

Riding the Bevel

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Sachs and I were in Moscow in 1990. Sachs recent full blown speech to the European Parliament caused me to reflect on that time, the opportunities lost and the lingering tragedy and unprincipled opportunism that often underlies foreign policy.

Abel Aganbegyan was the economic father of perestroika and Mikhail Gorbachev's closest advisor. I asked him to deliver the key note paper at the Evatt Foundation's *Labour Movement Strategies for the 21st Century* Conference in Sydney, 26-29 September 1990. (Anderson) (Herbert Vere Evatt Memorial Foundation.) To my surprise, he agreed. The conference was an extraordinary one but Aganbegyan made it a diplomatic triumph for the Hawke Government. But neither the East nor the West knew quite what was going on entirely at the time. Trust, language, politics and unfamiliarity swirled around like a giant mist.

1990 was a fateful year. From January to December the world watched with hope and amazement as the Soviet command economy was exposed as inefficient, inhumane and hopeless, not from outside but from the inside. Aganbegyan had been resurrected by Gorbachev, after writing scathing criticism of the inefficiencies of Soviet manufacturing. In that year the Soviet Union collapsed as the 15 Republics clambered over themselves to seek independence. That year hundreds of articles across all of the major newspapers of the world were written about Aganbegyan and Gorbachev.

In September I came to understand a little of Aganbegyan and through him, Gorbachev. I travelled with Aganbegyan to Melbourne and Canberra and sat in on many of his meetings with businessmen, government officials, union leaders and the press. My instinct was that these were honourable men seeking better things for their country. Aganbegyan asked for help training civil servants and for support for Armenian housing after the devastating earthquake that had killed tens of thousands in 1988. I don't think the West including Australia was able to truly hear their peaceful requests nor understand what an opportunity for world peace and security was being presented to us.

Paul Keating incredibly cancelled a meeting with Aganbegyan at the last minute. Ironically only the late Rene Rivkin, himself too, Armenian, wanted to hear what Aganbegyan had to say. When Keating became Prime Minister he started to understand that Gorbachev was the greatest peace maker of our times, but by then it was too late. The moment had passed. Malcolm Turnbull and others played in the new Soviet economy and lost a lot of money but it was soft diplomacy in the chaos of a new possibility that was needed.

As luck would have it in January I won a Harkness Fellowship and convinced the administrators to allow me and my family to travel to the United States via Moscow at Aganbegyan's invitation. Bringing our one year son to the tumultuous atmosphere of Moscow at that time was ignorantly brave on our part, but Aganbegyan and his colleagues at the National Academy of the Economy toasted us and viewed it as a vote of touching confidence.

I gave four lectures to the National Academy of the Economy. (Aganbegyan & Botsman) Sachs had been there just before me. When I talked about arguably Australia's greatest public service invention, the statutory corporation, the People's Deputies became confused. There was private sector and public sector and nothing else in between. I realised that the idea of a publicly owned corporation was not within the imagination of those preparing to emulate US market society. Privatisation was the major reform being advocated in Thatcher's Britain and was seen to be the great talisman of market reform around the world. (Kouprianova)

The idea that the Soviet and Russian economies could move to a market economy in 500 days as Stanislav Shatalin proposed at the time was not just ambitious it was crazy, but egged on by many doctrinaire Western economists there was no turning back. Andrew Garfield wrote retrospectively

“Anyone who has read Gogol and Dostoyevsky will recognize an irrational tendency in the Russian psyche to push ideas to illogical extremes. Having tested Marx’s theories to destruction, the Russian intelligentsia turned to the doctrines of Popper, Hayek and Friedman with no less zeal.” (Garfield) I tend to agree.

Sachs was a free marketeer I was a socialist social democrat. I realise now that were both on the same side encouraging liberalisation of the Soviet economy in the best possible ways with the support of countries like Australia and the United States. But at the time I was sceptical of American style privatisation and the pace of the change being pushed on the Soviets. Though Sachs is right now to say that if only we had supported privatisation and economic reforms in a principled way, two or three decades of heightening tension might have been avoided. I also fully agree with him that Gorbachev was the greatest statesman of our lifetimes.

As Prime Minister, Keating took inspiration from Gorbachev’s Nuclear Non-Proliferation Treaty. It was one of the major modern Australian tragedies that he did not get another term in 1996 to promote this vision to the world. Now as Sachs says there is no nuclear compact across the world. We live in dangerous times.

In his recent speech to the European Parliament Sachs correctly refers to the pledge made to Gorbachev by US Secretary of State James Baker, that NATO would not stray an inch further east than newly amalgamated German border. (“NATO Expansion: What Gorbachev Heard,”) Somehow that pledge has been forgotten in the recent conflict with Ukraine. Sachs suggests that the USA blithely broke this pledge and was responsible for many of the major world conflicts over recent decades. He seems sympathetic with the current Trump administrations determination to end the Ukrainian war with some concessions to Russia.

Going back to the lost opportunities of the 1990s, Sachs seems to not take a critical view of the civic totalitarian tendencies of Putin. This is what I most noted in my visit to Moscow. On our last night Aganbegyan hosted a dinner at the J. V. Kropex restaurant. It was a special atmosphere and I believe Shatalin was also there but it was lost in translation at the time. The restaurant owner Aganbegyan confided had once been jailed for running his own restaurant. He had saved him from jail. It was a poignant moment.

What Russia lacks and Ukraine craves is the organs of internal democracy and civic society which guarantee individual security and freedom. The US Supreme Court guaranteed freedoms and labour market reforms, in Australia the new Commonwealth enshrined an Arbitration system, award wages and welfare rights that enabled a market economy to thrive and develop in a way that benefited ordinary people.

I do not doubt Sach’s view that the United States was responsible for the Ukrainian conflict and the un-necessary descent into war. But Ukrainians are not just the puppets of the US, they do not just want security in the form of weaponry, they want protections of their individual liberties and rights. They are fighting for the right to enjoy a fair and just society. How ironical is it that the solution is seen to be either laissez-faire American capitalism or some sort of acquiescence to Russia’s oligarchical “democracy”.

Sach is correct on many things. Europe does need to develop an independent foreign policy and small countries like Australia need to have an understanding of what they too have to offer to the world in the form of civil innovations and democracy. Soft diplomacy is not just about economics, it is also about the protection of liberal democracy and the guarantees that keep a child at home safe in his or her bed and living their best lives with freedom and joy.

There is no one prescription for democracy, civil institutions and cultural development. How can

anyone go to Moscow and not be impressed by the grass roots love of music and ballet and theatre? A music recital is like going to the football in Melbourne. On the streets highly accomplished musicians play their hearts out. But safety, security and freedom are self evident. Above all this is what the the people of the Eastern bloc countries including Russia want and deserve. In this respect NATO and the Kremlin are, in a way, just in the way and irrelevant.

Sachs echoes Paul Keating, Bob Carr and many others position on Australia and China and world politics. There cannot be a blind adherence to American doctrines and AUKUS is a problem in this respect. Anthony Albanese like so many others have been on the State Department tours of the United States. These visits create an understanding that to be neutral to the United States is to be more than an enemy because the US does not know where you stand. If you want to be Prime Minister, the subtle and not so subtle position is 'we need to know you are with us'.

Near the runway at Milingimbi, where American and Australian bombers flew off to bomb New Guinea and the Philippines in WWII, and where a young flight lieutenant navigator called Gough Whitlam hunched into his hatch and took off many times, there are still hundreds of steel reinforced, forty four gallon drums with USAF stamped on their bottoms in the bush. It is an eerie feeling to stand on the Milingimbi waterfront on ANZAC Day and realise just how much we needed the Americans at that time. (Baker & Baker)

In 2025 Australia, like Europe, must now ride the bevel and shape our own future and our own self sufficient foreign and defence policy. I regret my own innocence and naivete in Moscow in 1990. I remember meeting the Australian ambassador Robin Ashwin at the magnificent Kropotkinskiy Pereulok 13 at that time and pressing him to follow up Aganbegyan's requests. From what planet had I landed, he must have thought. I wish I had pressed harder. We could have done worse than to strongly support Aganbegyan and Gorbachev. For all sorts of reasons Australians are innovators and idealists and sometimes must just back themselves in against bigger and seemingly more rational and hard headed allies and adversaries alike.

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Zoya Aganbegyan, Peter Botsman, Abel Aganbegyan, Stanislav Shatalan? J.V. Kropex Restaurant, Moscow, December 1990.