

Review Essay: The Soviet Descent into Capitalism¹

How Russia Became a Market Economy. By Anders Åslund. Washington, D. C.: Brookings Institution, 1995. Pp. xviii+378.

Management and Industry in Russia: Formal and Informal Relations in the Period of Transition. Edited by Simon Clarke. Brookfield, Vt.: Ashgate, 1995. Pp. xii+244.

Workers of the Donbass Speak: Survival and Identity in the New Ukraine, 1989–1992. Edited by Lewis H. Siegelbaum and Daniel J. Wal-kowitz. Albany: State University of New York Press, 1995. Pp. xvi+226.

Michael Burawoy
University of California, Berkeley

Russia is making its third historic attempt to leap from backwardness into modernity. Each time the inspiration has come from the West; each time it has been propelled from above with draconian ruthlessness; each time the new would be born only by demolishing the old; each time it tried to avoid the costs of modernity, and each time experienced them all the more traumatically.

Does the same fate await the neoliberal revolution as attended the first two projects? Peter the Great's 18th-century Westernizing fantasy is memorialized in his great city, which was to diffuse modernity into the feudal hinterland. This ran aground on the sands of popular inertia and state-strangled development. Modernization from above generated skirmishes from below, culminating in the revolutions of 1905 and 1917. In the second leap forward, Western ideology, this time in the form of Marxism, spawned an extravagant vision of transformation. At the price of a holocaust visited on society, the Bolsheviks heaved this huge body forward. The project was shipwrecked on the shoals of the industrial classes that were to be its agent. The violent and mobilizing energies of communism finally dissipated, causing the Soviet regime to collapse under its own weight.

Reversing 70 years of isolationism, long-suffering Russia has embraced, albeit ambivalently, the ideology of markets and democracy as a third recipe for launching into a Western orbit. Will this third leap forward

¹ Send correspondence to Michael Burawoy, Department of Sociology, 410 Burrows Hall, University of California, Berkeley, California 94720-1980.

- Sokal, Alan. 1996a. "A Physicist Experiments with Cultural Studies." *Lingua Franca* 6:3-5.
- . 1996b. "Transgressing the Boundaries: Toward a Transformative Hermeneutics of Quantum Gravity." *Social Text* 46-47:217-52.
- Whyte, William Foote. 1992. "In Defense of Street Corner Society." *Journal of Contemporary Ethnography* 21:52-68.
- . 1993. *Street Corner Society*, 4th ed. Chicago: University of Chicago Press.
- . 1994. *Participant Observer: An Autobiography*. Ithaca, N.Y.: ILR Press.
- . 1996. "Qualitative Sociology and Deconstructionism." *Qualitative Inquiry* 2: 220-26.

be any more successful than the previous two? Will it too run aground? Will it involve less sacrifice? As Trotsky asked, in his famous treatise of the same name, “What Is the Soviet Union and Where Is It Going?”—so 60 years later we must ask the same of Russia.

In evaluating the Soviet order, Sovietologists were right to distinguish ideology from reality, and we should do the same for the post-Soviet order. That the ideology is our own should make us more rather than less attentive to the dangers of arrogant self-delusion: universalizing the elixir of market and democracy, dismissing alternative visions as so much humbug, confounding theory and practice, mistaking intentions for consequences, reducing means to ends, confusing symbols of modernity with its content. Equally dangerous is to recognize the discrepancy between ideology and reality, only to make light of it as the inevitable accompaniment of transition, an ephemeral lag that will evaporate or the by-product of irrational resistance. To recognize that ideology and reality are at odds and then to proclaim so much the worse for reality—that would be to repeat mistakes of the past. Here I will entertain the possibility that ideology may be at fault.

Accordingly, I first consider the neoliberal vision behind shock therapy, as presented in Anders Åslund’s *How Russia Became a Market Economy*, and then contrast this with experiences from industrial shop floors, as presented by Clarke and his collaborators in *Management and Industry in Russia*. In the third part, I locate this “plant sociology” in its broader context of political transition and economic involution, drawing on Siegelbaum and Walkowitz’s *Workers of the Donbass Speak*. Finally, I ask what role Western social science might play in the unfolding Russian drama.

NEOLIBERAL ILLUSIONS

Anders Åslund is one of neoliberalism’s leading exponents and executors. A Swedish diplomat in Moscow from 1984 to 1987, he later became identified with “shock therapy” and “big bang” when he joined Jeffrey Sachs and David Lipton to advise the first post-Soviet Russian government. *How Russia Became a Market Economy* describes the first three years of shock therapy, its inspiration, its trajectory, and its consequences. Although never doubting the correctness of the original vision, Åslund is not uncritical of the way it was implemented. His conclusion, however, is clear: “Russia could (and did) reform, and it has become a market economy” (p. 316) and therefore—what is not even stated because it is so much taken for granted—the conditions for genuine economic development have been established. Once the market is in place, the radiant future is assured. Let us consider the argument in more detail.

Neoliberal theory begins with the defects of the old order: the primacy of politics, an allocationally ineffective economy awash with price distortions. Markets, on the other hand, balance supply and demand through rational prices and at the same time put politics in their place. To make

the transition to a market economy under conditions of a collapsed party state, a recalcitrant elite of state enterprise managers, and a devastating economic crisis, it is necessary to deal swift and comprehensive blows to the old order. First, the new government must dissolve the legislature and call for new elections while enthusiasm for liberal reform is at its height. Second, there must be immediate liberalization of prices followed by stringent stabilization to prevent inflation and budget deficits. Third, in order to destroy the old managerial elite and set up the conditions for a market economy, there must be comprehensive and rapid privatization. This policy package constitutes the three legs of the inaugural big bang that will give the reforms sufficient forward momentum to overcome the inevitable resistance as fortunes are lost, living standards fall, and production is restructured.

How does Russia measure up to the program? On the first leg, Åslund condemns President Boris Yeltsin for having no political program. He blames Yeltsin for not dissolving parliament immediately after the failed coup in August 1991, as though the deputies were already predisposed to obstruction because of their "communist" past. However, Åslund overlooks the fact that these deputies had emerged in the anticommunist elections of 1990 and that their confidence in Yeltsin was so great that, after the abortive coup, they gave him powers to rule by decree. It was not so much the "communism" of the representatives as it was Yeltsin's own Bolshevik proclivities, as well as the policies he pursued, that led to confrontation. Indeed, Yeltsin made repeated and unconstitutional attempts to dissolve parliament, pouring salt into open wounds. The denouement came in October 1993 when Yeltsin ordered the military assault on parliament—the same parliament he had valiantly defended against communist putschists only two years earlier. The elections that followed in December 1993 did not bring the expected enthusiasts of neoliberal reform to the legislature but instead enhanced the power of the communists and Vladimir Zhirinovsky's "Liberal Democrats." There was no way around it: shock therapy was bound to court resistance from a popularly elected assembly.

On the second leg, liberalization of prices and trade began very successfully on January 2, 1992, but by April. opposition from congress, through its instrument the Central Bank, upset stabilization. Credits were disbursed to agriculture and industry, and the government was caught up in a whirlwind of spiraling inflation and budget deficits. Without resolving these problems, it moved on to the third leg: privatization. Celebrating the first anniversary of the failed August coup of 1991, Yeltsin announced the program to privatize through vouchers, what he called "the ticket to the free economy." All Russian citizens would receive 10,000 ruble vouchers to be invested in newly corporatized state enterprises of their choice. This was to be a people's capitalism. Of the three legs, Åslund considers privatization to be its sturdiest. "The transfer of half of the economy from the state to private hands in just two years was an extraordinary achievement" (p. 266). One is reminded of an earlier prop-

erty transfer in the 1930s, the collectivization of agriculture, which was celebrated with the same programmatic triumphalism. To be sure, privatization was not executed with violence, but that does not make fanatical implementation of theory any more economically rational.

By Yegor Gaidar's own admission, fanaticism was necessary to make irreversible the transition to a market economy. Once a market was established, power could be handed back to apparatchiki, such as the new prime minister, Viktor Chernomyrdin, who would have no option but to continue where the radicals had left off. Åslund comments, "Both radical liberalism and communist insurrection had come to an end. Russia entered a stage of normal politics—that is, one in which interests take precedence over ideas" (p. 2). One might say this was a rather rash prediction, but the following three years, until Yeltsin raided government coffers for his 1996 reelection campaign, did see interest rates increase, the ruble exchange rate stabilize, inflation brought under control, and the budget deficit more or less contained—the neoliberal dream realized. But the economy, subject to increasing domestic prices, converging on and even going beyond world prices, has shown few signs of recovery. On the contrary, output has fallen, wages are months in arrears and lag behind prices while unemployment has increased. Outside the sphere of finance and trade, capital investment has slowed to a virtual standstill. That Russia has been able to sustain these blows, so far without enormous destitution even as inequality has soared, reflects the richness of its inherited resources and the resourcefulness of its population accustomed to devious modes of survival.

The three-legged stool definitely wobbled and, at times, even looked like toppling over. The neoliberal program was held up by strategic errors, by mounting political opposition, and by Western reneging on promised financial support for stabilization, but the stool is in place. If it looks precarious, so the argument goes, that is because the ground underneath has not been leveled. If it supports a disintegrating economy, this is because the old has yet to disappear and the new has yet to be born. If services, trade, and finance expand at the expense of industrial production, these are signs of "normalization," that is, convergence with the modern Western capitalist economy. If inequality has increased, this too is a healthy convergence on the West. The decline in living standards has been exaggerated because so much private sector activity goes unrecorded and because Soviet figures were inflated. Mortality rates have increased, but this is the result of bad diets and lack of exercise inherited from the past, combined with the inevitable stresses and strains of transition, and so on. As with Bolshevism, necessity becomes virtue, defeat appears as success.

From one point of view, of course, shock therapy *has* been a colossal success—from the standpoint of international capital. With trade barriers down, Russia has been deluged with cheap foreign goods. I have seen meat from China, salmon from Norway, vodka from Poland, potatoes from Hungary, bananas from Ecuador, kolbass from Denmark, cheese

from Holland, confectionery from everywhere. Even those who cannot afford such largesse aspire to it, while making do with local bread and milk products, supplemented by home or dacha cultivation. And who now buys Russian furniture, refrigerators, washing machines, televisions, cigarettes, and cars, especially if they cost as much as foreign ones? Home industry has been decimated except in perishable goods and a few protected enclaves. Profits from the natural resource industry, particularly fuel, pour into foreign bank accounts. Capital flight has been estimated at \$10 billion a year. In short, modern patterns of consumption and distribution have taken root—if not in reality then in the imagination—while modern modes of production have been repressed. Here we have the classic formula for Third World underdevelopment.

Åslund recognizes that Russia has not fared as well as the countries of East and Central Europe, but this is because its neoliberal program was more needed and yet suffered bigger setbacks. "Russia's weak state and strong rent-seeking elite called for a more robust and radical approach than that taken in east central Europe, where both the state and civil society were comparatively stronger" (p. 11). The Czech Republic is Åslund's exemplary case of democratization, privatization, and macroeconomic policy. Poland, on the other hand, bungled its privatization program by taking a gradualist approach (on bad advice from European advisors), although it had been more successful in its macroeconomic strategy (where it had followed the ideas of Jeffrey Sachs). As long as the universe of experiments is the former Soviet Union and the countries of Eastern Europe, failures of the neoliberal program can be attributed to mistakes of execution.

China, however, challenges the entire project. Its economic reforms supervised by the party state have given China growth rates only equaled by Russia's rates of decline. China is celebrated by critics of big bang as the case for gradualism. In a telling three pages, Åslund pleads Chinese exceptionalism: there was no economic crisis, the managerial bureaucracy had been softened by the Cultural Revolution, and the state possessed a strong central leadership. There are no lessons to be learnt from China since the historical circumstances were entirely different. Mikhail Gorbachev had tried the Chinese road and brought down the entire order, leaving the Soviet Union in "a state of utter and complete collapse" (p. 52). It is difficult to defend this position. First, it was the "political shock therapy" of 1988—a phrase coined by Yegor Ligachev, Gorbachev's archenemy in the Politburo—introducing direct elections to a new Soviet parliament that unraveled the Soviet system. Second, the economic reforms of perestroika were directed at industry, very different from the Chinese stimulation of the profit motive in agricultural cooperatives, township and village enterprises, and local state corporatism. The Chinese road of state-guided marketization from below was simply never tried in Russia.

Empirical anomalies can be used either to push a theory forward into deeper waters or to rechart the boundaries of its relevance. We can either

reconstruct neoliberal theory to accommodate the Chinese experience or simply limit the applicability of shock therapy to industrialized societies (as opposed to agrarian), extricating themselves from socialism. *Logical contradictions*, on the other hand, internal to the structure of a theory, are more difficult to handle. They too come home to roost when theory is put into practice. Thus, at the heart of Lenin's theory of transition to socialism was a state that destroyed the old order while creating the new, a state that would magically wither away without developing interests in its own perpetuation. By starting and ending with a weak state, Åslund avoids this trap but falls into another. It is not the state but the market that is endowed with magical properties, destroying the old order while creating the new.

Behind the contradictory functions of the market lies a mutating managerial elite. On the one hand, Åslund regards Soviet directors as reactionary defenders of socialism, an "unsocial class" that has to be destroyed. On the other hand, because there is no other agent of capitalist revolution, Åslund ends up calling on this selfsame class to forsake its interests and become agents of the neoliberal revolution. "It is vital to break inflationary expectations and to turn state enterprise managers from the parasitical seeking of rent or subsidies from the state to profit-seeking endeavors. They must be convinced to shift their attention from supply to demand. They will only do so if they both face a demand barrier because of strict budgetary and monetary policy and if they believe it will last" (p. 9). Just as the Bolsheviks demanded that the working class sacrifice itself for the greater goals of socialism, so the neoliberals demand that the directorate transform itself for the greater glory of capitalism. Neither ideology wants to examine real interests.

When Åslund briefly attends to the managerial class in his conclusion, he notes with satisfaction that the military industrial complex has been largely crushed but the energy sector is still crawling with rent seekers. Profit maximizers are hard to find in his account, yet the transition depends on them. In fact the distinction between profit maximizers and rent seekers obscures the more fundamental one between those who seek profit in the sphere of exchange and those who seek profit from production, between a "merchant class" and an "industrial bourgeoisie." Russia's success in creating an unlimited market, the commodification of everything, has turned everyone into a trader but impeded the formation of a bourgeoisie that seeks profit by adding value. Indeed, Russia has never had an autonomous, self-reproducing, indigenous, propertied bourgeoisie, and it is not something created overnight. Here, once more, is the Achilles' heel of neoliberalism—its failure to comprehend class.

Institutional or "evolutionary" economics pays much more attention to the social and political conditions of entrepreneurship and criticizes neoliberal theory for its obsessional focus on *allocational efficiency*, through the balancing of supply and demand, even though in this regard markets are not markedly superior to planned economies. Evolutionary economics argues that the salient property of capitalist markets is their

dynamic efficiency, that is, their innovative pressures. But, so the argument continues, such “creative destruction” requires a stable institutional environment—contract enforcement, rule of law, stable rates of taxation, and so on—to promote risk taking and long-term investment. Evolutionary economists consider shock therapy and its wanton destruction of the old order as inimical to nurturing a modern bourgeoisie, that is, markets are necessary but not sufficient for economic development—a point that is standard fare in all strands of economic sociology.

Beyond evolutionary economics are bleaker hypotheses in which markets are neither sufficient nor necessary but under certain circumstances obstruct economic development, indeed become the armature of underdevelopment. Shock therapy becomes a Western formula for making Russia an entrepot economy. Loans from the International Monetary Fund (IMF) and World Bank are “free cheese in a mousetrap”—a phrase coined by Alexander Rutskoi, Yeltsin’s chosen vice president, later to become his implacable rival. In this third view, explored below, Russia’s regression is not transitional but permanent.

SHOP FLOOR REALITIES

To adjudicate among these competing hypotheses, we must turn from the lofty realm of ideology and central policy-making to the effects of those policies on the everyday operation of the economy. We must pay attention to the fault line that divides ideology from experience by turning directly to that experience.

Here we are fortunate to have at our disposal a unique series of case studies conducted by Russian sociologists working under the guidance of Simon Clarke of Warwick University. Against the drift of Soviet sociology that relied on social psychology and surveys, Clarke brought together teams of sociologists from all over Russia to study the post-Soviet enterprise through participant and nonparticipant observation. *Management and Industry in Russia* is the first of four volumes. Reading these studies, conducted in the period covered by Åslund’s treatise, one is struck by the abyss separating neoliberal ideology from the everyday world of the enterprise.

Simon Clarke’s introduction draws on the well-worn framework of “informal” versus “formal” relations to explain the persistence of Soviet forms of enterprise. While the *formal* structures of party, planning, and, to a much lesser extent, trade union may disintegrate, the *informal* relations of the shop persist to reproduce the old order. Thus, in the first two chapters, Sergei Alashev insists that Russian workers, now and before, contrary to stereotype, love to work. He shows their ingenuity in breaking bottlenecks, in coping with crises that beset production, in developing chains of collaboration, and in creating their own norms of cooperation and obligation.

These chapters are among the best overviews of life on the Soviet/post-

Soviet shop floor. Yet they must leave the Western reader wondering whether there is anything specific to these informal relations, for Alashev, unwittingly perhaps, reproduces the classic shop floor accounts of American industry. We can find here Alvin Gouldner's indulgency patterns, Donald Roy's goldbricking and quota restriction, patronage in recruitment and promotion. Like the "plant sociology" of the 1950s, these Russian studies of the 1990s tend to isolate the shop floor and downplay the very external forces that produce its distinctiveness.

Unable to pinpoint the peculiarities of Russian shop floor custom and practice, Clarke turns from the informal to the formal: "In the Soviet enterprise the formal system was far more rigid, far more remote from everyday reality, and far more impervious to change than is the formal system of the Western enterprise" (p. 21). But this overlooks what is really of interest, namely the way informal relations are a response to and a compensation for the unintended consequences of rationalities imposed from above. Seen in this light, shop floor relations of the socialist factory *are* quite different from those of the capitalist firm since they respond to different contingencies. The capitalist workplace is typically driven by *demand side* pressures stemming from process and product transformation, impelled by competition among firms to secure profit. The immediate problem for the capitalist firm is to sell what it produces at a profit. When it fails, it must either innovate or shut down. For workers this means expropriation of control and redundancy.

The socialist workplace, on the other hand, is driven by *supply side* constraints, arising from the continual bargaining for resources under "soft budget" constraints. The socialist economy is a shortage economy in which materials are of poor quality, machinery continually breaks down, labor supplies are inadequate, and so on. Shop floor autonomy is not only required for efficient production it also arises from the power of workers, who cannot be easily fired. The socialist workplace challenges workers to be more than appendices of machines. Against their formal job description, they reunify conception and execution. Willy-nilly they become skilled workers by virtue of the uncertainty of production. We can find this in capitalism but not as its central tendency, where deskilling still prevails.

As described by Lena Lapshova and Irina Tartakovskaya, this has fascinating consequences for gender relations on the shop floor. It turns out that despite their discipline, their attention to detail, their sobriety and regular attendance, managers still did not prefer women over men. Managers regard women's commitment to work as instrumental. They do not love their work like men. They may be more industrious, but they do not exhibit the same intrinsic attachment, the same initiative as men—so crucial to the effective functioning of the Soviet factory. Even worse women are more easily incensed by injustice while men are more prepared to compromise; women are more principled and men more inclined to bargain. While Lapshova and Tartakovskaya recognize the interests of men in excluding and dominating women, they nevertheless give over-

riding weight to immutable psychological and cultural factors that predispose women to subordinate positions (p. 166).

However, for the most part, the book is refreshingly free of the Russian penchant for cultural essentialism. There are no sweeping claims about *Homo Sovieticus*, or the eternal Russian hankering for a strong leader, or the Russian worker's obstinate egalitarianism. Instead, the studies pay close attention to concrete relations of production. In this regard the two discussions (chaps. 4 and 5) of "paternalism" are useful in characterizing the overall political order of the Soviet factory. Petr Byuzikov regards paternalism as growing out of the coercive factory regime of Stalinism. Managerial guardianship, he argues, can easily slide back into authoritarianism as well as move toward more instrumental market models of governance. The Samara Research Team (chap. 5) goes further by filling the concept with specific attributes: the existence within the enterprise of a wide range of nonindustrial activities, charismatic leadership, strong hierarchical management, closed information, egalitarian principles of wage and distribution, nonmonetary relations, ideology of paternalism. One wonders how distinctive this is to the *Soviet* factory, which of these factors are essential, which are contingent, and what is the relation among them. Are there not different forms of paternalism? Engagement with other studies of the socialist enterprise, such as Andrew Walder's *Communist Neotraditionalism*, would have given their analysis more bite.

Closer attention to variation between and within factory regimes might also have forced them beyond the shop floor, away from a static, state-as-guardian perspective and toward a hierarchical bargaining model of the Soviet shortage economy. Enterprise directors spend their time not only queuing, hoarding, and searching for materials in short supply but bargaining with higher authorities for loose plans, that is for targets easily achieved and indices easily manipulated. In these pursuits they have a common interest with their employees, laying the basis for factory paternalism, cemented by the factory's social welfare regime, which provided kindergartens, vacations, housing, and other scarce goods. The result of both improvisation on the shop floor and unity vis-à-vis planning authorities leads to strong collectivism both on the shop floor and at the level of the enterprise—hence the importance of the labor collective, a signal feature of the Soviet factory that Clarke and his collaborators stress.

But how then might one explain continuity of paternalism and labor collective in the face of an ascendant market economy, profit maximization, and the hollowing out of enterprise welfare? Here the studies are unclear. Cultural inertia would be the easy answer—consonant with Åslund's view of enterprises as bastions of irrational conservatism, impeding the enlightened policies from the center. An alternative explanation would focus on the external relations among enterprises and between enterprises and the state. To be sure the economy is privatized but still the state holds the key to enterprise survival by distributing credits at low interest rates. Budget constraints are not hardened but monetized. Directors manipulate the labor collective, instigating strikes in order to sub-

stantiate their appeals for financial aid. When credits are not forthcoming from the state, then enterprises simply do not pay their taxes and utility bills, or enter into chains of debt with one another, or avoid the monetary circuit altogether by reentering barter transactions. Enterprises appropriate control over assets while externalizing liabilities, especially to the state. In this view the informal—whether paternalism or the strength of the labor collective—is not some cultural leftover that lives on under its own inertia but is reproduced by the hierarchical bargaining that continues even under a market economy.

So much for continuities, but surely there has been change too? According to Pavel Romanov (chap. 7), based on his observations of a number of workplaces, power is being delegated to line management, which now has the power to hire and fire. Valentina Vedeneeva draws the opposite conclusion from her own case study, where the introduction of time wages, designed to retain skilled workers, leads foremen to lose control over workers. To understand these contradictory tendencies, one must go beyond plant sociology to the economic and political relations in which each factory is embedded. When the context is stable, one can talk of custom and legacy, but in the transition, external uncertainties disrupt custom and strategic action prevails. We must, therefore, turn to the study of social processes, the succession of events, and explore the strategies of different actors who manipulate rather than unreflectively execute norms.

In this regard the most interesting chapter in the book is the one written by Marina Kiblitckaya, entitled, “We Didn’t Make the Plan.” Kiblitckaya describes the situation at a plant that repairs and maintains electric trains. Early on in the reform process, the enterprise was leased from the state, giving management much more autonomy. Yet things remained much as before—the enterprise was still under pressure to maintain a planned output. In May 1993, however, it failed to meet the plan, and the puzzle Kiblitckaya wrestles with in the paper is why. She recounts all the problems in making the plan—shortage of workers, shortage of equipment, shortage of supplies, an ineffectual manager of supplies. But there was nothing new there. She investigates further and shows that there was an informal deal that a proportion of the carriages were returned untouched each month. A system of mutual bribing made this possible. But in May the customers refused to accept the terms of the informal agreement and turned back the unrepaired carriages. Added to this, workers decided to restrict output themselves because the bonus system did not encourage plan fulfillment. The final reason was the absence of the deputy director, who normally ensured plan completion. When management met to allocate blame for the failure to meet the plan, it was the chief inspector who was publicly humiliated for holding up production for a week. Rather than focus on the real relations, management operated in its customary ways, seeking to apportion blame rather than recognizing a structural problem. Nothing changed as a result.

Still, the question that Kiblitckaya does not pose is whether there was

anything uniquely post-Soviet about the event. There are intimations that things are changing. First, one wonders why suddenly the customers insist on real rather than fictional repair. Could it be that they are subject to hard budget constraints and can no longer afford to allow carriages to deteriorate? Second, why do workers suddenly decide to restrict output when the payment system had not changed? Could it be that the monetary incentives are now more important than before, that cash is more important as social benefits have become scarcer? Workers get less and so they give less. And why was the deputy manager not there, guaranteeing the plan? Was it because he had a business trip of his own?

In emphasizing legacies, Clarke and his collaborators provide an important corrective to neoliberal optimism. In starting from experience rather than ideology, their research is pathbreaking. By looking into the hidden abode of production, these studies show that, while there may be much "reactive adaptation," there is not much "proactive innovation." We should not be looking to manufacturing for dynamic growth. However, by leaving external forces unexamined, their plant sociology inclines Clarke and his colleagues toward cultural or inertial explanations of continuity and backwardness. Confined to the shop floor, their analyses miss the very real changes that are taking place in the spheres of distribution and consumption—changes that impinge on enterprises in different ways and at different rates. Plant sociology is a good point of departure but by itself cannot capture the dynamism of a transition in which "everything is pregnant with its opposite": modern banking and finance flourish alongside Soviet production; profits are maximized but without investment; wages are not paid but people still work; enterprises are bankrupt without being liquidated; and generally market liberalization sends Russia scurrying toward the Third World. We need to take the perspective of the totality in order to grasp the overall character of the transition.

POLITICAL TRANSITION AND ECONOMIC INVOLUTION

In *Workers of the Donbass Speak*, Siegelbaum and Walkowitz address the question of transition directly. Their book is subtitled *Survival and Identity in the New Ukraine, 1989–1992*. Both authors are social historians, the first of the Soviet working class and the second of the American working class. They led a team of labor studies experts and Soviet specialists, who arrived in the Donetsk as part of a joint Donetsk-Pittsburgh oral history video project. They arrived in July 1989 on the heels of the momentous all-union strike of miners, which had begun in the Kuzbass and spread to the Donbass and Vorkuta. As a result of the exceptional circumstances, Siegelbaum and Walkowitz were given complete freedom to conduct interviews not only with old timers but leaders of the strike too. They returned with their film, soon after the second major strike in 1991, and stayed to conduct further interviews. They arrived once more the following summer. The book brings together a selection of the inter-

views and two major commentaries, one from Siegelbaum and Crowley and the other from Walkowitz, which analyze the changes in those tumultuous three years through the voices and eyes of the community.

The interviews make clear just how traumatic the change has been for the mining community in this city of 1.2 million in southeastern Ukraine. Walkowitz's essay presents the miners as they see themselves—the dynamite that brought down the old regime. They fought for greater control over the product of their labor and over their enterprises by demanding a market economy; they fought for democracy and greater control over their lives by demanding Ukrainian independence. Amazingly, within the space of three years, they had won virtually all their demands but found themselves much the worse for the change. They had vanquished the regime that had made them into a labor aristocracy. The collapse of the command economy and its replacement by markets jeopardized the mines and future employment. Ukrainian independence did not bring greater control to Donetsk but shifted the center of political power from Moscow to Kiev. Economic levers remain in Russia, and Ukraine becomes a dependent satellite. As the Ukrainian economy deteriorates ever more rapidly, hopes for a postcolonial renewal turn into “neocolonial” resentment. So far, Ukrainian nationalism has been restrained, but Russians are always potential scapegoats for post-Soviet underdevelopment.

Siegelbaum and Walkowitz are not content to simply display the familiar irony (or at least, familiar to the Russian working class) that those who bring down the old order become the first victims of the new order. Crowley and Siegelbaum root the experiences of miners in the context of their enterprises. They go beyond the shop floor studies of Clarke and his collaborators by exploring differences between mines—both the strategies of the directors and the response of the miners. They compare October Mine, where there develops a strong, almost syndicalist, militant workers movement headed by the newly formed independent trade union, with Kuibyshev, where the director constructs an effective paternalism, co-opting opposition and bolstering the official trade union. Whereas all miners of the Donbass were united in the 1989 strike, in 1991, October goes out on strike but not Kuibyshev. The interviews show that the director of Kuibyshev managed to convince his workers that they had too much to lose, economically, from striking, while October was a poorer mine with a history of militancy and more to gain.

Without disregarding the importance of the distinctive traditions of the mine collective and the legitimacy of the director, the authors argue that the rise of the market, especially price liberalization, had the effect of dividing the interests of workers on the basis of the profitability of their mines. Only when common interests can bind workers together again, as when central price controls were reimposed in 1993 or when miners faced months of wage arrears in 1996, does a unified strike against Kiev become feasible once more.

The comparison between mines underlines how misleading is Åslund's distinction between profit maximizing and rent-seeking enterprises. Each

mine tries to do both—to seek profit in the market and extract concessions from the state. More to the point is *how* enterprises seek profit—whether through investment in new machinery, through new forms of work organization, through reducing labor costs, or through channels of exchange. Take the case of Zasiad'ko, an unusually prosperous mine that had built an entire trading and industrial complex, which included “a department for housing construction, two vacation centers, greenhouses, a livestock station replete with slaughterhouse and smokehouse, and its own farm whose produce was exchanged for consumer goods. Contracts with trade organizations brought in clothes, shoes, furniture, and automobiles, while barter deals provided the miners with cassette players, VCRs, and televisions at subsidized prices” (p. 82). The focus is not on rebuilding the mine but on profit from trade. The mine becomes a center of merchant and not industrial capital, exploiting the large difference between domestic and international prices that still existed in 1991. The strength of the labor collective described by Clarke and his colleagues only further discourages managers from investing in or transforming production.

Shock therapy has indeed created a market but not economic development. The dynamism lies in the sphere of exchange—in the expansion of banks, insurance, services, advertising, trade—precisely the redistributive sphere that broke down with the collapse of communism. Neither revolution nor evolution captures the contradictory degradation of the Russian economy, indeed of Russian society—the unique blend of the modern and the ancient. I prefer to speak of *involution* to capture the process of economic self-destruction and self-consumption, in which expansion of the market undermines rather than promotes production.

The transition is a succession of involutory phases. In the first phase, the dissolution of the party state stimulates the expansion of trade and barter and the conservation of the Soviet enterprise. In the second phase, liberalization and privatization produce a flourishing financial sector with cheap credits, negative interest rates, uncontrollable inflation, and huge budget deficits. In the third phase, stabilization seeks to bring the economy to heel but intensifies the barter of the bankrupt and imperative coordination through “the mafia.” At each phase escalating transaction costs eat away at an ever-diminishing productive base.

As enterprise disintegrates as a source of livelihood and the state cannot take up the slack, so the mass of the population falls back into a primitive, intensified domestic economy of dachas and subsistence plots and trading and buying their wares in the thriving bazaar. Everyone makes the most of resources inherited from the past, not just cultural and economic capital but also social capital. Kin networks, in particular, assume the redistributive burden of state and enterprise. Involution from above finds its complement in involution from below. Every step forward is accompanied by an equal step back. Modernity swirls around in an archaic world. Even in politics Russia is caught between nostalgia for past egalitarianism and security and illusions of a radiant future of plenitude. Here hope is born from desperation.

WESTERN SOCIAL SCIENCE IN A POST-SOVIET WORLD

These three books forcefully raise the dilemma of how Western social scientists can and should relate to Russia's incorporation into the world economy. The neoliberals, even more than the Bolsheviks before them, dismiss indigenous thought and celebrate their universal truths with all the confidence of a triumphant imperial power. Searching for an ideology to justify their rule, apparatchiki of old provide fertile terrain for converts and disciples. Neoliberals and their epigones claim that the new order can only be built on the ruins of the old. Only great sacrifices bring the fruits of the modern market. When leaders bend to the skepticism of their voters and offer temporary relief, foreign advisors deny responsibility for the outcome. The IMF and World Bank loudly proclaim: Follow the recipe or be damned.

Seeking neither converts nor disciples, offering neither program nor policy, Simon Clarke nurtures a community of critical Russian sociologists who investigate what is actually happening within the crucible of post-Soviet economy. They work collaboratively across Russia, holding regular seminars, taking sabbaticals in Warwick, and all along maintaining continual contact. They monitor the effects or noneffects of neoliberal policies promulgated from the center. They pursue the gap between promise and reality, ideology and experience. Rather than imposing truth from above, they propose to begin where Russia already is; rather than fanatically destroy, they work from what exists. Development will not appear through immaculate conception, from theoretical proclamations, but through harnessing popular imagination and energy, amply displayed on the shop floor.

Finally, Siegelbaum and Walkowitz offer a third model of involvement devoted to giving voice to the working classes directly in interviews and films. By bringing them to the United States and organizing visits to the mines of West Virginia, they encourage union leaders and managers to make up their own mind about what they want to take from the West. They describe the tragedy that has befallen the miners of the Donbass, their struggles for survival, and the identities they seek to forge, but they offer no solutions.

With the Bolshevik Revolution, Russian leaders saw themselves as the vanguard of world revolution. Lenin, Bukharin, and Trotsky took over the reins of Marxism as brilliant practitioners and original thinkers. They were feared and revered. When the Bolshevik Revolution degenerated, Western intellectuals (until the advent of the Cold War) often turned a blind eye to Stalinist atrocities. We should learn from our history. With the neoliberal revolution, Russian leaders have already become an imitative, parasitical elite, cynically manipulating the new world order for their own aggrandizement, deftly deploying the ideology of markets and democracy to present their narrow interests as the general interest. They decry helplessness before laws of their own self-created market, denying accountability for Russia's plight while stashing away their ill-gotten

gains in Western banks. One is reminded of Fanon's African bourgeoisie—corrupt, profligate, voracious, and unscrupulous—more than Weber's sober, austere bourgeoisie.

Western social scientists should not be complicit in naturalizing history or the economy, as though their force were immutable and incontrovertible. We should not cower behind market euphoria, cultural essentialism, or even *vox populi* but reveal the real interests and forces at work in order to expand the horizon of possibilities and decipher the direction of change. We should not indulge the illusion of the time nor shrink from unpopular prognosis—that Russia is carving out its own road to underdevelopment.