would take the country in a second term.” The “long and arduous struggle” between factions, in the words of Chubais, is hardly over. Rather, it was only the beginning of a new stage, while the economy, society, and government remain in crisis without any indication from Yeltsin as to what reform means, other than the very tsarist formulation to trust him as leader. Anticipating his second term and having unleashed powerful inflationary expectations with his promises and various constituencies, Yeltsin will have to take on major economic and social problems, and must fight increasingly entrenched interest groups and factions. One can be sure that the interests represented by those he fired will gravitate toward a new faction and leadership promising to continue the struggle in a new context.

In short, the game will go on, and the quasi-tsarist style of rule will continue as the norm. On 22 June, Chernomyrdin pointedly stated that Lebed’s responsibilities and powers would be limited to those specified in the law on the security council. The prime minister noted that people could request powers from the president, but could not demand them. Denying a coup, he stated that the putsch from above was necessary for Yeltsin to retain the presidency and that the scandal was “not the first case of people doing things to undermine me.” Undoubtedly, he was warning Lebed not to move faster, but Lebed was soon demanding to be vice president, attacking his rivals in the army and government, boasting of his ambition to be president, and seeking to control the Federal Security Service and Federal Agency for Government Communications and Information.

Increasingly, Russian politics will be seen as a struggle for Yeltsin’s succession, given his poor health and the broad suggestion that Lebed might be his heir—an idea that quickly crystallized the opposition to him by those who would
then lose out. Thus, while capitalist or semi-capitalist policies might turn out to be the victor in Yeltsin’s second term (we say semi-capitalist because real economic power depends on access to government favors and the big banks that the government can greatly influence), one cannot say that democracy or rule of law; effective, democratic, and civilian control of the armed forces; and presidential accountability have won. More likely, they have lost. Even if the people voted for democracy, the fact that the government had to engage in massive corruption and lawbreaking to achieve the result undermines the very purpose and legitimacy of the election. In any case, the parliament remains heavily opposed to Yeltsin and his government and can easily produce gridlock.

Conclusions

Yeltsin’s “night of the long knives” or “day of the dupes” does bear resemblance to other coups, like those by Hitler and Cardinal Richelieu, who eliminated unwanted factions with or without bloodshed. This coup had little or nothing to do with democracy and everything to do with the bitter factional struggle prevailing under Yeltsin that appears to be inherent in Russia’s despotic, semi-tsarist form of rule.

Undoubtedly, Russia has made strides toward democracy. Communism will not be allowed a revival, though it would have appeared as fascism had Zyuganov won. The election campaign now stands revealed as a process conducted under false auspices where the public was deceived on a grand scale as to why Lebed was running and how he could afford to do so. It is as if President Clinton had supported Ross Perot or another third party in 1996 to siphon off Republican votes, massively overshooting the funding limits while denying the Republicans equal time. In many ways, the election process was fraudulent and deceitful, and cannot be said to have produced an untarnished mandate for democracy. This conclusion was expected by all who believed that Yeltsin would never surrender authority; the only doubt was how he would go about staying in power. Rather, the mandate is for another coup from above and for a continuation of the elite’s internecine struggles, which leave the population essentially disenfranchised.

One cannot be sure that Lebed’s policies will work. First, his concept of military reform was at odds with Yeltsin’s recent commitment to an all-volunteer and professional force by the year 2000. Second, his anti-corruption crusade led to a violent struggle with those—including very prominent political and military figures—benefiting from the status quo. A Colombian-type scenario is not far from reality, given the rash of political assassinations across Russia. Third, Lebed supported a Chechen referendum on independence, assuming that the Chechens will vote to stay part of the Russian Federation, a highly dubious assumption that could backfire on Moscow.

Furthermore, the idea of a government of laws has not gained strength. Yeltsin corrupted the election process and refuses to hold himself accountable to anyone, especially in regard to defense policies. He and the Communists again truduced the law by agreeing to set the presidential runoff election date on 3 July, a Wednesday, instead of on a weekend as clearly stated in the law. The so-called
Yeltsin's Newest Coup

liberals around new presidential Chief of Staff Anatoly Chubais put little of their fate in mass democracy or rule of law, rhetoric notwithstanding. Otherwise, they would not have pulled off the coup. This entire sequence reveals that Russia's twenty-two security and defense organs have been politicized by the civilian leadership. The fact that SBP presidential security and the FSB were poised to suppress the campaign in the spring, are rife with corruption, and are employed to settle internal political scores, underline the fact that hitherto there had not been effective, democratic, civilian control over the “power ministries.” Instead, the special services are Yeltsin’s or Korzhakov’s, or Barsukov’s, or are the private forces of someone else. Moreover, the laws allow Yeltsin, or those acting in his name, to use force for myriad purposes and effectively suspend any democratic prerogatives.

It is a tribute to the abiding American faith in elections as a test of democracy in troubled, politically torn states that these machinations could be seen as enhancing democracy. It is true that the defeated were corrupt and probably opposed to the very notion of elections, or at least were skeptical of them. Nevertheless, the facts are that once again the rule of law was flouted, presidential accountability was and is consistently denied, and the armed forces are not under effective democratic control. The returns of the first round show that two-thirds of the country opposed both Yeltsin and the Communists. In significant measure, the election was fraudulently organized. The possibility of a true putsch against the authorities, as well as the politicization and domestic use of the power organs, suggests a different picture from the optimistic view of many Americans. No state in which the above pathologies are regular, daily features of political life can justly be labeled democratic. Nor can Russia be so labeled. Although undoubted progress has been made since 1991, that progress has been crablike, moving forward and backward, either in sequence or at the same time. By promoting Lebed openly into the leadership and dumping his rivals and those of Chubais, Gusinsky, and Luzhkov, Yeltsin has not proven to be a democratic or a reformer. He has merely reasserted his tsardom and triggered a new turn in the factional struggle. By suggesting Lebed as his successor, he has defined the axis on which that struggle will most likely turn.

Though Lebed now claims to be a democrat and a reformer, nothing in his experience or temperament suggests democratic inclinations. On numerous occasions, he has made clear his admiration for Pinochet’s rule in Chile. Let us remember that Pinochet’s 1973 coup aimed to avert an election that would have ratified socialism as Chile’s governing system and represented a general’s use of the armed forces as his personal power base, i.e., another politicized military force. Lebed’s intention to wage a war on crime and corruption, which are deeply entrenched in the government, could have led to just that, a war.

Let us also remember that Lebed’s presidential campaign was evidently conducted under false pretenses to prevent a true expression of the popular will and that his ascent to power in Yeltsin’s government essentially came about under the guise of a provocation and coup d’etat from above. While some will maintain that whatever the processes used, the results will move Russia forward to reform and
true democracy, the rest of us are more doubtful that democracy can truly be imposed by coups from above or that democracy is what the coup makers are planning. Suffice it to say that we have now seen at least three such coups in the last six years, if one counts the illegal invasion of Chechnya. Having once again received what military specialists call early warning, will we understand the message and act accordingly?

NOTES

2. Daily Digest (Prague: Open Media Research Institute), 24 June 1996. (Hereafter referenced as OMRI Daily Digest.)
5. At a 1995 London conference organized by the U.S. Army War College, the Rand Corporation, the U.S. Air Force Academy, and Kings College of London, many of the Russian generals present openly expressed the view that a civilian commander-in-chief equates to civilian control.
6. Lebed organized a cease-fire, peace process, and troop withdrawal from Chechnya, and on 31 August 1996 declared the war to be “over.”
22. Hockstader, 23.
24. Hockstader, 23.
26. Ibid.
28. Ibid.
29. Ibid.
30. OMRI Russian Presidential Election Survey, No. 9, 14 June 1996.
31. Marc Galeotti, “How to Rig Russia’s Elections,” Jane’s Intelligence Review (July 1996): 291. And it now appears that up to 1.5 million votes were switched illegally to Yeltsin in the second round.
32. Ibid.
34. OMRI Daily Digest, 19 June 1996.
35. Ibid.
36. OMRI Daily Digest, 21 June 1996.
38. OMRI Daily Digest, 24 June 1996.
40. OMRI Daily Digest, 19 June 1996.
43. Matlock, 734.
49. Ibid.
51. The Russian Ministry of Finance released this information to Interfax on 1 July. The authors are indebted to Jacques Sapir of the Ecole Protique des haute Etudes en Sciences Sociales in Paris for furnishing the material.
52. The military prosecutor’s office subsequently determined that the arrest and detention was legitimate. The Moscow city prosecutor’s office initiated criminal proceedings against Yevtushenkov and Lisovsky, who were to be charged with “attempted violation of hard currency regulations involving especially large sums,” Obshchaya gazeta, 12 September 1996.

53. Sapir raises this point in his analysis of the finance ministry’s dispatch.


55. Segodnya, the daily owned by Gusinsky’s Most Group, speculated that Yeltsin’s decisiveness against his longtime confidant Korzhakov suggests advance preparation. See Segodnya, 19 June 1996, trans. in FBIS-SOV-96-120, 20 June 1996, 33–34. Similarly, Lebed told Rossiyskie Vesti that the incident was not discussed at the security council on 20 June since it “was of no interest to the president or me.” Rossiyskie Vesti, 19 June 1996, trans. in FBIS-SOV-96-120, 20 June 1996, 32–33.

56. OMRI Daily Digest, 21 June 1996.
