

## BOOK REVIEW

**Putin's labor dilemma. Russian politics between stability and stagnation**, by Stephen Crowley, New York, USA, Cornell University Press, 2021, 306 pp., \$125.00 (hardback), ISBN13: 9781501756276; \$29.95 (paperback), ISBN13: 9781501756283; \$19.99 (eBook), ISBN13: 9781501756290

Stephen Crowley's latest book, *Putin's Labor Dilemma* makes a valuable contribution to the current literature on post-communist and post-industrial transformation (see Gaddy and Ickes 2013; Gevorkyan 2018; Havrylyshyn 2019). Unlike other texts that have a defined disciplinary focus, *Putin's Labor Dilemma* offers a holistic view on Russian political process, analyzing this from historical, spatial, and social perspectives. With a focus on post-socialist de-industrialization and responses from both ruling elites and labor, the volume combines discussion on soviet legacies, Russia's diverse geography, economic restructuring policies, and labor mobilization, which forms the added value of the book.

At the title indicates, a central dilemma facing the Russian Federation is how to generate economic growth (necessary for maintaining stability) while avoiding radical economic restructuring (leading to stagnation). In contemporary Russia, conventional democratic mechanisms for channeling popular grievances do not function. Therefore, the power structure centered on Putin is likely to become a target of such grievances. However, the book is "not about Putin", but rather "about the dilemmas that arise in Russia's many industrial regions and centres" (2). Dilemmas and responses arising at the regional, community, collective, household, and individual levels present the political process as polyarchic and multi-level, albeit not democratic.

The volume comprises nine chapters, conclusion, notes, and index. Chapter 1 *The Political Consequences of Russian Deindustrialization* sets the scene for the "drama" of Russia's deindustrialization:

Following the collapse of the Soviet Union, the Russian government took a number of very large steps along the road of radical economic reform. It liberalized prices, dismantled central planning, opened up to the global market, and privatized enterprises, all in a rapid fashion. Yet the Russian government could not get past the step—so crucial for a capitalist economy—of shutting down large but noncompetitive and unprofitable enterprises. While there were a number of reasons for not doing so, one stands out: the fear on the part of elites about the possibility of a "social explosion" (12).

The passage above outlines the structural setting, with the rest of the story providing further details. The main consequence of this still unresolved dilemma is that Russia remains in the middle-income trap.

Chapter 2, *Russia's Peculiar Labor Market and the Fear of Social Explosion*, focuses on the current Russian labor market model, which priorities steady employment (albeit on the bases of flexible hours and wages) over the closure of unprofitable enterprises. Such a model is rooted in the comprehensive role that soviet industrial enterprises played beyond employment, for instance in providing urban services, such as housing and heating, which often made industrial and urban infrastructures inseparable. However, the decisive factor was the promise of political stability as a central tenet of Putin's

presidency (44). Consequently, both the Kremlin and regional governments would rule out radical restructuring – potentially leading to unemployment and social protests – as being a threat to the stability imperative.

Chapter 3, *Russia's Labor Productivity Trap*, explains the economic consequences of Russia's labor market patterns and industrial policies aimed at creating and maintaining jobs. Prioritizing stable employment has hindered growth in productivity and left Russia in the low-productivity trap despite a range of potential advantages at the start of the post-Soviet era. Those included "a highly educated population, especially in science and engineering, a skilled workforce with low wage demands, considerable industrial infrastructure, and relatively good access to markets in Europe" (48–49). Crowley claims that instead of adopting a strategic approach to industrial policy, in the crucial initial period the government implemented "a much more laissez-faire attitude towards industry". Government policies aimed at "avoiding radical restructuring, relying instead on the passive approach of firms reducing employment levels by attrition" (58–59).

Chapter 4, *Monotowns and Russia's Post-soviet Urban Geography*, offers an overview of Russia's economic geography, which Crowley claims "remains significantly unchanged close to three decades after the collapse of communism" (73). One may argue that the places where it has changed the least are Russia's hundreds of single-industry *monotowns* – often located in remote and inhospitable regions, making commuting or migration difficult if not impossible. Monotowns create a significant challenge for the Kremlin, because "many are unprofitable, and even those that are better positioned are vulnerable to economic shocks and volatility of global commodity prices. Entire towns are dependent on the continued operation of these enterprises. Moreover, the monotowns form only part of a larger problem of managing Russia's deindustrialization" (97).

Chapter 5, *Labor Protest in Russia's Hybrid Regime*, focuses on labor relations and trade unions. According to Crowley, labor unions in Russia have weak positions because: (i) during soviet times they were part of the benefit distribution system (rather than holding a position independent from the administration), and (ii) nowadays, the scope for legal protest, including strikes, is severely restricted, depriving labor of the most effective tool for pursuing their interests. Because unions remain weak and collective action risky, individual workers have two legal strategies left: filing a court case, or exit – often into the informal economy. For the Kremlin, repressive laws have backfired: "by seeming to protect itself from any semblance of an independently organized labor movement, it has left itself open to spontaneous protest that has the potential to become quickly politicized" (100).

Chapters 6 to 8 explore labor movements and protests in several regional settings, including the monotowns and nation-wide protests organized by truck drivers. Chapter 6 is dedicated to Tolyatti, the largest of Russia's monotowns and the home of AvtoVAZ, one of Russia's car manufacturers. The chapter tells a story of decline, restructuring, layoffs, and state interventions and subsidies aimed at preventing the situation from exploding. Chapter 7 places labor protest in the broader context of Russia's politics. It questions the narrative of Putin's core support coming from the working class in Russia's provinces (160). Although this narrative appears to be overly simplistic, Putin sought to "widen the cultural divide between liberal intellectuals and more traditional Russians in the country's provinces" (161). Exploiting the cultural divides between cosmopolitan urbanites and provincial workers could only generate support as long as the latter could count on jobs and modest salary growth. The new stagnation that started in 2012 made this increasingly difficult, that is why, in 2014, the Kremlin moved to "a militarized basis for legitimacy" (164). Chapter 8, *Russia's Truckers and the Road to Radicalization*, shows how spontaneous localized protests against a new road tax reached the national level and spilled into the field of politics, demanding political change.

Chapter 9 places Russia into comparative context. The key difference with the advanced capitalist economies is that deindustrialization there took place through plant closures and unemployment, whereas in Russia large plants remained operational and adjustments were made via flexible wages and gradual attrition (188–189).

In the Conclusions, Crowley discusses possible resolutions to the “labor dilemma”. Russia’s settlement structure embraces “a handful of major cities” and “hundreds of small and medium-size cities, dispersed across its massive land area” (203) and poses a barrier to a more productive (urban-centered) economy. Considering these structural limitations, what can be a possible answer to the dilemma? Crowley is skeptical of the policy approaches idealized by both economic and political liberals. For the former fail to appreciate the social and political consequences of “turning the lights off” and the latter “fail to view the social and economic concerns of many Russians with much sympathy” (209). While Crowley comes short of proposing specific policies, he advocates a gradualist approach that would circumvent both further neoliberal reforms and severe paternalism (211). In Crowley’s view, a strong self-organized society and real trade unions are essential but that “would pose a direct threat to Russia’s power holders” (211–212).

The remaining question is: what is the modern Russian worker? The Soviet vision of the social structure was the “holy triad” (or the indestructible alliance, to be correct) of the working class, collective farm peasantry, and working intelligentsia. Although the concept of the latter may be debatable, the idea is somewhat clear. Modern “labour” is much more diverse, as the book itself confirms. For example, can industrial workers in Tolyatti, self-employed truck drivers, and loosely defined “state sector workers” be put in a single category? Another issue is the phenomenon of the monotown, which embraces a variety of settlements with very different economic positions and power structures: some prosperous, others struggling; some attached to private businesses, others to government ministries. Their position within the administrative hierarchies would result in variegated economic situations, available resources, urban management strategies, and political preferences of the residents.

*Putin’s Labor Dilemma* offers a historically-informed and spatially-sensitive account of economic and political change in post-communist Russia. It also offers valuable insights into understanding societal change in (post)industrial societies beyond the post-communist world. This is an excellent book, which I would recommend to anyone interested in Russian geography, current politics, or labor movements.

## References

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