

The Social History of Post-Communist Russia

**Edited by Piotr Dutkiewicz,
Richard Sakwa and
Vladimir Kulikov**

 **Routledge**
Taylor & Francis Group
LONDON AND NEW YORK

First published 2016
by Routledge
2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

and by Routledge
711 Third Avenue, New York, NY 10017

Routledge is an imprint of the Taylor & Francis Group, an informa business

© 2016 Piotr Dutkiewicz, Richard Sakwa and Vladimir Kulikov

The right of Piotr Dutkiewicz, Richard Sakwa and Vladimir Kulikov to be identified as the authors of the editorial material, and of the authors for their individual chapters, has been asserted in accordance with sections 77 and 78 of the Copyright, Designs and Patents Act 1988.

All rights reserved. No part of this book may be reprinted or reproduced or utilised in any form or by any electronic, mechanical, or other means, now known or hereafter invented, including photocopying and recording, or in any information storage or retrieval system, without permission in writing from the publishers.

Trademark notice: Product or corporate names may be trademarks or registered trademarks, and are used only for identification and explanation without intent to infringe.

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

Library of Congress Cataloging in Publication Data

The social history of post-communist Russia / edited by Piotr Dutkiewicz, Richard Sakwa and Vladimir Kulikov.

pages cm. — (Routledge contemporary Russia and Eastern Europe series; 67)
Includes bibliographical references and index.

1. Russia (Federation)—Social policy—1991— 2. Social change—Russia (Federation) 3. Economics—Russia (Federation)—Sociological aspects. 4. Russia (Federation)—Politics and government—1991— 5. Elite (Social sciences)—Russia (Federation) I. Dutkiewicz, Piotr, editor. II. Kulikov, V. V. (Vladimir Vladimirovich) editor. III. Sakwa, Richard, editor.

HN530.2.A8S63 2016

306.0947—dc23

2015024659

ISBN: 978-1-138-91920-4 (hbk)

ISBN: 978-1-315-65757-8 (ebk)

Typeset in Times New Roman
by Swales & Willis Ltd, Exeter, Devon, UK

Contents

| | |
|------------------------------|------|
| <i>List of figures</i> | vii |
| <i>List of tables</i> | ix |
| <i>Notes on contributors</i> | xii |
| <i>Acknowledgements</i> | xvii |

| | |
|---|-----|
| 1 Introduction: the evolution of Russian society since 1991 – actors, attitudes and practices | 1 |
| PIOTR DUTKIEWICZ | |
| 2 A people in the absence of the people, or a view of post-communism from below | 11 |
| BORIS KAPUSTIN | |
| 3 A time of transition: changes in reality and perceptions | 41 |
| VLADIMIR POPOV AND PIOTR DUTKIEWICZ | |
| 4 Transformation: for the people or for the elite? | 58 |
| LEONID GRIGORYEV | |
| 5 Puzzles of public opinion: popular support for the transition to capitalism | 81 |
| VLADIMIR POPOV | |
| 6 Twenty years that shook Russia: public opinion on the reforms | 95 |
| MIKHAIL GORSHKOV | |
| 7 The Russian roller coaster: changes in social structure in the post-communist period | 130 |
| NATALYA TIKHONOVA | |

vi *Contents*

| | | |
|----|--|-----|
| 8 | New Russia: the evolution of Russian public opinion, 1989–2014 | 151 |
| | VALERY FYODOROV | |
| 9 | Images of authority in a time of change: the psychological transformation of society in post-Soviet Russia | 185 |
| | ELENA SHESTOPAL | |
| 10 | Ethnic and religious relations in Russia since the 1980s | 209 |
| | GALINA GRIBANOVA | |
| 11 | Post-Soviet society and elites in the Russian regions | 229 |
| | NATALYA ZUBAREVICH | |
| 12 | Social investment: lessons learnt over the past two decades | 255 |
| | ANDREI MARGOLIN | |
| 13 | The Russian elite's strategy of self-isolation | 272 |
| | BORIS MEZHUEV | |
| 14 | Conclusion: bringing the people back in | 289 |
| | RICHARD SAKWA | |
| 15 | Afterword to the Russian edition | 297 |
| | VLADIMIR YAKUNIN | |
| | <i>Index</i> | 299 |

Figures

| | | |
|-----|--|-----|
| 3.1 | Changes in the GDP of FSU Economies | 42 |
| 3.2 | The Gini coefficient for income distribution in China and Russia, 1978–2012 | 44 |
| 3.3 | Crime rate, murder and suicide rates per 100,000 population in Russia, 1970–2012 | 45 |
| 3.4 | Mortality rate per 1,000 population and life expectancy at birth | 46 |
| 3.5 | Human Development Index for China, Cuba, Belarus, Russia and Ukraine | 47 |
| 3.6 | Political rights rating for the USSR and Russia, 1989–2014 | 48 |
| 3.7 | Government expenditure, percentage of Russia's GDP | 52 |
| 4.1 | Russia's macro-economic indicators, 1989–2014 | 62 |
| 4.2 | Wages and unemployment in Russia, 1990–2014 | 68 |
| 4.3 | Housing completion and consumer expenditure in Russia, 1989–2014 | 74 |
| 4.4 | The GDP growth of various countries in 1989–2014 | 78 |
| 5.1 | Average annual labour productivity growth rates in the Soviet economy | 82 |
| 5.2 | Mortality rate per 1,000 individuals and life expectancy | 83 |
| 5.3 | Alcohol consumption and mortality rates | 84 |
| 5.4 | Per capita GDP in the USSR and Russia in percentage of the US level | 85 |
| 5.5 | Mortality from external causes – various reasons: Russian Empire–RSFSR–Russian Federation, 1870–2000 | 85 |
| 5.6 | Political orientation of voters in 1993–1996 and economic reform index in Russian regions | 87 |
| 5.7 | The electorate's political orientations in Russian regions in 1993–1996 and in 2000 | 88 |
| 5.8 | Real Income Index and Happiness Index | 92 |
| 6.1 | Changes in the perceptions of the relative importance of certain values, December 1992–July 1993 | 99 |
| 6.2 | How Russians saw themselves in 1993 | 100 |

- 21 Michael Cowen and Robert Shenton, *Doctrines of Development* (New York: Routledge, 1996), p. 397.
- 22 See Tikhonova in this volume.
- 23 In this book we present four chapters that reflect people's attitudes to transformation during the last twenty years: those by Fyodorov, Gorshkov, Popov and Shestopal.
- 24 See Grigoryev in Chapter 4 of this volume.

2 A people in the absence of the people, or a view of post-communism from below

Boris Kapustin

If we take 1991 as our point of departure, the post-communist 'new Russia' is not yet 30 years old, and already there are enough works of history dedicated to making sense of this period (many of them entitled *A History of Modern Russia*) to fill a small library. All of them are about the 'reforms'¹ inspired by what Katherine Verdery called 'the troika of Western self-identity', 'privatization', 'marketization' and 'democratization',² as well as their consequences. Of course, these narratives differ, sometimes diametrically, in how they interpret the nature of the 'reforms' and evaluate their results – intermediate or final³ – or even understand the historical trajectory on which they have placed Russia. The more apologetic accounts of the 'reforms' portray them as a pragmatic and necessary, if painful, method of dealing with the late Soviet crisis, modernizing the country and transitioning to a market economy.⁴ János Kornai describes it as returning to the path of capitalist development from the socialist dead end imposed on countries by Communism.⁵

Similarly liberal, albeit unapologetic, appraisals (as a rule, methodologically supported by a critique of neoclassical economics) hold that the setbacks encountered in the course of the reforms – primarily their failure to create an efficient market economy – are due in the first place to their being theoretically untenable.⁶ The non- and anti-liberal criticisms of the 'reforms' are even more unsparing. According to conservatives, the 'reforms' are synonymous with the merciless destruction of Russia's distinctiveness and the very foundations of its historical existence, casting all of its material and moral values into some sort of 'black hole'.⁷ For leftist authors, the 'reforms' are a 'second edition' in Russia of an 'uneven and combined' capitalism – dependent, economically inefficient, politically authoritarian and ruinous for science and culture – that retains considerable elements of pre- and non-capitalist forms of economic activity. In a word, the 'reforms' by and large were a return to the type of social order that was characteristic of the Russian Empire before the Bolshevik revolution.⁸

The purpose of this chapter is not to evaluate critically these narratives for accuracy or theoretical soundness. My interest lies elsewhere. For all their diversity, these narratives have one feature in common: they lack a character that could be called the 'people'. In this case I use the notion of 'people' simply to describe the unprivileged mass of society. I have attempted to separate the term,

as much as possible, from its own philosophical connotations in order to render 'people' amenable to translation into the language of applied sociology, while at the same time keeping consideration of the term focused on the range of problems revealed by philosophical inquiry. Those problems should not be 'forgotten' in even the most 'empirical' approaches to 'people'. The interplay of the philosophical and sociological components of the notion 'people' (which is important to understand whenever this notion is being used) will be considered in a separate section of this article ('digression') that follows directly after the introduction. For the time being, we will abide by the abovementioned, rather modest, definition of 'people'.

As noted, a character named the 'people' is practically absent from the historical accounts of modern Russia that seek to elucidate the country's path and meaning. More precisely, the majority of these works regard people as an object or material for manipulation by the elites. Changes in the life of the people reveal the operation of what could be called the 'laws of history', to use an old-fashioned term, or 'modernizing imperatives', if translated into today's newspeak.⁹ The title of a book by the British historian Robert Service – *Russia: Experiment with a People* – captures the modality of 'people' in the majority of narratives on 'new Russia'.¹⁰ It is only in rare cases that researchers shift the focus from elites and 'imperatives' to 'social history' or socio-cultural practices.¹¹ But this likewise devolves into speculation about poll respondents' 'attitudes' to certain aspects of the experiments being conducted on them – their commitment to certain 'values' and their 'assessments' of various institutions.¹² In other words, people remain the passive material of history, the only distinction being that they are now capable of conveying 'views' on what it has to endure. However, these views are of no consequence politically, because the very possibility of a liberal reformation of post-communist societies is predicated on the prevailing view – the 'majority' opinion by definition – *not* coming across in the process of political decision making.¹³

The 'absence of the people' (as anything other than material for experiments) from the narratives on Russia's post-communist transformation needs to be explained in theoretical and political terms. Analysing the whole of modern democratic theory – while it would be useful to understand the 'absence of the people'¹⁴ – is beyond the scope of this article. Instead, I will focus on two points: first, the notions of the *temporal organization* of history that underlie, often unconsidered, the narratives on the Russian post-communist transformation and determine their *trajectory*; and second, the empirical reasons that make it impossible to detect the 'presence of the people' in the Russian transformation using standard methods of political science. These issues will be covered in the first part of this article.

The criticism contained in the following section 'A digression on the history of the concept "people"' is not an end in itself but a means of preparing the ground for a different way of viewing Russia's post-communist transformation – a view of history from below, from the point of view of the 'absent people', or what some historians call 'people's history'.¹⁵ The second part of this chapter will shed light on the concept of 'people's history' and identify the theoretical

and methodological aspects of applying this type of historical analysis to recent Russian history. For this we need to relate 'people's history' to the so-called 'event-based history' as opposed to 'teleological history' (determined by laws and 'imperatives' and oriented towards predetermined goals) or the 'history of great people' (or 'elites').

In the third section, I will attempt to show that the *content* of a people's history of post-communist Russia is primarily determined by finding out how the *capitalist* transformation of Soviet society was reflected in the everyday practices of 'ordinary people' and, conversely, how these changing practices influenced the form and function of macrostructures (economic, political and others) that came into being in the course of the 'reforms'. This approach shifts the investigative focus from 'democracy' and the 'market' to 'capitalism', and specifically to 'historical capitalism' as a 'concrete unique reality', to use Immanuel Wallerstein's dictum. This is distinct from the deductive definition of 'pure capitalism' that postulates and establishes its immutable essence.¹⁶ Although this discussion lies beyond the scope of this chapter, it is quite possible that capitalism lacks such an essence and can be understood in its many manifestations only as different forms of embedding capital accumulation regimes in various socio-historical contexts. If so, democracy and the market – again, in their concrete forms – will appear as specific elements of the embedding of a particular capital accumulation regime in a particular socio-historical environment, that is as elements of Wallerstein's 'historical capitalism', whose importance varies depending on the context.

But this non- or anti-essentialist understanding of 'capitalism' requires a brief account of the nature of Soviet society whose capitalist transformation set into motion the dynamic interaction of macrostructures and microprocesses, an interaction forming the content of a people's history of post-communist Russia. Setting aside propagandistic clichés about 'totalitarianism' and the 'command-administrative system' on one hand, and about 'the planned economy' and the 'state of all people' on the other, the nature of Soviet society, particularly in the late Soviet era, is the *main riddle*. The lack of a solution to this riddle stands in the way of a theoretical understanding of the post-communist transformation. In fact, it is clear enough that capital accumulation and even overaccumulation was a defining feature, if not the driving force, of the Soviet economy and that the different types of markets (not only 'black' and 'grey' but also 'bureaucratic', used for exchanging even the means of production, among other things) were inalienable elements of the Soviet economy from the start. Nor can we doubt that a considerable part of the national product existed and circulated in commodity form; and that labour was mostly hired and showed all the signs of being 'alienated' and subordinated to capital as 'previously accumulated labour', as Marx described in relation to 'classical capitalism'. From this it follows that the USSR was a capitalist, or state-capitalist, society (despite its 'ideology' or possibly even owing to it), and that consequently there could be no *capitalist* transformation in the post-Soviet period. We can only speak about the natural swing of a pendulum from one mode of capital accumulation to another, from state capitalism

to (mostly) private capitalism, not an epochal shift.¹⁷ Contrary to this argument, I will try to show that the capitalist transformation of Soviet society was epochal if examined as 'people's history'.

A digression on the history of the concept 'people'

The concept of 'the people' is certainly a 'history laden' concept.¹⁸ History is impressed upon it and cannot be ignored even in attempting to effect the concept's applied operationalization. On the contrary, in its applied use, 'people' should retain some traces of its former usage, if only for the sake of asking what the people of today is *not* and *what* it can become under different circumstances. It is for this reason that, even when using 'people' as a collective term to simply denote the unprivileged strata of society, I am not prepared to substitute seemingly more easily operationalized notions like 'the masses', 'the lower and middle strata', 'non-elite groups' and so on. Such notions are not similarly 'history laden' and, therefore, do not readily lend themselves to critical reflection on their contents.

The concept of 'people' in the grand political-philosophical tradition, which goes back to the early modern age, is firmly associated with unity, determined by the unity of the will, and therefore what in modern parlance is called agency ('the people', according to Hobbes, is the opposite of 'the masses' because the latter lack this unity and therefore agency).¹⁹ But if in Hobbes this unity is pre-determined by the subjection of private individuals to the sovereign (voluntary subjection based on a social contract), in Rousseau the same unity and agency is the result of the people's *self-constitution*. This means, literally, that everyone concludes a contract 'with oneself' and with others, thereby turning a conglomerate of private individuals into a political association, a 'body politic' or the People in the proper sense of the word.²⁰

The sociological explication of 'the people', which means projecting the notion onto groups existing in a society and deciding which of them belong to 'the people', presented considerable difficulty even before the French revolution, which revealed the full tragic significance of this issue.²¹ These problems led Charles Montesquieu, possibly the greatest Enlightenment 'sociologist', to what Louis Althusser called the differentiation of 'two peoples within a people' in an essay dedicated to the author of *The Spirit of the Laws*.²² In fact, Montesquieu, in describing democracy, characterizes it as a regime under which 'power belongs to the whole people' while also noting the critical importance of 'how, by whom, for whom, and on what the voting is to be held' in a democracy.²³ As he analyses this problem (discovering in the process that a people cannot function politically – even for its own good – unless it is 'guided by a council or a senate'), Montesquieu comes to the conclusion that in a democracy everything depends on *how* 'the people are divided into certain classes' and what *rights* of democratic participation they are endowed with. This is the origin of the idea that 'the low people' (*bas-peuple*) should be excluded from 'the whole people' because their 'status is so low that they are regarded (*sic!*) as people incapable of having a

will of their own'. This will cause no damage to democracy as the rule by the 'whole people': 'The whole people' as a philosophical concept simply comes to stand for the sociological result of 'the low people' being subtracted from 'the whole people'. This operation's political corollary is that 'under rule by the people, power should not be transmitted to the lower elements of the population'.²⁴ The theoretical conclusion is precisely Althusser's concept of 'two peoples within a people', that is the subtracted 'low people' and the remaining 'good people' that in the France of that time was represented by the bourgeoisie, and the identification of 'the whole people' with its 'good' part.²⁵

During the French revolution, Montesquieu's divergent convergence of 'the whole people', or the universal, and the 'good part of the people', or the particular, transpired as a political formula of 'the people's party' (a term coined by Saint-Just), destroying 'the non-people', that is 'the King's party'.²⁶ Of course, there was a radical change in the *content* of the sociological reference of both 'the good people' and, in the sense described above, 'the whole people'. Ultimately, 'the low people', whom Montesquieu had subtracted from 'the whole people', have largely comprised 'the whole people', rather than the respectable bourgeoisie. During the stormy period of the Jacobin terror, however, this sociological content continued to change rapidly and *evaporate* as it did. What was left by July 1794 of the wise, kind, patriotic and virtuous 'people', 'the world's premiere people' (Maximilien Robespierre) created by the Revolution? If conspiracies, intrigues, betrayals, cliques and vices are all around, if 'the majority itself is paralyzed and deceived', if Robespierre admits in his last speech before his execution that 'the time has not yet come for decent people to serve their homeland with impunity', is there any recourse but to conclude that under these circumstances 'the people' shrunk to just several members of the Committee of Public Safety and was eventually beheaded on the scaffold along with them?²⁷ There is nothing absurd in this assumption if we follow the logic of the convergence of 'the whole people' and 'the good people'.

The scope of this article does not allow me to trace the further historical evolution of the concept 'people'. I will confine myself to an observation that the trajectories it followed were determined, wittingly or unwittingly, by the movement of that fundamental and ineradicable contradiction that I termed the divergence-convergence of the universality of 'the whole people' and the particularity of the 'good people'. The above is also typical of a series of theoretically and historically untenable attempts to retreat from this contradiction by cementing it in a perpetual unity of 'the people'.²⁸ I think there is no particular need to explain that the historical trajectories of the evolution of 'the people' and its philosophical and sociological metamorphoses reflected not just the competition and filiation of theoretical ideas but primarily the political conflict practices (differently conceptualized by philosophers and sociologists) in which certain social groups – successfully or otherwise in related historical situations – laid claim to being 'the people' and *in fact* conflated 'the whole people' with 'the good people'.²⁹ The evolution and historical transformations of 'the people' can be summed up as follows.³⁰

- 1 A 'people' is always a constructed rather than an 'organic' or 'substantial' community. Hobbes and Rousseau already understood this much. More generally, this means that a 'people' comes into being (or does not in certain situations) as a product of historical practices and as 'the spontaneous distillation of a complex 'crossing' of discrete historical forces'.³¹ In a narrower sense, this means that the construction of a 'people' always involves, in some way or other, 'figments of the imagination' of several social groups as well as those of individual ideologues and, as a subtype, what Jacques Derrida called 'fictions'. The latter have to be understood not as idle imagination, let alone deception, but as performative-contestatory statements on behalf of what is actually nonexistent but what is being brought into existence and asserted as an element of reality by these statements.³² While stressing the creative force of these 'figments of imagination' and these 'fictions', we should beware of confusing 'discourse' with reality and of attributing to imagination and 'fictions' an independent capacity to change reality. A methodological antidote to this 'discourse idealism' can be found in a well-known Marxian formula: 'It is not enough for thought to strive for realization, reality must itself strive towards thought.'³³
- 2 A 'people' is always 'imagined' as universal, as 'the whole people' (in contradistinction to a 'nation', which is always 'imagined' as limited, as something particular like other nations). Its universality, however, is *constituted by exclusion*, that is transforming a certain part of 'the whole people' into 'the non-people'. It is only through this opposition-exclusion that it is possible to mark the limits of the universal 'whole people'. Thus it can acquire (as long as this opposition-exclusion is *effective*) political agency and achieve the practical resolution of the logically impossible paradox of the identification of the universal and the particular, of the whole and its part, of 'the whole people' and 'the good people' (although this is precisely what dialectic logic does).
- 3 In the modern political imagination, a 'people' is the sovereign, even when it has no real agency and becomes dissolved in depoliticized conglomerates, such as 'populations' or 'electorates'. In other words, a 'people' is *constantly present* in contemporary political life as 'the whole people' and 'unity', which fact is not only enshrined in crucial political and legal documents but is also present as an organizing principle of its most important practices (such as electing its representatives and thus filling the respective bodies of governance). To be sure, this presence is neither chimerical nor deceptive, even if Schumpeter's conclusion regarding the people's inability to rule under modern democracy (see footnote 14) is true. This is the real presence of the politically *significant* 'empty signifier' that is *still capable* of 'filling' itself with the sociologically tangible 'signified' in the form of certain concrete social groups and their coalitions.³⁴ This real opportunity (whose realization, of course, by no means is guaranteed) will drop out of our field of vision, if in our search for concepts that can be operationalized more easily in applied research we discard the term 'the people' in favour of something like 'the masses', 'the lower and middle strata' and so on.

- 4 When a 'people' lacks real political agency and exists in reality only as an 'empty signifier', the focus of research tends to be on identifying the conditions of its existence and the activity of social groups, which we *can expect* to turn into the people-as-agency filling an 'empty signifier'. Of course, this expectation is nothing more than a hypothesis of ours and its only basis in reality is the observed lines of tension between different social groups, which potentially might be transformed into divisions between 'the people' and 'the non-people', with both likely to later acquire political agency. (Since 'being the people' has a considerable legitimizing value, the right to 'be the people' is prone to be contended for, and sides to the conflict will seek to exclude each other from the 'people' as 'the non-people'. During the French revolution, not only the Parisian revolutionaries but also the Catholic and Royal Army of Vendée claimed the right to 'be the people'.) Moreover, it is important to understand which particular lines of tension will lead to divisions between the people and 'the non-people', for this directly determines the moral and political quality of the resultant people. For example, from 31% of the 'poor' to 38% of the 'non-poor' in today's Russia believe that the most important fissure dividing Russian society is that between Russians and non-Russians, whereas only 26% and 27%, respectively, see it as the divide between oligarchs and the rest of the public.³⁵ Is not this a reason to suppose that a *Völkisch* type of a 'people' with a potential for radical right-wing action is more likely to emerge in Russia than a 'people' with a more democratic leaning toward social justice?

The absence of the people

The 'absence of the people' is the result of empirical observations intertwined with a particular theoretical framework and a specific understanding of how history is organized. Let us start with the former. It is a well-known fact that political activism in Russia declined markedly after the failed coup in August 1991 and particularly after the commencement of the liberal reforms in 1992. This trend was interrupted by several upsurges of protests, including before and during the bloody events of October 1993, the financial catastrophe in 1998 and the 2008 crisis, as well as following the parliamentary elections in 2011, which many people believed to be rigged and undemocratic. However, long-term sociological surveys and political statistics point to the overall stability of this trend.³⁶ Compared with the early 1990s, fewer Russians believe that mass protests against falling living standards and violations of their rights in their city/region are possible and fewer still would be willing to join such protests.³⁷ Russia, it must be acknowledged, experiences astonishingly little political turmoil³⁸ given the scale and acuteness of the economic, political and everyday problems confronting ordinary Russians, their low – by European standards – quality of life, and the enormous gap between rich and poor.

Protests are not the only form of political participation that has petered out. All the institutional channels and forms of political engagement – political parties,

trade unions, civil society organizations – look inefficient, feeble, devoid of a solid social base (with the exception, perhaps, of the Communist Party of the Russian Federation, CPRF), or thoroughly bureaucratized (like United Russia or the Federation of Independent Trade Unions). The ascendancy of a political and civil society expected at the start of Russia's post-communist transformation has not occurred, to say the least. The interest in politics *as such* is so low that Russian society can be described as fundamentally *depoliticized*.³⁹ Moreover, it looks like Russians themselves identify 'power' with the 'great people' in power ('personalization of authority') and, to a lesser extent, with 'institutions' (like the presidential administration, law enforcement, parliament, etc.) rather than with 'the people'.⁴⁰

All of this shapes the view – an absolutely legitimate one by the standards of mainstream political science – that the people, save for ritualistically coming to the polls from time to time, stay out of politics, that politics is a business for the elites, and that government institutions, including the legislature, are just mechanisms for elites to manipulate 'their' people. It is this view that creates optics which preclude the possibility of a perspective on public life 'from below'.

Of course, a very important question is what caused that depoliticization and what explains the limited scope of popular movements in Russia, which are typical (or were until recently) of 'normal' capitalist societies, such as the workers' movement in the first place but also women's organizations, peasant and farmers' associations, cooperatives, religious-political movements of different stripes (with radical Islamism being perhaps the only exception)? The most general answer would be lack of faith that an alternative to the status quo is feasible or even conceivable. This lack of faith is the consequence of twin historical traumas: the disappointment of socialism and the collapse (in Eastern and Central Europe) of socialist regimes, on the one hand, and the establishment of the (seemingly) indivisible and indisputable dominance of neo-liberal global capitalism, on the other. Does it make sense to act if there is no alternative? And conversely: If there is no alternative, the hardships and disorder of our life are *natural*. How can you rebel against what is natural?⁴¹

A more concrete approach might point to the conformism and 'acceptance of capitalism' of trade union leaders and heads of other popular organizations, and people's ill-formed understanding of their specific (class and other) interests due primarily to their limited experience with the market, the legacy of 'real socialism' that emphasized the 'unity of society' and thereby prevented the emergence of group identities and group consciousness, and so on.⁴² There is certainly some truth in these explanations. But the fact that they remain at the level of consciousness and ideology, as 'Western Marxism' did in attempting to explain why there was no explosion of proletarian revolutions in the West, should give us pause. Such explanations again fail to reach the level of everyday practices of popular life, practices that determine the people's *non-participation* in the formal and institutionalized sphere of politics created by the post-communist transformation (the formal sphere being synonymous with politics as such in a view of Russia 'from above'). Likewise, they are unable to shed light on how the people *do*

influence what is going on in the formal sphere of politics despite, or because of, their non-involvement in it. To be sure, this influence is communicated via channels that official politics and its ideological reflections and underpinnings (e.g. political science) do not recognize as 'political' and, therefore, fail to conceptualize. But the presence of the 'absent people' can only be discovered by examining these practices and their influence on 'official politics'.

As mentioned, the 'absence of the people' is a function of a certain kind of empirical observation of Russia's political life *and* certain methodological frameworks, including the principle of organizing a narrative based on the 'logic of history', characteristic of many accounts of the 'new Russia'. In keeping with these frameworks and principles, history is organized according to the logic of what William H. Sewall, Jr. called 'teleological and experimental temporality'.⁴³ 'Teleological temporality' means that phenomena and processes under study are treated as instances of a movement towards a preset goal or as impediments to this movement. 'Experimental temporality' reduces real historical causality, which always includes the 'accidental', the 'reverse', discontinuity, and a selective attitude to the past and to the future forming the changing meanings of both of them, to pure logic operating applying the *timeless* formula 'if *X* then *Y*'.⁴⁴ Properly speaking, historical time in this case is reduced to an 'empirical' manifestation of timeless logic.

In many 'teleological' narratives of the 'new Russia', the 'market' and 'democracy' usually appear as *the* goals Russia should strive after. The corresponding 'experimental temporality', as it manifests itself in theoretical tracts as well as in reform programmes ('shock therapy') and specific political decisions, roughly speaking boils down to the following cause-effect connections between *Xs* and *Ys*. If we deregulate/liberalize prices (*X*), we will get the market (*Y*); if we privatize public assets, we will get an 'efficient economy' (and its social accompaniments, such as a 'middle class' and a 'responsible proprietor'); if we eliminate the Communist Party's monopoly on power, we will get a vibrant democratic political system and 'civil society'. These views were attacked from different perspectives. We, for our part, will approach them only from the angle of their teleology.

I can hardly imagine a single theorist or practitioner of liberal reforms in the entire post-communist world who would subscribe to the Aristotelian concept of teleological causality. But if, as implied by teleology, a goal is unable to *cause* – that is, to literally 'drag towards itself' the object for which it is the goal as the result of the object's immanent striving toward it – then why *should* Russia or any other country become a 'market' and a 'democracy' at all? If a goal *does not cause*, then *what* is it that determines the object's movement along the trajectory leading to this goal? After all, we cannot seriously assume that the late-Soviet society possessed an immanent teleological striving for the market and democracy, as liberal theorists perceive them. Anyway, such an assumption would have been incompatible with the deepest convictions held by such theorists (and executors of liberal 'reforms') concerning the nature of the system they condemned and set out to 'reform'.

Absent the metaphysics of the Aristotelian teleological causality, there has not been, is not, and cannot be *theoretical* answers to the above questions about why

and in what sense the 'market' and 'democracy' should be Russia's goals. The answers can be either entirely dogmatic or entirely empirical, if you will. The dogmatic answer boils down to establishing a dichotomy between the market and the planned economy (by analogy, between democracy and totalitarianism), which is meant to make us think that we are left with an inescapable either-or choice between them. Accordingly, if we move away from a planned economy (totalitarianism), we necessarily move towards the market (democracy). It is at this point that the logic of 'experimental temporality' comes into play. It is hardly necessary to argue that this dogmatic position is untenable. History has known nothing other than different combinations of the 'plan' and the 'market' (the USSR was one such combination) and there is no teleological reason or any other form of pre-determination behind movements from one combination to another.⁴⁵

The empirical answer is even simpler: The market and democracy are our goals *because* 'they', that is the 'civilized world', have them. According to this logic, it is the *imitation* that sets the 'ought' rather than any theoretically meaningful definition of the 'market' and 'democracy' as our goals. Indeed, not only do the 'market' and 'democracy' currently come in various forms in the 'civilized world', they have also metamorphosed throughout history.⁴⁶ If, therefore, we are still to consider (one or another version of) the 'market' and 'democracy' to be our goals, rather than a slavish imitation of what just happens to be somewhere to the west of Russian borders, it will be necessary to answer several questions that the 'reformers' never even posed. Which particular historical and organizational model of market (and democracy) do we want to reproduce? Why does precisely this model suit Russia best? Which potentialities inherent in Russia's economy and culture will this model help actualize? The logic of imitation, on the contrary, renders these questions superfluous. In plain terms, it means the following: meet the requirements of the *acquis communautaire*, then the status of 'modern capitalist democratic state' will be conferred on you.⁴⁷ The embarrassing and difficult questions raised by the left and right critics of the status quo across Europe, such as in what measure, on what grounds, in what theoretical frameworks and so on, the European Union's own practices can be regarded as 'capitalist' and 'democratic', are also ignored. What else but the imperious might of the ideological, political and economic hegemony of the centres of global capitalism make it possible to ignore them?⁴⁸

The non-Aristotelian 'teleological temporality' of the post-communist transformation is, in fact, a tremendous social engineering venture. We can also call it a 'revolution from above'.⁴⁹ A classical teleology of history, such as Hegelian, instrumentalizes human beings and their activities, reducing them to the moments and means of the 'providential plan' of history. It is, however, more democratic than the social engineering teleology of post-communism because it instrumentalizes not only 'ordinary people' but also 'historic personalities' (they are the first to be *used* by the Spirit in its self-motion, which usually is done cruelly, with these personalities forced to exist 'beyond good and evil' and often meeting with a tragic end). In the post-communist teleology, insofar as it lacks a 'providential plan', the 'great people' and the elites are the creators (or the transmitters of such

'laws' that come from their real sources like the IMF, the European Commission, and the like), not disposable executors, of the 'laws of history' and only the people are a means.⁵⁰ The people were urged to repent (of the 'original sin' of their Soviet background and generally 'of being corrupted by socialism'), to become purged (of the filth of old habits), and to accept spiritual renewal (in order to 'blend in' with the grandiose plans of the 'reformers'). Moreover, it was assumed from the outset that far from all would make the mark, something that was imposing on society a new divide between the 'deadweight' and the 'creative classes'.⁵¹ This is the modern post-communist subtraction of 'the non-people' from 'the people' (see the corresponding paragraph in the 'Digression') as carried out by today's wielders of power and wealth. To be sure, the calls for repentance, the accusations of 'moral depravity' (caused by the 'ineradicable' traces of Sovietism), and appeals for purification do not apply to the elites and the new 'masters of the land' themselves, who, almost in the spirit of Calvinist predestination, were redeemed from the socialist filth 'from eternity to eternity'.

No type of teleology needs a living and concrete people. Any teleology reduces this living plurality to an abstraction, be it the Hegelian '*Volksgeist*', or 'population', 'labour resources', and 'electorate' – the last being more characteristic of the social engineering teleology of the post-communist transformation.⁵² Moreover, this teleological presentation of the people as a functionalized abstraction is not a worthless figment, nor philosophical or transitological nonsense that should only be denounced in theoretical criticism. No, it quite accurately reflects the *real* political economy of dominance that reduces the people – to the extent to which it 'works' efficiently – to the role of material and tool of the 'laws of history' (ditto the laws of consolidated dominance systems) and the plans conceived by the 'great men'. The *validity* of the teleological presentation is confirmed empirically by the observations concerning the 'absence of the people' in politics we mentioned earlier. But the question is whether this is the whole truth. Is there not an element of the political economy of dominance, which is not represented in and by the teleological representations of that political economy of dominance? Is there not an element which is the inverse of dominance but at the same time its *sine qua non*, so that dominance is as incomprehensible without it as love is without hate or action without counteraction or peace without war? Will we not discover in this unrepresented element the presence of the people, which could not, in principle, be identified through observation of the existing and consolidated products of dominance, such as the institutionalized sphere of politics or existing market mechanisms?

The presence of the 'absent people': general remarks

The people's presence begins to reveal itself once we ask a seemingly naive question: Why do the elites have to act at all? This is indeed a difficult question to answer if we dismiss the patently apologetic claims that they selflessly serve the people, the common good, or 'modernizing imperatives'. To proceed further, it would definitely be helpful to furnish ourselves with David Hume's healthily

cynical 'political maxim' – 'in contriving any system of government and fixing the several checks and controls of the constitution, every man ought to be supposed a *knave* and to have no other end, in all his actions, than private interest'.⁵³ The private interests of the elite 'knaves' are most immediately served by the preservation of what Richard Lachmann calls their 'organizational autonomy' and 'exploitative relationship' with non-elites.⁵⁴ Why does this enterprise of 'preservation' involve so much arduous and oftentimes perilous activity, which may include carrying out dramatic structural reforms, implementing contentious social policies, venturing in uncertain and potentially high-risk integration processes, and so on?

Once again, apologetics – represented this time by the ideology of 'representative democracy' – offer us an easy and ready answer. Let the elites be selfishly concerned with preserving their dominance, but in a situation when they have to compete for votes they will be able to preserve it only by answering the needs of the majority of the electorate. The implication is that in order to preserve their 'organizational autonomy' and reproduce their 'exploitative relationship' with non-elites, elites are compelled to satisfy certain needs of certain politically influential groups of people and thereby limit and relativize both the 'autonomy' and the 'exploitative relationship'.

The real picture is certainly much more complex than this ideological cliché. The really difficult question is, to what extent voter 'demand' is 'rational' and independent of the elite 'supply' (analogous to the 'rationality' and autonomy of demand relative to supply in the economy). Of course, empirical observations performed in functional democracies demonstrate that 'when a majority of citizens disagrees with economic elites and/or with organized interests, they generally lose'.⁵⁵ One 'big issue' that determines the very existence of the political and economic system is that (supposedly) rival elites act in unison without considering the views of the electorate, as was clearly demonstrated by both the Republican and Democratic administrations in the 2008–2009 financial crisis, when it became necessary to save the bankrupt US financial behemoths. Of course, democracy is powerless to change the most unfavourable trends affecting the masses of voters, if these trends are determined by the operation of the fundamental mechanisms of capitalist evolution. To grasp what this means in reality, one can look at the four-decade deepening of the gulf between the rich and the poor in nearly all OECD countries, the wage stagnation of fully employed American males that has persisted since 1973, or the explosion in household debt.⁵⁶ We can even view representative democracy, in the spirit of left-wing criticism, as an efficient mechanism for co-opting the popular masses into the political economy of bourgeois society.⁵⁷ Yet they *are* able to use it, albeit to a limited extent, in order to bring pressure to bear on the upper strata and achieve at least some of their goals.

It is clear that one of the elites' most important activities is co-optation of the lower strata, a specific technique of which is representative democracy. But *why* should elites engage in these and other types of activities aimed at 'mediating' and 'harmonizing' relations between social groups and classes in order to maintain the 'integrity' of modern bourgeois society? (These include the juridification

of societal relations through and by the law, under which 'all are equal'; social protection of 'the weak'; the shifting and redirecting of social conflicts and divisions from areas where explosions would threaten the status quo to safer areas; the extraction by taxation and other methods of 'additional surplus labour' over and above what is extracted through the direct labour–capital relationship, etc.).⁵⁸ The episodic incursions of the lower strata into the sphere of 'official' politics, such as industrial actions and massive demonstrations, let alone more radical and open forms of disobedience and resistance, are relatively infrequent and in themselves can hardly explain the elites' relentless and indefatigable efforts to maintain the 'integrity' of modern society in all the ways laid out above. Moreover, the episodes of direct political protest by the lower strata evidence the failures and setbacks in the elites' continuous labours to integrate society and 'debug' its functional ties.⁵⁹

Open protests, however, are but visible political splashes of the magma simmering beneath the surface of official political life and uncontained by society's formal institutions. Unsurprisingly, it normally falls outside the scope of sociological and political observation. Generally, the formal political institutions are suitable for channelling the activities of those strata that possess sufficient material, organizational and cultural resources and skills to express themselves in this way, that is for the elites and, to a certain extent, the middle class. In some societies such strata are, needless to say, more numerous than in others. In post-communist Russia, they comprise the tip of the iceberg. It is difficult for the lower, working strata to cross the resource and skill threshold and enter the sphere of formal politics; their protest activities *typically* take place outside of its framework, in the sphere of informal relations,⁶⁰ and predominately at the level that Vaclav Havel described as 'pre-political'.⁶¹ Besides, the protests of the lower strata are customarily very prosaic. They are not motivated by 'principles' or sparked by 'ideology'; they are directed at resolving some concrete 'issues' affecting people's everyday life and usually expressed in 'malfunctioning' of the *existing* order; they are directed at known 'culprits' rather than abstractions like the 'bourgeoisie' or 'partocracy', 'capitalism' or 'totalitarianism'. As a result, they are generally anything but revolutionary and their aims could fit easily into the logic of the status quo, provided there are some slight improvements. Eric Hobsbawm aptly noted that these kinds of protests intend to minimize the damage inflicted on 'ordinary people' by the status quo; they do not demonstrate a desire to blow up the existing order.⁶² The path from these protests – which originate in the undercurrents of everyday life and could be more accurately called *resistance to injustices* (or what is perceived as such) – to overt actions in the sphere of formal politics is long, arduous, uncertain and dependent on many 'contingencies'. This means that it is not determined by any essences (be it the essence of this particular social order, class struggle, 'modernization', or anything else).⁶³

The causes of resistance are as innumerable and 'trivial' as the forms in which they manifest themselves. Such causes could be low pay and arrogance of superiors, 'excessive' fines and the master's encroachments on 'legitimate' leisure, 'exorbitant' performance demands and deteriorating sanitary conditions,

imposed conformism and inadequate housing, and so on and so forth. The forms of resistance might include (pretended) obtuseness and lack of initiative, 'work-to-rule' and dissimulation, mismanagement and pilfering, folklore of mocking 'higher-ups' and withdrawing within oneself or one's inner circle. Each of these acts of resistance per se is negligible. In their totality, they determine society's key political and economic parameters as well as the volumes, conditions and forms of social wealth generation and distribution. James Scott offers this take in his brilliant description of acts of peasant resistance: 'Everyday forms of resistance make no headlines. But just as millions of anthozoan polyps create, willy-nilly, a coral reef, so do the multiple acts of peasant insubordination and evasion create political and economic barrier reefs of their own. It is largely in this fashion that the peasantry makes its political presence felt. And whenever, to pursue the simile, the ship of state runs aground on such reefs, attention is usually directed to the shipwreck itself and not to the vast aggregation of petty acts that made it possible.' Understanding this fact explains the reasons of the collapse of the state.⁶⁴

The presence of the people remains invisible as long as social life is observed from above and humans are treated as the material for social engineering experiments. It reveals itself precisely in the connection between macro-structural changes (such as the collapse of the state, which is just a specific 'case' thereof) and micro-processes (of everyday life and resistances typical of it).⁶⁵ From the point of view of the upper strata, overcoming the 'rigidity' of the material is what drives the elites to engage in their incessant labours described earlier. What is demanded from the unyielding popular material involves something more than the lower strata's 'acceptance' of the existing order (or of the ways in which it is modified by the 'reforming' elites). In principle, it is possible to obtain this 'acceptance' by means of overtly repressive methods, possibly accompanied by ideological brainwashing, that is, by something that vulgar theories portray as the trademark of 'totalitarianism'. But what has to be more importantly exacted from a people, what the viability of each society depends on is more than its mere 'acceptance'. A people *must* invest itself in the perpetuation of a society in question. The last task is of particular importance for the elites and presents the greatest difficulty, for which reason they sometimes have to compromise even on the purity of their 'autonomy' or, which is the same, on the consistency and thoroughgoingness of their 'reform' policies.

As to the transition from the 'invisible' and informal practices of resistance to an open revolt, it cannot and should not be looked at through the prism of 'ought'. In the normative sense, *a people owes nothing to anyone*: a people has no obligation before the avant-garde revolutionaries to flock into the battalions capable of 'storming the skies', nor does it have any duty to supply a sufficient contingent of compliant, brainy and deferential Fridays for the dominant capitalist or bureaucratic Robinson Crusoes. The dictates of duty are a classical gesture and means of imposing or reproducing dominance, which Arthur Schopenhauer sagaciously discerned even in its most refined form of Kant's moral theory of duty, which he aptly described as 'slavish'.⁶⁶ Confidence in the people's sound judgment as to

what is better for it in different situations is the only possible *democratic* stance an intellectual can adopt both in his/her research and in his/her practical involvement in political life. A people may choose to 'storm the skies', or to become Fridays or, what happens most often and without taking any explicit decisions, to imperceptibly form the 'reef' on which, to use James Scott's simile, its masters' dominance will eventually run aground. It only remains to be said that in the larger scheme of things, the course of history and its dramatic twists and turns, whose visible markers are precisely the 'sky storming' and the emergence of new contingents of Fridays, are nevertheless determined by the invisible consolidation of 'reefs' of popular resistances.

The presence of 'the absent people' in the post-communist transformation

Visualizing the post-communist transformation as a transition from plan to market, or from totalitarianism to democracy, means playing a hypostasizing game, in which abstract notions and ideas are objectified and given an independent existence. Of course, such ideas do not simply 'conceal' real practices, as vulgar theories depict the operation of 'ideology'. Ideas, including those mentioned above, do participate in the formation of reality, if only in the sense of Max Weber's interpretation: 'Not ideas, but material and ideal interests directly govern men's conduct. Yet very frequently the "world images" that have been created by "ideas" have, like switchmen, determined the tracks along which action has been pushed by the dynamic of interest'.⁶⁷ But what this means is that we should abandon the speculations about the transition from plan to market and its 'distortions' and engage in an analysis of the concrete practices of the so-called reform process in which different strategies pursued by different actors clash, intersect, combine and resonate. 'Ideas' the actors adhere to, whatever they can be, do play their roles in shaping such strategies and thereby do contribute to 'determining the tracks' along which a society in question proceeds. In this case, both the market and democracy (as well as the planned economy and totalitarianism) will appear not as hypostasized entities but as concrete networks of interactions maintained by concrete agents. A specific, 'context-dependent' structure of such networks has to be uncovered as well as a trajectory of their evolution. Particular attention should be paid to how such networks form the respective types of 'rationality' of the individuals involved in them (their 'calculating competences'), as well to how those individuals define 'competition' and to what they mean by it (to how they specify its limits, forms, terms and the very social entities to which it can extend). Given this approach, we cannot speak about universal laws of the market (or democracy), nor, consequently, about 'transitional economies' that are perceived to be in the process of 'implementing' these laws but so far have not attained this perfectly.⁶⁸ Of course, this does not mean that we deny the existence of certain parallels in how markets (and democracy) change and function in the modern world. However, they are explained not by the immanent laws of the market (and democracy) in general, but by the global domination of

certain organizational types of markets (and democracies) sustained by the power of concrete nations, their alliances and international organizations responsible for relevant policies (US, EU, IMF, etc.).⁶⁹

So what are the strategies of the main actors of the post-communist transformation, whom we have designated as the people and the elites?⁷⁰ To answer this question, we must take a closer look at the political economy of the *ancien régime*, or the old Soviet system, in order to see how it shaped relations between the people and the elites and to understand the logic of its transformation after the collapse of the USSR.

Despite the persistent difficulty in providing a clear-cut sociological description of the USSR's dominant class known as the *nomenklatura*, there is no doubt that the political economy of Soviet society was based on this class alienating the surplus product turned out by the working people. It was also organized around capital accumulation and reproduced the main forms of inequality and submission that are characteristic of capitalist societies. Simultaneously, many Soviet labour control methods were cruder and less efficient than those typical of 'normal' capitalism, to say nothing about the barbarous oppression of the peasantry and their forced 'bond-service' (eased only in 1974, when internal passports were issued to collective farmers). The same goes for the mass exploitation of the prison population, particularly during the time of the Gulag system. Under these conditions, the working people's reaction involved the same forms of 'concealed' resistance, ranging from apathy and sluggishness to pilfering, which are well known from antagonistic forms of economy in general (see note 64). There is every reason to believe that the resistance was even more pervasive, recalcitrant and economically noxious in the USSR than under 'normal' capitalism. Partly this was due to the impossibility of open forms of political protest, and partly to the fact that the disciplining mechanisms of the market and the 'law of value' were seriously constrained in the Soviet environment (as will be discussed later).

It would hardly be an exaggeration to say that the string of economic reforms, carried out nearly continuously in the USSR since the 1960s without ever reaching their goal, were, in the final analysis, aimed at solving the *systemic politico-economic problem* of relations between the world of labour and the *nomenklatura*. The microeconomic problems, such as organizational inefficiencies, technological decline, economic disincentives and so on, highlighted by the official explanations of such reforms, were for the most part the consequences and symptoms of the insolubility of the aforesaid systemic problem.⁷¹ Without resolving the core political economy problem, any microeconomic or technological successes proved at best palliatives incapable of saving the country from the plagues of (relatively) low labour productivity, mismanagement, pilfering of 'socialist property' and much more.

But Soviet society was not 'capitalist'. Nor was it 'authoritarian capitalist', if by this we want to underscore its salient *political* distinctions from those societies which are classified as 'democratic capitalist'.⁷² Soviet society was 'dual'. I am modelling the 'duality' of Soviet society on the concept of 'duality' Otto

Kirchheimer used to describe the contradictory character of the Nazi party following its accession to power in Germany. On the one hand, it was undoubtedly a tool of bureaucratic domination over the masses (and a means to keep the format of this domination from dissolving into conflicting 'special interests'). On the other hand, it was a successor to a broad-based party of the period of its struggle for power. As such, the ruling Nazi party retained a number of its organizational characteristics and ideological commitments determined by its past, and had to address at least the economic concerns of its numerous supporters and followers to some extent.⁷³

The 'duality' of Soviet society stems from the combination of oppression and 'the legacy of October' (the October Revolution), which the authorities never quite reduced just to the ritualistic legitimization of the status quo. The working class had never been the 'hegemon' or 'the leading force', but its 'socialist primogeniture' appeared as something more than just a cynical figure of speech employed by its oppressors. In the politico-economic sense, labour's immunities and securities, as expressed in the absence of unemployment and the set of universal social rights, meant that the working person was never reduced to the abstraction of 'personification of workforce', which is the key condition of capital accumulation in the specific capitalist sense of the term. Correlated to this is, of course, the fact that labour's antagonist had never been the abstraction of 'personified capital', something that accounts for the main difficulty in providing a clear-cut sociological description of the dominant Soviet groups. The relations between the oppressors and the oppressed, the working people and the 'higher-ups', therefore, had never reached the level of *universality* conveyed by the term 'capital', denoting universal, necessary and *abstract* (in the sense of the Hegelian 'real abstraction') ties between people. On the contrary, in the Soviet milieu these relations were decidedly *particularistic*, meaning by this that they were the relations between people in their *specific* political, ideological, administrative and other roles.

The particularistic nature of these relations was responsible for the ease with which they transformed into interpersonal relations – their 'informalization', if you will. Not only did this cause the widespread proliferation of networks of informal relations, but also their integration into the formal structures and their ultimate replacement by the former. (For a brilliant description of this process, read Alena Ledeneva's book on *blat*.⁷⁴) Meanwhile, although Soviet leaders were obsessed with capital accumulation, it never turned into a self-referential system of *autopoiesis* (as Niklas Luhmann would say), or 'production for the sake of production' (the production of capital, of course, not its concrete material carriers). In the USSR, capital accumulation did not distinguish itself from its social environment in recurrent acts of abstraction, which would have constituted both capital as *autopoietic* system and its own environment. It is in this way that 'normal' capital-as-value abstracts itself from all of its materializations, whether in production factors or in the use-values of commodities. On the contrary, certain particularistic aims dictated by the environment (or, more precisely, by how the *nomenklatura* interpreted that environment) always trumped the

logic of 'production for the sake of production'. At different stages in history, such particularistic aims included 'building socialism in one single country' and the defence of the 'besieged fortress of socialism' from the imperialist encirclement, Khrushchev's unwritten 'social contract' with the people during the 'thaw', the notorious stability of 'stagnation' under Brezhnev, and so on. In any case, capital accumulation – at times ruthlessly achieved through terror – has never followed its 'immanent logic', has never been something 'self-propelling' and, ideologically speaking, 'self-explaining' and, therefore, has never been, strictly speaking, 'capitalist' accumulation.

The regime's duality, combining oppression with the 'legacy of October', made the position of the *nomenklatura* as the dominant class inherently contradictory and 'unsecured'. The very material basis of its domination, the so-called 'people's property', was the embodiment of the main contradiction in Soviet society. Leaving aside the fact that it blocked private capitalization of income (whatever form it was created in), the degree and the forms of the protection of labour implied by 'the property of all people' made labour's resistances that much easier, drastically restricting the chances of its exploitation, or, if you will, of 'the rational utilization of 'human capital'.⁷⁵ It also dramatically circumscribed the social space where capital accumulation could take place at all, pushing to the outside the entire so-called social sphere (education, healthcare, many types of leisure etc.) as well as practically the whole of real estate and land. No matter how ruthlessly the Soviet elites oppressed the people in certain historical periods, in their role of 'masters' they were hamstrung by a number of obligations to the people that were dictated by the legitimizing role of the 'legacy of October'. Ironically, the same 'legacy' served as the justification of their predominance and of the very existence of 'people's property' as its material foundation.⁷⁶

The post-communist transformation was a project designed to remove the duality of Soviet society by annihilating the 'legacy of October'. The decisive damage to its legitimizing role was done during *perestroika*.⁷⁷ A set of new ideological constructs, such as 'democracy', 'universal human values' and 'entering the common European home', supplanted the 'legacy of October' as the foundations of legitimacy of the ruling elites. That much was achieved at an early stage in the transformation. Later those constructs were replaced by the great-power spirit, nationalism and the uniqueness of Russian (Eurasian) civilization. The material component of the 'legacy of October' was wiped out by a series of 'market' reforms. Hyperinflation essentially expropriated working people's savings, leaving them literally at the winners' mercy. Dismantling the Soviet version of the 'welfare state' has taken longer and is being completed right now with reforms/commercialization of public education, healthcare and the housing and utilities sector.⁷⁸ Still earlier, businesses 'dumped' their 'social infrastructure' (sanatoria, clubs, sports facilities, health centres, subsidized canteens etc.), which had made a sizable contribution to working people's 'social wages' in the Soviet period.⁷⁹ Finally, the privatization of the 'people's property' created an 'expropriated' proletariat in the proper sense of the word and as the abstraction of 'personification workforce', on the one hand,

and the masters personifying capital, on the other. ('People's capitalism' of the voucher privatization period was certainly an ideology in the most primitive sense of the word, that is, it was good for nothing, except for concealment and misrepresentation of reality).

Many observers rate the results of the project of the elimination of the duality of Soviet society extremely low. Writers describe them in the categories of the criminal and predatory form of Russian capitalism and of the kleptocratic regime, which has taken root in Russia. The regime has failed to guarantee the main rights and freedoms, including the right of private property. The Russian economy is becoming increasingly backward and turning into a mere supplier of raw materials for the centres of world capitalism. There are growing authoritarian trends in internal politics and a widening rift between the impoverished many and the affluent few. The list of Russia's maladies and failures can be continued and it is increasingly difficult to write them off as just the collateral damages of the otherwise benign process of transition. They look more and more like elements of the existing system's *modus operandi*. Unsurprisingly, a tendency has appeared to promote theories that look to history to explain Russia's current woes. Such theories emphasize something called the 'Russian "cultural code"' that 'is constantly pushing Russia into a revolution only to recreate a modernized copy of the political regime that was destroyed by the revolution . . .'. In this reading, the new Russia embodies the 'old Soviet past' and its future is certain to be 'Soviet' as well.⁸⁰ To express the idea in a better 'academic' fashion, '[t]he institutional solutions that emerged in distant Muscovy have been reproduced over time. . . . For all their outward appearances of radical departure, in a more fundamental institutional sense the Yeltsin and Putin regimes have been manifestations of deep-rooted continuity rather than change'. This is what is known as 'path dependence', which determines the recurrent reproduction of such phenomena as unaccountability of authorities, mutual cover-up, clientelism, nepotism and the like.⁸¹

'Path dependence' becomes yet another hypostatized concept unless it is translated into practices and strategies of concrete actors in concrete historical situations. In our case, this situation involves the dismantling of Soviet society's duality. In this situation, the practices and strategies of the elites and their liberal-intellectual allies were determined by the goal of capitalizing (and multiplying) the resources at their disposal. At the same time, their strategies were shaped by two important facts. First, the resources at their disposal were limited and unreliable due to the dramatic decline in the state's capacity to the point where it started to resemble a 'failed state'. Second, there was no chance to legitimate the project of 'capitalizing Russia' in the eyes of the great majority of its population.⁸² At the same time, popular practices and strategies seek to offset, at least in some measure, the damage done to the security, status and relative prosperity ensured in the past by the 'legacy of October'.⁸³ These include concealed 'sabotage' and the creation of informal self-support networks. For their efficiency, both need to be 'hidden' from official observations. They should stay beyond the formal institutions' reach.

Under these circumstances, is there any need for the invariable 'Russian cultural codes' or the 'legacy of Muscovy' to explain the fact that the developments follow anything but the scenarios copied from the (ideologically dissected and 'sublimated') Western path to a modern society? After all, the actual logic of Russia's post-communist transformation is the *opposite* of what guided the progress of the sociologically representative West over the last two centuries. While what characterizes the latter is the *universalization* and *expansion* of the content of rights, with social rights gradually supplementing and enriching the freedoms and possibilities enshrined in political and civil rights (at any rate, until the recent 'neoconservative revolution' and the rise of financialized capitalism), the post-communist transformation in Russia implements the opposite logic.⁸⁴ What determines it is precisely the *particularization* and *contraction* of rights and their conversion into privileges that can be enjoyed by some or other groups under certain conditions and their *dilution* as regards the amount and quality of benefits guaranteed by these rights.⁸⁵

Is it in any way surprising, then, that in the context of the post-communist transformation, networks of informal relations – far from shrinking relative to the Soviet period – have, on the contrary, proliferated both 'at the top' and 'at the bottom', with all the ensuing consequences for the economic and political-legal modernization prescribed by Russian liberals?⁸⁶ But how else can the elites exercise power and capitalize their incomes, given the country's uniformly unreliable and ineffective government institutions, unless they organize their own informal networks inaccessible to outsiders?⁸⁷ How can the people survive in Russia's post-communist environment without the informal economy producing about 40% of national GDP?⁸⁸ Why, finally, should all these survival strategies obey the capitalist logic of capital accumulation? Why should not being *excluded* from capitalist development or being pressed down by this development lead to the emergence of non-capitalist forms of economic activity and exchange, which are the proper products of this development and offshoots of its own contradictions in the current historical situation, rather than 'unprocessed' relics of the past?⁸⁹ What Lenin described as 'multistructurality' with regard to a different epoch seems to be manifesting itself as an essential characteristic of the *necessarily* 'wrong' post-communist transformation of Russia.

The particular dynamics and specific form of modern Russian capitalism and, accordingly, its political, cultural and ideological aspects, are determined by the conflicting interaction of the full range of practices and strategies developed by the elites and the popular strata. The only way to change these dynamics and this form is to change the alignment and configuration of popular and elite forces. For now, these changes seem unrealistic. Expecting them or even contemplating them can be described as utopian. But, according to Karl Mannheim, utopias ('relative' not 'absolute' utopias, in his words) in general are only condensed forms expressing the 'unrealized and unfulfilled tendencies which represent the needs of each age. These intellectual elements later form the explosive material for bursting the limits of the existing order.'⁹⁰ Is the idea of changing the alignment and configuration of forces determining the current order of the Russian post-communist transformation a utopia of this kind?

Notes

- 1 I have to put this term in quotation marks because far from all authors of these narratives recognize the pre- and post-1991 processes in Russia as 'reforms', even though they describe the same events and processes as those that their opponents do accept as 'reforms'. See, for example, Boris Kagarlitsky, *Restavratsiya v Rossii (Restoration in Russia)* (Moscow: Editorial URSS, 2000), p. 5 and *passim*.
- 2 Katherine Verdery, 'Whither Postsocialism?' in Chris Hann (ed.), *Postsocialism: Ideals, Ideologies and Practices in Eurasia* (London & New York: Routledge, 2002), p. 20. It should be noted, however, that for Verdery this 'troika' is an 'outdated' image of 'us' that has little to do with the current reality of Western societies and is imposed on 'them', that is post-communist Europe and Eurasia, as part of the continuing Cold War and the effort to assert the West's political and ideological hegemony (see pp. 20–21).
- 3 The understanding of these results as intermediate or final is, in itself, an important distinction between the narratives on 'new Russia'. Certain authors believe that the transition period is over. The reforms resulted in a 'specific type of economy possessing a logic of its own, which is not just a sum of its parts or a mixture of features of a planned economy and a modern market economy', with this 'specific type' being *essentially* different from both the Western 'democratic capitalism' and the (destroyed) Soviet system. See Grigory Yavlinsky, *Periferiynyi kapitalizm (Peripheral Capitalism)* (Moscow: Integral-Inform, 2003), p. 26 and *passim*.
- 4 See Andrei Yanik, *Istoriya sovremennoi Rossii: Istoki i uroki poslednei rossiyskoi modernizatsii (A History of Modern Russia: Sources and Lessons of Russia's Latest Modernization)* (Moscow: Moscow University Press, 2012), p. 593.
- 5 See Janos Kornai, *Highways and Byways: Studies on Reform and Post-communist Transition* (Cambridge, MA: MIT Press, 1995), pp. vii–ix.
- 6 For example, Joseph Stiglitz writes: 'I believe that the failures of the reforms in Russia and many republics of the former USSR stemmed from causes other than poor implementation of what was generally sound policy. The causes of these setbacks are much deeper and rooted in the reformers misunderstanding the very foundations of the market economy and the institutional reform process.' J. Stiglitz, 'Kuda vedut reformy?' ('Where Are the Reforms Leading?'), *Voprosy Ekonomiki*, No. 7, 1999, p. 6.
- 7 See Nikolai Leonov, *Krestny put Rossii 1991–2000 (Russia's Calvary 1991–2000)* (Moscow: Russkii Dom, 2002), Epilogue.
- 8 See Alexander Tarasov, 'Vtoroye izdaniye kapitalizma v Rossii' ('The Second Edition of Capitalism in Russia'), *Levaya Politika*, Nos. 7–8, pp. 33–68; Boris Kagarlitsky, *Periferiynaya imperiya (A Peripheral Empire)* (Moscow: EKSMO, 2009), Chapters 15–16.
- 9 See Francis Fukuyama, 'The Modernizing Imperative: The USSR as an Ordinary Country', in *The National Interest*, Spring 1993, pp. 10–18.
- 10 Robert Service, *Russia: Experiment with a People* (Basingstoke: Macmillan, 2002).
- 11 See, for example, Rudolf Pikhoya, Sergei Zhuravlyov and Andrei Sokolov, *Istoriya sovremennoi Rossii: Desyatiletie liberalnykh reform 1991–1999 (A History of Modern Russia: A Decade of Liberal Reforms 1991–1999)* (Moscow: Novy Khronograph, 2011), p. 22.
- 12 A happy exception is the 'ethnography of post-communism', which focuses on the interconnection between changes in macrostructures and everyday practices or micro-processes. See Michael Burawoy and Katherine Verdery, 'Introduction', in Michael Burawoy and Katherine Verdery (eds), *Uncertain Transition: Ethnographies of*

- Change in the Postsocialist World* (Lanham, MD: Rowman & Littlefield, 1999), p. 2. I will discuss this theoretical and methodological point later.
- 13 Adam Przeworski illustrates this point well using the Polish example. In May 1991, more than 80% of respondents regarded unemployment as the biggest social problem. But the thrust of the reforms at the time was to bridle inflation *at the expense of employment*. Once this objective was more or less achieved, the reforms lost mass support as no longer relevant, both because inflation was now under control and because the reforms had led to higher unemployment. Nevertheless, the reforms continued. Since the burden of inflation and unemployment was borne primarily by the 'poor', that is underprivileged groups, attitudes to reforms began crystallizing along traditional *class divisions in society*. See Adam Przeworski, 'Public Support for Economic Reforms in Poland', in Susan C. Stokes (ed.), *Public Support for Market Reforms in New Democracies* (Cambridge: Cambridge University Press, 2001), p. 125.
 - 14 Briefly, the 'absence of the people' from mainstream democratic theory is implied in Schumpeter's seminal definition of democracy – the theme on which most Western political science has been, in effect, a variation: '... Democracy does not mean and cannot mean that the people actually rule in any obvious sense of the terms "people" and "rule"... Democracy is the rule of the politician'. Joseph Schumpeter, *Capitalism, Socialism and Democracy* (New York: Harper Perennial, 1975), 284–285.
 - 15 See Howard Zinn, *A People's History of the United States* (New York: Harper Perennial, 1990); Chris Harman, *A People's History of the World* (London & New York: Verso, 2008); cf. Orlando Figes, *A People's Tragedy: The Russian Revolution 1891–1924* (London: Random House, 1996).
 - 16 See Immanuel Wallerstein, *Historical Capitalism* (London: Verso, 1983), p. 7.
 - 17 See Stephen Resnick and Richard Wolff, 'Between State and Private Capitalism: What Was Soviet Socialism?', in *Rethinking Marxism*, 1994, Vol. 7, No.1, pp. 9, 11; Paresh Chattopadhyay, *The Marxian Concept of Capital and the Soviet Experience* (Westport, CT: Praeger, 1994), Chapter 8. The classic of this genre is Charles Bettelheim's theory of 'Soviet capitalism'. See Charles Bettelheim, 'The Specificity of Soviet Capitalism', in *Monthly Review*, September 1985.
 - 18 I have borrowed this term from Margaret Somers; readers interested in its importance for the methodology of sociological research should consult her work. See Margaret Somers, '"We're No Angels": Realism, Rational Choice, and Relationality in Social Science', in *American Journal of Sociology*, Vol. 104, No. 3, 1998, pp. 731ff.
 - 19 See Thomas Hobbes, *On the Citizen*, ed. Richard Tuck (Cambridge: Cambridge University Press, 1998), Chapter 6.
 - 20 See Jean-Jacques Rousseau, *The Social Contract*, trans. by Maurice Cranston (London: Penguin, 1968), Book I, Chapter vii. According to this logic, a people's submission to any superior master is the people's destruction. See *ibid.*, Book II, Chapter I, p. 168.
 - 21 To Rousseau himself, with his emphasis on the transformation of people's social existence and their recovery of (lost) authenticity, this issue appeared to be inverted: How can social groups that have no concept of the 'common will' be transformed into 'the people' and subsumed within it? Rousseau's grappling with this particular issue produced a host of aporias in his philosophy and led him to the blind alleys of 'civil religion', miracles worked by the god-like Legislator, and nostalgia for the (imaginary) past, or society as yet untouched by the depravity of the modern civilization and *therefore* capable of consummating a fair social contract.
 - 22 Louis Althusser, 'Montesquieu: Politics and History,' in *Politics and History*, trans. B. Brewster (London & New York: Verso, 2007), p. 63.

- 23 Charles Montesquieu, *The Spirit of Laws*, trans. and edited by Anne M. Cohler, Basia Caroline Miller and Harold Samuel Stone (Cambridge: Cambridge University Press, 1989), pp. 10–11.
- 24 Montesquieu, *The Spirit of Laws*, pp. 12, 160, 262.
- 25 To repeat, 'people' in Montesquieu is a *political category* that differs qualitatively and quantitatively from the demographic presentation of 'population' (as we know it these days). It goes without saying that the nobility and the financial oligarchy, that is, 'those distinguished by the advantage of birth, wealth or honours' are *not* 'the people' and relegating them to the category is tantamount to subverting the freedom of 'a free state,' such as England under the Hanoverian dynasty in the 18th century. See Montesquieu, *The Spirit of Laws*, p. 160.
- 26 See Louis Antoine Saint-Just, *Esprit de la revolution et de la constitution de France*, https://classiques.uqac.ca/classique/saint_just/esprit_revolution/saint_just_esprit_revol.pdf, p. 7. [Accessed on: 17 June 2015]
- 27 See Maximilien Robespierre, *The Ninth of Thermidor: The Fall of Robespierre*, ed. by Richard Bienvenu (New York: Oxford University Press, 1968), p. 174.
- 28 These attempts are characteristic of conservative and particularly radical conservative currents of thought. For example, 'the people' for the conservative revolutionaries in the Weimar Republic is not derived from the classes created by modern (industrial, capitalist) society, but what is beyond them. 'The people' is the antipode of modern society, 'the great Nothing from the point of view of the world of public interests', the *subjectification* of a certain original substance and force of history and 'statutes of the Absolute', and an expression of 'spirits that are very close to nature'. See Hans Fryer, *Revolution von Rechts* (Jena: Eugen Diederich, 1931), quoted from the Russian edition of the book: *Revolutsiya sprava* (Moscow: Praxis Publishers, 2009), pp. 59, 69–70. It is not surprising that in Fryer's work, for example, the philosophical definition of 'the people' in terms of *Volkstum* and *Volksgeist* is superimposed on its *double* sociological explication. On the one hand, it is a purely *negative* description of 'the people' that seems to correspond (in its negativity) to the philosophical universality of 'the people' (it is not a social class, nor is it 'associated with a neglected and powerless interest,' etc.). On the other hand, 'the people' overlaps with the sociological *particular*, such as the world of 'the peasantry and countryside,' as the 'eternal foundation of history' (see Fryer, *Revolutsiya sprava*, pp. 70, 73, 63–64).
- 29 In the current literature, one or other version of the concept of 'hegemony' is often employed to describe what I am talking about. See Ernesto Laclau and Chantal Mouffe, *Hegemony and Socialist Strategy* (London & New York: Verso, 1987). In this chapter, we cannot dwell on this concept's heuristic potential for describing 'the people'. For insight into this theme, see Ernesto Laclau, *On Populist Reason* (London & New York: Verso, 2007).
- 30 To be concise, I will base this summary on the logic behind Benedict Anderson's description of 'nation'. Of course, 'nation' and 'people' are not identical. Moreover, the relationship between these terms is a separate and difficult problem in its own right. I will borrow from Anderson his logic alone, not the content of his description. The shared feature of 'people' and 'nation' as 'imagined communities' makes this borrowing possible. Anderson writes that 'in fact, all communities larger than primordial villages of face-to-face contact (and perhaps even these) are imagined. Communities are to be distinguished, not by their falsity/genuineness, but by the style in which they are imagined.' Benedict Anderson, *Imagined Communities* (London: Verso, 1991), p. 6.

I would only add that they are also distinguished by the functions that they realize or do not realize in public life.

- 31 Anderson, *Imagined Communities*, p. 4.
- 32 For a brilliant analysis of these 'fictions' and their role in political practices (as exemplified by Nelson Mandela's liberation struggle to create a 'South African people'), see Jacques Derrida, 'The Laws of Reflection: Nelson Mandela, in Admiration', in J. Derrida and M. Tlili (eds), *For Nelson Mandela* (New York: Seaver Books, 1987). For the same, in application to the rhetoric of the Declaration of Independence and the constituting of the 'American people', see Jacques Derrida, 'Declarations of Independence', in Elizabeth Rottenberg (ed.), *Negotiations: Interventions and Interviews, 1971–2001* (Stanford, CA: Stanford University Press, 2002), pp. 46–54.
- 33 Karl Marx, 'A Contribution to the Critique of Hegel's Philosophy of Right', in *Early Writings*, trans. by Rodney Livingstone and Gregory Benton (London: Penguin, 1992), p. 252.
- 34 See Ernesto Laclau, 'Why Do Empty Signifiers Matter to Politics?' in Ernesto Laclau, *Emancipation(s)* (London & New York: Verso, 1996).
- 35 See Vladimir Petukhov 'Bednye v Rossii: Otnosheniye k vlasti, politicheskoye uchastie, protestnyy potentsial', in Mikhail Gorshkov and Natalya Tikhonova (eds), *Bednost' i bednye v sovremennoi Rossii* ('The Poor in Russia: Attitudes to Power, Political Participation, and Potential for Resistance', in *Poverty and the Poor in Contemporary Russia*) (Moscow: Ves Mir Publishers, 2014), p. 243, Table 11.2.
- 36 See Mikhail Gorshkov's conclusions based on a national sociological survey conducted by the Institute of Sociology of the Russian Academy of Sciences in 2013. What is so characteristic and indicative (in connection with our speculations on 'the people' in the 'Digression') is Gorshkov's denial of the *political agency* of the poor in Russia. See Mikhail Gorshkov 'Zaklyucheniye' (Conclusion), in *Bednost' i bednye v sovremennoi Rossii*, p. 293.
- 37 Relevant data for the period from 1994 to 2013. See 'Protestnaya aktivnost' v Rossii poshla na spad: Levada-tsentr' ('Protests Are on the Decline in Russia – Levada Center'), <http://www.levada.ru/eng/protests-and-peace-marches>. [Accessed on: 17 June 2015]
- 38 This lack of turmoil cannot be explained by a growing crackdown on protests since the early 2000s, and came as a surprise to foreign observers even in the 'liberal' and muddled 1990s, which were marked by the unprecedented degradation of government institutions and a general regression of governance. See Steven Fish, 'Postcommunist Subversion: Social Science and Democratization in East Europe and Eurasia', in *Slavic Review*, Vol. 58, No. 4, 1999, p. 812.
- 39 According to Levada Center, only 1% of respondents displayed active interest in politics in November 2013, which is within the margin of error (compared to 4% in 1996), 'somewhat interested,' 28% (31% in 1996), 'fairly uninterested in politics,' 41% (43% in 1996), 'totally uninterested,' 26% (21% in 1996), and 'don't know,' 4% (2% in 1996, <http://www.levada.ru/16-12-2013/interes-k-politike>. [Accessed on: 15 June 2015]
- 40 See Yuri Levada's seminal article, 'Obshchestvennoye mnenie v politicheskom zazerkale' ('Public Opinion behind the Political Looking-Glass'), originally published in *Vestnik Obshchestvennogo Mneniya*, 2006, No.2, particularly Table 1. But for all the 'personalization' of authority, the prevailing attitudes in Russia are criticism, scepticism and even irony towards the 'great people' in power and official institutions. See Table 3 and 8, <http://polit.ru/article/2006/06/06/pubopinion/>. [Accessed on: 15 June 2015]
- 41 In his time, Jean-Paul Sartre demonstrated the *opposite*, that is the transformative potential of the alternative. He wrote: 'For it is necessary here to reverse common opinion and on the basis of what it is not, to acknowledge the harshness of a situation

or the sufferings which it imposes, both of which are motives for conceiving of another state of affairs in which things would be better for everybody. It is on the day that we can conceive of a different state of affairs that a new light falls on our troubles and our sufferings and that we decide that these are unbearable', Jean-Paul Sartre, *Being and Nothingness* (London: Methuen, 1957), pp. 434–435. Of course, Sartre's formula leaves unanswered the most important question (on which grounds it was criticized by Pierre Bourdieu): *What* opens our eyes to the alternative and *how* does this recovery of sight materialize in our practices?

- 42 See, for example, David Ost, 'Social Forces and the Post-communist Transition: Why Labour Turns Right', in David Lane (ed.), *The Transformation of State Socialism: System Change, Capitalism or Something Else?* (New York: Palgrave Macmillan, 2007), pp. 80–81.
- 43 See William H. Sewell, Jr., *Logics of History: Social Theory and Social Transformation* (Chicago: University of Chicago Press, 2005), pp. 83ff.
- 44 As Niklas Luhmann expresses the idea: 'By history we do not simply mean the factual sequence of events, according to which what is present is understood as the effect of past causes or as the cause of the future effects. What is specific to the history of meaning is that it enables optional access to the meaning of past or future events, and thus leaps within the sequence. History originates in the release from this sequence.' Niklas Luhmann, *Social Systems*, trans. by John Bednarz, Jr. (Stanford, CA: Stanford University Press, 1995), p. 79.
- 45 For all the rigour of the *analytical* differentiation between the two main types of order, which Friedrich Hayek calls 'spontaneous order' and 'made (or abstract) order' (or simply 'organization'), he emphasizes that 'the two kinds of order will regularly coexist in every society of any degree of complexity'. Every 'organization' relies, to some degree, on the rules of 'spontaneous order'; every type of 'spontaneous order' includes certain elements of 'organization'. See Friedrich A. Hayek, *Law, Legislation and Liberty*. Vol. 1 (Chicago: University of Chicago Press, 1973), pp. 46, 48–49.
- 46 There is a vigorous debate, especially among sociologists and economists, about the variability of capitalism and on the multiplicity and changeability of its synchronic and diachronic forms. For a good overview of the discussions of these issues and the latest contributions to them, see Uwe Becker, *Open Varieties of Capitalism* (New York: Palgrave Macmillan, 2009); and Christel Lane and Geoffrey Wood (eds), *Capitalist Diversity and Diversity within Capitalism* (New York: Routledge, 2012), particularly Chapters 2, 5, 7 and 8.
- 47 See David Lane, 'Introduction: Outcomes of Transformation' in Lane (ed.), *The Transformation of State Socialism*, p. 2.
- 48 Were it not for this protective hegemony, *what* would the Brussels-based EU bureaucrats say to the following invective from so passionate a liberal as Friedrich Hayek: '(s)o far as much of current government action is concerned, there is in the present world very little reason for the liberal to wish to preserve things as they are. It would seem to the liberal, indeed, that what is most urgently needed in most parts of the world is a thorough sweeping away of the obstacles to free growth'. Friedrich Hayek, 'Why I am Not a Conservative,' in *The Constitution of Liberty* (Chicago: University of Chicago Press, 2011), p. 521. Hayek's uncompromising criticism of all forms of state interference in economy, of the 'mirage of social justice', of democracy's degeneration into what he calls 'bargaining democracy' and the plaything of lobbies and 'special interests', suggests that present-day Western Europe is indeed one of the places in the world that makes the 'true liberals', like Hayek, deeply grieve.

- 49 See David Kotz and Fred Weir, *Revolution from Above: The Demise of the Soviet System* (London & New York: Routledge, 1997).
- 50 Anders Åslund, a sober-minded economist who is not given to philosophical metaphysics, came up with this precise formula: 'Russia's history is that of its leaders and their ideas'. See Anders Åslund, *Russia's Capitalist Revolution: Why Market Reform Succeeded and Democracy Failed* (Washington, DC: Peterson Institute for International Economics, 2007), p. 285.
- 51 Gil Eyal uses the Czech post-communist transformation as an example to show how such ideological practices of the subjugation and manipulation of the people are carried out and how they become embodied in specific political decisions and strategies. See Gil Eyal, 'Anti-Politics and the Spirit of Capitalism: Dissidents, Monetarists, and the Czech Transition to Capitalism', in *Theory and Society*, Vol. 29, No. 1, 2000, pp. 54–57. Russia was distinct only in that these practices assumed more coarse forms and proved less effective from the point of view of the ruling classes.
- 52 However paradoxical this may seem, radical criticisms of the liberal teleology of transitioning to the market and democracy occasionally prove a mere 'inverted teleology' rather than a negation of teleology as such. In Michael Burawoy's work, for example, an evolution towards the market and democracy turns into an involution towards archaic forms, and modernization into de-modernization. All of this is caught by the concept of 'transition without transformation'. The concept itself makes sense only as a reflection of and as an attempt to explain the frustrated expectations of Russia's transition to 'a modern capitalist economy' that remains a kind of landmark and a starting point in any analysis of the disconcerting and unpalatable Russian post-communism. Of course, this approach reduces the people to the suffering and dispossessed masses rather than a tool in the hands of the elites. See Michael Burawoy 'Transition without Transformation: Russia's Involved Road to Capitalism', in *East European Politics and Society*, Vol. 15, No. 2, 2001.
- 53 David Hume, 'Of the Independence of Parliament' in Eugene F. Miller (ed.), *Essays Moral, Political, and Literary* (Indianapolis: Liberty Fund, 1987), p. 42.
- 54 See Richard Lachmann 'Agents of Revolution', in John Foran (ed.), *Theorizing Revolutions* (London & New York: Routledge, 1997), p. 97, note 2.
- 55 Martin Gilens and Benjamin Page, 'Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens' in *Perspectives on Politics*, Vol. 12, No. 3, 2014, p. 576.
- 56 See David Prindle, *The Paradox of Democratic Capitalism* (Baltimore, MD: The Johns Hopkins University Press, 2008), pp 238–248; Jeffrey Sachs, 'Why America Must Revive Its Middle Class', *Time*, 10 October 2011, p. 30; David Harvey, 'The Enigma of Capital and the Crisis This Time' in John C. Calhoun et al. (eds), *Business as Usual: The Roots of the Global Financial Meltdown* (New York: New York University Press, 2011), p. 100; 'Not So Frugal', *Time*, 14 March 2011, p. 18.
- 57 See Goran Therborn, *What Does the Ruling Class Do When It Rules?* (London: NLB, 1978), p. 230. Therborn, with good reason, emphasizes the point that modern democracy historically appeared as an achievement of the people's struggles against the bourgeoisie rather than as the latter's creation, which was crafted to co-opt the lower strata. How the bourgeoisie has mastered democracy and transformed it into a co-optation mechanism is a separate issue, which we cannot address in this chapter.
- 58 We cannot consider these types of activities. For their detailed analysis, see Therborn, *What Does the Ruling Class Do When It Rules?*, Part II, Chapter 5.
- 59 As is obvious, this work is dependent on numerous concrete circumstances and can be more or less successful; the tools and methods used in the process are determined by

- the existing institutional and cultural context and therefore its efficiency always has certain limits.
- 60 See Frances Fox Piven and Richard Cloward, *Poor People's Movements: Why They Succeed, How They Fail* (New York: Vintage, 1977), pp. 5ff; James Scott, *Weapons of the Weak: Everyday Forms of Peasant Resistance* (New Haven, CT: Yale University Press, 1985), p. 299.
- 61 See Vaclav Havel, 'The Power of the Powerless', Vaclav Havel et al., *The Power of the Powerless: Citizens against the State in Central-Eastern Europe*, ed. John Keane (Armonk, NY: M.E. Sharpe, 1985), p. 50.
- 62 See Eric Hobsbawm 'Peasants and Politics' in *Journal of Peasant Studies*, Vol. 1, No. 1, 1973, p. 7. Barrington Moore notably extends this observation to great modern revolutions: 'Indeed I would hazard the suggestion that in any of the great revolutions that have succeeded, the mass of the followers has not consciously willed an overturn of the social order. . . . To the extent that angry little people want something new, it generally amounts to their perception of the old order minus the disagreeable and oppressive features that affect them'. Barrington Moore, Jr., *Injustice: The Social Bases of Obedience and Revolt* (White Plains, NY: M.E. Sharpe, 1978), p. 352.
- 63 To borrow Laclau's terminology, this path can be conceived as a transformation of 'requests' into still particular 'demands' and on into universal 'claims', expressing the rights to what has originally been just a desired concession on the part of the wielders of power and wealth. According to Laclau, the same logic (which in reality is only a string of contingent events) underlies the formation of a 'people' as a 'universal historical actor whose aims will necessarily crystallize around empty signifiers as objects of political identification'. See Ernesto Laclau 'Why Constructing a People Is the Main Task of Radical Politics', *Critical Inquiry*, Vol. 32, No. 4, 2006, pp. 654–657.
- 64 Scott, *Weapons of the Weak*, p. xvii. Scott's metaphor, with some adjustments, could be extended to modern capitalist industry, looking at it through the prism of what Pierre Dubois calls 'sabotage in industry'. See Pierre Dubois, *Sabotage in Industry* (Harmondsworth: Penguin, 1979), esp. pp. 21–59.
- 65 Of course, these connections are mediated by various phenomena at the meso-level of political and economic life, from which we in this case have to abstract.
- 66 See Arthur Schopenhauer, *The Basis of Morality*, trans. Arthur Brodrick Bullock (London: Swan Sonnenschein & Co, 1903), p. 5. For a brilliant, multifaceted and truly historical study of the phenomenon and the very idea of duty as a mechanism of domination, see David Graeber, *Debt: The First 5,000 Years* (New York: Melville House, 2011).
- 67 Hans Heinrich Gerth and Charles Wright Mills (eds.), *From Max Weber: Essays in Sociology* (New York: Oxford University Press, 1958), p. 280.
- 68 See Michel Callon, 'Introduction: The Embeddedness of Economic Markets in Economics' in Michel Callon (ed.), *The Laws of the Market* (Oxford: Basil Blackwell, 1998), pp. 41, 47. Generally speaking, 'the market' as it exists in the discipline of economics is such an underdeveloped concept that it is impossible to discuss the 'laws of the market' seriously. Douglass North noticed long ago an extremely curious circumstance, which is by no means accidental, that '(i)t is peculiar that the literature on economics contains so little discussion of the central institution that underlies neo-classical economics – the market', Douglass C. North, 'Markets and Other Allocation Systems in History: The Challenge of Karl Polanyi', *Journal of European Economic History*, Vol. 6, No. 3, 1977, p. 710. Precious little has changed since that time and what one can still find in standard economics textbooks is nothing but intellectual

pabulum like the following: 'A market is an institution or mechanism which brings together the buyers ('demanders') and sellers ('suppliers') of particular goods, services or resources', C.R. McConnell and S.L. Brue, *Microeconomics: Principles, Problems, and Politics* (New York: McGraw – Hill/Irwin, 2005), p. 39. Described in this way, this 'mechanism' can be a feature of prehistoric times just as much as of today's 'postmodern' global financial capitalism, telling us equally little about either of them. Employing this vacuous concept, we would never know what in particular distinguished the former from the latter, apart from that substance-wise different sets of goods and services were exchanged then and now. But the substance of goods and services cannot help us explain the structural polarity between the 'stone age' economy and the contemporary one. For an analysis of the very sparse 'classical' definitions of the market (in Antoine Augustin Cournot, Alfred Marshall and others) see Callon, *The Laws of the Market*, pp. 1–2, 52.

- 69 See Neil Fligstein, 'Markets as Politics: A Political-Cultural Approach to Market Institutions', *American Sociological Review*, Vol. 61, No. 4, 1996, p. 663.
- 70 This 'enlarged' presentation of the 'main actors' of the post-communist transformation is clearly a huge simplification. It is obvious that different factions of the post-communist elites used different, and even competing, strategies to attain their goals and that the reactions by different groups comprising the people were extremely diverse. Yet I think that this simplification is fair for two reasons. First, the current literature contains a sufficiently thorough accounting of the diverse strategies used by the post-communist elites in their different configurations; the study of these strategies has even reached the stage where a typology of historical trajectories of post-communist societies, as determined by the composition and behaviours of their elites, can be formed. Significant credit in this respect goes to the so-called neoclassical sociology. For its 'manifesto', see Gil Eyal, Ivan Szelenyi and Eleonor Townsley, 'On Irony: An Initiation to Neoclassical Sociology', *Thesis Eleven*, No. 73, 2003, pp. 5–41. For an expanded presentation of neoclassical sociological theory, see Gil Eyal, Ivan Szelenyi, and Eleonor Townsley, *Making Capitalism Without Capitalists: Class Formation and Elite Struggles in Post-Communist Central Europe* (London: Verso, 1998). Second, what is common to these otherwise different strategies used by post-communist elites and what is dictated by their attitude to the people is too often left 'off screen,' as is the common element of resistance in the various strategies used by different non-elite groups. My 'enlargement' makes it possible to focus on these points of overlap in the strategies of the elites and underprivileged social groups, respectively.
- 71 See Bob Arnot, *Controlling Soviet Labour* (Armonk, NY: M.E. Sharpe, 1988), pp. 2ff.
- 72 For a survey of different approaches to defining the political economic nature of Soviet society, see Arnot, *Controlling Soviet Labour*, p. 268.
- 73 See Otto Kirchheimer, 'Changes in the Structure of Political Compromise' in Andrew Arato and Eike Gebhardt (eds), *The Essential Frankfurt School Reader* (New York: Continuum, 1987), pp. 66–68.
- 74 See Alena Ledeneva, *Russia's Economy of Favours: Blat, Networking and Informal Exchange* (Cambridge: Cambridge University Press, 1998), esp. Chapters 1–5.
- 75 Suffice it to say that for all the above reasons, labour resources in the USSR were always in short supply; and whatever labour market we can speak of in the Soviet Union was certainly a seller's, not a buyer's, market. Testifying to this is the long-term trend towards the levelling of white-collar and blue-collar salaries in the Soviet industry. While in 1955, the former category earned 1.68 times more than the latter, by 1977 this indicator shrank to 1.21, Arnot, *Controlling Soviet Labour*, p. 35.

- 76 A political – as opposed to politico-economic – explanation of the Soviet elites' 'insecurity' points to a menacingly growing alliance between the liberal intelligentsia and specialists on the one hand, and the working class, on the other. The working class' positions were strengthened by demographic changes, primarily by the depletion of rural human resources in the course of Soviet urbanization and industrialization. Against this background, the leadership under Brezhnev allegedly had to be 'nice' to the working class and bribe them *at the expense* of the intelligentsia, enabling the growth of private consumption and turning a blind eye to inefficient management. See Georgi Derluguian, 'What Communism Was' in Immanuel Wallerstein, Randall Collins et al., *Does Capitalism Have a Future?* (Oxford: Oxford University Press, 2013), p. 116. To me, this does not seem a convincing explanation, even if we disregard the fact that the intelligentsia, commonly grouped together as the 'shestidesyatniki' ('men of the sixties') cannot be considered 'liberal'. Moreover, there are hardly any signs of its alliance with the working class (as distinct, for example, from Poland's case), an alliance that could present at least some threat to the *nomenklatura*. Besides, recruitment to the *nomenklatura* was the normal path of upward mobility for the intelligentsia at that time. In retrospect, this is confirmed by the fact that the intellectual recruits of this sort emerged as the main drivers of the *perestroika* movement in the late 1980s.
- 77 A thorough and colourful description of this process is provided by Leon Aron, who portrays it – in the best liberal tradition – as a heroic push towards 'truth' and freedom. See Leon Aron, *Roads to the Temple: Truth, Memory, Ideas and Ideals in the Making of the Russian Revolution* (New Haven, CT: Yale University Press, 2012).
- 78 The once widely publicized 'national projects' (in healthcare, affordable housing, education and agriculture) were meant to cushion to a certain extent the negative consequences that these reforms entailed for working people. Today there is a consensus among experts that the 'national projects' proved to be nonstarters. See Anastasia Bashkatova, 'Zabytye natsproekty' ('The Forgotten National Projects'), *Nezavisimaya Gazeta*, 29 December 2009.
- 79 In the 1980s, 'social wages' made up almost a quarter of urban workers' incomes (19% in the countryside). In the late Soviet period, social wages grew at a much higher rate than cash wages (between 1971 and 1981, the former increased by 81%, while cash wages in the cities grew by 45%). See Arnot, *Controlling Soviet Labour*, p. 36.
- 80 Vladimir Pastukhov, 'Restavratsiya vmesto reformatsiy: Dvadtsat let, kotorye potryasli Rossiyu' (*Restoration Instead of Reformation: Twenty Years that Shook Russia*) (Moscow: OGI Publishers, 2012), pp. 7, 8 and 9.
- 81 See Stefan Hedlund, *Russian Path Dependence* (New York: Routledge, 2005), pp. 263, 274–281.
- 82 It is for this reason that the market reforms could only be 'sold' to the public as a package deal including democracy. The salesmen's strategy necessarily involved the concealment of the fundamental tension between the two, which, in the specific situation of the post-communist transition, was so severe that it made many of the more astute theorists doubt at an early stage of the process that a market transition was feasible at all in a political democracy environment. See Jon Elster, 'When Communism Dissolves', *London Review of Books*, 25 January 1990, pp. 3–6; Claus Offe, 'Capitalism by Democratic Design? Democratic Theory Facing the Triple Transition in East Central Europe', *Social Research*, Vol. 58, No. 4, 1991. For more on what, in my view, made the juxtaposition of democracy and capitalism possible in post-communist countries, see Boris Kapustin, 'Capitalism and Russian Democracy'

in Per-Arne Bodin, Stefan Hedlund and Elena Namli (eds), *Power and Legitimacy: Challenges from Russia* (London & New York: Routledge, 2013), pp. 85–89. The fundamental impossibility of justifying capitalism (at least the variety that existed in the West until recently) is explained, according to Luc Boltanski and his colleagues, by the gap between the real forms of capital accumulation that enrich very few and its normative substantiation as serving the ‘common good’. It is the collapse of ‘classical’ capitalism’s legitimacy that compels it (under the pressure of criticism) to develop a new ‘spirit of capitalism’ emphasizing individualism, autonomy, authenticity, self-expression and so on as its justifications. See Luc Boltanski and Eve Chiapello, ‘The New Spirit of Capitalism’, *International Journal of Politics, Culture, and Society*, Vol. 18, Nos. 3/4, 2005, esp. pp. 162–171. It is questionable to what extent the new ‘spirit of capitalism’ really manifests itself in Western societies. No less disputable is its capacity to establish a basis for legitimizing capitalism. What is, however, quite clear is that this ‘spirit’ is absolutely unrelated to the capitalist reality in the present-day Russia, possibly with the exception of its privileged zone occupied by CEOs in the financial, commercial and energy sectors.

- 83 Is it in any way surprising that a considerable part or possibly even the majority of people both in Russia and in Central and Eastern Europe during the period of anti-communist revolutions in the late 1980s to early 1990s and later *did not* reject the ‘socialist path of development?’ Of course, in the popular mentality – unlike the mentality of the elites – it was associated with egalitarianism and social protection of labour, rather than with one-party regimes and the official ideology of Marxism-Leninism. See Robin Okey, *The Demise of Communist East Europe: 1989 in Context* (London: Hodder Arnold, 2004), p. 76.
- 84 For a classical presentation of this developmental logic, see Thomas Humphrey Marshall, ‘Citizenship and Social Class’ in *Class, Citizenship, and Social Development*, with an Introduction by Seymour Lipset (Garden City, NY: Doubleday, 1964).
- 85 Peggy Watson brilliantly illustrates this offering the example of healthcare in post-communist Poland. See Peggy Watson, ‘Inequalities in Health and Health Care in Post-Communist Europe’ in Lane (ed.), *The Transformation of State Socialism*, esp. pp. 191ff.
- 86 See Alena Ledeneva, ‘From Russia with ‘Blat’: Can Informal Networks Help Modernize Russia?’ *Social Research*, Vol. 76, No. 1, 2009, pp. 266–267.
- 87 As an example of this, in 2010, no more than 20% of all presidential executive orders and ordinances were carried out in time. But this was perceived as considerable progress compared with previous years, when this figure stood at 15%. Note that the case in question is unrelated to the Yeltsin period of ‘institutional chaos’. See Alexei Petayev, ‘Eto upravlencheskiy nonsens’ (‘This Is So Much Managerial Nonsense’), Slon.ru, 12 June 2010, <http://slon.ru/articles/414962>. [Accessed on: 17 June 2015]
- 88 See Jeremy Morris and Abel Polese, ‘Introduction: Informality – Enduring Practices, Entwined Livelihoods’ in Jeremy Morris and Abel Polese (eds), *The Informal Post-Socialist Economy* (London & New York: Routledge, 2014), p. 2.
- 89 For an analysis of these non-capitalist forms as exemplified by modern-day Ukraine, see Colin C. Williams, ‘Beyond a “Varieties of Capitalism” Approach in Central and Eastern Europe’, *Employee Relations*, Vol. 33, No. 4, 2011, pp. 413–427.
- 90 Karl Mannheim, *Ideology and Utopia: An Introduction to the Sociology of Knowledge* (New York: Harcourt, Brace and Co., 1949), p. 179.

3 A time of transition

Changes in reality and perceptions

Vladimir Popov and Piotr Dutkiewicz

This chapter seeks to explore as objectively as possible the milestones along the path of economic and social development in Russia in the 1991–2014 period. This time of transition from a centrally planned to a market economy, from socialism to capitalism, from authoritarianism to new forms of individual freedoms was, as is any turning point, brimming over with action. It was a blur of events, from which it is not always so easy to sift out the really important moments. In this chapter, we attempt to draw as unbiased a picture of the economic and social changes as we can, anchoring the discussion in the central theme of this work, which is how economic transformations and transition affected the social structure of society and public opinion.

The economic and social dimensions of transition

It is well-known that production dropped in the 1990s in Russia; what is less known is that this decline was of a magnitude unparalleled in the twentieth century. Neither the First World War nor the revolutions of 1917 and the subsequent bloodshed of the Civil War, nor the horrors of the Second World War brought about such a dramatic drop in output as was seen in the 1990s. National income fell by more than 50% between 1913 and 1920, but had rebounded by 1925, 12 years later, surpassing the pre-war 1913 level. In 1998, at the lowest point in the transformational recession of the 1990s, Russia’s GDP was 55% of the pre-crisis peak of 1989 – slightly more than the percentage of the 1913 level achieved in 1920. However, the current recession is lasting much longer.¹ GDP had only achieved the 1989 pre-crisis performance in 2008; but then the new crisis of 2008–2009 dealt another blow and it was only in 2012 that GDP significantly exceeded the 1989 level (Figure 3.1). By way of comparison, national income never once fell that far during World War II. In 1942, it was 80% of the 1940 prewar level, then climbed back up to the prewar level in 1944, and then once again descended to the 80% mark in 1946 during the conversion of the defence industry. But, by 1948, it had already substantially exceeded the 1940 level. The economic losses from the 1990s recession were exceptional in scale, greater than those suffered as a result of world wars and revolutions.