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978-0-521-62743-6 - Russia's Economy of Favours: Blat, Networking and Informal Exchange

Alena V. Ledeneva

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Introduction

A Russian phrase '*nel'zya, no možno*' (prohibited but possible) offers a summary understanding of Soviet society with its all-embracing restrictions and the labyrinth of possibilities around them. In a society in which, according to the *Guardian* reporter Martin Walker (1989: 17), 'nothing is legal but everything is possible', these possibilities were called *blat*. *Blat* is the use of personal networks and informal contacts to obtain goods and services in short supply and to find a way around formal procedures. The word is virtually impossible to translate directly into English. As J. S. Berliner, one of the earliest observers of *blat*, remarked (1957:182) 'the term *blat* is one of those many flavoured words which are so intimate a part of a particular culture that they can be only awkwardly rendered in the language of another'. The ubiquity of *blat* was obvious to every citizen of the ex-Soviet Union and was also reported by Western researchers, who first described the phenomenon in the 1950s (Dallin 1951; Crankshaw 1956; Berliner 1957). Crankshaw referred to it as 'an extremely elaborate and all-pervading "old-boy" network . . . Everyone, including the most ardent Party members, deals in it' (1956: 74). Yet although *blat* has long been recognised, there has been no attempt to study it directly.

It is perhaps surprising that among the works of Sovietologists who have concerned themselves with the detailed analysis of Soviet society, there are so few which have treated *blat* with the attention it deserves. Partly it is the ambiguous character of *blat* connections, their small scale and elusiveness, that gives the impression that very little of any substance can be said. It is also due to a certain attitude of disdain towards *blat* which, it may seem, was not significant for the functioning of the 'command' society. When social scientists involved with Russian studies today reflect on the shortcomings of Sovietology, which proved unable to predict and analyse the transition to the post-communist order, they are forced to acknowledge that *blat*, among

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other overlooked aspects, is of cultural, economic and political importance:

We have been unable to understand scarcity and bargaining. We have found it difficult to comprehend the politics of survival in economies that are dominated by nonmarket forces and that reward *blat*, stability, conformity, and material equality rather than work, risk, creativity, and personal achievements. Because we live in consumer-oriented societies where virtually all goods and services are available to those who have the money to pay for them (i.e., societies with no nomenclatura elites), we have brought too many Western economic, social, and psychological assumptions to our analyses of Communist systems. (Fleron and Hoffman 1993: 374)

The present work is the first attempt to trace the contours of *blat* as a social phenomenon, to capture the nuances, paradoxes and dynamics of *blat* relations – the core of the day-to-day workings of the Soviet state – and to explore some of its consequences for the post-Soviet transformation. It is based on 56 in-depth interviews (these appear in the text numbered [1]–[56], according to the list of respondents provided in appendix 1, p.215).

The window of opportunity for such research occurred after people ceased to be inhibited from discussing *blat*, while still having a fresh memory of the Soviet past. Before *perestroika* people were unwilling to talk because of fear of the consequences or because of a basic lack of practice in speaking openly. The political and economic reforms of the 1990s resulted in dramatic social changes, which to some extent made the phenomenon of *blat* a matter of the past. Now that life has changed people have lost their inhibitions and even become nostalgic in talking about *blat*. This provided a great deal of material which would otherwise have been inaccessible to a researcher. The fact that while still remembering the social workings and mechanisms of Soviet society people had already had enough time to reflect on the changes in post-Soviet conditions also contributed to the understanding of the nature of *blat*. These materials are unique because the phenomenon of *blat* has been changing so much in recent years that its parameters and specifics may quickly be forgotten.

The theoretical account offered in the book is concerned with those institutional characteristics of Soviet society which caused a gradual expansion of *blat* networks, and with the ways in which these networks were interwoven with other forms of power – both economic and political – and how they have been used by social actors to pursue their aims and interests. A central argument of the book is that

blat should be considered as the 'reverse side' of an overcontrolling centre, a reaction of ordinary people to the structural constraints of the socialist system of distribution – a series of practices which enabled the Soviet system to function and made it tolerable, but also subverted it. The book contributes to the debate among social historians about the self-subversive nature of the Soviet system (e.g. Fitzpatrick 1992; Kotkin 1995; Rittersporn 1991), seeking to transcend the totalitarian concept of the Soviet system. I argue that the phenomenon of *blat* – aimed at acquiring desired commodities, arranging jobs and the outcome of decisions, as well as solving all kinds of everyday problems – became a pervasive feature of public life. Understanding *blat* as grounded in both personal relationships and in access to public resources sheds light on its elusive character and the contradictory nature of its contribution to the functioning of the Soviet regime.

In developing my arguments I also draw on the studies of 'informal practices' in later periods of Soviet history. In the massive literature on the 'second economy' (e.g. Grossman 1992), the informal practices pervading the Soviet command system were identified and thoroughly examined. The characterisation of these practices as 'informal' testified to the Soviet regime's ability to ensure that for the most part they contributed to rather than undermined the formal targets and activities of society. The informal economy took care of many needs which were not met by the command economy, and thus contributed to the functioning of the Soviet system. According to Jowitt, however (1983:275), at some stage informal practices subverted more than they contributed to the party's formal goals and general interests. Defining *blat* as ties of reciprocity in contrast to impersonal, strictly accountable, exchanges of standardised value, Jowitt interpreted it as another expression of the charismatic-traditional quality of the Soviet polity/economy: 'In this respect, Soviet social organisation resembled primitive economies where "reciprocity demands adequacy of response not mathematical equality" (Polanyi 1957: 73), and traditional peasant communities where "reciprocal favours are so dissimilar in quality that accountancy is difficult" (Campbell 1977: 254).' Although one can agree that 'the status and personal nature of exchange involving deference, appreciation, generosity, and loyalty became defining parts of social transactions', it seems insufficient to consider *blat* as an exchange, 'based on mutually exclusive status; e.g. nobles/serfs, big men/small boys, or Soviet cadres/Soviet citizens', as Jowitt (1983: 682) suggests.

The fact that *blat* is bound up with many other concepts, such as

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'second economy', 'black market', 'bribery', 'political corruption' and 'neotraditionalism', reflects its pervasive nature. To some extent this indicates that *blat* does not really fit any of them and must be conceptualised as a distinctive phenomenon in its own right. The intricate interrelations between *blat* and other practices of circumventing formal procedures through informal contacts requires a thorough examination, and I undertake to trace how *blat* is both distinct from and similar to other informal practices in Russia and analogous practices in the West.

Notwithstanding the Soviet origins of *blat*, its consequences for post-Soviet society are far-reaching. In the book I analyse recent changes in *blat* practices and their contribution to the post-Soviet social order. *Blat* stands now as one among several available possibilities for influencing decision-making and obtaining access to all kinds of resources, but in many contexts retains its unique importance. Of course, many goods and services which could formerly have been obtained only through *blat* may now be acquired by the use of money. Market mechanisms have to some extent replaced *blat* transactions to do with everyday consumption, but *blat* is proving to be both durable and, surprisingly, to some extent functional for the emergence of market mechanisms. In other ways the continued existence of *blat* is a barrier to the generalising of a money economy, because *blat* was and still is a non-monetary way of doing things. Just as *blat* had a double relation to the old Soviet economy, perhaps it has also to the new market system.

Methods and perspectives

To a Western eye, practices of informal exchange are a kind of art (see both Wedel 1986 and Yang 1994), conferring an ability 'to read between the lines which Westerners are lacking' (epigraph in Wedel 1986) while for natives they are neither artistic nor artificial. They are nothing special at all – just a daily routine, habitual and therefore fairly automatic. I grew up in such an environment, and took most of it for granted. What made me think about *blat* as something specific was my experience in the West, where I felt things were done differently. Then I became alert to 'Russian ways' and undertook to explicate them. In so doing I tried to combine the participants' view of the subject and their self-understanding, on the one hand, and the descriptive discourse which would make it clear for an outsider, on the other.

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Between August 1994 and April 1995 I spent a great deal of time travelling and interviewing people. I met some of them at random in trains and other places, talked to them and asked to record our conversation. Some of these interviews were particularly interesting, for people expressed their views to a 'stranger': a casual place, no names, no responsibility or social control involved. For the same reason, however, such responses were more difficult to interpret because I could not judge the sincerity of the respondents or visualise the contexts of their information. In the interviews with people who trusted me and were ready to disclose their *blat* contacts, we discussed *blat* in personal terms, in concrete situations, talked about common acquaintances and their *blat* networks, etc.; these interviews were particularly revealing in dealing with such a delicate topic. It is not surprising, therefore, that a large number of my respondents were my acquaintances, friends of friends or friends' contacts. In this sense the subject-matter of my study predetermined its method: the network of respondents (similar to *blat* networks) was largely intertwined with personal networks and, due to the latter, turned out to be really effective.

To assure the quality of my data base I selected respondents of different status, occupational strata, gender, age and location, and of diverse personal experience or expertise. I approached some respondents formally, mostly those who (I thought or was told) could make good informants on the topic. There were only a few refusals, but the character of the interviews with those who agreed to be interviewed varied a lot: from a competent expertise on *blat* to the most refined strategies of misrecognition (see chapter 2, p.60). It is also worth mentioning that not all the information was obtained in organised interviews. Apart from 56 recorded interviews, I drew upon many discussions which happened spontaneously as people reacted to the topic with amusement and enthusiasm. In these cases, I took notes of conversations afterwards.

People varied in their attitudes to *blat* in general according to their environment and personal dispositions. Some people were more cynical than others and less inhibited in revealing their strategies and reflecting on them. For some people, to say 'got it by *blat*' became a matter of pride, for others a matter of routine. The fact of such recognition, however, was not very helpful, for it did not imply any further explication. It terminated the conversation, creating a self-explanatory effect in approximately the same manner as 'Fine' in reply to the question 'How are you?' As an explanation of 'how'

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something was done by someone, the expression 'by *blat*' did not provide an answer, but rather concealed the matter.

The most conspicuous feature of all the interviews was that the informal deals were called '*blat*' when practised by others but described in terms of friendship or mutual help in the case of personal involvement. The assumption that '*blat* is everywhere' was universally accepted by respondents, but most of them avoided accepting their own involvement in *blat* or refrained from naming it as such. The paradox created by the majority saying '*blat* is everywhere but not near here' resolved itself in the course of the interviews. Respondents repeatedly claimed that they had nothing to do with *blat* at the beginning of the interview and had come up with clear examples from their own experience by the end. Many interviews followed the same pattern. The initial reaction was:

Why me? I am not an expert on *blat*, I was not involved in *blat* relations. Can't remember anything from my own life. If there was something, it was not significant, nothing to do with *blat*'.

By the end:

Well, I had to. A room in a communal flat some time ago was acquired by *blat*. A Hoover was obtained through friends. About the bed my sister rang me: 'Go and get it, I arranged it for you.' [39]

Often people remembered things only when asked directly: 'How did you get this fridge or TV?,' 'Whom did you bring a souvenir for after your holidays or tour abroad?,' 'Did you ask your friends to get some medicine or plane tickets in cases of emergency?,' and provided details about their contacts and channels. It seemed as if *blat* functioned most effectively on condition that its logic remained misrecognised. I therefore learned to talk in terms of the 'misrecognition game' of the respondent when appropriate. It was also crucial (1) to ask about personal experiences retrospectively; (2) to ask about others, not the self; and (3) to follow a 'swapping experiences' pattern rather than a 'question-answer' one.

The most effective way of understanding *blat* in personal terms was through taking a detailed interest in life histories: the organising of one's wedding banquet; getting oranges out of season for the children; a ticket for a resort at Yalta; medicine for a relative; a seat on the Trans-Siberian; high-quality clothes; spares for the television set and car; a new electric stove; exemption from compulsory *kolkhoz* work or presence at a party meeting; caviar when there was no caviar in the

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shops; a new edition of Dostoevsky sitting on the shelf; seed potato for one's allotment, etc. These interviews enabled understanding of people's ways of dealing with everyday problems, revealed their needs and expectations and were informative about the networks they maintained.

These materials enabled me to develop an ethnography of *blat* – that is, to present it as a distinctive form of social relationship or social exchange articulating private interests and human needs against the rigid control of the state – ‘an everyday form of resistance’, as James Scott (1985:12) would perhaps call it. A distinctive feature of this study is that I was particularly concerned with the perspective of ‘common people’. I was always explicit about the subject of my study: rather than observing and describing what is done and how, I let my respondents observe, describe and speak for themselves. It was their talk and opinions that turned out to be so revealing and constructive. A detailed study of the participants' points of view uncovered daily problems experienced by Soviet people – problems which represent the ex-Soviet system in a light not readily seen by an outsider. Such a perspective also gave me an insight into the paradoxical nature of *blat* – a phenomenon which people know but do not recognise, which people perform but also repudiate.

This study is not an alternative to study of the institutional system; rather it is a necessary complement to it, as *blat* was embedded in both individual action and the structural characteristics of the Soviet system. The phenomenon of *blat* implies both ‘explicit rules’ and limits that invert them, both institutional restrictions and personal ways of circumventing them. The structural conditions do not only restrict but also enable and organise the practices (Giddens 1984: 21), while these practices, in turn, penetrate, transform and thus shape the system. *Blat* practices have to be grasped in an everyday context at the same time as being related to the structural conditions of the Soviet system in order to analyse both its impact on *blat* practices and the impact of *blat* practices on the system.

This study focuses on the texture and principles of the day-to-day workings of society, rather than providing statistical evidence for the pervasiveness of *blat* practices. I believe that although my sample was not of a representative nature, it does in fact represent Russia quite well – after all, *blat* practices and idioms are commonplace and common knowledge. Some supporting quantitative evidence, however, is available from the results of the sociological survey conducted by the All-Russian Centre of Public Opinion among the

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Table I.1 Allocation through connections, 1992, per cent

In the last year or two, have you or anyone in your household gone to someone to get things you couldn't get in the ordinary way?

Age	Up to 29	30–59	60+	Total
Yes	64	50	24	49
No	36	50	76	51

Table I.2 Used connections for (per cent answering 'yes'):

Age	Up to 29	30–59	60+	Total
Doctor	18	18	23	19
Medicine	47	54	74	53
Getting house, repairs	14	15	14	14
Consumer goods	43	42	15	39
Clothes, food	62	51	47	55
Car repairs	12	13	9	12
Holidays	9	8	4	8
Hospital	8	12	7	10
Kindergarten	8	7	3	7
Private teacher	2	1	1	1
Better school	1	5	1	3

urban population of the Russian Federation – a large-scale representative sample of 2,106 respondents. Consider the data on allocation through connections in tables I.1–I.2.¹

These findings aimed at comparing the generations and covered only the period of the 'last year or two'.² They are probably understated (49 per cent of respondents admitted the use of connections, but this does not mean that the other 51 per cent do not have connections, or did not use them at all, or are not going to use them when an urgent need arises). Quantitative data are also insufficient to grasp the cultural aspects of *blat*. A random sample and large-scale survey interviewing

¹ I. Boeva and V. Shironin, 'Russians Between State and Market: The Generations Compared', *Studies in Public Policy*, 205 (1992), Centre for the Study of Public Policy, University of Strathclyde.

² In both 1992 and 1996 surveys younger generations use connections more, which probably means that at the earlier stages of a life cycle needs/wants are more urgent (housing, children, etc.), and that older generations must have used their connections before 'last year'.

techniques are not designed for the deeper study of connections, because people would not normally describe their contacts or share *blat* techniques. Such data would be interesting in a longitudinal analysis, for the use of connections has significantly decreased since the early 1990s, but unfortunately such statistics were not available before 1992. The relative proportion of goods and services, for which connections were used in 1991–2 (see table I.2) is, perhaps, the best proxy one can get for the pre-1990s period: ‘clothes, food’ and ‘medicine’ were the most needed items (55–53 per cent), then consumer goods (39 per cent), medical services (19 and 10 per cent), repair services (14 and 12 per cent), holidays (8 per cent) and needs connected with children (7, 3, 1 per cent). The more recent survey results of *New Russia Barometer IV* (1995) also provide a statistical evidence for the trends I describe, namely that the use of connections decreases (from 49 per cent in table I.1 to 24 per cent in an analogous survey in 1995), and especially among younger groups of respondents.

Structure of the book

In chapter 1, I introduce the term ‘*blat*’ and its euphemisms, illustrate and discuss main use-contexts of *blat* both historically and as it appeared by the 1990s before the era of market reforms. The multiplicity of contexts in which *blat* is considered a relevant term makes it rather difficult to define and conceptualise. I formulate a range of features characteristic of *blat* situations and more or less common for all of them and offer a working definition of *blat* on that basis.

In chapter 2, I suggest some contrasts which might be made between *blat* and notions more established in the sociological and anthropological literature, such as bribery, corruption and other informal practices. I start with the discussion of the connections and contrasts between *blat* and other phenomena in Russia and move on to analogous practices in other cultures, such as patron–client relationships in the Mediterranean region and ‘fiddling’ in market economies. In conceptualising the phenomenon further, I argue that the aspects of the ‘misrecognition game’ – in which *blat* remains obscured by the rhetoric of friendship, etc. in one’s own case, but could easily be recognised in the case of someone else – turn out to be essential for understanding the nature of the legitimacy of *blat* and its relation with the Soviet regime. I also explain why such a pervasive phenomenon could also be so elusive.

Chapter 3 focuses on the political and socio-economic conditions

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which restricted yet also enabled the development of *blat* practices. The analysis concentrates on how *blat* merged with the Soviet system as seen from the perspective of ordinary people – that is, how people dealt with policies and ideological demands of the state and how the realities of social life shaped their experiences and actions. I discuss the impulse *blat* received from Stalin's policies concerning the ruralisation of cities, privileges in distribution and the return of traditional (middle-class) values, and move on to consider the role of characteristics of the Soviet regime – the ambivalent character of constraints and personalisation of bureaucracy, perennial shortage and increasingly expanding system of privileges and closed distribution – in creating the social order in which unwritten rules and practices prevailed.

Chapter 4 is concerned with the social basis of *blat* practices – *blat* networks and the principles of their formation. Although pervasive, *blat* practices were not universally or evenly distributed across society. Hence I look at differences in personal attitudes towards *blat* of different types of individuals – from *blatmeisters* to *blat* non-users – and consider aspects of stratification in relation to *blat*: different social and occupational groups, gender aspects in constructing *blat* networks and its urban–rural specifics.

In chapter 5, I provide an ethnography of *blat* as a form of exchange. I am concerned with the internal logic of *blat* relations, the forms of reciprocity, mutual trust and obligations it involved, as well as with its ethical foundations. I make use of narratives or statements from those rare experts who 'recognised' their strategies despite generally mis-recognised involvement with *blat* in their own case. Despite the fact that one cannot be sure how general were the opinions quoted, they are crucial to understanding the spirit of *blat*. These data largely relate to the Soviet past, and thus form a starting-point for the analysis of the ongoing economic and social transformation in post-Soviet Russia presented in chapter 6.

If the thesis that *blat* was fundamentally a phenomenon of the Soviet system is correct, then *blat* was bound to become transformed under post-Soviet conditions. A variety of new contexts has replaced the Soviet contexts of *blat*, thus reflecting the shape taken by the recent reforms. In chapter 6, I analyse the role *blat* has played in economic and social restructuring and in the formation of post-Soviet society, and the impact which social changes brought by the reforms had on *blat*. I also consider contemporary forms of *blat*-like networks and suggest some implications of my research findings for the likely future of socio-economic development of Russian society.