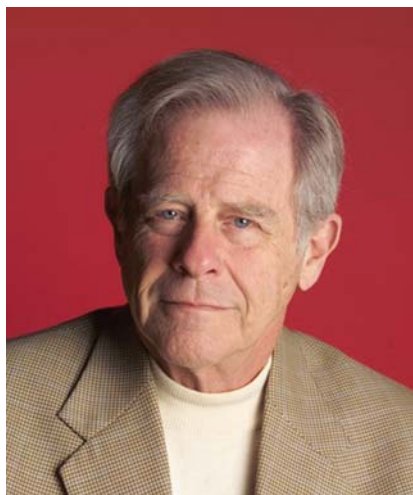


RUSSIAN BUREAUCRACY IS A VICTIM OF THE BLACK MARKET

Theodore Lowi



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RJ Dear Professor Lowi, do you think that the contraposition of the bureaucracy to the society is relevant today?

Soviet leaders were consciously striving to ensure that the bureaucracy fulfilled a certain plan, whether it be a five-year or a ten-year plan. A lot was highly dependent on planning and production and got caught up in these regards and, as a result, the black market eventually emerged in Russia. Obtaining this or that position for oneself and for one's relatives through a ministry became possible due to the so-called 'blat' or profitable connections. Researchers who studied the phenomenon of the Soviet bureaucracy were especially amazed by the penetration of the bureaucracy, not so

much by members of the Communist party, but of the heads of industries and regional trading leaders who were engaged in searching for the needed materials and ensuring timely deliveries.

This feature of the Soviet system has not disappeared. Nobody has actually rejected the old rules of the game. In other words, a real market was created, but market rules were not prevalent in this market. There were no contractual obligations and no protection mechanisms. Dependence on the black market continued to remain strong. Profits were also not going towards the state treasury. Instead, they were going into the pockets of thieves, who, nevertheless, also fulfilled a particular important function within that society.

The foundations of bureaucracy were at first undermined by the communists, but actually any new state system, when it comes to power, tries to radically change the direction of the country's development. It does not actually matter whether it is a right or a left wing party that comes to power. **Black market forces dealt a powerful blow to the Russian bureaucracy, and this fact largely explains the inability of modern-day Russia to develop as fast as is occurring for China.**

If I was tasked with explaining the bureaucracy in Russia, I would say something like 'You need to start from the black market'. I would not do that namely in order to put its participants in jail, but to ask the question 'What functions does it fulfill to enable it to substitute the freely operating market, which took the Western capitalist countries three hundred or four hundred years to build?'

Russia has not quite yet become a capitalist country in the true sense of the word, though it does exist in a capitalist globalised world. The Chinese have managed to adapt to the new realities more successfully than Russia, because the Chinese Communists did not make any

efforts to destroy the division of labour that existed previously. The Chinese bureaucracy did not sustain the same blows as the Russian bureaucracy did during the existence of the Soviet Union.

It is interesting to observe the Chinese model namely because, despite the resistance to changes on the part of the bureaucracy, there were no such shocks there as occurred as a result of the dissolution of the USSR at the end of the 1980s or of any revolution. They had to adapt in order to preserve the Communist state, while, at the same time, also developing a market that could still be controlled by the state.

Upon comparing Russia to China, we can say that Russia has allowed a very significant penetration of the black market with respect to its bureaucracy, and a long time will now be needed in order that it may be purified. It is possible that the Russian bureaucracy will be as effective as a computer in about 200-300 years.

RJ In your opinion, does the bureaucracy in Russia, in the West, and in the developing countries of Asia and the Latin America constitute a real social stratum that is different, on the one hand, from representatives of business, and, on the other hand, from the intellectual class? If so, which characteristic features define this stratum, and do you think it can be considered as a class or simply as an occupational grouping?

In Europe, and you already imply it by your question, bureaucracy was a separate organisation. It was most inspired by the Catholic Church. People working in bureaucratic structures are called clerks. And this word derives from the Latin word 'cleric'. Clerics occupy a certain position in the church hierarchy. **In the time of its own existence, the Catholic Church actually became the first full-fledged bureaucracy in history.** And out of this came different specialisations and the division of labour within the bureaucracy itself.

It was namely in the Catholic Church where the double-entry book-keeping system first appeared, and it also became the original source of capitalism. Each person is given a specific task for each specific work hour, for each day, for each week. There is a tight connection maintained between the different cells occupied by certain people.

The political parties, which came to power in the subsequent epochs, did not have an easy life in this sense. Let's remember the forces that came to power in Russia after the bourgeois revolution in February of 1917. They had neither the capacities nor the power to change the direction of work, and they also did not have industrial bureaucracy or diplomatic bureaucracy. They did not have any bureaucracy at all. As a result, they lost the power without even having the chance to continue the struggle with the bureaucratic apparatus.

I think that Max Weber and some other scholars became too carried away, defining bureaucracy as a social caste or as a class, and placing bureaucrats on the same plane with merchants and artisans.

Bureaucracy is a form of human life, which is wrongly understood by many political scientists and sociologists, and especially by scholars who hold leftist views. Conservatives understood the needs of the people from a specific neighbourhood better than the politicians with leftist views, who stubbornly saw only as a political class in the bureaucracy. I

president in the 1990s, he tried to do his best to 'reinvent' the bureaucracy. **Just as a computer, bureaucracy needs a reboot to operate with completely new programs and tasks.** Bill Clinton tried to do everything possible in order to achieve this goal.

His cause was also continued by George Bush Jr., because the Republicans hate bureaucracy even more than the Democrats do. Whatever party the president belongs to, he still will be unable to carry out fully effective reforms of the bureaucracy as a whole. One needs to review each function of each ministry separately, and change the rules of its activity by legislation. A few years may pass before tangible changes are made. Bureaucracy is actually very effective, but it is effective in regard to what concerns the tasks developed for a specific ministry. It is better not to try fighting bureaucracy at all; rather, it would be better to introduce a new bureaucratic agency with new functions instead.

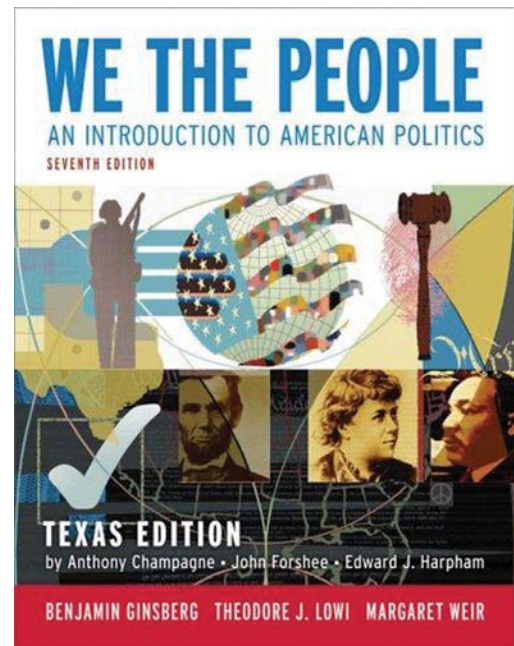
RJ Do you draw a distinction between the bureaucrat and the politician? I am referring to the ideas of Max Weber, who stated that while bureaucrat tries to achieve the goals that were set for him by somebody else, a politician is somebody who establishes the goals for society.

Black market forces have dealt a powerful blow to Russian bureaucracy, and this, in large part, explains the inability of modern-day Russia to develop as fast as is occurring for China

think that Marxists and other liberals interpreted bureaucracy in the completely wrong way. I give Max Weber a lot of credit for introducing the study of bureaucracy as a study separate from learning about castes, classes and movements. Still, there are many who have not understood the true meaning of bureaucracy.

When Bill Clinton was the US

In the US, only a small number of bureaucrats tend to go into politics and participate in the electoral process as election candidates. Such instances do not happen very often. I cannot actually even recall a case when a rather high-profile bureaucrat, after serving for many years in a position within the state structure, suddenly put his nomination for-



ward to run as a candidate in a national election. This essentially means that, historically, politics have been somewhat separated from the bureaucracy in the US experience.

It is actually a rather widely spread practice in France. I am sure that the situation in Russia is not very different from the situation in France or in Germany in the sense that a person can come to assume a rather high position in the bureaucratic hierarchy, and then he makes the jump into the political realm in order to be an elected official. This is something that relatively unheard of in the United States. We are trying to separate bureaucrats from politicians more definitively than it is typically done in European countries.

What worries me more is the chance that the Russian bureaucracy may be penetrated by those figures who previously operated in the black market, as I have already mentioned. This would end up making the bureaucracy a polluted entity. In such a case, you will never be able to get rid of billionaires who made their money namely due to gaps existing in the bureaucratic structure. Undoubtedly, there are ways to get rich illegally in other countries as well, but it is particularly in Russia where such ways have become so systematic. ■

Theodore Lowi was speaking with Yulia Netesova