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Property: What Is It Good For?

I
PRIVATIZATION IN CONTEMPORARY RUSSIA MOST OFTEN HAS BEEN understood as part of the post-Soviet transition, a step on the path to market coordination of the economy after 70 years of communism. But the massive property transfers of the 1990s in postcommunist Europe were not particular to postcommunism. They involved, above all, enclosure of the commons—the redefinition of public goods as private, followed by the introduction of fees to be paid to new owners for the use of those goods. This shift in the meaning of property was part of a global phenomenon at the end of the twentieth century, in which goods and services that for decades or centuries before been provided by the state were privatized. Privatization in Russia after the collapse of communism—of the apartments in which people lived, of their transportation, of the factories and farms in which they worked—was not a phenomenon distinct from the privatization of water, military and security services, and plant genomes that occurred in the West at the same time (Allina-Pisano, 2008: 2-3; and Verdery and Humphrey, 2004). Similar ideological currents, market pressures, and political incentives arguably underpinned both postcommunist privatization and expansion of the private sector in the capitalist world: for economic entrepreneurs, the point was the creation of excludability, and the means was the redefinition of communal property as “mine,” rather than “ours.”

Questions of distributive justice, as well as the challenge of wresting profit from new ownership regimes in the context of open markets,

led to resistance to privatization. If resistance manifested itself elsewhere in the world primarily through social mobilization against the neoliberal economic policies that came to be known in the vernacular as “globalization” (Sommier, Fillieule and Agrikoliansky, 2008; Tarrow, 2005), in post-Soviet countries that resistance was expressed primarily through the state bureaucracy at the regional and local level. Some of that resistance was principled or practical (Allina-Pisano, 2004), but public servants overseeing state property also had an incentive to retain control over that property in order to charge fees for its use (Verdery, 2002: 18)—or, in another formulation, to obstruct market entry in order to maintain monopoly rents (Hellman, 1998). In the 1990s, organized public resistance to privatization as such was virtually absent in Russia, though public anger at those who had obtained public assets through plunder or closed auction was palpable and expressed at the ballot box—most famously in the 1993 and 1995 Russian parliamentary elections, where the policies of President Boris Yeltsin were roundly rejected in favor of communist and nationalist candidates. Such electoral choices expressed, among other things, profound public anxiety about the nature of business entrepreneurs’ control over productive assets (see Woodruff, 2009: 150).

In recent years, the struggle for control over productive assets in Russia once again has come to involve the state, and political actors have used companies and business associations as vehicles for enacting state policies (Markus, 2007). The response from scholars and political commentators alike has been to express renewed concern about the rule of law in Russia and the threat of state encroachment on private property rights. Questions regarding contract guarantees and state claims to ownership have become central to contemporary debates about property rights in the Russian Federation.

Some observers have treated the Kremlin’s acquisition of controlling stakes in many major Russian companies as evidence of back to the future, Soviet-style political development. This position has been most explicitly articulated with respect to the differential price regimes that the corporate gas giant Gazprom offers to Russia’s neighbors and to European Union markets. The idea in both popular discourse and in

debates among social scientists is that the company is using the supply of a commodity as an instrument of geopolitics. However, as Woodruff (1999) argues, Gazprom may very well be pursuing a commercial rather than a political logic by selling a product at prices that reflect the seller's idea of what a given market can bear. The Russian state's renewed administrative capacity, in other words, has been accompanied by a profit-driven logic (Woodruff, 2007).

Woodruff's argument suggests that we might exercise caution in interpreting corporate behavior as expressing a statist bias. Further, we might reexamine the notion that the apparent reemergence of a Soviet-like juggernaut is a product of recent politics in Russia. The consolidation of state ownership is not solely the result of political machinations in the Putin and Medvedev years. As has been acknowledged elsewhere, the economic incentives that led to nationalization in the Putin era were born in the 1990s. Relatively unregulated privatization processes led to the formation of private monopolies and oligopolies. In following years, businesses encountered market pressures that drove the formation of vertically integrated companies. This consolidation of firms and resources significantly reduced transactions costs for the state actors who subsequently took over or purchased those rights on the market (Allina-Pisano, 2009). Current trends may represent not so much a reassertion of Soviet-era state coordination as Russian elites' mastery of market logic and rules—a phenomenon not entirely distinct from the creative financial machinations in the United States housing and energy markets during the same period.

The fact that the Russian state in the Putin and Putin-Medvedev era has been successful in reinstating control over a variety of private companies also suggests a certain measure of implicit public support. The state's ability to renationalize companies arguably proceeds in large part from public dissatisfaction with the way in which industrial privatization was conducted in the 1990s; the lack of public legitimacy for ownership acquired in the early days of postsocialism made state reacquisition of property a few years later more palatable, and even welcomed, by the population.

Partly in response to the apparent circle of privatization and recapture of assets by state actors in post-Soviet space, some observers of Russian property rights development (for example, Barnes, 2006) have underscored the teleological quality of many analyses of post-communist redistribution. They argue that rather than thinking about privatization as an end state in a transition from communism to capitalism, we ought to conceptualize the reconfiguration of property as a continual process.

It makes sense to characterize certain forms of property in Russia as continually alienable and transferable, and there are analytical advantages to doing so. First, such approaches free the researcher from the constraints of the conceptual frameworks that parsed the “transition” from Soviet power. Second, the fact of repeated iterations of sale suggests that despite the oft-made charge that property rights in Russia are not secure, some parties are indeed free and willing to enter into contracts. This raises a number of questions, including how and why this occurs, and by what mechanisms and with what incentives people are included or excluded from the process.

Nonetheless, the reframing of property redistribution as continual contestation requires an important caveat. It is true that in the Russian Federation, the battle for control over production factors is ongoing. However, competition for ownership of major assets involves an ever-smaller circle of players. For a variety of by now well-documented reasons, asset reassignment in post-Soviet privatization led to the consolidation of ownership control in the hands of the managers of productive assets. This occurred at the top of labor hierarchies: factory directors and collective farm chairmen who had been stewards of socialist property became owners of that property under capitalism. In recent years, that property has continued to circulate among those managers and political players at the regional and national level.

Furthermore, the vast majority of Russians lost their stake in this competition in the first decade of post-socialism—withstanding more recent efforts to create mass ownership through investment in *narodnye* (people’s) IPO shares in a handful of state companies (for

example, Vedomosti, 2007; Pan, 2008). While consolidated assets can and are changing hands, the game is over for large-scale division of production factors: outside of a small circle of capitalists, most people are not free to enter into contracts nor do they have an incentive to accept the high transactions costs involved.

This essay offers a critique of approaches to property rights in Russia that center on rule of law as the central problematic. Such approaches tend to conceptualize privatization in terms that emphasize Russian exceptionalism and often focus on competition for resources among a small group of actors who may have both state and business identities. Because their object of analysis is the circulation of property among elite actors, such approaches sometimes obscure important questions regarding property rights among the rest of the population. Furthermore, from a normative perspective, elite-centered approaches can be problematic because they turn our attention away from a central social purpose of property rights—to allow people to make a secure life for themselves—to the protection of private profit.

This article shifts the focus of the debate, arguing that the problem of value (Verdery, 2003, for example), rather than rule of law, ought to take center stage in analysis of Russian property rights. Taking the privatization of agricultural land as an example throughout, the essay first offers a critique of approaches that center on rule of law and investigates the role of informal institutions in providing contract guarantees. The essay goes on to argue that much more than an absence of secure property rights, the low value of some property and the high costs of using it in postsocialism led many Russians to lose their stake in the production factors that they had worked to build or steward during the Soviet period. Finally, it suggests that in rural contexts, changes in the use and value of property and property rights loosened people's ties to place, contributing to the destruction of certain types of social meaning attached to property. The deterritorialization of some parts of the population had important consequences beyond property rights development, helping create a social basis for a new politics of national identity under Putin.

II

From the vantage point of Western media sources, the central political drama of the struggle for property in Putin's Russia was the highly publicized 2003 arrest and subsequent trial of Mikhail Khodorkovsky. Khodorkovsky, the former principal stakeholder of the petroleum giant Yukos, had acquired the company in the 1995 "loans for shares" scheme, a fire-sale privatization of major Russian national economic assets. The companies privatized under this plan had served as short-term collateral for loans that were meant to bolster a faltering Yeltsin government, and participating buyers emerged from the sales as some of Russia's oligarchs. A decade after the sale of Yukos, Khodorkovsky was convicted on charges of fraud and tax evasion, spending the first years of his prison term in a labor colony outside a uranium-mining town near the Chinese border and later moved to a detention center in Moscow. The Kremlin's persecution of such a prominent businessman, the story went, represented the absence of judicial independence in Russia. The lesson that many Russian and foreign entrepreneurs read in this tale was clear: if the richest businessman in the country could be jailed, all other holders of property should beware.

The Khodorkovsky case has served both as an object lesson in Russian rule of law and as a centerpiece for foreign journalists covering Russian politics. In its Western incarnation, the morality tale is one of brazen executive power pitted against a decent businessman who had played by the same rules as everyone else in the wake of the collapse of empire. However, it should be noted that for much of the Russian population, the jailing of Khodorkovsky represented a form of justice for one of the chief beneficiaries of a privatization process that had left millions deprived of a stake in the assets they had helped create under socialism. The Khodorkovsky case, while eroding the legitimacy of the Putin government in the eyes of the international community, cemented it among at least some constituencies at home.

Abroad, critique of the evolution of private property rights in Russia has focused on two seeming gaps in postcommunist legal culture: first, a perceived absence of the rule of law in general, in which there

is a continual threat of state encroachment upon private property; and second, somewhat more narrowly, a lack of contract enforcement by the state. Some legal scholars argue that one reason for the putative absence of rule of law in Russia is that societal demand for it is either absent or weakly articulated, and that businessmen do not demand it because they do not believe it reduces transaction costs (Hendley, 1999). Others explain this in terms of long-standing contradictions between Russian cultural traditions and use of contracts (Procaccia, 2007).

While observers disagree on the reasons why rule of law appears to be weak in contemporary Russia, most analyses share the presumption that its absence is problematic for economic relations. The overwhelming focus in the literature on the rule of law reifies the concept as normatively positive: in most accounts, the absence of the rule of law is synonymous with corruption, discretion, and dictatorial caprice. However, it might be noted that in others (Sajo, 2002: 2), rule of law reproduces status quo power relations and itself contributes to corruption.

An emphasis on rule of law does help explain important features of the current structure of the Russian economy. Insecure property rights arguably have contributed to the choice of some Russian economic actors to pursue short-term gains based on the commodification and export of natural resources such as oil, gas, timber, minerals, and young women—rather than focusing more on the development of new technologies and sustainable growth. As will be argued below, however, the reasons for these choices were primarily linked to questions of relative prices, rather than legal contract guarantees as such.

Preoccupation with the rule of law in Russia is not the sole province of foreign journalists, lawyers, and academics. Russian Presidents Vladimir Putin and Dmitri Medvedev have both expressed interest in developing the rule of law in Russia. However, the way in which rule of law is conceptualized in Kremlin discourse pertains primarily to the responsibilities of the citizen with respect to the state, rather than the obligations of the state with respect to the citizenry. In a campaign speech to the Russian Lawyers Association, Medvedev argued that, “The

most important thing in a country under the rule of law is the level of legal culture among the public, their willingness to obey the law and see that this is in their direct interest. Legal nihilism is a related problem in this respect” (Medvedev, 2008). Since taking office, Medvedev has repeatedly made similar statements. In this respect, public proclamations by the Kremlin regarding the rule of law and secure property rights suggest a different understanding of these terms than those deployed in Western critiques. In this view, rule of law suggests not equal and regular treatment of citizens according to a known set of laws, but rather the primacy of the state—the very entity against which Western critics wish to protect private property holders.

III

Notwithstanding the force of rule of law explanations for some political outcomes in Russia, an exclusive or even primary analytical focus on rule of law and contract enforcement obscures important elements of how property functions in Russian society. In particular, it hides from view two types of mechanisms that provide contract guarantees outside of the formal system of laws and rules. The first is the constellation of informal practices (Ledeneva, 2006) that work in concert with formal institutions to drive political outcomes. The second is the secondary use of formal institutions, in which people use formal rules for purposes other than those for which the rules in question were designed.

Arguably, rather than demonstrating a lack of regularity and accountability in Russian jurisprudence, the Khodorkovsky case illustrates the centrality of informal practices and institutions in Russian privatization and oversight of property rights. Russia has explicit, reliably enforced rules governing the use of property, but those rules are not always written. Instead, they exist in the interstices of bureaucratic behavior, in the discretion afforded by decentralization and stark inconsistencies between laws and the regulations governing application of those laws (Solomon, 2008: 119; in the context of the United States, see Savage, 2006). It may be that Khodorkovsky was punished in law for overstepping an informal rule (Ledeneva, 2006: 194): he participated in and

funded opposition political activities after Putin warned the oligarchs not to do so. Such an interpretation is in keeping with a more generalized idea that has since evolved—that, as one journalist put it, “there is a tacit contract between the authorities and Russian citizens: in return for steadily rising living standards, the people agree to stay out of politics” (Kolesnichenko, 2009). Whether or not one accepts the legitimacy or fairness of such a rule, the argument is that Khodorkovsky was not punished arbitrarily, but rather deliberately, according to an informal rule: in this view, any other person of similar stature who behaved in the same way would likewise have been prosecuted.

As Ledeneva argues in this issue, informal practices drive much of politics in contemporary Russia: “Informality is the pattern of governance, even if hidden behind the formal discourse” (Ledeneva, 2009: 270). Where property rights are concerned, courts are not the primary institution through which contracts are secured; as Hendley (1999) notes, while the law itself may be adequate as parchment institution, practical implementation of the law may be far from perfect. Compliance levels with arbitration court rulings, an issue of significance for property rights within corporations, are low compared to other countries (Hendley, 2004a). Instead, informal practices operate within or through formal institutions of governance to secure property rights.

During the initial decade following the collapse of the Soviet Union and the dismantling of communist institutions, the state was one of only one of several de facto arbiters of order: entities other than the state contributed to the de facto guarantee of contracts. In the 1990s, such organizations, collectively known in vernacular shorthand as the “mafia,” included a wide variety of formal, informal, criminal and grey market economic associations that ordered much of Russian life (Humphrey, 2002 and Verdery, 1996). Today, in the absence of formal political competition, business associations now help secure property rights for business owners (Pyle, 2008).

The use of informal practices to guarantee rights and contracts is not particular to Russia. The amalgam of social practices and formal rules that came to be known as “customary law” in African countries

(Colson, 1971) as well as the American South (Penningroth, 2003) resembles Russia's *sistema*. And across the African continent, local practices likewise gave rise to international lending organizations' preoccupation with "rule of law" and titling of private property (Chanock, 1971; Berry, 2002). In Asia, recent research on Chinese bureaucratic practices has shown how informal institutions provide responsive government to citizens even where formal accountability is lacking (Tsai, 2007).

In the case of Russian property rights, informal politics often mean the primacy of verbal over written commands, as in Ledeneva's description of *telefonnoe pravo* in the arbitration courts, "patterns of rule breaking" (Ledeneva, 2006: 15), and an array of practices that secure property rights for those individuals who master the use of those practices. Individuals with *blat*, or "connections" (Ledeneva, 1998) are better able both to obtain information that leads to property acquisition and protect that property once acquired. Further, the monetization of many areas of Russian life in the post-Soviet period has meant that the execution of certain types of bureaucratic procedures may be purchased: such payments, which may range from outright bribery to formalized fees for processing paperwork, likewise secure rights to property.

It should be recognized that while informal practices structure social and economic relations in a way that is predictable for members of the society in question, they do not generate an egalitarian social order. They do not replace the rule of law in the sense that they do not guarantee equal treatment before the law. However, access to protection through informal institutions can be acquired in much the same way that access to legal protection through the courts is acquired: through information-gathering, establishment and maintenance of social connections, and accumulation of material resources that are used to offset the costs of defending one's rights.

Informal practices can ensure a degree of stability in economy-state relations and guarantee transactions for those adept at using systems of informal practices. In this regard, they play an important role in providing a secure environment for both property and economic development. The market is arguably no better a mechanism for ensur-

ing people are treated equally or fairly; in the case of post-Soviet Russia, many advocates of strengthening the rule of law are in any event concerned principally with protecting corporations against state intrusion, rather than protecting people against one another or the state.

The importance of informal politics in driving distributional outcomes can be seen in the implementation of land privatization policies in Russia. During the first post-Soviet decade, rural bosses were able to secure land ownership for themselves through a reform process that had been meant to partition the countryside and make every collective farm member an owner of a parcel of farmland. As in industrial privatization, well-placed managers appropriated production factors during the process of enclosure of the commons. Chairmen of former collective farms deployed a set of informal practices that allowed them to safeguard use rights to property that, on paper, belonged to others. They reversed the order of reorganization procedures to gain long-term lease rights, created shell companies to hold debt, bargained with state officials to deliver votes in return for support to their companies, and engaged in a multitude of other activities that protected their holdings from state and private actors interested in acquiring them (Allina-Pisano, 2008).

Setting aside for a moment the inequity of initial distributional outcomes with respect to land, what is important from the standpoint of contract guarantees is that those individuals who did obtain *de facto* ownership rights were able to protect those rights from state intrusion, and that those who followed the letter of the law in agricultural land privatization were likewise by and large able to protect themselves from intrusion by other business interests. At the end of the privatization process, those who had managed to secure ownership rights to land were left standing, relinquishing their property only when they chose to sell it. Even later, when agricultural conglomerates and other corporate entities acquired large tracts of land and its value increased, state entities largely left established agricultural landowners in peace.

In addition to the informal practices that structure the use of property in Russia, contract guarantees are provided through formal

institutions whose primary purpose may be unrelated or indirectly linked to property rights. In every society, political institutions serve secondary and tertiary purposes: people make use of institutions as they see fit, sometimes to address needs that the institutions in question were not explicitly designed to meet. To take an example familiar to most, the primary purpose of post offices is the processing of mail. However, post offices, like small shops and other places where monetary transactions occur in the context of human conversation, also play an important role in the ongoing reproduction of social relations and a sense of community. In other words, some people may use visits to the local post office not only to purchase stamps, but also to ask a neighbor or employee about his or her health or to talk politics. As Hendley has illustrated (2004a: 77-9; 2004b), courts in Russia likewise fulfill a secondary purpose: while the purpose of arbitration courts is to resolve commercial disputes, companies in contemporary Russia routinely use arbitration courts to document enterprise debt—even as they renege on contracts or shirk court-imposed sanctions. The prevalence of arbitration court cases, Hendley argues, thus can be interpreted primarily as a product of economic crisis.

In the realm of rural property rights, the secondary use of institutions similarly helped maintain a certain social order and protect the ownership rights of members and managers of agricultural collectives. During the privatization of agricultural land, rural bureaucrats used land tenure offices that were primarily charged with oversight of land use to keep land in the hands of collectives and out of the hands of new would-be agricultural entrepreneurs. New farmers were charged with zoning infractions and nonuse of land, even as those same farmers often were awaiting final approval of allotment. Protectors of ownership rights for reorganized collective farms included land surveyors, fire and tax inspectors, and others who had *de facto* veto power over the creation or ongoing operation of new agricultural companies (Allina-Pisano, 2008: 130).

This argument does not advance a claim regarding the justice (or lack thereof) of a particular distributional outcome. In Russian

land privatization, the secondary use of institutions protected one set of owners (members of reorganized collective farms and other collectivities) against another, equally legally legitimate group of would-be owners. But such use of institutions did help guarantee the reproduction of property rights for certain communities. And given a political context in which the secondary use of institutions is extensive, it makes sense to exercise care in deducing general propositions such as “there is no rule of law in Russia” from observation solely of the formal operation of those institutions intended to guarantee contracts.

A principal analytical focus on the rule of law in Russia, therefore, while useful from certain perspectives, ultimately fails to illuminate the ways property rights actually function. Property rights can be secured, but this often occurs through informal mechanisms or the secondary use of institutions rather than through institutions intended to safeguard the rule of law. These mechanisms for guaranteeing contracts are not available to everyone, but rather depend upon social networks, knowledge of the informal rules, and skill in deploying those rules. Like markets, the *sistema* privileges certain individuals over others. Because of the existence of contract guarantees through informal practices and the secondary use of institutions, an exclusive focus on questions surrounding the rule of law may distract from other important issues.

Arguably, neither the absence of the rule of law nor its informal substitutions is the reason why most people in Russia lost ownership of or access to production factors during the post-Soviet era. As the next section illustrates, the problem with property rights for the vast majority of Russians has not been the rule of law as such, but rather the economic context in which their property rights operate.

IV

If the central political drama of property rights development in post-Soviet Russia was Khodorkovsky’s prosecution and imprisonment, leading to a renewed focus on the rule of law, the central social and economic drama was millions of people’s loss of a stake in the property

they had built under socialism. In the Putin-Medvedev era, the battles over privatization and distribution of common-pool resources are long over for most Russians. The Russian middle class is concentrated in the capital and large cities and is largely constituted by people connected to the state bureaucracy, who are able to live off of the rents they extract from their position. The rest of the population, amid rising food prices (Allina-Pisano, 2008b) and recent layoffs, struggles to get by.

As the following paragraphs show, large-scale dispossession occurred in large part because of shifts in the value of property rights during privatization (Verdery, 2003), rather than the security of those rights as such. The relationship between value and ownership (Woodruff, 2006) played a key role not only in the widespread dispossession of the 1990s, but also in the ongoing development of household and local economies.

It bears mentioning that the dispossession of Russian citizens under the privatization policies of the 1990s was not always obvious or present in the formal record. Ownership of production factors often existed on paper, but property rights did not guarantee that the object of ownership would generate revenue. The existence of paper rights can obscure processes of de facto dispossession (Allina-Pisano, 2007, 2008), as people abandon use of property to others who can better afford to extract value from it. This disconnect between theory and practice, policy articulation and implementation, legal title and use has been noted by researchers who cautioned that “in the all too understandable focus on the legal revolution in property rights under way in Eastern Europe, the actual practices of new forms would be obscured” (Lampland, 2002: 34).

Further, the private ownership of production factors introduced in the postsocialist period generated not only new rights, but also new obligations. Despite the fact that many forms of property could not be used to generate profit, ownership nonetheless came with new responsibilities: to families, local communities, and to the state. The costs of maintaining property could be significant; under some conditions, those costs exceed the value that ownership brings. Furthermore, obli-

gations to the state for taxes and fees are connected to the presence of paper rights, not to the use of the resource as such or to the value that can be extracted from its use. In the case of Russian agricultural land ownership, the rents that people receive for the use of their land can be less than the tax obligations they incur through ownership (Allina-Pisano, 2007b: 84).

The reality of everyday life today in the Russian Federation is that while most people lost access to production factors in privatization, the personal property they retain is largely secure: housing, private transportation, bank accounts, garden plots, and stock shares are not, in most cases, threatened by state encroachment. Instead, the problem for most people lies in the sometimes wildly unstable value of those goods: as in many other parts of the world, average citizens are caught in a near constant calculus of the cost of maintaining property versus the productive potential of that property.

The problem of value can be observed across property rights development in post-Soviet Russia: in the countryside as well as in industrial privatization, in the early days of post-socialism and in the Putin-Medvedev era.

In Russian land privatization, ambient economic conditions arguably did more to discourage ordinary people from obtaining and keeping new property rights than any insecurity surrounding use of those rights. Limitations on people's ability to draw value from their property often derived from a variety of problems unrelated to the value-producing potential of the commodity in question. In other words, for example, the failure of agrarian reforms to spur economic development in the countryside had little to do with the quality of the soil. Instead, prices on agricultural inputs determined the success of a farm in any given year.

Managers of former collective and state farms wielded enormous power at the enterprise level that permitted them, in the early days of land privatization, both to maintain *de facto* use rights and consolidate formal ownership from individual shares (Allina-Pisano, 2008). The reasons for this had primarily to do with the relative value of goods

involved in the production cycle and the predictability of those values in the context of household budgets. High petroleum prices made small-scale commercial agricultural production prohibitively expensive for most. Meanwhile, instability in the prices of agricultural inputs made it difficult for households and companies to predict with any precision which decisions to make use of land and livestock made any rational sense: a fattened pig might bring less on the market than it cost to feed, and a field of wheat might be worth less than it cost more to cultivate and harvest. However, fluctuation in the relative prices of feed, piglets, wheat, diesel fuel, and other commodities meant final calculations were possible only at the end of the production process.

This type of instability in the value of surplus production created disincentives for property use by smallholders, whose margin of risk and profit relatively high compared to those who could muster greater resources. For years, the price environment favored an economy of scale (Allina-Pisano, 2008b), contributing to a consolidation of rural ownership rights in the hands of those with capital and those who were able to spread risk (Stark, 1996: 195). When value is unstable, people may be likely to give up ownership-type access to a commodity that may be value producing sometimes and value subtracting at others. In contemporary Russia, this situation led powerful agricultural managers to consolidate land ownership rights and vertically integrate production (Allina-Pisano, 2009; Voronina, 2008). It also led to poor stewardship of the land and frequent turnover in leasing and ownership, as outside investors engaged in short-term cultivation of cash crops, including soil-destroying cultures like sunflower (Allina-Pisano, 2008 and Kliamkin and Timofeev, 2000: 322-323).

When Russian rural smallholders lost control over their land to managers of former collective farms or to builders of *kottedzhy*, the Russian equivalents of pricey exurban developments, it was not a threat of state seizure that led rural smallholders to sell or otherwise relinquish control over their land. The fact was that they could not make enough of a profit off of their land to continue to farm it. As in the case of the postsocialist Polish peasants who withdrew from markets

because of price scissors (a situation in which the cost of inputs exceeds the selling price of outputs) at about the same time (Zbierski-Salameh, 1999), the economic environment in which privatization occurred led many Russian agriculturalists to stop using land. This is a story as familiar to New York state dairy farmers in the twenty-first century as to Russian former collective farm members; it has everything to do with prices, and little to do with the security of property rights as such.

Some of the ways in which economic conditions shaped the value of property rights to land also operated in other parts of the economy. In the early 1990s, during the first iterations of voucher and housing privatization, the question of value was central (Chaigneau, 2008: 381-2), as most people faced incentives that discouraged them from making formal claim to or keeping their property. The most recognizable images of the time—senior citizens offering to sell vouchers for a bottle of vodka—represent only the tip of the dispossession iceberg. Post-Soviet privatization was rife with examples of people offered formal shares in a company, only for that company to go bankrupt, rendering shares, and ownership, worthless.

More recent mass privatization projects in Russia, such as the July 2006 initiation of people's IPOs, likewise have failed as redistribution projects not because of problems associated with acquisition of shares, but because stakes in the companies in question did not yield value. Conceived in the public imagination as the recuperation of purloined assets and legitimized as broad-based privatization, the companies involved in this program—Rosneft (which had swallowed Khorokovsky's company Yukos), VTB, and Sberbank—were anchors of the petroleum and banking sectors.

With the international financial crisis of 2008 and accompanying precipitous drops in oil prices, shares in those companies dropped by between 50 and 80 percent. Many ordinary investors had chosen to buy shares precisely because the companies in question were state-controlled. However, the promise of state backing that had drawn public investment to this project was not forthcoming, and fluctuations in value led both oligarchs (Askerzade and Cherkasova, 2007) and

ordinary investors (Gladunov, 2008) to dump their shares, leading journalists to describe the flight in terms reminiscent of voucher privatization: “Many ‘people’s (*narodnye*) investors’ who had purchased shares in Sberbank, Rosneft, and VTB are trying to get rid of them, selling them for next to nothing (*za bestsenok*). But experts caution citizens against panic” (Gladunov, 2008).

In contrast to the difficulties that many individuals presently encounter in extracting value from their property, under Soviet rule many people were able to benefit from use rights to those same objects. This was true under both sanctioned regimes of shared property—as it was for members of collective farms who harvested hay and pastured household cows in common fields, and in illegal but broadly practiced behavior—as it was for the factory workers who engaged in “pan-toting” (Hunter, 1997) of bricks and other manufactured goods and the collective farmers who filched sugar beet to feed their household livestock. Those who made their lives in a regime of socialist property did so in large part according to the saw that, “*Vse vokrug kolkhoznoe, vse vokrug moe*”—“Everything around me belongs to the kolkhoz, so everything around me is mine.” Despite the absence of legal ownership during the Soviet period, people possessed a “de facto sense of ownership for the spaces they inhabit” (Vysokovskii, 1993: 275) because they used those spaces. This sense of possession, some argue, contributed to reticence toward or resistance to the reconfiguration of ownership rights and privatization in the late 1980s and early 1990s (Vysokovskii, 1993: 277).

V

Secure use of productive assets during the Soviet period meant not only access to means of making a livelihood, but also the generation of symbolic meaning. As social historians and anthropologists have observed in a variety of socialist contexts, from Stalinism (Kotkin, 1985) through late socialism (Verdery, 1999), people produced an attachment to place through their participation in the creation of economic and social value in their gardens, fields, factories, schools, and hospi-

tals. With the introduction of individual private property rights, this relationship became attenuated: meaning was constituted no longer by investment of labor, but rather by social power, backed by money and private ownership. Those able to exercise managerial control over people and resources became “owners,” and ownership, as Humphrey notes, became “divorced not only from the legal situation (which may be deeply unclear) but also from the idea of peasant possession, which rests on the moral right given by labor” (2002: 144-5). Privatization broke the emotive link between the individual and the collective enterprise, divesting new objects of ownership of their social meaning.

The destruction of social meaning through privatization has had serious consequences on the political stage in the Russian Federation. Arguably, one of the principal social outcomes of post-Soviet property rights development was the loosening of people’s ties to place: both urban and rural populations, though especially rural ones, saw in post-socialism the gradual destruction of a way of life that had once revolved around the workplace. As factories and farms fell into bankruptcy or decline, the fabric of everyday existence and social relations unraveled. Workplaces had once acted as anchor social institutions, providing people with not only jobs but also access to housing, transportation, education for children, health care, and a sense of purpose. People lost more than revenue when those institutions ceased to exist, or when the resources of those institutions were stretched so thin that their social functions no longer could be performed.

The period also saw a shift in cultural meanings of attachment to land. If postcommunist property rights reform had emphasized the idea that land belonged to particular people, the widespread use of garden plots during the late Soviet period had cultivated the converse meaning: that people belonged to a particular place (Mincyte, 2008). Privatization of land meant literal exclusion from agricultural economies for some people, and a reconfiguration of the relationship between people and land for most everyone. A character in the 1998 Russian film *Okraina* expresses the ambivalence of rural attachments to land during the post-Soviet period: “*Kak eto, zemlia nasha—bez nas zhe prodalas’?*” (How is it

that our land was sold without us?”). The phrase captures both the idea that land was sold without consulting those who farmed it, and that it was sold without the human bodies that were attached to it. The legal bonds that had tethered serf to soil in pre-Alexandrine Imperial Russia persisted in another form in the Soviet period; as a song by the Russian band *Neschastnyi sluchae* (“Accident”) in the 1990s put it, “*Mamasha byla krepostnoiu v kolkhoze*” (“Mommy dearest was a serf on a collective farm”) (Kortnev, 1994). The Soviet system of agriculture had forced attachment to collective land for a generation, but the violence of collectivization in the 1930s did not preclude subsequent generations from cultivating affective ties with the land and farm where they lived and worked. Privatization severed many of those ties.

The loosening of ties to place in post-Soviet privatization was more than metaphorical. The transformation of ownership in the Russian countryside had far reaching effects both for rural communities and for the structure of urban labor markets. If population movement during the Soviet period had been achieved in part through economic incentives and in part through naked coercion, in postsocialist Russia people moved around primarily to follow economic opportunity and to escape deteriorating physical and social infrastructure. Empire’s end brought with it open conflicts and changes in citizenship regimes in a variety of post-Soviet successor states, leading to a focus in the literature on forced migration and refugees (Flynn, 2004; Shevel, 2009; Buckley et al., 2008).

However, changes in property rights regimes contributed to population movement as well. The post-Soviet period was first characterized by a return to the land, as both rural and urban populations turned to garden plots to supplement household budgets squeezed tight by inflation. The Putin era then saw a monetization of village income and increasing labor migration among rural populations (O’Brien, 2008). The decline of large enterprises and the loss of property helped make a society on the move, as villages emptied and many young people moved from cities into a life of seasonal and other temporary labor abroad. Low rural salaries and physically punishing work, combined

with receding prospects for making a living off the land, drove people to urban areas.

Urban residents, meanwhile, owned few shares in the companies where they worked, and even those who came to own their housing often sought work elsewhere. As economic conditions drove people to leave places where they had built social ties and acquired a deep knowledge of place, social relations were transformed, and many people chose lives as temporary migrants, long-distance commuters, economic émigrés, and other variations on postmodern dislocation. New property regimes had contributed to the deterritorialization of large parts of the Russian population, perhaps remaking Russian society no less than the industrial revolution had a century before.

The severing of economic, social, and affective ties between people and place had implications not only for labor markets, but also for Russian national identity. The reconfiguration of people and place left open the door for a return, the Putin era, to earlier conceptualizations of what it meant to be Russian. The Soviet state had fostered a supranational identity that transcended locality. Popular songs and films from the 1930s (for example, Aleksandrov's *Tsirk*, 1936) to the 1970s spoke of a population on the move, with wide territorial expanses, indefinite borders, and individuals belonging to a state rather than to a particular place. As the lyrics to a song universally known in late Soviet space put it, "*Moi adres ne dom i ne ulitsa, moi adres—sovietskii soiuz*" ("My address is neither a house nor a street, my address is the Soviet Union") (Kharitonov, 1973). During the years of Soviet rule, people periodically were uprooted and then assimilated into a homogenizing, supranational culture (Brown, 2004).

The Yeltsin years were accompanied by a virtual vacuum in state-led processes of national identity construction. Under Putin, however, both state and business actors participated in the reconstruction of identity discourses that at once deterritorialized what it meant to be Russian, reconceptualizing "homeland" in terms that extended beyond the current borders of the Russian Federation, and suggested nostalgia for Soviet power. The contemporary Russian political elite was able

to insert its ideas about imperial identity into a social context already shaped by population movement and characterized by the consolidation of property in the hands of a few. Property rights reform in the post-Soviet period had inadvertently prompted some of the same social transformations as Soviet power: uprooting, followed by assimilation into a homogenizing culture—this time, a culture of the market.

The Russian public has expressed appreciation for the recent revival of Soviet-era political and cultural tropes through its consumption of patriotic television shows, films, and books. This fact may signify more than simple dissatisfaction with the reforms of the 1990s and nostalgia for another time: a society unmoored from deep local ties may be more receptive to a strengthened sense of belonging to a state. After a decade of decentralization and regional development, dislocated and dispossessed populations may have been all the more ready to receive official and commercial narratives expressing the rebirth of patriotic national identification and promoting the militarization of society. If history is to be any guide, it is precisely the excluded and dispossessed parts of the population that may be most easily mobilized for nationalist ends, sometimes even murderous ones (Rebel, 2001).

VI

This essay has argued that a central preoccupation of the debates surrounding Russian property rights, the rule of law and the threat of state seizure of assets, may constitute a distraction from issues of concern to far greater numbers of people. The threat of state takeover as such is an issue for entrepreneurs in certain fields, and for them it may be a very real threat indeed. However, it is at best a secondary concern for the majority of citizens, for whom a felt need for protection against possible unjust seizure by the state (as opposed to, for example, their neighbors) may arguably be viewed as more a product of anxieties stemming from the communist past than a reflection of contemporary realities. In any case, there is little evidence that state-owned companies in contemporary Russia are any less responsive to public concerns than wholly privately owned corporations have been.

The problem with property rights for many Russian citizens is thus not, for the most part, their insecurity, but rather their value for ordinary people. The economic environment in which people use property, including price regimes, availability of credit, and other considerations, has constituted a significant limiting factor for those who were meant to be new owners in postcommunist Russia. And as the effects of the current financial crisis are felt by more of the general population, the problem of value is likely to be a central ongoing concern for most people in Russia.

Finally, the social dimensions of the problem of value, dispossession, and population displacement are of interest not only for those interested in cultural transformation. The destruction of local social meanings and accompanying cultural dislocation may have profound effects for Russian national identity and mobilization much more broadly. The reconfiguration of property in the post-Soviet period has arguably made the Russian population more receptive to today's iteration of the Russian national idea—belonging conceptualized in terms of individuals' relationship to a state, with flexible definitions of territorial boundaries. Such a transformation of national identity ultimately could prove a valuable mobilizing tool for the Kremlin. Property, in such a case, could be useful to the Russian state for more than economic development.

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