

## Chapter 2 The End of Bipolarity

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**Q1. Which among the following statements that describe the nature of the Soviet economy is wrong?**

1. Socialism was the dominant ideology.
2. State ownership/control existed over the factors of production.
3. People enjoyed economic freedom.
4. Every aspect of the economy was planned and contained by the state.

**Ans.** People enjoyed economic freedom (option: c).

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**Q2. Arrange the following in chronological order:**

1. Soviet invasion of Afghanistan
2. Fall of the Berlin Wall
3. Disintegration of Soviet Union
4. Russian Revolution

**Ans.** The chronological order is as below:

1. Russian Revolution (1917) – option: d
  2. Soviet invasion of Afghanistan (1979) – option: a
  3. Fall of the Berlin Wall (Nov 1989) – option: b
  4. Disintegration of Soviet Union (25 December 1991) – option: c
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**Q3. Which among the following is not an outcome of the disintegration of the USSR?**

1. End of the ideological war between the US and USSR
2. Birth of CIS
3. Change in the balance of power in the world order
4. Crises in the Middle East

**Ans.** (d) Crises in the Middle East

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**Q4. Match the following:**

Mikhail Gorbachev	Successor of USSR
Shock Therapy	Military Pact
Russia	Introduced reforms

Boris Yeltsin	Economic model
Warsaw	President of Russia

**Ans.** Mikhail Gorbachev – Introduced reforms; Shock Therapy – Economic model; Russia – Successor of USSR; Boris Yeltsin – President of Russia; Warsaw – Military Pact.

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**Q5. Fill in the blanks:**

1. The Soviet Political System was based on \_\_\_\_\_ ideology.
2. \_\_\_\_\_ was the military alliance started by the USSR.
3. \_\_\_\_\_ party dominated the Soviet Union's political system.
4. \_\_\_\_\_ initiated the reforms in the USSR in 1985.
5. The fall of the \_\_\_\_\_ symbolised the end of the Cold War.

**Answer:**

1. Socialist ideology.
  2. Warsaw Pact.
  3. Communist Party.
  4. Mikhail Gorbachev.
  5. Berlin wall.
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**Q6. Mention the features that distinguish the Soviet economy from that of a capitalist country like the US.**

**Ans.** The features that can be distinguished the Soviet economy from that of a capitalist country like the US can be summed up as follows:

1. Soviet economy experienced a complex communication network, vast energy resources including oil, iron and steel, machinery production, and a transport sector that connected its remotest areas with efficiency.
  2. Soviet Union had a domestic consumer industry that produced everything from pin to cars, though their quality did not match with that of the Western capitalist countries.
  3. Soviet Union ensured a minimum standard of living for all its citizens, and government subsidized basic necessities including health, education, children and other welfare schemes.
  4. There was an absence of unemployment in Soviet Union.
  5. State ownership was the dominant form of ownership: land and productive assets were owned by the Soviet state.
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**Q7. What were the factors that forced Gorbachev to initiate the reforms in the USSR?**

**Ans.** Mikhail Gorbachev who had become General Secretary of the Communist Party of the Soviet Union in 1985. He was forced to initiate the reforms in the USSR due to the following reasons:

1. Reforms were necessary to keep the USSR abreast of the information and technological revolutions taking place in the West.
  2. Gorbachev's decision to normalise relations with the West and democratise and reform the Soviet Union had some other effects that neither he nor anyone else intended or anticipated.
  3. To loosen the administrative system which exempted ordinary people from the privileges.
  4. Gorbachev initiated the policies of economic and political reform and democratisation within the country. The reforms were opposed by leaders within the Communist Party.
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**Q8. What were the major consequences of the disintegration of the Soviet Union for countries like India?**

**Ans.** There were three broad kinds of enduring changes that resulted from the disintegration of the Soviet Unions. Each of these had numerous consequences for countries like India such as:

1. First of all, it meant the end of Cold War confrontations. The ideological dispute over whether the socialist system would beat the capitalist system was not an issue anymore. The end of the confrontation demanded an end to this arms race and possible new peace.
  2. Second, power relations in world politics changed and, therefore, the relative influence of ideas and institutions also changed. As it turned out, the US became the sole superpower. Backed by the power and prestige of the US, the capitalist economy was now the dominant economic system internationally.
  3. Politically, the notion of liberal democracy emerged as the best way to organise political life.
  4. The end of the Soviet bloc meant the emergence of many new countries. All these countries had their own independent aspirations and choices. Some of them, especially the Baltic and East European states, wanted to join the European Union and become part of the North Atlantic Treaty Organisation (NATO).
  5. The Central Asian countries wanted to take advantage of their geographical location and continue their close ties with Russia and also to establish ties with the West, the US, China and others.
  6. Thus, the international system saw many new players emerge, each with its own identity, interests, and economic and political difficulties. It is to these issues that we now turn.
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**Q9. What was Shock Therapy? Was this the best way to make a transition from communism to capitalism?**

**Ans.** The model of transition in Russia, Central Asia and East Europe that was influenced by the World Bank and the IMF came to be known as 'shock therapy'. This was a painful process of transition from an authoritarian socialist system to a democratic capitalist system. Shock therapy varied in intensity and speed amongst the former second world countries, but its direction and features were quite similar.

This was not the best way to make a transition from communism to capitalism due to the following consequences:

1. Russia, the large state-controlled industrial complex almost collapsed, as about 90% of its industries were put up for sale to private individuals and companies. Since the restructuring was carried out through market forces and not by Government directed industrial policies, it led to the virtual disappearance of entire industries. This was called 'the largest garage sale in history', as valuable industries were undervalued and sold at throwaway prices.
2. Though all citizens were given vouchers to participate in the sales, most citizens sold their vouchers in the black market because they needed the money.
3. The value of the ruble, the Russian currency, declined dramatically. The rate of inflation was so high that people lost all their savings. The collective farm system disintegrated leaving people without food

security, and Russia started to import food. The real GDP of Russia in 1999 was below what it was in 1989.

4. The old system of social welfare was systematically destroyed. The withdrawal of government subsidies pushed large sections of the people into poverty. The middle classes were pushed to the periphery of society, and the academic and intellectual manpower disintegrated or migrated.
  5. A mafia emerged in most of these countries and started controlling many economic activities. Privatisation led to new disparities. Post-Soviet states, especially Russia, were divided between rich and poor regions. Unlike the earlier system, there was now great economic inequality between people.
  6. The construction of democratic institutions was not given the same attention and priority as the demands of economic transformation. Dissent or opposition wasn't allowed.
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**Q10. Write an essay for or against the following proposition. "With the disintegration of the second world, India should change its foreign policy and focus more on friendship with the US rather than with traditional friends like Russia".**

**Ans.** India should not change its foreign policy and focus more on friendship with the US, but India is required to maintain healthy relations with Russia because India has experienced a long band of mutual trust, interests and popular perceptions with Russia in the following manner:

1. Russia and India share a vision of multipolar world order. By a multipolar world, order means co-existence of several powers in the international system, collective security, greater regionalism, negotiated settlements of international conflicts, an independent foreign policy for all countries, and decision making through bodies like UN that should be strengthened, democratised, and empowered.
2. More than 80 bilateral agreements have been signed between India and Russia as a part of the Indo-Russian Strategic Agreement of 2001.
3. India stands to benefit from its relationship with Russia on issues like Kashmir, energy supplies, sharing information on international terrorism, access to Central Asia and balancing its relation with China.
4. Russia is important for India's nuclear energy plans and assisted India's space industry by giving, for example, the cryogenic rocket to India whenever India needed it.
5. Cooperation with Russia and its republics like Kazakhstan, Turkmenistan in the form of partnership and investment in oil fields has also benefited India.
6. Russia stands to benefit from this relationship because India is the second largest arms market for Russia. The Indian military gets most of its hardware from Russia.
7. Russia and India have collaborated on various scientific projects.