Introduction

In the first years after the collapse of the Soviet Union in 1991 it appeared that the new Russia would be so different in all possible aspects from the old regime that the comparison between it and the Soviet past would be monotonously uniform, as happens in the case of the comparison of the life of a slave before and after liberation. It even seemed to some observers and analysts of a new Russia that their knowledge of Soviet society had become almost superfluous for understanding a new free society and could be used at best for understanding the residuals of the Soviet mentality in the mind of the citizens. Indeed, the experts on Polish or Estonian societies that brusquely broke with the totalitarian system hardly needed to know a lot about the role of the Communist Party or the Verkhovnyi Soviet (the Soviet parliament) in the Soviet political structures to analyze the current political system, in the same way that the researchers of economic life of East Germany hardly needed deep knowledge of the planning economy of the German Democratic Republic to monitor economic processes in that part of the Federal Republic of Germany after 1989. In 1990–1992 the same feeling was typical for those who watched the formation of a new democratic Russia. The absolutely free election of the first Russian president; the almost, as it seemed then, total elimination of the KGB from life in the country and the disappearance of the fear of political police; the debates on any issue without any restraint – all these and other similar events suggested to Russians as well as to foreigners that the Soviet political system belonged to the past along with other unpleasant times in Russian history, like that of Ivan the Terrible or Alexander III.

However, already after President Boris Yeltsin’s shelling of the Russian parliament in October 1993 it became evident even to some of his admirers that the new Russia would have to be analyzed not from the viewpoint of “emergent theory” – which places the focus on the birth “of novel and coherent
structures, patterns and properties during the process of self-organization in complex systems,” in the words of Jeffrey Goldstein, but from the viewpoint of a historical approach with its focus on continuity of social structures. After 1993 the similarities of the new regime with the Soviet past became more and more striking. With the ascent of Vladimir Putin to power in 1999 the problem for analysts who tried to be “objective” was not how to argue against the comparison of Putin’s and the Soviet regimes but how to escape the equation of Putin’s political order with the Soviet. Now the major goal of the researcher became to find out the proper weight of the commonalities and differences between the 2000s and the 1960s–1970s. In other words, in comparing Putin’s regime with the Soviet past the researcher has to avoid both mistakes – overestimating the similarities and underestimating the differences.

The necessity to look at Putin’s regime from a comparative perspective rejuvenated interest in the comparison of the different Soviet regimes. As a matter of fact, in Soviet studies before 1991 as well as after, it is easy to discern two approaches – one that has focused on the unity of Soviet history and another that has tried to find out differences between the different stages of this history.

In many cases, the first approach was developed by the totalitarian school, whose members tended to emphasize features typical of a totalitarian society and in order to grasp the essence of the Soviet system preferred the use of constants in its description, paying minimal attention to the changes of Soviet society in their analysis. The major arguments of the first school can be described in this way.

Whatever the extent of these differences, the major institutions and ideological postulates of Soviet society as it emerged almost immediately after 1917 remained the same until the end of the Soviet Union. From the beginning, the totalitarian state and socialist ideas were consistently used for the

modernization of the country in order to catch up with the West, maintain the empire, and expand Russian influence throughout the world. The major institutions of society also remained essentially the same after their creation by the leadership: the political monopoly of one party; the absolute dominance of the supreme leader in the decision making process; the political police as the most powerful instrument of the regime; the militarization of society; aggressive imperial policy; the totalitarian ideological indoctrination of the population; the ban on religion; the complete monopoly on media, education, science, and culture; the dominance of the central administration over the provinces; the complete absence of democracy; the official emphasis on class and class warfare; the centralized control of the economy; public property as the means of production; and the rejection of private economic activity.

Alexis de Tocqueville’s assessment of the American experiment stands out as an exemplary social analysis that focuses on the essential elements of a given society. Tocqueville focused on the essential elements of American society instead of drawing attention to the changes. The authors of this book follow the same approach. Tocqueville’s vision of America was not fixed on forecasting change, and yet he did not ignore the potential for transition. During his brief travels in 1831 he came to understand the fundamental elements of American society, elements that persisted for more than one hundred and fifty years. His discernment of American federalism, a virtually unknown phenomenon in Europe, was brilliant. Tocqueville also recognized American individualism and the role that associations play in American society.

The second approach made the evolution of Soviet society and the differences between “good” and “bad” periods in Soviet history the center of its attention. This approach was mostly popular among the revisionists, who, denying the totalitarian character of Soviet society, looked for the dynamics of “political pluralism,” of “conflicts between political elites,” in the educational level of party apparatchiks. For members of this school, the differences between Lenin and Stalin, or between Stalin and Khrushchev, or Khrushchev and Brezhnev were more important than the description of Soviet history as a whole.

Revisionists attacked the views of totalitarianists who believed that society under Lenin, Stalin, Khrushchev, and Brezhnev stayed essentially the same. Moshe Lewin wrote about the genuine proletarian character of the October Revolution and the radical differences between Lenin and Stalin. From Lewin’s perspective, Stalin destroyed Lenin’s heritage (1968). Stephen Cohen refused to see the society after 1953 as “totalitarian” (despite the radical conservative turn during the Brezhnev regime). Cohen wrote that after the death of Stalin, “Stalinism no longer defined Soviet reality” (1980).

Those revisionists who recognized the totalitarian character of Stalin’s regime were inclined to label it “exceptional,” like the period of “primary accumulation of capital” in Western society during the seventeenth and eighteenth centuries, rather than an “abnormal” or “accidental” stage in Soviet
history. After 1991, many Russian liberals and their sympathizers in the West described the harsh life of Russians in the same way, as “a period of primary accumulation.”

Revisionists typically maintained high regard for Stalin’s opponents such as Nikolai Bukharin. Bukharin and others, by their estimations, would have brought about “socialism with a human face” if they had taken control of the regime. Revisionists expressed obvious sympathy for socialism. They resolutely rejected the thesis “Stalin is Lenin today.” In this way they followed the line of Soviet propaganda after 1953, which tried to separate “socialism” from Stalin’s horrors.

Revisionists based their thesis on the fundamental differences between the Stalin and post-Stalin societies, with the argument that these societies were institutionally different. This point of view was publicly rejected by most Russian intellectuals after 1985.

This school even included Hannah Arendt, whose interests in totalitarianism made her more eligible for the first school. Among other members of this school were Stephen Cohen, Severyn Bialer, Jerry Hough, Sheila Fitzpatrick, and those who exaggerated the differences between Soviet society before and after 1953.  

The authors of this book gravitate more to the totalitarian school and share with it the belief that the Soviet system essentially did not change until 1989–91. However, they are far from underestimating the differences between various periods in Soviet history, even if these differences are much less strong than the differences between Putin’s regime and the Soviet regime as a whole.

It is important to explain, even if briefly, the nature of the differences between the Soviet regimes. It is possible to separate this history into six different regimes: those that functioned under the guidance of Lenin during the Russian Civil War and War Communism (1918–20) and during the NEP (The New Economic Policy) (1921–8); Stalin’s regime (1928–53); Khrushchev’s regime (1954–64); Brezhnev’s regime, which was continued by his two heirs, Yuri Andropov and Konstantin Chernenko (1964–84); and Gorbachev’s regime (1985–91). For our analysis we decided to operate mostly with three regimes – Stalin’s, Khrushchev’s, and Brezhnev’s – bearing in mind that only with Stalin was the Soviet system ultimately formed while under Gorbachev it changed radically.

The changing role of the state is definitely a major factor behind the differences between Putin’s regime and the Soviet past. But it is also behind the differences between the various Soviet regimes. Certainly, throughout the whole Soviet history, until the breakdown of the Soviet system in 1989–91, the Soviet state remained a totalitarian institution, with the characteristic described previously.

However, having said this, there is much evidence that the degree of state intervention in social life changed a lot. Essentially, we mean the activity of the repressive apparatus that determines when the totalitarian regime is hard and when it is soft. The ebb and flow in repressive activity of the Soviet state set up the role of the political police in society, the level of fear in society, and the probability that the Soviet citizen would be persecuted, fired from a job, arrested, or even killed for political reasons. The level of repressive activity determined the character of human relations, the degree of trust people have in each other even inside the family. The same level in the most conspicuous way affected the selection of cadres; the creative activity in science, education, and culture; the professional level of scholars and all other intellectuals; and, of course, the degree of openness of the country to the external world. One of the authors who lived during the three Soviet regimes – Stalin’s, Khrushchev’s, and Brezhnev’s – can attest that for him as a human being and not as a researcher, the differences were enormous. He was full of fear before 1953, then could breathe and enjoyed some modicum of freedom in his creative activity as a founder of Soviet sociology, and then became despondent and harassed with the restoration of some elements of Stalinism under Brezhnev.

The Soviet regime at the times of the NEP (1921–8) was much milder in comparison with the cruelty of “War Communism” (1918–20). Hardly anybody will argue that Stalin’s regime was hard, while Khrushchev’s regime that replaced it was soft. At the same time, Brezhnev’s regime was harder than Khrushchev’s. It is more than obvious how much Gorbachev’s regime, even in its beginning, 1985–8, was softer than what preceded it.

It will be quite reasonable, as some authors do, to use the same criteria – the extent of repression and fear – in a comparison of Putin’s regime with the Soviet past. There are authors who suggest that the difference between Putin’s regime and the Soviet past is also the level of repression and fear, which in contemporary Russia is lower than in any other times in Soviet history. Indeed, after 1991 and even since Putin’s rise to power in 1999 the degree of fear in society is much lower than even in the first years of Perestroika, to say nothing of the Brezhnev years. And yet, as we will show in a special chapter, in fact fear among people who challenge or want to challenge Putin’s regime is quite high. In other words, Putin’s regime has demonstrated itself to be authoritarian, and yet it has still presented one of the mildest forms of authoritarianism that Russia has ever known. To show this, we will concentrate on the differences between Putin’s and the Soviet regimes.

In this book, we will focus on one of the key elements that have accounted for these differences between Putin’s regime and the Soviet past – the emergence and role of private property. Taking a new theoretical perspective, which we call the “segmented” or “hybrid” approach, we suggest that private property and free markets spawn feudal elements within society. On one hand, these elements are so strong in post-Communist Russia that they prevent the formation of a true democratic society. On the other hand, they also make it impossible

*Private Property as a Source of Both Freedom and Repression*
to return to totalitarianism. As a result, Russian society can be described as having three different types of social organization: authoritarian, feudal, and liberal, albeit with a clear preponderance of authoritarianism.

We will try to prove that the main causes of the differences can be found in the emergence of big private business accompanied by big money, which in the specific context of the 1990s opened the gates to feudal tendencies and to the essential weakening of the central administration and an outburst of corruption unprecedented even in Russian history. As we will show, big money and corruption influenced all sides of Russian society including those elements that it shared with the Soviet past as well as those that were introduced by liberalism, including the role of the state, ideology, the morals of society, the behavior of political leaders, the parliament, the political police, relations between the center and regions, foreign policy, ethnic conflicts, activity of the opposition, science, the army, the professionalism of cadres, emigration and immigration, and the motivation of the younger generations.

In terms of specific cases from Vladimir Putin's Russia that illuminate how private property and a free market economy function within a clearly authoritarian model, this work goes beyond the idea of private property as a benevolent driver of freedom. Instead, we argue that private property – a dogmatic concept that has spread throughout Western social science since the time of John Locke and has been used with special fervor by the contemporary scholar Richard Pipes in his analysis of Russian history – can also foster the harshest forms of government repression. Furthermore, Russia under the reign of Vladimir Putin presents us with an invaluable insight into how this happens.

This book focuses on specific examples of how property relations have fostered authoritarian control in the last ten years and how they foster feudal tendencies in the country. Moreover, the authors examine such historical occurrences as (1) how the adaptation of Soviet-era security forces to free market conditions spawned rampant corruption in all levels of society; (2) the reality that the KGB was relatively free of corruption; (3) how large property holdings merge with power and necessitate repression, as in the Yukos affair, when Soviet leaders were free of the impact of private property on their behavior; and (4) how property relations affect government management and suppression of the masses and how little this affected the behavior of the apparatchiks in the Soviet Slav and Baltic republics (the republics of Central Asia and the Caucasus region are another story).

In addition, the book shows how property relations determine Russia’s standing in the world and its foreign policy, even as the property factor had zero impact on Soviet foreign policy. Finally, with a strong focus on sociological analysis and original reporting, the book reflects how these factors are affecting the people in contemporary Russia who are involved in these processes and how these developments were absent during Soviet times. Two examples of affected groups are former security officers trying to make sense
of their new role and average workers caught in the power struggle between factory owners.

Although the authors firmly believe that private property has led to feudal elements within society, they do not underestimate the importance of liberal elements within Russian society. Thanks to the existence of private property, Russians can now choose business-related professions, albeit within the context of many bureaucratic impediments that are reminiscent of the Middle Ages. They are also able to accumulate money and transfer it to foreign banks, freely move inside and outside the country, as well as benefit from freedom of the press.⁵

In a world recovering from the effects of the economic crisis and the fervent quest for the explanation of why it happened, a subject that became a crucial theme during the U.S. presidential election campaign in 2012, the analysis of the role of big property and big money in Russian society through the lens of our new segmented theoretical perspective will shed new light on the role of property relations in impacting different types of societies.

Breaking with past traditions that either criticized or defended free market reforms from an ideological perspective, this book examines the problem on its own terms rather than through a political prism. What emerges is a candid picture of market capitalism acting in synergy with an autocratic state structure. The analysis relies on several publications that deal with Russia in the last two decades, which were either written or cowritten by Vladimir Shlapentokh.⁶

This book strongly differs from recent publications on Russia in the West as well as inside Russia. Certainly, a number of these books deal with corruption in Russia as the government and corporations blend together. They include Yury Felshinsky and Vladimir Pribylovsky’s The Corporation: Russia and the KGB in the Age of President Putin (2009), Andrei Soldatov and Irina Borogan’s The New Nobility: The Restoration of Russia’s Security State and the Enduring Legacy of the KGB (2010), as well as Lilia Shevtsova and Antonina W. Bouis’s Lonely Power: Why Russia Has Failed to Become the West and the West Is Weary of Russia (2010). However, none of them can claim to explain

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⁵ Analysis of the impact of private property and free markets is not only relevant to all post-Communist countries but also to the West. In some ways, this book continues the line of analysis developed by Vladimir Shlapentokh in the books Contemporary Russia as a Feudal Society: A New Perspective on the Post-Soviet Era (Palgrave Macmillan, 2007) and Feudal America: Elements of the Middle Ages in Contemporary Society (coauthor) (Pennsylvania State University Press, 2011).

the differences and commonalities between the Soviet and post-Soviet regimes. These books, which are the closest to ours, discuss the Russian development in a descriptive way but do not analyze it from new theoretical perspectives.

The case is even truer for books such as Edwin Bacon’s *Contemporary Russia* (2010), which describes the differences between Putin’s regime and past Soviet ruling power. Our book is not meant to be an indictment of Putin’s regime or the institution of private property. Rather, it draws on academic research and recent reporting in order to weigh both the positive and negative effects of the emergence of this institution on Russian authoritarianism.
Debates on Post-Soviet Russia: The Consensus on Authoritarianism

The people of any country, and historians thereafter, sharply debate how the country should be portrayed or labeled. In contemporary America, we see arduous debates centered on how to characterize the country politically, economically, and culturally. The range of labels placed on U.S. society is so long and diverse that it seems as though the critics and observers of the United States are talking about several different countries.

The United States is not, of course, the only country where people debate its defining characteristics. The Soviet Union, for instance, was given a wide range of labels. Until its collapse in 1991, many observers – both inside and outside the country – treated the USSR as a true socialist society, while others regarded it as a brutal totalitarian regime. However, post-1991 Russian society is even more complex than it was during Soviet times, and this complexity serves to make the interpretation and labeling of its essence even more varied and debated.

Post-Soviet society, as we knew it in 2012 (as this book was being written), was shaped in the first few years immediately following the collapse of the Soviet Union. The major elements of this society have not changed power in any essential way after Boris Yeltsin shelled his parliament in 1993. Remarkably, it took the Bolsheviks about the same short amount of time to build the Soviet system. Most of the features of the Soviet system (the lack of individual freedoms; the absence of a division of power; the mere imitation of democracy in lieu of real democracy; the economic and political dominance of public property and the central planning economy; the incredible power of the political police and the omnipresent fear in the people as a result of it; the state’s absolute monopoly

on the media, the educational system, and the scientific community; and the pervasive xenophobic ideology) did not change until 1991.

Post-Soviet Russian society had its core identity shaped by the middle of the 1990s and, like its predecessor, has not changed over many years. This new society comprised many elements of the Soviet system. However, several elements in the political system that emerged in post-Soviet society had not existed previously: the openness of society to the external world, freedom of speech, the freedom to leave the country, and the existence, even if very weak, of a civil society with independent organizations.

The main features of the post-Soviet economic system born in the mid-1990s were a combination of new and old elements. On one side, private property became a normal phenomenon in a society where, only a few years previously, it was widely considered an inimical notion. Economic competition, free prices, and the consumer’s right to have a choice in purchases became common aspects of life. Concurrently, on another hand, the state continued to play a crucial role in the economy. For instance, private and state property tended to overlap with each other; government officials became stockholders of major companies, and the government was able to use the courts to confiscate any property – and could even send the owners of said property to prison. With the help of the government, big companies, which were the object of the political elite’s material interests, procured a monopoly on the market and were able easily to fend off domestic and international rivals.

Yeltsin’s Regime: The Dominance of the Liberal Belief in Private Property as an Automatic Producer of Democracy

Many liberal politicians and intellectuals focused on the liberal changes that occurred in the country after 1991. They viewed Boris Yeltsin, the first Russian president – and not Mikhail Gorbachev – as the founder of both Russian democracy and free market reform. Despite the evident lack of democratic developments, many Yeltsin enthusiasts took the liquidation of the Soviet-command-planning economy and the emergence of private property in each sector of Russian life as irrefutable proof of Yeltsin’s democratic credentials.²

The liberal admirers of Yeltsin’s regime disregarded his authoritarian streak because of two factors. One was primarily emotional – having suffered repressions under the Soviet system, many of Yeltsin’s supporters, consciously or not, sought revenge against the Communist Party. A second, equally important factor was a confusion of economics and politics that was common to both the Russians and their Western advisers. Yeltsin’s admirers believed that the dismantlement of the planned economy and the introduction of free markets and