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Conclusions

This book began with a reference to Anders Åslund's (1995) claim that 'Russia has become a market economy'. With the wisdom of hindsight, it can be said that this was a hasty statement considering the share of barter in the Russian economy in the 1990s. Later Åslund specified his claim by noting that Russia fulfils the five criteria of a functioning market economy: economic actors are independent from the state and are able to act freely, private ownership of enterprises is prevalent and property rights reasonably secured, prices and trade are predominantly free, state subsidies are limited and transactions are largely monetized (Åslund 2007: 2–3).

These criteria implicitly assume that economically relevant transactions take place through market exchange where the price mechanism is the sole or main criterion regulating these transactions. This book has contested these assumptions and argued that an understanding of the functioning of the Russian markets requires a micro-level examination of the cultural, political, and moral foundations of the actual transactions.

Åslund's statement implies that the problems and peculiarities observed during transition were due to the Soviet legacy and would disappear in due time. However, the anthropological students of transformation were quick to point out how the lack of knowledge of the actual economic processes on a grassroots level led to interpretation of even the problems which were actually created by the reformers themselves as Soviet legacies. The spread of barter, for example, followed from the monetization of the economy as an unintended result of the reforms and differed qualitatively from its Soviet-era counterpart. It was thus 'a product of shock therapy rather than the legacy of a paternalistic Soviet state' (Burawoy and Verdery 1999b: 9; Woodruff 1999, 2000).

This book has similarly proposed that the formation and significance of personal networks in post-Soviet Russia is not only a legacy of connections dating from the Soviet era but also an unintended result of the very process of transformation of the Russian society and economy: the turmoil of the post-Soviet transition forced the newly emerging Russian entrepreneurs to turn to their trusted social ties such as family, kin, friends, and acquaintances.

The tendency of turning to one's own personal network members went hand in hand with the mixing of the personal and public spheres of life, the overlap of instrumental and sociability aspects of mutual favors – such as the importance of *obshchenie* – and the use of the domestic principle in justifying transactions. At the same time, this principle is constantly being challenged by the newly introduced logic of market competition, resulting in frictions and tensions in the networks.

Andrei Shleifer and Daniel Treisman (2005) raised recently a heated debate on the nature of the Russian economy and politics by claiming that Russia was a 'normal' case when compared to the countries in the same middle-income range. They sought to prove, among other things, that the scale of the collapse of the Russian economy and the decline in output in the 1990s have been exaggerated. In their opinion, when compared to other eastern European nations and the former Soviet Union, Russia's economy performed by and large as might have been expected (see Shleifer and Treisman 2005).

Nevertheless, it is somewhat unfruitful to argue whether Russia is a 'normal', 'real' or 'distorted' market economy. All market economies are different and a more urgent and interesting research task is to investigate the specificity of the Russian case (Rautava and Sutela 2000: 242; Sutela 2003).

This specificity is in many ways rooted in the developmental path of the Russian transition. Introducing a capitalist system in Russia was a conscious, foreign-led modernizing project whose critics were identified with the old Communist regime and thereby sidelined. Post-Soviet Russian capitalism was constructed with the help of foreign advisors in an extremely short time in the hope that market competition and capitalist relations would dissolve the old Soviet patterns and networks. In fact, the opposite seems to have happened: the combined result of the imported capitalism and the existing networks produced a socio-economic and political system very different from the original intentions of the reformers.

In Western countries, on the contrary, capitalism developed during a long period of time, in which it was constantly exposed to various forms

of criticism. Probably partly because of this differing evolutionary path, this study found no support for the existence of a 'new spirit' of Russian network capitalism similar to the one proposed by Luc Boltanski and Ève Chiapello (2005) in the French context. This kind of spirit would stress the importance of continuous networking and constant mobility and would have an aversion to stable and strong ties. As has become apparent in this book the Russian IT industry seems, on the contrary, to lean in many ways on trusted and established personal ties.

As noted in the introduction to this book, the development of information and communications technology has also, in addition to its functions in the economy, an important *political* role in the post-Soviet Russia. President Medvedev himself brought up the link between technological progress and political freedoms in his 'Go, Russia!' – speech in 2009:

The growth of modern information technologies, something we will do our best to facilitate, gives us unprecedented opportunities for the realization of fundamental political freedoms, such as freedom of speech and assembly. It allows us to identify and eliminate hotbeds of corruption. It gives us direct access to the site of almost any event. It facilitates the direct exchange of views and knowledge between people all around the world. Society is becoming more open and transparent than ever – even if the ruling class does not necessarily like this.

(Medvedev 2009b)

The president's faith in the democratizing effects of technological development contrasts starkly with the avalanche of worrying news about the state of the Russian democracy. These include, among others, harassment of opposition demonstrations, killings of journalists, biased broadcasting by the main national TV channels, selective punishment of citizens or democratic institutions under various pretexts, and arbitrary practices of the Russian police. The president also neglects the possibility that new technology may be used to monitor, control, and repress citizens. Moreover, his statement is internally inconsistent since 'the Russian ruling class' is simultaneously supposed to facilitate democratization through the means of modern information technologies and not to like this development.

The president returned to the modernization theme and the relation between information technology and politics in his speech at the St. Petersburg International Economic Forum plenary session in

June 2010, citing several recent policy reforms aimed at building 'a modern, strong and prosperous Russia'. This new Russia would, according to him, be among the co-founders of the new global economic order and political leadership (Medvedev 2010).

The new Russian economy would not be built 'from above', but through the efforts of private business in a competitive environment where the job of the state is 'to ensure a good business climate for Russian and foreign entrepreneurs, and a fair and honest competitive environment'. The most ambitious of the new reforms are the plans to make Moscow a global financial center and to create a Russian version of the Silicon Valley near the capital. The reforms also include, among other things, incentives to innovation companies, a law limiting possibilities of arresting businesspeople in connection with investigations into economic crimes, simplifying immigration rules for highly qualified foreign specialists, and cutting the list of strategic enterprises.

This kind of new Russian economy would go hand in hand with the development of democracy in a process where information technology has a specific role:

Information technology is one of the key elements in developing democracy in general. The speed and quality of feedback between the authorities and society, greater technological possibilities for guaranteeing freedom of speech, and internet technology in operation of political and electoral systems are all important for developing our political structures and institutions.

(Medvedev 2010)

Even though both the intrinsic connection between capitalism and democracy in general and the blessings of information technology in particular may well be questioned, the emergence of a more diversified economic structure in Russia with a great number of small- and medium-sized enterprises is more likely to be conducive to democratization than an economy dominated by a few big companies owned or controlled by the state. Similarly, the role of the Internet and new technology for political and opposition activism in Russia is likely to grow in importance in parallel with the decrease of the Russian traditional media's ability to fulfill its watchdog function (cf. Lonkila 2008).

However, as with the efforts to weed out corruption from the Russian economy and society, the question is, who is going to implement these macro-level reforms and how? The answer has to do with the functioning of personal networks, which has been the focus of this book.

Because of its qualitative nature, this book has not attempted to answer the question of whether or not the Russian economy and networks are dominated by immoral and illegal practices. Rather, it suggests, along the lines proposed by Oleg Kharkhordin (2005, 2009), that personal networks may be one of the main resources that the Russian society and economy have at their disposal and therefore merit special attention.