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## Russians' "impressionable years": Life experience during the exit from communism and Putin-era beliefs

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William Pyle

Russians' "impressionable years":  
life experience during the exit from  
communism and Putin-era beliefs



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William Pyle

## Russians' "impressionable years": life experience during the exit from communism and Putin-era beliefs

### Abstract

This article links Russians' individual experiences during the late-Gorbachev and early-Yeltsin years to the beliefs those same individuals espoused in the Putin era, over a decade later. Drawing on questions, some of which are retrospective, from the first wave of the Life in Transition Survey, I show that a range of attitudes – including diminished support for markets and democracy and stronger support for reducing inequality – can be explained by whether an individual suffered labor market hardships (wage cuts, arrears, and/or unemployment) in the half decade from 1989 to 1994. More recent labor market disruptions, surprisingly, bear no such relationship to beliefs in 2006. Relative to the rest of the former Soviet Union, this pattern is unique. Though an explanation is difficult to pin down, one speculative hypothesis is that Russians were uniquely impressionable during this exit-from-communism period. Individual economic hardship, in conjunction with the dissolution of the Soviet Union, may have been particularly disorienting for those living in the country in which communism first took root. Life experiences during these years of instability, uncertainty, and diminished status may have left a uniquely deep and enduring impression.

**Keywords:** social preferences, beliefs, labor market, transition, Russia, Life in Transition Survey

**JEL Classification:** A13, J60, P23, P26, P52

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# 1 Introduction

In a widely publicized and, to many outside observers, shocking line from his 2005 address to Russia's Federal Assembly, Vladimir Putin described the Soviet Union's collapse as "a major geopolitical disaster." Though less remembered, what he said next may have been equally revealing as to his view of recent Russian history. Also characterizing the Soviet collapse as "a genuine drama for the Russian nation," he proceeded to list its associated traumas – *e.g.*, the devaluation of household savings, the spread of mass poverty, and the rise of an unfettered oligarchic class – before pivoting to remark:

*In those difficult years, the people of Russia had to ... make an unerring choice in selecting a new vector of development in their thousand-year history. They had to accomplish the most difficult task: how to preserve their own values ... We had to find our own path ...*<sup>1</sup>

The Soviet collapse and Russia's exit from communism, to Putin's telling, served as a crucible. Russians' life experiences during those years of upheaval and pain forced them to forge, or perhaps re-forge, the beliefs and values that would carry the nation into the twenty-first century.

Whether rooted in political calculation, sensitivity to actual social dynamics, or both, Putin's fundamental point was neither remarkable nor surprising. That Russians who lived through the dissolution of the Soviet Union and the collapse of its economic system had their worldviews shaped in an enduring manner might come as no surprise to anyone who lived through the Great Depression or has spoken with, or read about, somebody who has (Elder, 1974). More to the point, Putin's assessment should not shock observers of Russia, including, most certainly, the readers of ethnographies and oral histories covering the early 1990s (Alexievich, 2016; Parsons, 2014; Raleigh, 2012; Ries, 1997; Shevchenko, 2009). It is impossible to come away from the personal accounts of life experiences in those years without an appreciation for their enduring influence and emotional weight.<sup>2</sup>

In what follows, I lay out and test the hypothesis that Russians were uniquely impressionable to life experiences during the years immediately before and after the Soviet collapse. Drawing

<sup>1</sup> Accessed May 6 2020 at <http://kremlin.ru/events/president/transcripts/22931>. "В те непростые годы народу России предстояло ... безошибочно выбрать новый вектор в развитии своей тысячелетней истории. Надо было решить труднейшую задачу: как сохранить собственные ценности ... Мы должны были найти собственную дорогу ..."

<sup>2</sup> That periods of social upheaval can have lasting effects on beliefs and values resonates with recent neuroscience findings that emotionally weighty experiences alter brain hardware. According to the *Synaptic Tagging and Capture* hypothesis (Frey and Morris 1997), local tagging of synapses during an experience makes for a more stable connection between synapses. The more intense the emotional experience, the stronger it is anchored in memory, and the more easily it can be retrieved in the future (Talarico, LaBar, and Rubin 2004; LaBar and Cabeza 2006). This neuroscience research is summarized in Laudenbach et al. (2019).

on the *Life in Transition Survey*, I connect variation in individual labor market histories to a set of widely studied beliefs and values. Controlling for a rich array of personal characteristics, as well as locational fixed effects, Russians who reported experiencing labor market hardships more acutely during the “impressionable years” of 1989–1994, a six-year period encompassing the three years before and the three years after the dissolution of the Soviet Union, were more apt when surveyed in 2006 to oppose the core beliefs and values that animated their country’s transition from communism. Instead, they express greater affinity for what might be termed, for shorthand purposes, “Soviet values”: skepticism of free markets and democratic politics, less tolerance for economic inequality, and greater support for government-led redistribution. Labor market hardships after the mid-1990s, however, are unrelated to these values. It as if the lived experience of the “impressionable years” left a uniquely deep and enduring imprint.

Relative to Russia, individual labor market experiences during the “impressionable years” in other post-Soviet states do not map clearly on to personal values and beliefs in 2006. Although a puzzle for which there may be no definitive answer, it is not implausible that the combination of individual labor market hardships and the dissolution of the Soviet Union was uniquely impactful for those living in the country in which communism first took root. Russia and its citizens, after all, occupied positions of privilege in the Soviet Union, specifically, and the socialist world, generally. As the Soviet external and internal empires dissolved about them, Russians may have been particularly prone, when confronted by acute economic hardship, to grab hold to “Soviet values.”

While interesting and, arguably, quite suggestive, these conditional correlations are not evidence, in and of themselves, of a causal relationship. Individual labor market hardships are, after all, non-random. So even though the rich *LiTS* data enable controlling for variables known to predict labor market hardships, modesty in interpreting these correlations is in order. Omitted variable bias, for one, and recollection bias, for another, may well contaminate these results. As such, in the case of Russia, accepting the “impressionable years” hypothesis with any reasonable degree of confidence requires more evidence, either consistent with it or contradictory to alternative explanations for the highlighted correlations. To this end, I introduce an additional data source to assess a corollary of the “impressionable years” hypothesis. Moreover, I halve the relevant time windows from six to three years and highlight the temporal link between changes in Russia’s economic and institutional environment, on the one hand, and individual labor market hardships, on the other. Doing so allows for tighter connections to be established between individuals’ beliefs about specific institutions and their labor market experiences when those institutions were first formally introduced.

If it is the case that Russians' beliefs, *circa* 2006, were a function of the extent to which they suffered labor market hardships between 1989 and 1994, it stands to reason that any modification of beliefs should have been discernible by 1994.<sup>3</sup> All else equal, that is, experiencing labor market hardships between 1989 and 1994 should predispose a Russian to embrace "Soviet values" in the mid-1990s, not just in 2006. Unfortunately, to my knowledge, there is neither panel nor retrospective data available to test this corollary of the "impressionable years" hypothesis; no survey evidence allows connecting an individual's labor market experience in, say, 1991 to her/his beliefs and values in 1994. Nevertheless, a rough approximation of this corollary can be tested using repeated cross-section data from the 1990 and 1995 waves of the *World Values Survey (WVS)*. If labor market hardships during the "impressionable years" endure, we would expect Russians, subsequent to the macroeconomic shock of the early 1990s, to embrace "Soviet values" more in 1995 than in 1990. Moreover, if Russians, relative to peoples in other post-Soviet countries, experience these "impressionable years" more intensely, we would expect their values to have changed more between 1990 and 1995 than those of citizens in other post-communist countries. The *WVS* data, it turns out, confirm both.

By this point, a reader could be forgiven for wondering what exactly distinguished the years from 1989 to 1994. Why were they, not others, the "impressionable years?" An honest answer is, admittedly, both mundane and mechanical, at least in part. The retrospective questions in the *LiTS* cover an eighteen-year period that starts in 1989, and one possible division of that timeframe produces three blocks of equal duration, including 1989 to 1994. However, there is more substance to the answer than this. Deploying ethnographic evidence and objective social indicators, I present a fuller discussion of periodization below, arguing that the period carried an emotional weight that distinguished it from the years both before and after it. Here, I raise the issue to bring attention to how temporal relationships can provide traction in navigating through alternative explanations for the conditional correlations.

For instance, one might postulate that the conditional correlations reflect reverse causation and recollection bias. It is well known that soon after the turn of the century, pro-Putin Russian elites began using the 1990s for political purposes as a kind of foil, referencing it as a single decade synonymous with social disorder and economic collapse (Belmonte and Rochlitz, 2019; Sharafutdinova, 2019). It may not seem unreasonable then that Russians convinced by this framing may be

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<sup>3</sup> In the limit, this means that one's labor market status at a point in time should be correlated with one's beliefs and values at the same point in time. There is cross-sectional evidence from various sources and contexts that this is true. Alesina and Giuliano (2011), for example, show with *World Values Survey* evidence that the unemployed are more apt to endorse the statement that "the government should take more responsibility to ensure that everyone is provided for." Hayo (2004) uses cross-sectional data from seven East European countries to show that the unemployed are less supportive of a market economic system.



more apt both to embrace “Soviet values” and to exaggerate the economic hardships of the pre-Putin years. The empirical relationships that I highlight, however, are unlikely to reflect political rhetoric designed to distinguish the Putin era from the decade preceding it. The regression analysis, that is, highlights very different patterns for the two halves of the 1990s. Only labor market hardships prior to 1995 are strongly correlated with “Soviet values” in 2006, a point made even more clear when narrowing the focus from six-year to three-year time windows.

The rolling three-year windows, moreover, reinforce an implication of the “impressionable years” hypothesis: that beliefs with respect to specific institutions were influenced by life experiences concurrent to those institutions’ introduction. Russians, for instance, who suffered more in the labor market as price liberalization transformed the national economy from 1992 to 1994 were particularly prone to embrace anti-market “Soviet values” in an enduring way.<sup>4</sup>

The article proceeds as follows. Section 2 summarizes the relevant quantitative social science literature on experience-based belief formation. Section 3 summarizes Russia’s history between 1989 and 2006, drawing on ethnographic evidence and objective social indicators to highlight why Russians may have been uniquely impressionable in the years immediately before and after the Soviet Union’s collapse. Section 4 describes the *LiTS* survey, giving careful attention to both the labor market variables and beliefs and values questions that are the primary focus. Section 5 presents and provides an extended discussion of the regression results from the *LiTS* data. Section 6 draws in data from the *WVS* to support a corollary of the “impressionable years” hypothesis. Section 7 summarizes the main takeaways.

## 2 Endogenous beliefs and quantitative social science

In highlighting the potential interaction between Russians’ social environment and their individual life circumstances, this article draws inspiration from two related literatures on the endogeneity of individual beliefs – one highlighting how macro-level institutions or disruptions impact individuals across a population (or well-defined sub-group), and another addressing how labor market disruptions affecting specific individuals serve as experiential lessons. Both literatures exploit the spread and frequency of large-scale surveys.

With respect to the former, one strand of inquiry focuses on the impact of macroeconomic disruptions. For instance, Giuliano and Spilimbergo (2014) use repeated cross-section data from the United States to test a hypothesis in social psychology that one’s social landscape during young

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<sup>4</sup> Between 1990 and 2006, the most dramatic swings in the structure of output in Russia (in terms of the shares of GDP contributed by industry, agriculture, and services) occurred between 1991 and 1992 and between 1994 and 1995 (Pyle, 2018).

adulthood shapes beliefs that endure throughout life.<sup>5</sup> They show that those who as 18 to 25-year-olds lived in a region of the country experiencing relative economic decline were more likely to support government redistribution programs and left-leaning political parties later in life.<sup>6</sup> In another widely-cited piece, Malmendier and Nagel (2011) demonstrate that those who lived through the Great Depression and/or other periods of poor stock market performance are less willing to take on financial risk and invest liquid assets in stocks throughout their lives.<sup>7</sup>

A second strand in the literature as to how macro-social environments condition enduring beliefs highlights the effect of living under different political and economic regimes. For instance, using cross-sections from multiple waves of the *WVS*, Fuchs-Schundeln and Schundeln (2015) show that individuals who have lived longer under democratic governments are more likely to hold pro-democratic beliefs. Using a similar approach and data, Pop-Eleches and Tucker (2017) demonstrate that living longer under a communist regime makes one less supportive of democracy and market economic institutions and more supportive of a generous welfare state. Relatedly, Alesina and Fuchs-Schundeln (2007) and Laudenbach *et al.* (2019) use the post-War division of Germany as a natural experiment to show that having lived through communism increased post-1989 support for state-led redistribution and communist economic institutions, respectively.<sup>8</sup>

A related literature interprets individual labor market hardships as experiential lessons that shape later-in-life beliefs and values. Alesina and Giuliano (2011), for example, demonstrate with repeated cross-sectional data from the United States that those who endured at least one spell of unemployment in the previous ten years have stronger redistributionist preferences.<sup>9</sup> Research is mixed, however, in terms of whether such effects endure. Margalit (2013), using individual panel data collected before and after the 2008–09 financial crisis, found that the effect of individual unemployment spells can be ephemeral; those who lost their job, on average, reported increased support for generous welfare state policies, but upon becoming re-employed their attitudes reverted back.

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<sup>5</sup> Known as the “impressionable years” hypothesis, it inspired the name given to the hypothesis tested in this article.

<sup>6</sup> Roth and Wohlfart (2018), relatedly, show that people who have experienced higher inequality during young adulthood demand less redistribution throughout their lives.

<sup>7</sup> Relatedly, Malmendier and Nagel (2016) show that differences across individuals in lifetime experiences with inflation predict variation in their inflation expectations.

<sup>8</sup> The literature exploiting the post-War division of Germany as a natural experiment to explore the lasting effects of living through communism on social preferences is large. Becker *et al.* (2020) provide both a comprehensive summary and a critique of its underlying assumptions

<sup>9</sup> To my knowledge, by going back a full decade, this analysis stands out for having taken the widest temporal window on the potential linkage between individual labor market experiences and subsequent attitudes. In what follows, I will show that social preferences in 2006 in Russia correlate strongly with labor market hardships *more* than a decade prior.

My analysis here is like that in Alesina and Giuliano (2011) in the sense that we use cross-sectional survey evidence to establish conditional correlations between individuals' labor market histories and their beliefs. In the article that most closely resembles mine thematically, Gaber *et al.* (2019) argue that the Soviet Union's collapse ushered in a "critical [historical] juncture," a relatively brief period during which Russians forged enduring beliefs based on the performance of their country's initial post-communist governing institutions.<sup>10</sup> Using multiple waves of *WVS* data, they show a sharp decline in average measures of civic culture between 1990 and 1995, after which they remained stuck at relatively low levels. Russians, they argue, collectively learned to de-value civic engagement in the crucible of the early 1990s dysfunctional "democratic" politics. Though their framing of the early 1990s as a period of experiential learning is shared by my analysis, they do not (nor do the *WVS* data allow them to) connect individuals' experiences during those years to their subsequent beliefs and values. To my knowledge, my article is the first to use survey data to link the experiences of individual Russians as their country exited from communism to beliefs espoused in the Putin era.<sup>11</sup>

### 3 Russians' "impressionable years"

I hypothesize that Russians were impressionable to life experiences during the years immediately before and after the Soviet collapse in which their country exited from communism. Life experiences in this window of time, in which so much was so new for so many, would exercise an enduring influence on beliefs and values. Russians' fates during these "impressionable years" would forge their thinking as to the assumptions that animated their country's transition away from communism. Encountering economic hardship during this pivotal period would generate skepticism as to those assumptions and lead to an embrace, or perhaps re-embrace, of "Soviet values." Moreover, for Russians, relative to the citizens of post-Soviet nations, the emotional weight of these "impressionable years," and thus their capacity to transform lived experiences into enduring lessons, may have been

<sup>10</sup> In a pair of other articles closely related to the one here, Denisova *et al.* (2009, 2012) use the *LiTS* to show, across the post-communist region, that the number of years one experienced wage cuts and/or arrears between 1989 and 2006 correlates strongly and positively with anti-privatization beliefs in 2006. They do not make this correlation central to their analysis, nor do they focus on either Russia or the earlier part of the eighteen-year window between 1989 and 2006.

<sup>11</sup> Two articles draw on survey data to show a connection between individual experiences in the early post-communist years and material well-being in the twenty-first century. Myck and Oczowska (2018) use the *Survey of Health, Ageing and Retirement in Europe* to demonstrate that unemployment in Poland between 1989 and 1991 correlates strongly and negatively with income and asset ownership, as well as with subjective well-being, in 2007 and 2012. Isolating those whose unemployment spells were due to plant closures (and thus unrelated to individual worker characteristics), the authors plausibly argue that the relationships are causal. Using the 2016 wave of the *LiTS*, Adsera *et al.* (2019) show that cohorts born at the start of the post-communist transition are shorter than their older and younger peers.

uniquely heavy. As Ivan Krastev and Steven Holmes note in their landmark analysis of liberalism's current crisis:

What was initially celebrated in Eastern Europe as liberation and independence, made visible by the withdrawal of Soviet forces, was mourned in Russia as a loss of territory, population and global stature ... 'Traumatology' not 'transitology' was the most appropriate science for researching the lived experience of those years. The Russian world had been upended. Life plans and expectations were irreparably shattered ... (83–84)

The label "impressionable years" refers here to the period from 1989 (when Soviet forces began to withdraw from Eastern Europe) to 1994, the three years before and the three years after the Soviet Union dissolved. History, of course, is messy and time often cannot nor should not be so precisely delineated. Nevertheless, both ethnographic evidence and objective social indicators suggest important continuities that bind the final years of the Soviet Union to the first years of an independent Russia, thereby accounting for why those years, and not the ones that came immediately before or after, may have left such an enduring imprint on the worldview of Russians.

After peaking in 1989, Russian per capita GDP slid into a protracted decline (see Figure 1). Neither *perestroika*, Mikhail Gorbachev's partial liberalization measures, nor Boris Yeltsin's big push to marketize and privatize the Russian economy achieved their intended aims, at least in the short to medium run. Both leaders presided over economies in freefall. As the historian Stephen Kotkin observed, "Reform was collapse, and that collapse would not be overcome for quite some time ... What happened in the Soviet Union, and continued in Russia, was the sudden onset, and then inescapable prolongation, of the death agony of an entire world comprising non-market economies and anti-liberal institutions." (ix, 2). As the economy contracted, and life became much more unsettled, Russian life expectancy declined from 69.2 to 64.5 years between 1989 and 1994, the single largest half-decade drop in *any* non-developing country over *any* half-decade since the World Bank began comprehensively recording the measure in 1960 (see Figure 2).<sup>12</sup>

Ethnographers and sociologists underscore how disorienting the last several years of the Soviet Union and the first several post-Soviet years were for Russians. Drawing on over one hundred open-ended interviews with Muscovites in 1989 and 1990, Nancy Ries (1997) found more than a few who described the Soviet Union as heading down a "dead end (*tupik*)."

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<sup>12</sup> The countries ahead of Russia on this ignominious list were almost without exception poor and wracked by war or civil war (*e.g.*, Rwanda in the early 1990s), poor and suffering through genocide (*e.g.*, Cambodia in the 1970s) or poor and dealing with a deadly outbreak of disease (*e.g.*, the AIDS crisis in several African countries). The only country whose position ahead of Russia on the list was not due to these exceptional circumstances was Zimbabwe, which also suffered through an extreme economic crisis in the 1990s.

By 1989 the promises of *perestroika* had worn out for most people; the utopian visions of a free and prosperous society that characterized the early *perestroika* years (roughly, 1985–88) seemed to have evaporated; the demise of Soviet power was under way ... Even as people faced immediate material challenges – the growing scarcity of basic foodstuffs and household supplies, the gradual decline in public services, and new layers and forms of bureaucratic obstruction and obfuscation – they also had to cope with the psychological stresses of social transformation ... the unrestrained delegitimation of the social ideals and practices under which they had always lived ... [having] no clear idea of what the future would resemble or whether it would bring increasing prosperity for all or civil war ... many sensed that great pains would have to be endured – individually and collectively, physically and spiritually -- in the process of transformation ... (16–17)

Returning in 1994 and 1995, the years between which life expectancy began to rise again, Ries found the capital's residents in a different place psychologically. Though the economy was still contracting, and though annual consumer price inflation remained above one hundred percent, her interviewees seemed to have come to terms, in some emotional and psychological sense, with economic hardship.

A certain fervor that was present during *perestroika* is gone ... Moscow life, however drastically rearranged, now takes place on a plane of strange kind of normalcy – a plane unimaginable during *perestroika*. Many people's lives are more difficult than ever; some are working two or three jobs, some are hardly able to work at all, or are not paid for the work they do ... [d]espite all this, however, the fever pitch of questioning, wishing, and lamenting which characterized the *perestroika* years is muted. (161–62)

Visiting Moscow to carry out interview-based sociological research between 1998 and 2000, Olga Shevchenko (2009) echoed Ries' mid-decade findings, describing Russian society approaching the turn of the century as in a “state of routinized emergency.” Living with “crisis (*krizis*),” had become normal.<sup>13</sup> The pathologies of post-communism – corruption, economic uncertainty, frequent political shake-ups – had “ceased to surprise.” (65) Asked to date the origins of the “crisis” state, Shevchenko agrees with Ries again, describing her interlocutors as referencing not the years of Yeltsin's ambitious, system-transforming measures, but “the late 1980s ...” (37)

The period of *perestroika* indicated a sharp rupture in people's perceptions of their lives ... Individual recollections of the time were split into the ‘before’ and ‘after.’ ... ‘Before’ stood for the era of stability, predictable (although modest) incomes, relative social equality, and personal social security. ‘After’ was the

<sup>13</sup> The famous sociologist, Yurii Levada (2001), described a similar malaise with respect to political reforms that occurred mid-decade: “The emotional dissatisfaction among the masses that was directed against the Party and the Soviet system in 1989-90 gave way after 1993-94 to ... disillusionment with democratic forces and reforms ...” (22)

time of rampant crime, social polarization, and insecurity, both in terms of personal situations and of the larger political and economic realities ... (39–40)

Shevchenko’s bottom-up, interview-based periodization, with *perestroika* and the late-1980s as the watershed also aligns with the top-down history of Kotkin (2008), for whom Gorbachev’s reforms “broke everything loose” (115), with the subsequent “collapse” continuing apace under Yeltsin.

Shevchenko’s arrival in Moscow in 1998 coincided with Russia’s macroeconomic nadir. Per capita income, having declined every year but one since 1989, hit its lowest level in Russia since the mid-1960s. And yet the Muscovites she encountered spun narratives of continuity and sameness, not of lives that were becoming progressively worse. Struck by an apparent numbness to objective economic hardship, Shevchenko wonders, “Could it be that the shocks of the late 1990s simply faded in comparison with the magnitude of economic and political turmoil that preceded them?” Acknowledging that the answer could be “yes,” she concludes: “[F]rom the breakdown of the Soviet Union to the financial pyramid schemes and the multiple inflationary spikes ... the way in which Muscovites discussed [these] more remote historical events suggested that their vision of recent years was part of a larger shift.” (65) Being no worse than the years that preceded them, in other words, the late 1990s were not unusual. The late Soviet and early post-Soviet years, however, were.<sup>14</sup> They constituted the period of true disruption; they were the years that shook Russians up the most.

The anthropologist Michelle Parsons (2014) would likely agree. In her ethnographic study of Russia’s mortality crisis, she points to how “[t]he early 1990s eroded [a] generation’s sense of being needed,” notably, by disrupting its connection to “socially useful work.” (79) In Soviet times, she writes:

Work was the central way almost all citizens were integrated into the order of the state ... [it] gave people a sense of knowing each other and organized social relations ... [t]he fact that [it] was a social right, indeed a social obligation, meant that many people felt as if they had a place in society and that it was useful ... [and] [w]hen people suddenly lost their work in the early 1990s, they were no longer orderly [*poriadchnyi*], part of a larger order ... a generation’s labor was deemed insignificant ... (79–88)

Early reform-era labor market hardships, in other words, carried a punch whose power was felt in more than just a salary lost. Given a push by Gorbachev’s *perestroika*, and then a forceful shove by

<sup>14</sup> The early 1990s were characterized by hyperinflation and pyramid schemes. Consumer prices rose by at least one hundred percent each year between 1991 and 1995; annual rates between 1992 and 1994 were all above three hundred percent (<https://www.imf.org/en/Countries/RUS#countrydata>, accessed May 17, 2020). MMM, the largest pyramid scheme, was launched and collapsed in 1994; at its peak, it took in millions of dollars each day; 5 to 10 million Russians were estimated to have lost money upon its collapse.

Yeltsin's rapid price liberalization and privatization measures, the guarantees that the Russian worker had become accustomed to were dramatically toppled, eliciting psychological as well material costs. On this theme as well, there is a tie to Shevchenko's (2009) findings:

The unexpected obsolescence of once-valued skills and talents was experienced all the more sharply because socialist-era enterprises were seen as parts of a nationwide interconnected system in a way that the newer companies and firms were not. As a result, the move from the former to the latter often carried with it a sense of exclusion from a larger meaningful network. (55)

If what we observe in Russia is attributable to the collapse of the Soviet system, we might expect similar patterns in other former Union republics. But to do so would elide the differences in their respective exits from that system. In the wake of Gorbachev's *glasnost* reforms, popular pro-independence nationality movements arose in many. But that was not the case in Russia (Barber, 1994).<sup>15</sup> Indeed, Russians, arguably, identified more with the Union than with the Russian republic (Hosking, 1998; Tolz, 1998). To this point, Shevchenko (2009) writes:

Russian citizens faced a rapid restructuring of social forms that were previously taken to be immutable. This restructuring was unaccompanied by a legitimating rhetoric of national liberation frequent in the former union republics ... As a result, post-socialist Russians experienced it as a form of betrayal and loss... (58)

In November 1994, fully three-quarters of a representative sample of Russians answered that the disintegration of the Soviet Union had brought about more harm than benefit; only 8% felt that the benefit outweighed the harm (Levada, 1996). Thus, when Putin described the collapse of the Soviet Union as "a major geopolitical disaster," he was only giving voice to a sentiment held by a solid majority of Russians over a decade prior.<sup>16</sup> Relative to the peoples of other post-Soviet republics, the enduring impact of those "impressionable years" – with their economic and emotional burdens – may have been amplified for Russians. They had, after all, occupied positions of privilege in the Soviet Union, specifically, and the socialist world, generally. As the Soviet external and internal empires dissolved about them, Russians may have been uniquely prone, when confronted by acute economic hardship, to grab hold to "Soviet values."

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<sup>15</sup> John Barber (1994) writes: "One factor ... distinguished Russia from the other republics challenging the Soviet government's authority. Elsewhere mass organizations had emerged from 1988 onwards to campaign for nationalist demands and had played an important role in the all-union election of 1989 and the republic elections of 1990." Yeltsin's campaign for the sovereignty of the Russian Republic in 1990 and 1991 was linked more to the power struggle with Gorbachev and the desire to speed up political and economic reform than to a wish to end the Soviet Union *per se* (Duncan, 2005).

<sup>16</sup> The anthropologist, Serguei Oushakine, writes in *Patriotism of Despair* about the particular emotional impact for Russians of the Soviet collapse: "As in many other cases before, Putin's address did not offer a distinctively new vision but mostly articulated an opinion that was already widespread in the country..."

## 4 Data and methodology

### 4.1 Data

The 2006 wave of the European Bank for Reconstruction and Development's (EBRD) *Life in Transition Survey (LiTS)* offers the best raw data to assess whether individuals' labor market experiences in the years before and after the Soviet collapse explain their beliefs and values over a decade later. Administered face-to-face in Russia and thirteen other former Soviet republics, nationally representative samples of roughly one thousand respondents were drawn randomly, with census enumeration areas and households serving as primary and secondary sampling units.<sup>17</sup> Since interest here lies in connecting labor market hardships experienced between 1989 and 1994 to beliefs and values in 2006, I limit analysis to those respondents that would have been of working age in 1989 – *i.e.*, women and men at least 35 at the time of the survey, and no older than 72 and 77, respectively, corresponding to the official retirement ages of 55 and 60. This restriction results in losing about one-third of the observations from the sample.

In addition to standard demographic data (see Table 1), respondents shared information about the timing of major life events between 1989 and 2006. Each, for instance, answered the following two questions related to labor market disruptions: “Since 1989, in which year(s) did you have to accept wage cuts / arrears?” and “Since 1989, in which year(s) did you receive unemployment benefits?” An additional question asked about the timespan (*i.e.*, from which year to which year?) for each of the paid jobs the respondent held, and if a job had ended prior to the administration of the survey, respondents were asked “Did you leave this job involuntarily [in that year]?”<sup>18</sup> As is clear in Table 1, Russians in the age-restricted sample reported experiencing more years in which they had to accept wage cuts or arrears, 1.95 on average, than years in which they received unemployment benefits, 0.13, or in which they left a job involuntarily, 0.18.<sup>19</sup> This pattern conforms to prior research that has shown that, particularly in the 1990s, labor market disruptions in Russia took the form of delays and/or reductions in pay more than in separations from one's employer (Desai and Idson, 2001).<sup>20</sup> In the analysis below, I define a year as being characterized by a labor market

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<sup>17</sup> These thirteen countries include Armenia, Azerbaijan, Belarus, Estonia, Latvia, Lithuania, Moldova, Georgia, Uzbekistan, Kyrgyzstan, Kazakhstan, Tajikistan, and Ukraine. The *LiTS* was not administered in Turkmenistan in 2006.

<sup>18</sup> While subject to recall errors, data collected through these types of retrospective questions carries the advantage that it avoids panel attrition while facilitating a comparison of life events from one point in time and subsequent beliefs and values.

<sup>19</sup> Some respondents, because of age or choice, will not be in the labor force for a portion of or all the years between 1989 and 2006.

<sup>20</sup> In Central and Eastern Europe (CEE), on the other hand, transition-induced labor market hardships were more frequently associated with unemployment (or labor force exits) in good part because the public institutions to support



disruption if the individual experienced *any one of the three* events described above: she/he accepted wage cuts or arrears, received unemployment benefits, or was forced to leave a wage-paying job.<sup>21</sup> Though a blunt measure of labor market hardships, its composition recognizes that institutional change over time affected the relative prevalence of specific hardships; wage cuts and/or arrears, that is, were relatively more characteristic of the 1990s, whereas firings and receiving unemployment insurance became relatively more prevalent in the 2000s.

Figure 3 lays out the percentages experiencing a labor market disruption each year between 1989 and 2006. In Russia, this rate climbs quickly from under 8% in 1989 to above 18% by 1991, where it remains until 1996, before dropping at least two percentage points per year until 2001, whereupon the decline becomes more gradual. This temporal pattern reflects Russia's macroeconomic timeline: the dislocation engendered by Gorbachev's partial reforms, followed by the post-liberalization transformational recession, and, finally, the post-1998 recovery that runs through and beyond 2006.<sup>22</sup> Although the percentages remain consistently lower, Figure 3 highlights a similar pattern in the thirteen other former Soviet countries that participated in *LiTS* 2006.

Reflecting critically on these retrospective questions, the potential for recall errors does make them imperfect substitutes for regularly collected panel data.<sup>23</sup> Unfortunately, relevant individual-level panel data do not exist for 1989 to 1994.<sup>24</sup> Moreover, for Russians, strong attachments to their workplace, especially during the late Soviet and early post-Soviet periods likely increases the salience of labor market disruptions, thus reducing potential concern about faulty memories (Sabirianova, 2002).<sup>25</sup> Finally, the value of these retrospective questions from the *LiTS* is reflected in their use in well-published research (Denisova *et al.*, 2009 and 2012).

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unemployment insurance were more fully developed than in Russia or elsewhere in the former Soviet Union (Boeri and Terrell, 2002).

<sup>21</sup> The primary results below are robust to at least one other way of defining labor market disruptions for an individual in a particular year. Specifically, using only "experienced wage cuts and/or arrears," by the far the most frequent of the three types of disruptions, particularly for the 1990s period, the results are quite similar to those presented in Tables 4 and 5.

<sup>22</sup> The annual time series data presented in Figure 4 will not perfectly track the actual percentage of the labor force experiencing disruptions in the manner we define. For instance, arrears in Russia likely peaked in 1998 (Desai and Idson 2001). Many *LiTS* respondents who were of working age in 1989 were not in the labor force, for various reasons (*e.g.*, retirement, discouragement, and health), by the late 1990s.

<sup>23</sup> Bound *et al.*'s (2001) discussion of measurement error in survey data summarizes several US-based studies that find that for retrospective reports of labor force status the underreporting rate is not insignificant and may be related to demographic characteristics. In a developing country context, Beckett *et al.* (2001) find that the quality of long-term retrospective histories to be quite high, particularly with respect to the occurrence of events as opposed to their specific details.

<sup>24</sup> The household panel component of the *Russian Longitudinal Monitoring Survey* begins in 1994.

<sup>25</sup> Conditional on being employed, Sabirianova (2002) finds that in 1998, 95% and 97% of respondents remembered the precise name of their occupation in 1985 and 1991, respectively.

I draw on the “Attitudes and Values” section of the *LiTS* to create six separate binary dependent variables, each inspired by recent literature, and each capturing a different dimension of the beliefs and values that animated the transition from communism. Two of these directly address the fundamental goals of creating a more market-oriented economy and a more pluralistic, democratic polity. Following De Haas *et al.* (2016), Grosjean and Senik (2010), and Grosjean *et al.* (2013), they take the value of “1” if the respondent answers positively that “a market economy is preferable to any other form of economic system” and that “democracy is preferable to any other form of political system.”<sup>26</sup> Applying these definitions, one can observe in Table 2 that only 25% and 34% of Russian respondents, respectively, support the two, both representing lower levels of support than observed elsewhere in the former Soviet Union (FSU).<sup>27</sup>

An additional pair of binary variables capture preferences with respect to inequality reduction. On a five-point scale, with “5” representing “strongly agree” and “1” representing “strongly disagree,” respondents were asked “To what extent do you agree that the gap between rich and poor in this country should be reduced?” Combining responses “4” (agree) and “5,” roughly 85% of respondents in both Russia and elsewhere in the FSU supported inequality reduction. A second question addresses the state’s role in alleviating inequality: “Do you think the state should be involved in reducing the gap between the rich and the poor?” Here, I distinguish between those who answer that it should be “strongly involved” from those who feel it should either “not be involved” or only be “moderately involved.” As shown in Table 2, for roughly three-quarters of Russians and two-thirds of the respondents elsewhere in the FSU, there is support for strong state involvement. These questions, particularly the second with its focus on government responsibility, mirror those used in the aforementioned research of Margalit (2013), Alesina and Giuliano (2011), and Giuliano and Spilimbergo (2014).<sup>28</sup> Moreover, at least two noteworthy studies use post-1990, cross-country survey data to show that having lived through communism explains greater support for government-provided social welfare (Pop-Eleches and Tucker, 2017; Alesina and Fuchs-Schundeln, 2007).<sup>29</sup>

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<sup>26</sup> Specifically, respondents answered two questions introduced as follows: “With which one of the following statements do you agree most?” For the economics-themed question, the alternative statements, for which our dependent variable takes the value of “0,” are: “Under some circumstances a planned economy may be preferable to a market economy,” and, “For people like me, it does not matter whether the economic system is organized as a market economy or as a planned economy.” In a similar manner, alternate responses to one’s preferred political system included: “Under some circumstances, an authoritarian government may be preferable to a democratic one,” and “For people like me, it does not matter whether a government is democratic or authoritarian.”

<sup>27</sup> Denisova *et al.* (2010) show that among all countries covered by the 2006 *LiTS*, Russians offered the least support both for democratic political systems and market economic systems.

<sup>28</sup> Using 1996 household level data from Russia, Ravallion and Lokshin (2000) demonstrate that individuals who anticipate their welfare will improve in the future are less supportive of the government taking an active redistributionist role.

<sup>29</sup> Income inequality is widely recognized to have grown dramatically in Russia between 1989 and 2006. According to Novokmet *et al.* (2018), the share of the top 10% of income earners grew from 23.7% in 1989 to 49.2% in 2006. Much

That an economy performs better when individual initiative and talent are rewarded animated the transition away from central planning. But once markets arrive in formerly communist countries, do people in fact believe that their own efforts and abilities pay off in this way? Do they attribute their life outcomes to their initiative and talent as opposed to forces beyond their control (e.g., chance, powerful others)? Do they, in other words, have a high internal locus of control?<sup>30</sup> Former East Germans, interestingly, have been shown to have lower internal locus of control than former West Germans, suggesting that the communist system may have inculcated beliefs that one's life outcomes were beyond one's individual control (Friehe *et al.*, 2015). To capture the possibility that labor market hardships during the "impressionable years" had an enduring and negative impact on internal locus of control, I generate a fifth binary dependent variable by drawing on a *LiTS* question about the determinants of life success; it takes the value of "1" if respondents answer either "effort and hard work," or "intelligence and skills" as opposed to "political connections," or "corrupt ties." 61% of Russians demonstrated higher internal locus of control by responding "effort and hard work" or "intelligence and skills." The corresponding percentage elsewhere in the FSU was 75%.

A final binary dependent variable captures beliefs regarding the privatization of formerly state-owned enterprises, a centerpiece of the reforms across the post-Soviet world. Using the *LiTS* data, Denisova *et al.* (2009, 2012) already have demonstrated that, *circa* 2006, privatization remained broadly unpopular throughout the region. As can be seen in Table 2, despite experiencing over a half-decade of steady growth, less than half of Russians and respondents elsewhere in the FSU felt that most privatized companies should be left in the hands of current owners; a majority instead felt that they should either be "nationalized and kept in state hands" or "nationalized and then re-privatized again using more transparent process."

Across these six binary dependent variables, any differences in mean responses between Russians and the citizens of other former Soviet countries may reflect any number of factors: deep-seated cultural influences, demographic variation, and/or differences in post-1991 national trajectories. In what follows, I focus not on these differences, interesting though they are, but on individual variation, asking whether or not life experiences during the period just before and after the breakup of the Soviet Union explain why some in Russia, *circa* 2006, embraced beliefs and values at odds with those that animated the transition away from communism. Does the experience of labor market hardships between 1989 and 1994 explain an individual's skepticism toward a market economy and a democratic political system? Does it predispose a person to support efforts to reduce inequality?

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of that change had occurred by 1994, when the comparable figure was 42.4%. Data accessed at gabriel-zucman.edu/Russia/ on April 23, 2020.

<sup>30</sup> Alesina and Giuliano (2011) show that higher internal locus of control relates to weaker preferences for redistribution.

Does it weaken one's internal locus of control? And does it make a person more likely to favor renationalization of privately held assets? As might be expected, individual responses to some of these questions are highly correlated. But as Tables 3A and 3B demonstrate, many of the responses are not highly correlated. In other words, these variables represent different, independent dimensions of individuals' beliefs and values.

## 4.2 Methodology

The main independent variables of interest are based on the questions, described above, that ask about the timing of three different types of labor market hardships: accepting wage cuts or arrears, receiving unemployment benefits, or being let go from a wage-paying job. This question is used to generate three independent variables, each of which corresponds to discrete periods of equal length. Specifically, I sum the number of years a respondent reports experiencing any of these hardships in the following blocks of time: 1989–1994, 1995–2000, and 2001–2006. The first of these corresponds to the “exit from communism” phase during which Russia and the other FSU countries experienced continual and dramatic declines in per capita GDP and life expectancy (see Figures 1 and 2). The second six-year block of time corresponds to a moderating of the “transitional recession.” The Russian economy, as well as the entire post-Soviet region, grew quickly from 2001 through 2006.

Two important issues arise with respect to these time-specific individual hardship variables. The first is that they are not randomly assigned. In their book-length analysis of Russian labor markets in the 1990s, Idson and Desai (2001) demonstrate that the incidence and severity of wages not being paid was greater for women, low-skilled workers, those outside of Moscow and St. Petersburg, and for those in specific sectors, such as mining and agriculture. Additionally, having experienced nonpayment of wages once predicted experiencing them again. Because labor market hardships were systematically related to individual as well as locational characteristics, any evidence of a correlation between labor market experiences and subsequent beliefs should not be interpreted causally. Endogeneity concerns, however, can be mitigated by controlling for the known predictors of labor market hardships. So below, in addition to other controls, gender, education and age (to proxy for skill level), as well as geographic location (to account for city size and the sectoral structure of the local economy) are all included in the regression models.

The second important issue relates to how the eighteen years, for which there is retrospective data, get divided. To those familiar with Russia's recent history, the proposed periodization (*i.e.*, splitting 1989–2006 into three equal periods), while perhaps appealing for its symmetry, might appear strange. The first block of time, after all, spans the Soviet and post-Soviet eras rather than treating the dissolution of the Soviet Union as a historical discontinuity. Moreover, the 1990s, so

frequently referenced now as if it were a single, indivisible decade by Russians and outside commentators alike (Sharafutdinova, 2019; Belmonte and Rochlitz, 2019), gets split in two. But as laid out in the previous section, the combination of objective social indicators and ethnographic evidence points (1) to beginning the analysis in 1989, (2) to not treating the 1991/1992 divide as a discontinuity, and (3) to drawing a distinction between the first and second halves of the 1990s.

Per the “impressionable years” hypothesis, I anticipate a Russian’s experience with labor market hardships from 1989–1994 will predict her/his beliefs and values in 2006. The initial estimation equation is run on just the Russian sample and takes the following form:

$$Belief_{i,p} = \beta_0 + \beta_1 \text{earlyyears} + \beta_2 \text{middleyears} + \beta_3 \text{lateyears} + \varphi X_{i,p} + \delta PSU + \varepsilon_{i,p} \quad (1a)$$

where  $Belief_{i,p}$  is a binary variable capturing the belief of individual  $i$  in Russian region  $p$  with respect to one of the six beliefs and values questions described above. The variables *earlyyears*, *middleyears*, and *lateyears* measure the number of years – respectively, between 1989 and 1994, 1995 and 2000, and 2001 and 2006 – out of six that the respondent experienced wage arrears and/or cuts, received unemployment insurance, or lost a job involuntarily.  $X_{i,p}$  is a vector of individual controls (see Table 1), and  $PSU$  is a vector of primary sampling unit fixed effects to capture any factors common to the respondents in each locality.

The individual controls include two measures of relative economic well-being, several dimensions of current employment status, and additional variables relating to a respondent’s employment history. The EBRD uses *LiTS* information on aggregated household spending over the previous month to generate a variable that divides households into deciles based on per member consumption. Respondents, additionally, estimate their household’s location on a ten-step ladder representing relative wealth. Dummy variables for being unemployed or not, self-employed or not, and a professional/top manager or not, are also included in the models. Finally, the *LiTS* provides information on the number of jobs the respondent held between 1989 and 2006, as well as for the number of years she/he worked in the private sector, and the number of years she/he worked in the state sector. Additional demographic variables include age, gender, education level (on a six-point scale), household size, location (in metropolitan, rural, or urban areas), ethnic minority status, and religious affiliation. Table 1 provides the means for these variables for the age-restricted sample.

The coefficient of interest is  $\beta_1$ . For questions about a respondent’s support for a market economy, democracy, and keeping privatized assets in the hands of existing owners, and for the respondent’s measure of internal locus of control, I hypothesize  $\beta_1 < 0$ . For questions about the respondent’s support for reducing the gap between the rich and the poor, I hypothesize  $\beta_1 > 0$ . In sum, that is, the hypothesis is that early-period economic hardship will explain attitudes that either

run contrary to those values that animated the transition from communism or that represent an embrace of “Soviet values.”

A second model pools respondents across Russia and thirteen other former Soviet countries:

$$\begin{aligned} Belief_{i,c} = & \beta_0 + \beta_1 earlyyears + \beta_2 middleyears + \beta_3 lateyears + \alpha_1 Russia \times earlyyears + \\ & \alpha_2 Russia \times middleyears + \alpha_3 Russia \times lateyears + \varphi X_{i,c} + \delta C + \varepsilon_{i,c} \end{aligned} \quad (1b)$$

where  $Belief_{i,c}$  measures the belief of individual  $i$  in country  $C$  with respect to each of the six dependent variables. Besides bringing in observations from more countries and including country fixed effects,  $C$ , equation (1b) differs from (1a) in that it includes interaction terms, allowing assessment of the hypothesis that the relationship between “early years” labor market hardship and subsequent beliefs and values differs between Russia and other Soviet countries. Specifically, if for Russians, the early years of the exit from communism were ones in which they were particularly impressionable due, perhaps, to the concomitant break-up of the Soviet empire, I would expect  $\alpha_1 < 0$  with respect to questions about a respondent’s support for a market economy, democracy, and keeping privatized assets in the hands of existing owners, and for the respondent’s measure of internal locus of control. Additionally, I hypothesize  $\alpha_1 > 0$  for questions about support for redistribution.

To capture dynamics more clearly, I also run the related models:

$$Belief_{i,p} = \beta_0 + \beta_1 sixyearwindow + \beta_2 remainingyears + \varphi X_{i,p} + \delta PSU + \varepsilon_{i,p}, \quad (2a)$$

$$\begin{aligned} Belief_{i,c} = & \beta_0 + \beta_1 sixyearwindow + \alpha_1 Russia \times sixyearwindow + \\ & \beta_2 remainingyears + \varphi X_{i,c} + \delta C + \varepsilon_{i,c} \end{aligned} \quad (2b)$$

with *sixyearwindow* being the number of years that the individual experienced labor market disruptions during a contiguous six-year block of time and *remainingyears* being the number of years of labor market disruptions during the remaining twelve-year block. Running this model thirteen times, using successive six-year windows (*i.e.*, first 1989–1994, then 1990–1995, *etc.*), will highlight the dynamics of the point estimates for  $\beta_1$  in (2a) and  $\alpha_1$  in (2b). I would expect their absolute value to be the greatest for the windows that overlap with the “impressionable years.”

To sharpen the temporal focus even more, I run similar models, highlighting successive three-year windows:

$$Belief_{i,p} = \beta_0 + \beta_1 \text{threeyearwindow} + \beta_2 \text{remainingyears} + \varphi X_{i,p} + \delta PSU + \varepsilon_{i,p}, \quad (3a)$$

$$Belief_{i,c} = \beta_0 + \beta_1 \text{threeyearwindow} + \alpha_1 \text{Russia} \times \text{threeyearwindow} + \beta_2 \text{remainingyears} + \varphi X_{i,c} + \delta C + \varepsilon_{i,c} \quad (3b)$$

The narrower windows can help highlight any possible differences between the late Soviet and early post-Soviet periods.

## 5 Results

The regression evidence is consistent with the hypothesis that Russians were especially impressionable to labor market hardships in the years immediately before and after the collapse of the Soviet Union. Considering the Russian sample alone, Table 4 shows that an individual's experience with labor market hardships from 1989 to 1994 predicted her/his preferences with respect to a market economy and a democratic political system. Specifically, each additional year of labor market disruption during this six-year period is associated with 2.5 and 3.1 percentage points less support, respectively, for these fundamental goals of the transition away from communism. Moreover, these early labor market hardships also explain stronger support for reducing economic inequality. Each additional year of labor market disruption during the "impressionable years" explain 2.7 percentage points more support for both statements about the importance of closing the gap between rich and poor. Each additional year of labor market disruption also explains a decrease of 4.1 percentage points in the internal locus of control measure. All these relationships are statistically significant at the 5% level. Finally, as predicted by the "impressionable years" hypothesis,  $\beta_1$  is negative in the model addressing support for leaving privatized assets in the hands of the existing owners, but it is not statistically significant.

Table 4 further reveals that labor market disruptions in the two other six-year time blocks bear no statistically significant relationship to any of the six dependent variables. The years from 1995 to 2000, which roughly correspond to the final years of Yeltsin's second presidential term (which ended with his resignation on December 31<sup>st</sup>, 1999) do not resemble the "impressionable years" in the least. Nor do the years 2001 to 2006, a perhaps surprising finding considering earlier research demonstrating a connection between recent unemployment spells and holding more progressive beliefs (Alesina and Giuliano, 2011).

Table 5 compares the correlates of beliefs in Russia to those in thirteen other former Soviet countries. It shows that Russians, on average, are distinguished by their sensitivity to labor market

hardships from 1989 to 1994. Russians who experienced more years of labor market disruptions during this earliest six-year period, relative to those who suffered similarly elsewhere in the FSU, demonstrate less support for democracy and the market economy in 2006. Moreover, Russians who experienced more years of labor market disruptions during the “impressionable years,” relative to those who suffered similarly in other FSU countries, demonstrate more support for the two statements about reducing the gap between the rich and poor. Three of these four results are significant at the 1% level and one is significant at the 5% level.

Post-Soviet citizens, in general, were less likely to believe that hard work and skills determined life success if they had experienced more labor market hardships from 1989 to 1994 (*i.e.*, from (1b),  $\beta_1 < 0$ ). Each additional year of labor market disruptions during this six-year period explained a 2.1 percentage point decrease in the measure of internal locus of control. Russians, in this regard, were not exceptional (*i.e.*, from (1b),  $\alpha_1$  is not different from zero in a statistically significant sense).

Exploring the results in Table 5 further, one additional point is worth highlighting. For Russians, relative to their observational equivalents elsewhere in the FSU, labor market disruptions in the 1995–2000 period have a very different association with support for democracy than disruptions in the earlier “impressionable years” period. Notably, a statistically significant inverse relationship between early labor market hardships and support for democracy in the “impressionable years” is transformed into a statistically significant *positive* relationship in the second six-year period, suggesting a noteworthy discontinuity in the Russian mind between the first and second halves of the 1990s.

Figures 4 and 5 lay out point estimates for both  $\beta_1$  from (2a) and (3a) and  $\alpha_1$  for (2b) and (3b). In general terms, the results in Figure 4 reaffirm the findings that more labor market disruptions during the earliest six-year windows best predict beliefs and values in 2006. Figure 5, with its narrower time windows, offers some evidence that specific beliefs were forged when related institutional changes or social developments occurred. Considering the Russian sample and the point estimate of  $\beta_1$ , those who suffered more in the labor market from 1992 to 1994, when price liberalization roiled the Russian economy, reported being more skeptical of the market economic system than those who suffered similarly in other three-year periods. With respect to disapproval of leaving productive assets in the hands of existing owners, the largest point estimates for  $\alpha_1$  in (3b) coincide with the years in which Russia’s private sector as a share of GDP was growing the fastest – again, 1992 to 1994 (European Bank for Reconstruction and Development, 1999).<sup>31</sup> And with respect to

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<sup>31</sup> The share of the private sector in Russia’s GDP grew from 5% in 1991 to 25% in 1992, to 40% in 1993, and to 50% in 1994.



assessing whether the wealth gap should be reduced, the largest point estimates for  $\beta_1$  in (3a) and for  $\alpha_1$  in (3b) are associated with the two earliest three-year windows (*i.e.*, 1989–1991 and 1990–1992), the period in which inequality first shot up, as state-owned enterprise managers and top ministerial personnel began directly and unlawfully appropriating assets of the planned economy (Solnick, 1998).

The results to this point are only evidence of interesting conditional correlations. It is of course possible that some unobserved individual characteristic predicts both beliefs and labor market hardships during the “impressionable years.” This concern should be mitigated, at least in part, by the inclusion of controls for a rich array of individual characteristics, including other dimensions of employment histories and known predictors of labor market hardships (Idson and Desai, 2001). However, this type of endogeneity concern is impossible to eliminate entirely. Nor can the possibility be dismissed that respondents with beliefs more at odds with those animating the transition away from communism systematically mis-remembered or mis-stated their labor market experiences between 1989 and 1994. To some, it may not seem implausible, for example, that the conditional correlations highlighted above reflect reverse causation. Perhaps beliefs and values *circa* 2006 reflect, to some extent, the widely recognized efforts of political elites, beginning in roughly 2003, to cast the 1990s as a decade of disorder and collapse (Belmonte and Rochlitz, 2019; Oushakine, 2009; Sharafutdinova, 2019). Those Russians convinced by this framing may have been more predisposed both to reject the beliefs motivating the transition from communism and to exaggerate the economic hardships they suffered during the pre-Putin years. The empirical relationships above, however, are unlikely to reflect the political rhetoric designed to distinguish the Putin era from the decade preceding it. The regression analysis, that is, highlights very different patterns for the two halves of the 1990s; only labor market hardships prior to 1995 are strongly correlated with “Soviet values” in 2006, a point made even more clear when narrowing the focus from six-year to three-year time windows. As observed in Figure 5, there is no three-year window that includes any year after 1995 for which the point estimate either for  $\beta_1$  for (3a) or  $\alpha_1$  for (3b) is statistically significant at the 5 percent level. However, across the same six dependent variables, there are twenty-one such statistically significant point estimates for three-year periods that include or precede 1995.

Finally, Table 6 reports on several noteworthy patterns across sub-samples. Since the Russian sample alone is rather small, I highlight results using specification (1b), which incorporates data from other Soviet republics. I first look at a sub-sample of those that would have been older than college-aged in 1989 and not yet qualified for retirement in 2006. This group, which is about half the size of the one that served as the basis for the Table 5 results, thus includes those that could have been in the labor force for the entire 1989 to 2006 period. Here, we observe similar point

estimates for  $\alpha_1$  to those reported from the larger sample. Of perhaps greater interest is the breakdown by gender. Here, Table 6 demonstrates that although men that experienced hardships during the “impressionable years” drive the result with respect to skepticism toward markets, the conditional correlation between labor market disruptions between 1989 and 1994 and “Soviet values” is largely a function of the women in the dataset.

## 6 World Values Survey evidence

If Russians’ individual experiences in the years proximate to the Soviet Union’s collapse left an imprint on their beliefs and values that endured until 2006, it is natural to expect that that imprint should have been discernible much earlier. In other words, a natural corollary of the relationship hypothesized above is that the hardships experienced by individuals during the “impressionable years” should affect their beliefs and values in the mid-1990s too. Unfortunately, neither panel data nor a retrospective cross-section exist to confirm whether an individual’s experiences from 1989 to 1994 map to their beliefs and values soon thereafter. However, the 1990 and 1995 waves of the *World Values Survey (WVS)*, both of which include representative cross-sections of two thousand Russians, allow testing a rough approximation of this corollary.<sup>32</sup> If labor market hardships during the “impressionable years” have a short-to-medium-run effect, I would expect Russians, subsequent to the macroeconomic shock of the early 1990s, to embrace “Soviet values” more in 1995 than in 1990. Moreover, if Russians are more sensitive than other peoples to these “impressionable years,” I would expect their values to have changed more between 1990 and 1995 than those of citizens in other former Soviet (or communist) countries.<sup>33</sup>

The questions in the 1990 and 1995 waves of the *WVS* do not cover precisely the same ground as the *LiTS*. They do not, for example, directly address support for a market economy or a democratic political system. But they do include questions that resemble in spirit those in the *LiTS*, asking about fundamental assumptions and beliefs relating to the transition from communism. The following three appeared in both *WVS* waves, each requesting that respondents situate themselves on a scale from 1 to 10:

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<sup>32</sup> The *World Values Survey* consists of nationally representative surveys using a common questionnaire. Conducted across seven waves, beginning in 1981, it is the largest cross-national, time series investigation of beliefs and values ever executed.

<sup>33</sup> The exercise described here is like one performed in Gaber *et al.* (2019) in using *WVS* data to compare Russians and Poles over time, beginning in 1990.

- (1) 1 is complete agreement with “private ownership of business and industry should be increased;” 10 is complete agreement with “government ownership of business and industry should be increased.”
- (2) 1 is complete agreement with “individuals should take more responsibility for providing for themselves,” 10 is complete agreement with “the state should take more responsibility to ensure that everyone is provided for.”
- (3) 1 is complete agreement with “in the long run, hard work usually brings a better life,” 10 is complete agreement with “hard work doesn’t generally bring success – it’s more a matter of luck and connections.”

For each of these three, the average response in Russia increased in a highly statistically significant manner (see Table 7). Between 1990 and 1995, Russians came to embrace a greater state role in both owning the means of production and taking responsibility for public welfare. In addition, responses in 1995 demonstrated a weakening internal locus of control.

Do the responses in Russia change more than in other former communist countries? Unfortunately, the comparison group in the *WVS* is small. Besides Russia, only one former Soviet republic, Belarus, appeared in the 1990 and 1995 waves, as did three other post-communist countries – Poland, Slovakia, and the Czech Republic.<sup>34</sup> Simple difference-in-difference specifications that incorporate either (1) Russia and Belarus, or (2) all five countries provide a sense as to whether Russian values changed relatively more than those in other countries:

$$Belief_{i,c} = \beta_0 + \beta_1 1995 + \alpha_1 Russia \times 1995 + \varphi X_{i,c} + \delta C + \varepsilon_{i,c} \quad (4)$$

where  $Belief_{i,c}$  measures the belief of individual  $i$  in country  $C$  with respect to each of the three dependent variables listed in Table 6, 1995 is a dummy variable for the later *WVS* wave,  $X_{i,c}$  is a vector of individual controls,<sup>35</sup> and  $C$  is a vector of country fixed effects. In harmony with the *LiTS* results, I expect  $\alpha_1$ , the difference-in-difference coefficient, to be greater than zero.

Table 8 presents the results. In comparison to Belarussians (see odd-numbered columns), a country whose reforms, admittedly, proceeded more slowly than Russia’s after 1992, Russians became more “Soviet,” embracing stronger government roles in both ownership and the assurance of general welfare. Russians, moreover, experienced a greater relative decline in internal locus of control. With respect to the specifications with all five post-communist countries, the results are

<sup>34</sup> Their levels of development differed in 1990 (e.g., Russia was more industrialized than Belarus) and they launched liberalizing reforms in different years and at different speeds (e.g., Russia introduced rapid price liberalization in 1992, two years after Poland). Nevertheless, besides sharing roots in the command economic system, all five did begin 1990 in a reform-induced recession and doubled the share of the private sector in GDP between 1990 and 1995. Russia and Belarus experienced very similar declines in per capita GDP between those two years (Bolt *et al.*, 2018).

<sup>35</sup> These include gender, age, marital status, employment status, and subjectively assigned relative economic well-being.

generally similar. Though a more “Soviet” orientation can be observed on average across the five in the later wave (*i.e.*,  $\beta_1$  is consistently positive and statistically significant), the difference-in-difference coefficient suggests this effect is amplified in Russia. That is, with respect to both support for a more activist state in ensuring general welfare and a weakening internal locus of control, Russians appear to be embracing “Soviet values” at an even faster rate in the wake of post-communist liberalizing reforms.

## 7 Conclusions

Though Russia in the twenty-first century has become increasingly authoritarian, a not implausible case can still be made that the beliefs and values of its citizenry continue to shape its trajectory under Putin (Greene and Robertson, 2019; Wood, 2018). Some attribute Russians’ relatively skeptical take on democracy and markets to features of national culture pre-dating the twentieth century, whereas others emphasize the communist experience. Here, I argue that Russians’ worldview derives, at least in part, from the lived experience of the years just before and after the Soviet Union’s collapse. The late 1980s and early 1990s ushered in massive changes in the rules governing social organization and, for many Russians, life took a dramatic turn for the worse. That their circumstances during those extraordinary times shaped enduring beliefs as to the building blocks of a good society (1) appears to be reflected in the data shared here and (2) is consistent with research on the lasting effects of economic hardships in other contexts.

Why the “impressionable years” reverberate among Russians more than among the citizens of other former Soviet republics is difficult to pin down. It may be instructive, nevertheless, to conclude by noting that Yegor Gaidar and Vladimir Putin, two Russian leaders never to be confused as ideological allies, appear to have agreed that the collapse of the Soviet Union elicited a particular psychological cost on their country. In an apparent rebuke to the sort of rhetoric that Putin deployed in his 2005 Federal Assembly address, Gaidar wrote in his 2007 book, *Collapse of an Empire*:

The identification of state grandeur with being an empire makes the adaptation to the loss of status of superpower a difficult task for the national consciousness of the former metropolis. The exploitation of the post-imperial syndrome is an effective way of obtaining political support. The concept of empire as a powerful state that dominates other nations is an easy-sell product, like Coca-Cola or Pampers. It does not take intellectual effort to advertise it. (xi)

Although Putin and Gaidar would disagree as to whether it is worth listening to, both understood the power in the nostalgia-infused siren song of status lost. Although only speculation, perhaps this loss, which would have been unique to Russians, in conjunction with the instability, uncertainty,

and hardship of daily life during the late 1980s and early 1990s, created a potent brew of factors more than capable of leaving a deep and enduring impression, more than capable of promoting an embrace of “Soviet values.” In his memoir, Vladimir Yakunin, a friend of Putin’s and long-serving loyalist in his government, wrote:

[The] sense of loss and hurt, which left many people looking back fondly on the Communist era, has never been truly appreciated by other nations ... someone who does not make an attempt to comprehend Russia as it was then, in the hard years after 1991, will, I think, struggle to understand much about Russia as it is now. (18)

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## Tables and figures

Table 1 Averages for individual controls of working-age adults, c. 1989  
(at time of survey in 2006: men, 35–77, and women, 35–72)

	Russian Federation	Former Soviet Union
Number of years, 1989–2006		
... accepted wage cuts or arrears, 1989–2006	1.95	1.01
... received unemployment benefits, 1989–2006	0.13	0.15
... experienced leaving job involuntarily, 1989–2006	0.18	0.27
... experienced any of above labor market disruptions, 1989–2006	2.20	1.38
Number of years, 1989–1994, experienced labor market disruptions	1.01	0.56
Number of years, 1995–2000, experienced labor market disruptions	0.92	0.52
Number of years, 2001–2006, experienced labor market disruptions	0.27	0.30
Consumption spending controlling for household size (deciles)	5.24	5.46
Wealth, self-assessed (1–10 scale, 10=highest rung of ladder)	3.86	4.19
Self-employed (%)	1.9	10.2
Professional or top manager (%)	17.5	12.0
Unemployed (%)	2.4	7.81
Number of jobs, 1989–2006	1.66	1.20
Number of years worked in state sector, 1989–2006	10.93	7.70
Number of years worked in private sector, 1989–2006	6.02	3.24
Age	52.36	51.90
Male (%)	33.8	41.0
Education level (1–6 scale)	3.83	3.59
Self-reported health status (1–5 scale, 5=very bad)	3.01	3.02
Household size	2.45	3.35
Metropolitan (%)	14.0	21.2
Rural (%)	34.4	46.9
Urban (%)	51.6	31.9
Member of an ethnic minority (%)	6.5	13.3
Christian (%)	78.6	63.7
Muslim (%)	3.4	26.7

Source: *Life in Transition Survey* (2006 wave), European Bank for Reconstruction and Development.

Table 2 Percentages in agreement. Working-age adults, c. 1989  
(men, 35–77; women, 35–72)

	Russian Federation	Former Soviet Union
Market economy preferable to any other economic system. Alternate responses: “under some circumstances, a planned economy may be preferable ...” or “for people like me, it does not matter ...”	25.3	39.4
Democracy preferable to any other political system. Alternate responses: “under some circumstances, an authoritarian government may be preferable ...” or “for people like me, it does not matter ...”	33.8	54.5
Gap between rich and poor should be reduced.	85.8	85.2
The state should be strongly involved in reducing gap between rich and poor. Alternative responses: “moderately involved” or “not involved”.	73.7	68.6
Effort / hard work or intelligence / skills most needed to succeed in life. Alternative responses: “political connections” or “corrupt ties”.	61.5	74.8
Most privatized companies should be left in hands of current owners. Alternate responses: “nationalized and kept in state hands” or “nationalized and then re-privatized again using more transparent process”.	45.9	46.3

Source: Life in Transition Survey (2006 wave), European Bank for Reconstruction and Development.

Table 3A Correlations across dependent variables. Working-age adults, c. 1989, in Russia  
(men, 35–77; women, 35–72)

	Support market	Support democracy	Should reduce rich- poor gap	State should reduce rich- poor gap	Success from effort and skills
Support democracy	0.491				
Should reduce rich-poor gap	–0.001	0.007			
State should reduce rich-poor gap	–0.115	–0.070	0.237		
Success from effort and skills	0.172	0.180	–0.035	0.011	
Keep current owners	0.187	0.118	–0.160	–0.111	0.060

Table 3B Correlations across dependent variables. Working-age adults, c. 1989, in former Soviet republics  
(men, 35–77; women, 35–72)

	Support market	Support democracy	Should reduce rich- poor gap	State should reduce rich- poor gap	Success from effort and skills
Support democracy	0.469				
Should reduce rich-poor gap	–0.019	0.020			
State should reduce rich-poor gap	–0.056	–0.030	0.238		
Success from effort and skills	0.048	0.073	–0.033	–0.026	
Keep current owners	0.161	0.096	–0.080	–0.124	0.037

Table 4 Labor market disruptions and attitudes, Russian Federation

Number of years experienced labor market disruptions	Market economy best economic system	Democracy best political system	Gap between rich and poor should be reduced	State should be strongly involved in reducing gap between rich and poor	Success determined by personal effort and skills	Privatized assets should remain in hands of current owners
1989–1994	−0.0253** (0.0108)	−0.0308** (0.0133)	0.0274*** (0.00872)	0.0270** (0.0132)	−0.0406** (0.0188)	−0.0124 (0.0151)
1995–2000	−0.000537 (0.0124)	0.0169 (0.0168)	−0.000675 (0.0133)	0.0156 (0.0136)	0.00696 (0.0184)	−0.0280 (0.0178)
2001–2006	0.00633 (0.0208)	−0.0105 (0.0207)	−0.0186 (0.0201)	−0.0347 (0.0302)	−0.0268 (0.0285)	−0.0100 (0.0320)
Observations	607	607	577	607	568	607
R2	0.308	0.265	0.255	0.259	0.250	0.227
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
PSU fixed effects	Yes	Yes	Yes	Yes	Yes	Yes

Notes: OLS regressions. All regressions include a constant. Robust standard errors clustered at the PSU level reported in parentheses. Individual controls included are listed in Table 1. \*, \*\*, \*\*\*, significantly different from 0 at the 10%, 5%, and 1% levels, respectively.

Table 5 Labor market disruptions and attitudes, Russia and other Former Soviet Union (FSU) countries

	Market economy best economic system	Democracy best political system	Gap between rich and poor should be reduced	State should be strongly involved in reducing gap between rich and poor	Success determined by personal effort and skills	Privatized assets should remain in hands of current owners
Russia $\times$ years of disruptions, 1989–1994	−0.0338*** (0.0122)	−0.0313** (0.0144)	0.0269*** (0.00841)	0.0451*** (0.0131)	0.00158 (0.0173)	−0.0198 (0.0151)
Russia $\times$ years of disruptions, 1995–2000	0.0146 (0.0116)	0.0332** (0.0139)	−0.00323 (0.0107)	0.00700 (0.0140)	−0.00588 (0.0162)	−0.0158 (0.0162)
Russia $\times$ years of disruptions, 2001–2006	−0.00484 (0.0183)	−0.0152 (0.0190)	−0.0258 (0.0196)	−0.0325 (0.0265)	−0.00642 (0.0273)	0.0152 (0.0283)
Years of disruptions, 1989–1994	−0.00121 (0.00582)	−0.00479 (0.00623)	0.00539 (0.00410)	−0.00849 (0.00554)	−0.0207*** (0.00583)	0.00689 (0.00654)
Years of disruptions, 1995–2000	−0.00607 (0.00600)	−0.00396 (0.00607)	0.00334 (0.00408)	0.000835 (0.00582)	−0.00570 (0.00537)	−0.0148** (0.00634)
Years of disruptions, 2001–2006	−0.00696 (0.00687)	−0.00271 (0.00797)	0.00363 (0.00404)	0.00643 (0.00601)	−0.00151 (0.00619)	−0.0139** (0.00642)
Observations	8,341	8,340	8,107	8,344	8,152	8,297
R2	0.076	0.076	0.027	0.083	0.076	0.093
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Country fixed effects	Yes	Yes	Yes	Yes	Yes	Yes

Notes: OLS regressions. All regressions include a constant. Robust standard errors clustered at the PSU level reported in parentheses. Individual controls included are listed in Table 1. \*, \*\*, \*\*\*, significantly different from 0 at the 10%, 5%, and 1% levels, respectively.

Table 6 Labor market disruptions and attitudes, sub-samples

	Market economy best economic system	Democracy best political system	Gap between rich and poor should be reduced	State should be strongly involved in reducing gap between rich and poor	Success determined by personal effort and skills	Privatized assets should remain in hands of current owners
<i>Respondents 40 – retirement age (men, 60; women, 55), c. 2006</i>						
Russia $\times$ years of disruptions, 1989–1994	–0.0409*** (0.0149)	–0.0294* (0.0169)	0.0312*** (0.0101)	0.0458** (0.0180)	–0.0119 (0.0186)	–0.0270 (0.0194)
Years of disruptions, 1989–1994	0.00408 (0.00811)	–0.00217 (0.00814)	0.00322 (0.00562)	–0.00859 (0.00700)	–0.0183** (0.00699)	0.00262 (0.00822)
Observations	4,283	4,283	4,160	4,284	4,186	4,265
R2	0.064	0.060	0.032	0.096	0.071	0.102
<i>Male respondents, 35–77, c. 2006</i>						
Russia $\times$ years of disruptions, 1989–1994	–0.0479*** (0.0173)	–0.0240 (0.0234)	0.0162 (0.0136)	0.0299 (0.0194)	0.0157 (0.0255)	–0.0148 (0.0172)
Years of disruptions, 1989–1994	–0.000681 (0.00687)	–0.00375 (0.00760)	0.0102* (0.00573)	–0.0103 (0.00674)	–0.0165** (0.00769)	0.00394 (0.00734)
Observations	3,377	3,377	3,288	3,379	3,300	3,368
R2	0.084	0.064	0.036	0.074	0.073	0.109
<i>Female respondents, 35–72, c. 2006</i>						
Russia $\times$ years of disruptions, 1989–1994	–0.0308** (0.0148)	–0.0438** (0.0174)	0.0345*** (0.00926)	0.0552*** (0.0149)	–0.00587 (0.0231)	–0.0300 (0.0215)
Years of disruptions, 1989–1994	–0.000815 (0.00782)	–0.00567 (0.00827)	0.00126 (0.00499)	–0.00812 (0.00811)	–0.0241*** (0.00804)	0.00994 (0.00943)
Observations	4,964	4,963	4,819	4,965	4,852	4,929
R2	0.071	0.088	0.026	0.097	0.091	0.090

Notes: OLS regressions. All regressions include a constant. Robust standard errors clustered at the PSU level reported in parentheses. Individual controls included are listed in Table 1. Country fixed effects included. \*, \*\*, \*\*\*, significantly different from 0 at the 10%, 5%, and 1% levels, respectively.

Table 7 Russians' World Values Survey responses, 1990 and 1995 waves

1 means agree completely with first statement; 10 means agree completely with second statement.	1990 average	1995 average
Private ownership of business and industry should be increased; government ownership of business and industry should be increased.	5.64	7.07
Individuals should take more responsibility for providing for themselves; the state should take more responsibility to ensure that everyone is provided for.	5.19	7.13
In the long run, hard work usually brings a better life; hard work does not generally bring success – it is more a matter of luck and connections.	4.14	4.72

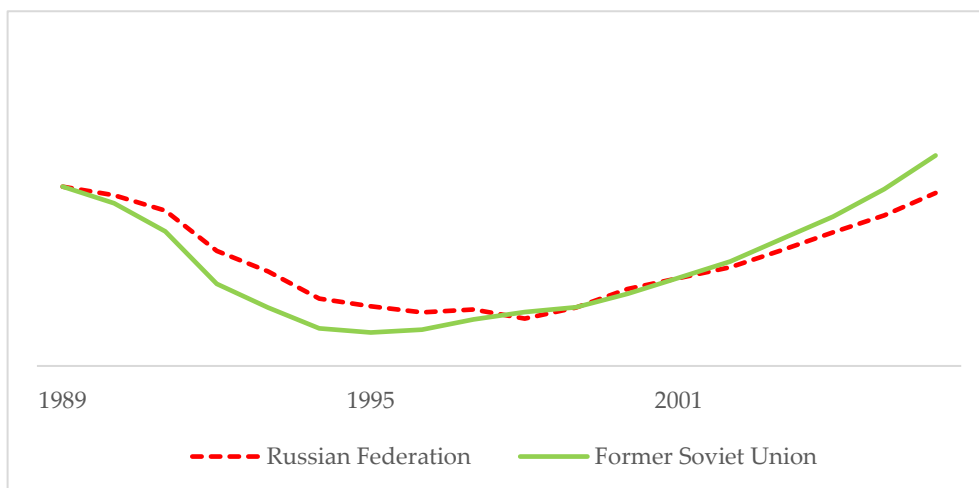
Note: each question was answered by between 1773 and 2009 respondents.

Table 8 Regression Results. World Values Survey, 1990 and 1995 waves

	Government ownership of business and industry should be increased		State should take more responsibility to ensure everyone provided for		Luck and connections, not hard work, brings success	
	(1)	(2)	(3)	(4)	(5)	(6)
Russia x 1995	1.079*** (0.144)	0.191 (0.120)	0.685*** (0.143)	0.870*** (0.111)	0.485*** (0.153)	0.969*** (0.113)
Russia	−0.357*** (0.115)	−0.261*** (0.100)	−0.912*** (0.114)	1.485*** (0.0969)	−0.141 (0.118)	−0.323*** (0.101)
1995	0.210* (0.115)	0.486*** (0.0683)	1.265*** (0.112)	0.474*** (0.0665)	0.217* (0.119)	0.996*** (0.0680)
Observations	6,250	11,526	6,412	11,343	6,354	11,591
R2	0.124	0.049	0.124	0.126	0.036	0.110
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes
Country fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
Number of countries	2	5	2	5	2	5

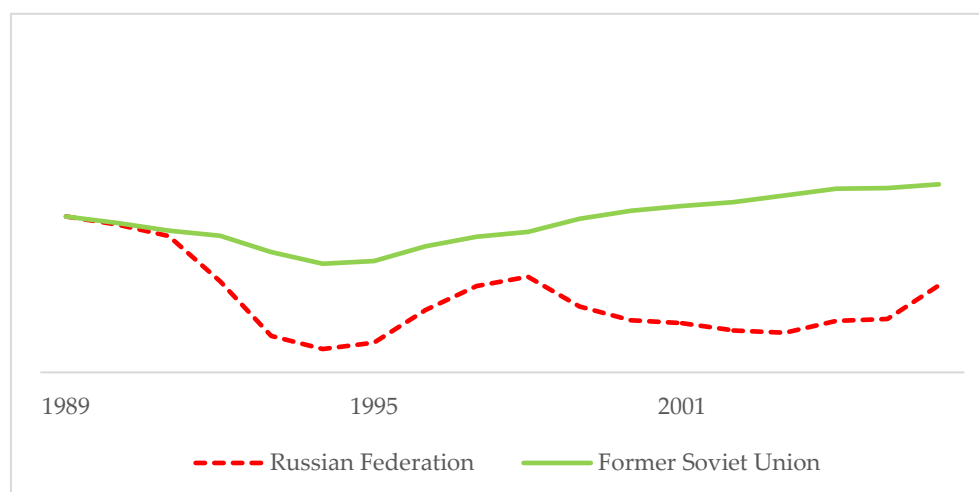
Notes: OLS regressions. All regressions include a constant. Robust standard errors reported in parentheses. Individual controls included are listed in Table 1. \*, \*\*, \*\*\*, significantly different from 0 at the 10%, 5%, and 1% levels, respectively.

Figure 1 Real GDP per capita, 1989–2006



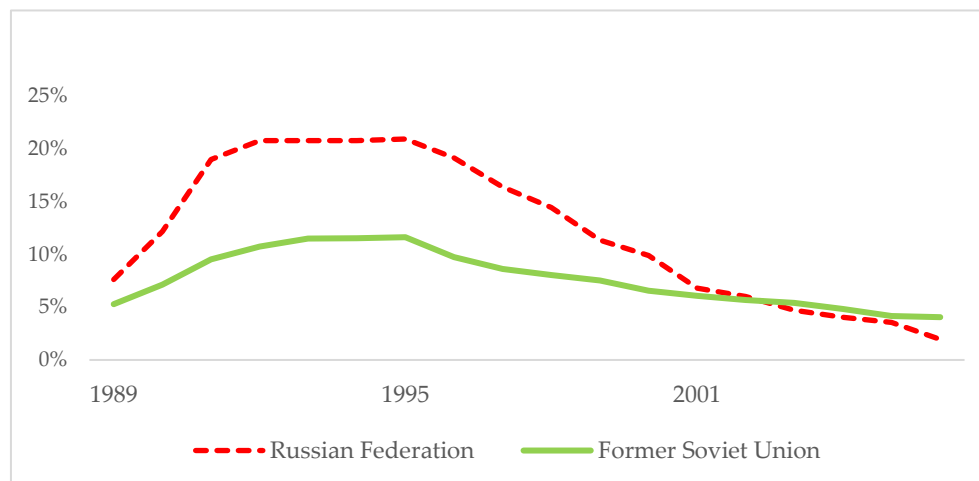
Source. Maddison Project Database, version 2018.

Figure 2 Life expectancy at birth, 1989–2006



Source. World Development Indicators, World Bank.

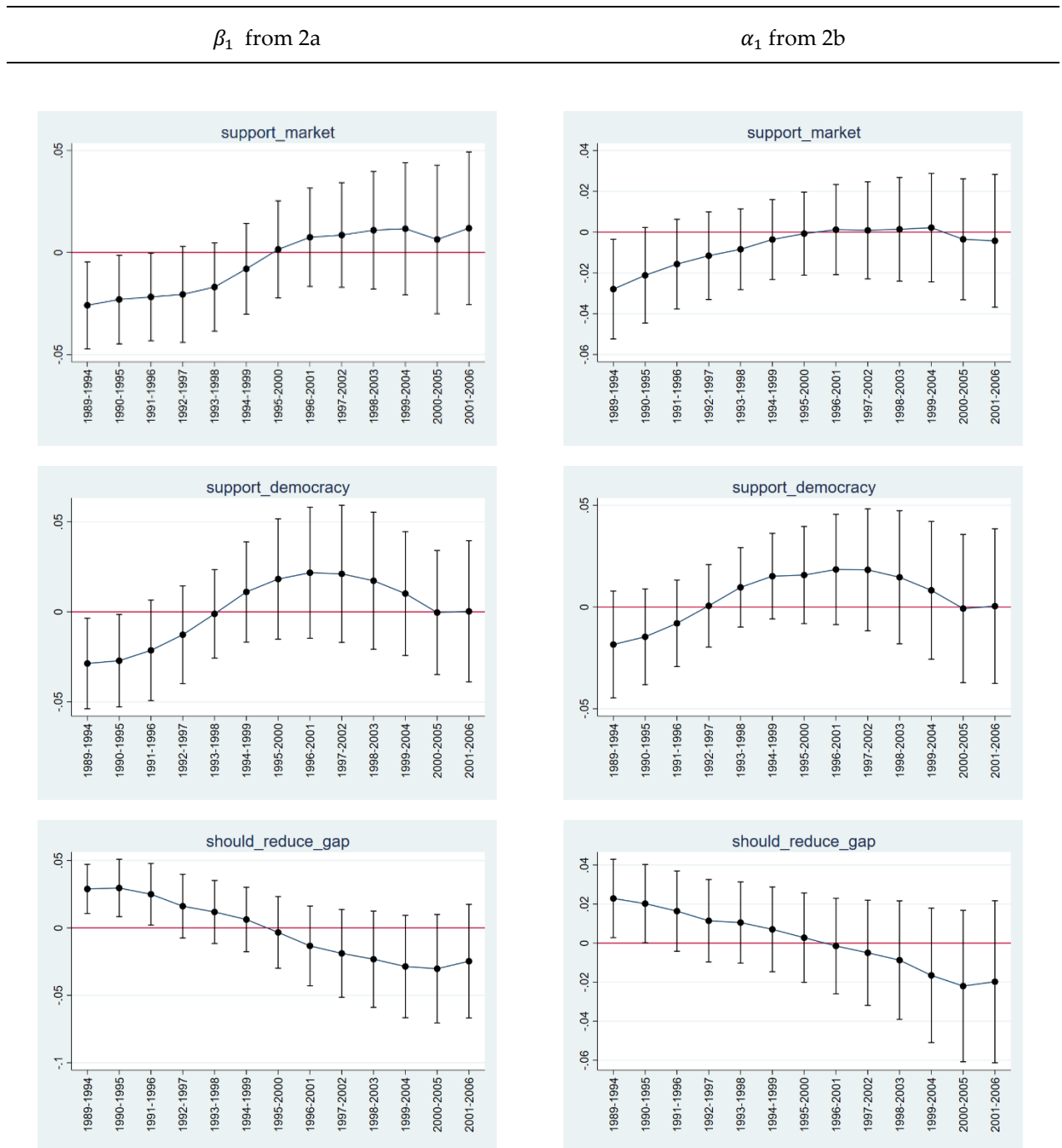
Figure 3 Experienced labor market disruptions, 1989–2006



Source. Life in Transition Survey, 2006.



Figure 4 Labor market hardships and Russian preferences (6-year windows)



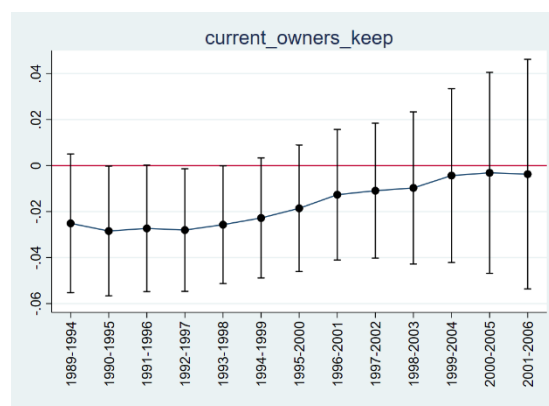
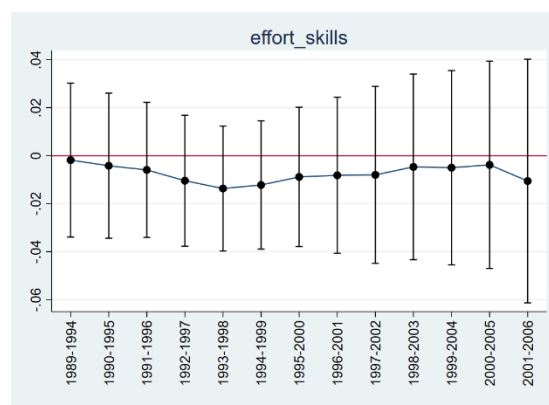
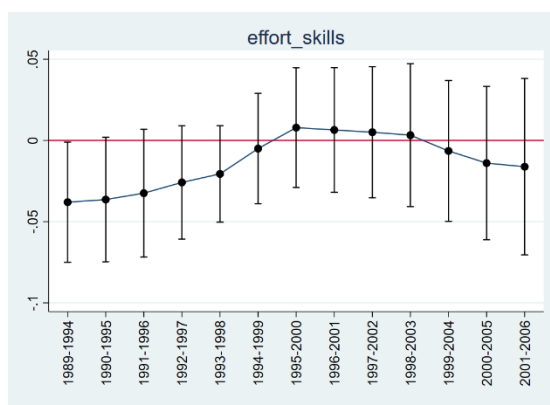
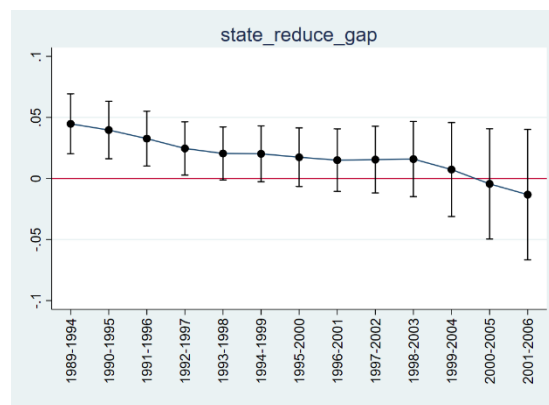
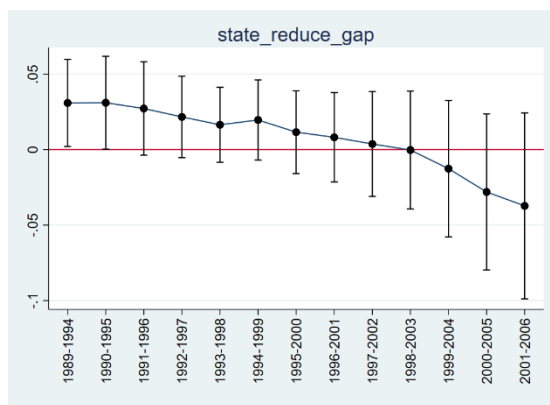
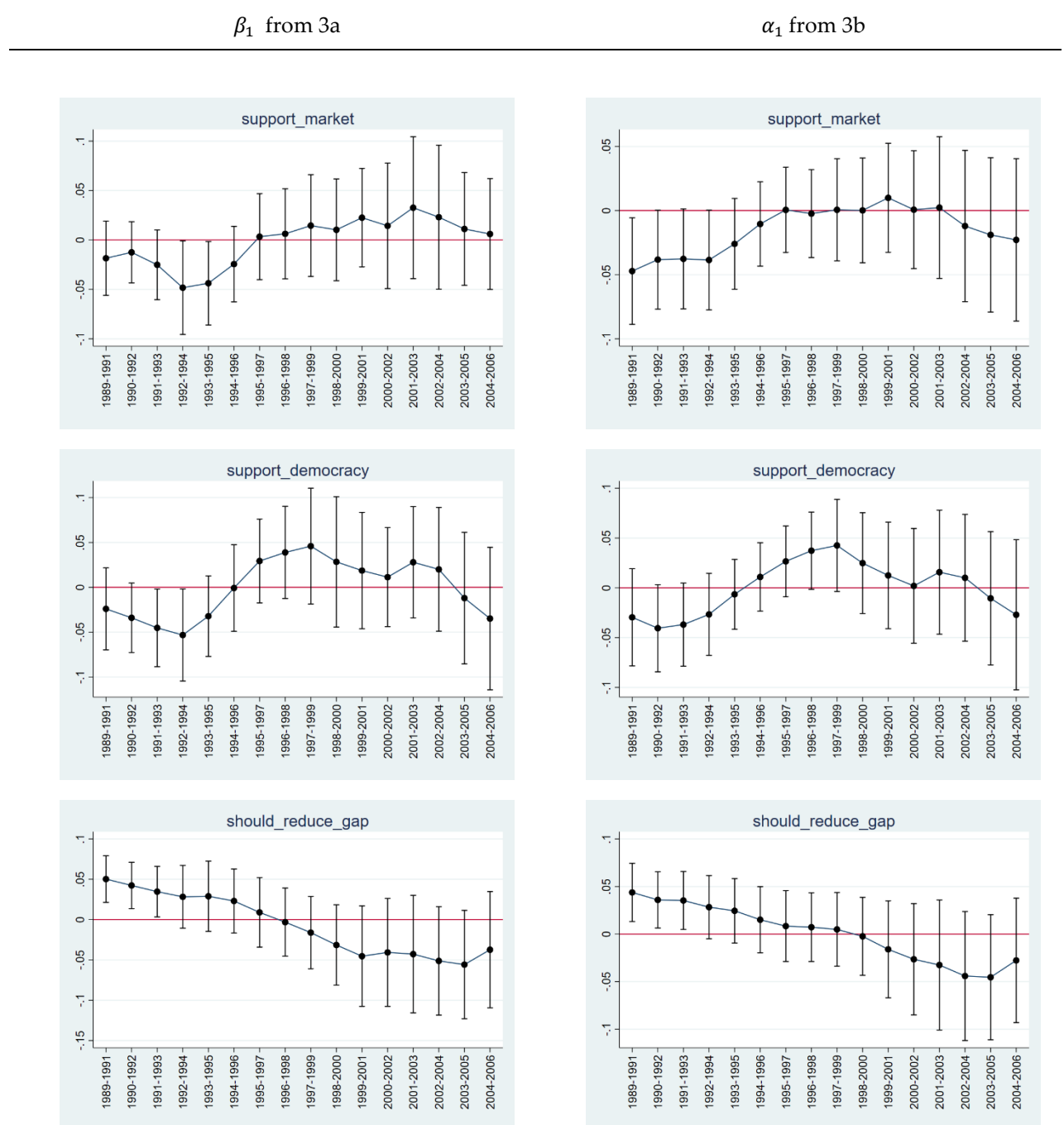
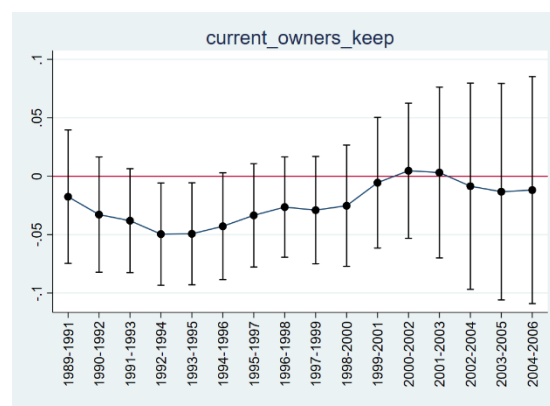
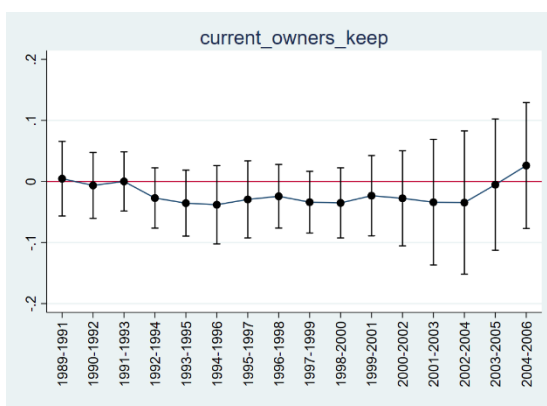
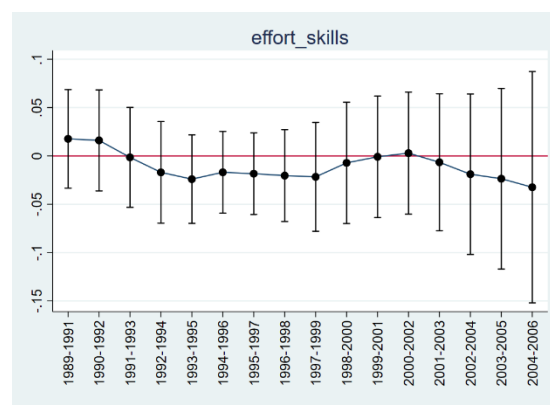
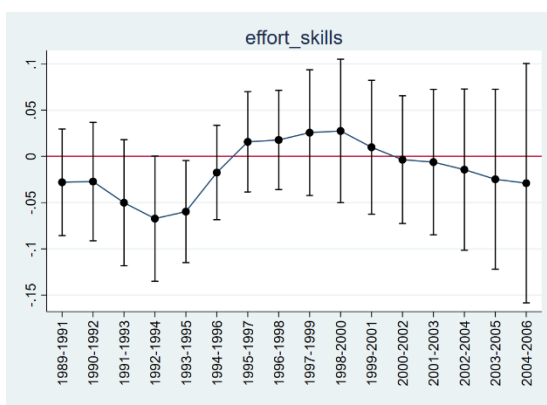
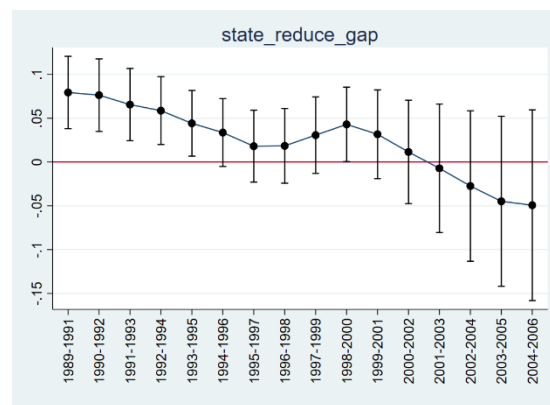
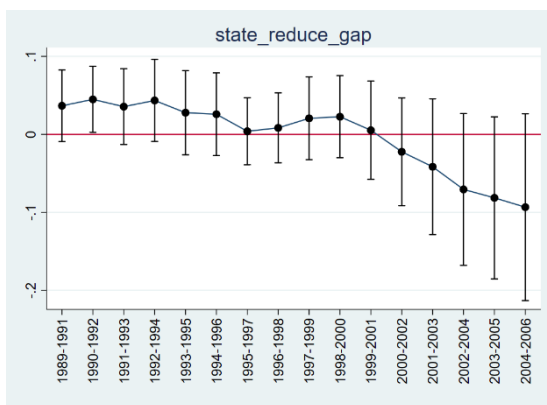


Figure 5 Labor market hardships and Russian preferences (3-year windows)





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