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How the Moscow Protests Reveal a Schism in Russia's Middle Class

During the recent protests in Moscow, a clash has been taking place between the two middle classes: one born of the market economy, and one for which the only possible social elevator is the state itself.

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The summer of protest seen in Moscow this year once again raises the question of the middle class and how it thinks.

As of 2017, Russia's middle class accounted for 15% of the population, according to figures from the Institute for Social Analysis and Forecasting at the Russian Presidential Academy of National Economy and Public Administration: down from around 20% before then. The middle class tends to be in the twenty-four-to-thirty-nine age range: people who have lived a little, are making money, and are responsible for themselves, their work, and/or family.

Sociological research reliably shows that the demand for political freedom is a typical trait of young, educated, well-off urbanites, confirming the hypothesis put forward by the U.S. political sociologist Seymour Martin Lipset back in 1959, according to which people who have attained a certain level of prosperity begin to think about loftier things: political freedoms.

The exchange of freedom for petrodollar-fueled economic growth that took place at the start of the 2000s due to external market conditions and the end of the post-Soviet transition created a specific kind of middle class: one that grew out of oil and gas deposits, one that demanded both bread and circuses, one that brought delight to several different real estate markets across the world, and one that was more likely to demand haute cuisine and the services of a sommelier than liberty, equality, and fraternity. Who needs them, if everything is just fine? In other words, the Lipset hypothesis appeared to have failed.

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It's not surprising that the consumer instinct proved stronger than that of the citizen in the early-21st-century middle class. This is standard for the average person in the post-Soviet era, especially those who lived through the difficult transition period to a market economy.

The social structure of Russian society, somewhat rejuvenated by economic growth in the early 2000s, seemed to be disproving the theory that democracy and prosperity cannot live without each other. The upper social strata voted for the United Russia party more actively than those of "lower" social standing. The middle class of the early 2000s was conformist: it had something to lose, in addition to its shackles, and actually those shackles didn't seem to be such a significant impediment to improving their quality of life.

But as soon as economic and social indices began to slow down, and the structure of household incomes showed a slow but sure tilt toward dependence on the state, instead of on the market and ownership, we saw a firm return to the theory under which strong but short growth is possible in "extractive" states (ones in which a ruling elite extracts wealth from the rest), in particular those whose economy is dependent on resource rent. Long-term, reliable stability, on the other hand, is only possible in "inclusive" regimes that combine political democracy and normal economic competition, without political autocracy or economic oligarchy.

One of the most influential books of the early 2000s—Why Nations Fail by Daron Acemoglu and James Robinson, the authors of the theory of inclusive and extractive institutions—came out in 2012, just as the new Russian middle class was presenting its demands for functioning, non-imitation democratic institutions (including elections). It seemed that the spirit of Lipset could rest in peace.

Those who took to the streets in protest in the winter of 2011–2012 represented all age groups, genders, and income groups. But at the center of it all was the middle class, distinguished not so much by income, self-identification, or lifestyle as by the nature of its demand for properly functioning democratic institutions.

Still, education and property—the key attributes of the bourgeoisie—can sway people toward conformism, as well as toward demand for political freedom. Some people think it's better to

keep their head down and adapt to the circumstances, seeing them as the new normal (freedoms may be being curtailed, the consumer mood is bad, but it's still possible to get by, and it could be worse, so better to keep things as they are). Others, understanding that the system has limited effectiveness (authoritarianism that uses police methods to maintain stability engenders instability, and the economy has exhausted the effectiveness of the resource rent system), demand that the state distance itself from the economy.

This section of the middle class, born out of the market economy, is either prepared to take to the streets or is not. It looks either sympathetically or critically upon those who take part in protest rallies.

But there is another middle class, too, born out of something very different than the market economy: from the state's slant toward security and sovereignty, dirigisme and economic intervention.

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This is the giant army of state officials and public sector workers. Then there are the security services, investigators, prosecutors, judges: the backbone and first line of defense of the state. The class of people working not just directly for the state but also for state corporations and banks, and private structures whose existence in fact depends entirely on connections with the state and officialdom, accounts for a significant—and growing—proportion of the economically active population. The state feeds them well, and under the criteria for income and consumer behavior, officials, public sector workers, and the siloviki undoubtedly belong to the middle class.

The structure of the population's incomes is testimony to the unfettered expansion of the state. In 2000, the proportion of incomes from entrepreneurial activity was 15.2%. In 2018, that figure had shrunk to just 7.5%. Joint research by the Carnegie Moscow Center and Levada Center pollster in 2018 showed that 42% of people preferred paid employment above all else, compared with 17% who would like to be self-employed, and 30% who would like to start their own business. Most tellingly, a full 45% of respondents would like their children to become self-sufficient and independent business owners—but for now, paid employment is not just less stressful, it's the only possible option in an environment that is hostile to business activities.

Paid employment doesn't necessarily mean working for the state. But who else is there to work for? By even the most conservative estimates, the state's role in the Russian economy grew from 31.2% of GDP in 2000 to 43.8% in 2017. And that's not even taking into account the multitude of quasi-state and pseudo-private companies and organizations.

In other words, people who depend on the state comprise a growing proportion of the middle class. They can easily be made to attend pro-government rallies designed to counter opposition marches, or be tempted away from undesirable protest events by free music festivals, for example.

During protests, the Lipset middle class clashes with the other middle class, for which the only social elevator is the state: the siloviki, who have an official mandate for violence and law

enforcement.

These two warring middle classes within one social stratum are divided only by their different perceptions of what should be the source of income: the state or the private sector—and of course the small matter of differing visions of how the country should be run, and what its future should be.

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