



PRESS RELEASE

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The testimony of Egor Gaydar, former Prime Minister under Yeltsin

RUSSIA, WHEN CEREALS ARE DECISIVE

“Important lessons for the present day can be learnt from the collapse of the Soviet empire”

In 1992 Gaydar was Russian Prime Minister under Boris Yeltsin’s government, promoting the abolition of state price regulation. In 1994 he was one of the founders of the Democratic Choice Party in Russia and he was a member of parliament up to 2003. In the last few years he has gradually withdrawn from the political scene in order to concentrate on economic research. His 2007 book “The Collapse of an Empire: Lessons for Modern Russia”, has been successfully translated into English and Spanish and is also destined for the Italian market. “The Collapse of the Empire” was indeed the title of the meeting with Egor Gaydar today in the Depero room, within the context of the “Visions” section of the Festival of Economics. He was pressed with questions by John Lloyd, leader writer for the “Financial Times”.

Gaydar’s discourse mainly concentrated on current affairs, but with continuous references to the past, starting from the 1930s and Stalinism and making continuous recourse to the archives of Soviet history. At all events, according to the former Prime Minister, “if the price of oil stands at 100 dollars it is easier to govern Russia”, the comment referring to the major difficulties of the Russian government during the oil crisis of 1995-96. Examining the current economic situation in the Russian Federation, Gaydar instead added that “there is strong pressure to issue state bonds, which however cannot be guaranteed”. Nevertheless he had a positive opinion of economic policy in the last few years, which he recalled “has seen tax reform with the flat tax, exemptions and reduction of taxes on profits and changes in the taxation of natural resources. An increase in income has been achieved and tax federalism has been improved. Above all, stabilising the economy before the collapse of oil in 2003 was a success”.

He was also asked for his opinion on the new President, Dmitri Medvedev. Gaydar limited himself to saying that “we will see in the next few months” but declared himself “more optimistic as compared to six months ago. At all events Medvedev is an educated person, he wishes to do something good for Russia. And I have my own system for judging politicians: not by what they say, but by what they do”.

Somewhat polemically, he hinted at the relations between the European Union and Russia.

“It is true that the Russian elite is seeking a relationship with Europe but I recall the quip of the Foreign Minister of an Eastern European country: entering Europe is paradise but the negotiations to get in are hell. The European Union must negotiate with Russia like a good neighbour, not in order to impose rules but to decide how to live together”.

He also recounted dramatic moments (1991, the cereal crisis, growing urbanisation, the Afghanistan war), making an attempt explain the history of Russia, he said, in order to correct a conceptual error, a piece of nonsense: “the tale that tells that once upon a time there was a great empire, a superpower with obvious problems, then touched by reform, with disastrous results (collapse of the empire, disintegration of the USSR) before someone succeeded in restoring the role of Russia”. In order to look beyond this stereotyped tale of the Gorbachev-Yeltsin era, the former Prime Minister started from the Stalinist period, the cereals confiscated from the peasants and the terrible purges. He went on to develop his speech – or perhaps we should say his memories - around the central role of cereals, first exported and then imported, seeing a dramatic alternation and the concrete risk of civil war even in the 1990s.