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Return of the Snollygoster

By The Moscow Times

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There is a brilliant word that has oddly fallen out of use, especially given the way that our leaders have been running our countries in recent years. "Snollygoster" was coined in the freewheeling early days of American independence in the 19th century and means: "A shrewd person not guided by principles, especially a politician."

In those days it was common to find politicians under the sway of men like rail tycoon EH Harriman or financier JP Morgan. The Oxford English Dictionary defined it simply as "shyster" in 1845.

Over the last 200 years the word has fallen out of use after checks and balances were introduced and transparency increased to the point where snollygosters in government found it difficult to get away with solely serving themselves anymore — at least in theory: The power of big corporations and the revolving door that connects Wall Street and the Mall in Washington DC these days would suggest the opposite.

But the word is a lot more pertinent to the transition states of Central and Eastern Europe

and the Commonwealth of Independent States (CEE/CIS), which are suffering from the same snollygoster problem as the U.S. did shortly after its independence.

No place better illustrates this problem than Ukraine — once hailed as the "only true democracy in Eastern Europe" following the triumph of the Orange Revolution in 2004, the country has rapidly gone to the dogs.

Ukraine's industrial production slumped 7.6 percent year on year in 2012, its hard currency reserves are dwindling at an alarming rate and, in a sign of things to come, its largest airline, AeroSvit, went bust in December. In January, Prime Minister Mykola Azarov predicted the economy would grow by 3-4 percent this year, but the European Bank for Reconstruction and Development (EBRD) countered a few days later by cutting its growth forecast to only 1 percent.

How did Ukraine get into such a mess? In the second half of the 1990s the economy was growing by over 10 percent, the equity market was the world's best performing in the years after the Orange Revolution, and the rise of the middle class fed a bank-acquisition bonanza in 2006-2007.

The combination of a weak president and entrenched snollygosters prevented the Orange team from making much progress. The nail in the coffin was the 2010 presidential election, ironically the freest and fairest ever seen in the former Soviet Union, in which Viktor Yanukovych beat out Yulia Tymoshenko for the country's top job by only a few percent. Yanukovych could have transformed the country. Instead he decided it was a good time to build himself a new presidential palace, the Mezhyhirya residence, at a reported cost of over $9 million. Yanukovych is a snollygoster of the first order.

The transition to an effective government is as much an HR problem as it is a question of holding fair elections. The incoming president of a transition state faces a parliament that is typically stacked with snollygosters, as the first generation of politicians are usually the most ruthless ones who use their own money, then state funds, to buy and keep power. Once in the job, the president's first task is to stay there. If he is a true reformer, the first job of the snollygosters is to get rid of him.

Faced with a choice between consolidating raw power and reforming the country, most presidents stack the cabinet with their friends and leave the economic reforms for later.

And without any functioning institutions or system of accountability, in the early stages the course the country follows is also heavily dependent on the moral character of its leader. Islam Karimov has been a disaster for Uzbekistan, but Estonia's first president, Lennart Meri, was a gift that the tiny Baltic country is still enjoying. Geography plays a role too: little countries are a lot easier to reform than big ones. Georgia's Mikheil Saakashvili is hailed as the most progressive leaders in the CIS but Putin has struggled to control a country that stretches half way round the world.

On taking office in 2000 Putin immediately smashed Yeltsin's extremely snollygostic system where the oligarchs were literally running the country (Roman Abramovich teamed up with Yeltsin's daughter Tatyana Dyachenko in a period little understood and hand picked Vladimir Putin to become prime minister among other things). He threw the oligarchs out

of the Kremlin and sacked the deputies of the Federal Council, Russia's upper house of parliament, as most of them were in oligarch's pockets.

Putin's mistake was to, naturally enough, appoint his friends from the securities services to his own administration, who went on to become the so-called Siloviki faction. Chosen on the basis of their loyalty to the president, unsurprisingly plenty of snollygosters were awarded high office.

Still, the snollygoster problem is not limited to Russia and Ukraine — or even to the CEE/CIS region; there are snollygosters galore in the West too. Ex-Italian prime minister Silvio Berlusconi's name springs immediately to mind; a succession of Greek premiers would also feature high on the list. Closer to home, Hungry and Romania are probably the biggest victims of snollygosters in power of all the countries in Emerging Europe.

But the whole issue of how to deal with the ubiquitous snollygosters that make these countries "dysfunctional" hasn't really entered into the debate of how to transform these countries — and this is equally true for Russia's nascent opposition parties.

The default solution is simply to sweep bad governments away and hold fresh elections. The almost universal assumption is that a new team will be "better" than the old one, but this is naïve as it entirely ignores the snollygoster problem.

Sweeping bad government's out of office has been tried many times, in Russia in 1991, in Ukraine in 2004, in the subsequent "colored revolutions" in the former Soviet Union, and most recently in North Africa last year. With the possible exception of Georgia, none of these changes has resulted in much improvement in either standards of living or the quality of government. In almost all cases, the citizens are worse off than they were before.

This reality is not lost on Russians, who have seen their lives transformed over the last decade. Unlike the 20-something, unemployed Arabs that fueled the Arab Spring demonstrations, it's the middle-aged middle classes who have the most to lose from a chaotic change of power that populate the ranks of Russia's protest movement.

Ideally, boosting the rule of law and accountability before the law is the ultimate protection against snollygosters taking over, but as the US found out this is the work of years, if not generations.

Much quicker and more useful, if less effective, the press can play an important role in exposing snollygosters and holding them to account. But as Reporters Without Boarders said in their report this week, the press in Russia remains weak. And the international press is not much help either as there are plenty of snollygosters among the international press corps too. It is easier to demonize an obviously flawed president than go into the subtleties of the challenges that transition countries are grappling with. The upshot has been a race to the bottom among most famous titles.

Happily the government is taking its first baby steps towards improving transparency that will curb snollygosterism. In December, several laws were passed that will force not only Duma deputies (and their families) to declare their personal wealth, but extended this rule

to civil servants too. From this year, any asset worth more than three-times a bureaucrat's annual income must be declared and accounted for on pain of confiscation and/or dismissal.

But these are small steps and the fact that America and Italy have not been able to solve their snollygoster problem after 200 years means the going in Russia and the other CIS countries is going to be slow indeed.

The views expressed in opinion pieces do not necessarily reflect the position of The Moscow Times.