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Involution and destitution in capitalist Russia

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ABSTRACT ■ While much has been written on the unprecedented degeneration of the Russian economy, how people survive or do not survive remains a mystery. A close 5-year tracking of workers from a liquidated furniture enterprise in Northern Russia reveals two types of survival strategy: defensive and entrepreneurial. Defensive strategies retreat to a primitive domestic economy in the face of the collapse of industry and agriculture while entrepreneurial strategies reach into the more dynamic sector of trade and service. In both cases families that manage to spread risks among multiple strategies rather than rely on singular ones do better under Russia's precipitous economic involution. By examining the deployment of inherited assets – material, social, skill and citizenship – we see how permutations of Soviet economic strategies are reenacted to survive in the post-Soviet world. Thus, as industry and agriculture have disintegrated, the fulcrum of production and redistribution has moved from factory to household, elevating women's previous role as organizer and executor of the domestic economy. At the same time that men become more marginalized in working class families they have become more dominant within the New Russian Bourgeoisie and

the political descendants of the old nomenclatura. Here women are expelled from public decision-making into subordinate, often decorative positions within the household.

KEY WORDS ■ capitalism, family entrepreneurship, market transition, poverty, Russia, strategies of survival

One of the abiding puzzles of Russian life is how to reconcile an unprecedented decline in the national economy, year-in year-out, with both the survival of its population and the absence of major social disturbances. Although there is some dispute about the actual figures, calculations suggest that between 1990 and 1999 the Gross Domestic Product and industrial output fell by some 40 percent, while capital investment fell by 75 percent. According to official figures in 1997 more than 20 percent of the population was living in poverty. Yet at the same time we find neither massive starvation nor strikes and food riots, neither the destruction of society nor its explosion.

Of course, many are simply not surviving. Mortality rates are increasing at all ages, so that by 1995 the life expectancy of men had fallen to 58.6, what it was over a century ago, while the life expectancy of women had fallen only marginally to 71.6. The United Nations Human Development Report for Europe and the CIS (1999: chapter 4) refers to the cost of Russia's transition being a missing 6 million men. Boris Kagarlitsky's (1992, chapter 6) characterization of the new order as 'market Stalinism' is altogether apt not only because shock therapy was programmatically imposed from above like Bolshevik planning and collectivization, but also because the cost to human lives has been so enormous. Between 1990 and 1995 the overall death rate increased from 11 to 15 per 1000 people, while for those of working age it jumped by almost 50 percent (Standing, 1998). Heart attacks, cancer, infant mortality, and tuberculosis have all taken an increasing toll. With birth rates also falling the Russian population has been shrinking, in 1996, for example, by 5.2 percent. The origins of this human devastation can be discovered in how the living manage to survive.

From factory to household

This article is part of a larger project on survival strategies of workers from two factories in the northern city of Syktyvkar, which we began in 1994. Syktyvkar has a population of around a quarter of a million and is capital of the Komi Republic. Here we report on the findings from the ex-employees of one of our factories, Polar Furniture Enterprise, which we first

studied in 1991 (Burawoy and Krotov, 1992) and followed up every year until the plant was liquidated in 1998. During May and June of 1991 Burawoy worked at Polar's main division as a machine operator, while Krotov interviewed managers. At that time Polar's main division had about 1300 employees, housed in a modern, single-story building on the outskirts of the city, sporting advanced technology recently imported from Germany. It was Syktyvkar's model factory, employing a younger cohort of workers, both men and women, in largely semi-skilled, gender-segregated jobs. It was reputed to pay the highest wages with the best fringe benefits (access to housing, dachas, kindergartens, holiday camps, etc.). Today it is enshrouded in darkness, liquidated in 1998. Its decline is similar to all the major Soviet manufacturing firms in Syktyvkar, although perhaps more precipitous than others.

In our first research we argued that Polar's success could be attributed to three factors. It was the only enterprise in the Komi Republic that produced the always-in-demand wall systems to be found in all Soviet apartments. Polar had a cosy relation to the regional timber conglomerate, which organized the enterprises in the timber chain from lumber camps, to milling centers, processing plants, the paper mill and the furniture factory. Polar benefited from the conglomerate's active redistribution of surplus away from the lumber camps and processing centers. Finally, since Komi is a heavily forested area of northern Russia (reaching to the Arctic Circle but West of the Urals), the major material input – always the bottleneck in Soviet production – was readily available. In 1991 – the last year of the Soviet regime – the break down of the planning system was already palpable and Polar was exploiting its monopoly of a consumer good by developing its own local exchange. It bartered its wall systems for all sorts of goods in short supply from sugar to places in holiday camps.

But it turned out to be but a short honeymoon. The economic reforms of 1992, first the liberalization of prices and then voucher privatization, brought disaster to Polar. As the various timber producing and processing enterprises struck out on their own to exploit the putative advantages of the open market, so the conglomerate collapsed, putting an end to Polar's subsidized existence. While on the one side the cost of materials increased, on the other the purchasing power of Soviet citizens fell. No one could afford to buy Polar's wall systems, especially as better quality, better designed and sometimes cheaper wall systems from the Baltics, Central Russia, Ukraine and even Western Europe became available in local stores.

If the external context of the enterprise was not auspicious, internal struggles left the enterprise in disarray. In 1992, the enterprise was privatized to its labor collective, whose first act was to throw out the existing managers for supposedly lining their pockets with the proceeds of a contract with IKEA, the Swedish furniture conglomerate. The Soviet managers

may have been corrupt but they knew their business. The new management team, voted in by the collective, proved to be no less adept in stripping Polar of its assets, plunging it ever deeper into debt. As wages first fell relative to other enterprises, then became intermittent with work becoming scarce, so employees left in droves in 1993 and 1994, but not before stealing what they could.

When we studied Polar's place in the timber economy as a whole, we began to understand how its experience was typical. As we argued in 1991, instead of a bourgeois capitalism, the economic reforms were only deepening tendencies toward what we called merchant capitalism, the pursuit of profits through the realm of exchange rather than through the transformation of production. The collapse of the party state accentuated preexisting tendencies toward the power of monopolistic organizations on the one hand and worker control of the shop floor on the other. With price liberalization came inflation, inter-enterprise arrears and non-payment of wages while state credits fostered a flourishing independent banking sector, working with extortionate interest rates. Attempts at economic stabilization in 1994 successfully brought down interest rates and inflation but rather than forcing closure of enterprises drove them into barter relations outside the monetary system. Local mafias came into their own as a form of shadow state, regulating these new types of non-monetary transactions. Nationally, the economy was increasingly expropriated by financial-industrial conglomerates which not only controlled the country's natural resources, media and banking but also the Kremlin (Blasi et al., 1997; Wedel, 1998; Gustafson, 1999).

Undoubtedly there has been a transition to a market economy but its consequence was not the *revolutionary* break-through anticipated by the prophets of neoliberalism, nor the *evolutionary* advance found in other countries such as China but an economic primitivization we call *involution*. On the one hand the market has impelled the degeneration of the manufacturing sector while on the other it has driven the vast majority of the population back on to their own resources, intensifying household production.¹ In other words, economic reforms have shifted the fulcrum of economic activity out of the factory and into the household. What we have observed over the last 5 years bears a close resemblance to surviving immiseration elsewhere – reliance on kin networks and state support, ascendancy of female dominated households, and the turn toward self-provisioning. Yet there are Russian peculiarities that reflect both the Soviet past as well as the Soviet transition to a market economy.

The 'formal' economy, with its dynamic sphere of exchange and distribution bleeding rather than stimulating the productive sector, generates a corresponding bifurcation within the household sector. On the one hand the loss of jobs and guaranteed wages drives most households toward *defensive*

strategies of minimalist survival. They take the low road, seeking to hold destitution at bay by building and rebuilding a defensive moat around themselves. These families spontaneously knit together routines of the Soviet period into coping strategies for the new era of uncertainty. On the other side, often out of desperation rather than changed opportunities, a few households try to open channels to the dynamic exchange sector. They take the high road, wading out against the incoming involutionary tide, expanding into new forms of trade, service and petty commodity production. We call these *entrepreneurial strategies*, marked as much by their peril as by their inventiveness. They all too easily drown in the rough seas of protection and racketeering or are hurled back on to the beaches of destitution.

So much for Russian peculiarities that derive from the market transition, but what about peculiarities that derive from the heavy hand of the Soviet past? Here we turn to the *inheritance of assets*. We distinguish four types of assets that are the object of wide ranging strategies. The first are *material assets*, such as apartments, cars, dachas, which anchor household production. Second, there are *skill assets*, such as education, professional credentials, physical skills that can be parlayed in the labor market but also deployed in the household economy. The third and fourth sets of assets are more likely to ground exchange and redistribution. *Social assets* refer to the networks of relatives and friends to which individuals or households can appeal for help or to which they are obligated. They organize an economy of gifts and favors. Finally, there are *citizenship assets*, namely claims that can be made on the state for pensions, child support, public assistance, rent subsidies and so forth. The state is very much at the center of the strategies of poor households, even if it dispenses very little.

Assets are not simply 'objects' that can be manipulated at will. They cannot be separated from the relations that give them meaning. The more that working households are thrown back on inherited assets, the more they also reproduce inherited patterns of life. But this does not happen mechanically. Strategies require actors as well as assets. Here we have chosen to focus on women. Whether due to their inherited homemaker skills or because of their devotion to their children, the burden of family survival is born by women. As interviewees they were more willing to talk about and better acquainted with household strategies. Exceptions notwithstanding, working-class men have become increasingly superfluous and burdensome, playing a secondary role in the family and being less informed about the workings of the household. If changes in life expectancy are anything to go by, men have suffered more than women from economic involution. Their career possibilities have often shrunk more rapidly than those of women who occupied jobs in the retail, banking, human services and other sectors closer to the realm of exchange where wages are higher and more likely to be paid.

In 1994 and 1995, we began following the fate of 48 employees of Polar

selected randomly from the enterprise personnel files. These interviews were all open ended and could last for several hours. They were conducted by Tatyana Lytkina, often accompanied by Michael Burawoy. At the time of the first interview 21 (44%) were still 'working' at the enterprise. If households do employ strategies, and we do believe that this is the case, then this can only be revealed by studies conducted over time, examining how families respond to different situations.² We, therefore, conducted follow-up interviews, twice or even three times, and from these we have chosen four to best represent defensive and entrepreneurial strategies.

Defensive strategies

In the capricious economic environment of post-Soviet Russia, working-class families are best off deploying multiple rather than singular strategies. The defense against destitution is to spread risk by diversifying productive activities and sharing resources across households. Thus, it is important to keep a foot in the labor market even if wages are miniscule or not received. Formal employment is often the basis for occasional work or jobs on the side. It is never adequate to rely on wages, however, so if possible families cultivate a dacha or simply a plot of land or establish exchanges with kin in the rural areas.³ Finally, the local government is still always a source of potential assistance whether in the form of pensions (disability, old age or war veteran), unemployment benefits, or low income family supplements. In the discussion of the two families that follow, Natasha is more successful in developing multiple strategies of survival, based on the assets she and her husband inherited from the old order and the early timing of entry into the labor market. Marina and her family, on the other hand, inherit fewer assets and she focuses on the very risky, singular strategy of improving their deplorable housing conditions. Her family is, therefore, much more vulnerable to the economy's ups and downs.

Marina: isolated and desperate⁴

One of the stereotypes of the Soviet citizen is dependent, bereft of initiative, passive in the face of adversity, helpless without state hand-outs and jealous of those who enrich themselves. At first sight Marina looked as though she fitted the stereotype. When we interviewed her in 1995 she was working at Polar, hanging on in the hope of early retirement (at the age of 45) to which she would be entitled on the basis of her hazardous work. But she was denied this because, it turned out, her actually registered job classification was not designated as hazardous. Still she didn't leave Polar even though by 1995 wages had been irregular and falling for 2 years and most workers had

already left. She complained a lot about all the stealing that was taking place at the enterprise, both by workers and by managers. At the time she had turned down a job in retail, since such work, so she said, was immoral.

At the age of 47, Marina was finally laid off in February 1998. She received 1500 rubles in kind (a divan), which came to half the 6 months' liquidation wages owed to her by law. At the time of the second interview (April 1999) she was still waiting for the remaining 1500 rubles. After the 6 months were up she registered at the Employment Agency in search of work but had so far found none. 'Who wants to employ a pensioner', she says, 'when there are so many young people looking for work?' So she depends on unemployment compensation of 375 rubles (75% of her wage for the first 3 months), received in the form of food, and another 310 rubles as medical assistance for her asthmatic and gastritic son.⁵

Marina lives with her second husband who had also worked at Polar until wages became irregular. He quit in 1993 to work for a construction company but that did not measure up to his expectations either and so he took up a job caring for the municipal parks. Again, he didn't last 6 months before returning to unemployment. That was in 1994; now he is working for the Ministry of Internal Affairs as a joiner. He receives 300 rubles more or less regularly, but again only in kind – a bus pass, food. The latest insult was 100 rubles worth of so-called 'Humanitarian Aid' which was, as Marina described it, 'only fit for their dogs'. He used to do odd jobs on dachas, such as making stairs or bath houses, but she asks rhetorically, 'Who has any money to pay for such work nowadays?'

The couple live together with their two children, a daughter aged 16 and a son aged 15. Marina frequently mentions her son's disability which often keeps him away from school. She is proud of her daughter's outstanding academic accomplishments and is hoping that through connections she may somehow go on to university. These accomplishments are all the more amazing given their deplorable housing conditions. The four of them live in one room of a ramshackle, condemned timber cottage while Marina's sister, who receives the minimum unemployment benefit of 130 rubles,⁶ lives with her young daughter in the adjoining half room. It is difficult to comprehend how the six of them can exist together, huddled in this tiny, dark and dank space.⁷ They heat their room with a small stove, take water from an outside well and relieve themselves in the yard.

Marina and her first husband inherited this two-apartment cottage from its owner but with their divorce, they divided it in two. Her ex-husband has now sold his half which lies abandoned and demolished, while Marina and her family refuse to evacuate the other half. The land is owned by a developer, who is waiting to erect a new apartment building on this prime real estate near the center of town. But Marina won't budge. By law her cottage cannot be destroyed until all those registered there have been rehoused. At

the time of the first interview she had already turned down a modern two-room apartment, holding out for the three rooms to which she was entitled. Since then she has been offered a two-room timber apartment and most recently a place in a hostel. As the offerings of the city council have become less attractive she has become all the more determined to hold out for her three-room fantasy, knowing that until she gets her way, she is denying some private developer sumptuous profits.

Their only other source of sustenance is their dacha, bought some 15 years ago soon after they married. Until 1992, they used to keep chickens and pigs but they stopped because they didn't have the money for feed. At the first interview they were still quite active growing vegetables but at the second interview Marina was complaining that almost everything they grew got stolen. In the realm of dacha production, as in their income and their housing conditions, their life has been one of progressive deterioration.

Marina considers herself a troublemaker. At Polar she protested against the ubiquitous stealing as well as her job classification. She has been conducting a protracted war with the municipality for many years in the vain hope of improving her deplorable housing circumstances. Bereft of material and skill assets inherited from the past, cut off from any redistributive networks, she is reliant on the local state for the little income she receives. She is hardly passive, however, conducting a war with the city council to defend her rights.

Natasha: embedded and endowed⁸

When we first interviewed Natasha in 1995, both she and her husband were receiving unemployment compensation, at 75 percent of their wages. Today unemployment compensation, except for those like Marina who lose their jobs through liquidation or restructuring, is at the so-called minimum wage of 87 rubles a month. *Any* job would be better than this, so we were not surprised at the second interview that Natasha had found herself new employment.

Natasha began her work career in 1970, at the age of 16, in what was then a small furniture shop and from there moved on to the modern factory of Polar. She left in 1994 after 24 years' seniority. Because she worked in the hazardous lacquer shop she would have taken early retirement in 4 years' time but that was not to be. Instead she moved on to unemployment compensation for 2 months before finding a temporary job as a painter through her husband's sister. When this finished she again went on unemployment. Her husband, 43 years old, had worked as a carpenter in a local construction company until pay became irregular, whereupon he too left his job for one in the municipality, again courtesy of his sister. Like his wife, he only lasted a few months, before returning to the construction industry.

Again pay became so irregular that he left for unemployment which together with his disability pension came to 500 rubles. At the time of the first interview they were both on unemployment, bringing in less than 1000 rubles for a family of four – themselves and their 11-year-old twin daughters. Their income, therefore, was on a par with the poorest of our respondents but their living conditions, as we shall see, were much better.

Their son, aged 23, was living in a room in a hostel with his wife and child. He works as a chauffeur for an enterprise director which means he can also use the car for his own purposes. Natasha's elder daughter, aged 21, who used to work at the local garment factory, was living with her family in a two-room apartment (inherited from her husband's parents). Natasha would like to help her daughter but she can't even afford to feed, clothe, and buy school supplies for her twins. They have a plot of land where they grow potatoes but no dacha. They sometimes take their children to her parents' village, where Natasha grows some food and where her 74-year-old mother helps by knitting clothes for her grandchildren.⁹

The major plus in Natasha's circumstances is the modern three-room apartment she received through the municipal queue for large families. At the time of the second interview (July, 1997) Natasha's son was trying to exchange this three-room apartment for a two-room apartment for his parents (and younger siblings) and a single room apartment which he would use to advance his own living conditions. He hoped to combine this one-room apartment and his hostel room, trading them in for a two-room apartment. The plan came to naught, but we see how resistant to the market economy poor Russians can be, preferring to undertake an elaborate barter exchange than risk selling and buying apartments on the real estate market.

At the time both husband and wife were employed – she was a cook in a canteen and he worked in the municipal parks. She received a low wage of 350 rubles with occasional premia of 100 or 150 rubles. His wage was much higher at 800 rubles but he rarely saw more than 200 rubles, with some of the difference made up with food. Natasha said they were much better off on unemployment but when that ran out they had to find jobs. They were desperately short of cash to pay for their children's needs. We interviewed Natasha again in May 1999 and discovered that they were still in the same jobs. She receives wages plus bonuses that range from 600 to 800 rubles a month as well as subsidized meals. He still receives between 800 and 1000 rubles on paper. Wages are usually in kind (food and the cancellation of payments for housing maintenance). But in summer there is work on the side which can bring in 50 rubles a day plus a meal. On top of this her husband receives a disability pension of 300 rubles a month. They are still having difficulty making ends meet and Natasha is making plans for her teenage daughters to go to technical college where they would follow their mother's footsteps into catering.

Compared to Marina, Natasha has inherited much more from the old regime. She has an extensive kin network in town and country, a modern three-room apartment as well as a relatively stable if poorly paid job as a cook. While Marina was refusing to give up on the prospects of early retirement from Polar, Natasha had already begun to explore the possibilities in the labor market, leaning heavily on unemployment benefits that were available at that time. In the search for employment Natasha had 3 years' start over Marina who is already resigned to being a 'pensioner' without a pension. To be sure Natasha still finds it a daily struggle to keep her family fed and clothed but economic diversification and extended kin give her family more security.

Entrepreneurial strategies

Most of our cases adopt defensive strategies that guard against the advancing market, but we found a few households trying to exploit the market, investing their energies in trade or petty commodity production. Such entrepreneurial strategies, however, are extremely risky for working-class families. Rather than playing it safe, spreading economic activities among several niches, entrepreneurs put their eggs in a single basket; rather than succumbing to redistributive pressures from poorer kin and friends they reinvest their gains in their business. Our two narratives highlight the dilemmas of pursuing such a singular strategy, explaining why even the most adventurous may still cling to supplemental wage labor, albeit often unpaid, as a form of security. Thus, Luba quickly learned the dangers of entrepreneurship and developed a variety of means of self-protection while Valya made herself much more vulnerable by sinking all her household resources into her business.

Valya: plunging into self-employment¹⁰

The shift from defensive strategies of diversification and sharing toward entrepreneurial strategies of concentration and accumulation is not something that comes about suddenly but emerges over time and often under the economic compulsion to survive. It was part desperation, part imagination that led Valya to become an independent trader in the local market.

Valya was born in 1968 and at the last interview (June 1999) was 31 years old. Her father died in 1973 whereupon her mother started to drink heavily and lost her parental rights. Valya was taken to an orphanage at the age of 5, where she stayed until she was 15. At the time she could not forgive her mother but now looking back on those orphanage years she thinks she learnt a great deal, especially to be self-reliant. One of her teachers became

like her second mother. She did well in classes, led an active social life, received rewards and trips, and even became a Komsomol leader. She recalls how free they were to travel under communism whereas now it is all too expensive.

At 15, Valya left the orphanage, returned to her mother and entered a vocational college where she received a professional certificate as a telephonist. She began working in the Central Telephone Exchange in 1988 but was soon forced to quit the job because customers complained about her rudeness, which Valya blamed on conflicts with her husband at home. Be that as it may, she quickly realized this work was not for her and instead took a job at Polar, working in the shop that lacquered the chipboard panels for the wall systems. During that time she did begin to attend courses in the commerce department of the 'Academy' for the timber industry, but she had to give that up when her baby boy became sick.

In 1994, when both work and payment had already become irregular, she left Polar to work in a 'farmer's' retail store, a job she received because the owner was a friend of her mother. It was here that she met her second and present husband who was working as an electrician. Together they left in 1996 because the shop was near bankruptcy, because the conditions were so poor (no sick benefits or maternity leave) and because her husband was accused of stealing. Whatever else, her 2 years at this store taught her a great deal about retail trade in preparation for her new occupation as a trader at the town market.

One other reason for leaving this store was to have a baby with her new husband. When we interviewed her for a second time in 1997 she was staying with her mother who was an unemployed pensioner, her husband, aged 19, who was receiving small unemployment benefits, her two children – a son aged 12 and a daughter aged 1. Out of desperation, in May 1997 she started her own trade in processed food even while she remained at home. Like so many of the traders at the nearby city market she employed her own seller, a neighbor who had been a book-keeper but had recently been laid off. She had complete confidence in her new employee who received a minimal wage and a commission of 7 percent of the profit. Her husband moved the goods to and from the market everyday, also collecting them from the local wholesale center. He borrowed the van of a close friend whom he paid back in gas and maintenance.

The mark-up on the wholesale price was much smaller, of course, than it would have been for fresh food products imported from distant cities. Many women entered such long-distance trade, going to Moscow to buy goods and selling them at a higher price in the north. Valya could not do this. In addition to paying her seller, she had to pay for her place in the market, taxes, interest on the money she borrowed (10% per month) and also protection money.¹¹ She was able to make a reasonable profit of about 2000

rubles a month, rather more than the average wage, especially as this was actual, 'living' money.

When we returned 2 years later in 1999, Valya's business had expanded even though she was not living any better. She now controlled four kiosks and employed saleswomen at each of them. In order to get round the taxation system she pays them a very low official wage (500 rubles a month) but gives them another 700 to 1000 rubles under the table as 'bonus'. She is still borrowing money but has learnt to avoid friends. The same applies to employees whom she now recruits on the basis of references. Valya has her own car, a pager and even extra storage space but she has no ambition to open a retail store. She says if you need 15 official signatures just to open a kiosk, you can imagine how impossible it is to open a store. The last 2 years have not been all clover, and she continues to live precariously on the margins. Indeed, in the second half of 1998, her child was sick and she was forced to register herself as unemployed.

From the beginning, one critical resource of Valya's business was her apartment. It lies on the ground floor of a run-down two storey timber apartment building, equipped with poor central heating. Its singular advantage, however, is its proximity to the town market. Moreover, it has three rooms (but still only 36 square meters of living space), so Valya could store her goods in one of them, indeed the coldest. In this way the costs and time of transportation were minimized. It turns out that the poor heating in the house was a blessing in disguise. The five of them lived in the other two rooms.

When we interviewed her in 1997, her husband was helping her with her nascent business. Earlier his parents and two brothers had helped them out. But now in 1999 she was fed up with her husband. She had hoped he would at least be available to transport produce but instead he was arrested for drunken driving and lost his license. As far as she is concerned the only thing he did for her was bring her a daughter. It was a good deal for him too since his military service could be postponed until his daughter was 3 years old. His time has now come and Valya can't wait to see him leave. She would have at least 2 years' respite. But she has not given up on men in general. She thinks back on her past, wondering whether she made a mistake in divorcing her first husband, or abandoning her ex-lover from her years at Polar.

If, before, the center of economic cooperation was the enterprise labor collective, in Valya's case it has now entirely shifted over to the household. In fact, the household has become the new labor collective which she directs. Still, she misses the security that came with state employment, with better pensions, with holiday camps for children. But, she admits, the old system of shortages had its own problems and now she is free to pursue her own line of business. She lives and works for her children; she wants them to

have a good education; she will do anything so that they will lead a better life than hers.

Luba: turning back from the brink¹²

It was desperation that drove Valya into trade. Sitting at home with her newborn baby, she seized what opportunities were available to her – an apartment next to the market and an unemployed husband ready to work at her behest. Even now with her business expanded, with a car and pager and several employees at her command, she still lives on the edge of poverty, knowing that moving out of her ramshackle wooden apartment is but a dream.

If Valya took the low road, Luba took the high road into retail trade. Still, like Valya, she confronted political and economic obstacles, which in the end forced her to give up the idea of developing her own independent business. She had to contend with two male worlds: the ex-nomenclatura who early on secured monopolies in trade and the mafia who extorted protection money. Luba's social connections, her material assets and her organizational skills took her further than any of the other women in our sample but only because she led an abstemious, kopeck-pinching life, always aware of the precariousness of her family's existence.

At 42, Luba is 10 years older than Valya. She comes from a village nearby Syktyvkar, graduated from a catering college and married a local teacher who subsequently became a KGB officer. She saw him as her escape from the village and did not expect the marriage to last as long as it did – 10 years. She joined Polar in 1984 with the explicit purpose of earning enough money to buy her husband a car. Then he was seconded to Usogorsk and she went with him. There she became Head of Manpower in a local enterprise. When she discovered him being unfaithful, she left him and returned to Syktyvkar with her daughter, leaving her son behind. Her husband laughed at her, saying she'd never be able to survive without him. But she was determined to prove him wrong. To recover her old apartment from the KGB was her first and most difficult task, especially as KGB officers were not supposed to divorce. In the end she succeeded in reoccupying her former two-room apartment and was also able to get her job at Polar back. She also began receiving alimony from her ex-husband.

As with Valya a critical period in her career came when Polar's fortunes began to decline in 1993, marked by forced vacations, irregular pay and disorganized work. At the first interview in July 1994, she already expressed doubts about the enterprise's future, critical of the way it had been privatized (to the collective rather than to a single owner). She also had little sympathy for the factory's manpower policies: the elimination of managerial positions, the merging of incompatible brigades and laying off the best workers (because they were young and without children).

Luba had a precocious understanding of the market economy. As regards Polar's future she saw the writing on the wall. As early as February 1994 she began experimenting with work on the side. When there was no work in the factory she would travel to Moscow and buy goods there that she could sell back in Syktyvkar. It was through her friends that Luba joined the growing numbers of shuttle traders, 'chelnoki', at the same time that Valya was entering retail. As the factory was already paying workers in kind, she took one of the wall systems in lieu of wages and installed it in her own apartment, selling the one she already had. At this point alimony for her daughter was a vital source of support.

In July 1994, she took the critical step of leaving Polar. She saw no need to continue inhaling lacquer fumes. For what? For unstable employment? Episodic wages? Those who stayed behind in Polar were either supported by their husbands or they were waiting for early retirement. She was in neither position. Through a chance meeting, she found a job in the correspondence section of the Bulgarian Consulate in Syktyvkar. The pay was good and in dollars, which at the time of high inflation was a major advantage. She lasted for 3 months before she took back her work book in the face of excessive demands and insults about her lack of education. But she had developed a taste for money.

In November, she took up a job in a small, poorly maintained store and worked there from November 1994 to May 1995. She knew the manager as a friend from Polar. The store had no future but she persisted nevertheless, earning money on the side and learning about the retail trade. Once more it was Luba's connections that gave her the next break. Many of her neighbors were connected to the KGB with good contacts to local notables. It was through one such neighbor that Luba found a job in a new super-market for construction materials. The store was owned by the son of one of the most influential politicians in the Republic. The customers were wealthy, the profits were handsome and her wages were considerable, especially when she included the money she made on the side. Luba explained how the owner cheated the state out of its taxes, and how the sales staff in turn cheated the owner of his profits. After 3 months she was able to buy a car, a television set, and had saved up dollars that she could then lend out at an interest to friends. These early years of market explosion were indeed the golden age of retail, especially the retail sponsored by the old nomenclatura class.

The owner wanted to promote her to manager at another branch but Luba feared the resentment she would face as an outsider. She was especially wary of any such move when she learnt that her own manager, for whom she had the greatest respect, was being fired for absconding with money. Instead of accepting promotion Luba, together with two other senior saleswomen and their manager, resigned with the intention of setting up

their own shop. As she said at the end of the second interview, they were in a good position to start their own business with 'protection, contacts and money'. This didn't work out, however, because the fired manager decided to move into the kiosk business on her own.

Luba felt betrayed. She was left without a job and so she too tried to become an independent retailer. She started her own store for selling food but the 'roof' (protection) payments to the mafia, as well as payments to the tax officers and to the fire department, were so high that she had to abandon the project after 3 months. Looking back on the experience she realized that she should have been more willing to borrow money. For her that was too big a risk. This is what divided her from Valya, who perhaps was more desperate but also more flexible in adapting to the new market forces.

Having given up the idea of her own business, she returned to being a saleswoman in a store. In 1997, her official salary was a meager 550 rubles and in the most recent interview (June 1999) it was not much better at 700 rubles. But that is hardly the point. She is able to sell her own goods on the side without paying any of the associated costs (taxes, rent, protection). In effect, Luba conducts her own trade on the owner's premises, paying rent not in kind or in money but in hours of labor. On the side she also continues to lend out dollars to her friends at the standard interest rate of 10 percent per month.

Luba's relation to her partner is very different from Valya's. In 1990, soon after she arrived back in Syktyvkar, Luba struck up a relation with a man 10 years her junior. She openly concedes this was more an economic arrangement than an affair of the heart. She does not want to register the relationship, having been disillusioned by her first marriage. She provides a roof for him while he does all the 'man's work' around the apartment. In 1997, he was working at the municipal water works. Luba reported at the third interview that he used to contribute some 2000 rubles a month to the household budget but of late had only been receiving an advance of 200 rubles. She was exasperated with his passivity. As she liked to point out to him, in the neighboring municipality workers had threatened to cut off water supplies and quickly recovered their wage arrears. Why couldn't he and his workmates do the same in Syktyvkar? When we returned 2 years later (June 1999) he had not been working for 5 months. He hadn't even got all the back pay owed to him. So now he was using her car as a private taxi. He had been doing this for a number of years but since losing his job he was making more money, some 2000 rubles in one weekend. But they fear that he will be caught by tax inspectors, who sometimes do their monitoring by traveling incognito. So he does not pursue his undeclared taxi work during the week.

Like Valya, Luba does not have time for a dacha. When we asked whether she had one, she was insulted. 'I'm not 50 years old, why do I need a dacha?'

In her eyes the dacha is for those who have no potential to earn a living, for those who are no longer active in life, for pensioners or for those with endless time at their disposal. The dacha is the antithesis of the market world in which she lives and thrives. While many of our informants could not afford a dacha, or could not afford to cultivate their dacha, Luba was the only one who dismissed the very idea of self-provisioning. Yet she does dream of returning to the village where she grew up, and going to the forest to collect mushrooms and berries is one of her greatest pleasures. The countryside connotes escape from pressure of the market rather than, as it does for so many, a substitute economy.

In the first three interviews, Luba's aspirations were focused on her daughter. She hoped she would enter the university in the law faculty. In 1997, she entered a local college that prepared students for university. Luba was ready to pay the exorbitant fees that Syktyvkar's university now sets for entry into its prestigious faculties. By 1999, her daughter was working at a local photography business for which she was being paid a pittance (350 rubles a month) but she was also enrolled in a correspondence course in commerce. She goes to Moscow twice a year for examinations. Luba would like her daughter to transfer to regular college in Moscow but she simply cannot afford the fees and cost of living.

In 1997, her son joined them from Usogorsk and now, in 1999, he was in the last year of high school. Luba was already scheming to get him exempt from military service. Luba thinks she will be able to bribe her way through to a waiver with the help of another neighbor who works in the local 'military commission'. She is unhappy with her son's progress at school. For this she blames his stepmother with whom he lived in Usogorsk. But she consoles herself that at least her son gets on well with her own partner.

Luba's closest kin are her sister, brother and father. Her sister, 5 years younger than herself, is married to a worker in the same municipal water works department. Luba regularly helps her sister out financially. In 1997, Luba reported that her brother, 5 years older than herself, was living by himself in a hostel, divorced and a drunkard. Rather than give him money which he simply spends on alcohol, she gives him clothes. But she was despairing of helping him since, when he was drunk, he sold them for more vodka. In 1999, Luba told us that he was now serving a 3-year prison sentence. Luba's father lives in the village. She and her sister used to help him grow vegetables and other crops but since he has taken up with a new partner they rarely visit him because of the tension between them and his new lover. As to the relations with the relatives of her own partner, Luba says they used to be rather cool but they improved over time as it became obvious what an effective and caring homemaker she is.

In 1997, Luba complained that she no longer had any friends, only contacts. She used to spill out her woes to her partner and her sister, both of

whom offered a ready ear, but they had so many problems of their own that she didn't want to complicate their lives with her problems. In 1999, she was ruminating about her own future. She had plans of buying a plot of land to build a house in her home village so that her children could inherit the apartment. Despite her previous failures Luba has not given up on the idea of opening up her own shop. 'Third time lucky', she says, but she is only too aware of the very real problems she would have to overcome.

Luba did not follow Valya across the rubicon into her own business. Nor does she think of bringing her partner into some joint business. Instead she has withdrawn back into a strategy of household diversification rather than concentration, deploying the managerial talents she inherited from the old regime in multiple commercial operations. Although Luba was better equipped to develop her own business, she decided that the safest way is to conduct it under the 'roof' of another – the owner of the shop she looks after. She is only too aware of the barriers to entrepreneurship, posed by the joint surveillance of mafia and local government. Valya had to learn the hard way. According to our latest reports (December 1999) the tax inspectors had caught up with her and ordered the closure of her kiosks until she had paid up what was now due. Falling sales had already put her in a difficult position and together with the taxes and fines she could no longer pay the interest on her loans, let alone the down payments that had come due. She was begging her lenders not to involve the mafia and was preparing to sell her apartment and car. Valya's tragic fate only underlines just how precarious is the road to entrepreneurship.

A gendered transition

In accounting for the startling failure of the Russian transition to capitalism, defenders of the free market and liberal democracy find the source of Russia's ruin in the revenge of the past. Two theories that explain the unexpected catastrophe have gained popular currency: cultural legacies and institutional collapse. On the one hand, it is argued that abiding legacies of communism mire Russia in its dark totalitarian history, thwarting and bringing to naught the transition to modernity. The pathologies of communism run so deep that not even the powerful medicine of the market can shake them loose. The ghost of *Homo Sovieticus* haunts the new world. On the other hand, it is also said that communism was so fragile that the whole order had to collapse like a pack of cards. A totalitarian regime can only disintegrate totally, leaving no chance for a new order to take root in the rubble. The result is institutional vacuum and normlessness. Seemingly opposed, both theories contain their own measure of truth – parts of the Soviet system did disintegrate while other parts reproduced themselves. At

one end the party state did miraculously wither away, while at the other end the household has been the last hold-out against destitution.

This simultaneous dissolution/reproduction of the old order, however, is not so much due to some inherent fragility or indelible character of the Soviet system, or to its bankruptcy or inertia, but to the defensive reaction against unregulated economic reform, in particular the rapid commodification of money and labor. Market forces are neither neutral nor innocent but, in the Russian context, have had their own involutory effects. They, as much as the Soviet past, are responsible for plunging enterprises into spiraling decline and primitive barter transactions and impelling households into extensive and intensive strategies of survival.

Under the old regime of shortage the household, although formally outside the planning system, was the flexible unit that made things work, that compensated for the functional gaps of the plan by developing a counter-system of production and exchange. It spread its tentacles throughout society and the economy, redistributing goods and services along networks of friends, relatives and colleagues. Organized planning from above stimulated a spontaneous counter-planning from below. When the administered economy collapsed and the market rushed in to replace it, the household again became the flexible unit to cope with scarcity. In the new order inherited material assets, human skills, social relations and citizenship rights become magnets around which people navigate their lives. They do so by resurrecting what we might call, following Manuel Castells (1996, 1998), a network society, connecting households that compensate for the involution of the formal industrial and agricultural economy. What was the subordinate counter-system under the old order now appears as the dominant organizing unit of survival.

In these conditions of economic turbulence, as we saw in the cases of Marina and Valya, it is risky to fixate on a singular strategy. Moreover, the closer they approach economic destitution, those adults who are not attached to a family or who contribute little to its strategies are marginalized, with profound implications for the relations between men and women.¹³ Whether it be the defensive or entrepreneurial household strategies, it is women who usually govern their execution and direction. If women often dominated the household economy during the Soviet era, now they assume even greater importance, as men, with limited access to the rewards of employment, become increasingly superfluous. The lower strata of Russian society are reminiscent of America's female-centered families in the ghetto or during the depression. At the same time, however, that men are losing their function in the poorer segments of Russian society, they are reasserting their place in the higher circles. Here women are being pushed out of the public sphere, from positions of leadership in civic, professional, administrative and political bodies, and returned to domesticity

to become slavish appendices and sexual adornments (Posadskaya, 1994).¹⁴

Involution is driving Russian society into two mutually repelling poles – a male-dominated pole of wealth, integrated into the hypermodern flow of finance and commodities, and a female-dominated underworld, retreating into subsistence and kinship networks. Involution has brought into existence a class of men – the so-called New Russians, descendants of the old nomenclatura and their hangers-on, merchants and speculators who rose with organized crime, opportunistic adventurers who work the networks inherited from the Komsomol (the communist youth league) – who dominate the world of market transactions. At the same time involution has created a class of women who dominate the world of primitive production. Between the two classes are the entrepreneurs of the underworld, women reaching into trade and petty commodity production and men who supervise it through bribery and violence.

In the enormous, resilient underclass that stretches across the Russian hinterland, women represent continuity with the Soviet order while men suffer dislocation, marked by early death and demoralization. In the profligate overclass – a comprador, commercial, parasitic bourgeoisie – it is the men who represent continuity with the party state and women who find themselves trapped in new relations of subordination. Continuity and rupture indeed coexist but within and through the gendering of class.

Notes

- 1 We have borrowed the concept of household involution, with a number of qualifications, from Clifford Geertz (1963) who describes the Javanese peasant's response to the expansion of the Dutch sugar, agro-export industry. Agricultural involution has three features. First, as indigenous peasants are forced into wage labor or have their land expropriated, they survive by *intensifying* their own rice production. Second, faced with increased poverty, they *redistribute* what they have in an egalitarian fashion as a collective defense against agro-capitalism. Third, rather than introduce new techniques, peasants tend to *elaborate old forms of production*. Where Geertz had only a single involutionary strategy we will identify two – defensive and entrepreneurial – and where he saw a more static balance we see the transition to a market economy in more dynamic terms. Elsewhere we have applied the concept of involution to industry (Burawoy, 1996).
- 2 Thus, we disagree with Simon Clarke (1999) who writes, '... the concept of the household survival strategy is triply inappropriate: the unit of decision-making is not the household, decisions are not made strategically

and the objective is not survival'(p.14). His conclusions reflect the poverty of the method he and his teams deployed, viz. statistical analysis of large scale surveys administered at one point in time. Strategies are negotiated social processes, which evolve over time, are unique to each household, can be singular but are more often multiple, and are sensitive to political and economic context. Their investigation, therefore, requires a very different technique than survey research which homogenizes the heterogeneous, violates the integrity of cases by slicing them into variables, reduces complex process to singular correlation coefficients, and standardizes or ignores context.

- 3 Simon Clarke's (1999: chapter 7) surveys show that the dacha is not necessarily a resource that can be mobilized either by those who most need it and or by those who have greatest free time since it is so costly to maintain, and transportation to and from the dacha can render production uneconomic. His data also suggest that the colder the climate the more reliant are households on the dacha economy, because, he argues, regional commercial agriculture cannot guarantee food supplies. Even though the growing season lasts only 4 months, approximately half the households in Syktyvkar have dachas.
- 4 Interviews: 9 July 1995, 1 April 1999.
- 5 All ruble figures are in the new denomination that was introduced 1 January 1998 (1 new ruble equals 1000 old rubles). As a rule of thumb, for the time period considered in this article, one can say that before the crash of 17 August 1998 there were 5 rubles to the dollar and after 1 January 1999 there were 25 rubles to the dollar. Prices for consumer goods approximate to international prices, except for the most basic items such as bread, milk and sugar that are still subsidized.
- 6 This is calculated on the basis of the minimum necessary for a single person to survive plus 50 percent for each child. Of course no one can actually survive on 87 rubles (about \$3.50) a month. In 1998, to meet the official minimum standard of living an individual required 480 rubles a month, and 22.7 percent of Komi's population fell below this poverty line.
- 7 About 10 percent of the population live in such timber cottages but most are in much better condition than Marina's. For details on housing conditions in Syktyvkar see Michael Burawoy, Pavel Krotov and Tatyana Lytkina (1999).
- 8 Interviews: 29 June 1995, 2 July 1997, 11 May 1999.
- 9 There is no space to enter into the fascinating role of grandparents in household survival. Suffice to say the conventional wisdom that they are needy dependents is grossly misleading. In our sample 'retirees' – and in northern Russia men normally become pensioners at 55 and women normally at 50 – are often a major economic support to the family budgets of their children, if only because, at least in Komi, old-age pensions are paid in cash

and on time. On average they correspond to the minimal level of survival but many pensioners continue to work as cleaners or security guards. Others will migrate permanently to the village or even to the dacha, leaving their town apartment to their children. If the state wanted to distribute income to the needy, perhaps one of the most rational ways of doing this is indeed to use pensioners as their agents!

- 10 Interviews: 8 July 1994, 15 July 1997, 24 June 1999.
- 11 Each market stall, each kiosk or retail store, like private enterprises in most sectors, has to have its own mafia protection known as a *krisha* ('roof') to which the owner pays regular installments. In return the roof can be called upon to defend the owner against depredations of other roofs and to enforce obligations of delinquent clients. Where recourse to the legal system is of no use, the mafia has a critical role to play in making commerce possible – albeit at quite a price!
- 12 Interviews: 5 July 1994, 20 August 1996, 18 July 1997, 27 June 1999.
- 13 Peggy Watson's (1995) explanation of the higher mortality of adult men than women under state socialism stresses the meaningful role that women performed in the family while men could find no such role either in their wage labor or in the public sphere. In other words, women found their niche in what Watson calls 'neotraditionalism,' while men experienced 'social exclusion'. In accord with her theory, divorced men were especially vulnerable to high rates of mortality. If this analysis was true for state socialism it is even more true for postsocialist Russian society.
- 14 In emphasizing the rise of postsocialist 'masculinism' feminist writings have too easily overlooked its class character. In Russia, at least, involution has left working-class men ever more marginalized in the household because they have lost access to meaningful employment and political participation, while the men of the New Russian Bourgeoisie reign in both private and public spheres. Even here in the middle classes, as Temkina and Rotkirch (1997) have underlined, we should beware of false homogenization. There are successful career women, numerically few but symbolically important, as well as working mothers, housewives and 'sponsored women'.

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