

Can Russia Modernise?

This year's lecture was held, as usual, at the European Bank for Reconstruction and Development. It was given by Professor Alena Ledeneva of University College London. She dedicated her lecture to her friend the late Jill Braithwaite, founder of The BEARR Trust.



Professor Ledeneva suggested that Russia was well on the way to modernisation, judging by how the frustrations of dealing with some aspects of Russian bureaucracy have diminished since the 1990s. She described her recent application for a Russian passport, a process that took only 10 minutes, involved no queue and was handled by a smiling official. The anecdote was appreciated by her audience, but the story behind it turned out to be more ambiguous. Professor Ledeneva's definition of modernisation was 'a system of government that allowed institutions to work without personal intervention'. On the face of it, the efficient issuing of passports was encouraging. However, Professor Ledeneva believed that President Putin and his circle had created a system of government – 'sistema' – that had been effective in reducing chaos initially, but that now held them hostage in a vicious circle of clan politics. The non-transparent *sistema* networks had merged with, exploited and diverted official hierarchies. The personalisation of bureaucracy had intensified as a result, and led to widespread familiarity with the open secrets of how Russia was really run – things that people acknowledged with a knowing smile but did not name.

Perhaps Russia is inevitably prone to corruption – Jonathan Charles, the EBRD's Director of Communications, suggested in his introduction that Russia's lack of economic diversity and continued dependence on natural resources had encouraged complacency. But Professor Ledeneva stressed that the existence of a 'sistema' was not uniquely Russian. Such patterns of informal power were universal – most countries had them. There were common features: connections and privileges that sped you through the system but hooked you in to it, or the

revolving door of appointments between public and private sectors. Other aspects included the personalised loyalty of dependents who supported you but could eventually desert you and leave you vulnerable, and the circularity of relationships based on possession of incriminating information that prevented anyone leaving without damaging the whole structure. In the Russian case, the latter had been particularly associated with the violence of organised crime, but had now given way to the more insidiously sophisticated cycle of collecting, selling and leaking 'kompromat' to ruin reputations. This had developed to the point of absurdity where – and with echoes of history – some people would reveal 'kompromat' about themselves in order to demonstrate their vulnerability, thereby showing that they were part of the network.

Professor Ledeneva's point was that informal governance systems were not a specifically Russian phenomenon, but that they had developed differently on Russian soil. She used wine production as an elaborate extended metaphor to explain how Russia's *sistema* was characterised by a pre-modern reliance on personal networks ('blat') to compensate for lack of trust in official institutions and at the highest level on personal loyalty – features that, in her view, made it difficult for a person of integrity to work in the Russian government. This would have to change if Russia was to modernise. According to her metaphor, constraints on modernisation included the administrative culture inherited from the Soviet administrative system (the 'bottling' of the wine); the political culture inherited from Russian patrimonial rule (the 'barrelling' of the wine) and the social networks that featured in every country's informal governance systems but had flourished on Russia's 'soil and vine' in a particularly dysfunctional way. There were of course plenty of factors that should encourage change: the introduction of a monetised economy and the evolution of business and technology should weaken the power of an overly administrative culture, for example. But it was the sheer scale of corruption within Putin's own network that made Russia a case on its own, and Professor Ledeneva concluded that Putin himself was now a liability because of it.



This was the essence of Professor Ledeneva's analysis, but along the way she provided many more insights into the nature of Russian society and its body politic. She turned the spotlight onto Western European attitudes to Russia, describing the deep emotions revealed when EU officials were asked which words they associated with the country: admiration (literature, music and churches); anxiety (resources, big neighbour, fear of invasion); disapproval (oligarchs, human rights abuses); respect (Kalashnikov, Sputnik, hockey, the Red Army) and surprise (Gorbachev, glasnost, perestroika). She also surveyed how other academics have examined the questions regularly asked about Russia: Is Russia a normal country? A democracy? European? Pre-modern? Understandable? And the questions Russians have always asked about themselves: Who is to blame? What is to be done? Who in Russia lives well?

The jury was still out. On the one hand Russia could be regarded as a country going through transition as one would expect, with further liberalisation bound to follow. On the other hand, its abnormal political economy and the top-down mechanics of its modernisation meant that it was unlikely to democratise and develop the potential of one its great assets – a higher level of education than the OECD average. Russia's particular brand of democracy could be qualified by a variety of adjectives, but the evolution from a hybrid regime to near full-scale autocracy now put it in the 'sovereign democracy' category. As for whether Russia is a European country, the Levada Centre's 2012 survey suggested not – most Russians considered their identity to be exclusively Russian, with over half claiming not to identify with Europe at all. Perhaps, Professor Ledeneva speculated, that might give some clue about the form Russia's modernisation would take.

There were some signs that those who benefitted from the *sistema* also recognised its paradox – that its informal tactics for getting things done undermined the institutions that needed to be modernised. While some people have simply given up and left the country, others have brought in legislation to try to restore the independence of officials, for example. Popular reaction to recent elections had stimulated 'reflexive modernisation'. There were risks – *sistema* was also a form of social glue, and the elimination of 'blat' could change the nature of friendship in Russia. When pressed during the questions that followed her warmly received lecture, Professor Ledeneva came up with a perhaps surprisingly optimistic estimate of when Russia would eventually modernise and separate the personal from the institutional. The generation born after 1991 was now coming of age, she said. So the answer was: soon.

The BEARR Trust is grateful to EBRD for hosting and sponsoring the lecture.