

# Russians' “impressionable years”

*Perestroika* and the roots of Putin-era beliefs

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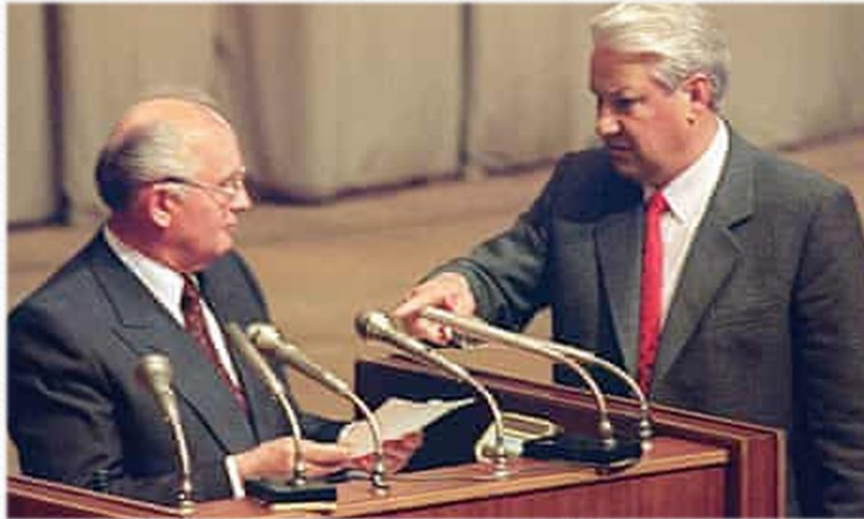
Middlebury College

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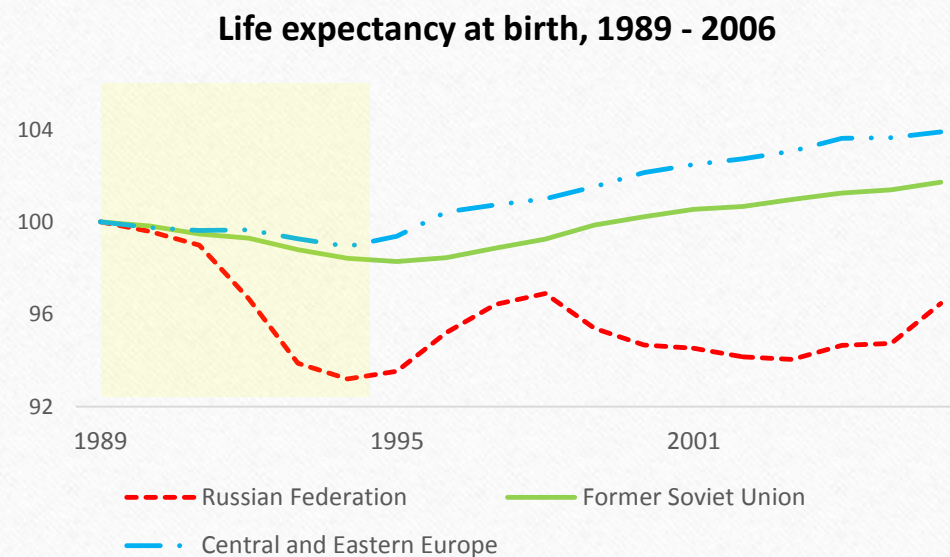
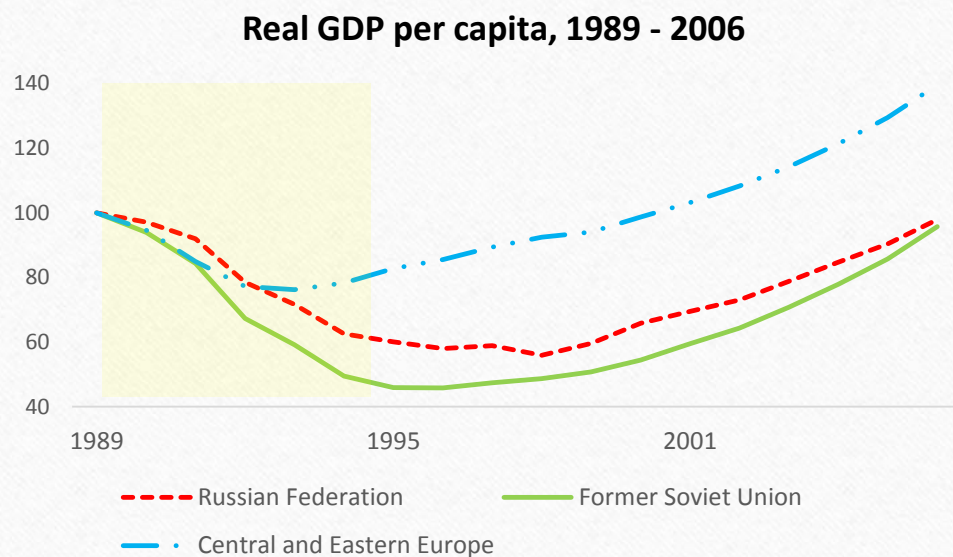
# An era of monumental change

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“[T]he collapse of the Soviet Union was a major geopolitical disaster of the century. As for the Russian nation, it became a genuine drama ...” (Vladimir Putin, Annual Address to the Federal Assembly, 2005)

# Exiting communism: differences in degree ...





# Exiting communism: a difference in kind...

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Putin's address did not offer a distinctively new vision but mostly articulated an opinion that was already widespread in the country ... In Russia itself, the disintegration of the USSR was linked much more closely with the painful immediacy of everyday survival than with the archived horrors of the Great Terror.

Sergei Oushakine, *The Patriotism of Despair*, 2009

Russian citizens faced a rapid restructuring of social forms ... previously taken to be immutable ... unaccompanied by a legitimating rhetoric of national liberation frequent in the former union republics and countries of the Eastern bloc (or, for that matter, by any other meaningful account of the goals and purposes of the transformation). As a result, post-socialist Russians experienced it as a form of betrayal and loss, which was all the more distressing because it meant parting with something familiar and meaningful for the sake of something vague and undefined ...

Olga Shevchenko, *Crisis and the Everyday in Postsocialist Moscow*, 2008

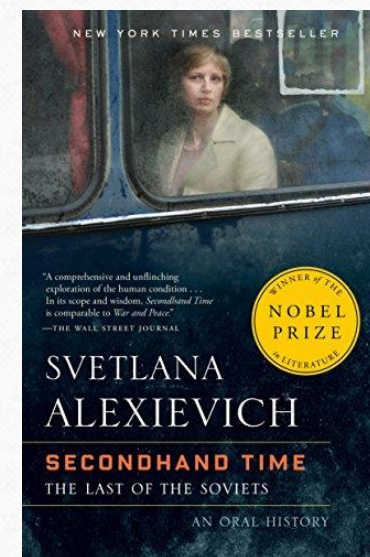
# Exiting communism: a difference in kind ...

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On the Old Arbat ... I found peddlers selling *matryoshka* dolls, *samovars*, icons, and portraits of the Tsar ... an old man sat playing the accordion ... wearing his medals, singing war songs, with a hat full of change at his feet ... he was already surrounded by foreigners ... snapping pictures of each other in front of him ... in high spirits, clearly having a lot of fun. Why wouldn't they be? People used to be so scared of us ... and now ... [n]othing but piles of junk, an empire gone up in smoke!

I've fallen behind ... Everyone else transferred from the train that was hurtling toward socialism onto the train racing to capitalism ... I embraced Gorbachev, even though I criticized him ... I wasn't prepared for Yeltsin ... for Gaidar's reforms. All our money disappeared at the snap of his fingers. ... and our lives along with it ... Instead of the bright future, they started telling us to get rich, love money ... [b]ow down to this beast! The people were not prepared ...

Margarita Pogrebetskaya, 57-year-old doctor





# Economic hardship and the modification of social preferences

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- Having been unemployed associated with more support for redistribution (Piketty, 1995; Alesina and Giuliano, 2011) and being unemployed associated with less support for the market economy (Hayo, 2004).
- The effect of unemployment on social preferences may be temporary (Magarlit, 2013).
- The effect of economic hardship on preference persistence may be a function of *impressionability*. Evidence from the United States over the past half century that those who experience region-specific recessions as young adults, in their “impressionable years” (ages, 18 -25) are more likely to support redistributive policies throughout their lives (Giuliano and Spilimbergo, 2014).

## A hypothesis: Russians' "impressionable years"

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Individual-level hardship, interacted with unique elements of Russia's exit from communism, to create:

1. long-lasting effects on how Russians believe Russia can and should work;
2. a more conservative Russian citizenry in the 21<sup>st</sup> century than if the exit from communism had proceeded with less labor market disruption, and, *perhaps*, without the break-up of the Soviet Union.

## Dependent variables: *Life in Transition Survey* (2006)

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1. A market economy is preferable to any other form of economic system
2. Democracy is preferable to any other form of political system
3. To what extent do you agree that the gap between rich and poor should be reduced?
4. To what extent do you agree that law and order are important for this country?



	Russia	FSU	CEE
<p><b>A market economy is preferable to any other form of economic system</b>  alternate responses: "Under some circumstances, a planned economy may be preferable ...";  and "For people like me, it does not matter ..."</p>	21.9%	36.4%	39.3%
<p><b>Democracy is preferable to any other form of political system</b>  alternate responses: "Under some circumstances, an authoritarian government may be  preferable ..."; and "For people like me, it does not matter ..."</p>	29.7%	51.6%	54.8%
<p><b>To what extent do you agree that the gap between rich and poor in this  country should be reduced?</b>  (1-5 scale, 5 = strongly agree)</p>	4.29	4.15	4.25
<p><b>To what extent do you agree that law and order are important for this  country?</b>  (1-5 scale, 5 = strongly agree)</p>	4.57	4.23	4.59

## Individual-level controls: *Life in Transition Survey* (2006)

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- current consumption spending (over previous 30 days) controlling for household size (deciles)
- current self-assessed relative wealth (10-step ladder)
- current work: employment status, self-employment, and professional/managerial status
- work history (1989-2006): number of jobs, number of years worked in state and private sectors, and *number of years experienced wage cuts and/or arrears*
- location in metropolitan, rural, or urban area
- dummies for ethnic minority status and multiple religions
- additional controls: age, gender, education level, self-reported health, household size



## Periodizing labor market hardship: *Life in Transition Survey* (2006)

Q.6.05 Since 1989, in which year did you...

**INTERVIEWERS: SHOW CARD 28**

Year	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06
Have to accept wage cuts/arrears	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18

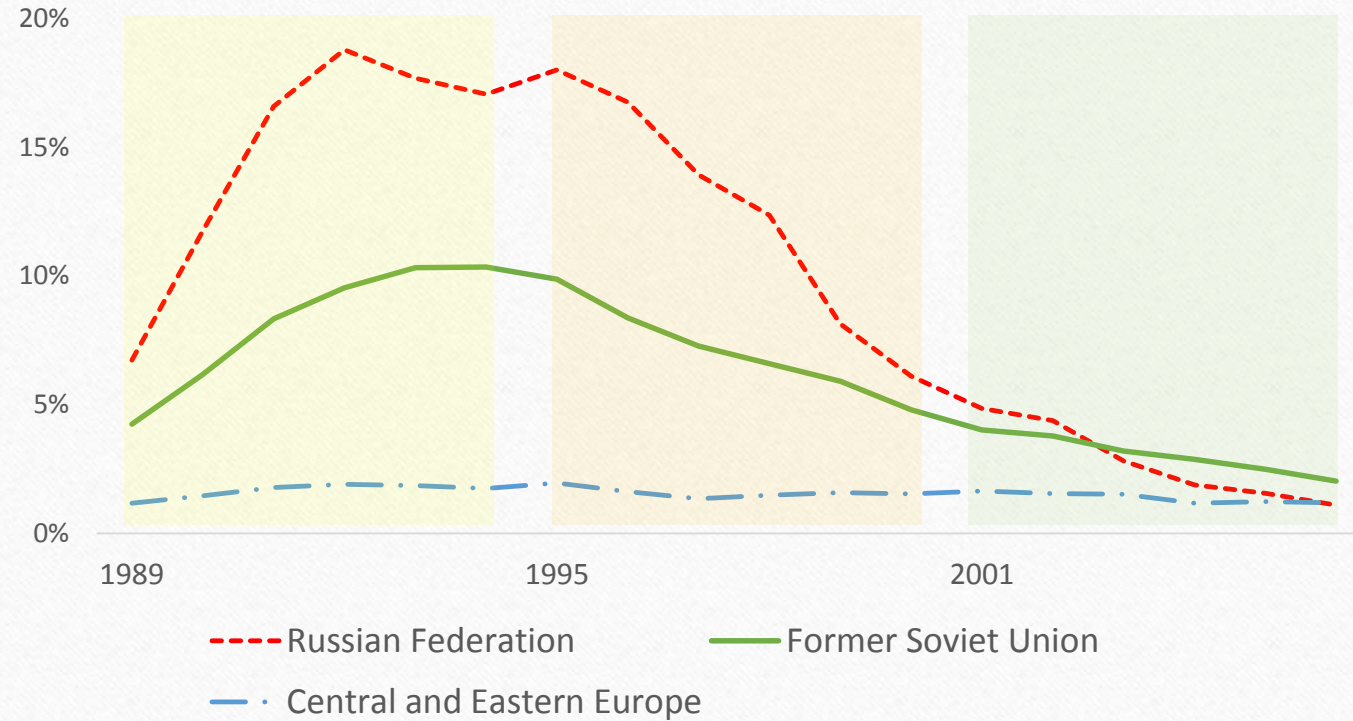


1989 – 1994  
*exit from communism*

1995 - 2000

2001 - 2006

### Experienced wage cuts and/or arrears, 1989 - 2006





# Plot of PSUs (LiTS 2006)



### Russia alone

$$Belief_{i,p} = \beta_0 + \beta_1 \text{earlyyears} + \beta_2 \text{middleyears} + \beta_3 \text{lateyears} + \varphi X_{i,c} + \delta PSU + \varepsilon_{i,p}$$

### Cross-country pooled

$$\begin{aligned} Belief_{i,c} = & \beta_0 + \beta_1 \text{earlyyears} + \beta_2 \text{middleyears} + \beta_3 \text{lateyears} + \\ & \alpha_1 \text{Russia} \times \text{earlyyears} + \alpha_2 \text{Russia} \times \text{middleyears} + \alpha_3 \text{Russia} \times \text{lateyears} \\ & + \varphi X_{i,c} + \delta C + \varepsilon_{i,p} \end{aligned}$$

*earlyyears* , number of years experienced wage cuts or arrears, 1989 – 1994

*middleyears* , number of years experienced wage cuts or arrears, 1995 – 2000

*lateyears* , number of years experienced wage cuts or arrears, 2001 – 2006

$X_i$ , a vector of individual respondent controls

$PSU$ , a vector of primary sampling unit fixed effects

$C$ , a vector of country fixed effects

*Russia*, a dummy variable for if respondent in Russia



### Perestroika and the roots of Putin-era beliefs (Russia)

Number of years experienced wage cuts and/or arrears	Market economy preferable	Democracy preferable	Reduce gap between rich and poor	Law and order are important
1989 - 1994	-0.110** (0.0547)	-0.0816** (0.0397)	0.109*** (0.0416)	0.123** (0.0611)
1995 - 2000	0.0221 (0.0565)	0.0544 (0.0512)	-0.0151 (0.0588)	0.0271 (0.0591)
2001 - 2006	0.0415 (0.0987)	-0.0641 (0.0921)	-0.0253 (0.0980)	-0.0278 (0.0995)
Individual controls	Yes	Yes	Yes	Yes
PSU fixed effects	Yes	Yes	Yes	Yes
Observations	602	583	594	625

### Perestroika and the roots of Putin-era beliefs (cross-country pooled, FSU)

	Market economy preferable	Democracy preferable	Reduce gap between rich and poor	Law and order are important
Russia x years of wage cuts and/or arrears (1989 - 1994)	-0.0931** (0.0473)	-0.0748* (0.0439)	0.124*** (0.0441)	0.102** (0.0444)
Russia x years of wage cuts and/or arrears (1995 - 2000)	0.0410 (0.0417)	0.127*** (0.0412)	0.0182 (0.0453)	-0.00558 (0.0500)
Russia x years of wage cuts and/or arrears (2001 - 2006)	0.0346 (0.0795)	-0.0714 (0.0798)	-0.116 (0.104)	0.0284 (0.0829)
Years of wage cuts and/or arrears (1989 - 1994)	-0.00718 (0.0197)	-0.0110 (0.0207)	0.0304* (0.0158)	-0.0200 (0.0202)
Years of wage cuts and/or arrears (1995 - 2000)	-0.0125 (0.0187)	-0.0289 (0.0179)	-0.0217 (0.0184)	0.0286 (0.0190)
Years of wage cuts and/or arrears (2001 - 2006)	-0.0393 (0.0298)	0.00196 (0.0271)	0.0582** (0.0250)	0.00231 (0.0247)
Russia	-0.0161 (0.154)	-0.669*** (0.166)	0.109 (0.153)	0.304** (0.148)
Country Fixed Effects	Yes	Yes	Yes	Yes
Individual Controls	Yes	Yes	Yes	Yes
Observations	6,366	6,365	6,149	6,323



### Perestroika and the roots of Putin-era beliefs (cross-country pooled, CEE and FSU)

	Market economy preferable	Democracy preferable	Reduce gap between rich and poor	Law and order are important
Russia x years of wage cuts and/or arrears (1989 - 1994)	-0.101** (0.0447)	-0.0855** (0.0417)	0.131*** (0.0441)	0.105** (0.0410)
Russia x years of wage cuts and/or arrears (1995 - 2000)	0.0537 (0.0398)	0.133*** (0.0401)	0.00893 (0.0453)	0.00556 (0.0480)
Russia x years of wage cuts and/or arrears (2001 - 2006)	0.0367 (0.0775)	-0.0522 (0.0736)	-0.110 (0.100)	0.0247 (0.0799)
Years of wage cuts and/or arrears (1989 - 1994)	-0.00426 (0.0161)	-0.00299 (0.0168)	0.0279** (0.0138)	-0.0220 (0.0186)
Years of wage cuts and/or arrears (1995- 2000)	-0.0198 (0.0163)	-0.0268* (0.0153)	-0.00706 (0.0163)	0.0243 (0.0175)
Years of wage cuts and/or arrears (2001 - 2006)	-0.0421* (0.0222)	-0.0104 (0.0216)	0.0500** (0.0215)	0.0102 (0.0197)
Russia	-0.0786 (0.158)	-0.656*** (0.156)	0.119 (0.162)	0.377*** (0.142)
Country Fixed Effects	Yes	Yes	Yes	Yes
Individual Controls	Yes	Yes	Yes	Yes
Observations	13,457	13,456	13,062	13,358

# The (shared) triple transition and the (unique) triple interaction

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1. Plan to market
  2. Communist authoritarianism to post-communist (hybrid) politics
  3. Imperial subject to independent nation
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1. Individual labor market hardship
  2. Early stage of exit from communism
  3. Former metropol



As history has shown, especially the experience of the second half of the twentieth century, empires fall apart. The identification of state grandeur with being an empire makes the adaptation to the loss of status of superpower a difficult task for the national consciousness of the former metropolis. The exploitation of the post-imperial syndrome is an effective way of obtaining political support. The concept of empire as a powerful state that dominates other nations is an easy-sell product, like Coca-Cola or Pampers. It does not take intellectual effort to advertise it.

Yegor Gaidar, *Collapse of an Empire: Lessons for Modern Russia*, 2007

[T]he collapse of the Soviet Union was a major geopolitical disaster of the century. As for the Russian nation, it became a genuine drama ... Many thought or seemed to think at the time that our young democracy was not a continuation of Russian statehood, but its ultimate collapse, the prolonged agony of the Soviet system. But they were mistaken.

That was precisely the period when the significant developments took place in Russia. Our society was generating not only the energy of self-preservation, but also the will for a new and free life. In those difficult years, the people of Russia had to both uphold their state sovereignty and make an unerring choice in selecting a new vector of development in the thousand years of their history. They had to accomplish the most difficult task: how to safeguard their own values, not to squander undeniable achievements, and confirm the viability of Russian democracy. We had to find our own path in order to build a democratic, free and just society and state.

Vladimir Putin, 2005, Annual Address to the Federal Assembly of the Russian Federation