Russia in the 1990s: Independence and the Yeltsin Years

When the USSR collapsed in 1991, the 15 former Soviet republics set out on a new and uncertain course as independent states. Russia, the largest and most powerful, inherited the USSR’s place on the United Nations Security Council and was seen as the successor to the Soviet state. However, independent Russia entered the 1990s in a much weaker position than the USSR and faced economic and political chaos that would last through the decade. The demise of the Soviet Union gave new freedoms to Russians and opened the country the West, but the period is often remembered as a time of hardship.

INDependent Russia: Early Years

On New Year’s Eve 1991, the USSR was legally dissolved, bringing an end to the Soviet empire after more than seven decades. The newly independent Russian Federation faced a number of serious challenges. Boris Yeltsin, the country’s first president, inherited a faltering economy, a massive bureaucracy, and an industrial system that was in desperate need of modernization.

Mikhail Gorbachev’s attempts at economic reform had proved ineffective. Shortages of basic items had become commonplace as reformers struggled to transform the command economy to a market system. The currency was rapidly losing value as inflation sent prices skyrocketing, and major industries were on the verge of bankruptcy.

Yeltsin also faced a growing challenge from other politicians. When Mikhail Gorbachev’s reforms allowed multiparty elections in the waning years of the Soviet Union, non-Communist Party candidates rose to power for the first time since 1917. However, the Communist Party did not disappear with Soviet collapse. Communist Party members held a large number of seats in the parliament, known as the State Duma, and posed a serious threat to Yeltsin and his reformist allies.

For regular Russians, the 1990s was a decade of uncertainty and immense change. New freedoms and the demise of communist ideology ushered in a period of cultural experimentation and an influx of movies, music, television, and business from Western Europe and the US. However, the economic crisis and political chaos meant that life was difficult. The period also saw the rise of oligarch clans and the mafia, which grew powerful throughout the country. Corruption spiraled out of control as the state proved unable to provide basic services and enforce the law.

Boris Yeltsin served as Russia’s first president.
**CONSTITUTIONAL CRISIS OF 1993**

In October 1993 the world looked on as a dramatic standoff played out between Russian President Boris Yeltsin and his opponents. Russian tanks shelled the Russian White House, the seat of parliament, which was occupied by members of the anti-Yeltsin resistance. The event was an unprecedented show of force by the new leader of independent Russia and was the deadliest single instance of street violence in Moscow since the revolutions of 1917.

The violent standoff was the culmination of a number of events that had been unfolding since the demise of Soviet Union. Russia entered independence with a growing economic crisis, which only got worse as Yeltsin attempted to implement sweeping reform. His policies included new taxes, huge cuts to government spending, and the end of price controls. Russia’s economy quickly shrank, prices skyrocketed, and free-market reform efforts grew deeply unpopular among many regular Russians and among Yeltsin’s opponents.

By 1993 Yeltsin faced growing resistance in the parliament. During the transition to independence, Yeltsin had been granted special powers as president to oversee reform efforts. He hoped to enshrine many of the president’s expanded powers in a new constitution. Members of parliament had grown increasingly frustrated with Yeltsin’s policies and began defying the president, even refusing to confirm his choice for prime minister, Yegor Gaidar.

According to the constitution, the State Duma, or parliament, was the most powerful government body. In September 1993, Yeltsin, citing his special powers to carry out reform, tried to dissolve parliament. Members of parliament declared the president’s action illegitimate and voted to impeach him. In response, Yeltsin sent police to surrounded the White House and cut the electricity. Armed volunteers joined the resistance and occupied the building. Protests broke out throughout the capital.

On October 4, the Russian army, which had initially declared itself neutral in the conflict, obeyed Yeltsin’s orders to storm the White House. Tanks opened fire, blowing holes in the building and killing nearly 200 people. The resistance surrendered later that day and those who had occupied the building were arrested.

Yeltsin called early elections for December and temporarily banned a number of leftist and nationalist publications that had supported the resistance. He also introduced a new constitution that gave the president expanded powers. The constitution was approved by a popular referendum.

The dramatic events served to showcase growing discontent in Russia. Yeltsin’s victory also helped consolidate the power of the presidency, paving the way for Russia’s current system of centralized power.

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**QUICK FACTS**

**Shock Therapy**—The name given to the rapid privatization of industries and the introduction of market forces following the end of communism in Eastern Europe and the Soviet Union. The centralized economy of the Soviet Union was quickly dismantled. Reformers hoped the transition would bring quick economic improvement, but it led to years of inflation, high prices for consumer goods, and an unstable currency.

**Privatization and Oligarchs**—In Russia many state-owned industries were auctioned off at low prices to investors in the early 1990s. Acquiring massive industries at low prices allowed these individuals to accrue large profits, creating a class of business owners known as oligarchs. The oligarchs were influential in politics throughout the 1990s and many had connections to organized crime groups, which flourished during the period.

**Financial Crisis of 1998**—Russia’s economy was beginning to stabilize in 1997. However, on August 13th, 1998, the Russian stock market crashed as fears rippled through the financial sector that the government would devalue the currency. The government soon defaulted on its domestic debt and devalued the ruble. The crisis caused the Russian economy to contract by more than five percent in 1998.

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**USEFUL LINKS**

- CIA World Factbook:
- BBC Country Page:
- National Geographic:

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**CLASSROOM COUNTRY PROFILES**

More resources for educators are available on the Henry M. Jackson School of International Studies website.
**CHECHEN WARS**

Nationalist movements gained momentum in the final years of the Soviet Union. When the USSR disintegrated in 1991, the 15 Soviet republics became independent states. Russia itself contained a number of semi-autonomous regions that represented a few of the many nationalities that make up the Russian Federation.

In Chechnya, a Muslim-majority region in the Caucasus Mountains, a new leadership came to power in 1991 and declared independence from Russia. Despite attempts to send Russian security forces to the capital, Grozny, the Russian government was unable to regain control of the region. Over the next few years, Chechnya was in a state of de-facto civil war as armed factions expelled non-Chechens and fought for power.

In 1994 Boris Yeltsin launched a military invasion to reinstate Russian government control, precipitating the First Chechen War. Russian soldiers fought the brutal and badly organized war until 1996 when they retreated and the two sides signed a truce, which gave Chechnya a large amount of autonomy. Russia was sharply criticized abroad for human rights violations during the conflict.

Shortly after Vladimir Putin became prime minister in 1999, Russia again invaded Chechnya, reacting to an assault on the neighboring province of Dagestan by militants and a series of apartment bombings throughout Russia that Putin blamed on Chechen terrorists. The war officially ended in 2009.

**QUICK FACTS**

**First Chechen War**—Launched in 1994, Russian troops attempted to regain control over the breakaway republic. An estimated 80,000 people died during the two-year conflict. Russian soldiers were accused of human rights violations.

**Budapest Memorandum**—An agreement signed in 1994 by the US, the UK, Russia, Ukraine, Belarus, and Kazakhstan that provided security assurances to the latter three countries. In exchange, Ukraine, Belarus, and Kazakhstan were required to give up the nuclear weapons they had inherited from the Soviet Union. Western nations accused Russia of violating the memorandum in 2014 when it annexed Ukraine’s Crimean Peninsula.

**NATO Intervention in Kosovo**—In 1998 armed conflict broke out between ethnic Albanians and ethnic Serbs in Yugoslavia. In 1999 NATO launched air strikes to stop ethnic cleansing in the Albanian-majority region of Kosovo by Serb forces. Russia, which has traditionally close relations with Serbia and wanted a bigger say in negotiations over the conflict, opposed NATO intervention and independence for Kosovo. NATO’s action remains a source of contention between the US and Russia.

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**USEFUL LINKS**

CIA World Factbook:
BBC Country Page:
National Geographic:
Kyiv Post English

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More resources for educators are available on the [Henry M. Jackson School of International Studies website](http://www.henrymjenkins.org).
INTERNATIONAL RELATIONSHIPS UNDER YELTSIN
Russia under Boris Yeltsin enjoyed unprecedented goodwill in Western Europe and the United States during the first years following the dissolution of the Soviet Union. Yeltsin was lauded by Western leaders for his efforts to reform the Soviet-style economy and political system and to open Russia to Western businesses.

US President Bill Clinton and Boris Yeltsin continued negotiations over arms reduction that had begun under Mikhail Gorbachev during the final years of the Soviet Union. The two leaders also oversaw the removal of thousands of nuclear weapons from the former Soviet republics of Ukraine, Belarus, and Kazakhstan in the mid-1990s.

Despite the close partnership between Moscow and Washington, the two formal rivals disagreed over a number of issues—namely, the expansion of NATO into Central and Eastern Europe and Russia’s war in Chechnya. Another point of contention was the NATO bombing of Yugoslavia in 1999, which Russia fiercely opposed. Russian Prime Minister Yevgeny Primakov famously turned his plane around during a flight to Washington when he learned that NATO had begun bombing Kosovo.

YELTSIN RESIGNS: THE END OF AN ERA
By the end of the 1990s, Boris Yeltsin’s popularity had sunk to single digits. Russia experienced an economic crisis in 1998 that further shattered public confidence in the president and the ability of his reforms to improve the economy. Yeltsin’s health had been in decline, and he was known for frequently appearing intoxicated in public.

Yeltsin appointed and fired a series of prime ministers in the late 1990s, finally settling on a largely unknown ex-KGB agent, Vladimir Putin. Putin had spent much of the 1990s working for various politicians before being appointed to head the FSB, the successor to the KGB, in 1998. On December 31, 1999, Yeltsin announced he would resign and that Putin would become acting president. One of Putin’s first acts in office was signing a decree that granted Yeltsin immunity from any criminal proceedings, ensuring his opponents could not jail him.

Yeltsin oversaw Russia’s transition to independence and was instrumental in the dissolution of the Soviet Union. His tenure is viewed in the West as a time of democratic reform and partnership. In Russia Yeltsin’s two terms are remembered as a time of experimentation and liberation but also hardship and uncertainty. Rapid privatization led to the creation of a super-rich class, known as the oligarchs, who siphoned money from Russia’s major industries while regular citizens struggled to make ends meet. He also established the presidency as a powerful office, laying the groundwork for the centralized system that would emerge under Putin.

More resources for educators are available on the Henry M. Jackson School of International Studies website.

DISCUSSION IDEAS
What is Boris Yeltsin’s legacy in Russia? What is his legacy abroad? Discuss differing interpretations of his tenure as president.

How did the constitutional crisis of 1993 change the course of Russian history? What is its legacy today? Was Boris Yeltsin right when he sent troops to quash the rebellion?

Today, some Russians are skeptical of Western-style democracy. Discuss how Russians remember the 1990s and how that has influenced Russian culture and politics today.

What were the main challenges facing Russia in the 1990s? How did the newly independent country respond to them?

ADDITIONAL RESOURCES

“20th Century with Mike Wallace—Boris Yeltsin’s Russia.” 1999 Documentary by The History Channel.

USEFUL LINKS
CIA World Factbook:
BBC Country Page:
National Geographic:
Kyiv Post English