

Chapter-1

End of Bipolarity

Berlin Wall - Symbolised divide between Capitalist and Communist world. - Built 1961
Broken 1989

What was the Soviet System?

- Union of Soviet Socialist Republic (USSR) came into being after socialist revolution in Russia in 1917.

Inspired by

Socialism opposing Capitalism

- Soviet political system centred around the communist party. → One party System.

- Economy was planned and controlled by state.

- Second world war socialist bloc. One east European countries liberated by USSR in WWII.



Warsaw pact, a military alliance held them together.



Leader USSR

Warsaw pact was signed in May 1955

- Soviet System become very bureaucratic making life very difficult for citizens.

⇒ Gorbachev and disintegration.

Mikhail Gorbachev was the last leader of the Soviet Union.

↳ Become General Secretary of communist party of Soviet Union in 1985.

Reforms and decisions of Gorbachev

① Glasnost [openness]

↳ allowing freedom of speech and expression.

② Perestroika [restructuring]

↳ Restructuring economy by allowing foreign investment, trade and allowing private enterprise.

③ Ended cold war confrontation and arms race with U.S.A.

• Later

- Coup took place in 1991, emerging Boris Yeltsin as a national hero in opposing it.

- Power began to shift from Soviet centre to republics.

- Date _____
Page _____
- December 1991, under Boris Yeltsin, Russia, Ukraine and Belarus declared Soviet Union was disbanded.

outcome

- (i) Communist party banned
- (ii) Capitalism and democracy
- (iii) Formation of Commonwealth of Independent States [CIS]

- Russia became successor of Soviet Union inheriting all its position and treaties

* Why did the Soviet Union disintegrate?

→ Economic crisis :- Economic stagnation for many years led to severe consumer shortages

why

Soviet economy used much of its resources in maintaining military and nuclear arsenal.

Also

Because of arms race with U.S.A and Afghan war of 1979

iii) Political problems:- Administrative stagnation, system was not accountable ~~for~~ to the people and Corruption.

iv) Reforms of Gorbachev:- Reforms to boost economy and loosen the administrative system weakened the Central government, even after the accurate diagnosis.

v) Rise of Nationalism:- The desire for sovereignty within various republics resulting in most immediate cause for disintegration of USSR.

* Consequences of Disintegration

- i) First, it meant the end of cold war confrontations. The ideological dispute between socialism and capitalism.
- ii) Second, now the world became unipolar, making USA as a sole superpower.
- iii) Third end of Soviet bloc meant the emergence of many new countries.

Shock Therapy
↓
authoritarian socialist → democratic capitalist.

→ Influenced by World Bank & IMF

↳ A painful process of transition from socialist to capitalist.

- Privatisation of state assets and corporate ownership
- Collective farm to private farming
- Free trade regime and foreign direct investment [FDI] were to be main engines of change.

Consequences of Shock Therapy.

↳ Initiated in 1990s brought ruin to the economies.

- Industries were put for sale to private individuals

↳ led to virtual disappearance of entire industries.

- This was called 'the largest garage sale in history'

- Value of stable Russian currency declined, rate of inflation was so high.
- Collective farm system disintegrated affecting food security of people

- Old schooling system structure broke down with no alternative
- Old System of social welfare was destroyed. Mafia emerged in most countries.
- Disparities between rich and poor regions
- The revival of the most of their economies was export of natural resources like oil, natural gas.

MCC

Who emerged national hero in opposing the Coup in Soviet Union