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E. Yasin

INFLUENCE OF CULTURE ON THE MODERNIZATION OF RUSSIA



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In lieu of an introduction

This work, presented as a report at XV International April Conference of National Research University HSE, was started as a new version of the first chapter of my book published in 2002 “Russian Economy. Sources and Panorama of Market Reforms”.

The more I worked and read literature on the subject, the further I moved from the initial idea. Changes were especially significant after I read the works of E. Huntington and L. Harrison which emphasized the role of culture, which also includes institutions, in the development of the economy and society.

It happened so that I lost hope to rework the text of the mentioned book in the spirit of these ideas. It seemed appropriate to me to present the results of work in the form of this report mainly devoted to one task: understand the historical and institutional sources of the problems now faced by Russia which started its transition to the well-established European market and network economic model back in 1861. Thus, this report is focused on how Russia, unlike Europe, developed its national culture after 12th century, and how it formed the autocracy institution as a core of the political system. And how the traditions of this system influenced the development of the country again and again. It is understood that this subject attracted the attention of many researchers. Here I will mention the names of V.O. Klyuchevsky; A. Akhiezer, I. Klyamkin and I. Yakovenko; Y. Pivovarov and A. Fursov, L.S. Vasiliev, as well as R. Pipes. The key moment I would like to draw your attention to is the collision of totally different structures, though compatible under certain conditions: hierarchy of domination and submission typical of feudalism and bureaucracy, on the one hand, and the network market structure born in the Ancient Greece on the other hand. Then it revived in Europe, first in medieval cities, and then it became the basis for capitalism and democracy development in present-day understanding. This system of institutions generated industrial economy and ensured a high pace of its development. It also contributed to growing importance of science and accelerating the processes of innovations creation and realization. According to E. Machiusson and G. Clark, the scope of the world economy increased ten times in the past 200 years (1800–2003), while there was no substantial growth during the previous 3,000 years.

As I understand, Russia started transition from hierarchy to network in 1861, after the Emancipation reform. Since that time it has

been undergoing a painstaking process of transformation, with the Soviet experiment being its stage. It was started by people that believed in the truth of Marxist theory that adopted the collapse of market economy and its replacement by large-scale machine industry. By 1970s it became clear that Marx was mistaken: the market mechanism did not disappear, it confirmed its role in the development and globalization of the world economy. Russia managed to put an end to the Soviet experiment and puts great efforts to overcome the contradictory processes of renewal and development of the present-day market economy, as well as the retarding influence of long-standing traditions of hierarchy and despotism domination. These questions are dealt with in greater detail in the offered report.

1. Was Russia a backward country?

When we look back at the Russian history of 19–20th centuries, it is very important to understand the objective conditions behind the disasters that happened in the country in the past 100 years. Are there any reasons to agree that Communist modernization drew the country from backwardness and, having made it a superpower, made it possible to achieve the peak of power that had never been reached by Russia before? And the market reforms of the 1990s, on the contrary, lead it to the state of decay? Or is another hypothesis true: before the revolution, Russia was a dynamic, quickly developing country, and it could achieve more success in absence of this revolution?

Place of Russia in the table of ranks

If we evaluate the situation in general, it would be fair to note that before the 1917 Revolution Russia was considerably behind the advanced countries of the Western Europe and the USA by the level of production and consumption. In 1913, the volume of industrial production was 2.5 times lower than in France, 4.6 times lower than in England, 6 times lower than in Germany, 14.3 times lower than in the USA [Lyaschenko, 1954, vol. 2, p. 220]. Labor production was also much lower. The annual production of one factory worker in Russia made up 1810 rubles in 1908, with 2,860 rubles in the USA in 1860, being 1.54 times higher back then; in 1910 it was 6,264 rubles, that is, 4.5 times higher. I hope that the conversion into rubles was made cor-

rectly. Coal extraction-related labor capacity in Russia made up 60% from the English one and 22% from the American one before the war.

The structure of the Russian economy reflected its agrarian nature: in the total production volume of large-scale industry and agriculture, the latter had the share of 57.9%. As regards the composition of the industry, the share of metal processing industry was 11%, textile industry — 28%, food industry — 34%. The national machine-building covered the need for industrial equipment by 38.6% [Razvitie sovetsoi ekonomiki, 1940, p. 10]. Average crop yield in 1909–1913 was twice lower than in France and 3.4 times lower than in Germany. But here we should make allowances for the fact that the extensive method of agricultural lands development was usually more profitable in Russia.

In 1912, the share of the urban population was less than 14%, while the same indicator reached 41% in France, 42% in the USA, 66% in Germany and 78% in England. At that time it was not only a demographic indicator [Lyaschenko, 1954, vol. 2, p. 220].

At the same time, Russia was only inferior to the USA and Japan by the rate of processing industry growth in pre-war years. In 1911–1913, as compared to 1896–1900, the average annual pace (%) made up [Khromov, 1969, p. 129]:

Russia.....	4.8
USA.....	5.2
Germany.....	4.0
Great Britain.....	1.6
France.....	3.5

Japan overtook Russia by the pace of industrial growth only after 1900.

According to the calculations of Y.P. Sokoloff [Sokoloff, 2007, p. 787–790], in 1860–1913 the GDP per capita rose from 860 to 2,500 dollars in the USA, and from 350 to 600 dollars in the same years in Russia. But this is the comparison with just one of the most dynamic countries of the time. On the whole, Russia was slowly gaining Europe, at the same time keeping at a considerable distance from it. By the volume of industrial products before the First World War, our country was among the leaders, occupying the fifth place in the world after the USA, Germany, England and France. Thus, Russia was behind the western countries, but it was dynamically developing. In any case, the distance did not increase.

There was a difference that leaped into the eye: the industrial sector that was almost completely integrated into the world economy,

despite the difference in productivity, and the huge agrarian sector, mostly in the state of extreme backwardness, which virtually continued to live in medieval age. The discrepancies between them became one of the main reasons for the disasters of the 20th century.

The world scientific and technical achievements entered the present-day sector almost without delay. Machine-building plants of Saint Petersburg, Moscow, Riga, the textile industry of Moscow and Ivanovo regions, the coal and metallurgy of Donbas, the oil of Baku, the growing railway network represented the face of the Russia that showed its ability to absorb and distribute the material achievements of the advanced technology and equipment. It was certainly dependent on the West, foreign investments played an important role in the rise of the Russian economy. But was it bad? The residents of Saint Petersburg, Moscow, Warsaw and Odessa received access to the latest blessings of the civilization virtually at the same time as the residents of European capitals. The buildings erected before the Revolution still adorn many Russian cities.

But the rural Russia, a great number of provincial towns lived almost in the same way as 50 years ago, when the Emperor Alexander II issued the Emancipation Manifesto on February 19, 1861. The agrarian sector was immersed in feudal vestiges. The institutions typical of the previous epoch, such as community, mutual cover-up, periodical redistribution of lands, continued to prevent production growth and the development of free market relations in the village.

It should be noted that developed agricultural sector was considerable, mainly in Ukraine, in the Black Soil Center, on the Don and Kuban, in the Volga Region and Siberia. But the Nonblack Soil Zone and the North were mostly backward; they changed little since the Emancipation reform.

The inferiority complex as a result of the country's backwardness started to appear in Russia back in the 17th century, before Peter I, when the Russians felt in practice that the Europeans were far ahead in the industry, warfare, state management. Since that time the desire to liquidate backwardness, catch up with Europe, live no worse than they do — turned into constant striving of the authorities and their subordinates for reforms and modernization.

Two main trends appeared in the political and economic thinking. One of them was pro-Western, it tried to bring European achievements to the Russian reality, not always taking into account the local situation. The other one, the soil-based trend, protected the

traditions, started to interpret the Russian backwardness as the peculiarity of the Russian way, superiority over Europe where the material values seemed to push out the spiritual ones. These discussions are still going on today, though they have taken new forms and other notions and reasons are used. The search for institutional differences between Russia and the West, which appear insurmountable as they have a long history, is still going on.

2. Feudalism

Reasons for backwardness

One of the widespread reasons for backwardness of Russia before the 1917 Revolution is that Russia lingered in the period of feudalism while Western Europe started developing market economy, trade and industry much earlier and switched to capitalism, being ahead of Russia by 50–100 years. This approach is, in particular, typical of Marxist doctrine with its theory of social and economic formations. Feudalism is one of the formations that lies between the slave ownership and capitalism. Its peculiarity is that the land is the main resource. The land is owned by feudals that represent the ruling class which performs the functions of armed forces and management. Peasants are assigned to the land, but they have more freedom than slaves. The rights to the land are distributed between the classes of land owners. This doctrine considered the 1917 Revolution as a logical occurrence in a backward country with considerable vestiges of feudalism but still a capitalist one (in the end — the peasant reform of 1861) and partially prepared for the next formation — Communism or Socialism as its first stage. Thus, feudalism is a stage of development which prevents the development at other later stages.

Local Western phenomenon

V.O. Klyuchevsky gives a different interpretation of feudalism. He tends to consider it as a local European phenomenon that has some common features with the appanage order in Russia that appeared after the Kiev period. “These are not

similar, but parallel events,” he wrote. “Many things lacked for similarity, at least in relations between princes, their court nobility and free servants. First of all, the combination of work relationships with land ones. Secondly, the heredity of these and those” [Klyuchevsky, vol. 1, 1956, p. 360].

Klyuchevsky means that the relations between seigneurs and vassals in thriving feudal Europe were built on the conjunction of work duties with land ownership. In my opinion, this is the characteristic feature of the feudalism as the political and economic regime based on agrarian economy. It covers the majority of relations between seigneurs and vassals, but not in each particular case. Feudals need armed forces to exercise power over their fief. The detachments they form receive payment in the form of lands provided from controlled fief or in the form of money. But the feudal can receive money to pay to the troops only in the form of chief-rent from the peasants that live on the owned land or render from subdued states or tribes (as a “stationary bandit” according to M. Olson), or from booty of war (as a “roving bandit”). In the end, it is land that is behind all the options. In separate cases, even in mature feudalism, the vassal may serve one seigneur and own lands in the territory of another one.

Feudalism in Russia originated at the time when it was in its mature form in Europe. And initially it was long characterized by the properties that Klyuchevsky wrote about. The custom to form detachments of free people dates back to the times of ancient Germans. In our case it survived the disunity of the Kievan Rus and the period of appanage [Pipes, 2004, p. 71]. But in 300 years the holders of patrimonial estate and manorial noblemen, being land owners, made up the class hierarchy which is the main organic feature of feudalism.

R. Pipes also negates the Russian feudalism. He criticizes the works by N.V. Pavlov-Silvansky (for instance, “Feodalizm v drevney Rusi”, 1907) [Pavlov-Sylvansky, 1907], where the regime of the Russian state in 12–16th is considered to be feudal. Pipes finds confirmation in the work by P.B. Struve dated 1929 which was published in Prague: “When they [free people in Russia] were vassals, they did not have any sovereign’s payments, or at least there were no *fiets-terre* (feuds, conditional possessions for the service, manors — *E. Y.*), that is, they mainly dwelt within their inherited estates (allodiums). And when they received *fiets-terre* in the form of manors, they ceased to be vassals, that is, contractual servants (quot. by [Pipes, 2004, p. 79]).

Here we would also like to quote the testimony of the sophisticated connoisseur of medieval land ownership in Russia, Prof. S.V. Veselovsky, who established that the first Russian manors appeared in the 1470s, in the subdued Novgorod. Before that, land ownership was known only in the form of inherited estate (allodium). And Pipes adds: conditional land ownership, the manor, was not a feudal but rather an anti-feudal institution established by the absolute monarchy to defeat “feudal” princes and boyars.

I do not feel a sophisticated connoisseur of historical details related to differences in the European and Russian institutions that existed such a long time ago. From the viewpoint of my tasks, these details are not that important to serve as a basis for the conclusion that there was feudalism in Europe, but not in Russia. But this conclusion makes me uneasy.

Here is the description of the Russian social organization on the eve of the Emancipation reform given by A.G. Vishnevsky with reference to I.V. Kireevsky:

“Peasants constitute the majority of the population. A peasant in Russia seemed to live in the heart of the social nest-doll: he was inside the family, the family was inside the community, and the families and communities formed the basis for the other floors of the Russian population. In the middle of 19th century, I. Kireevsky presented its hierarchic structure as follows: ‘The family relations of each person were determined before the birth; in same pre-determined order the family was subordinated to the world, the larger world — to the congregation, the congregation — to the popular assembly, etc., until all the private circles closed in one center, in one Orthodox Church.’

The ‘nest-doll’ construction of the public relations system is complicated and efficient in its way. It makes it possible to combine quite harsh vertical hierarchy of the social pyramid levels with relative independence of each level (in particular, this is related to land relations: the right to use the land seems to be distributed among levels none of which owns it in full). Due to a small size and considerable isolation of a rural community where most people lived, the person was in constant direct communication and interaction with fellow villagers, with the rural ‘world’, under its constant supervision, was related to everyone by mutual responsibility, mutual cover-up. This system of relations pre-supposes the diversity of inequality, complicated hierarchy of personal dependencies. At the same time, all the relations are personified, which gives ‘human warmth’ to the

life in this system recollected with nostalgia by the people that found themselves in the world of urban anonymized relations” [Vishnevsky, 1998, p. 19; Kireevsky, 1979, p. 149].

But the nest-doll construction in the description of V. Kireevsky is quite close to the middle of 19th century — this is a decorated representation of feudal hierarchy with typical distribution of roles, natural and personified relations. It’s just that in Russia, in the same way as in Japan, it looks different than in Europe. But this system was the main obstacle for the development of Russia in the middle of 10th century. Following Mark Block, Pipes gives another argument: legal formalization of relations between the seigneur and vassals typical of western feudalism, the great importance it attached to the agreement which was also mandatory for the sovereigns. Thus the western civilization received something which “we still find quite attractive”, writes Bloch¹. By quoting these words, Pipes explains: “This something was surely the law — the idea which once lead to the establishment of courts, first as the means of resolving disputes between the sovereign and the vassal and subsequently as the permanent element of public life” [Pipes, 2004, p. 76].

I agree, we are in essence talking about the rule of law principle which makes up one of the main foundations of the western civilization, one of the sources of its global competitive advantages. But it should be noted that, despite authoritative opinions, that feudalism has nothing to do with it. The principles of law were adopted in the ancient society and re-adopted in the West after their revival in north Italian cities when the need for legal formalization appeared, for instance, with the development of agriculture at the background of rich trade and financial practices of the environment.

I will explain my stubbornness in the discussion with quite knowing opponents. They rely on the knowledge of important details and want to show that it is thanks to the institutions of feudalism which was not known in the rest of the world that the conditions for the development of capitalism and industrial progress appeared and surprised the whole world. I have a different opinion about it which will be exposed below.

Feudalism as the reason for backwardness of Russia

But now I would like to repeat my question: Why did Russia become a backward country? Mainly? And I find the answer which is

¹ *Bloch M.* Feudal Society. L., 1964. P. 452.

not comprehensive but no less articulable than the answer of opponents for Europe: because of feudalism!

Pipes writes: "... You can use 'feudalism' as a term that means any regime characterized by political disunity, private law and natural economy, based on the workforce which is not free..." But "there is very little use in the application of such a wide notion if you, for instance, want to know why a system of institutions absent in other places was formed in the Western Europe" [Pipes, 2004, p. 73–74].

I will agree with my dear colleague: notions should be approved. The more so, his works speak quite correctly about the western feudalism and never about the feudalism in a wider meaning. By the way, according to R. Pipes, the absolute monarchy is an anti-feudal institution as it introduced conditional possessions, feuds and estates, to undermine the positions of princes, boyars, earls and smaller feudals, to strengthen their power by attracting noblemen. But the absolute monarchy seems more to be a definite stage of the feudal system as it preserves and tries to strengthen the class hierarchy of domination and submission as the main construction in feudalism. "Military and land-owning hierarchy" is its best definition [Klyuchevsky, vol. 1, 1956, p. 361]. Feuds and estates are the most adequate for this hierarchy. From this point of view, the political and economic regime in Russia and Europe in the middle ages does not differ very much in medieval times.

3. Two models of social organization

Hierarchy and network, order and agreement

Feudalism is not the only regime that preceded capitalism or existed in the period of agrarian sector and natural relations domination. In particular, feudalism existed in China at one time, but about 500 years BC it was pushed out to become the way of life with limited distribution. And the dominating place was occupied by the bureaucratic system where the influence of a person is not defined by the extensive land ownership or origin but the position in the administrative hierarchy. This is not the feudalism that represents the class hierarchy. But feudalism and bureaucracy have one thing in common: this is the hierarchy of domination and submission. The Soviet regime was also characterized by such hierarchy. The Russian regime of the later empire was more bureaucratic than feudal. But hierarchy makes them similar.

Hierarchy as a type of social organization is opposed by another model, the network. For instance, market structure is a network. Its elements are agents, and private owners are individuals or companies. Movement around the network is not limited by hierarchical lines. It has more freedom.

In the hierarchy, the domination and submission lines are required for power realization. It creates some impetuses for the activity and suppresses others. Interactions in the network are represented by commodity and other transactions. The parties to the transaction are equal, at least formally. The transaction is impossible or incomplete without the property and equality of the parties for there is no certainty about its lawfulness. And this is important in the market. It is characterized by competition which creates its impetuses and pushes the agents to show different activity than the status in the hierarchy.

There is a ruler at the top of the hierarchy. And there is no one at the top of the network as no one is required. This is important as in other conditions competition does not work or works worse. That's why there is demand for law, for impersonal rules. The network needs confidence, the frameworks set by the supremacy of law and independence of court. A certain harmony of impetuses and counterbalances can keep the whole system in equilibrium through fluctuations; this version of the network model to some extent seems to have been successfully realized in Europe.

We are not talking about absolute requirements typical of every model without which they don't function at all. They may act with some approximations, showing different degrees of efficiency. They may also interact, supplementing each other. Each has its own favorable conditions. Thus, the company usually can function with hierarchical structure, but the environment should be that of market relations. And these are complementary conditions. On the other hand, starting from a relevant stage of trade development, the history consists in the opposition and struggle of these models. I.M. Klyamkin speaks about them under different names and refers to the work of H. Spencer "The Man versus the State", underlining the difference between them in reliance on the force (hierarchy) or on the law and impetuses (network). A.I. Lipkin proposed two expressive differentiating terms to denote them: order and agreement. Order: the subordinate has no rights, the command is one-sided — from top to bottom (vertical of power). In China the laws guaranteed not the rights, but the competence and the punishment for failure to per-

form [Malyavin, 2001]. This is the hierarchy, model I. The agreement means that the parties have the rights that make it possible to conclude transactions, choose options, demand, bear responsibility for the consequences of their execution. This is the network, market, model II [Lipkin, 2012, p. 35–36].

Looking back at history

It looks like it was initially the clan and tribe, the simplest social structures with the domination of ancestral relations, that appeared everywhere at the early stages of history.

The tribe includes several clans. The clan comprises a number of families and family groups. K. Levi-Strauss supposed that the difference between the varieties of family relations is based on incest prohibition [Vasiliev, 2007, p. 93] which seems to have been formed back in paleolithic times.

“The tribal organization created only the culture of communities of people that know each other by face and build their relations on the basis of the inertia of historical experience and emotional contacts” [Akhiezer, 2008, p. 47]. The fact of knowing by face is very important as it means the limited range of communications. We come across the same requirement as the condition of trust in Russia, in the rural community in 1861 before the peasant reform, and during sociological polls in 2000 in Belgorod region, in the lower strata, just after the transformation crisis of the 90s of 20th century.

Survival required stepping up of forces, including for military operations, and increase in production. The tribal scale became insufficient. The next step was the state.

State formations first of all required complication of structure. Hierarchy was the first of such structures. It opened up the possibility to solve the problems of war, safety, irrigation farming, etc.

The development of labor distribution, intensification of exchange inside the tribes and between them became the prerequisites for trade development, and sellers and craftsmen appeared, first as additional activities, then as more and more influential powers. The cities became fortresses, administrative, trade and craft centers.

Following G. Skinner, C. Tilly notes the combination of two hierarchies in China: 1) from bottom to top, which arises out of exchange and is formed by more and more extensive market zones, with cities

in the center; and 2) from top to bottom — administrative hierarchy that performs the emperor’s power [Tilly, 2009, p. 189–190].

In Tilly’s context I would not call the first structure a hierarchy, this is a network. It surely has local multi-level structures with relations of subordination, but on the whole it seems more like a network, a “flat world”. The second structure is a real “vertical of power”. Tilly notes that, unlike polycentric Europe, there was always one imperial center in China, except for the times of turmoil between dynasties. The hierarchy with an emperor on top always dominated, but the cities organized networks and supplied candidates to positions in the bureaucratic system.

Social mutation

The network model as a dominating one appeared in Ancient Greece, in Athens. We don’t know why and how it happened. I read that the ancient Greeks were inclined to arguments and clinging to independent opinions. It is a fact that Greece started to lack bread very early and the Greeks started to import it in exchange for grapes and olives. Phoenicia, another trade power of the ancient Mediterranean, kept to almost similar internal political regulations as its neighbors. Athens chose another way. They were the society of peasants — land owners, almost like the characters of J.J. Rousseau’s idyllic society. They had no hierarchy; they were early to adopt democratic practices. It was here that the notions of “policy, political life appeared, from the Greek word ‘polis’, public, as different from private” [Pipes, 2008, p 134–138]. L.S. Vasiliev called this model the “social mutation”, to some extent unique in the history of mankind [Vasiliev, 2003, p. 15].

What happened? The things I want to tell concern the process of institutions formation spread everywhere: accident turns into habit, habit turns into a rule (into a temper, as in the Russian proverb), into an institution. The development of the primitive society poses the problem of choosing the order of electing a chief in front of numerous communities, families and tribes. The elite that support the chief should be available, too. People have the qualities valued by their fellow citizens — force, decisiveness, slyness. Some can present themselves better, others are inferior to them. There is a moment when one person becomes a chief by elections or by violence and slyness. Further on, if there is no established replacement procedure,

he chooses the methods to preserve his position. Accident turns into a habit. Then a procedure is formed in accordance with which chiefs are selected from a certain family, by inheritance or otherwise.

In most civilizations, except for Greece, a procedure was formed to reserve the power to a certain group of persons and concentrate the property in their hands. The Ancient Greece said “no”. The commoners, who were all private land owners, preserved or approved the procedure of electing chiefs at the popular assembly.

L.S. Vasiliev writes: “Community members... did not wish to do with the fact that the main status roles are given to unremarkable heirs of aristocrats as all of them, community members with equal rights, have to do with the position that is dependent on the noblemen.... It was the point when realization started of the new way of society development, the great bifurcation, the choice put to the Ancient Greeks by history. It was a great challenge, and the Greeks managed to give an adequate answer to it. They refused to obediently follow the habitual eastern-Mycenaean standard and become the subordinates of powerful rulers” [Vasiliev, 2007, p. 295].

After the Dorian conquest there were no favorable conditions in Greece to create the structures of eastern type with the “power as property and centralized redistribution.” The Greeks’ answer to the challenge was the system of polises. Since that time, since the boundary of the 7–6th centuries BC, democracy appears in Greece. It is supplemented by the system of legal norms that were harsh, strictly mandatory and pronouncedly respected by all the citizens, whose efficiency is incomparable to the laws applied in the East. It is logical to respect the law instead of being loyal to the ruler.

I gave a long quotation from L.S. Vasiliev [p. 294–299] to present his arguments with which I do not completely agree, but which I consider important to discuss the idea of mutation in Ancient Greece. It is interesting to note that the “Dark Ages”, spanning from the Dorian conquest to 7th century BC, of which we know very little, are characterized by unique documents, the Iliad and the Odyssey, which describe the society in the period of transition from the primitive society to the polis as a city-state.

One more quotation: The “Dark Ages” and the Homeric Greece were not only a step back in comparison with the Mycenaean culture, but more like the opening of “new potencies” in the society. “At the end of the period, the commoners-land owners, free from the pressure of despotism, come to the forefront, and their will determined

who will rule them, even despite the fact that the candidates were among rich and noble people, that is, those that enjoy the highest prestige. It happened nearly in all the societies at the early stage of political genesis, when the community elders turned into chiefs and rulers. But in all cases the elections as an important procedure, in the same way as the role of the electors, normally quickly disappeared. It happened differently in the Dorian Greece. And it was this important circumstance that changed the whole process of political genesis and brought to life not the despotic power of the ruler as it had happened almost everywhere and at all times, except for the ancient world, but the power of the people, democracy” [Vasiliev, 2007, p. 289].

I would also like to note that chiefs and rulers are completely different categories: the chief ruled in the times of family and tribal relations, and the ruler originated in the times when the notions of the state were coming to life. It seems to me that we are talking about the process typical of the transition from the primitive society with prevailing kinship relations to the state where territorial, neighbor, activity-based relations start dominating. It is at this transition that we find the characters of the Iliad and the Odyssey, and at the end of “Dark Ages” we see the Greece of the Archon Draco epoch, the laws of Solon and Cleisthenes.

I will remind you that in 621 BC Archon Draco adopted harsh laws (Dragon laws) in Athens aimed at the protection of private property, abolishment of blood feuds and others that mainly reflected the interests of the Demos. In 594 BC Archon Solon managed to abolish enslaving for the citizens of Athens, guarantee the rights of family inheritance instead of phyle, a larger community of relatives, and establish the land maximum.

The political reports were even more important. Solon divided the citizens of the polis into 4 groups on the basis of property possessed: I — 500 and more medimnes of income (52 l of crops); II — 300 medimnes (horse-riders); III — 200 medimnes — zygitas (hoplites, heavily armed infantry), and the rest are phlets. Each group formed a new phyle. 100 persons from each of them were included in the council of four hundred that prepared cases for the Popular Assembly. The collegium of judges, heliaia, was also created. It checked the reports of all the officials and all the citizens of Athens could be elected there. It was the most democratic body! It is considered that Solon laid the foundations of the ancient Greek democracy.

In the beginning of VI century, Cleithenes completed the formation of the political system of the polis. To overcome the influence of phyles the aristocrats clung to, he divided Athens into 30 territorial districts so that three districts from different places could make up a new phyle, ten in total. Each one contained representatives of different families. Besides, it included metics (foreigners) and freedmen. The Council of four hundred was turned into a Council of five hundred (50 persons from each new phyle). The procedure of ostracism, that is, expulsion for 10 years, was also introduced by the Popular Assembly of the citizens that were considered dangerous candidates to the role of a tyrant. The laws of Cleithenes terminated the long period of reforms which remained the example of democratic regime, it was used by many polises, and centuries later it was studied in many countries to form constitutions.

At the same time, the evolution of market and network model showed their instability, at least at that stage of development. There were discrepancies in their structure which conditioned the vulnerability of countries that adopted this way of development to a number of shortcomings which could be overcome, but either with the methods that were not found or recognized there or, or suitable at the higher levels of technologies and economy development.

One of such discrepancies: increasing the power of the state in foreign relations requires large-scale centralization of power and administration. Success was achieved by sufficiently large states, such as Egypt, Babylon, Assyria and Persia. On the other hand, centralization of power was achieved by losing control of communities over the power, rulers and the elite, which resulted in accumulation of discontent and weakening of development impetuses. Ancient Greece proposed an option: control of society over the government was ensured at the expense of state preservation on the level of polis, 510 thousand citizens on the average; in Athens and Sparta, the largest polises, about 150 thousand people in each [Vasiliev, 2007, p. 310].

The balance was achieved in 5–4th centuries BC, and then the balance was destroyed and the Macedonian monarchy managed to beat the democracy in old polises, as well as Persia. Creation of Alexander's empire, and later — a number of Hellenistic states that took something from the ancient culture but represented not the synthesis but the symbiosis of different cultures (Greek and Oriental ones). They did not have the desired balance, they lacked peasants — private land owners, the quantity of which decreased in Greece, too.

In ancient Rome the story was the same in many respects. The more powerful and the larger the state became, the worse was the ability of republican institutions to cope with the problems of public control. Rome was still formally a polis when Gaius Marius submitted a law on military reform to the Senate which replaced the civic militia by mercenary army. Thus the Army was no longer controlled by the society and was put under the order of military commanders [Mashkin, 1948, p. 226–227]. As a result, the advantages of the Romans in the economy and the organization helped to create a colossal empire, but at the same time the possibilities of public control over the military were lost. Thus the final destiny of the Roman Empire was foredoomed.

Let us note that at that time (1–2nd centuries AD) the quality of life indicators were very close in major civilizations — Roman Empire (ancient) and China (Han Empire) dominated by different models of social organization (300–440 international dollars of 1990) [Melyantsev, 1996, p. 56].

Decay and start of recovery in Western Europe

Economic decay came, especially in the Western Roman Empire. Subsistence farming replaced market-money relations. The mass flows of less developed tribes crowded on southern European regions. Christianity, the new eastern religion, did not share the market economy values as base and selfish for a long time. The achievements of the ancient epoch were lost to a wide extent. Some time later, classical forms of the western feudalism appeared in the existing cultural background in the places where Barbarian tribes lived.

To set out the initial positions of further development of the European civilization, I will give an extract from the pre-war work by A. Pirenne (1939), a prominent Belgian historian:

“Coinage of gold stopped in Carolingian epoch; lending money at interest was prohibited; the class of professional merchants ceased to exist; the possibility to import such eastern goods as papyrus, spices and silk disappeared; monetary circulation was minimized, the laity could not read or write; taxation system was destroyed, and cities turned exclusively into fortresses. We can say without any hesitation that we are dealing with civilization that regressed to the stage of pure agriculture that was no longer needed to preserve social structures, trade, credit or regular exchange” (cited by [Maddison, 2012, p. 57]).

Slow economic recovery begins in Western Europe in 11–12th centuries. Certain improvements are observed in agriculture: the three-field system gradually displaces the two-field one, a heavy plow carried by several pairs of oxen was used. The peasant farm productivity was on the increase. In 12th century, six-fold harvest was considered good, whereas in 9–11th centuries it was an exception [Udaltsov et al., 1941, p. 148]. The important factors included the population growth and the completion of feudalism development processes, including enslavement of the peasantry.

But trade and cities are the main engines of economic recovery. Trade has always coexisted with military conflicts that were common in the feudal society. Now it grows more quickly, alongside with the growing production for exchange and cities represented more and more by independent social groups — merchants and artisans.

I read the following in the aforementioned textbook “Istoriya srednikh vekov” (History of the Middle Ages) published prior to the war under the editorship of D.A. Udaltsov, E.A. Kosminsky and O.L. Weinstein, which is overall excellent: “It was not the trade that determined the city’s emergence, but the craft, i.e., labor distribution in the production field” [ibid., p. 221]. They are probably right. But in this context, it is important for me to emphasize the role of trade as the sign and enzyme of the market model. Within its framework, the trade creates demand and stimulates production, and thus handicraft.

I will note that the feudal system that prevailed at the moment was a hierarchy relying mainly on subsistence farms. That’s how the hierarchy and the network market model lived side by side.

The above mentioned extract from C. Tilly showed a similar system in Ancient China. And in Europe of 11–17th centuries trade and handicraft formed a certain balance with the feudal hierarchy by playing a subordinate role and focusing on the demand and promoting its growth. The balance consisted in the fact that production volumes controlled the population. If there was food shortage and the demographic pressure was excessive, the population decreased, and earnings could grow again. Technologies were changing slowly. The cycle was closed.

“Such scourges of modern baseless states as war, violence, disorders, crop failure, public infrastructure collapse and unsanitary

conditions accompanied the humankind until 1800. They reduced demographic pressure and increased material standards of living”, wrote Gregory Clark. “In contrast, the favorite policy of the World Bank and the United Nations — ... peace, stability, order, established public health and benefits for the poor, — was the enemy of prosperity” [Clark, 2013, p. 21].

4. European breakthrough

G. Clark calls the balance until 1800 a “Malthusian trap” [Ibid., p. 20–23].

About 600 years passed (from the last crusade to the Industrial Revolution in England) during which there did not seem to be any significant changes in the world economy. And then a miracle happened which is shown in Fig. 1, taken from Clark’s work [Ibid., p. 16]. Clark says that the dynamics of average per capita income did not change until 1800. In fact, there were some changes: GDP per capita increased by 34% in Europe from 1 till 1500 AD, and by another 56% in 1500–1820 [Maddison, 2013, p. 113]. But, on the whole, it is true.

The Malthusian trap kept the mankind in stable balance for thousands of years. At the beginning of the industrial revolution, technological progress drew the mankind out of this trap and broke the balance of poverty. The growth started, fueled by increase in the mass of applied resources and the efficiency of their use. But at the same time it cast the humanity into the drama of the “great divergence.” This is Clark’s term for an increase in inequality between societies (nations and civilizations) at different stages of development. According to his estimates, the gap between the countries is 50:1 now [Clark, 2013, p. 18, p. 30–34].

In fact, the scale of inequality within many societies, especially in the period of intense transitional processes, is very painful. We observe conflicting interests of different groups and strata, including those that defend traditional and modern values in different aspects of social life.

Table 1 borrowed from E. Maddison characterizes the differences in rates of development between the major civilizations in Maddison grouping.

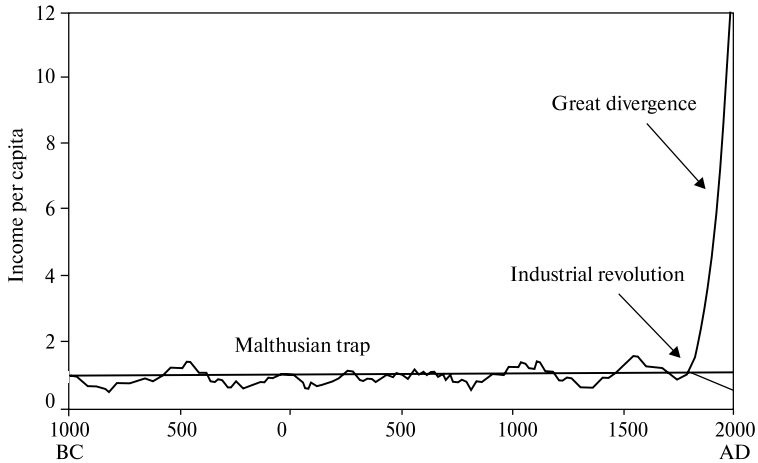


Fig. 1. World economic history in one diagram. Per capita income growth by 12 times with a great gap between the countries from 1800 till 2000

Table 1. Per capita GDP in the world and in the most important regions in 1–2003 (international dollars of 1990)

Regions	1	1000	1500	1820	1870	1913	1950	1973	2003
West	569	426	753	1202	2050	3988	6297	13379	23710
Western Europe	576	427	771	1202	1960	3457	4578	11417	19912
“Side branches” of the West	400	400	400	1202	2419	5233	9268	16579	28099
Eastern Europe and the former USSR	406	400	498	686	941	1558	2602	3731	5708
Asia	456	465	568	581	556	696	717	1718	4434
Latin America	400	400	416	691	676	1494	2503	4573	5786
Africa	472	428	416	421	500	637	840	1410	1549
The rest of the world	453	451	538	580	609	880	1126	2579	4217

Regions	1	1000	1500	1820	1870	1913	1950	1973	2003
The whole world	467	459	567	607	873	1526	2113	4091	6516
The gap between the West and the rest of the world	1.31	0.42	1.9	2.1	2.3	4.5	5.6	5.6	5.71

Source: [Maddison, 2012, p. 113].

Comments to Table 1.

1. 1820 is the start of the industrial revolution and the industrial stage of development by Maddison.

2. Before 1820 — stable development was observed in the conditions of “Malthusian trap”, according to Clark.

1820–2003 — the period of high growth rates (modern growth by S. Kuznets).

Such growth was observed in the UK from 1820 to 1870 (it was ahead of all countries). It was also observed in Europe and the “side branches” of Western civilization (USA, former British dominions, except for India) until 1913. During this period, it was only the West that was making rapid progress. The period from 1913 to 1950 (the second 30-year war, called so by one of our contemporaries). 1973 — the conditional year of industrial development stage completion (triple leap in oil prices (1820–1973). This marks the start of the transition to the innovation stage which is still going on today.

3. The data before 1820 show that there was growth after 1000 (the whole world — by 13.4%), but the main factor was Europe (21.9%). Considering the decay in Western Europe in the 1st millennium AD, the growth will be 28.1% from the lowest point. Asia showed 12.7%.

4. At the stage of industrialization in the period of advanced growth (1820–1913), the West increased per capita GDP by 3.3 times, and from 1820 till 2003 — by 19.7 times. Eastern Europe and Russia — by 2.3 times before World War I: the periphery ran after them, but it fell behind; in the period from 1820 till 2003 the growth was 8.3 times, and the gap widened.

5. Latin America seems to be the only country to overtake Europe by the rate of GDP per capita growth in 1500–1820 (1.66 times against 1.56). But this can be explained by the death of two thirds

of indigenous inhabitants by the middle of 16th century and almost complete secondary settlement of the continent. In 1500, 17.5 million people lived here, 8.6 million remained in 1600, and there were 21.6 million of them in 1820. But in 1600 per capita GDP was higher than 100 years ago, with the number of population halved (438 thousand dollars against 416 in 1500) [Maddison, 2012, p. 143, Table 2.7].

At the time of conquest no draft cattle, wheeled transport or metal tools were known here. The Indians were helpless to imported diseases.

So no principal things happen regarding the level of mankind welfare for 3,000 years. But in the course of 200 years after 1800 we may observe a breakthrough, a considerable growth. It occurred worldwide, not only in Europe and North America.

Transition to the market and network model

What happened? According to Maddison's estimates, per capita GDP growth by 8.0 times by 1999 in 180 years was accompanied by the growth of life expectancy from 26 to 66 years. It was a giant leap that has never been unobserved before. We can make a simple conclusion about new equipment and technologies which started to appear all of a sudden. A.I. Lipkin also writes about the tremendous positive impact of culture of the unique vassal seigniorial system of the European feudalism [Lipkin, 2012, p. 35–36]. It is possible. But I am convinced that the “great divergence” of opulence and poverty has no connection to feudalism. Feudalism is the class hierarchy of domination and submission which in principle opposes the network market model where the agents are equal. These systems co-existed for a long time but they were constantly struggling against each other. Cities against the barons were an indispensable leitmotif of this epoch. Absolute monarchies invited cities to help, but in fact they themselves worked for the victory of market forces, cities, trade and industry. These forces were on the sidelines for a long time. But there comes a time when the chain of widely known events — the War of the United Provinces of the Netherlands for Independence in the 16–17th centuries, the English revolution, the execution of Charles I by Parliament decision and the Glorious Revolution of 1688–1689; the French Revolution of 1789–1793, the struggle for independence and the adoption of the Constitution and later the US Bill of Rights resulted in the change of roles.

Dominance switches to market democracy, capitalism. Model II wins. These particular changes are the public symbols of what happened after 600 years of slow, contradictory, sometimes latent processes of the new maturing society institutions formation. Domination of Model II, especially the development of capitalism, reveals new sources of growth. Development incentives increase repeatedly.

Marx was mistaken

Having mentioned above the French Revolution and the other of that epoch, I was tempted to put the October Socialist Revolution in Russia in the same line. By inertia, as my peers and I were taught by our Soviet teachers. They said that the October Revolution was the continuation of the great events, the second stage when the dominating role comes from bourgeoisie to proletariat, from capitalism to socialism, from free-market environment to planned economy. The latter, based on industrialization, creates the image of new, more perfect social system, which will not be dominated by the environment where a person exploits a person, where everyone will be free. This is the “discovery” made by Marx, developed by Lenin, etc.

Marx was mistaken. The market economy was not destroyed in accordance with his forecasts. Moreover, in comparison with the planned economy that appeared after the Russian Revolution, it demonstrated its advantages and showed that the predictions of Marxist authorities were wrong. And it would be surprising if the bureaucratic hierarchy that newly appeared to replace the class feudal one managed to overcome the market network model. Moreover, information technologies started to replace the industry of homogeneous mass production like Ford conveyor. So the October Revolution in Russia did not become the next stage of the world civilization development but the annoying episode whose consequences should have been eliminated as quickly as possible.

If we look from this point of view, the long historical process of market institutions maturing in Europe could give us something to learn from, especially for the citizens of the new Russia. Because it still does not know itself whether it is new and whether the problems it resolves should be interpreted not as the loss of hope but as the source of confidence in fresh forces acquisition.

5. Differences between Russia and Europe

Periods of Russian history according to Klyuchevsky

To understand the peculiarities of Russian history, we should have at least a brief look at its key institutional changes.

V.O. Klyuchevsky singles out four of such periods.

1. Dnieper or Kievan Rus.
2. Appanage period.
3. Period of Velikorossiya, Muscovy.
4. Empire.

Klyuchevsky did not go beyond 1861 as he thought that history should not become the autobiography for the historian.

In the work [Akhiezer et al., 2013] published later there are four periods as well.

1. Kievan Rus.
2. Muscovy.
3. Empire.
4. Soviet Russia.

Each of these periods ended in disaster, in collapse of the state.

Why so?

The authors give their explanation: Rus was initially affected by the rupture between the state and pre-state cultures, the ruptured society was kept together by autocratic (despotic) power and the militarization of everyday life. It was periodically replaced by forced demilitarization that opened up discrepancies and, in the end, resulted in collapse of the state [Akhiezer et al., 2013, p. 24, introduction by I. Klyamkin to the 3rd edition].

I have some prejudices against such substantiation. First of all, we may acknowledge only two undoubted collapses: empire in 1917 and the Soviet experiment in 1991. We cannot speak about the collapse of Kievan Rus due to the crisis of internal development. It was subjected to strong pressure of the nomads, and trade as the economic basis declined. Moreover, the period of feudal disunity came. The appanage period ended in the appearance of Muscovy. The riot at the start of 17th century cannot be considered the collapse of the state, at least due to the fact that the state did not change economically or politically after it; the dynasty changed, the persons changed, but there were no changes in the practices which could be considered the reasons for crisis development. The Horde's invasion was a disaster,

but it did not result from the crisis of appanage practices though these contributed to weaker will for resistance, but not only in Russia. Secondly, the explanation of the country's problems by the initial split of the state and pre-state institutions does not seem persuasive. It seems strange to see in it, as well as in the militarization of despotic power, the instruments of overcoming the split, the more so it is more natural to suppose the formation of the same institutions as the borrowing of the Horde's experience and performance of the role of Horde's personal assistant by Moscow prince. It seems more important to me to single out the periods by the principle of considerable institutional shifts that appeared in them and long influenced the country's development.

Let us take Klyuchevsky's periodization and add the period of Soviet experiment.

Kievan Rus (Dnieper period)

At the beginning, Kievan Rus was a branch of the European culture while being its remote periphery, as a result of which the development was retarding. The trade route from the Varangians to the Greeks determined the trade and cities as the foundation of economy. In those times Byzantium was the most developed country in Europe. That's why it is no wonder it had prevailing influence on the development of Rus. Rus received Orthodox Christianity from Byzantium. At the same time Byzantium, which was attached to the traditions of the first centuries of Christianity more than the West [Ekonomicheskaya istoriya, 2008, p. 68], was quite indifferent to technical innovations, and heavy work was considered as evil or damnation here.

Assisting the formation of statehood, the Varangians brought the "rota system" for prince family with themselves, that is, the procedure of order of succession. This procedure did not contribute to the attachment of princes to these or those volosts. A number of prominent Kiev princes, Oleg, Svyatoslav, Vladimir the Saint, Yaroslav the Wise, Vladimir Monomach marked the period of thriving for Kievan Rus which was also connected with successful trade on the Dnieper. V. Klyuchevsky called the first period of Russian history the Dnieper period.

But then feuds started among Riurikids and after the death of Vladimir Monomakh (1125) the period of decay and feudal disunity strengthening began. At the same time there was increasing pres-

sure from the nomads that caused migration of the population from South-Eastern outskirts that bordered on the steppe. Horde's invasions of the 13th century are just the most destructive blows.

Two circumstances influenced the deviation of the way of Rus from Europe in this period. First of all, this is surely the influence of eastern, Horde's invasions and morals, the absolute power of the Great Khan. Secondly, the process of transition from order of succession (as a rule to the elder brother) to the appanage regime, inheritance from father to son or by the will was going on before the Tartar conquest. This transition led to disunity of principalities and weakening of the state, but at the same time we can see strengthening of the patriarchal family and its typical hierarchy and the absolute power of the father. The state has the same order as the family.

In 12th century we observe a relative separation of three parts of the loose Kiev state — South-Western Rus (Kingdom of Galicia-Volhynia), further from the steppe; Novgorod and the North; Upper Volga or North-Eastern Rus. These parts formed their peculiar administrative models. In the south-west it was the two-pole model that was based on the relations between princes and boyars with high independence of the latter and with the symbolic role of the town's meeting as the national representation. The second model is based on the town's meeting, the one-pole democracy with large land owners and merchants in the background that ruled the town's meeting. This is the model adopted by Novgorod, the Russian variant of the polis — city-state. The third, one-pole, prince-based model, was formed in the North-Eastern Rus. The first two parts of the country did not become the centers of formation of the future unified state. This was the destiny of the last part, the smallest and the least developed one, and its administration model in many ways determined the future autocratic-despotic system of power all over Russia, alienating us from the West and drawing near to the East for many centuries ahead [Akhiezer et al., 2008, p. 106–114].

Appanage period. Inherited estate

The second period of the Russian history, the appanage period, starts in the Upper Volga. It continues from 13th century to the middle of 15th century. Appanage was the new procedure of land and territory ownership.

Klyuchevsky writes: “Here, especially across the Volga, when the first prince received the appanage, he usually found in his estate not the ready society he was about to rule, but the desert whose population was at its start... The territory came to life before the prince’s eyes: howling wilderness was cleared, people came to settle on the new lands, organized new settlements and businesses, new income was received by the prince’s treasury. The thought ‘this is mine because I started it’ was the political view to be adopted by the first princes of the Upper Volga Rus in relation to their principalities. In the north, the younger principality is the constant separate property of the prince, his personal property handed down from father to son ‘upon the owner’s personal order or upon the adopted custom.’ Such ownership was called inherited estate in XIII century and appanage later on” [Klyuchevsky, vol. 1, 1956, p. 338, 348–349].

In the Dnieper Rus the lands of the prince family of Riurikids, inherited by the order of succession for a particular period of time to be owned by separate princes, have long been called volosts or hides. It was only from 13th that the younger volosts in Suzdal region, that is, those that were not inherited by the order of succession, start to be called inherited estates and later appanages in the sense of separate possessions, constant and inherited. Thus, Riurikids in the North-Eastern Rus pass from successive and temporary volosts ownership in Kievan Rus to inherited estates and appanages as their own possessions [Ibid., p. 338].

I would add that the appanage was owned only by princes and accompanied by the political power over the territory which, however, is initially limited to the right to collect render or impost. The inherited estate is also a boyar’s possession, close to the European allodium, which gives the right to rent. Ownership and power make up the “tax-rent”, as L.S. Vasiliev puts it. But in the conditions of the Upper Volga of 11th century, the borders between these notions were nearly invisible or vague, as it was important to find people, workers, for desert lands developed for agriculture instead of more profitable trade which was declining under the pressure of the nomads. The princes of the North-East did a lot for it, initially creating attractive conditions for settlers’ life.

By the end of 12th century, according to the studies of M.K. Lyubavsky [Pipes, 2004, p. 60], Rostov-Suzdal territory became the most densely populated region in Russia.

The new appanage system is especially important for us. Inherited estate does not just come from father; it marks the combination of power and possession. The notion “power-possession” is popular with national specialists as the definition of Russian peculiarities in contrast to private possessions spread in the market economy.

“Power-possession is the alternative to the developed, that is, European private possession, whether it is ancient or bourgeois... this is not so much the possession as the power (as the ability or the right to impose your will upon others)” [Vasiliev, 2007, vol. I, p. 138–139].

R. Pipes writes: “Inherited estate... is the precise equivalent of the Latin patrimonium and, similarly to it, it denotes the possessions and powers inherited from father.” And further on there is a very important thing: “When there were no accepted legal definitions of property and court where you could defend your claims to it, acquisition by inheritance was... the best evidence of the right of ownership. ...There was no distinction between different kinds of property; the inherited estate included estate, slaves, valuables, fishing rights... It also included political power which was treated as a product. There is nothing strange about it if we take into account that the political power in Ancient Rus was in essence the right to impose render given to a group of foreign conquerors...” [Pipes, 2004, p. 62–63].

Transition to appanage in effect meant replacement of the right of foreign conquerors to take render by render imposition by local princes. This is the typical system for the majority of countries at that time. The peculiarities of the North-Eastern Rus consisted in the fact that, first of all, inheritance was really determined by the bequeather, and only when the latter did not express his special opinion — by custom, from father to son. The will meant the possibility to replace the son by another candidate, for example, a strong neighbor. Secondly, an important role was played by the one-pole princely administration model adopted in the North-East. The princely model encouraged authoritarianism from the very beginning. The prince, the lands owner and state ruler, combined both power and possession. Our combination of power and possession originated in the appanage period, in the North-Eastern Rus.

It happened so that in the times of appanage the Russian princes and noblemen acquired an original understanding of possession which did not take into account some legal nuances generally accepted in the West. Violence, despotism and lawlessness, in absence

of other limitations, were always behind those who had the power and thus managed the property. Mongolians showed the example.

6. Grand principality of Moscow. Velikorossiya

The third period of our history is the period of Velikorossiya or Moscow, which lasts from the middle of 15th century to the second decade of 17th century according to Klyuchevsky. Velikorossiya (Great Russia) is the term that differs this region from Little Russia and Belarus, the other parts of the Kievan Rus that were more important at the start. Before this period, the flow of migrating Russians from the Dnieper south to the region of interfluvium between the Upper Volga and Oka, its mixture with the local Finnish population (Chudes) made up “the whole compact nation — the Great Russian tribe” [Klyuchevsky, vol. 2, 1957, p. 47]. Later this name meant the Russian nation as the main element in the group of Eastern Slavs. It was even earlier that the appanage principalities of Russian princes appeared in this region. The city of Yaroslavl was called in honor of Yaroslav the Wise who visited this place located at the edge of Kievan Rus. Its peers are Rostov and Suzdal.

The third period was marked by establishment of a new state formation on the basis of Velikorossiya that was united around Moscow. Later it became the core of the huge Russian state that spread to all sides of Eurasia. In my opinion, it was at the same time that the type of the Russian feudal state as a despotic hierarchy of domination and submission was determined: Moscow ruler reigns with the help of aristocracy that consists of appanage princes and boyars with inherited estates [Klyuchevsky, vol. I, 1956, p. 33]. Moscow state grows and is managed as an inherited estate in the sense of power and possessions combination. All the lands that were cultivated and thus became the property of princes and all the political rights belong to the one that combines power and possession in his hands. It is important to trace how this state was formed and what circumstances influenced it.

Though Moscow was in the center of the migration flow, mentions of it appear in the middle of 12th century. The Principality of Moscow as one of the junior appanage principalities appeared later than others, in 1272. But it grew later, uniting almost all the appanage principalities of Velikorossiya to form the Russian national

state in the future. Its formation, as well as the establishment of its important institutional peculiarities, took place in the third period of our history.

The first stage of this process is [Akhiezer et al., 2013, p.102] the movement of prince's residence from Suzdal to Vladimir by the prince Andrew the Pious which marked the start of one-pole despotic model formation. Andrew Bogolyubsky (the Pious) wanted to resolve two questions at one stroke: 1) to do away with still effective family principle of the order of succession and 2) to get rid of disputes with the old boyars of Rostov and Suzdal, the cities managed by popular assembly that were founded by Novgorod, as they gravitated towards traditional governance practices. The real aim is autocracy. It would mean transposition of the inherited estate-based system from the level of appanage principalities to the Grand Principality of Vladimir, that is, to a higher level, with centralization of power in the hands of Andrew the Pious. These questions were not resolved quickly².

But they were on the agenda of his heirs, the Moscow princes.

The second stage in this process was the Horde's invasion (1239–1241) and the establishment of Mongolian and Tatar domination in the North-Eastern Rus for about 250 years. Terrible devastation, death and impoverishment of the considerable part of the population were their most obvious results until the end of 13th century. It was only in 14th century that noticeable signs of revival appeared. It was the time of appanage period termination, with splitting of inherited estates, impoverishment and spiritual depletion, and at the same time with final, though gradual, eliminating of family order of succession traditions. It was replaced by a new system of patriarchal family with the despotism of father, inheritance from father to son or on the basis of the will as a preference norm. Devastation contributed to elimination of previous customs and seemed to clear up the ground for adoption of new institutions.

Third stage. The Moscow Prince Ivan Kalita proved his loyalty to the Mongolians by taking part in the punitive expedition against Alexander, the prince of Tver. After that he received a yarlyk to rule as grand prince. Later Vladimir Great Ducal siege was connected to

² It is interesting to know that the plot against Andrew Bogolyubsky (the Pious) was headed by hegumen Theodulus. My wife's maiden name is Fedulova. The village her parents came from, Dobrynskoie, located opposite the well-known Holy Protection church on Nerly, was made up of Fedulovs by almost a half.

the Principality of Moscow, and it made Moscow the center of the North-Eastern Rus.

Along with *yarlyk*, Ivan Kalita obtained the right to collect render for the Mongolians from all Russian lands and send it to the Horde by himself; before it was collected by Khan's officers. Now Moscow princes were seen as the representatives of supreme power and could leave a part of collected render for themselves. Financial resources made it possible to buy the inherited estates of insolvent appanage princes and connect them to the Principality of Moscow. Along with them the princes and boyars of the acquired territories came to serve the Prince of Moscow. This is the main mechanism of the quick growth of the territory, political and military power of Moscow.

Fourth stage. Before the boyars and service class men freely moved from prince to prince, but now when they came to serve in Moscow they had to waive the right of further movements. Moscow created precedents of punishment for the attempts of such transitions (in 1379, the boyar Velyaminov was executed for the attempt to move to the Prince of Tver and plot against the Prince of Moscow).

Looking at such threats, the boyars and service class men continued to converge to Moscow and wanted to serve there. "The phenomenon of Moscow 'knyazeboyarstvo', to use the notion of Y. Pivovarov and A. Fursov, could become reality only because Moscow gained the right to be the assistant and aide of the Horde whose power was not challenged. In comparison with the benefits given by proximity to the power of Moscow, and through it to the power of Horde, the advantages of former *druzhina* liberties looked more and more illusive" [Akhiezer et al., 2013, p.106]. The drastic change which makes up the main content of stage 4 consists in the fact that the Prince of Moscow received the real enforcement tool which the boyars and service class men that were in the circle of interests of Moscow had to take into consideration. I am going to regard the "knyazeboyarstvo" of Pivovarov and Fursov in more detail below.

Fifth stage. By the end of 15th century, the instable conglomerate of appanage principalities of Velikorossiya, which existed here 200 years ago, turned into the single and strong Great Principality of Moscow, which declared state independence and then really defend its new status. The important side of the new independent Russian state was the adoption of autocracy of the Prince of Moscow as the inherited estate owner over the subordinated principalities of Velikorossiya — the autocracy of the Moscow sovereign. Now he had

the absolute power, which in reality was not regulated by laws, but at the same time he was the keeper of traditions, and could elect the people he considered efficient.

Knyazeboyarstvo and the “Russian system”

The term “knyazeboyarstvo” has already been brought up above, with a reference to Y. Pivovarov and A. Fursov. These researchers also suggested that the term “Russian system” be used to denote a certain institutional formation that ensures the preservation of the “Russian power”’s authority and one-subject consolidation [Pivovarov, Fursov, 1996; 1998; 1999].

There are two ways of perceiving the term “knyazeboyarstvo”. One is viewing it as a class of noblemen in the service of a prince (grand prince or any other ruler), all of which had differing accomplishments and background but invariably owned land, which had, in most cases, been given to them as a reward for their service and was recognized by the prince as their property. These noblemen made up an army, either permanent or summoned by the prince in the case of war. They were the elite class of the feudal society. Below them were peasants, who either worked their land or were owned by them; together with the “posad folk” (townspeople), the peasants made up the “tyaglo” folk (that is, feudal tenants). In this context the term “knyazeboyarstvo” merely defines a social group.

The second definition is provided in a work by [Akhiezer et al., 2013, p. 106], where knyazeboyarstvo is understood as any structure consolidated round the current power (be it Ivan the Terrible’s oprichniks, the Russian Imperial Guard founded by Peter the Great, or the party apparatus and the state security bodies during Stalin’s time) — a structure which, with the society being uncemented and disorganized, acted as the main support of the state institutions and ensured the integrity of the czars’, emperors’ and general secretaries’ individual rule, blocking any competition that might surface.

This second version, which has a distinct modern flair to it, defines the knyazeboyarstvo as part of the first set. However, singling the knyazeboyarstvo out as a group supporting the power allows us to explain an important feature of Moscow, and later Russia as well, at least when compared to Europe.

During the age of Kievan Rus, in order for the the uncemented, atomized conglomerate of appanage principalities, united from time

to time by outstanding individuals holding the throne in Kiev, to become a single state, and for this state to grow stronger, the principalities had to have a leader, and the leader had to have the means to make the other princes and boyars do his bidding. After the Golden Horde conquered the North-Eastern Rus, the role of the sovereign leader was taken up by the Mongol Khan, but the local seat of power also stood out because of the *yarlyk*, the khan's permission to rule as grand prince, given in recognition of service to the khan, and the right to collect taxes for the Mongols. That was when the first "knyazebayarstvo" started forming round the Moscow prince, displaying features which define it as a transition stage "between the pre-Mongol freedom of boyars and *druzhinas* and the post-Mongol universal serfdom" [Akhiezer et al., 2013, p. 107]. At the time, Moscow was offering the best service conditions, and those who wanted to keep their former freedom apparently soon realized that this was going to come at a serious cost. At least, it is hard to give any other explanation of how the atomized principalities and estates of the Kiev and appanage times, plagued by constant feuds, suddenly became united under Moscow's rule. Evidently, after Rus was freed from its Mongol overlords, the *knyazebayarstvo* institute was preserved and grew stronger. From time to time, its power waned and it hibernated — this happened if the prince's authority grew weaker and the clashing boyar clans grasped at a chance to act out of their local interests. If the prince's power strengthened, this, in turn, fueled the power of the pressure group in the government's service, which might have received different names, but was duty-bound to carry out the same functions. This mechanism facilitated the unification of the North-Eastern principalities into a centralized state and, later on, the increase of its power, until Ivan the Terrible's tendency to go to the extremes led to the exact opposite. *Malyuta Skuratov* became a symbol of the *Oprichnina* as a form of *knyazebayarstvo*. Obviously, the definition of *knyazebayarstvo* as part of the elite allows for a second group within the nobility — those who opposed the unlimited power of the czar.

Now for the "Russian system". As the core of the "Russian system", *Y. Pivovarov* and *A. Fursov* name the "Russian power" — neither political power, nor state power, nor economic power; power in a "metaphysical sense", power per se [Pivovarov, Fursov, 1999, p. 180]. I find these terms somewhat difficult to comprehend. The scholars give a warning: one must not forcefully attribute notions and

measures typical of one society to another society. According to them, “Russia is an entity that cannot be defined in any existing terms, something that ‘does not have a name’” (as the poet Georgiy Ivanov put it). On the other hand, if a quality specific to a given society is given a metaphysical value, this means that the scholars have not found any terms and definitions that could have allowed evaluating this quality from a rational and logical, that is scientific point of view. I do not see any grounds for speaking about Russia with such a strong flair of enigma and mysticism. The scholars prove this in their own works.

They divide the power in the pre-Mongol Russia into three bodies: the prince, the boyar and the populace, represented by the assembly (veche). In other European countries, these bodies continuously came into conflict, which, in a way, laid the foundation for a possible separation of powers. As pointed out before, in the Western and South-Western Rus the predominant model was bipolar (prince — boyars), while in Novgorod it was unipolar (veche). The North-Eastern model was also unipolar, but here the source of power laid in the hands of the prince, who continually grew stronger, the region being sparsely populated. All the bodies were in their infancy, but from the start, the balance was tipped by the prince. Andrey Bogolyubsky wanted to use this advantage, but failed. The invasion of the Horde decided his fate for him. Alexander Nevsky and Ivan Kalita were ready to serve the invaders for the sake of gaining an advantage over other Russian princes. In order to carry out the Mongols’ orders, they needed a mechanism of power and coercion, which they created by establishing a knyazeboyarstvo, a Moscow knyazeboyarstvo of their own, more successful than the others. The secret was in pushing the other bodies of power into submission — sometimes relying on tradition and sometimes using brute force, gaining an advantage “through massive violence” [Ibid., p. 182]. They used violence both against their own boyars and against their neighbors. And this massive violence was borne by the knyazeboyarstvo. The knyazeboyarstvo as a group within the elite rather than the elite per se (the second of the two definitions above).

Some scholars also name the church as one of the bodies of power, which were later arranged in order. However, the Russian church is Orthodox and, as such, has been subjugated by the prince’s power from the outset. Russia is not Europe, where the kings and the popes were independent and constituted separate bodies, capable of engaging in prolonged conflicts. Patriarch Nikon was, perhaps, the only

leader of the church who tried to make it equal to the czar in terms of power.

What is the Russian System — and in particular, how does it differ from other nationally specific systems? The Russian system is a system of rule where the power is undivided and supported by the knyazeboyarstvo.

The scholars give a different definition: The Russian system is a method of cooperation between three elements — the power, the populace and the “superfluous men” — which allows the Russian power to be the only element to bear social importance.

The system is characterized by the phenomenon of the “superfluous men” — an entity that is incomplete and undefined. Not everyone obeys the Power of the ruler. For example, while the knyazeboyarstvo constitutes a part of the elite that is devoted to the prince, the czar or the president, and is ready to go against tradition and law in the name of the power (for a reasonable fee), the rest of the elite is the breeding grounds for superfluous men, who are ready to pursue both their own interests and those of the society and the law.

The loyalty of the knyazeboyarstvo, which came to be regarded as the conventional norm, is, apparently, a part of the Russian system that has acquired the qualities of a long-term, stable institution, regularly reproduced within the society.

The aforementioned system, based on the terms offered by Pivovarov and Fursov, may be considered quite rational. However, its creators, while introducing this system (in a slightly different modification), at the same time criticize describing Russian society through other patterns, for example, the class stratification. They claim that in our country, the ruling power has not allowed for an estate or class society to form. If class society did exist, it was raw and undefined, without any real class struggle. According to their viewpoint, the Russian society, as phrased by A. Neusykhin, was pre-feudal, that is, late-barbaric and classless [Ibid., p. 185].

I am inclined to agree with this statement — in that the Slavonic tribes that descended from the Carpathians and spread across the East European (Russian) Plane, crossing the Dnieper and settling as far as the Upper Volga, did not yet have feudal society. In order to establish it, they needed state institutions and governing bodies, possessing means of enforcing their power through coercion. In order for this transition, always important, painful and obscure, to happen, history needed such events as the death of Prince Igor at the

hands of the Drevlians and the subsequent revenge of Princess Olga. Furthermore, the establishment and development of feudalism or the ancient slavery system, alongside the state, initially resembled a war and later on, the suppression of the vanquished by coercing them into paying tolls and tributes. In some regions, it took the form of an inter-tribe conflict; in others, of strife within one tribe; in others still, of duels or jousts, which resulted in the severed heads of the losing side being lifted to show the crowd or assembly. While the winner got down to conquering his tribal kinsfolk. Without some such process, a transition to a state, with a leader and elite, was not possible. It was the first seed of the class structure, which had various strata carrying out various societal functions, including enforcement. Starting with the Kievan Rus, feudalism definitely existed, though it did not bear this name, because it was a different kind of feudalism. That said, at the time it did not have a name in the West either.

Pivovarov and Fursov try to explain Russia's unique identity by claiming that our country does not fit into the boundaries of terms and measures typical of other nations. In a way, it is a state, but not quite a state. In a way, it has classes, or other social groups, but they are somehow different. What is so special about it, then? — power: neither political, nor state power, but metaphysical power... “It came crashing down, and dragged everything around it into ruin, whenever it tried to readjust the Russian reality according to the Western standards and use the same standards to perceive itself” [Ibid., p. 181]. This is also how the scholars explain the fact that the Russian reforms are always counter-productive. To conclude: The Russian power is the basis of the system.

I have difficulty grasping this metaphysical pondering. I can understand the concept of knyazeboyarstvo and view it as reasonable. I can also understand that any power, and especially the Russian power, strives to be absolute, undivided and needs myths about its special purpose to achieve this. This sheds some light on the reasoning of Pivovarov and Fursov. However, they couldn't possibly try to achieve the goal of creating myths about the power that is no more, could they? Or perhaps, they are waiting for its return? Hardly.

If they use their reasoning to explain a past that still has its legacy in the present, that is, the power that relies on the knyazeboyarstvo or something similar, which may be perceived as a Russian tradition with greater ease, I can understand this as well. The Russian power is the basis of the system. I also understand the Russian system, and

I have already explained how I understand it. But to achieve this understanding, one does not need either metaphysics or a belief that “You will not grasp her [Russia] with your mind... / Believe in her, if you are able” (quote from Fyodor Tyutchev, translated by Anatoly Liberman).

The Russian city

One of Russia’s key differences from Europe was that the country did not have well-developed urban life, which had become a key characteristic of Western Europe back in the 11th and 12th centuries, coexisting and often struggling with feudal institutions. Europe experienced the development of trade, artisan crafts and banks. They revived the legacy of the ancient world and evidenced the proliferation of the market network model, even though social hierarchy was still in dominance.

The Varangians called Rus “Garðaríki”, or the land of many cities. Vasily Klyuchevsky describes the Kievan Rus as a land of urban areas opposing the appanage principalities of the Upper Volga. With increased pressure of the Eastern nomads, however, the cities soon fell in decline. By contrast, the Great Russia, which drew Slavonic settlers from the places they had previously inhabited, was a rural area. The cities played a much more modest role — and for quite a long time.

M.I. Tugan-Baranovskiy described this period as follows:

“The Russia of old did not have cities as they existed in the Western Europe in the Middle Ages. First of all, the number of cities was so small that they sank into the boundless sea of villages. But even those that did exist differed from the Western cities in their essence. In the West, a city was a center of small-scale industry which serviced the consumer directly, without any trade intermediaries. In Russia, on the other hand, a city was mainly an administrative and commercial center, and industry mostly spanned the villages. Many Russian regions have a long history of craft industry — mostly those where the soil was not fit for farming, and the locals were forced to seek additional sources of income. However, the Western city artisan and the Russian village craftsman fundamentally differed from one another: the former worked for the local population and for the local market, while the latter had to work for a remote market (since there was no local one), which resulted in a need for a trade intermediary. Thus,

the lack of cities led to a need for trade capital, and the trade capital ruled over small-scale suppliers. The Russian craftsman needed the merchant because the consumers of his goods were scattered all across the vast expanse of Russia, and direct communication with them was impossible.

The lack of city artisans naturally resulted in the capitalist trader playing an especially important role in the economy and society of the Moscow Rus.

Moscow's political dominance was based, among other factors, on the city being the trade center of an enormous region, where the industry answered directly to the trade capital, which mostly conglomerated in Moscow. After the noble landowners, the merchant class was the most influential social group in early Russia."

At the same time, Moscow was completely unfamiliar with a social group that played such an important role in the history of Western Europe — there were no free artisans. Russian researchers — such as N.P. Pavlov-Silvanskiy — identify elements of feudalism in early Russian society. However, the guilds and urban artisan crafts — in the form they took in the West — have always been alien to both early and more modern Russia. Russia has never known the well-structured and self-contained network of small businesses, which laid the foundation for the culture of the capitalist West, when urban communities not only broke free of the feudal lords' influence, but also eventually came to overthrow the absolute monarchy. Let us recall a popular medieval saying: "Die städtische Luft macht frei" (the city air sets one free); this phrase was filled with deep meaning (even though initially it signified simply that when entering a city, any serf instantly became free. — *E. Y.*). We did not have this atmosphere of a city as a trade and industrial hub that had been given a large scope of rights — so there was no reason to be set free [Tugan-Baranovskiy, 1918, p.108].

Even the essence of the Russian city was different. To begin with, it did not play any special role in politics, other than being a capital. It did not have its own unique spirit. Any settlement which had a voivoda (warlord) was considered to be a city. Its functions were mainly military and administrative governance; it was involved in trade to a much lesser extent.

Moreover, the number of cities was very small: there were 63 cities during the times of Ivan III and 69 by the beginning of Ivan IV's reign. In 1610, when Russia had significantly expanded its territory, their number reached 138 [Pipes, 2004, p. 277].

Expanding the definition of a city to include any fortified settlement funded by the government, by the middle of the 17th century the number of Russian cities amounted to 226, the urban population reaching approximately 537 thousand people. The population of Moscow ranged between 100 and 200 thousand people, while that of Novgorod and Pskov equaled 30 thousand people, and that of other cities did not exceed 10 thousand people. In terms of architecture, cities barely differed from villages.

The country's population was mainly divided into the nobility and peasants, that is, landowners and farmers. Other classes included the clergy and the *posad* folk, i.e. the urban population. A *posad*, as described by Pipes, was a settlement surrounding the Kremlin (the city fortifications). The *posad* population was divided into three groups: the nobility, the peasants and the *posad* folk. Out of the three groups, only the last one was bound to the city. The industry, such as it was, was mostly allocated among villages.

The *Sobornoye Ulozheniye* of 1649 gives us an understanding of the way the life of the *posad* folk was regulated. It contains legal standards that regulated the life of the *posad* folk (also known as townspeople, citizens, city dwellers and, starting from the late 17th century, *meschane*, or the petty bourgeois). All these names pertain to the estate (social group) that mainly relied on trade and industrial activities within the city limits for survival.

The *posad* folk were bound to the urban community, just as peasants were to the rural one; they were obligated to pay taxes and tolls in kind, as part of a mutual agreement. At the same time, the entireties on the *posad* folk were included into the *Sobornoye Ulozheniye* in response to the appeals of the *posad* folk themselves. The *posad* folk were represented at the *Zemsky Sobor* which compiled the *Ulozheniye*. However, this was far from the "spirit of freedom" which the European cities basked in. Only after Catherine the Great's 1785 decrees did the Russian cities gain greater freedom and gradually begin to accumulate superficial differences from the villages.

7. The Empire

The fourth period of Russian history is characterized by Kluchevskiy as "all-Russian", highlighting that the Moscow state now included other regions with East Slavonic peoples following the Orthodox faith and inhabiting the regions of the former Kievan Rus, namely

Malorossiya (Little Russia), Belarus (White Russia) and Novorossiya (New Russia). I would prefer to call this period the imperial stage, as the Russian state had also been joined by territories that initially had not been inhabited by the Slavonic peoples (such as the Khanates of Kazan and Astrakhan, which joined Moscovy in the middle of the 16th century). In addition, throughout that period Russia displayed a remarkable territorial expansion ability, which helped a tiny principality grow into a vast empire and become the world's largest nation.

In 1300, the territory of the Moscow Principality amounted to 20 thousand square kilometers.

In 1462, when Ivan III took the throne, the Grand Principality of Moscow spanned a territory of 430 thousand square kilometers.

This equaled the territory of Velikorossiya (Great Russia), the then Russian nation state. Ivan III expanded its territory by annexing Novgorod and Pskov with the surrounding lands.

In 1533, when Ivan IV began his reign, the Moscow Czarism already spread as far as 2.8 million square kilometers. However, it still remained a Russian nation state. By conquering Kazan and Astrakhan, Ivan IV opened the eastward path and began the expansion. Back during that period — the middle of the 16th century — Russia had already begun transforming into an empire, where, by definition, the titular nation, i.e. the Russians, subjugated other peoples and occupied their lands through conquests and annexations [Lieven, 2006, p. 375].

By the beginning of the Time of Troubles in the late 16th century, the territory of the Moscow Czarism had reached as much as 5.4 million square kilometers.

In the first half of the 17th century, Russian hunters in search of furbearers easily crossed the entire Siberia, coming as far as China and the Pacific. They were followed by czarist civil servants that pronounced the land property of the Russian ruler. In 50 years' time, the Russian territory increased by another 10 million square kilometers [Pipes, 2004, p. 116–119].

Throughout the period between the mid-17th century and World War I, Russia expanded 1.55 times more, from 14.1 million square kilometers in 1646 to 21.8 million in 1914. The territory of the USSR amounted to 22 million square kilometers. Over the same time lapse, the population increased from 7 million to 178 million people. In terms of population growth, Russia was outmatched only by the USA, which boasted a boost from 3.9 million people in 1790 to 100.5 million in 1915. In 1897, the territories incorporated into Russia after 1646 were populated by 76.9 million people, only 12.2 million (15.7%) of

which were Russians. The territories incorporated into Russia before 1646 were populated by 52.0 million people, 8.5 million (16.3%) of which were non-Russians [Mironov, 2003, vol. I, p. 20–21]. That is to say, by the end of the 19th century the total share of non-Russians made up 56.8% of the Empire's population. That was the limit of the expansion. It was not exceeded almost until 1991.

We shall now attempt to divide the imperial period of Russian history into smaller subperiods, or stages. It may be rational to use the following division.

1. The pre-Peter stage.
2. The Peter stage.
3. The Alexander stage (from the Great Reforms till 1917).
4. The Soviet stage.

These four stages are characterized by one key common feature: the hierarchy of command and subordination changes its form but retains and even fortifies its substance. During the pre-Peter stage, no one considered Russia to be an empire, even though the country had already become or was in the process of becoming one. Throughout the second and third stages, however, from the Treaty of Nystad up until 1917, Russia was formally recognized as an empire. At the same time, during the third stage, between the Emancipation reform of 1861 and the October Revolution, the imperial structures started corroding and the market networks and capitalism began their development. In parallel with those processes, the traditional structures and social powers supporting them struggled against any changes. The period saw the formation of political and economic groups and coalitions, reflecting either mutual gains and losses or compromises.

The Soviet experiment was supposed to mark the fall of the Empire, which formally ceased to be. But after a short bloom of socialist romanticism after the revolution, the administrative and social empire resurfaced again and grew ever stronger; the market networks were suppressed and the spirit of expansion returned, along with all the other Imperial features. After the end of the Soviet experiment, the majority did acknowledge that it had prolonged the life of the empire.

Let us review each stage in brief.

The pre-Peter stage

For research purposes, the pre-Peter stage is considered to have lasted from 1550 till 1700, i.e. from the conquest of the Khanates of Kazan and Astrakhan, and continues the history of the Moscow

state, predominantly in the domestic policy area: giving out estates, absolute monarchy, the classes of boyars and nobility, with the nobility strengthening as part of the czar's plans to stop the boyar court intrigues. Traditional estates being replaced by land given out directly for services rendered. Turning more and more peasants into serfs.

The conquest of Siberia, after Kazan and Astrakhan, became the most important factor in the Russian empire's early history. The Time of Troubles, born out of a struggle between the monarchy and the boyars, became a real trial for the state, as well as an important lesson that the state is not only the power of the czar, but also a way of organizing the national society. In the end, the Time of Troubles turned out to be a mere episode of Russian history. A new dynasty was basically changing the existing conventions and renewing the expansion. The most remarkable event during this stage was the incorporation of the Left-bank Ukraine and Kiev. It should be noted that the following period was not a real demilitarization. It was rather a power vacuum on the throne. Elizaveta Petrovna was the first to use the fruit of her father's military reforms, and the reign of Catherine the Great was even more productive.

The Peter stage (1700–1861)

This stage was marked by a turn towards Europe, mostly through superficial custom-borrowing and a change in the expansion direction, from the East to the West and the South. The main domestic institutions did not change throughout the period. In fact, they were used to achieve the monarchy's goals. The most obvious examples include the founding of a new capital in the north or forming an industrial mining community in the Urals by moving entire villages of serfs from Central Russia.

This epoch was a typical example of a mobilization cycle with militarization for development's sake, followed by demobilization. But this demobilization was merely a little pause for breath, inevitable after the passing of a leader of Peter the Great's scope. It did not bring changes to the existing order: no freedom was allowed. The Supreme Privy Council's attempt to limit the power of the monarch came to nothing. The Imperial Guard acted as the guardians of convention, protecting its conservative aspects. This did not last long, however. Starting with Elizaveta Petrovna, the strengthening army became an example of a force capable of winning wars on European

battlefields. Empress Catherine the Great achieved even more to follow in Peter's footsteps, by gaining new victories in the South and the West and making Russia more powerful than ever before. Russia's sun reached its zenith when the country defeated Napoleon. And 40 years later, the country was plunged into a crisis, which led to a devastating defeat in the Crimean War of 1854–1856. Prior to that, the existing order began to change to a certain extent; here we may name Peter III's Decree on the Nobility's Freedom and Catherine the Great's Charter to the Nobility: the nobility stopped being serfs. But the peasants did not.

The Alexander stage (1861–1917)

I gave this stage a name that reflects the utmost importance of Alexander II's Great Reforms, which were the harbingers of our parting with the Empire, even though the liberator czar went on with successful colonial military campaigns in the Caucasus and Central Asia.

But more importantly, this stage marked the end of the Russian Empire's official history, at the same time opening a drastically new period of Russian history, with a transition from hierarchy, which is at the heart of feudalism, to a network structure, to a market economy and capitalism. It was, once again, a turn towards Europe, but this time it was not superficial; it was more profound, involving the main social structures. We are going through the same stage today.

The Great Reforms were exceedingly difficult to implement and had a dramatic fate. This stemmed from the people, even the common folk, not being ready to obey the law rather than violence. When Vera Zasulich, who had shot at a man with the intention of killing him for the sake of a brighter future, was acquitted, despite the gravity of her crime, this served as a perfect example of the way the Russian society treated ideals and the institutes of law that made these ideals impossible to achieve. The society was irrevocably split. In their struggle, the opposing groups used terror and crackdowns to achieve their goals. Passions ran so high that negotiations and compromises were out of the question.

The economy was revived only 20 years after the reforms, when industrial development and railway construction began gaining momentum. As displayed above, in the 1890s Russia became the world's fastest developing nation, together with the United States and Japan.

A railway network spanned the entire great expanse of the country, reaching as far as the Pacific by the end of the 19th century. A coal and metallurgic hub appeared in the South; a petroleum industry base, in Baku; and an extensive light industry, in the Central Non-black Soil Zone.

The agrarian issue

Agriculture remained Russia's main issue. Three quarters of the population were involved in agriculture, and about 90% of the population was rural dwellers. Advances in this area were much slower. After their supposed liberation in 1861, the peasants essentially had to pay for their freedom. In 1882, Minister of Finance Nikolay Bunge promoted a decrease in the peasants' redemption payments, which were completely abolished only in 1907, amid a surge of riots among the peasantry. After the Emancipation reform, the peasants lost up to 20% of their land, buying it back for prices that were 25% higher than market rates. Up until 1907, allotted land was not recognized as private property and was excluded from the market trade [Mironov, 2003, vol. I, p. 403–410].

And it was not the result of deception. The minds of both the peasants and the intelligentsia were dominated by a negative perception of land as private property. Only in 1907 did the right parties, which were lobbying for landed estates, raise the question of private land ownership. In the mind of left and centrist parties, private land ownership went against human rights. Objectively, it was only the Stolypin agrarian reform that gave private property a legitimate status as opposed to communal property, and as a legal property type instead of a mere right of usage.

Even so, in the late 19th century the agriculture experienced major changes, stemming from the market development. In terms of market grain farming, the guberniyas were divided into producers and consumers. The producer guberniyas, located in the South, the Volga Region and partially in Siberia, witnessed the development of market and capitalist relations, a boost in export and the widespread use of machinery. The consumer guberniyas, mostly in the center and in the North, were lagging behind due to adverse climate conditions, feeding the growing cities with an influx of labor and supplying livestock products and vegetables. Here “the old ways” were better preserved. The producer guberniyas were going through the develop-

ment of market relations and capitalism. The center, on the other hand, still preserved the legacy of serfdom and feudalism.

By the start of World War I, feudal traditions were still alive across most of the country's territory. As a result, these areas kept the roots of the bygone institutions, which largely predetermined the behavior of the population, including that in the other regions. This particularly concerns the majority's tolerance towards the tyranny of those in power and towards disregard of law, as well as the people's willingness to bend under the cruelty and injustice of the high and mighty. Combined with an occasional response in form of lack of discipline and a desire to escape, to go against the law in order to achieve personal gain, conspiring with other fellow sufferers.

I shall quote M. I. Tugan-Baranovskiy:

“Another key difference between the historical development of Russia and the West... was the extraordinary prevalence and consistency of forced labor. Nowhere else except in Russia did slavery take such deep root within the life of the people. And most astonishingly, in our country slavery did not die out as history progressed — on the contrary, it intertwined closer and closer with the economic and social structure. In this respect, the history of our serfdom is especially typical. In the 15th and 16th century it had not yet become a definite social institution. The enslavement of the peasants was completed throughout the 16th and 17th centuries... Russia kept gaining more and more political power, turning into a colossal empire, and the peasant sank lower and lower” [Tugan-Baranovskiy, 1918, p.108].

Another important issue: in the second half of the 19th century, Russia experienced a dramatic boost in population growth. Between 1811 and 1851 the population increased by 0.6% a year; between 1851 and 1897, by 1.1–1.3%; and between 1897 and 1913, by 1.7%. By contrast, in Germany the annual population growth rate between 1900 and 1910 amounted to 1.4%; in England, to 0.9%; and in France, to 0.2% [Demokraticheskaya modernizatsiya Rossii, 2006].

Naturally, most of the growth was contributed to by the rural population (which increased by 87% between 1861 and 1910), which brings to mind its connection to the Emancipation Reform: communal ownership of land boosted population growth, since each new laborer could count on immediately being provided with land. The agricultural regions experienced a population surplus: By 1901, the number of redundant workers in Russian villages reached 23 mil-

lion; and by 1914, 32 million [Mironov, 2003, vol. I, p. 412]. The withdrawal of laborers to the cities and the Siberia did not solve the problem completely.

The agricultural crisis was building up. It would seem that the only reasonable solution was offered by the Stolypin agrarian reform, which prompted an outflow from regions with a surplus of labor to the cities and new farming areas. But it required time, which, as it became clear later, Russia did not have.

The Great reforms' results

Despite the popular diverse criticism, Russia's development between 1861 and World War I may be considered a success.

First of all, the economy, especially its modern sectors, such as industry, transport and banking, advanced greatly.

In addition, no matter how hard it may have been, the country did manage to free its population — peasants, this time — from feudal serfdom. Though some relics of serfdom did remain, including community influence and police supervision, but looking back on what Russia had achieved, we may say that the emancipation laid the foundation for the country's subsequent social development. The Stolypin agrarian reform is worth a separate mention. It meant that Russia had made a significant step from a hierarchic social organization to a market network one.

The years 1905–1907 witnessed the first Russian revolution, which resulted in the country receiving its own **Constitution** (the legislation framework of April 23rd, 1906, laid out on the basis of the October 17th, 1905, Manifesto) and **Parliament**, i.e. the State Duma and the State Council, with half of its members appointed by the czar. Thus, Russia became a **constitutional monarchy**.

This may be called the final achievement of the Empire stage. The first two Dumas were disbanded. The Third Duma was the only one that could function on a sustainable basis, after yet another election and a change in the Constitution. To achieve this, a new electoral law was passed on June 3rd, 1907, changing the share of the so-called “qualified deputies” (capable of passing the education, property and other qualifications) to 65% [Mironov, 2003, vol. 2, p. 160].

V.A. Maklakov, leader of the Constitutional Democratic Party, having already immigrated, evaluated this achievement the following way:

“We had a real constitution, and the power of the Sovereign was limited by law. People who had been raised with the notion that Russia is inseparable from absolute monarchy were now witnessing the term ‘sovereign’ becoming a mere historic title and the term ‘absolute’ being struck out as something that did not reflect the essence of our state” (quote taken from [Mironov, 2003, vol. 2, p. 138]).

By the end of the Alexander stage, Russia, however strenuously and dramatically, had braved the long distance between a feudal, perfectly hierarchic monarchy to a nation that had a relatively developed, more or less modern industry and a railway network that spanned the entire populated territory of the enormous country. The agricultural sector had entered a new stage of reforms, which were supposed to result in the world map being joined by a large country that was catching up with the most developed nations — the role models of the time. With the emergence of a still unfamiliar market network economy, seamlessly supplemented by a democratic political system, Russia had a promising future.

However, the dramatic social and political tension between different social classes posed numerous threats to the country’s sustainable development. Those threats did not predetermine the inevitable collapse of the state, as most of the hardships stemming from the transition to a market capitalist system were already far behind. In a manner of speaking, Russia could follow two main paths: the liberal democratic path, represented by the centrist Constitutional Democratic and Union of October 17 parties, which were backed by the Russian bourgeoisie; and the leftist, socialist path, represented by the SRs (the Socialist Revolutionary Party), who claimed to represent the interests of the peasantry, and by the Social Democrats (the Bolsheviks and the Mensheviks). In a stable environment, the Constitutional Democratic and Union of October 17 parties had a greater influence, and the country’s normal development in peaceful conditions should have strengthened these parties. However, the conservative Imperial elite, which was losing its influence on the society but ingratiating itself with the emperor, strove to maintain its current standing. It chose war, a scenario which turned out to be the most tragic, both for the elite and the country itself. War led to ruin. Millions of peasants, frustrated with their social status, now had rifles in their hands. As a result, the winners that emerged out of the turmoil of the World and Civil Wars turned out to be the Bolsheviks, ready to

cast aside all of the country's previous social and economic achievements for the sake of testing out their radical ideas. The socialist experiment had begun.

8. The Soviet stage

It lasted for 74 years, longer than the Alexander stage (56 years). What have we managed to achieve? It all began with a dream: let us get rid of private property and introduce national economic planning instead of the market, which enriches some people while robbing the others. Let us create conditions for justice. Naturally, the bourgeoisie, the landowners, the kulaks (independent wealthy farmers) will be against this. That is why we are going to need arms to change relations within the society. We will have to be merciless. And when the society changes, the people will change as well. Free of greed, envy and other sins, they will grow kinder, fairer, and more compassionate. This dream was shared by many. I would not have been writing these words if, in the bygone days of my youth, I had not had faith in them.

The people were easy to convince that private property was bad because it was still a new phenomenon for Russia. Many peasants did not have it and were bound to their community. The dream seemed to hold water. Nevertheless, the economy was revived only during the times of the New Economic Policy.

The main stage

The main stage of socialism building involved industrialization, collectivization and a cultural revolution. Alongside crackdowns and purging "enemies". As a result, all enterprises became publicly owned and national economic planning was born. Market economy was gone for the most part, save for kolkhoz farms and cooperative workshops. Relations within the society had changed, but the people's motivations and behavior did not get any better. Quite to the contrary, new sins had surfaced. As it turns out, an alteration of social institutions does cause a change in public behavior, but this change is not necessarily for the better and is driven by personal gain. The market model is better suited for shaping the behavior of the negotiation participants, prompting an increase of the cumulative effect.

In brief, the inadequacy of the socialist experiment was growing more and more apparent. It was revealed with particular clarity by the contrast between the post-war life in Europe and the USSR. And interestingly enough, as history progressed, the bureaucratic hierarchy of the Soviet Union and other socialist states began displaying more and more traits typical of other hierarchic systems, either feudal or bureaucratic, akin to the traditional Chinese system. The concepts of an advanced social framework molded into a curious revival of the old and familiar hierarchy, into the reproduction of an outdated tradition. Underdevelopment played a significant part as well: socialism struck a cord within the hearts of peasants living in communities.

A renewed expansion

Desire for expansion was revived as well. At the initial stage, the Poles' and Finns' calls for independence had been heard. Later on, however, all the previous imperial conquests were being preserved, under the pretext of spreading the most advanced social system and freeing other peoples. In 1922, the founding of the USSR brought the Empire of old back to life. The next step was negotiating with Germany regarding the Baltic states, Western Ukraine and Belarus. The war with Finland failed to become yet another expansion stage, due to the defeat. World War II resulted in the incorporation of Eastern Prussia (the Kaliningrad region), Southern Sakhalin and several islands of the Kuril Ridge.

But all of this was nothing compared to the expansion of the influence area, which during its prime encompassed the entirety of Eastern Europe, China and Vietnam, and later on Cuba, Afghanistan, Ethiopia, Angola and Mozambique. Although the expansion did not last long, it still succeeded in earning the USSR the title of the world's second superpower.

The end of the experiment

The discovery of new crude oil deposits and an astronomic surge in oil prices, starting in 1973, prolonged the socialist bloc's life and apparent prosperity. Nevertheless, the system had been corroded by an internal crisis from as far back as the sixties, and the frailty of its main constructs was becoming more and more apparent. Gorbachev's attempt at perestroika, combined with a dramatic fall in oil

prices, brought the system to the verge of collapsing. The collapse itself occurred in 1991. The market reforms of the time, apart from being an attempt to save the country, also marked the end of the socialist experiment in Russia. The Accord signed in the Belovezhskaya Pushcha forest in December of 1991 was also the end of the Russian Empire — this time, apparently, an irrevocable one. A new era was dawning.

9. Drawing conclusions

It is time to draw conclusions from what has been said above. Conclusions relevant to the further development of our country.

The advantages of the European civilization

This analysis has shown that the European civilization is more efficient under current circumstances. It has proven its superiority over the last 200–250 years, in particular after the tremendous leap forward prompted by the industrial revolution in England. It relies on a market network social system model, presupposing the freedom of enterprise, competition and rule of law. In politics, these elements are complemented by free elections, a multi-party system and freedom of speech. As a result, this system fosters the best conditions for increased production efficiency and generating market innovations. A nation that wants to be well-represented in the modern economy should strive to create a similar system and to implement corresponding changes in its culture.

Globalization, a process which has been dramatically influencing the world economy over the past decades, is, in fact, a tangible proliferation of this system throughout the world.

Absolute monarchy and serfdom as Russia's peculiar features starting from the 13th–15th century

Unlike Europe, where the aforementioned period witnessed the development of the market network model and the corresponding culture, which based itself on the ancient world's legacy and the Medieval cities, Russia, starting from the Horde invasion (also in the 13th century), began to accumulate differences from the common European roots. Ever since the appanage period, when the agnatic seniority was

replaced by inheritance according to a will or from father to son, the nation had embraced the patriarchal family structure, and its principles were reflected in state governance: hierarchy, the unlimited power of the head of state, violence and lawlessness, kept in check only by tradition. And finally, an absolute monarchy as the innate feature of the Russian state. These features were kept in place by a special institution, which Y. Pivovarov and A. Fursov dubbed “knyazeboyarstvo”.

This type of leadership flourished in Russia for approximately 600 years. The Empire inherited its basic principles from the Grand Principality of Moscow and kept them alive until 1861 at the very least, being very reluctant to limit the power of the absolute monarch.

This system also promoted serfdom, which by the end of the 17th century spanned all the strata of the Russian population. Absolute monarchy and serfdom greatly influenced the society’s development, deepening the rift between Russia and Europe, especially through hindering the implementation of institutions that could have supported competition, freedom and human rights.

The peculiar features of the Russian people as a subject for discussion

The key features of the Russian government system are often explained through the peculiarities of the national mentality, which are hard to manage.

B.N. Mironov describes serfdom the following way.

“It prompted the development of command (! — *E. Y.*) economy, political absolutism and authoritarian relations within the society and family. Serfdom hindered the development of cities, the bourgeoisie, private property and personal and political freedoms... corrupted the national psyche, turning all Russians into slaves, and fostered certain negative traits in the national character.”

That is on the one hand. On the other hand, serfdom “...was the result of a poorly developed individuality, the reverse side of the generous Russian nature and the popular concept of freedom... a common Russian — be it peasant or citizen — needed supervision, ...he was inclined to display certain behavioral peculiarities stemming from lack of self-control and discipline. Serfdom was a response to economic underdevelopment and, in a way, Russia’s rational reaction to the adversities of climate and circumstances in which the people lived.”

Therefore, serfdom is characterized as both a factor hindering development and the result of various features of the Russian character, which are mostly innate.

I find this reasoning hard to agree with. The same applies to absolute monarchy or authoritarianism as inherent types of Russian governance. The fact is, as a result of certain circumstances, there came a moment in history when absolute monarchy and serfdom became a fixture, a convention in our country; during a certain period it was necessary to bind the people to their land in order to handle the labor issue in the boyar and nobility's estates, as the country is enormous and free folk could always look for a job elsewhere. These institutions became a tradition, which the people have come to accept simply because it has been this way since time immemorial. Now, however, it is time for the nation to rejuvenate itself, to embrace human rights and freedoms, even though it is not something that we, and our rulers in particular, are used to.

Rule of law vs hierarchy

We should add that absolute monarchy or authoritarianism hinder the rule of law, the support of justice and the independence of courts. To be more precise, the closer to the modern period, the more the government tried to formally follow the laws and even use them by introducing new convenient legislative norms, which could easily be manipulated afterwards. Real respect for human rights was a mask worn by overwhelming letter-worship.

We should take into account, however, that natural rights are perceived by the people as counteraction against any machinations, which brings about a decline in the government's prestige, should it rely too much on formalities and manipulations. In this case, the society becomes increasingly more aware of the necessity of real law and order, which treats each individual fairly and lays the foundation for an efficient market economy.

10. The New epoch

Perestroika and oil prices three goals

In the mid 1980s the USSR faced serious issues. The crisis of the Soviet experiment was growing ever more apparent: its aspirations to

become the leading force behind global development had been proved baseless. The costs of these failures were much too cumbersome. The new party leadership, headed by M.S. Gorbachev, ventured forth to implement serious changes in order to handle the issue. The first changes stayed within the boundaries of socialism. In 1987, first attempts were made to reform the economy; 1988 witnessed the start of the political system's democratization. In 1989, the I Congress of People's Deputies took place, marked by the first emergence of opposition (the Inter-regional Deputy Group) in Soviet history.

However, oil prices came tumbling down the same year.

The state budget sprung a leak and the shadow of an economic crisis loomed over the nation. The real downturn began in 1990. The measures taken were not enough. Profound changes were called for.

Essentially, the nation had three goals to achieve. One was carrying out an economic reform, ensuring the transition to market economy. Another was to dissolve the empire. And the third was to rebuild the political system and make it more democratic.

The changes followed all three of these directions, with varying success.

For all intents and purposes, Russia was entering a new epoch, which presupposed granting the nation new opportunities that represented more up-to-date technologies and institutions — opportunities which had already proved their superiority in developed nations with a market economy and democracy. It should be remembered, however, that in Russia this epoch had already begun in mid-19th century and that by World War I the country had already undergone significant, though controversial, development. This had been the first stage of post-feudal development. The second stage was represented by the socialist experiment; at the time, under the pretext of overcoming underdevelopment and combating the enslavement of human beings, many achievements of the preceding evolution were destroyed and, in some cases, replaced by new incarnations of the traditional semi-feudal institutions. Market economy and entrepreneurship were driven out by hierarchic structures of power and subordination. The Soviet experiment had been expected to provide solid proof that the Marxist doctrine was the absolute truth. What it did prove, however, at a very high price, was that Marxism had failed.

Since 1985, the USSR started going through changes, which in their essence constituted the first stage of the country's post-feudal, modern development.

The market reforms and transformation crisis

This stage's first goal — market reforms — commenced in 1992, after the Communist Party's failed coup d'état attempt and B.N. Yeltsin's rise to power in 1991. Yeltsin was reasoned into considering economic reforms to be of utmost importance; their preparation was initiated by Y.T. Gaidar. The road map for these reforms was drawn up simultaneously at several centers, both by Gaidar's team and by a team working for the Union government. In summer of 1990, a team was formed under the aegis of Gorbachev and Yeltsin and at the initiative of their assistants N. Petrakov and A. Yavlinsky, and tasked with drawing out a coordinated road map of transition from command to market economy, which was dubbed "500 days".

This road map, along with Gaidar's, offered a set of interconnected measures: 1) freeing prices; 2) combating open inflation, which could potentially be caused by freeing prices; 3) making the economy open and allowing free trade, including foreign trade; 4) privatization.

Gaidar and his team implemented every measure on the list. Mass privatization was completed by mid-1994. Inflation was successfully lowered to 11% a year in 1997. But in 1998, the country fell into the pit of a financial crisis, prompting a conclusion that Gaidar's plan, which had come at a cost of great hardship for the people, had failed. In reality, the 1998 crisis had been caused by serious external factors, as well by as certain mistakes made by the reformers. The situation changed rapidly, however, after the default and the profound devaluation of the ruble.

Back then, it appeared that all the effort put into reforming the Russian economy had been in vain. But in fact, this was the start of recovery growth, and the consequences of the 1998 crisis were promptly dealt with.

The recovery growth lasted until 2008, greatly supported by the high rate of oil price increase, which started in 2003. It became evident that, on the whole, the reforms of the 1990s had been successful, and the Russian market economy had been revived. In 2008 the Russian GDP surpassed the 1990 level by 8%.

The collapse of the empire Russia as nation state

In the end of 1991, the leaders of the three largest Eastern Slavonic republics of the USSR — Russia, Ukraine and Belarus — gathered

in the Belovezhskaya Pushcha forest to sign a treaty that disbanded the USSR and established the Commonwealth of Independent States (CIS). The main driving force was Ukraine, which had recently held a referendum on the republic's independence. Apparently, Yeltsin was motivated by a desire to dispose of the union center's remnants and of Gorbachev. However, I think that his mind might have been darkened by the thought that the dissolution of the USSR was a great loss for Russia. In a sense, the USSR was Russia, the final stage of the great empire's history. Many Russians felt that their pride had been wounded.

And there was no doubt that the empire was going to linger. The numerous events that were bound to follow would remind of the empire, and some of its symbols would be preserved.

But fundamentally, it had to be clear that the new circumstances would facilitate the revival of the Russian economy, bring greater wealth to the people and help develop the Russian culture. It should be noted that both in the Russian Empire and in the USSR the number of non-Russians exceeded that of Russians. This led to grave problems. The USSR was faced with the same issue. In turn, after the USSR was disbanded, Russia, for the first time in many years, became a nation state: in 1991 Russians made up 85% of the population. By 2010, their share decreased to 80%, but all the same, our country is now a nation state surrounded by other nation states. This does not exclude the common identity of Russians as citizens rather than an ethnicity. On the contrary, it is presupposed. Many circumstances speak in favor of Russia needing an influx of migrants in the 21st century, especially migrants from neighboring nations, even though it might cost tension among the native-born citizens. All the same, it is better for Russia to live live under the motto "Russia for everyone", as offered by V. Bondarenko, rather than "Russia for the Russians".

Russia and democracy

Out of the three goals set before Russia at the outset of the new epoch, two have been achieved: we have a market economy, even though it is still far from efficient; and we are now a nation state, with the empire forever becoming a relic of the past. As for the third goal — fostering a developed democracy as a political system — we still have a long way to go.

But what if we do not need democracy? Maybe it goes against the innate features of Russians and other peoples that are currently living in Russia? I have to disagree. I have already quoted B. Mironov's thoughts on serfdom, which reflect the negative role played by serfdom, accompanied by arguments provided by numerous respectable research in favor of the fact that Russians cannot function without being supervised and coerced. Even more so, that they need supervision and coercion more than other nations. And yet many of these nations knew serfdom but freed themselves of it and created institutions of freedom, law and order.

The changes that were made in Russia in the late 20th century started with an attempt at democratization. Much was done to that end and done cautiously, in order not to prompt an overly radical reaction of the opposition. All the same, this reaction was embodied in the August Coup — though it proved to be a failure. By contrast, Yeltsin's next term of office, which was now targeting market reforms, did not pay sufficient attention to democratic changes. The Constitution of 1993 granted the president powers that were considered to be far too excessive, at least by many respectable experts.

At the turn of the century, when the next president came into power, the conflict between the business and bureaucracy was resolved in favor of the latter, with the legislation being changed in a way that limited democratic freedoms even further. In brief, I would say that we currently have a “defective” democracy regime, as dubbed by W. Merkel and A. Croissant, and the task of democratization is currently becoming more and more urgent. Without it we will find it hard to increase the efficiency of our market economy and make it competitive.

Democracy is a complex political mechanism, demanding precision and significant cultural changes. Despite this, Russia needs it and is capable of building it.

Russia on the verge of a rise (In lieu of a conclusion)

Not so long ago, some colleagues of mine compiled a collection of my works and approached me with a request to give it a title. It already contained the word “Russian Economy...” The phrase was really asking for a conclusion with a warning about the dangers of a

new crisis. This is a subject preferred by many. But what I added was, “On the Verge of a Rise”.

Why?

First of all, while writing this report, I took a brief look at Russia’s history, which I recapped above. And I am under an impression that the processes and events needed for a country to achieve significant cultural shifts and acquire qualities that are essential for living at the current technological threshold, are already behind Russia. In a manner of speaking, we are entering the home stretch. All we have to do is pass another hurdle by ensuring the rule of law and building a democratic political system. And the potential for a rise shall be unfolded. It lies within the very transition from command to market economy, in expanding the boundaries for the energy and initiative of entrepreneurs and common citizens, for the skills and knowledge of scientists and inventors. This potential has not yet reached its full scope.

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Evgeny G. Yasin

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National Research University
Higher School of Economics
101000, Moscow, Myasnitskaya str., 20
Tel./Fax: +7 (499) 611-15-52

