

## 7 The emergence of evolutionary-institutional thought in Russia<sup>1</sup>

*Svetlana Kirdina*

The evolutionary-institutional school of thought did not emerge in Russia, but in the United States and Western Europe and during the 1920s and 1930s. With this inquiry we shall investigate how selected Russian and Soviet scholars perceived and also dealt with the emergence of this challenging field of study, and also how some key ideas were thwarted while others were selected for absorption into their social and economic sciences over the last century.

Our inquiry consists of four sections followed by a conclusion. The first section introduces and seeks to define the notion of “inversion cycles” that are thought to characterize and also limit Russian social development. Our second section deals with some of the critics of the evolutionary-institutional tradition in economic thought advanced by Soviet thinkers in the 1930s through the 1980s. The third section presents institutional thinking derived from selected contributions of Soviet political economists and sociologists. The fourth section considers the spread of this tradition in social science thinking in Russia, starting with the early post-Soviet era and running to the present. Finally, the main conclusions are presented in summarized form.

### **Inversion cycles and discontinuities in Russian social development**

At the beginning of the 1990s, Alexandr Akhiezer introduced the idea that Russia’s society can be understood as “split.” In the view advanced by Akhiezer (1991, p. 195), what are termed “inversion cycles” contribute to discontinuous patterns for Russia, and can be visualized as rocking vibrations moving between two contrasting poles. These cycles are noted to emerge related to an outright rejection of a full set of societal values and practices that should be, but are not, preserved and relied upon as previously accumulated knowledge.

Adding to this line of thinking, Susanna Matveeva (1997, p. 20) stresses that inversion cycles tend to prove disruptive and thereby contribute to disorganization, reducing prospects for societal progress. Disruptions can occur when previously held values contribute towards conflicting values and a related societal disorganization in a subsequent historical era. Akhiezer relates such inversion cycles to the weakness of what is defined as a “median utilitarian culture” in Russia, investigated

in works authored by Nikolai Berdyaev (1915), and that refer to the creation of new elements of culture that cannot be reduced to the previous polar extremes.

One way that inversion cycles manifest themselves and work themselves out is that, over a span of Russian history, each new historical turn in social development denies the hard-earned cultural practices and traditions that could be garnered from the previous era. In this sense, inversion cycles can indeed violate the unity and continuity of Russian society, rendering social development if not impossible, then extremely costly, as mistakes that are made tend to be irreversible. The long Soviet era, or even the shorter era known by the term *Perestroika* that arose and fell in the second half of the 1980s, offers vivid examples of inversion cycles, demonstrating that as a previous era is cast out, members of Russian society are faced with starting a new historical era that is plagued by opposing and even conflicting values, rendering those seeking to offer leadership in the current era largely unable to synthesize values drawn from the previous era.

For this inquiry, we think that Akhiezer's notion of inversion cycles offers a fruitful framework for our efforts to understand the how evolutionary-institutional thought has been perceived and dealt with in Russia. While Akhiezer's notion and application of inversion cycles serve to frame our inquiry, his thinking is also supported by our findings, that we introduce below.

### **Soviet political economy and institutional thought**

When formed into a well-developed and comprehensive approach, as well as a deserving field in Economic Science, Institutional Economics spread internationally during the Decade of the 1920s.<sup>2</sup> For some decades prior, and in the United States, Thorstein Veblen (1857–1929) generated a selection of seminal articles and books that established and advanced this field of inquiry. In the United Kingdom and France, notable authors such as John Hobson (1858–1940) and François Simiand (1873–1935) offered somewhat similar contributions. In Russia during the 1920s and 1930s there emerged what translates as a “socio-institutionalist” approach. In considering this approach, author L. M. Ippolotov (2008, p. 46) noted the importance of Peter Struve, as well as some other economists, who departed from Russia after the Bolshevik Revolution of 1917 and contributed towards advancing Russian institutional thought from abroad. With the rise and later domination of bolshevism as a political ideology, that was also put to practice in the newly established Soviet Union, evolutionary-institutional thinking entered into what we define as a *thwarted phase*, as this field of inquiry generated overseas met pointed and harsh criticisms from those in the nascent Soviet Union seeking ideological and scientific purity along the Marxist–Leninist line that played such a central role in the development of economic thinking in that formative and also turbulent era of early, Soviet economic history.

One could view the first part of the 20th century as composed of decades during which those advancing ideas in Economic Science were engaged in competing not only for influence, but also dominance. Before the 1917 revolution, Karl Marx's writings were better known in Russia than anywhere else in the world, except for in

Germany and Great Britain. The first translation of Marx's famous tome, *Das Kapital, Band I* (1867) was undertaken from the original German to the Russian language and published in Russia in 1872. The first Russian edition with a print run of 3,000 copies outran the 1,000 copies that were printed as the first edition in neighboring Germany. Ten years later the *Communist Manifesto*, that Marx and Friedrich Engels had coauthored in 1848, was translated by Georgi Plekhanov and published in Russia.

Up to the start of the 20th century, Marx's thinking increased in popularity among Russian intellectuals and in this manner came to exert effects on public opinion and later on the course of Russian history. After the successes of the Bolshevik Revolution of 1917, Marx's ideas were drawn upon to form the basis of the official ideology for the nascent Soviet Union. What contributed to widespread acceptance of his thinking within the Soviet context is that Marx not only advanced a critique of capitalism, but he also offered a vision, according to Kirdina (2006), of an improved society that resolved some of the key contradictions of capitalism and in a manner that also proved congruent with a centralized society forged in Russia long before the start of the 20th century.

The ascendancy of the Bolsheviks to dominance with the October Revolution of 1917, and the post civil war founding of the Soviet Union in 1921, led to a full endorsement of Marx's orientation, while simultaneously limiting the prospects for other economic approaches, including evolutionary-institutional thinking.

For the duration of the 70-year-long Soviet era, the institutional tradition in economics advanced by Veblen and some others was regarded coolly, for this school of thought was held suspect and deemed a competitor to the dominant, Marxian interpretation based upon dialectics. In his book, *Foundations of Leninism* (published in Russian in 1924), Josef Stalin offered and delineated "Marxism-Leninism" as the Soviet Union's official ideology and approach to economic governance. Stalin (1939, p. 3) emphasized its importance as "the theory and practice of the dictatorship of the proletariat" that would also be "serving the interests of the working class." And this particular requirement became the main criterion for evaluation of other social and economic concepts. Therefore, if an economic theory was judged to serve "the interests of the bourgeoisie," perceived as a reactionary class during those times, such an economic doctrine or concept was marked as "vulgar" and for limiting inquiry to surface phenomena without penetrating into the deeper structures of social relations of production that clearly included class relations.

In addition, an officially termed "political economy of socialism" was spelled out by the Soviet leadership, and for investigating and explaining developments taking place in the recently formed Soviet economic and social order. And curiously, within this environment of officially sanctioned Marxism-Leninism, critiques emerged and took form as competing schools. However, these competing schools were relegated to a periphery and were designated as forms of "bourgeois (vulgar) political economy," and in this manner, were safely categorized and then presented as contributions to the "history of economic thought." These are the conditions under which evolutionary-institutional (including Veblen's) thinking got started in the Soviet Union during the early years of the Grand Experiment.

One of the first references to American institutionalism, in general, and to Veblen's contribution, in particular, can be found in *The Subjective School in Political Economy* (1928), authored by Israel Blyumin. As a Soviet economist and historian of economic thought, Blyumin's writings suggest that institutionalism offers a theoretical alternative to marginalism, in the tradition established by Alfred Marshall and that came to dominate in Great Britain and across the vast colonial and post-colonial empire. Towards the end of his book, entitled *Sketches of Modern Bourgeois Theoretical Economics (On the Characterization of the Social School)*, Blyumin (1930) registered as the first to present Veblen's seminal ideas in explicit detail to the economists of the Soviet Union. However, we find it important to stress that with his book Blyumin also sought to characterize trends and tendencies in bourgeois economic theory. And in doing so, Blyumin (1961, p. 172) explicitly denounced Veblen as a "bourgeois economist" and for his "justification of private property and . . . apology for capitalism." In Blyumin's view, (1961, p. 173), American institutionalism can be defined as being close to a school of "social orientation," and this school of thought is noted as reactionary "as other areas of vulgar bourgeois political economy."

In the second volume of his three-volume set, *Criticism of Bourgeois Political Economy*, Blyumin (1962) further criticized selected contributions of Veblen, and also John R. Commons. In the view of Blyumin, these American institutionalists failed in using appropriate Marxian analytical categories and in emphasizing the importance of historical materialism, class struggle, and revolution – as their writings relied upon "non-scientific" (evolutionist and idealistic) categories. In addition, Blyumin labeled institutionalists as apologists operating under the flag of reformism with ideas defending monopoly capitalism. In addition, Blyumin (1962, p. 342) directly criticized these American institutionalists for accepting and asserting that there is indeed a "possibility of resolving peacefully the antagonistic contradictions of capitalism" and for attempting to modify American capitalism by introducing and integrating what John R. Commons refers to as the notion of "reasonable." In the Preface to his book *Legal Foundations of Capitalism* (1924), Commons applies this term "reasonable" as an adjective describing "value," "safety," "the wage," and even "conduct." Though Commons notes difficulties in offering a clear definition of what is meant by *reasonable*, he connects its meaning with court rulings that interpret this term as what can be sustained over time.

Though some of Blyumin's critical points regarding institutionalism were clearly polemical in character, still many of his points proved accurate and have retained their importance and relevance until the present. Among these enduring contributions, Blyumin (1962, p. 337) lamented the vagueness of the concept of "institution," that also tends to be defined differently by selected contributors. These varying definitions render theoretical classification difficult, as well as the processing of empirical data – what might also be argued later created room for the emergence of New Institutionalism in the traditions established by Ronald Coase, Oliver Williamson, and Douglass North, in particular. In addition, Blyumin wrote of some of the historical relationships between the changing conditions and the need for new theoretical understandings. He indicated that

American and European institutionalism could be viewed as an outgrowth of new tendencies in the development of capitalist economies; such as the increasing concentration of capital and, relatedly, the dominant roles assumed by monopolies, as well as the changing roles of the banking sector, the growth of the trade union movement, and the relative strengthening of the role of collective (social) over individual interests.

At the time that Blyumin leveled his critiques, seminal contributions of established institutionalists had not been translated into the Russian language. In our interpretations, the pointed criticisms posed by Blyumin offered the service of spelling out comprehensive views advanced by the institutionalist thinkers that he considers. Because his critiques were not intended to enrich the new Soviet political economy of socialism with the importation of institutionalist ideas, this suggests to us a fairly clear example of what we interpret as a sign of the proclivity for inversion cycles, noted by Alexandr Akhiezer and introduced above, that are evidenced by an absence of a “median utilitarian culture.” This tendency suggests that, instead of spreading and benefiting from novel and possibly useful ideas, such ideas were held at the long end of a broom.

Likely influenced by Blyumin’s critiques, negative perceptions of institutional thought endured over the next decades. Appearing in the 1950s as an entry into *The Great Soviet Encyclopedia*, “Institutionalists” were characterized as “the most vicious enemies of the working class among all of the representatives of vulgar political economy” (Bolshaya Sovetskaya Entsiklopediya, 1953, p. 239). Russian scholars were prone to stress that institutionalists offered a theoretical justification for capitalism and in this manner contributed towards its further development. More pointedly, institutionalists were thought to be “in the service of imperialist reaction” (see, for example, Alter, 1948, 1961, 1971). Relatedly, in the subsequent edition of the *The Great Soviet Encyclopedia*, V. S. Afanasyev (1972, p. 296) stressed that institutionalism should be understood as a “vulgar trend in American bourgeois political economy.”

As pointed and as harsh as these critiques appear, nevertheless, some Soviet researchers followed the development of institutionalism from within the confines of the Soviet Union’s academic and scientific discipline labeled as “critique of bourgeois political economy.” Included along with Blyumin, Alter, and Afanasyev are thinkers and authors such as K. B. Kozlova (1987), V. D. Sikora (1983), and Sofia Sorokina (1981).

In fact, Sorokina (1981) is known for authoring the first monograph appearing in the Russian language and that was exclusively devoted towards offering a clear analysis of institutionalism and its advances over time. Our research suggests that her book delivers the most complete statement of institutional concepts and their critiques, and we can note that this book, first published in 1981, was reprinted twice during the year 2011. Of special interest is that Sorokina emphasizes that starting with the 1960s, institutionalist ideas spread among economists throughout the world, but not back home in the USSR. She is of the expressed opinion that the widespread renaissance in institutionalist thinking was further goaded by the economic recession of 1974–1975, and efforts related to mitigating the

downturn suggested a lack of effectiveness of Keynesian concepts and especially of a state's ability to regulate an economy and implement policies that could reverse such a downturn. In her opinion, the popularity of the ideas advanced by Keynes and his followers, along with exponents of the neoclassical school as a whole, fell into disfavor and institutional ideas attracted new supporters. Sorokina (1981, p. 3) stressed that: "institutionalism emerged as one of the main trends in contemporary bourgeois economics." In addition, she stressed that institutional thinking went far beyond the United States and included widely acclaimed thinkers such as Swedish economist Gunnar Myrdal, the French economist François Perry, among others.

In spite of these acknowledgments by Sorokina, and in accordance with the platform of the XXVI Congress of the Communist Party of the Soviet Union held in 1981, efforts in the social science disciplines remained focused on "criticisms of anti-communism, the bourgeois, and revisionist concepts of social development, and for exposing the falsifiers of Marxism-Leninism" (Proceedings of the XXVI Congress of the Communist Party of the Soviet Union, 1981). Such positions hampered the possibilities for fruitful exchanges of ideas between Soviet social scientists and those advancing institutional thought from outside of the Soviet Union.

While efforts on the part of officials indeed hampered advances in institutional thinking in the Soviet Union, still the battles fought to thwart its arrival and spreading influences lessened in intensity. One outcome worth noting is the emergence of a better-balanced analysis of the views of institutionalists, and that some of the most important contributions coming in from abroad were actually translated, published, and distributed.

Thorstein Veblen's *The Theory of the Leisure Class: An Economic Study in Institutions* registers as one of the first contributions to appear in this manner. Initially published in the United States in 1899, Veblen's first book was finally translated more than 80 years later and then disseminated in Russian in book form in 1984. It is important to note that the Russian translation of Veblen's first book registers as especially significant, and one measure of its significance is that this book's long and complete "Introduction" stretched to 54 pages, offering a biography of Veblen, as well as a comprehensive summary of the main ideas that he had contributed over the course of his productive career. Sorokina authored this comprehensive "Introduction" to the Russian edition and she also undertook the task of translation. Important to note is that the subtitle of *An Economic Study in Institutions* did not appear in the Russian edition, as the word "institution" was still banned in the 1980s.

The abstract for this book indicates that the views of Veblen were judged as still inappropriate in the Soviet Union. However, Sorokina (1981) emphasized that "[Veblen] . . . acted with sharp criticisms of capitalism, the financial oligarchy, and the leisure class." This statement justified the translation of his work into Russian with a recommendation to read it, not only the "specialists in the field of bourgeois economic theories," but also other Soviet "scientists and teachers of social sciences."

### **Institutionalist approaches of Soviet thinkers**

In the USSR, Economic Science was divided into selected research areas, and these divisions were also affected by the importance of the respective areas relative to the larger world. Our inquiring suggests that what we label as a “window to the outside world” was opened for specialists who studied tendencies in bourgeois political economy. Important to consider is that the bulk of Soviet theorists remained focused on the field of the political economy of socialism, and because of their specializations, members of this large community tended to remain unaware of tendencies in economic thought taking place outside of the Soviet Union’s borders.

Notwithstanding and commencing during the 1980s, some Soviet research scientists began to quietly and gently introduce new concepts that did not fit into the *procrustean bed* of the official ideology, with its Marxian emphasis upon the productive forces, production relations, and class. A category of organizational and economic relations proposed by prominent Russian economist-academician Leonid Abalkin, in his books *The Dialectic of the Socialistic Economy* (1981), serves as one of the attempts to introduce institutionalist categories into official thinking and is clearly found in the title *Institutionalism in Russian Economic Thought*, a book coauthored by Oleg Inshakov and Daniil Frolov (2002, vol. 2, p. 206). It was Abalkin who suggested that the Russians differentiate their social and economic relationships from organizations. Years later, and with the benefit of hindsight, we can note that this proposed division paralleled ideas also advanced in the writings of Douglass North, and so was seen as an important advance in the orientation of the institutionalist framework emerging in post-Soviet Russia. However, Abalkin failed in offering a clearly defined institutionalist approach in his writings, although he actively supported the development of institutionalist research as Russia emerged out of the post-Soviet era.<sup>3</sup>

While topics dealing with the political economy of socialism remained largely closed to those researchers interested in advancing institutionalist thinking, the discipline of sociology benefited from greater degrees of methodological freedom. As early as 1971 the journal *Kommunist*, which served as the official organ of the Central Committee of the Communist Party, published an article jointly authored by G.E. Glezerman, V.Z. Kelly and N.V. Pilipenko entitled: “Historical Materialism: The Theory and Methodology of Scientific Knowledge and Revolutionary Action.” The appearance of this article assisted in creating an area of autonomy in sociological research through introducing an approach with three tiers that, with time, came to be officially recognized. In accordance with this approach, the upper level of sociological knowledge should be recognized as “sociological theory,” in general, and as Marxian philosophy (*historical materialism*), in particular. The second tier includes specific sociological theories definable as sections of so-called “*scientific communism*.” The third tier was defined as “empirical” and could be based upon focused surveys and case studies.

As a prominent and respected Soviet sociologist, Vladimir Yadov (1990, p. 3), later stressed that this article by Glezerman *et al.* emphasized that the discipline of Sociology does not stand in contradiction to either Marxist philosophy

or Marxist ideology and, in this manner, Yadov managed to create some room for sociological inquiry that included the use of approaches that had previously been suppressed by official sanctions.

Our interpretation is that this article's publication helped to facilitate a compromise that offered Soviet scholars an opportunity to carry out research at the level of the third tier, while freeing these scholars from having to peg their research to official doctrine. What got labeled as "Empirical Sociology" could then focus, not only on the theoretical discussions, but also on field studies, statistical analysis, and sociological surveys that assisted in bringing this discipline further and further away from official doctrine and closer and closer to social science reality. This newly created space for sociology allowed for developing ways for summarizing collected empirical data of studies undertaken.

With this newly created room for scientific inquiry, the Novosibirsk School of Economic Sociology (NSES) was formed, and as Kirdina (2013) emphasizes, was also distinguished by its orientation towards a systemic analysis of social phenomena through insightful empirical research and interpretation. This school initially emerged as a department focused on societal problems within the Institute of Economy and Industrial Engineering of the Siberian Branch of the Academy of Sciences of the USSR (now the Russian Academy of Sciences). As the NSES defined itself and its research orientations, its members decided to focus on developments taking place at home in the USSR, and later in transitioning Russia. Emphasis was then placed upon finding out and establishing the stable and enduring institutions that have proved integral to Russian economic development over the long run. This school rejects the idea that the framework associated with a market economy is to be considered as the universal organizational model. Furthermore, the Novosibirsk school stresses that economic relations are not to be investigated in an atomistic fashion, but as integral to the entire social structure. Furthermore, this orientation can be related to the meaning of an "embedded" economy in the sense advanced by Karl Polanyi in his 1944 classic, *The Great Transformation*.

Members of the team of sociologists from Novosibirsk are often referred to as the "social economists," and this is noted and emphasized in the writings of Irina Davydova (1997) and Vilen Ivanov (2003). As leader of the NSES in the mid-1980s, Tatyana Zaslavskaya (1985) introduced the term and related concepts of a *social mechanism of economic development*. In a subsequent and coauthored work, Zaslavskaya and R.V. Ryvkina (1991) further developed the meaning of this expression. We judge this as the key development that placed *institutions* at the core of social science inquiry in Russia in the late Soviet era, as this registers as the first attempt to employ elements of institutional analysis in the USSR.<sup>4</sup> Key elements of Zaslavskaya's thinking were officially presented for the Western audience in 1990, although before then his ideas were known through a publication titled *Novosibirsk Report*, which we assess reads something like a manifesto (its text was published in a book by Tatyana Zaslavskaya (2007, pp. 11–32). In addition, the appearance of these ideas helped to initiate sharp criticisms of social conditions in the Soviet Union. It is rumored that someone leaked



a copy of this *Report* from the closed conference in Novosibirsk in April 1983, and then the *Washington Post* published this information in August of that year ([https://en.wikipedia.org/wiki/Novosibirsk\\_Report](https://en.wikipedia.org/wiki/Novosibirsk_Report)). A journalist then referred to this document through the *Washington Post* (1983) as the *first bird* of General Secretary Michael Gorbachev's reform program that would later be popularized as *Perestroika*.

While Soviet economists were coerced to adhere to the official line, these noted advances by the Novosibirsk School promoted an understanding that *institutions* proved integral and helped to constitute the subject matter for sociology inquiry.

### **Russian institutional thought more recently**

While it could be argued that institutional thought experienced a long incubation period stretching over many decades, the situation changed after 1991 and with the start of Russia's transition to market economy. It should be recognized that the sudden and unexpected collapse of the Soviet experiment brought with it an abrupt end to Marxism–Leninism as an official ideology underpinning the social and economic sciences. Indeed, these were dramatic times and so dramatic that established – even famous – economists decided to toss out their libraries accumulated over the years, as they were suddenly faced with reinitiating their education. In short order former Soviet economists were faced with joining the world's larger economic *conversation*, borrowing this term and metaphor from Arjo Klamer (2007). Initially, in the vacuum created from the outright rejection of the tradition of the political economy of socialism, the neoclassical approach was quickly introduced into university curricula in Economic Science. However, this approach proved inadequate for explaining many of the challenges facing a post-Soviet Russia. There were a host of reasons cited, including that markets had not been thoroughly introduced for allocating the factors of production of land, labor, and capital. Because of the rapid pace of transition away from planned and towards market economy, the neoclassical approach failed to win over the lion's share of economists at the start of the post-Soviet era. In addition, the neoclassical discourse tended to scare away many potential members from joining, for this school poses barriers for understanding by relying upon reduction and an abstract-deductive approach that also includes highly specific tools and computing for advancing research. Problems integral to adopting the neoclassical paradigm thereby created and provided fertile ground for institutionalist approaches. For a thorough description of these developments, please see, for example, contributions from Daniil Frolov (2007; Inshakov and Frolov, 2002), L. Moscovskiy (2005), Rustem Nureyev and Vladimir Dementiev (2005), and Nataliya Makasheva (2006).

In sum, we could now list and detail three of the main causes promoting the spread of institutional thought in post-Soviet Russia. First, is the sudden and unexpected collapse of the Soviet experiment in “real, existing socialism,” accompanied by a disbelief in what had been the supporting doctrines. Consequently, institutionalists who had been studying capitalist economies and societies shifted

to a new position and were no longer seen as ideological opponents, but rather as wanted members of the new generation of potential theoretical contributors. Second, newly found openness of post-Soviet Russia to global markets, including the markets for ideas, provided new channels through which the achievements of foreign economists, institutional theorists among them, were received in the new Russia. Third, the popularity of institutionalist thought was conditioned by a pressing need for an active construction of new institutions necessary for a quickly transforming Russia. So the privatization of Russian industry and the accompanying emergence of visible oligarchs that were also seen as integral to the transition to market economy rendered Veblen's penetrating critiques of the power of big business increasingly relevant to the Russian context. In 2007, Veblen's *The Theory of Business Enterprise* [1904] was introduced. The Russian translation of this book was published by Delo (and means "Business" in Russian). Delo should be recognized as a publishing house that became specialized in translations of evolutionary-institutional works drawn from foreign sources, and that could be effectively disseminated across a broad Russian readership. About ten titles in the evolutionary-institutional tradition were translated and published between 1997 and 2012, and through this one publishing house.

If we now return to the ideas advanced by Alexandr Akhiezer related to inversion cycles, then Russia in the post-Soviet era could be described as entering into the opposite phase of what during the Soviet era was dominated by emphasis on an official version of the political economy of socialism. In short, the post-Soviet era marks the transition from institutional thought in a *thwarted phase* to a *flourishing phase*. This can be expressed as – over time – the "minus sign" dramatically shifts to "plus" in the perception of institutionalism (Figure 7.1).

Our interpretation of what is represented in Figure 8.1 is that in 1990s there took place a sharp transition away from criticizing and rejecting institutional thought in the economic arena, to the dissemination of ideas across a large domestic community of economists, with ideas that also penetrated and altered university curricula. Author Daniil Frolov (2007, 2009) defined the 1990s and this first decade of transition as an active "transplanting" of foreign institutional thinking into Russian economic and social thought. This decade could also be considered in a sense as a *golden age*, and defined by the largely uncontrolled and uninterrupted flow of economic ideas into Russia. During this first decade of transition, numerous writings of Western authors were translated and published, and, characteristically, were presented with comprehensive introductions. In most cases, these introductions also provided platforms for Russian scholars to offer their professional judgments of ideas coming in from Western economists. Substantial financial support from abroad, and especially from the United States and European Union countries, assisted with rapid translations into Russian and then the publication and dissemination of notable works authored by foreign institutionalists, as well as preparations for the first generation of university textbooks on institutional economics that were widely distributed throughout the geographic territory of the Russian Federation. Foreign foundations and organizations – such as the Soros Foundation, USAID, the World Bank, plus some European Science

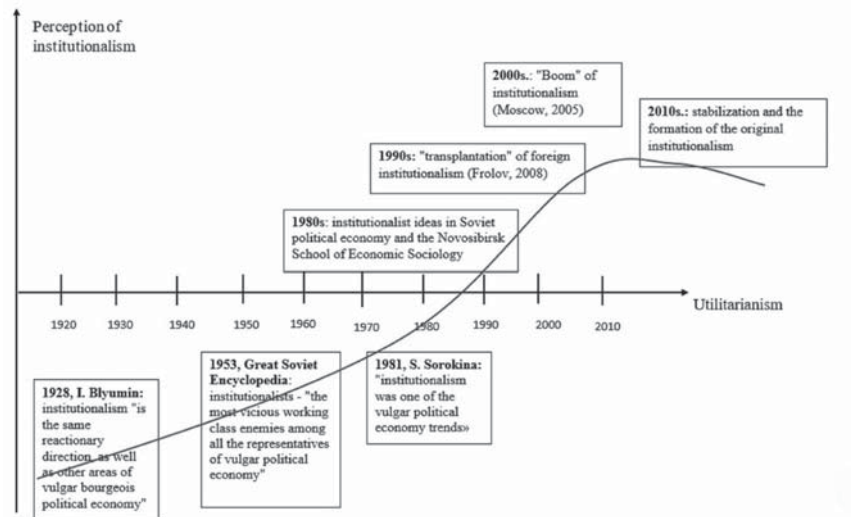


Figure 7.1 Institutionalism in Russia: in search of Berdyaev's median culture

Foundations – proved instrumental. We can also note the financing and supporting of contacts between Russian economists with their foreign counterparts. Numerous educational, as well as research and publishing, projects that involved hundreds of experts from Russia and some of the former Soviet republics were included. This first decade of transition could be judged as a period for quickly bringing Russian institutionalists up to a world standard.

### Discussion and conclusion

At the start of this inquiry we distinguished two distinct phases in the Russian perception of institutional thought. We defined the *thwarted phase* by its tendency of outright rejection of institutional thought during the long Soviet era, and this rejecting seems related to the Soviet leadership's interest in ensuring the dominance of their Marxist–Leninist lines. Then, with the ending of the Soviet era, we can notice dramatic increases in levels of interests in institutional thought that might also be defined by the *flourishing phase*. In these respects, our research tends to conform with Akhiezer's understanding and uses of inversion cycles for shedding some needed light on Russian historical experiences that also include intellectual history.

From this angle, we could then consider some of the contributions of Russian institutionalists as efforts to reduce the swings of such cycles, and through, in a sense, offering a median utilitarian culture that attempts to create new middle ground for ameliorating Russia's historic tendencies to rapidly move towards polar extremes without drawing bearings from the past. For institutionalists, this means the creation of original Russian concepts that serve to integrate native

advancements into the original institutional thought selected from abroad, and then integrated into Soviet and now Russian economic thought.

It was emphasized that, for the duration of almost all of the Soviet era, economists, especially, were affected by restrictions stemming from an official political economy of socialism based upon Marxian ideas in Soviet interpretation. And consequently, economists faced limited opportunities for absorbing, much less originating, ideas in the evolutionary-institutional tradition. The exception was to critique institutional contributions for their spurious bourgeois tendencies.

Our understanding is that, with the ending of the Soviet era, and starting with the 1992 founding of the Russian Federation, the transition era of the last two decades has indeed offered Russian thinkers greater opportunities for exposure to and adoption of foreign ideas in social and economic sciences.

In the current era the group dominating institutional studies in Russia largely relies upon ideas advanced by foreign institutionalists. At the same time a discernible group of Russian-based institutionalists has already emerged and there is on its way towards becoming well established. Some of their contributions are already reflected in dictionaries and encyclopedias, with terms and meanings such as “institutional trap” (Polterovich, 2008) and “institutional matrix theory” (Kirdina, 2010), to start the list. Then there are contributions from Makasheva (2006), Moscovskiy (2005), Inshakov and Frolov (2002) as well as Frolov (2007, 2008, 2013): advancing writings that investigate and measure the significance of the rise of a home-grown Russian institutionalism. With these advances in mind, recent advances in Russian institutional thought now require domestic biographers and historians focused on social and economic thought.

To complete this inquiry, we would like to note that meaningful collaboration among Russian institutionalists and their foreign counterparts serves as a particularly useful way to form a dialogic utilitarian culture, and thereby assist in overcoming the swings of inversion cycles and the tendency for the splitting of Russian society, of which Akhiezer ([1991] 1997) warns. The prominent Russian economist Leonid Abalkin (2001, p. 73) emphasizes that:

[t]he task of the revival of the Russian school of economic thought as an organic part of the world of science has to be undertaken. And it is not a return to the old, but the ability to understand the realities of the coming century. There is reason to believe that tomorrow belongs to those who are actively involved in creating a new paradigm of social science; who will determine the country's place in the system of alternatives for its future development; and who are able to creatively combine an analysis of global changes in our world while also preserving the uniqueness of Russian civilization.

And in this new era, certainly when compared to the Soviet era, we have established that institutional thought has advanced rapidly and also spread broadly, taking firm root. And certainly to the extent that further advances in the method and approach to institutional thinking are now identifiably growing out of Russian soil.

### Notes

- 1 Funding for this study was supported by the Russian Foundation for Humanities, research project number 14-02-14022.
- 2 In our inquiry we rely upon the terms *evolutionary-institutional economics*, *institutionalism*, *institutional thinking*, and *institutional thought* more or less interchangeably. Our understanding of the use of these terms draws from and reflects back upon what is termed Original Institutional Economics, a field in Economic Science that finds its origins in the seminal writings of Thorstein Veblen.
- 3 Out of respect for Albakin's promotion of evolutionary-institutional thinking in Russia, in 2015, the Center for Evolutionary Economics, located in Moscow, introduced the Leonid Abalkin Award recognizing achievements in institutional and evolutionary research advanced by members of the younger generation of Russian scholars.
- 4 As one of the authors of this inquiry, Svetlana Kirdina also served as a member of NSES and worked directly together with Tatyana Zaslavskaya in the 1980s and 1990s in Novosibirsk.

### References

- Abalkin, Leonid. 1981. *The Dialectic of the Socialistic Economy* (in Russian). Moscow: Mysl.
- Abalkin, Leonid. 2001. *The Russian School of Economic Thought: The Search of Self-Determination* (in Russian). Moscow: Institut Ekonomiki.
- Afanasyev, V. S. 1972. Institutionalism. In: *The Great Soviet Encyclopedia*. 3rd ed., Vol. 10 (in Russian). Moscow: Sovetskaya Entsiklopediya.
- Akhiezer, Alexandr. 1991. *Russia: Criticism of Historical Experience. Volume 2. (Sociocultural Dictionary)* (in Russian). Novosibirsk: Sibirskiy Chronograph.
- Akhiezer, Alexandr. [1991] 1997. *Russia: Criticism of Historical Experience. Volume 1. From the Past to Future* (in Russian). Novosibirsk: Sibirskiy Chronograph.
- Alter, L. B. 1948. *Bourgeois Economists of the U.S. in the Service of Imperialist Reaction* (in Russian). Moscow: Gosplanizdat.
- Alter, L. B. 1961. *The Bourgeois Political Economy of the United States* (in Russian). Moscow: Izdatel'stvo socio-ekonomicheskoy literatury.
- Alter, L. B. 1971. *Selected Works. Bourgeois Political Economy of the United States* (in Russian). Moscow: Nauka.
- Berdyayev, Nicolai. 1915. *The Soul of Russia* (in Russian). Moscow: I.D. Sytin.
- Blyumin, Izrail'. 1928. *The Subjective School in Political Economy* (in Russian). Moscow: Izdatel'stvo Komakademii.
- Blyumin, Izrail'. 1930. *Sketches of Modern Bourgeois Theoretical Economics (On the Characterization of Social School)* (in Russian). Moscow: Kommunisticheskaya Akademiya, Institut Ekonomiki.
- Blyumin, I. G. 1961. *History of Economic Thought (Essays on the Theory)*. in FY Polyansky, ed. (in Russian). Moscow: Gosudarstvennoe izdatel'stvo "Vyschaya shkola".
- Blyumin, I. G. 1962. Institutionalism. In: *Criticism of Bourgeois Political Economy. In 3 volumes*, Vol. II. *Criticism of Modern English and American Political Economy* (in Russian). Moscow: Izdatel'stvo akademii nauk SSSR, pp. 336–352.
- Bolshaya Sovetskaya Entsiklopediya*. 1953. *Great Soviet Encyclopedia, Second Edition*. Vol. 18. Moscow: Sovetskaya Entsiklopediya.
- Commons, J. R. 1924. *Legal Foundations of Capitalism*. New York: Macmillan.
- Davydova, I. 1997. Die Nowosibirsker Soziologische Schule: Aufstieg und Niedergang eines regionalen sozialwissenschaftlichen Zentrums in Oswald Ingrid, Possekel Ralf,

- Styckow Petra, Wielgolis Jan (Ed.) *Socialwissenschaft in Russland*. Vol. 2. *Analysen russischer Forschungen zu Sozialstruktur, Wählerverhalten, Regionalentwicklung, ethnischen Konflikten, Geopolitik, nationalen Interessen und Sowjetgeschichte*. Berlin: Berliner Debatte, pp. 151–172.
- Frolov, Daniil. 2007. How we taught institutionalism in Russia (in Russian). *Economic Herald of the Rostov State University*, 5(3): 155–164.
- Frolov, Daniil. 2008. Institutional evolution of post-soviet institutionalism (in Russian). *Voprosy Ekonomiki*, 4: 130–140.
- Frolov, Daniil. 2009. *Prospects for the Russian Institutional Economics*. Paper for the First Economic Congress on 10 December 2009 (in Russian). <http://www.econorus.org/consp/d21.html> (accessed 12 May 2015).
- Frolov, Daniil. 2013. Metaphorism of institutionalism: Physicalism vs biologism (in Russian), *Terra Economicus*, 11(3): 34–51.
- Glezerman, G. E., Kelly, V. Z., & Pilipenko, N. V. 1971. Historical materialism: The theory and methodology of scientific knowledge and revolutionary action (in Russian), *Kommunist*, 4: 60–70.
- Inshakov, O., & Frolov, Daniil. 2002. *Institutionalism in Russian Economic Thought* (in Russian), Vol. 1 and 2. Volgograd: Izdatel'stvo Volgogradskogo gosudarstvennogo universiteta.
- Ippolitov, L. M. 2008. Birth of institutionalist economics in Russia (about a methodological discussion of the 1920s) (in Russian), *Vestnik isnututa ekonomiki Rossiyskoy akademii nauk*, 4: 43–57.
- Ivanov, V. N. 2003. The Novosibirsk sociological school. In: *Sociological Encyclopedia* (in Russian), Vol. 2. Moscow: Mysl.
- Kirdina, Svetlana. 2006. Glimpse and poverty of the political economy of socialism (in Russian), *Jurnal Ekonomicheskoi Teorii*, 2: 19–39.
- Kirdina, Svetlana. 2010. Institutional matrix theory. In: Osipov, G.V., & Miskvichev, L.N. (Eds), *Sociological Dictionary* (in Russian). Moscow: INFRA-M.
- Kirdina, Svetlana. 2013. New systemic institutional approach for comparative political and economic analysis, *Review of Radical Political Economy*, 45(3): 341–348.
- Klamer, Arjo. 2007. *Speaking of Economic: How to Get in the Conversation*. London: Routledge.
- Kozlova, K. B. 1987. *Institutionalism in American Political Economy* (in Russian). Moscow: Nauka.
- Makasheva, Nataliya. 2006. Economics in Russia in the transformation period (end of the 1980s until the 1990s): Revolution and scientific knowledge increasing (in Russian). In: *Beginnings: Studying the Economy of Both the Structure and Process*. Moscow: GU-WSHE, pp. 400–426.
- Marx, Karl. [1867] 1990. *Das Kapital, Band I*. London: Penguin.
- Marx, Karl, & Engels, Frederick. 1848. *The Communist Manifesto*. New York: International Publishers.
- Matveeva, Susanna. 1997. Split society: The path and the fate of Russia in socio-cultural theory by Alexandr Akhiezer (in Russian). In: Akhiezer, Alexandr (Ed.), *Russia: Criticism of Historical Experience. Volume 1. From the Past to Future*. Novosibirsk: Sibirskiy Chronograph, pp. 3–41.
- Moscowskiy, L. 2005. Limits of institutionalism (in Russian). *The Economist*, 6: 74–81.
- Nureyev, R. M., & Dementiev, V. V. 2005. Formation of the post-soviet institutionalism (in Russian). In: Nureyev, R.M., & Dementiev, V.V. (Eds), *Post-Soviet Institutionalism*. Donetsk: Kashtan, pp. 446–479.

- Polanyi, Karl. 1944. *The Great Transformation*. New York: Farrar and Rinehart.
- Polterovich, Victor "Institutional Trap". 2008. *New Palgrave Dictionary of Economics and Law, Second Edition*. Available at SSRN: <http://ssrn.com/abstract=1751839>.
- Proceedings of the XXVI Congress of the Communist Party of the Soviet Union*. 1981 (in Russian). Moscow: Politizdat. [http://publ.lib.ru/ARCHIVES/K/KPSS/\\_KPSS.html#026](http://publ.lib.ru/ARCHIVES/K/KPSS/_KPSS.html#026) (accessed 20 March 2015).
- Sikora, V. D. 1983. *Anti-Orthodox Economic Theory (Critical Analysis)* (in Russian). Kiev: Vishcha Shkola.
- Sorokina, Sofia. 1981. *Scenarios for the Future, or Illusions of the Past?: On Institutionalism as the Trend n of Bourgeois Economic Thought* (in Russian). Moscow: Izdatel'stvo Mysl'.
- Stalin, Josef. 1939 (1924). *Foundations of Leninism*. Moscow: Foreign Language Press.
- Veblen, Thorstein. 1904. *The Theory of Business Enterprise*. New York: Charles Scribner's Sons.
- Veblen, Thorstein. 1899. *The Theory of the Leisure Class: An Economic Study in Institutions*. New York: Macmillan.
- Yadov, V. A. 1990. "Reflections on the subject of sociology" (in Russian). *Sociological Studies*, 2:3–16.
- Zaslavskaya, Tatyana. 1985. On the social mechanism of economic development (in Russian). In: *Ways of Improving the Social Mechanism of the Soviet Economy*. Novosibirsk: IEiOPP SB RAS.
- Zaslavskaya, Tatyana. 1990. *The Second Socialist Revolution: An Alternative Soviet Strategy*. Bloomington, IN: Indiana University Press, p. 241.
- Zaslavskaya, T. I. 2007. *Selected Works. Transformation Process in Russia: Searching for New Methodology*, Volume Two (in Russian). Moscow: Publishing House "Economika".
- Zaslavskaya, Tatyana., & Ryvkina, Rozalina. 1991. *Sociology of Economic Life: Essays on the Theory* (in Russian). Moscow: Nauka.