

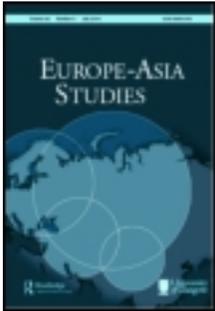
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Variations on a Corporatist Theme: Interest Associations in Post-Soviet Ukraine and Russia

PAUL KUBICEK

AS A RESULT OF THE WATERSHED EVENTS OF 1989–1991, post-communist studies are awash with studies of democratisation. The burning question, with both academic and practical importance, has been how to establish democracies in the midst of social, economic and ethnic crises. Many found it useful to compare the breakdown of authoritarian regimes and the advent of democracy in post-communist states with earlier ‘waves’ of democratisation, particularly in Latin America. These studies examined the contributions of political culture, elite manoeuvring and socio-economic modernisation to regime change.

By 1995, however, most states have, in a minimal, formal, Schumpeterian sense, ‘democratised’. Presidents and parliaments have been elected in competitive elections, constitutions written and approved, and the process of democratic institutionalisation has begun. This does not mean that studies of democratisation are suddenly no longer relevant, but it does imply that one might want to ask different questions. In several cases scholars can take the existence of ‘democracy’ as a given and begin to assess the *quality* of these new democracies. As Schmitter suggested, one may want to disaggregate the notion of ‘democracy’ and examine the workings of its ‘partial regimes’.¹

One set of issues important in any democracy is interest group formation and behaviour. In the post-communist literature, civil society—formal and informal networks of citizens independent of the state but able to affect state policy—is often assumed to be the catalyst and safeguard of democracy. Those who invoke this notion adopt, at least implicitly, a pluralist framework to describe and explain interest group activity. Pluralism, however, is neither the only form of interest intermediation nor necessarily the most appropriate one for the study of post-communist societies, which have yet to overcome all vestiges of the old party-state centered system. While it is true that a myriad of cultural organisations, recreational groups, chess clubs and the like have emerged throughout the region, the communist heritage has been more difficult to escape with respect to key economic interest groups such as trade unions and nascent business associations. Ost maintains that a ‘gaping hole’ exists where independent interest groups should be organised and that the state continues to dominate many associations.² These dependent organisations, however, may play a

broad and important, if still uncertain, role in processes of political and economic reform. One needs to develop an alternative to pluralism to conceptualise their activity better.

One candidate is corporatism, the applicability of which will be examined here. Corporatism, or more specifically state corporatism, is commonly associated with authoritarian regimes in Latin America. The comparative focus of this approach is therefore regionally akin but temporally different from many studies of democratisation. Corporatist approaches, in contrast to pluralism, emphasise state efforts to penetrate, control or co-opt interest groups in order to limit and contain group competition, which is deemed unnecessary or even dangerous. Corporatist notions may find strong appeal among post-communist élites and publics because of their implied promise to reconcile the often conflicting demands of change and control.

This article will examine trade unions and emerging business confederations in post-Soviet Ukraine and Russia. These associations have traditionally been the primary subject of corporatist analysis because of their functional and strategic role in political and economic life. These groups also rank among the largest and potentially most powerful organisations in these states. Their activities constitute 'an organic part of basic economic and political relations'.³ However, in both Ukraine and Russia these groups are tied in significant ways to the *ancien regime* and provide a safe haven of sorts for members of the old *nomenklatura* trying to preserve positions of influence in the post-communist environment. These two states are therefore likely to exhibit state corporatist features. Beyond merely classifying interest intermediation in these states ('corporatist', 'pseudo-corporatist', etc.), I also want to examine how arrangements between the state and interest associations affect questions of economic reform.

Before jumping into a discussion of the particulars of the Ukrainian and Russian cases, it may be useful to define and refine the term 'corporatism' and be more explicit about why this concept may be useful for the study of post-communist interest mediation.

A corporatist approach

Corporatism is a 'well-stretched' concept in political science, linked with fascism, oppressive systems in Latin America, and the social-welfare states in Western Europe.⁴ All its travels, however, may have stretched corporatism so that it becomes 'so broad and elastic as to be virtually meaningless for analytical purposes'.⁵ Therefore one should take great care in defining the term.

The most accepted use of corporatism is that of Schmitter, who distinguishes corporatism from other forms of interest intermediation. He suggests:

Corporatism can be defined as a system of interest representation in which the constituent units are organised into a limited number of singular, compulsory, noncompetitive, hierarchically ordered and functionally differentiated categories, recognised or licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and supports.⁶

He contrasts this with pluralism, in which groups are multiple, voluntary, competitive, overlapping, non-hierarchical and free from state interference. In short, pluralism is predicated upon a free-functioning civil society, whereas corporatism defines efforts to penetrate and shape civil society.

Corporatism can also be used to describe a particular mode of political participation, not just the structure of associations and constraints placed upon them. Lehbruch, for example, maintains that Schmitter has overaccentuated the latter elements while ignoring the former. He claims that corporatism is better conceptualised as a 'pluri-dimensional' phenomenon, and that a key ingredient is institutionalised organisational participation in policy formation and implementation, what he labels 'concertation'.⁷ Examples include tripartite (state, business, labour) bodies which formulate socio-economic policies on a wide range of questions and bear organisational responsibility for distribution of state funds. Organisations are thus ultimately co-responsible for decisions taken by state élites. Several other writers have endorsed this conception of corporatism, and Schmitter later combined the structure of interest associations ('corporatism₁') with the mode of policy formation ('corporatism₂').⁸

This article blends these two approaches. Corporatism may thus be conceived as a non-competitive form of interest representation in which officially sanctioned groups have guaranteed access to processes of policy formation and implementation but are subject to controls on their behaviour.

Not all 'corporatisms', of course, are the same, and the definition gives latitude for variations in particular structures and policies. For our purposes, the most important distinction is between 'state' and 'societal' (or 'neo') corporatism. Despite some basic similarities, these variants are products of very different political, social and economic processes and spawn different policy consequences. The key differences between these subtypes are the nature and degree of state penetration, the relative autonomy enjoyed by organised social groups, and the voluntarism of the corporatist arrangements.

Societal corporatism describes a system in which groups enjoy some autonomy from the state and they voluntarily enter into agreements with the state to preserve social peace.⁹ Corporatism is not imposed from above but evolves from below and from above as a strategy to meet the challenges of advanced capitalism. One can perhaps conceptualise this arrangement as a partnership between the state and social groups, a strategy of exchange based upon bargaining, mutual respect and upholding the common interest. This framework has been frequently applied to West European states, and some have suggested its utility for East European states well-advanced along the path of post-communist reform.¹⁰

State corporatist practice, in contrast, focuses on the heavy hand of the state, which creates, guides and structures social life. The parameters of independent activity are restricted. Bargaining is decidedly asymmetrical, and organisations are penetrated and/or co-opted by the state, often serving as little more than an appendage of the latter. Order is imposed from the top in order to prevent spontaneous explosions from below. This system is commonly associated with the now-defunct authoritarian regimes in Southern Europe and Latin America. Given the legacy and continuation of state-directed rule and the 'Latinamericanisation' of Russia and Ukraine—meaning

economic and social chaos¹¹—one should expect corporatist initiatives in these states to have a strong statist component. These features, of course, could do much to undermine ‘democracy’ in these states.

Why might corporatism be useful to assess the structure and role of interest groups in post-communist states such as Russia and Ukraine? Part of the answer derives from the communist experience itself.¹² The post-communist states did not inherit a political *tabula rasa*, as they have been forced to grapple with the communist legacy. Interest groups, by virtue of their links to the party-state, formerly met many of the criteria for corporatism (non-competitive, functional, official recognition, constraints on activities, etc.).¹³ Many of these groups—especially the trade unions—did not disappear with the collapse of communism. Interest groups, for a variety of reasons (limited resources, growing apathy and alienation, collective action problems), are not likely to form ‘from scratch’. They will emerge from or succeed old structures. Post-communist societies, therefore, are ‘path-dependent’, built not only *on* the ruins of their communist predecessors but also *from* them.¹⁴ The interwoven ties between state bodies and these groups are not easily severed, and these may provide a firm foundation for post-communist corporatist arrangements. Truly independent organisations lack resources and therefore may face great difficulties competing with communist holdovers. Several states, especially Russia and Ukraine, may therefore suffer from ‘residual corporatism’. This system may evolve or collapse over time as interests become differentiated, ‘old’ groups lose favour with both the state and their members, and their challengers gain momentum.

Corporatism may not be, however, a temporary phenomenon that will gradually ‘wither away’ as states make the transition away from their communist past. Corporatist solutions may be actively promoted because of their promise to preserve social peace in a time when conflict is possible between the ‘winners’ and ‘losers’ of reform. Students of corporatism have repeatedly argued that corporatism is often linked to attempts to defuse class conflict and preserve social harmony. Panitch observes that a common premise of corporatism is that class harmony is vital for society and can be secured through institutional arrangements tying organised groups to the state.¹⁵ Corporatist institutions, such as social partnership compacts, may provide order in a very dynamic and fluid environment and a means to promote controlled change which will avoid social explosion. Bruszt suggests that corporatism may arise out of attempts by the state and social groups to re-negotiate the transition away from state socialism so that social peace is assured.¹⁶ These concerns may become more relevant as new classes, cleavages and tensions emerge, and it becomes imperative to perpetuate the idea (or illusion) of a harmony of interests.¹⁷ Of course, the precise nature of these arrangements will vary from state to state and will be dependent upon a variety of factors, including institutional legacies and the current capacity of independent groups to organise and articulate interests.

One attractive element of corporatism is that it can foster orderly participation, a key to establishing political stability. As long as there is ambiguity about the policy process and who may be legitimately involved, there will be little progress toward a stable political system, democratic or otherwise. Through corporatist institutions the state can shape interests and channel participation by designating groups with official status—either *de facto* or *de jure*—and delegating powers and privileges to them.¹⁸

These powers may include rights to participate in state committees, draft legislation or exercise control over funds and properties. Owing to the political and economic problems faced by Russia and Ukraine, state efforts to control interest associations may be favoured over the comparative chaos engendered by pluralism. One Ukrainian legislator, in a very telling comment, equated the multiplicity of organisations with a lack of structure. 'And what can we say about the entrepreneurs? We have three unions. This shows that society is not structured'.¹⁹ His solution is state sponsorship or 'structuring' of groups so that the demands of all economic actors—labour, business, peasants—can be voiced.

Corporatist arrangements can also help to establish the rules of the game, the proper boundaries of political activity within and across sectors in a political system. They may emerge as a bargain between the old and the new élite, viable to both because they engender mutual trust and minimise the chance of pressure from below upsetting their respective agendas. Students of the Spanish transition to democracy, for example, have argued that the preservation and creation of corporatist arrangements was fundamental to democratisation by providing a means of reducing political uncertainty and facilitating pacts among social actors.²⁰ Corporatist policies may also help to resolve possible conflicts between an emerging capital-based élite and labour. The state can function as an arbiter to ensure that the basic needs of labour are met and capital is used in a 'responsible' manner.

In sum, corporatist structures may help to resolve a fundamental tension specific to post-communist societies, the conflicting demands of change and control. These, of course, were also the goals pursued by Gorbachev under the banners of *glasnost* and *perestroika*, but he ultimately failed because his programmes unleashed forces which could not be controlled. These objectives remain salient to post-communist élites, who are, with varying degrees of speed, recognising the necessity of change but simultaneously want to exercise some control over the process. Discussing prospects for a 'third way', one Ukrainian historian suggested the need to construct a 'corporative society' (*korporatyvne suspil'stvo*) which will allow people to recover gradually from communism and provide a means for the élite to consolidate society around itself.²¹ An economist noted that privatisation will succeed only if it is accompanied by fundamental reforms and close cooperation among government, labour and entrepreneurs on the basis of social partnership.²²

It should be kept in mind that corporatism need not imply total control of associations by the state authorities. These groups are afforded a role, albeit with limited autonomy, within a prescribed structure. Initiatives from below are not stifled, but are channelled and shaped through established structures into more palatable forms. In principle, corporatism could harness the faculties and resources of non-state actors, something Gorbachev failed to achieve under his reform programmes. Corporatism may emerge as a compromise between comprehensive etatism, which is often indifferent or sluggish in responding to social demands, and liberal pluralism, which is too uncertain and risks social disintegration.

In practice, corporatism may fall short of this ideal in which enlightened leadership is able to evaluate the acceptability of demands, alleviate social conflict and pursue the elusive common good. Specific goals are likely to be stressed in accordance with the interests and power of corporatist architects and those groups granted preferential

access. Corporatism can also easily acquire an authoritarian tilt, as it 'represses' instead of 'channels' interest articulation. 'Safe' groups with various ties to the state elite may be favoured over outsiders who are more likely to cause social disequilibrium. In this sense, corporatism would serve a conservative cause and would be a way to stifle reforms by denying an effective voice to those interested in changes.

This caveat of sorts means that corporatist policies and institutions may differ radically in purpose. In some states they may be linked to reform. In others they may be wedded to the preservation of old structures and policies. Variations are already apparent between post-Soviet Ukraine and Russia.

Ukraine: a corporatist 'bad peace'

The Ukrainian trident has replaced the hammer and sickle, but in their first years of independence Ukrainians have discovered that it is easier to make these types of changes than to implement substantive reform. Much of the old state-command system is still in place.²³ Despite the results—complete economic collapse—the Ukrainian leadership has doggedly followed its ill-defined and patently unsuccessful 'Ukrainian way'. State-corporatist arrangements have supported this trend by bolstering conservative forces and stifling the emergence of pro-reform groups.

Ukrainian trade unions remain, for the most part, tied to the old state-command system. The republic branch of the old compulsory, communist-dominated, 'dual functioning' Soviet labour organisation has changed its name to the Federation of Ukrainian Trade Unions (FPU), but most transformations within the unions' structure have been nominal and cosmetic.²⁴ Almost 97% of all eligible workers, over 20 million people, belong to the 42 FPU branch unions. It is therefore very difficult to speak seriously of union competition in most sectors. Membership is ostensibly voluntary, but this claim is belied by surveys showing abysmally low trust in Ukrainian trade unions.²⁵ Why would individuals voluntarily pay dues to join an organisation they do not trust? The answer is that the FPU can employ economic coercion, since workers who leave or do not join the union risk losing basic privileges (day care, sick pay, housing) or even their jobs. Those who have left cited frequent threats from both management and their FPU allies.²⁶

FPU officials are less than keen about competition among unions, claiming that it would be too disruptive, weaken labour, and complicate relations with the state-owner. Valentin Pozhydaev, first deputy to the FPU chairman, declared that 'the union organism is similar to a cloth, and little rips in it soon mean that there is no fabric at all'.²⁷ FPU leaders are also moving to reassert democratic centralism within the federation and thereby strip individual branches of much of their recently-won autonomy. The FPU, as a 'peak organisation', will therefore coordinate all union activity to ensure that no union 'pulls the blanket over itself,' meaning that some individual unions would receive extra benefits and therefore leave others out in the cold.²⁸ FPU officials therefore envisage themselves as guardians of social peace and equality, and this penchant for top-down control has caused some divisions within the FPU, particularly with the coalminers' and metallurgists' union.

The FPU, like its Soviet predecessor, relies heavily upon ties to the state leadership

and plant administration. For example, Oleksandr Stoyan, the current FPU chairman, was the then President Kravchuk's adviser for labour relations prior to his election as FPU leader. Stoyan, however, never previously occupied a prominent position in the unions. His critics point to Kravchuk's involvement in his selection, and one claimed that 'even a child can understand how and for what purpose Stoyan became leader of the FPU'.²⁹ In return, under Stoyan FPU criticism of the government, and of Kravchuk in particular, has been muted, despite the government's failure to live up to its promises and the impoverishment of millions of Ukrainian workers. Meanwhile, the FPU enjoys special privileges (formal discussions and roundtables with government officials, legislative prerogatives, *de facto* control over social insurance monies) not granted to other unions. According to Vasil Yan'shyn of the construction workers' union, 'by existing legislation the FPU is the most important partner for the Cabinet of Ministers. It makes certain decisions only with the FPU'.³⁰ Other union leaders claimed that they could not afford to leave the FPU since only through this 'peak association' could unions hope to have any influence. There have been limited personnel changes within the FPU, but one surprisingly frank deputy minister in charge of social and labour questions conceded that the FPU remained a 'clan of communists'.³¹ Enterprise managers still belong to the FPU unions, and any workers present in leadership at the local level are merely '*shesterki*', the lowest playing card.³² The old troika built of the party, management and union leaders still exists and serves to suppress grassroots labour activism.

Small competitors to the FPU do exist in a few sectors (coal mining, railways, cooperatives, air transport). Most are aligned with pro-reform forces in Ukraine. Membership of these independent unions, however, is less than half a million. Some of the nascent unions' difficulties are those that beset any new organisation: lack of experience, lack of resources, collective action problems, etc. More disturbing are the widespread claims that these unions have been victims of harassment from the FPU and its allies in the administrative *apparatus*.³³ Many of these unions were reluctantly recognised by the government in 1992 after hunger strikes and a crippling transport strike. Their leaders, however, still complain of hostile attitudes from the FPU, directors and state élites.

According to all the union leaders, their most important task is to conclude collective agreements with the government. These are concerned with a number of issues, the most important of which are wage levels, indexation and guarantees of social security. The 1993 General Agreement stipulated that unions would also be allowed to participate on questions of price increases and corresponding wage indexation. A tripartite National Committee of Social Partnership has also been established as a forum to oversee implementation of the agreement and discuss a wide range of issues relating to labour relations and economic reform. This committee brings together 66 representatives, divided among labour (half from the FPU, half from other unions), business and government. The overwhelming majority of union officials I spoke with mentioned these two institutions as the most important mechanisms through which they could influence policy.

What has labour managed to accomplish? Stoyan, at the 1994 congress of the FPU, enumerated numerous improvements in economic and social policy made possible by the FPU.³⁴ This pronouncement, however, rings a bit hollow when one realises that

conditions for workers continue to deteriorate and the government has repeatedly failed to abide by agreements signed with the unions. The most egregious violations occurred on the question of price increases and indexation, since the unions were not consulted prior to the government's decision. The FPU declared that these moves 'practically liquidated the agreed regulation of social-labour relations' and established a 'government monopoly' on formation and implementation of wage policy.³⁵ The unions' collective uproar—the FPU even threatened strikes—was 'sneezed at' by officialdom in Kiev.³⁶ Strikes, of course, did not materialise. When union officials were reminded of this failure, many fell silent or shrugged their shoulders. Some lamely countered that at least the process of the negotiations denoted some progress toward 'normal' state-labour relations, although it is hard to imagine that the failure to observe the agreements itself constitutes a positive precedent. Meanwhile, on other fronts the government has whittled away at unions' rights, including control over work inspections and legislative initiative. Several FPU officials described this as a virtual war between the government and the unions, and the latter simply lacked the power to defend their ground.

The National Committee on Social Partnership has also failed to live up to expectations. According to representatives from all sides, it is saddled with numerous problems. Vasil Kostrytsia, head of the Union of Cooperative Workers and chairman of the union side, cited a lack of goodwill from the government, a lack of clearly defined powers, and passivity from the employer side.³⁷ Oleksandr Mril', head of the Independent Miners' Union, stated that three-sided social partnership was impossible as long as the state owned 95% of the property and *de facto* occupied the employers' position.³⁸ Ihor Kharchenko of the Cabinet of Ministers agreed with Mril' on this point, but added that the unions did not understand social partnership since all they wanted was money from the state. Gennadii Turyshchev of the Ministry of Labour summed up his position toward labour by stating that unions failed to comprehend economic realities and thus could not offer any positive proposals.³⁹

The net result is that labour can largely be taken out of political calculations. The FPU is a sheep in wolf's clothing, unable or unwilling to make life difficult for the state elite. Independent unions have, on occasion, been able to use strikes as a weapon, but evidence suggests that workers are increasingly reluctant to support this option.⁴⁰ Ivan Zinnyk of the FPU Union of Aviation Workers contended that 'current laws make it impossible for people to live, but trade unions are not in a position to do anything about it'.⁴¹ A rival from the Independent Pilots' Union agreed, noting that basic socio-economic questions have been taken out of the hands of the unions and placed within the ministries, 'whose interests lie against those of workers'.⁴² What is particularly noteworthy is how labour is virtually completely by-passed on longer-term questions such as privatisation and structural reform. The marginalisation of labour is an important political achievement, especially if one remembers the importance of labour unrest in the Soviet Union in 1989–91. As one official from a Ukrainian political party stated, 'if labour were truly free and able to organise, there would be no need to talk about any other group'.⁴³

While there are some elements of pluralism in state-labour relations (i.e. multiple unions), the system is predominantly corporatist. The FPU holds a virtual monopoly on representation, is relatively non-competitive and compulsory, has very strong

personal and institutional ties to the government and state, has state recognition, has a relatively formal role in the policy-making process, and controls government property and social insurance funds. It is occasionally given rather meagre bones to make sure it does not bark too loudly and spur *real* social disruption. While many of these corporatist features are holdovers from the old regime, they are likely to remain as long as the FPU enjoys patronage from above and control over important resources. On this point it is interesting to note that Oleksandr Moroz, the socialist leader of parliament, has called on FPU support in his heated struggle with the reform-minded President Kuchma. As a sort of *quid pro quo*, he has suggested that the FPU (no mention of other unions, which mainly oppose Moroz) be granted the right of legislative initiative.⁴⁴

Business organisations are also dominated by holdovers of the old system. State directors, who formerly participated in 'corporatist' arrangements through the party, have organised themselves in the Ukrainian Union of Industrialists and Entrepreneurs (USPP). This organisation claims over 14 500 institutional members which employ over 4 million workers. Half of the members are from the non-state sector, but one USPP member conceded that the representatives of the state sector, thanks to their size, resources and personal ties, have 'ninety percent of the weight in the organisation'.⁴⁵ The USPP priorities are clearly oriented toward the state sector (cheap credits, tax breaks, etc.) and it is, at best, ambivalent about privatisation. One of its vice-presidents declared: 'Yesterday's director is tomorrow's most natural entrepreneur', which reveals much, including what the word 'entrepreneur' often means in Ukraine, where factories are subject to '*nomenklatura* privatisation'.⁴⁶ The USPP also enjoys intimate contacts with the government, and a number of its officials have been or are government ministers or officials (including the Minister of Industry and Chairman of the State Property Fund). President Kuchma, prior to his election, was the USPP President.

There are over a dozen other national business groups in Ukraine, but they are significantly smaller and less influential. Despite this proliferation, it would be premature to ascribe pluralism to this sector. Many 'groups' appear to be no more than a former *apparatchik*, a secretary and a fax machine. They have yet to accumulate the resources or activate their members to be a real force. In addition, all but two of these groups are connected to the USPP, which serves as a very broad umbrella group, a corporatist-style 'peak organisation'. Moreover, one leader of the non-USPP Union of Independent Entrepreneurs even conceded that all such organisations (including his own) were 'created from the top down, and all structures remain tied to and dependent upon the state'.⁴⁷ They have emerged from old power networks centered on the party. These 'new' groups are therefore 'residual' and through them 'bureaucratic corporatist' features endemic in the old regime may persist.

Business groups have also been granted representation in a host of state-created commissions designed ostensibly to further the development of entrepreneurship. Each group, however, has depended upon patronage from above to secure positions of influence. The most privileged group has been the USPP and its affiliates, which dominated the government's commission on entrepreneurship. This body failed, however, to improve the conditions for entrepreneurs in Ukraine significantly. It was disbanded after Kuchma, the USPP patron, resigned as Prime Minister. The USPP

also has the majority of the 'employer' seats on the social partnership committee, although no USPP representative with whom I spoke attributed much significance to this institution. The directors within the USPP, meanwhile, have been able to exploit their direct connections to the élite to secure policies favourable to the state sector. This was especially true during Kuchma's tenure as prime minister in 1992–93. Despite Kuchma's endorsement of reform, he was forced to make a choice between political constituencies: pro-reform liberals or the industrial lobby. He chose the latter, which spurred hyperinflation and made adoption of structural reforms more difficult. A number of commentators suggested that, as President, Kuchma would be faced with a similar dilemma⁴⁸, although he may be able to exploit divisions within the USPP bloc to push ahead with such reforms. However, one can understand the fits and starts in his programme as an effort to retain support from this politically crucial group, since he needs their votes in parliament to defeat hard-line communist-socialist opposition. For example, in the fall of 1995 Kuchma hinted at backtracking on reform and stated that he would 'correct' policy by putting the interests of the state sector above those of the still-struggling private one, which was clearly a gesture to his director allies in the USPP.

This predominantly corporatist system of interest mediation fits in nicely with the broader notion of a 'Ukrainian way' of post-communist development. This phrase is often ill-defined and abused by politicians. The best definition, which captures many of the dynamics of post-Soviet Ukraine, was expressed by the sociologist Evgen Golovakha. He writes

The essence of the 'Ukrainian way' of post-totalitarian development is found in the yearning of authority for social equilibrium, aided by minimum social change and preservation of old structures and mechanisms of social governance, in order to avoid social demand overload, which is the unavoidable result of fundamental changes of the social foundation...As a result of this fear of conflict, the population itself becomes a mechanism which restrains any sort of constructive action directed toward overcoming the socio-economic crisis...The result is maintenance of a 'bad peace', which may be better than a 'good war'.⁴⁹

The discussion of corporatism corresponds very well with this notion of the 'Ukrainian model'. Corporatist structures help to promote social equilibrium by stifling movement from below and preventing certain actors from 'pulling the blanket over themselves', both of which could spark wide-scale conflict. Old structures, linked to the 'bureaucratic corporatist' Soviet period, persist thanks in part to efforts from above to preserve them. The overriding concern is to prevent social conflict, which is deemed illegitimate by the entrenched oligarchic élite.⁵⁰ Turning to the earlier discussion of change and control, one sees that the latter has been emphasised in Ukraine at the expense of the former. While few may be completely satisfied with existing arrangements and the continuing economic decline (hence a 'bad peace'), there is little reason to expect that independent groups are capable of launching a 'good war' from below in the name of reform.

Russia: the difficult marriage of reform and corporatism

In several respects the structure of organised economic interests in Russia resembles that in Ukraine: dominance of the old trade unions, fledgling independent unions, and

a large industrial lobby centred on the state sector. One can therefore find several elements of 'residual corporatism'. State-associational relationships, however, have been more adversarial because successive Russian governments have been more committed to economic reform. Russia, more than Ukraine up to this point, has been confronted with a difficult dilemma: how to maintain industrial peace while implementing market reforms. Corporatist approaches have been attempted, but the quest for social partnership has been elusive because the old structures have little interest in rapid reform.

The labour movement in Russia today is dominated by the Federation of Independent Trade Unions of Russia (FNPR). This body was officially founded in 1990 but is in fact the successor to the old, communist-dominated trade unions. As in Ukraine, this federation includes over 95% of the unionised labour force (about 50 million people) and has no real challenger at most enterprises. The FNPR claims that it has reformed itself and is truly an independent actor, but one analyst, in a balanced review of FNPR activities, concedes that it is 'not without reason that many workers call them the state trade unions'.⁵¹ As in the Ukrainian case, union membership relies upon economic coercion and the union leadership retains significant ties to the administration. One observer suggested that the FNPR élite, 'the flesh and blood of the upper stratum of the Soviet bureaucracy', fulfilled the same functions they did under Soviet times, and were more loyal to the enterprise management and ministries than to their members.⁵² Another noted that the collapse of the party had driven FNPR functionaries more firmly into the arms of the enterprise directors, whose support and recognition were crucial to the union leaders. In return, the unions have not pressed worker demands against the directors. Even though plants are now technically in private hands, the FNPR continues to target its criticism at the state. Since FNPR unions are commonly thought to be 'state unions' or lackeys for management, it should therefore come as little surprise that they, like their Ukrainian counterparts, lack credibility among the rank and file.⁵³ The unions most important function is the distribution of goods over which they have monopoly control (holiday homes, social insurance funds, etc.) and can use as a form of 'selective incentive' to retain members.

Since early 1992 the FNPR has been a vocal opponent of the reformist Russian government. It has attacked the government's '*anti-narodnye*' reforms which have resulted in unemployment, lower wages and loss of economic security for millions of workers. It has also objected to state efforts to rein in union control of social insurance funds and to privatisation through voucher distribution, preferring plans for employee buy-outs. Politically, the FNPR has found allies among more centrist and conservative forces, many of which, like the FNPR, are products of Soviet times. Despite its rather vehement attacks, however, the FNPR has been unwilling or, more likely, unable to organise wide-scale or prolonged strikes.

Some observers have suggested that the FNPR position toward the government is equivocal, since these unions continue to rely on government patronage to retain their legal and property rights. Their threats have therefore been more rhetorical than real, and may be the result of understanding between the government and the FNPR.⁵⁴ In other words, a game is being played, and the real state of affairs is more cosy than one might gather from public statements. In essence, the two sides need each other. The FNPR depends upon state recognition and access to property and state funds as

its main power source, since it lacks the trust of its members. The state, on the other hand, shores up the FNPR position by making it the designated representative and bargaining agent for labour in the hope of creating a viable social partner.⁵⁵ In 1995 the government even proposed a law which would designate the largest union at a given enterprise as the official voice of the workers. Such a law would clearly favour the FNPR unions and make formation of alternative unions much more difficult. While the FNPR has on occasion shown that it is not just a paper tiger, it nonetheless has been de-clawed owing to its reliance on the Russian state. This constitutes a subtle yet effective constraint on the union's power.

Smaller, 'independent' unions also exist in Russia. Their total membership is estimated to be up to five million workers. Many unions, such as those in the coal-mining and aviation industries, share a common history with similar unions in Ukraine. These unions have been among the most militant of Russia's unions. Politically, one of the most important unions has been Sotsprof, the Social Trade Union. Its leadership secured many positions in Eltsin's 1992 government and enjoyed warm relations with the Ministry of Labour. This effort to sponsor a 'favoured' union that (unlike the FNPR) would be obedient qualifies as an example of corporatist state intervention. Owing to the co-opting of the leadership, however, splits emerged within this union and it lost much credibility as an independent voice for workers. Many of the independent unions profess support for marketisation, although there are other groups (i.e. 'Labour Russia', Union of Labour Collectives, several small anarcho-syndicalist unions) which favour more conservative positions. One, the Confederation of Free Trade Unions of Russia, has even endorsed Mussolini-style corporatism as a means to establish social order.⁵⁶

The reform-minded independent trade unions, however, have not been cultivated as a strong partner for the government. They are too inconsequential to be effective social partners, and a few (the miners' and air traffic controllers' unions) have even been attacked by the government for being too disruptive. The government's strategy of divide and conquer (sponsor Sotsprof, marginalise others) has proved ineffective and probably has made unions wary of cooperating with the government. Lacking political patronage at the top and ties with the economic administration at the enterprise, many independent unions have been squeezed on the local level, and since 1992 their influence has waned. One report even suggested that the once militant independent coal miners' union had been neutralised as a union and was more concerned with commercial activity and acting as a voice for the coal industry.⁵⁷ Assessing the position of *all* Russian unions, one government economic adviser claimed that 'trade unions practically don't exist'.⁵⁸

Despite their weaknesses, it would be a mistake to assume that trade unions have had no influence on policy. Cook suggests that because successive Russian governments have been vulnerable to threats of strikes, several unions have managed to obtain wage increases and satisfaction of other demands. Union-government disputes were frequently settled in favour of labour's short-term interests, which helped to undermine adoption of more radical reform and achieved only a temporary stabilisation of labour relations.⁵⁹ For example, wage increases contributed to inflation without really improving workers' living standards. Low unemployment was also the result of continued government subsidies and delays in implementing bankruptcy legislation.

However, on more strategic questions such as how to privatise enterprises, labour's position, that plants should become joint-stock companies owned by the workers, did not prevail.

The largest employers' organisation in Russia is the Russian Union of Industrialists and Entrepreneurs (RSPP), which is the Russian equivalent of Ukraine's USPP. It is led by Arkadii Volsky, a plant director, communist *apparatchik* and adviser to Andropov and Gorbachev. The RSPP, like the USPP, is an umbrella of several organisations from both the state and non-state sectors. It describes itself as a centrist organisation, which is for more 'civilised' reforms that will offer some protection to state industries and workers. Others, however, are less kind in their descriptions, characterising the RSPP as little more than a relic of the old regime and its military-industrial complex.⁶⁰ Volsky himself may have helped to clarify the RSPP orientation when he stated: 'I believe that the idea of the hammer and sickle has not faded away—and what's bad about that?'.⁶¹ In November 1993 the RSPP claimed 2800 members under its banner, including 1900 enterprises of different forms of property, and over a hundred public associations, banks, entrepreneurial groups, etc.⁶² The RSPP and its affiliated groups represent over two-thirds of Russia's industrial output.

The RSPP has been one of the most vociferous opponents of plans for a rapid transition to a free market economy. The primary targets of its criticism have been Egor Gaidar and his team of monetarists, whom it sees as beholden to the IMF. The RSPP reached the apex of its influence in the summer of 1992, when it helped to secure the appointment of three industrialists, including the current Prime Minister, Viktor Chernomyrdin, to the government. It also spearheaded the formation of the Civic Union together with Aleksandr Rutskoi and Nikolai Travkin. The RSPP helped to secure easier credits for state firms and drew up an alternative programme envisaging some return to greater state control over the economy.⁶³

Volsky even secured an alliance with the FNPR, since both organisations were interested in privatisation via worker buyouts, which would secure the position of the directors.⁶⁴ This may seem rather peculiar, since managers and unions are generally apt to be more adversaries than allies. However, since the Russian state owned most enterprises and controlled financial resources, these two groups found a common target for criticism and source for subsidies. Moreover, this alliance reinforced the more informal ties linking union leaders with plant management. These groups have joined together in an effort to maintain real wage levels, state subsidies and high employment. In other words, while they gave some lip-service to reform, they have sought to preserve the basic elements of the old system that make meaningful reform impossible.

Despite its growing power, the RSPP was unable to derail the reform process. Internal divisions within the RSPP between pro-reform and hard-line conservative forces made it difficult for the leadership to maintain a clear direction and avoid defections.⁶⁵ Volsky's ties to Rutskoi hurt him after the storming of the Russian White House in October 1993, and his Civic Union fared poorly in the December 1993 parliamentary elections. The industrialists, however, still have several of their fold in the government and have not disappeared from the political stage.

There are several other employer and business groups in Russia. Many of these are

networks of state directors who have no interest in economic reform. Others, such as the Union of Associated Cooperatives and Leaseholders, represent the non-state sector but nonetheless were initially 'encouraged' by the authorities as a means of controlling this sector. Many of these organisations are affiliated with the RSPP. Others, such as the Confederation of Entrepreneurs' Unions of Russia, are only a 'more presentable form of clientele around some political or business leader'.⁶⁶ These organisations, however, have very limited influence, and Rutland, on the basis of interviews in 1992, claims that most have an 'air of unreality' about them, meaning that their existence is often confined to paper.⁶⁷ It is doubtful whether any of these groups (except the RSPP) *as an organisation* has the political clout necessary to influence state policy. Business groups are extremely fragmented, divided by personal rivalries as well as ideological differences, and many complain that the government does not take them into account. In a recent survey of entrepreneurs attending the Congress of Russian Entrepreneurs, the majority agreed that they had no effective way of influencing the government, and the favoured tactic was to develop personal connections.⁶⁸ Statements like these bolster fears that a 'new *nomenklatura*', a combination of the state and economic élite, will take root in the 'entrepreneurial' sphere. Two Russian analysts even maintained that the existence of organisational pluralism was also a facade, concealing the dominance of a few groups with overlapping membership and leadership.⁶⁹ Several organisations participate in a newly formed Russian Business Roundtable, designed to consolidate entrepreneurs' positions and strengthen their influence on the government.

As in the case of the USPP, it is difficult to characterise the RSPP and its affiliates as purely corporatist, although they are a far cry from a typical pluralist interest organisation. Owing to Volsky's extensive links with the *apparat*, one analyst suggested that the RSPP was 'still a long way from being independent and from being completely separate from the government'.⁷⁰ The Minister of Industry, Titkin, even served on the RSPP Board of Directors at the same time as holding his government appointment. The RSPP, while lacking a complete monopoly of representation, nonetheless enjoys a rather privileged position vis-à-vis the state. It is, to a certain extent, the leading stratum of the state's economic wing, caught in a peculiar position since the current state elite wants to eliminate state ownership. The RSPP position may change now that the bulk of the economy is formally owned by shareholders, but nonetheless there may be little turnover at the top, meaning that the RSPP could become a corporatist 'peak association' of industrial magnates.

Turning to participatory forums for management of industrial relations, all sides have embraced the notion of 'social partnership' and establishment of corporatist tripartite negotiations as the centrepiece of this formula. The primary institutional locale for creating partnership has been the Social Partnership Committee, established by presidential decree. This body was set up in January 1992 and brings together representatives of the government, unions and employers.⁷¹ It is empowered to prepare legislation and facilitate labour agreements, and has tackled such questions as wages, working conditions, forms of privatisation and social security. It helped to secure a General Agreement in March 1992, premised on a very simple basis: the state promises to maintain social welfare provisions, managers take positions to avoid unemployment, and unions pledge to refrain from strikes.

Despite the widespread acceptance of this corporatist bargain in principle, Russian tripartism has been very difficult to manage. Part of the problem is that no side is able to live up to its agreements: the state lacks the resources to maintain the social safety net, layoffs and delayed wage payments have occurred, and the unions have not been able to prevent their members from striking. In July 1992 the RSPP and the FNPR pulled out of the commission and formed their own Russian Assembly for Social Partnership, which was little more than a forum to criticise government reform plans. These groups were lured back into the state committee, but a myriad of problems with tripartism remain: conflicts over jurisdiction versus the regions, rivalries between the unions, widely conflicting demands, government instability, different approaches to social partnership from within the government, and vague resolutions which are openly violated, ignored or circumvented. Two Russian experts on labour relations accuse the government of using social partnership as a means to manipulate other actors. They write: 'Rather than use trilateral negotiations for dialogue, achievement of compromise, and hence correcting policy, some government leaders hope to press partners for approval of the policies already formulated'.⁷² 'Partnership' is therefore more imposed from above than negotiated among equals.

The biggest obstacle, however, is the lack of truly private employers, which enables the unions and directors to gang up against the employer-state to press for more handouts. Assessing the committee's more recent activity, the director of the Bureau for Resolution of Collective Labour Disputes notes that 1993 was less successful for tripartism than 1992, owing to a lack of independent unions and to 'employers' that are little more than a *'nomenklatura'* club based on mutual ties and not a social partner'. The process is full of absurdities, he claims, and he cites as an example one 'employer' representative who declared that at his enterprise he would operate without collective agreements and without union input and at the same time was ostensibly working to conclude an agreement on the national levels.⁷³ The former labour minister, Aleksandr Shokhin, mentioning the same type of problems, concludes that there are only embryonic representative organs in Russian society (i.e. independent unions) and that the government's task must be to 'render assistance (naturally indirect) to the formation of new partners'.⁷⁴ In essence, the Russian government finds itself fighting against a communist/command unipartite corporatist legacy, but may have to resort to more interventionist policies to create new partners amenable to economic reform. This does not mean that corporatism is doomed in Russia, but only that the dominance of 'residual' corporate groups makes social partnership geared toward reform very difficult.

Discussion

Existing systems of interest intermediation in Ukraine and Russia do not fit neatly into pluralist/corporatist typologies. Despite the presence of some pluralist features, however, state corporatist ones are very strong and are the defining feature of state-interest group relations. In the Ukrainian case, they help to support the 'bad peace' of economic stagnation, whereas in Russia these largely residual ties have made the adoption of reform more difficult. I would now like to highlight some

important factors which will affect interest groups and prospects for corporatism in the immediate future.

One problem which both weakens interest groups and makes establishment of corporatist social partnership (neo-corporatism) difficult is insufficient development of interests. This is partly the result of state ownership, which creates a 'surreal' situation in which managers and unions are often on the same side.⁷⁵ The secretary of the Ukrainian social partnership committee agreed with this assessment, claiming that 'each side is unable to recognise its own interests'.⁷⁶ The solution to this problem is privatisation, which would make adoption of neo-corporatist solutions easier.

On a deeper level, however, the unions have not been able to articulate a clear position on key questions of reform such as privatisation. One Russian writer notes that 'the workers' and independent trade union movements don't have any clear ideological platform and they haven't freed themselves yet from the hypnotic official ideology which presents any opposition to shock therapy as a dangerous impediment to the reforms that Russia must undertake'.⁷⁷ Ost suggests that labour is handicapped because there is no ideologically credible way to lobby against reforms.⁷⁸ All unions profess to 'defend workers' rights', but what this means is unclear in an environment where economic reform is imperative. 'Interest' therefore is a nebulous concept. Lacking both a clear understanding of interest and a well defined approach to reform, unions have concentrated on short-term objectives such as wage rises in order to placate their members and retain some credibility. However, because unions have been unable to present a coherent economic programme, labour may be marginalised on key questions of economic reform.⁷⁹ Thus, while privatisation may eventually define labour's 'interests', in the meantime labour is poorly equipped to affect how privatisation will be conducted.

There is, however, some creation and differentiation of interest occurring, especially among the old economic *nomenklatura* which is the base for the USPP and RSPP. Both of these organisations suffer from divisions between 'red directors' opposed to privatisation and loss of state subsidies and those who favour privatisation and liberalisation. These splits may help to account for the inability of the RSPP to derail reform in Russia and they may provide some 'breathing space' for Kuchma as he continues to implement reforms in Ukraine. Pedersen *et al.*, however, on the basis of the preliminary examination of the Russian case, suggest that 'red business' has little interest in the growth of the private sector from the bottom up, and may be able to pervert privatisation so that it actually limits competition and maintains economic oligopoly and political oligarchy.⁸⁰ Privatisation, therefore, may not lessen the power of the old *nomenklatura* or eradicate all vestiges of the previous system.

Finally, one must recognise that neo-corporatism, regardless of the appeal of the notion of 'social partnership', will be very difficult to implement. The Russian case already demonstrates this point, and difficulties with labour and industrial relations are likely to continue. One fundamental problem that reformers face is that there is, at best, only a weak constituency for reform in these countries. Of course, the majority of the public does endorse reform as a general concept, but they are far less willing to accept the concrete consequences, i.e. greater unemployment, loss of social security, inequality, wage reductions, etc. New groups which may be more favourably disposed toward reform are having numerous problems gaining political clout.

Meanwhile, it has been very difficult for Russian reformers to cultivate reliable social partners from the old trade unions or state directors, since reforms require substantial sacrifice from these groups and can offer only promises of eventual results. In Ukraine, Kuchma has recently taken some steps toward reform (reining in state subsidies and credits for unprofitable enterprises, price reform), but, according to a writer for the independent unions' paper, these reforms have been made by administrative fiat and he has yet to build a reform coalition with any sort of popular base.⁸¹ Kuchma, like the reformers in Russia, will have to find a way to implement reforms despite the objections of the existing interest associations. The challenge for reformers and their Western advisers is to make reform more palatable to key social actors and to make 'negotiated marketisation' possible. This is not easily done, even under leftist, 'social democratic' governments, such as those in Poland and Hungary. Corporatism, with its promise to foster social harmony, is likely to remain attractive for post-communist élites, both those interested in preserving a 'bad peace' and those favouring reforms. For the latter group, however, institutionalisation of corporatist structures and creation of social partnership with labour and business, despite their appeal, may be elusive both because of the objective demands of economic transition and the continued dominance of Soviet-era interest associations.

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¹ Philippe Schmitter, 'The Consolidation of Democracy and Representation of Social Groups', *American Behavioral Scientist*, 35, 3–4, March/June 1992, pp. 427–428.

² David Ost, 'The Politics of Interest in Post-Communist Europe', *Theory and Society*, 22, 4, August 1993, pp. 453–485.

³ Leonid A. Gordon, 'Russia on the Road to New Industrial Relations', *Problems of Economic Transition*, 35, 6, October 1992, p. 11.

⁴ Important contributions include Peter J. Katzenstein, *Small States in World Markets* (Ithaca, Cornell University Press, 1985); Gerhard Lehbruch & Philippe Schmitter (eds), *Trends Toward Corporatist Intermediation* (Beverly Hills, Sage, 1979); Lehbruch & Schmitter (eds), *Patterns of Corporatist Policy-Making* (Beverly Hills, Sage, 1982); James Malloy (ed.), *Authoritarianism and Corporatism in Latin America* (Pittsburgh, University of Pittsburgh Press, 1977); Philippe Schmitter, 'Still the Century of Corporatism?', *Review of Politics*, 36, 1, January 1974, pp. 85–131; Alfred Stepan, *The State and Society: Peru in Comparative Perspective* (Princeton, Princeton University Press, 1978); Howard Wiarda, *Corporatism and National Development in Latin America* (Boulder, Westview, 1981); and Peter J. Williamson, *Varieties of Corporatism* (Cambridge, Cambridge University Press, 1985).

⁵ Peter Williamson, *Corporatism in Perspective: An Introductory Guide to Corporatist Theory* (London, Sage, 1989), p. 22.

⁶ Schmitter, 'Still the Century...', pp. 93–94.

⁷ Gerhard Lehbruch, 'Liberal Corporatism and Party Government', in Lehbruch & Schmitter, *Trends...*, p. 150. See also Lehbruch, 'Introduction: Neo-Corporatism in Comparative Perspective', in Lehbruch & Schmitter, *Patterns...*, pp. 1–28.

⁸ Philippe Schmitter, 'Reflections on Where the Theory of Neo-Corporatism Has Gone and Where the Praxis of Neo-Corporatism May Be Going', in Schmitter & Lehbruch, *Patterns...*, pp. 259–279.

⁹ See Schmitter, 'Still the Century...', and Katzenstein, *Small States...*, especially pp. 136–190, for an account of the historical development of 'democratic' corporatism in several European states.

¹⁰ For examples, see Laszlo Bruszt, 'Transformative Politics: Social Costs and Social Peace in East Central Europe', *East European Politics and Societies*, 6, 1, Winter 1992, pp. 55–72; Ost, 'The Politics...'; Ove K. Pedersen, Karsten Ronit & Jerzy Hauser, 'Evolution of Interest Representation and Development of the Labour Market in Post-Socialist Countries', *Journal of Transforming Economies and Societies*, 1, 2, 1994; Peter Rutland, 'Thatcherism, Czech-style: Transition to Capitalism in the Czech Republic', *Telos*, 94, Winter 1992–1993, pp. 103–129.

¹¹ Yurii Pokal'chuk, 'Real'nist' zahrozy: "Latinoamerykanizatsiya" Ukrainy', *Universym* (Kiev), 1, December 1993, pp. 10–11; Aleksandr Kuz'mishchev, 'Rossiya skvoz' "latinamerikanskuyu prizmu"', *Nezavisimaya gazeta*, 2 September 1993, p. 2.

¹² Recently, Zhang has claimed that corporatist solutions are unavailable to post-communist states such as Russia and China because of the heritage of totalitarianism. His argument is not compelling for several reasons. He overlooks the literature on Soviet-style corporatism while overstating the totalitarian thesis. He assumes that the new elites will emerge from social movements in society, which has not always been the case. He also completely overlooks 'pacted' transitions in Poland and Hungary which occurred precisely because the communist states were not totalitarian. See Baohui Zhang, 'Corporatism, Totalitarianism, and Transitions to Democracy', *Comparative Political Studies*, 27, 1, April 1994, pp. 108–136.

¹³ For examples, see Valerie Bunce & John M. Echols, 'Soviet Politics in the Brezhnev Era: "Pluralism" or "Corporatism"?', in Donald R. Kelley (ed.), *Soviet Politics in the Brezhnev Era* (New York, Praeger, 1980), pp. 1–26; Bunce, 'The Political Economy of the Brezhnev Era: The Rise and Fall of Corporatism', *British Journal of Political Science*, 13, April 1983, pp. 129–158; S. Peregudov, I. Semenenko & A. Zudin, 'Business Associations in the USSR and After: Their Growth and Political Role', Working Paper No. 110, Department of Politics and International Studies, University of Warwick, April 1992; and Blair Ruble, *The Applicability of Corporatist Models to the Study of Soviet Politics* (Pittsburgh, Carl Beck Papers in Russian and East European Studies, 1983).

¹⁴ For more on the notion of path dependence see David Stark, 'Path Dependence and Privatization Strategies in East Central Europe', *East European Politics and Societies*, 6, 1, Winter 1992, pp. 17–54.

¹⁵ Leo Panitch, 'The Development of Corporatism in Liberal Democracies', in Schmitter & Lehmbruch, *Patterns...*, p. 119.

¹⁶ Bruszt, 'Transformative Politics...'

¹⁷ Arguably, Poland and Hungary have reached this point, which helps to explain why the new socialist governments in these states initially expressed enthusiasm for corporatist ideas and made overtures to labour. However, in both cases these governments have largely followed the policies of their predecessors, and labour has not been cultivated as a corporatist partner.

¹⁸ Claus Offe, 'The Attribution of Public Status to Interest Groups: Observations on the West German Case', in Suzanne Berger (ed.), *Organizing Interests in Western Europe: Pluralism, Corporatism, and the Transformation of Politics* (Cambridge, Cambridge University Press, 1981), pp. 123–158.

¹⁹ Yurii Buzdugan, chairman of parliamentary committee on social and labour policy, interview in *Most* (Kiev), 4 July 1994, p. 12.

²⁰ Joe Foweraker, 'Corporatist Strategies and the Transition to Democracy in Spain', *Comparative Politics*, 20, October 1987, pp. 57–72, and Zhang, 'Corporatism....'

²¹ Vasil' Tkachenko, 'Dovhy shlyakh do hromadyans'koho suspil'stva', *Politychna Dumka*, 1994, 2, p. 21.

²² Volodymyr Chernyak, 'Svitovy dosvid pidkazue', *Uryadovy Kur'er*, 26 March, 1994, p. 5.

²³ Since autumn 1994 President Kuchma has assembled a team of reformers, undertaken some fundamental economic reforms, and secured IMF backing. This may represent an important turning point, but it will take a concerted, long-term effort to produce a genuine economic turnaround. Although recent moves may be hopeful, it is still too early to claim that Ukraine has embarked on an irreversible course of reform.

²⁴ For more on Soviet unions, see Robert Arnot, *Controlling Soviet Labour: Experimental Change from Brezhnev to Gorbachev* (London: Macmillan Press, 1988); Walter Connor, *The Accidental Proletariat: Workers, Politics, and Crisis in Gorbachev's Russia* (Princeton: Princeton University Press, 1991); Ruble, *The Applicability...*; and Ivan Suhij & Vladimir Lepekhn, 'Evolution of Interest Representation and Development of Labour Relations in Russia', *Journal of Transforming Economies*, 1, 2, 1994.

²⁵ In July 1993, after a wave of labour unrest, only 2.7% of the population completely trusted the unions, and 40.6% claimed they did not trust them at all. In December 1993 the figures were 11.3% and 47.6% respectively. See 'Politychny Panorama 93: Vlada, partiya, polityky', *Ukrains'ky Ohliadach*, 1994, 2, p. 7.

²⁶ This is drawn from interviews with numerous representatives of non-FPU unions in Ukraine which I conducted in summer 1994.

²⁷ Chomu aktiv pasyvnny?, *Profspilkova Hazeta*, 25 May 1994, p. 3.

²⁸ Interview with Volodymyr T'otkin, head of the FPU membership and branch relations department, June 1994.

²⁹ Interview with Konstanin Sav'in of All-Ukrainian Association of Workers' Solidarity (VOST), May 1994.

³⁰ Interview, Kiev, June 1994.

³¹ Interview with Oleg Kharchenko, member of the Cabinet of Ministers, July 1994.

³² Phrase used by Semen Karikov of the Independent Railway Workers' Union, interview, July 1994.

³³ All 12 of the non-FPU union leaders with whom I spoke mentioned this sort of problem, which continues to plague several unions today. Among the more dramatic stories was that of a local official from the independent railway union who was defenestrated from his ninth-floor flat.

³⁴ Oleksandr Stoyan, 'Pro takyku dii Federatsiyi Profspilok Ukrainy po zabezpechenniyu sotsial'nykh garantii trudyashchykh', *Profspilkova Hazeta*, 6 July, 1994, pp. 1–2. Among the accomplishments were establishment of a 40-hour work week, a new law on collective agreements, the creation of the social partnership committee, ratification of ILO agreements, increases in the minimum wage and guarantees of social security.

³⁵ *Reforma zarobotnoi platy ta slyakhy ii zdisnennia*', *Profspilkova Hazeta*, 15 June 1994, p. 1.

³⁶ 'Hrayut', hrayut'...chy dohrayut'sya?' *Demokratychna Ukraina*, 15 January 1994, p. 2.

³⁷ Interview, Kiev, June 1994.

³⁸ *Predprinimatel' i profsoyuz: dinamika otnoshenii*', *Most*, 25 April 1994, p. 9.

³⁹ Interviews, Kiev, June–July 1994.

⁴⁰ 'Slabost' sily', *UNIAN-Politika*, 8–14 February 1994, pp. 11–12.

⁴¹ Interview, Kiev, June 1994.

⁴² Valentin Pvachev, 'Chego my zhdem ot novogo parlamenta', *Most*, 16 May 1994, p. 5.

⁴³ Try trampoliny', *Post-Postup*, 2–8 February 1994, p. A3.

⁴⁴ 'Moroz Appeals to Union Leaders for Support', Foreign Broadcast Information Service Daily Report (FBIS), *Central Eurasia*, 23 February 1995, p. 59.

⁴⁵ Interview with Tamara Svirus, general director of the Union of Small Entrepreneurs, July 1994.

⁴⁶ Interview with Ludmila Yakovleva, May 1994.

⁴⁷ Interview with Valerii Yuzba, July 1994.

⁴⁸ See for example Artur Belous, 'Kuchma ne poidet s chelobitnoi k Rossii', *Kievskie vedomosti*, 14 July 1994, p. 3, and 'Prezydent Kuchma pidshykv sobi radnyka Tse-prem'er Kuchma', *Post-Postup*, 11–18 August 1994, pp. A1–A2.

⁴⁹ Evgen Golovakha, 'Suchasna politychna sytuatsiya i perspektyva derzhavno-politychnoho ta ekonomichnoho rozvytku Ukrainy', *Politychny portret Ukrainy*, 4, December 1993, p. 5.

⁵⁰ Sergei Grabovsky, 'Stantsiya "Oligarkhicheskya respublika Ukraina". Poezd dal'she ne idet?', *UNIAN-Politika*, 18, 49, 2–9 May 1994, pp. 5–6.

⁵¹ Gordon, 'Russia on the Road...', p. 13.

⁵² Alexander Tarasov, 'Soviet Trade Unions on the Road to a Shameful Fall', *Russian Labour Review*, 1993, 1, p. 15.

⁵³ 'Shkola kommunizma v gosudarstvennoi dume', *Izvestiya*, 22 February 1994, p. 4, and 'Profsoyuznye bossy igrayut v starye partiinye igry', *Izvestiya*, 19 May 1993, p. 3.

⁵⁴ Clarke *et al.*, pp. 183–184.

⁵⁵ Linda J. Cook, 'Russia's Labor Relations: Consolidation or Disintegration?', in Douglas W. Blum (ed.), *Russia's Future: Consolidation or Disintegration?* (Boulder, Westview Press, 1994), p. 80.

⁵⁶ 'Russia: From Corporatism to Corporatism', *Russian Labour Review*, 1994, 3, pp. 9–10.

⁵⁷ Clarke *et al.*, p. 180. See also Ivan Suhij & Vladimir Lepekhin, 'Evolution of Interest Representation and Development of Labour Relations in Russia', *Journal of Transforming Economies and Societies*, 1, 2, forthcoming.

⁵⁸ Sergei Vasiliev, *Moscow News*, April 1992, quoted in Tarasov, p. 14.

⁵⁹ Cook, 'Russia's Labor Relations...'

⁶⁰ 'Vtoroi i poslednii, no pervyi', *Izvestiya*, 24 January 1992, p. 2.

⁶¹ 'Chernomyrdin s nami', *Izvestiya*, 17 November 1993, pp. 1–2.

⁶² ITAR-TASS, reported in FBIS, *Central Eurasia*, 16 November 1993, p. 47.

⁶³ For more on these developments see Eric Lohr, 'Arkadii Volsky's Political Base', *Europe-Asia Studies*, 45, 5, 1993, pp. 811–829, and Elizabeth Teague, 'Russia's Industrial Lobby Takes the Offensive', *RFE/RL Research Report*, 14 August 1992, pp. 1–6.

⁶⁴ For more on the business community's effect on privatisation during this period see Peter Rutland, *Business Elites and Russian Economic Policy* (London, Royal Institute for International Affairs, 1992).

⁶⁵ See Lohr, 'Arkadii Volsky's Political Base'.

⁶⁶ Suhij & Lepekhin, 'Evolution...'. This group is headed by Vladimir Shumeiko, Chairman of the Council of Federation, the upper house of parliament.

⁶⁷ Rutland, *Business Elites...*, pp. 20–21.

⁶⁸ 'Bez konfrontatsii, a s tverdymi positsiyami', *Delovoi mir*, 24 December 1994, p. 4.

⁶⁹ Olga Kirichenko & Pavel Kouduykin, 'Social Partnerships in Russia', *Economic and Industrial Democracy*, 14, 4 (Supplement), November 1993, pp. 43–54.

⁷⁰ Gordon, 'Russia on the Road...', p. 23.

⁷¹ Each side is responsible for selecting its representatives. Labour was initially represented by several unions, including the FNPR, Sotsprof and the independent miners' and air traffic controllers' unions. These last three unions, however, lost their seats in 1993, reflecting the dominance of the FNPR. Employer representation has been dominated by the RSPP and its affiliates. For more on the initial workings of social partnership in Russia see Michael Ellman, 'Russia II: Is Corporatism the Answer?', *The World Today*, July 1993, pp. 125–126, and Elizabeth Teague, 'Russian Government Seeks "Social Partnership"', *RFE/RL Research Report*, 19 June 1992, pp. 16–23.

⁷² Suhij & Lepekhin, 'Evolution...'

⁷³ Vladimir Petrov, 'Peregovory ili...zabastovka', *Chelovek i trud*, February 1994, p. 96.

⁷⁴ 'U nas poka net rynka truda', *Obshchestvennye nauki i sovremennost'*, 1992, 1, p. 6.

⁷⁵ Elizabeth Teague, 'Pluralism Versus Corporatism: Government, Labor, and Business in the Russian Federation', in Carol Saivetz & Anthony Jones (eds), *In Search of Pluralism: Soviet and Post-Soviet Politics* (Boulder, Westview, 1994), p. 120.

⁷⁶ Interview with Anatolii Rybak, Kiev, June 1994.

⁷⁷ Galina Rakitskaya, 'What the Workers are Demanding in Terms of Social and Economic Policy', *Russian Labour Review*, 1994, 3, p. 15.

⁷⁸ David Ost, 'Labor in Post-Communist Transitions', Working Paper 5, 17, University of California (Berkeley) Center for German and European Studies, 1993.

⁷⁹ This most clearly happened in Poland, where Solidarity backed shock therapy solutions and lost credibility once these reforms caused pain for workers. It was unable to articulate a worker-based strategy.

⁸⁰ Pedersen *et al.*, 'Evolution...'

⁸¹ Vyacheslav Pikhovshek, 'Krisosovy tsunami prezidenta L. Kuchma', *Most*, 6–12 February 1995, pp. 2–3.