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WHAT RUSSIA TEACHES US NOW How Weak States Threaten Freedom²

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For half a century, the Soviet Union was not only our principal military adversary. It was also our ideological and moral "other." Both left and right in America defended their competing visions of a liberal society in reaction to the Stalinist nightmare. In this sense, the Cold War profoundly shaped our public philosophy. Indeed, we might say that the Cold War was our public philosophy. The demanding contest with Soviet communism guided how we thought about the core principles underlying our basic institutions. For liberalism was, or appeared to be, totalitarianism turned inside out.

What features of the American creed did this master contrast lead us to stress?

Freedom of speech and the press, first of all, and freedom of conscience, for these were cruelly repressed under Moscow's sway. In the same spirit, Americans underscored the freedom of movement, the right to form private associations, the right to a fair trial, and the right to vote in competitive elections where incumbents might be toppled from power. Likewise emphasized was the latitude to accumulate private wealth, on the assumption that a decentralized and unplanned economy alone could provide the basis of both prosperity and political freedom.

Revulsion at the Gulag and the thought police encouraged a particular way of construing these classical liberal freedoms. They were styled, in general, as "negative" liberties, as rights against the state, as shields guarding vulnerable individuals from governmental abuse.

Now the Soviet Union has been swept off the map, but all is not well in Russia. Outside of Moscow, living conditions have deteriorated so severely that some Russians have reverted to subsistence agriculture. Ironically, Russians today have more reason to worry about the debility of the state than about its power. Symptoms of internal disarray are ubiquitous: prison outbreaks, railroad bandits, soldiers begging cigarettes in public places, packs of dogs on the streets of provincial cities, unrepaired oil leaks. The state barely has the resources to function as a result of massive tax evasion and the murders of tax inspectors (26 were killed in 1996), the stiff-arming of Moscow by regional leaders, and the eye-popping enrichment of prominent individuals who sit astride public agencies and semiprivatized enterprises.

The debility of the Russian state not only inflicts suffering on Russians, but also is the source of new specters haunting the West: more Chernobyl-style meltdowns, over-the-counter sales of

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nuclear know-how to rogue states, the proclaimed technical and financial inability to liquidate existing stockpiles of biological and chemical weapons, shamefully maintained oil tankers, a contagious disease crisis that may eventually threaten Europe, organized-crime activity metastasizing alarmingly abroad, the inability of the central government to live up to its obligations (as in the case of NASA's space station), a questionable command-and-control system, and lack of coordination among the defense and foreign ministries on questions vital to neighboring states.

Talented young reformers may be welcomed into the Kremlin, but they will not soon resolve their country's grave crisis of governability. While the buses still manage to run, the Russian government is conspicuously unable to enforce its own laws. Total tax revenues as a percentage of gross domestic product hover somewhere below 10 percent (this excludes the vast and untaxable gray economy), compared to roughly 30 percent in the United States and an average of 45 percent in western Europe. The problem liberal reformers face is no longer censorship and the command economy, nor is it frustrated national pride and xenophobia (though these exist), but something quite new: an incoherent state tenuously connected to a demoralized society.

What can we learn from this shocking situation? How should we reassess the celebration of "free markets" and "spontaneous exchange" when we observe totally unregulated markets in ground-to-air missiles and other lethal leftovers of the Soviet arsenal? And what about "pluralism," "decentralization," "countervailing powers," "private associations," and the "independence of society from the state"? Perhaps we have as much to learn about these ideas from communism's aftermath as we once believed we had to learn from communism itself.

During the Cold War, when all political evils seemed to swarm from "too much government," the threat posed by too weak a government played little role in liberal self-understanding. (I use "liberal" in the expansive philosophical sense, embracing both contemporary American conservatives and liberals.) But this was not always so. In Madison's famous formulation in the *Federalist*, constitutional restrictions on government assume that we "first enable the government to control the governed." If the public authorities can be outgunned or bribed, the vibrancy of the private sector can be pathological. For there is no rule of law until the Mafia needs lawyers. Of course, the increased visibility of grave social harms from unregulated markets and cutthroat bands should not prompt us to embrace ironfisted government. But the woes of Russia's politically disorganized society should heighten our appreciation of the role of government in promoting liberal freedoms and serve as a lesson to those among us who see the state only as a threat to liberal values.

NO PUBLIC POWER, NO INDIVIDUAL RIGHTS

Classical liberal theory deemed political authority necessary because individuals are partial to themselves and, left to their own devices, the strong and the deceitful have an irresistible proclivity to exempt themselves from generally valid laws. That old insight is amply confirmed in Russia

today. When the state that once owned everything is now so easy to despoil, why play by rules that apply equally to all? Libertarians sometimes argue that the coercive authority of the state extends only to the prevention of harm and the protection of property rights. In the Russian context, the word "only" here strikes a very false note. Limited government, capable of repressing force and fraud, turns out to be mind-bogglingly difficult to erect in a chaotic setting.

Today's Russia makes excruciatingly plain that liberal values are threatened just as thoroughly by state incapacity as by despotic power. "Destatization" is not the solution; it is the problem. For without a well-functioning public power of a certain kind there will be no prevention of mutual harm, no personal security, and no "standing rule to live by," to use a Lockean phrase. The rights inscribed in the 1977 Brezhnev Constitution went unprotected because of a repressive state apparatus. The rights inscribed in the 1993 Yeltsin Constitution go unenforced because the government lacks resources and purpose, and because incumbents are more keen on harvesting kickbacks and insider giveaways than on solving public problems.

Russia's disorder affects both state and civil society. The system of central control and coordination is in shambles, and the citizenry, while resenting political elites, remains passive and inert. Incumbents are venal and incompetent, and social interests are too anemic and diffuse to coalesce into effective collective organizations or constituencies for reform capable of disciplining those in power. While not especially oppressive (with the important exception of Chechnya), the government is fragmented, unaccountable, and seemingly indifferent to the plight of its citizens. Social services atrophy and life expectancy plummets, while ordinary Russians, expecting nothing from politics, eke out a living on their own.

That political fragmentation and the dissipation of authority make it impossible to realize liberal freedoms suggests that liberalism does not aim exclusively, or even principally, at diffusing power. What stands out, in the light of recent Russian experience, is the capacity of liberal government to unify power in accountable hands and to use it effectively.

Russian political dissidents are no longer being jailed, it is true. No one is punished or even threatened for violating the party line, for there is no party line. Journalists are blown to smithereens by suitcase bombs, but only when they rummage indiscreetly into corruption at the Ministry of Defense. No one is being incarcerated for their heretical beliefs, for heresy is not possible in the absence of orthodoxy. Both ideological censorship and indoctrination have disappeared along with ideology itself. No one in power fears, or takes any guidance from, political ideas.

The image of the lone refusnik crushed by a remorseless Behemoth reinforced a one-sided interpretation of liberal rights. It placed the accumulated weight of painful experience behind the assumption that rights are essentially "walls" erected against state power. This metaphor no doubt contains an element of truth. But its ultimate inadequacy is disclosed by the Russian situation today, where the defeat of liberal reforms is most clearly visible in the wall of indifference separating state

from society. Corrupt incumbents, uninterested in oppression, live in a separate world from depoliticized citizens. Moscow, a sparkling enclave that misleads foreign observers, also symbolizes the total disregard of the Russian rich for the Russian poor. The faltering of Russia's liberal reforms, in other words, suggests that liberalism, best understood, aims not to seal off society from the state but, on the contrary, to keep open robust and transparent channels for consultation and partnership between honest public officials and honest private citizens.

Russia lacks legitimate political authority. But liberal rights depend essentially on the competent exercise of a certain kind of legitimate public power. This is why violating an individual's rights involves disobeying the liberal state. Statelessness is such a deplorable condition because it signals the absence of the sole institution that is capable of extending its protection to the vulnerable. Put differently, the largest and most reliable human rights organization is the liberal state. Beyond the effective reach of such a state, rights will not be consistently protected or enforced. Unless society is politically well organized, there will be no individual liberties and no civil society. It is an obvious lesson, but one that runs counter to what the antitotalitarian ethos induced us to assume.

Why do basic rights to decent treatment go unenforced in pretrial detention cells across Russia? Among the many reasons is a breakdown of the chain of command. The right to be treated decently by policemen, prosecutors, judges, and prison guards presupposes effective systems of monitoring, subordination, and accountability. Custodial personnel behave more decently when monitored. The enforcement of rights, in other words, presupposes stable relations of authority and obedience.

By illustrating vividly the dependence of individual liberty on state power of a certain kind, the new Russia should help us focus more clearly on how authority enhances freedom in our own system. If the state is to have a monopoly of violence, the monopoly must be vested only in officials whom the public can hold accountable for its use. Liberalism demands that people without guns be able to tell people with guns what to do. While any credibly liberal government must be limited in important ways, it must not be so crippled or irresolute that, for example, local military or police or secret service authorities escape centralized civilian control.

In other ways, too, the blockage of liberal reform in Russia can conceivably bring liberal and individualist thought back to basics. The explosive growth there of legally unregulated social sectors should deflate overblown rhetoric about that "autonomous" sphere where American families can keep every penny they earn and from which government is scrupulously barred. Indeed, observing the devastating effects of a genuinely hands-off regime should help us clear up some serious confusions surrounding the words "dependency" and "independence" as they are casually heaved about in our political debate.

The right of a creditor to have a loan repaid is obviously a product of law and state authority. An American who asserts his rights in contract law or tort law must necessarily avail himself of the

public power. When I sue, I am neither acting on my own in a coercion-free sphere nor am I trying to get the state off my back. Rather, I am asking the state to perform. A state that leaves loan collection to private thugs and can offer no remedy to victims of aggravated negligence cannot be a liberal state in the most basic sense.

That the same analysis applies to constitutional rights is obscured by the description of our Bill of Rights as a "charter of negative liberties." Constitutional rights are underenforced in Russia today because they, too, require governmental authorities to perform rather than merely to forbear. The right to vote is meaningless if electoral officials take bribes or fail to show up for work. The right to just compensation for confiscated property is empty if the treasury has nothing to disburse. The right to subpoena witnesses in one's own defense is useless if the court's solemn writs are greeted with laughter. The constitutional right to due process presupposes that, at the taxpayers' expense, the state maintains and makes accessible complex legal institutions that perform the cumbersome formalities of fair adjudication. For this reason, a nonperforming state cannot be a liberal state.

TAXES AND LIBERTY

Basic rights go unenforced in Russia not only because the state is distracted and inconsistent, but also because it is insolvent. Chronic underfunding erodes individual liberty for the same reason it damages military preparedness. That rights depend on the efficient use of public resources, as well as on the competent exercise of public authority, becomes clear when we examine the sickening conditions in Russia's correctional facilities, where rampant tuberculosis (2,000 inmates died of the disease in 1996), even among guards, and high mortality rates are due less to custodial abuse than to horrible overcrowding, inedible food, and the absence of basic medical care. Not torture, in this case, but a breakdown of public finances is the principal cause of the violation of inmate rights. So a bankrupt state cannot be a liberal state, whatever the "cultural level" of its citizens.

What I mean by insolvency is not a lack of resources in society at large or the absence of wealthy citizens, for Russia has both. An insolvent state, in the pertinent sense, is one that cannot extract, in a way that is widely deemed to be fair, a modest share of social wealth and then channel the resources extracted into the creation and delivery of public services, rather than into the pockets of incumbents and their cronies. The Russian state is an illiberal state partly because it is insolvent. And it is insolvent because it is corrupt—because norms of public service are weak, and potential taxpayers do not trust the government.

One of the principal lessons of the new Russian illiberalism is that individual rights are unprotectable without the power to tax and spend. To extract resources efficiently, a government must be able to mobilize cooperation. Strong-state liberalism is not ironfisted because "state strength," in a liberal context, depends essentially on the legitimacy of authority, the capacity of the government to enlist voluntary support. Threats of reprisal for nonpayment of taxes, growled by self-

enriching state officials, do not elicit honesty about private assets. To raise revenue with relative efficiency, a state must not only be seen to treat citizens fairly, but it must also communicate public purposes in an understandable way and strike partnerships with important social groups and actors in an attempt to solve common problems.

The Russian government cannot protect basic rights for the same reason that it cannot provide such elementary public goods as a nontoxic environment, books in elementary schools, x-ray film in public hospitals, veterans' benefits, a nationwide highway system, railroad maintenance, and potable water. It cannot protect rights because it cannot target extracted resources to the provision of public goods. Courts are working, it is true, but judicial dockets are chronically backlogged because budgetary outlays earmarked for the judiciary are pitiful and often do not arrive. The dependency of basic rights on tax revenues helps us see that rights are public goods. Far from being walls bricking out the meddlesome state, even the so-called negative rights are taxpayer-funded and government-managed social services designed to improve collective and individual well-being.

PROPERTY AND THE STATE

This includes property rights. Soviet Russia drew attention to the way laws and regulations can stifle economic activity. Post-Soviet Russia lends credence to the opposite truth. Without clearly defined, unambiguously assigned, and legally enforceable property rights, ownership does not encourage stewardship, just as privatization does not elicit an entrepreneurial response.

It is not merely that government must supplement and perfect the market. The point is more basic and cuts deeper. The market is created, sustained, and constantly attuned by legislative and adjudicative decisions that prove unenforceable in a politically disorganized society. Just as you cannot have capitalism where everything is planned, so you cannot have capitalism where everything is for sale, not at least if the salable items include employees at the public registry of titles and deeds. Markets presuppose a competent and honest bureaucracy.

My rights to enter, use, exclude from, sell, bequeath, mortgage, and abate nuisances threatening "my" property all palpably depend on something that does not yet exist in Russia: a well-organized, well-funded, authoritative, and relatively honest court system. A liberal legal system does not merely protect and defend my property. It lays down the rules of ownership specifying, for instance, the maintenance and repair obligations of landlords or how jointly owned property is to be sold. It therefore makes no more sense to associate property rights with "freedom from government" than to associate the right to play chess with freedom from the rules of chess.

The contemplation of weak-state capitalism should make plain the hopeless limitations of a libertarian conception of "independence." An autonomous individual cannot create the conditions of his own autonomy autonomously, but only collectively. If the wielders of the police power are not on your side, you will not successfully "assert your right" to enter your own home and make use of

its contents, as the Muslims evicted from West Mostar in Bosnia have repeatedly learned. For property is a complex set of rules enforced by the state. Even more dramatically, private property is a sham if the community cannot train and equip an army capable of defending its territory against foreign marauders and predators. That is the lesson of, say, Srebrenica.

The implications are worth spelling out: All liberal rights presuppose or imply the dependency of the individual on the collectivity and on the principal instrument of the collectivity, that is, on the coercive-extractive state. This is a truism and a banality. But it is another one of those truisms that Cold War-dominated thought did not fully absorb.

THE DEBILITY OF RUSSIAN CAPITALISM

At the basis of a liberal economy lies the willingness of people to rely on each other's word. Trust, like thrift and industriousness, is a psychological attitude with roots outside the legal order. But while liberal systems elicit and reward such attitudes, illiberal systems asphyxiate them. Because contracts are not reliably enforced in Russia, payment by the installment plan is not an attractive arrangement for creditors. In the autonomous realm, beyond the reach of government, extortion is rampant, but borrowers have a hard time obtaining long-term loans. For one function of the liberal state is to lengthen the time horizons of private actors by predictably enforcing known and stable rules. Property is worthless if you, and potential purchasers, do not believe in the future.

Capitalists know this and tend not to invest in countries, such as Russia, where—to employ a different idiom—the discount rate of economic actors is high. Long-gestation investment in productive facilities, where jobs might be created, is unlikely when fixed assets are difficult to defend against lethally armed extortionists. In such circumstances, capital tends to flow into the removal of natural resources that can be guarded at the site of extraction and during transshipment and that fetch a handsome price on world markets.

Currency stabilization alone is not enough to improve Russia's investment climate because the instability of trade, banking, customs, and tax regulations, too, casts a cloud over the future. While the Russian government is no longer oppressively tyrannical, it is not yet predictable, and therefore remains illiberal. Because the state's capacity to tax is inadequate, authorities have taken to slapping retroactive taxes on foreign firms, which keep honest books and are in no position to refuse. This myopic raiding of potential investors is a fair example of the effects of political disarray on the public welfare.

Moral outrage at weak-state capitalism is not necessarily a reflection of residual socialism or aversion to inequality, as is often assumed. In Russia, the current distribution of ownership—which underlies the market—appears illegitimate to ordinary people because most owners did not work for their wealth or inherit it according to publicly known and accepted rules. Private property is a more

troublesome and troubled institution in Russia than in the West because, for obvious reasons, no postcommunist society can consistently implement the rule "give back what is stolen."

Profit seekers also still assume that the most appropriate means for dealing with business competitors are plastic explosives. The unpoliced economy arouses discontent when its principal players are seen as racketeers whose techniques for "dispute resolution" run the gamut from intimidation to contract killings.

State incapacity is also revealed in the way new Russians have managed to exploit a pervasive lack of corporate accountability for personal gain. Directors of state-subsidized enterprises buy inputs from friends at inflated prices and sell outputs to friends at bargain prices, thereby decapitalizing their firms and siphoning public wealth into private pockets. They walk away with assets and dump liabilities back into the public debt. They can skim so deftly only because no one with the public interest in mind has the power to stop them.

Dog-eat-dog capitalism also thrives on the absence of enforceable antifraud law. The impunity of con men, although it will surely not last forever, keeps people out of the market today who might otherwise come in. Ordinary Russians are less put off by the act of buying and selling than by their vulnerability to possible scams; hence they cling to suppliers they know personally.

In the West, consumers benefit from a competitive market in restaurants because, as voters and taxpayers, they have created and funded sanitation boards that allow them to range adventurously beyond a restricted circle of personally known and trusted establishments. Thus, the feebleness of markets in Russia, despite economic liberalization, suggests the importance of political organization and state performance for fostering the trust among strangers necessary if the market is to become national and not merely local. A sausage factory in Samara will not sell to a retailer in Nizhnii Novgorod if it is unable to collect debts across oblast borders.

For a punishing percentage, thugs may selectively enforce the repayment of loans. Obliging, they will also kill your creditors. But the one thing they are not going to do is enforce general rules against fraud or unfair business practices. The reason is obvious. Antifraud law is a common good, based on a biblically simple moral principle (cheating is wrong), the benefits of which cannot be captured by a few but are diffused widely throughout society. So here again, Russian conditions draw attention to the way liberal markets depend, for their moral basis, on a liberal style of governance.

Wild capitalism could nevertheless win public approval—despite its ruthlessness, stunning inequalities, and fondness for fraud—if it produced general prosperity. But Russians living outside Moscow have not received a booming economy to compensate for their loss of job security. For state incapacity entails not only gangland massacres and pyramid schemes, but also a paucity of investments in infrastructure and skills, feeble enforcement of stockholders' rights, lack of securities-exchange oversight, weak trademark protection, legal unclarity about the status of collateral, and

inadequate regulation of the banking sector to ensure a steady flow of credit to businessmen rather than cronies. The nonenforcement of antitrust law may also reduce the shared benefits of economic liberalization. For these reasons—and above all because property rights are not clearly defined and impartially protected—"privatization" in Russia does not foster innovation, encourage investment, boost worker productivity, raise production standards, or stimulate the efficient use of scarce resources.

THE DEMOCRATIC CHARADE

These lessons also apply to the Russian political system. Russia mounts elections and tolerates a free press, but it does not have democracy. Why not? Voting in Russia is not a means by which citizens discipline their rulers. Elections in Russia, in fact, do not create power. For the most part, they mirror the power that already exists. Incumbents find their supporters in hidden networks. They do not draw their power, in any way, from the majority of average voters, which is why the public, although bitterly resenting its rulers, has given up actively opposing the government. Russian elections do not produce anything even vaguely resembling accountable or responsive government largely because of institutional weakness. Popular cynicism about "democracy" is perfectly understandable: If the state is too weak to enforce its own laws, what is the point of seeking a share of the lawmaking power? Since the bicameral parliament has little knowledge of, and no control over, decisions made in the ministries, electing a deputy does not contribute one iota to governmental accountability.

What Russia's electoral charades bring home is something we already knew: Democratic procedures are of value only if they establish some sort of dependency of public officials on ordinary citizens. While free citizens are dependent on the government for the exercise of their rights, incumbents elected popularly and pro tempore presumably have a reason to behave responsibly, to act as the agent of society, and to produce benefits of palpable value to a majority of voters.

Many Russian officials apparently see no reason to act this way. They live in a secretive bubble, supported—here I exaggerate to make a point—by stolen assets, the International Monetary Fund, and various criminal affiliations.

This lack of "dependence on the people" means that incumbents have little incentive to produce public goods that the average voter might find of some value. Just as society is undisciplined by "general and equal laws," so the state is unperturbed by the predicament of ordinary voters. Just as citizens will not cooperate in the enforcement of laws and decrees, so the government seems unable to profit from the decentralized information and intelligence of private individuals.

Contemplating this lack of any discernible partnership between honest public officials and honest private citizens should lead us to reidentify the principal function of liberal constitutionalism. For liberal constitutionalism is valuable not only because it protects us from the tyranny of the

minority or the majority, but also because it establishes a mutually beneficial alliance between the many and the few.

The social contract in Russia today can be described as an exchange of unaccountable power for untaxable wealth. This, needless to say, is a contract among "elites," a sleazy deal between political and economic insiders—the so-called criminal-nomenklatura symbiosis—who, in bed with each other, engage in mutually beneficial unpunishable misdeeds. The Russian government's most urgent task today is to decriminalize the economy and stimulate the development of organized rule-of-law constituencies, presumably businessmen who accumulate wealth without force or fraud. But thoroughly compromised incumbents cannot even begin such a process of reform. And where could they find honest businessmen to support them if they tried?

The overriding question in Russia is not: "Who governs?" but rather: "Why govern?" Why take the trouble to govern, if you can feed off the imperial remains and vacation frequently in European resorts?

The rest of society, the great mass of citizens, is left out of the contract, left—in extreme cases—to die out in a Darwinian struggle for survival.

Russia seems to be a broken-hourglass society in which the privileged do not exploit or oppress or even govern but simply ignore the majority. Labor quiescence is due to the fact that, roughly speaking, the rich are opportunistic scavengers who have gained their wealth by "cherry picking" and exporting raw materials, not by taking advantage of the working masses. Outside of a few sectors—especially those involving exportable natural resources where workers are paid well and on time—strikes would yield no benefits. Workers cannot credibly threaten to strike at a bankrupt state-owned enterprise, where outputs have a lower market value than the sum of inputs. No one needs their cooperation. You cannot create a "middle class" by handing workers shares in negative-value-added firms that retain their residual welfare functions and will never be able to compete on world markets.

REDISTRIBUTION AS INCLUSION

Communism's unexpected aftermath might also encourage us to reconceptualize our contested social expenditures. Soviet-style regimes made it plausible to conceive of entitlements in liberal societies as a kind of dependency. For what is a recipient of public aid if not the antithesis of an enterprising individual? But the current disorder in Russia—where public officials have taken antipaternalism to the point of child abandonment—might encourage us to view social spending more as a choice between inclusion and exclusion.

The fiscal crisis of the Russian state is not caused principally by pensioners and others clamoring for handouts to which they have become accustomed. The chief impediments to budgetary responsibility (and to responsible governance in general) are the "spoiler elites" who thrive on legal

chaos. Budgetary outlays for vulnerable groups have fallen for the same reason that all government expenditures have dropped. The Russian state is unable to tax and spend.

Why are pensioners, veterans, and former Chernobyl cleanup workers infuriated by rumors that their welfare entitlements are soon to be reduced even further for budgetary reasons? Their problem is not (or not only) that seven decades of socialism have weakened their moral fiber. Rather, they do not relish being advised to tighten their belts, to give up, say, their pension benefits on which they counted their whole working lives, by unscrupulous apparatchiks who recently became windfall millionaires through insider-giveaways of assets that once ostensibly belonged to all and who are now surreptitiously stashing Russia's investable resources in Cypriot banks. The roots of postcommunist popular discontent lie less in deplorable habits of dependency than in accurate perceptions of betrayal.

Notice that the pathological disconnect between the Russian government and the Russian people is simultaneously a disturbing insulation of the rich from the poor. The separatism of the privileged, their palpable relief at not being in the same boat with their unfortunate fellow citizens, should force us to specify, by way of contrast, the kinds of rich-poor relations desirable in a liberal regime. During the Cold War, worries about poverty were sometimes, however implausibly, associated with the road to serfdom. Today, the terms of reference have changed.

Should not the spectacular inequity of nomenklatura privatization lead us to ask how much and what kind of distributions are compatible with liberal principles? How unfair can a good society be? How does the liberal social contract—where citizens pay taxes and public officials provide public services—differ from a nomenklatura-criminal swap by which insiders simply wash their hands of the rest?

At the origins of liberalism lay the perception that private property could not be reliably protected by the police power alone, and that only a system of public assistance could moderate the desperation that would drive the poor to theft and arson. Liberalism never aimed at the abolition of classes but at class compromise. In its twentieth-century form, the liberal "mixed regime" honors the property rights of the well-to-do, while guaranteeing procedural fairness, voting rights, the right to strike, entitlement to public education, and various welfare rights to the less advantaged.

Perceptions of gross unfairness severely damage group morale. In order to fight wars, impose law and order, and even promote economic growth, liberal states have found it useful to take the edge off conspicuous economic inequality by relieving desperation and providing a bottom floor beneath which no one might drop.

A free economy, where great accumulations of private wealth must be protected from the appetites of foreign and domestic predators, presupposes that the less privileged feel some perceptible stake in the system. A liberal state cannot claim, with any degree of plausibility, to be

the impartial agent of society as a whole, unless it emphatically identifies exclusion as a moral problem and responds to it vigorously as a political challenge.

That is our political challenge, not Russia's alone. During the Cold War, the Soviet Union's closed society taught us to value the openness of our own society. In communism's aftermath, Russia's politically disorganized society reminds us of liberalism's deep dependence on efficacious government. The idea that autonomous individuals can enjoy their private liberties if they are simply left unpestered by the public power dissolves before the disturbing realities of the new Russia. To protect our freedom, we had better protect the legitimate political authority that enables and sustains it. And until we have responded more effectively to our own increasingly disturbing forms of social exclusion, we had better spare the world any smug self-congratulation.

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