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The Great Involution

In 1989 Hungary exited from communism, forging a double transition from the party-state to an open liberal democracy and from state socialism to capitalism. In the first half of 1990 I was on sabbatical in Hungary, following my colleague János Lukács who had become an ardent advocate of ESOPs (Employee Stock Ownership Plans) as a strategy of privatization – transforming public enterprises into worker-owned enterprises. He was busy applying the results of our research: that the state socialist economy had depended on the ingenuity of shop floor workers to adapt to endemic shortages. Drawing on that legacy, he argued that workers were often better placed to manage their workplace than managers themselves and, therefore, they should own and control their own enterprises.

As a consultant on worker participation, János took me to visit various plants, including the famous Herend Porcelain Factory that exported its products the world over. Herend had become a showcase for the post-communist transition to worker-owned factories. I was less enthusiastic about this proxy-socialism, a distraction from Hungary's dismal descent into capitalism. I was disappointed that the socialist project had been abandoned so abruptly, so enthusiastically. So I turned my attention to the USSR, the still-standing state socialist Behemoth.

As fate would have it, amid the mail my friend Bob Freeland forwarded from Berkeley was a message from Moscow, inviting me to participate in a ten-day “summer school” for industrial sociologists. It was to take place in the second half of May on a boat going down the Volga. I had been to the Soviet Union on five previous occasions, either for conferences or for Erik Wright’s collaboration with Soviet sociologists to develop a joint US–USSR social survey. I had grown wary of these expeditions, as there was so little serious engagement with our counterparts – ritualized culture contact with little substance. Still, disillusioned with what I was seeing around me in Hungary, curious what was going on in Russia, and tempted by a trip on the Volga, I accepted the invitation. It was another ten days that shook my life!

Nina Andreenkova, head of the industrial sociology unit at the Soviet Academy of Sciences, had invited four of us from the US to lecture to some 170 “plant sociologists.” In reality they were employed in personnel management or human resources, and drawn from enterprises across the Soviet Union. The participants were sponsored by their enterprises to attend a paid “working holiday” (*kommandirovka*) – a wonderful Soviet invention – which meant lectures in the morning, tourism along the river in the afternoon, drinking and partying under the starlit sky in the evening. Now that was real communism! I didn’t speak any Russian, but Nina had brought along several interpreters both for the lectures and the informal festivities, and two of my colleagues from the US spoke Russian.

This was the summer of 1990 – wild and uncertain times in the Soviet Union, the climax of Gorbachev’s *glasnost* (openness), *perestroika* (reconstruction), and *uskoreniye* (acceleration). While we were traveling down the Volga on a boat, appropriately named the *Gogol*, the newly established Russian parliament was in its first raucous session, promoting Yeltsin and Russian independence. As I learned from my companions, factories were also experiencing tumultuous times, especially in the coal industry, where

miners were launching unprecedented challenges to the party-state.

One evening I let it be known that my father was born in Dnepropetrovsk, a huge industrial center in the Ukraine. I was immediately surrounded by employees of enterprises in the area. This is when trouble began. Dnepropetrovsk was a closed city, a home to the Soviet nuclear and space industry where some of my companions worked. And this was still the Soviet Union, so there were party informants on board, taking note of who was talking to whom. Nina Andreenkova had taken a huge risk in letting foreigners loose among all these enterprise sociologists. At Gorky, the police came on board and started cross-examining some of our Soviet companions, a cross-examination that would follow them back home. As I would learn, the KGB and its successor the FSB would rarely interrogate me; rather, they would question the people with whom I worked. They were concerned with controlling their own population, and not the exploits of a foreigner who was simply the bait.

Despite this rather unpleasant turn of events, the trip proved to be another turning point for me. It was on the *Gogol* that I met my future collaborators, Kathryn Hendley, a political science graduate student at Berkeley, and Pavel Krotov, a sociologist from Syktyvkar, the capital of the Komi Republic in Northern Russia. I had often dreamt of conducting research in the Soviet Union, but never thought it would be feasible. But now that things were opening up anything was possible. I returned in January 1991. By August, Yeltsin was standing defiantly on the tank, repelling the attempted coup; by the end of the year the Soviet Union was no more, dissolving before my eyes, disappearing with barely a whimper. At least, this time, I was not too late.

My Soviet expedition began in a historic Moscow rubber factory, Kauchuk, at the beginning of 1991 (Burawoy and Hendley 1992) – entry facilitated by the gift of two portable computers to the trade union. Kathie Hendley was the

key networker, interpreter, and organizer. The enterprise had become the site of a civil war, a public feud between, on the one side, the “young Turks,” mainly engineers, who supported the creation of a market economy and the exodus of Russia from the Soviet Union, and, on the other side, the old guard that included the enterprise president and the chief engineer, who doggedly defended the planned economy and the integrity of the Soviet Union. Kauchuk struggled to survive in that winter of 1991, as material shortages paralyzed day-to-day production. But management was able to exploit the collapsing central planning apparatus. They accumulated wealth by spinning off privatized cooperatives that bled the company of its supplies. I’d seen all this before in Hungary at the Lenin Steel Works, as managers privatized the lucrative part of the enterprise and, for a short period, made a killing in the emerging markets.

After three months in Moscow I decamped to Northern Russia, to the Republic of Komi. This was a region well-endowed with natural resources – coal, oil, and gas as well as vast swaths of forest that formed the basis of its timber industry. It had been home to a string of famous labor camps. At the heart of the complex was the very northerly mining city of Vorkuta. Life in such camps has been well described by Alexander Solzhenitsyn in *One Day in the Life of Ivan Denisovich*. While Pavel and I did spend time in Vorkuta, the labor camps had long since disappeared, finally closed in 1962.

I began the exploration of Soviet production in Syktyvkar, the capital of Komi, a city with a population of some 230,000. That was where Pavel lived with his mother in a run-down wooden tenement. Unlike so many Soviet sociologists who thought the survey was the only instrument of investigation and frowned upon anything like ethnography, Pavel was a man of the people, born to be an ethnographer. We got to know the leader of the trade union federation, who would later become a major political player in Komi as Governor of the Republic.

Through him I would get a job in Syktyvkar's youthful furniture factory that specialized in the production of wall systems – the combination of shelves and cabinets that adorned every Soviet apartment. Once again I was assigned to drill holes, only this time in wood – here perhaps it was more appropriate, as my Russian surname seemed to connote an artisan in drilling holes (Burawoy and Krotov 1992).

Fellow workers had difficulty comprehending what I was doing there. An American professor drilling holes in a Soviet factory had to be some sort of spy. It turned out that they were much more concerned about my being a spy for management than for the CIA. What I didn't realize at the time was that the shop floor supervisor used me to discipline her workers. She regularly intoned, "There's an American here, you had better turn up to work on time." Eventually, my patience paid off and I was invited to play dominoes in our many hours of downtime waiting for materials to arrive.

As the planned economy dissolved in 1991, Northern Furniture was able to barter its monopoly of the production of wall systems into all sorts of desirable and scarce supplies for its workers – from alcohol to shoes, from meat and sugar to places in holiday homes in the South. This was Northern Furniture's short honeymoon period, able to exploit its monopoly position in the transitional economy. When I returned the following year, after the dissolution of the Soviet Union, the factory was already in dire straits and on the way to bankruptcy, along with so much of the economy – few had the resources to buy wall systems and those who did preferred higher quality imports.

The transition to the market decimated the industrial economy as enterprise after enterprise closed down. Together with a small collective of Syktyvkar sociologists, my research took a new turn – how families survived this economic catastrophe. It involved in-depth interviewing of selected employees and their families. To discover their complex strategies of survival was by no means easy, as

this involved a tacit knowledge of household strategies that informants had difficulty articulating. Only a talented local sociologist, Tatyana Lytkina – immersing herself in their worlds, following their day-to-day decisions through gentle but perpetual interrogation – could ever comprehend how families made out in those precarious conditions. Given that existence in the Soviet era had required flexible adaptation to a shortage economy, families could draw on inherited psychological and social resources to face the inexorable postindustrial decline. It was a gendered response, however, in which working-class men, accustomed to security of employment, had far greater difficulty adapting than women, who had always borne the greater responsibility for family welfare. Now they supported their households through chains of mutual help and barter, through securing benefits from the state, through self-employment and creating small businesses, and through growing their own food on small intensively cultivated plots of land.

The bewildering transition from security to precarity tested the limits of endurance. Most were left in poverty while a few made a killing – those that controlled the market, namely bankers and mafia groups and those who positioned themselves to appropriate the proceeds of privatization. Pavel and I tried to study bankers, but it was far more difficult than studying factories – the production process was invisible, even to bank employees. You could study a bank for months but never know anything about the financial machinations that were keeping it afloat. Fortunately, we failed to plumb the depths of financial capital. I say “fortunately” because, at that time in the 1990s, bankers were being regularly shot or imprisoned. Instead, we turned to housing construction – how it survived in what had become a barter economy. Housing was at the center of the economy but it was also at the center of everyone’s life. There was new housing, but it was largely built for the nouveau riche who had benefited financially from the transition. We developed an account

of social mobility between housing classes and the strategies families deployed to maintain a roof over their heads.

Despite their ingenuity, the market transition was a disaster for the majority of the population. In the eyes of those who expected a bonanza – such as the miners of Vorkuta – the problem was not the hallowed market but the legacy of communism. The disaster of transition demonstrated that 70 years of communism had created such an infertile soil that no effective market could grow. Indeed, this was the theory that led some economists to propose shock therapy: destroy everything in a revolutionary break with the past. Other economists saw this as foolishness – you can't create something out of nothing; you need to build new institutions in an evolutionary transition. The reality was neither revolution nor evolution but what we called “involution” – a market that was destroying rather than advancing the forces of production.

The expansion of the market led to a “primitive disaccumulation” – the reverse of the process Marx had depicted as the genesis of capitalism – that took place at the cost of economic development. Entrepreneurs were more interested in immediate gains from asset stripping than in the long-term profit from building new enterprises or renovating old ones. As markets expanded, a new class gorged itself on Soviet enterprises. Time horizons shrank as the state was enfeebled. This was all quite different from the market transition in China, where the market was incubated under the direction of the party-state. In Russia the dominant strategy was to ruthlessly destroy everything connected to communism. The past was viewed as a radical impediment to the future. Russia witnessed what we might call a Bolshevik transition to capitalism, which, in many ways, was more disastrous, if less violent in terms of human lives and economic cost, than the original transition to communism.

Marxism could offer an analysis of the *collapse of state socialism* in terms of the suffocation of the productive

forces by the relations of production, and could even offer an understanding of class struggles, such as the strike wave led by coal miners in 1989 and then again in 1991, that proved to be the dynamite that brought the Soviet system to its knees. But Marxism as theory had a far more difficult time grasping the *genesis of a post-Soviet capitalism*. The hidden secret of the emerging order lay not in the labor process but in the realm of exchange that was systematically corroding production (Burawoy and Krotov 1993).

Like others, I turned to Karl Polanyi's *The Great Transformation* (1944) that examined the destructive consequences of unregulated markets. This extraordinary book, which has become a canonical work in sociology, shows how the industrial revolution in nineteenth-century England depended on a state-supervised market – "Laissez-faire was planned; planning was not." For the transition from state socialism the lesson was clear – there is no simple market road to market capitalism. Further, as Polanyi argued, once unleashed, markets so threatened society as to give rise to reactive counter-movements that could be worse than the danger they were supposed to avert. In the twentieth century the turn against the market during the Depression could take the form of state-sponsored social democracy but it could also take an authoritarian road – fascism and Stalinism.

I turned to Polanyi's concept of "fictitious commodity" to shed light on what was happening in Russia. A "fictitious commodity" is a force of production that when commodified – that is, reduced to its exchange value – loses its use value. Polanyi focused on three fictitious commodities: land, labor, and money. When labor power is commodified without protection, unregulated exploitation causes wages to fall below the cost of subsistence. When land is commodified, again without any restraint, this destroys the conditions necessary to support humanity, whether through ascending rent in the inner cities of advanced capitalism or the expropriation of peasantries in the Global South or the abuse of land by

agribusiness. Finally, when money is commodified so that it becomes the object of speculation, such as in the bizarre financial instruments created from debt, it can no longer act as a reliable medium of exchange, and businesses go out of business.

In post-Soviet Russia all three – land, labor, and money – were suddenly thrown into an unregulated market: labor had no protection and did not receive a living wage even when it was so lucky as to find employment; land was plundered at will and agriculture was driven back to subsistence; money (the ruble) was subject to speculation in a dramatic inflationary spiral, so that the economy turned to barter, prompting the development of local currencies. Our research in Komi revealed each of these processes, but especially the commodification of labor and money. Instead of a “great transformation” Russia underwent a “great involution.” Only after eight years of unprecedented economic decline did the Putin revolution bring back some semblance of order and regulation. This was a countermovement of sorts, and, moreover, one Polanyi might anticipate – the rise of an authoritarian regime.

After the great expectations and indeterminacy of the last years of the Soviet regime and the excitement of the early 1990s, Russia had skidded down a steep slope into poverty and decline. I had begun the exploration of “socialism on earth” in Hungary, asking why Solidarity had occurred in Eastern Europe and why in Poland rather than Hungary. I found the answer to lie in the peculiar autonomy of workers on the shop floor and the way state socialism generated its antithesis, a working class that called for a democratic socialism, demanding the party-state realize its promises. Such voices could be heard as state socialism disintegrated at the end of the 1980s, but they were far fainter than the call for the abandonment of socialism altogether as a failed experiment. If I was wrong about the possibilities of democratic socialism, I was right about the capitalist dystopia that would befall them on the

edge of Europe. And I was right that they would look back on state socialism as a “radiant past” when there had been security and progress.

The story was repeated in Russia. The working class, but particularly the miners, had been the dynamite to bring down the old order, but they were the first to be sacrificed in the new order, as mines closed down one by one. They had imagined they would control their own mines and their proceeds, but they neglected to consider the broader forces that would make nonsense of their dreams – a utopia without anti-utopia. Komi had been a network of labor camps within the gulag, and now it had become a network of declining communities within capitalism, from captivity without freedom to captivity without security. People fled if they could, but most could not.

I had followed the great involution as it spread through northern Russia. With Polanyi as my compass, I looked for lineaments of a countermovement to the market but discovered only a new authoritarianism. Helpless and without an audience – either among academics or publics or policy makers – I had backed myself onto the edge of the world. Although I saw Russia as the leading edge of a global descent into a neoliberal dystopia, I couldn’t connect the dots to the rest of the world. I was too caught up in the distressing peculiarities of the Russian transition, and the loss of any utopian vision. The darkness of the moment outweighed any light of a better future. How was I to recover my faith in sociology? For sociology without utopian imagination is not just blind but empty. The answer came from where I least expected it.

