

Russian and the US: War, Class, and the State Apparatus

Aaron Kim

Department of Political Science, Diablo Valley College

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Professor John Kropf

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Abstract

Tensions between the Russian Federation and the United States of America have been steadily intensifying since the collapse of the Soviet Union. The current war in Ukraine serves as the most recent and incendiary flashpoint in this trend of worsening relations as the Russian Federation's growth in regional power continues to challenge American hegemony by prodding at the United States' new post-Cold War sphere of influence. Furthermore, propaganda and alarmist narratives in the news media of both sides of the conflict have made discussions regarding possibility of direct war between the two nations a popular hypothetical in public political discourse. This paper will consider the recent economic history of these two nations and analyze the state apparatus' relationship to the class dynamics of both countries through the Marxist theoretical framework. From the western transnational capitalist class' interest in propagating neoliberal economic policies worldwide and supporting American hegemony, to the rise of the Russian capitalist oligarchy and the accompanying Russian petrostate in the wake of post-Soviet privatization, the analysis of these dynamics through the Marxist class system framework will be used to argue that direct war between the United States and the Russian Federation is possible, yet highly unlikely.

Russia and the US: War, Class, and the State Apparatus

It is no secret that relations between the Russian Federation and the United States of America are souring. These rising levels of mutual disdain and distrust between the two nations can be seen not only in the realm of geopolitics, but also in the opinions of the working-class masses of both nations. A recent Gallup poll shows that unfavorable views of Russia have been steadily and consistently rising among Americans in recent years (Russia 2022). The Levada Center, an independent research organization based in Russia, reports a similar rise in unfavorability toward the US among the Russian public (Russian-American Relations 2022). Without further analysis, the increasingly hostile geopolitical actions conducted by the states of either nation may then seem to reflect the desires of their populations, but when one accounts for the reality of class structure and the inherent nature of the state apparatus, it is quite apparent that this simply is not the case. This paper will seek to first analyze the class dynamics of these two capitalist plutocracies and then move to analyze their relationship to the base and superstructure of their respective nations as well as global political economy to determine if direct war between the two nations is likely.

Privatization and the Roots of the Russian Oligarchy

The 1990s were a chaotic time of immense suffering for the Russian working classes. On December 26, 1991, the Soviet Union officially dissolved. The chaos of political collapse reverberated throughout the former Soviet Union. Inflation skyrocketed, wages dropped, unemployment soared, and social welfare programs were cut (Huygen 2012). The first modern nation founded by socialist revolutionaries was no more and in its ashes were a collection of states who were all now scrambling to find their place in the world of neoliberal capitalism.

Previously subject to a highly-centralized command economy, citizens of the newly independent republics now had to deal with the chaos of capitalism's rapid implementation into their societies. In the midst of rapidly changing class dynamics, the new nations navigated the push to privatize in various ways. The newly founded Russian Federation found itself under the leadership of president Boris Yeltsin who pursued a policy known as "Shock Therapy." Under this policy, the Russian working classes were confronted with the removal of price and wage controls as well as the hasty transfer of the state-owned enterprises of the Soviet Era into private hands with the approval of Western advisors and international financial institutions such as the International Monetary Fund and the World Bank (Dresen n.d.). Under the belief that the assumed efficiency of privatized industries would quickly rebound the Russian economy from its abysmal state, those involved in reconstructing the Russian economy in the capitalist image pushed an expedited transition into a capitalist economy complete with the exponential growth of wealth inequality and the cursory implementation of the capitalist market.

From 1992 to 1996, the new Russian government rolled out mass privatization policies such as the voucher system. The voucher system was created with the intent of rapidly distributing private ownership over previously state-owned enterprises amongst the Russian people while also maintaining high public support for the economic reforms (Cioci 2016). Based on a similar system of voucher privatization in the Czech Republic, the vouchers were each worth about 10,000 rubles, equivalent to about \$37 today, and allowed for private citizens of the Russian Federation to gain partial ownership over many previous state assets. The Russian system saw the transfer of 15,000 state-owned firms into private hands in just two years (Nellis 1999). Led by Anatoly Chubais, the liberal economists tasked with reforming the Russian economy included measures meant to win over popular support and disarm their still powerful

communist political opponents (Appel 1997). These measures, however, left some major flaws that made the voucher system easily exploitable by opportunistic managers who succeeded in outmaneuvering unorganized and struggling workers to gain large majorities over their firms. Among these policies is the concept of the “People’s Property” which, unlike their Czech counterpart, allowed for the free exchange of vouchers within the Russian system and led to the concentration of the shares over the most valuable state assets in the hands of a small but wealthy group of people who were mostly in advantageous positions in management or the bureaucracy (Nelson & Kuzes 1994). Those who made money during the chaos of the initial implementation of capitalism in Russia were then able to use this newfound wealth to further cement their economic and political power.

In an interview with Wilson Center, author of *the Privatization of Russia: Russian Reform Goes Awry*, Marshall Goldman, notes another category of people who grew wealthy from the privatization of state assets during the Russian transition to capitalism: the nomenklatura oligarchs. These oligarchs, having been members of the former Soviet Union’s political elite, used their positions of power to gain ownership over the industries they managed. An example of this would be Viktor Chernomyrdin, who oversaw the production of natural gas during the late Soviet Union, but went on to lead a rich Russian natural gas monopoly called Gazprom after the Soviet collapse (Dresen n.d.).

The Influx of Western Multinationals and the Rise of the Russian Petrostate

A crowd of hundreds stand in the snow, wearing thick fur coats and ushankas. They stand in a line so large that it twists and curves before wrapping around the unassuming single-story building they all patiently wait to enter. This building is a McDonald's in 1990 about to have its grand opening: the first of its kind in the Soviet Union. This image of Soviet citizens eager to try

what most Americans would consider cheap and low-quality food is one of the most poignant and ubiquitous images of the late Soviet period. A period in which Gorbachev's reforms filled the capitalist west with a sense of optimism; an optimism that was not dashed by the collapse of the Soviet Union and subsequent societal turmoil that would come not more than two years later. The policies of the Gorbachev period marked an unprecedented leniency toward capitalism in the Soviet Union: a leniency that would soon manifest into enthusiastic acceptance with the adoption of economic liberalism under the following establishment of the Russian Federation and the Yeltsin presidency.

The rush to profit from the rise of Russian capitalism was not just limited to fast food corporations. Russia had a large untapped labor force, consumer market, and a vast wealth in natural resources. For these reasons, the country quickly captured the interest of western multinationals who were eager to take advantage of the collapse of the Soviet Union and mass privatization of state enterprises to gain access to these markets and resources. The Yeltsin administration's Shock Therapy austerity policies encouraged foreign investment. For example, the aforementioned leniency of the voucher system saw many shares of previously state-owned enterprises end up in the hands of foreign multinationals as Russian citizens dealing with high inflation and unemployment sold them for cash (Huygen 2012).

These conditions created the perfect environment for international capitalist exploitation. Some of the most eager corporations were western oil conglomerates who sought to take advantage of Russia's vast hydrocarbon resources. The hydrocarbon sector of the new Russian economy began with the old Soviet Ministry of Oil Industries gradually being split into multiple large private corporations and one large state-owned enterprise headed by oligarchs (De Groot 2022). While stalling in the late 1990s, the sheer amount of Russia's hydrocarbon supplies

allowed the Russian petroleum industry to easily obtain a dominant position over the world petroleum supply. This industry quickly grew to become dominant in Russia's economy as well with it comprising up to 30 percent of the country's GDP by 2013. The Russian economy became increasingly oriented toward the export of commodities which saw the export market obtain a 20 percent growth rate from the mid-1990s to 2013 with oil comprising more than half of the income made from exports (Aron 2013). By the early 2000s western oil conglomerates were rushing to invest in Russian petroleum with oil giants such as BP, Shell, Exxon, and Chevron making deals and acquiring significant stakes in Russian oil assets (De Groot 2022).

By the early 2000s, the wealthiest of the Russian oligarchy, who have now become entrenched in the new capitalist system, had grown to own many of Russia's financial institutions (Dresen n.d.). This industry itself became inextricably linked with the petroleum industry with the most powerful banks in Russia being controlled or directly owned by Russian oil corporations (Gneditskaia 2005). This has the effect of reinforcing and perpetuating Russia's pivot toward becoming a petrostate.

The Primakov Doctrine, Putin, and the Siloviki

The difficult decade following the collapse of the USSR left an impression on many Russians. The initial experiments with economic liberalism had gone poorly and had resulted in a class of business oligarchs who seemingly had free reign over the state. The enthusiasm of the Gorbachev era had decayed into the realization that the world order of American hegemony was not willing to make room for a prosperous Russia and only wanted the ability to exploit Russia's natural resources and untapped consumer and labor markets. Many within the class of business oligarchs who arose during the period of liberalization and Shock Therapy directly benefited from the western exploitation and negligence of their own nation. These class incentives, along

with the power these oligarchs had over the Russian state, made it appear as though capitalist Russia could be doomed to continue struggling in these economic conditions if nothing was done to change the trajectory of Russia's political economy. This truth began to grow abundantly clear to many Russians outside of the oligarchy. Among the working classes, the hardships of the previous decade had eroded much of the excitement for market reforms that the Russian people may have held during the late 1980s and early 1990s. The turmoil of the first half of the 1990s also created desire amongst a segment of the Russian ruling class who began to grow less trusting of the West.

In 1996 Yevgeny Primakov was appointed the foreign minister of the Russian Federation by Boris Yeltsin. Primakov was staunchly against American hegemony and would formulate the Primakov Doctrine: the guiding principles of Russian foreign policy from that point on (Peterseim 2022). This doctrine posits that the Russian state should staunchly oppose a world under American hegemony by opposing NATO, prioritizing its own military strength, and supporting other powers so that a multilateral force can grow to oppose the American world order (Rumer 2019).

This change in Russian foreign policy is soon followed by a dialectical struggle amongst different segments of the ruling class for power over the Russian state. By the year 2000, hatred of the oligarchy and the corrupt system that upheld their power was widespread amongst the Russian public. Paying lip-service to the working class' frustrations, career-KGB lieutenant and politician Vladimir Putin won his first term in office. Putin's presidency would mark a drastic shift in the ruling class of Russia. During his campaign Putin made promises of eliminating the oligarchic class from Russian society, but once in power he only targeted oligarchs who threatened his power (Rosalsky 2022). Putin would remain very influential over Russian politics

from that point on. His first term as president would last until 2008 before being replaced by a Dmitry Medvedev, who was from a party under Putin's control, before again returning in 2012 and now exercising the ability to stay in office until at least 2036.

While Putin did not follow through with his promises to eliminate the old oligarchy, his presidency marked the rise of a new ruling class. In exchange for their cooperation, the old oligarchy was allowed to maintain their wealth but no longer had the unchecked control over the Russian state as they had before. In their place arose the Siloviki. Also known as the "securocrats," this class is composed of people involved in, or once involved in, what is known as the Ministries of Force. These ministries are tasked with wielding force and violence in the name of the state and include such organizations as the former KGB, and its successor the FSB, and the Interior Ministry. Those within these organizations are trained into strict codes of conduct which include extreme loyalty to the group, secrecy toward outsiders, and fanatical adherence to hierarchy (Illarionov 2009). This clandestine complex of hierarchical authoritarianism creates a state within a state which itself contains internal class divisions and acts to accomplish the class interests of the ruling class of this complex: who also just so happen to the ruling class of Russia as well. It would be a mistake to assert that the capitalists of Russia no longer exist, nor benefit from this new order. Rather, their class interests were forced to adapt to the class interests of the Siloviki who benefit from preventing Russia's integration into the system of American hegemony.

The Western Plutocracy

The Western imperial core is composed of multiple capitalist nations whose ruling classes exploit their own working classes, but also directly or indirectly imperialize the working classes and natural resources of developing nations as well. Their worldwide reach and

domination over intergovernmental organizations allow this class dynamic to transcend national borders and condense into the form of a new class termed by sociologists as the “transnational capitalist class” (Phillips 2018). The continued existence of this class requires both the military enforcement of this form of international capitalism and the financial oppression of deviant nations or nations with valuable resources so that the party or social class most friendly to the transnational capitalist class’ interests stay in power within subjugated nations. While most countries within the Western imperial core, such as France, participate in their own imperial domination of developing nations, the overarching system of modern globalized capitalism is inherently rooted in American hegemonic power. For this reason, nations whose ruling classes actively oppose the interests of the transnational capitalist class find themselves immediately at odds with the United States.

The United States has remained a superpower since the end of the Second World War, and a largely unchallenged one after the collapse of the Soviet Union. As a result, the United States was allowed to direct globalization to suit the interests of its own ruling class. The International Monetary Fund, the World Bank, the G7, NATO, and other such organizations were formed for this exact purpose. Being tasked with the responsibility of leading the maintenance of this world order, the US military and NATO specifically act as the military bodyguards for the interests of the transnational capitalist class which principally involves maintaining the global system of capitalism that created their class in the first place.

The United States is also not above direct clandestine interventionism when dealing with a regime unfriendly toward the exploitation of its people and resources by Western corporations. The United States has supported terrorists, violent right-wing extremists, and dictatorships friendly to its interests in countries such as South Korea, Guatemala, the Philippines, South

Vietnam, Chile, Afghanistan, Albania, Ukraine, China, Colombia, El Salvador, Ghana, Guatemala, Haiti, Honduras, Indonesia, Iran, Israel, Saudi Arabia, Argentina, Cuba, Mozambique, East Timor, Angola, Granada, the Congo, Iraq, the Dominican Republic, Greece, Laos, Libya, France, Mexico, Myanmar, Nicaragua, Pakistan, Turkey, Panama, Syria, and Uruguay (Parenti 2011). While this list is not exhaustive, it demonstrates the global reach of the American state's anti-democratic and pro-capitalist actions during the 20th and 21st centuries.

Opposing Interests: Russia and the United States

Capitalism has a growth incentive: meaning that corporations are always expected and incentivized to pursue larger returns on investments. Because profits are what remain after the costs of business are paid, such as labor and raw materials, corporations can make more profit by reducing these costs. This means corporations are incentivized to acquire raw materials and labor for the lowest price possible by any means necessary. This is why nations that either nationalize or enact protectionist policies on key industries, such as petroleum, often find themselves the targets of the American hegemonic power.

While he has always tolerated foreign investment, Vladimir Putin has also always been skeptical of an overdependence on them. The Primakov Doctrine's emphasis on a strong Russia free from the yoke of Western imperialism strongly disincentivizes the ruling class of Russia from allowing their most important sectors to be acquired and dominated by Western firms.

This Siloviki-dominated state's ardent adherence to the Primakov Doctrine also prevents it from allowing for the further encroachment of NATO forces around Russia's borders, and the further integration of Russia's once-allies and vassals into the American hegemonic order. This is in conflict with the transnationalist capitalist class's inherent interest to constantly expand. Ukraine is a flashpoint of these conflicting interests, not only due to the desire among some of its

citizens to further integrate into the Western world order, but also due to its historic ties to Russia and strategic value in commerce and military.

Ukraine itself has developed a capitalist class who, like the first generation of Russian oligarchs, would benefit from further integration of their nation into the Western economic order. To most Ukrainians, however, the battle is mostly one of national identity. Both Russia and the West are now capitalist and as a result, the ideological divide along which Ukrainians are split is not one directly concerned with economic ideology. Still, class plays a role here as class is more than merely an economic relationship to the means of production. Human societies can often place people within the same state into different social classes based on factors such as ethnicity, religion, language group, and region of origin. Those of the East of Ukraine who desire independence from Kyiv or integration into Russia really want independence from a state they feel to be hostile to their identity, whereas those in the West of Ukraine who want integration into the Western world order want to distance themselves from what they feel to be a hostile imperial power to their east who have long oppressed them. For this reason, those in the West of Ukraine may see it as unacceptable to allow the East to have its independence as they do not believe the sincerity of the Eastern narrative. This disconnect points to uneven access between the two portions of the Ukrainian nation to the state apparatus thereby leading to one group feeling disenfranchised and the other unaccepting or unbelieving of the former's sincerity. These endemic divisions within the people who inhabit the territory of Ukraine have now been linked to the struggle between the capitalist interests of the American hegemonic world order, and the multilateral interests of the Russian Federation, thereby elevating it to the status of proxy war between the two conflicting class interests.

The State Apparatus and War

In order to ascertain the likelihood of a direct war between the Russian Federation and the United States of America through a theoretical framework based on class, one must first inspect the relationship between class dynamics and the modern nation state.

So, what is a state? In the preface to *A Contribution to the Critique of Political Economy*, Karl Marx divides the elements of society in two components that constantly influence one another: the base and the superstructure (Marx 1859). The base is composed of the basic components of production and the superstructure is composed of the rest of society built on top of the base. An example of the former would be a natural resource and an example of the latter would be the state. Under an hierarchical system such as capitalism, both can be seen to be firmly under the control of the ruling class. When the ruling class controls the base, the superstructure that is constructed from that base serves to reinforce and perpetuate socioeconomic relationships that awarded the ruling class their position of power in the first place. The capitalist state, from this perspective can therefore be seen as something that arises from the means of production to reinforce capitalist hierarchy itself.

A similar idea was expressed by philosopher and economist Max Weber who defined the state as “a human community that (successfully) claims the monopoly of the legitimate use of physical force within a given territory” (Weber 1946). Weber is expressing that the state has the power to legitimize the use of violence within its jurisdiction. If one expands this definition to include systemic non-physical violence, the state’s pivotal role in the maintenance of capitalism can be ascertained. Private ownership of the means of production is the main determinant of whether one is within the advantaged class of owners or within the classes of laboring masses.

Private property as we know it in modern capitalism can only exist when reinforced and legitimized by the state apparatus.

When these two conceptualizations of the state are taken into account, along with the class dynamics of the United States and the Russian Federation, one may arrive at a conclusion regarding the likelihood of a direct war between the two nations. War is possibly one of the most visible forms of systemized violence known to human society. A given state's ability to legitimize violence is especially tested when a state decides to go to war. While a state's process for legalizing a given war, and adherence to its own laws regarding its legitimization, can vary wildly, what never changes is that wars conducted by societies with class hierarchies, as in capitalist states, will always entail members of working-class masses dying at much higher proportions than able-bodied members of the classes that rule them. What this means is that the ruling class must effectively manipulate its control over the superstructural aspects of society to not only legitimize the war within its own legal system, but also convince the working-class masses to risk injury and death, as well as support the war effort economically. In some societies and situations this is much easier. For example, people are much more willing to fight when their homes are being directly invaded, or if they are deluded into believing that the war is a sort of divinely selected mission or some variation thereof.

In order for a war to happen certain conditions must be fulfilled in one of one or both nations. Firstly, the ruling class of either of the nations must believe that it stands to benefit from going to war with the other. Secondly, the working classes of the instigating nation must be convinced or incentivized into supporting and eventually risking their lives for said war. This is to be done through the dissemination of propaganda via the ruling class' control over the superstructural elements of society such as ideology, media, and education. Thirdly, the societal

foundation that both the ruling class' power and the working class' loyalty is dependent on must be able to withstand the consequences of war, including international condemnation. Lastly, the instigating state must have the resources to at least begin the war. The reason why these conditions only need to be fulfilled in one of the nations is that the instigating nation's attack on the other nation will force the latter into a defensive war or immediate surrender.

As it stands today, the likelihood of direct war between the US and Russia is highly unlikely for multiple reasons. The American propagandistic superstructure, while effective at lowering approval rates of Russia among the American people, still likely lacks the force necessary to convince the American people to risk their lives at the scale necessary to go to war with another major military world power like Russia. The Russian people and oligarchic classes would also not risk going to direct war with the still very powerful American military empire. The Russian ruling class also would likely not directly benefit much from a war at the scale of a direct confrontation with the US military or NATO. The international condemnation experienced by Russia for invading Ukraine would be multiplied immensely should they instigate a war with the United States directly. While the United States military industrial complex may benefit temporarily from a war with Russia, instigating a direct war with Russia may prove too much for America's allies to stand by and embolden America's rising rivals to support Russia.

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