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Susanne A. Wengle. *Post-Soviet Power: State-Led Development and Russia's Marketization*. New York: Cambridge University Press, 2015. 310 pp. ISBN 978-1-107-07248-0.

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This is an insightful and important book. *Post-Soviet Power* presents a sophisticated and dynamic account of the transformation of the Russian electricity sector—“the backbone of the Russian economy” from the early 1990s until 2008, when the team of liberal reformers headed by Anatolii Chubais managed to complete the process of restructuring the state energy monopoly United Energy Systems (UES). The study views the economics and politics of post-Soviet institutional building in the electricity sector as closely intertwined and mutually constitutive processes. Moreover, it considers the process of marketization as a pathway to “post-Soviet developmentalism”—a flexible and multifaceted process of institutional innovation and “self-discovery,” to use economist Dani Rodrik’s phrase (p. 52).

The study relies on detailed empirical process tracing, based on interview data, combined with a thorough reading of the Russian press and two original data sets, compiled by the author, concerning asset ownership and subsidy regimes in the electricity sector. The book positions itself as a bridge between economic sociology and the political economy of development.

Post-Soviet Power traces the transformation of the Russian post-Soviet energy sector from “ministry to market” involving the processes of unbundling (of generation from transmission and retail), restructuring, and the sale of assets. Susanne Wengle points to the irregular pattern of liberal and illiberal elements which characterize the resulting market arrangements and invites us to consider the intense politics of this process. The novelty of her approach comes through when she underscores the significant *change* that has taken place as a result of post-Soviet restructuring. This, as she points out, presents a qualitatively different approach to the “deficit model” described by Stephen J. Collier and Lucan Way (p. 38), an approach that concerns itself with measuring the distance between Russia’s seemingly failed reforms and market ideals. Further, the book’s argument departs from the themes of state capture, rent seeking, and corruption by state actors that often underlie the accounts of Russian reforms. While highlighting that such processes cannot by any means be written off, seeing reform politics as pure “strategies for self-enrichment among political elites obscures other important political rationales” (p. 141), variables, and processes associated with post-Soviet economic restructuring.

Such important variables include *ideas* of post-Soviet developmentalism and ongoing developmental *bargains* between different sets of actors. Among important actors considered in the book are the country's top leadership (Presidents Boris Yeltsin and Vladimir Putin), the team of liberal reformers centered around Chubais, regional governors (particularly of Moscow, Irkutsk, and Primorskiy Krai), and large oligarchic conglomerates, notably Gazprom and Rusal. Post-Soviet developmentalism as an idea and as a process represented a dynamic agenda that had different champions at different times: liberal reformers, regional governors particularly influential in the 1990s, and different factions within the federal bureaucratic elite during the 2000s. Each of these actors contributed different nuanced meanings to the notion of country's social, economic, and political development and the place of the energy sector. Simple everyday phrases such as "keeping the lights on" and "factory doors open" encapsulated what the actors were striving for. Their interactions behind these notions were anything but simple. Their bargains involved often-unlikely alliances. Their degree of influence changed over time and the locus of policy action shifted from the regional to federal level because of the recentralization of authority in the early 2000s. Only accounting for such variables and dynamics, *Post-Soviet Power* argues, will allow an understanding of the geographically differentiated pattern of market arrangements that were forged as a result of the liberalization of the Russian electricity sector by the late 2000s.

The book claims to make three distinct contributions to Russian studies, to political economy, and to comparative development literatures.

The book's significance for Russian studies is in problematizing actors' intertwined interests and ideas. These stem from their positions within regional and international contexts and represent sources of their preferences in the complex process of post-Soviet institutional building. Such conceptualization challenges the predominant "predatory state" view that places patrimonialism at the heart of all political development (Gel'man 2016). Further, the account of marketization of the electricity sector in the book departs from the usual explanation of such dynamics as an application of liberal recipes, which had to be compromised by giving concession to the defenders of the status quo. *Post-Soviet Power* sees this process as evolving developmental pacts between government and business conglomerates, each having active positions and ideas about the objectives and principles of post-Soviet developmentalism. Finally, the book demonstrates the mutual reflexivity of economic and political development. "Liberalization and marketization not only transform economic institutions; they also reshape authority structures" (p. 51). The eventual liberalization of the UES not only delivered the transformation of the electricity sector but also undercut the influence of regional governors, thus advancing President Putin's state-building project.

There are also several implications for comparative political economy. One is related to the political economy of privatization that is linked to the above view of oligarchic conglomerates, important counterparties to the liberalization process, as complex economic and political actors. This is contrary to the new owners being seen as pure private (virtuous) firms, or bad early winners and rent-seekers. Moreover, the

finding about the mutually constitutive nature of politics and economics of development challenges an influential institutionalist strand in the political economy literature that interprets growth as a function of institutional stability (North 1991) and “inclusive political institutions” (Acemoglu and Robinson 2013). *Post-Soviet Power*, by contrast, presents a picture in which politics and economics are defined via a temporal reflexive process of institutional innovation, rather than seeing one element, the political realm, being exogenous to the process of development.

The third contribution is to comparative development literature. This contribution follows from the last point about the book’s interpretation of development as being rooted in actors’ evolving ideas of developmentalism and fluid political pacts situated within regional and international economies. This argument chimes with contemporary research about the flexible and enabling developmental state. Specifically, it contributes a vision of regional differentiation of developmental strategies within a single country.

The introduction and chapter 1 present the book’s puzzle relating to the pattern of liberal and illiberal arrangements that were forged in the Russian electricity sector by the late 2000s and put forward the arguments outlined above.

Chapter 2 is devoted to the political power bargains that provided the bases for energy sector marketization. It offers an analysis of the factors that enabled the passage of the Law on Energy in 2003. These included the centralization of the federal authority, the transformation of executive-legislative relations, and a seemingly improbable alliance between the liberal and the *siloviki* factions of the government.

Chapter 3, which concludes part 1 of the book, is devoted to three types of supraregional pacts that shaped the landscape of institutional arrangements in the Russian energy sector after its restructuring. Three powerful counterparties to the bargains in the three broad territorial zones—European Russia, Siberia, and the Far East—were Gazprom, Rusal, and the Far East power plants. The chapter applies a constructivist conceptualization of physical infrastructure, “things,” as *ideas* that legitimize interests and are validated—“naturalized”—by actors’ discourses in the course of institutional bargains (pp. 51, 106–107).

Part 2 of the book examines the emergence of the three types of regimes in the Russian electricity sector: ownership (chapter 4), subsidies (chapter 5), and expertise regime (chapter 6). The conclusion reviews the arguments of the book as outlined above.

The limitations of the book’s argument derive from its strength. This reader would particularly like to point to the theoretical treatment of ideas and their relationship to interests. Wengle’s effort to build an argument linking interests and ideas with the temporal dimension of institutional construction is highly commendable in the field of Russian studies, where with few exceptions “ideas hardly matter; while interests reign supreme” as an explanation for social phenomena (p. 131). Yet, Wengle notes that social science puts us in front of a choice whether it is indeed ideas *or* interests that are key to understanding change, whereas her argument underlines the interaction of the two (p. 131). In addition, *Post-Soviet Power* features parallel definitions of ideas: ideas as “imagined” physical infrastructure (chapter 3)

and expert ideas (chapter 6). These two dimensions of the argument could benefit from bringing in the insights of historical institutionalist literature (see Fioretos, Falleti, and Sheingate 2016). Through the prism of this influential tradition in political science, Wengle's "physical legacies" are institutions. They exist as long as actors have an interest in them and can morph or be abandoned altogether as interests shift, just as Wengle demonstrates in her study. Expert ideas, by contrast, are ideational variables on which historical institutionalists draw for explaining processes of change *in interaction* with interest-related variables.

This criticism aside, *Post-Soviet Power* makes an important contribution to the literature. It is theoretically sophisticated, rich in empirical detail, and written in an engaging and lively style. It advances our understanding of the processes of marketization and liberalization and of social change more generally. It is thoroughly recommended to anyone interested in Russian post-Soviet transformation, political economy, and development.

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