

MONEY AND MAGIC

Money was the topic of the day in Russia the 1990s. In February 1999, the popular economic weekly *Dengi* (Money) published an article about an art exhibit called “Pushkin and Money” commemorating two big events – the 200th anniversary of the most famous national poet Alexander Pushkin (born in 1799) and the biggest financial crisis of the 1990s in Russia – the 1998 financial default that was a few months before. Yuri Avvakumov, an architect and a conceptual artist, courageously put together two incompatible things, the highest and the lowest - Pushkin and money. He used the poet's lines, but not from his immortal verses. He cited his letters to friends, publishers and relatives where the poet begged for money. Avvakumov printed these on pieces of cardboard similar to those that beggars, a novel phenomena in post-Soviet Russia, used in the city streets and the underground. Pushkin's lines must have resonated with what was going on in every Russian head: “Oh, please! Send me some money!” “That's not a big trouble, if only I had money!” “Money, send me money, for heaven’s sake!” Thus the most prominent national icon and the most prominent national problem not only came together in the art gallery space but were easy to understand and topical for every visitor of the show.

Unlike Soviet literature or films, where chasing money was assigned to negative characters, many cultural products of the post-Soviet have a different take on the desire for money. I will briefly mention two cases, a book and a film, as key examples of the prominence of the theme of money out of many others. They also represent the ends of the spectrum of the topic. At one end is Alexei Slapovsky's novel *Den' Deneg* (The Day of Money) and at the other - a film by Valery Todorovsky *Strana Glukhikh* (Country of The Deaf).

Slapovsky's book continues the socialist tradition of critique of the role of money in one's life. It describes a person, who finds a bundle of money and, after hesitation, decides that he himself cannot benefit from it because his life is simple and clear, so he decides to find someone else to whom it will really matter. All the candidates he tries to hand it to are poor and seemingly need money but no one, in fact, accepts the bundle because whatever they aspire for is not achievable with money. The novel was published in the same year as the exhibition was held – 1999, and its message was that in the world of eternal values money has a limited capacity. It was a success, received a prize and brought the author guess what...

The second example, Valerii Todorovsky's film *Strana Glukhikh* (Country of the Deaf) released

in 1998 and shown at the Berlin film festival, the concept of money has moved far away from the socialist tradition and moralizing. Money is dangerous, money can save someone or make him lose his life. The film starts and ends with the key phrase spoken in a desperate voice: “Money! I need money!” Two young women help each other survive in Moscow as one of them risks her life trying to earn a large sum of money and save her boyfriend, a gambler who embezzled money and kept hostage until she brings the necessary sum. The girls try to earn money with their bodies and the one that needs to save her boyfriend is accepted into the deaf mafia so that she acts as their 'ears' at *razborki* (meetings between different gangs of the deaf and the hearing). The girls invent a dream about a country of the deaf where there is no money or violence, which are abundant in their immediate world. The film treats constructs the concept of money closer to the 'reality' I found in many life histories but especially in the one that follows. The film does not critique money at all – it starts a new way to understand and its role in the new post-Soviet reality.

These films, books and the exhibition exemplify one of the dramatic changes between Soviet and post-Soviet life - the emergence of money: real money, big money, the phantom of money. Money in socialism was not real money. Because it was goods that were a real deficit. One theater actor shared with the radio audience that when they staged Alexander Ostrovsky's plays¹ in the socialist times, they had to invite an economist, who explained to them what stocks meant, how people became bankrupt and all the other concepts that were everyday discourse for the 19th century merchants but totally unfamiliar to educated Soviet adults. It was not the money but the goods that were deficient in the Soviet Union. Smaller bribes were given in the form of expensive cognac, exquisite boxes of chocolates, or French perfume – offering money was non-inventive and vulgar (Lovell, Ledeneva, Rogachevskii 2000). Capitalism, wrote the Russian essayist Rebekka Frumkina in 2001, returned to money its value and meaning².

Many of the people I talked to confessed that the economy of socialism, an obligatory subject taught at universities, did not make any sense to them. The chain between plan – product – distribution and money was too vague. While the economy of capitalism was crystal clear: CMC, as Marx said, commodity-money-commodity. Money was one of the symbolic borders between socialism and post-socialism that was crossed. But, as it turned out, Marx's theoretical clarity of capital accumulation in books did not translate as easy in life and the confused socialist economic thought later looked much

1 Alexander Ostrovsky (1823-1886), a prolific playwright, whose immortal plays discussed many aspects of money in the early years of Russian capitalism. They have been on the Russian stage for over 150 years. They got a second life in post-Soviet time when the vices

2 Frumkina, Rebekka. “Ekonomit', tratit', zhit'?” *Neprikosnovennyi zapas*. 6(20) 2001. <http://magazines.russ.ru/nz/2001/6/frum.html>. The same is argued in Alena Ledeneva's essay in Lovell et al. 2000. *Bribery and Blat in Russia*. University of London: Macmillan Press Ltd.

clearer to post-Soviet minds. Not having lived in the “CMC reality” everyone supported the first Russian president, Boris Yeltsin, to speed up the transition to the market so that people would finally get the living standards like those in the West.

On January 1992, Yeltsin launched the reforms that returned money its real value. The inflation rate in 1992 hit 2000 percent,³ which meant the loss of lifelong family savings by everyone. Then came unending waves of financial pyramids, financial schemes, and economic defaults. Neither the Marxist political economy that was taught, nor the Soviet propaganda prepared anyone, even experts, how to unmake socialism. And the phrase “Money. I need money” became the symbol of the 1990s.

The story below can be summed up in the following phrase: “He was very smart, got rich fast but was rich for a year only; for the following eleven years he paid back the debt he accrued and had to deal with mafia threats against his life and his family.” As in all life histories, a lot of the story that follows goes beyond the summary and beyond the concept of money and magic because people's lives are diverse. I pulled out one of the many threads in Alexei's life but, to me, it seemed the most telling one about the Soviet/post-Soviet transition and the way capitalism entered the life of this highly educated and brilliant man.

Alexei's life story.

This life history was shared by a man in his early fifties whom I knew briefly thirty years ago. Let's call him Alexei. We met and talked in an old spacious summer kitchen, with windows open into a Rostov yard. At the end of our first meeting, Alexei was for a moment concerned that his loud voice must have been heard all over the yard. It was a common practice for the dwellers in the old part of the city where I lived, to spend time sitting leisurely on chairs outside the doors of their apartments in summer – smoking or chatting with neighbors. Summers in Rostov are hot and evenings were the perfect time for people to sit outside the stuffy apartments and enjoy the cool air in the dimly lit yards.

Alexei was a friend from my youth, we attended the same youth club but barely met. We were approximately the same age but I already had a baby at home and heard rumors about a Komsomol leader, whose “Soviet speak” disrupted the unique atmosphere of Bakhtinian carnival we were trying to create. When we met twenty-five years later, he immediately responded to my request for an interview but he constantly grilled me a lot about the purpose of my study. As a true Russian academic of Soviet descent with a doctoral degree and many publications, he wanted to know the scientific value of my

3 Glenn E. Curtis, ed. *Russia: A Country Study*. Washington: GPO for the Library of Congress, 1996.

study and volunteered not only to share his story but to give me methodological advice and help with finding a focus. But we could not find common grounds as academics: by the Soviet/Russian academic standards, my work was totally non-scientific. We endlessly argued how much, if at all, one person's life events reflected history of the society and what generalizations or conclusions could be made from it, and we could not convince one another. He was rather skeptical about my work but, as a loyal friend, agreed to cooperate. I had no idea of what I was going to hear but almost everyone's story was stunning. His story, however, came as a total shock.

Alexei's life could easily be divided into Soviet and post-Soviet parts because he was a Communist and worked for the party at a Communist Party school. In the post-Soviet era, the party was dissembled and its property and institutions were given away to new owners. Alexei was a good Soviet Komsomol and Party member and reached considerable heights before the socialist system collapsed. In the Soviet part of his life, money was non-existent and his magic in the form of the being able to find scarce goods in the distribution hierarchy, also had little to do with money.

The Soviet Part of Alexei's life (1957-1991)

Alexei was born in 1957, a memorable year when Moscow hosted the international youth festival. But he was born in the Far East, several time zones away from the capital. His family moved to Rostov when he was nine since his mother accepted a new job that required relocation. As it often happened in the USSR, the promises of the authorities about a good three-room apartment were fulfilled with a considerable delay. For several years the family lived in one-room temporary-stay housing with an outhouse, wooden stove and no running water. Compared to the conveniences they had in the Far East, it was shocking. Rostov's infrastructure was very uneven – even well into the 1990s, some areas of the city had no running water or inside toilets.

After he graduated from school, he considered a choice between studying history and law. Like many Soviet boys, Alexei was greatly inspired by spy films and novels and dreamed about becoming a counter-intelligence agent. “Not like the ones that run on the roofs and shoot guns,” he said, “but the intelligent ones.” The most popular Soviet agent for generations of Soviet people was the Soviet spy Shtirlitz from the film *The Seventeen Moments of Spring* (1973). He always outsmarted the Nazis and won every intellectual battle. *The Seventeen Moments of Spring* was a unique series that pictured Nazi intelligence officers as human beings, not caricatures, and invited the best Soviet actors into the cast. Alexei, like many Soviet adolescents, went to the KGB headquarters on his own initiative; to his disappointment, he was told that with nearsightedness of minus 20 he would never be able to qualify for any job except shuffling papers in an office. So his choice fell upon history and it was clear for him

from the start that he would do post-graduate study, get a PhD and have some sort of an intellectual career.

Alexei's leadership skills were soon discovered at the university. He first caught the attention of the academic administration at a student conference when he confronted the rector of the university in a political debate. Alexei professed Lenin's radical ideas, and when the rector mentioned that there are other views on that question, the young man boldly cited Lenin again: "If one doesn't understand that question, he doesn't understand Marxism at all." There was a shock, but the young man was remembered and even not reprimanded. Young people in the USSR who exhibited such passion for Lenin's ideas were not seen that often. So Alexei was invited for a private meeting with the rector, where they discussed the topic more and he succumbed to a less radical view. Thirty years later, he remembers with satisfaction and pride how he moved through all the stages of the Komsomol (Young Communist League) leadership career – from the secretary of the course, who was responsible for organizing several hundred students, to the secretary of the whole institute, responsible for several thousand.

Komsomol work was divided into sectors: ideological work, cultural activities, academic research and others. Alexei chose science and research activities, such as student conferences or inter-university competitions. Combining studies with Komsomol work was difficult, and Komsomol leaders had to be inventive during exams because they were required to have excellent grades. Alexei recalled once case when through some strange reversal of hierarchy a younger faculty was an ordinary member of the Komsomol committee and one of the students was elected its secretary (the top position). In academic settings, the hierarchy reversed: now, he was a student and she was the examiner. Another member of the committee came up with an idea of a clever trick: during the exam he knocked on the door and said that the secretary had received an urgent phone call. The examiner allowed him to leave and, thus, he was able look up all he needed for a good answer and a good mark. When he came back, he even told the examiner that she was assigned some additional responsibilities but that he would transfer them to someone else. The examiner, much relieved that she escaped additional work, expressed her gratitude in words and in the grade.

Student folklore is full of such stories about tricks during exams, and Komsomol leaders were students like others only with extra resources and 'respectable excuses' at hand. But keeping excellent grades and doing time-consuming organizational work was a challenge and required a certain amount of brilliance, self-discipline and a speck of good luck at exams, which Komsomol leaders tried to ensure for each other. In return for their time, they were rewarded by trips to leadership camps, they were better positioned for negotiating some privileges from the administration, and had access to

publicly restricted sources of information. For instance, Alexei could defend some of his friends when they were in trouble, and he got a permit to work for a month in the Lenin Library in Moscow, which was for advanced academics and was a very special favor for an undergrad.

When I asked Alexei about rewards, he denied them and said that he did not see his work as a search for rewards:

“Apart from additional responsibilities there were no special pleasures. Everyone went to drink beer and I went to a meeting. Everyone went to relax - and I went to organize a subbotnik. If I was the one who received a *telephonogram* (an official order dictated over the telephone registering the name of the person who received it), it was me who had to organize that event. “By tomorrow, find 300 people with seesaws...” (He laughs). But there were interesting people, we organized interesting events, like discotheques. The people and communication with them was truly great but there were no special privileges. I studied at a department where missing classes was punishable. We did not have privileges. And there was one professor who openly disliked Komsomol leaders – he loved making them look like fools.”

However, the story that describes how he spent his fourth year at the university, when he had already established himself as an exceptional student and leader, speaks to me of a slightly different picture. All this could only happen to a Komsomol leader and even for such it is rather exceptional:

“OK, this is how I spent the fourth year at the university... Remember - there was a labor quarter in the fall at that time? I did it in summer instead. In the fall, I pushed my documents to be approved for spending a whole month in the Lenin Library. I wrote my diploma thesis. It was a fantastic experience for a regional student. October – it was the 70th anniversary of Komsomol...or the 60th? We worked so hard, I even didn't come to classes at all. At that time there was some kind of all-country quiz, I sent my answers without much thinking. The prize was a tour of the Golden Ring⁴. A *telephonogram* came: “You are a winner but we do not have enough spots so we will offer you a trip to an international camp in Sochi in January instead” But we have exams in January!!! And I haven't done any studying!!! So I go to the dean's office...Well, in the first half of December I passed all the material I missed, then took the exams in advance. And went to Sochi for vacation. It was interesting...”

Then in March or April I was approached by the department chair: “Have you been to Sverdlovsk?” - “Why?” - “They are having the first *olympiada* in history (an academic competition in subjects). We can't send anyone from the 5th year – they are all graduating soon, and you are in the 4th year and you are smart.” So, everyone goes to classes and I travel to Sverdlovsk. Again, everything is paid by the department. So that was also interesting...I got 15th or 16th place. In May, I was summoned to the party committee. Our institute was charged with checking the work of the Institute of Foreign Languages in Piatigorsk. I was sent there for a week. It was a traditional practice then - for universities to check each other's work: the party committee checked their party committee, the Komsomol committee did the same. It was a form of exchanging experience, and you are required to write a report what were their strengths and weaknesses. And in June I was invited to join the party. As a candidate for one year. So I became a candidate.”

In this snapshot of Alexei's life of early 1980s, there is a lot of negotiation going on behind the scenes. Almost every step he negotiated was an exception – taking a labor quarter separately from his group, getting access to the library for scientific cadres, going to a winter camp during exams. On the other hand, he was returning the favors to the school by representing it when it was necessary and organizing the official celebrations that had to be reported to the supervisors. It is no surprise that he

4 A tour of the Golden Ring has always been the best and most popular tour both for Russians and foreigners. Tourists visit kremlins, monasteries, cathedrals, and churches that date back to 12-18th century in the oldest Russian towns – Vladimir, Suzdal, Kostroma, Rostov Velikii, Yaroslavl' and several others depending on the length of the tour. The towns are open-air museums of the ancient Russian architecture.

had to be an exception to cope with all that work. His ability to negotiate will serve him well later, when he communicates with mafia and creditors .

Komsomol organization was remembered differently. Ordinary members were bored and tried to avoid the formalities in which nobody believed any more: meetings, electing self-governance and representatives. But leaders remembered it fondly: they preserved memories of interesting people they met through leadership camps and creative activities they organized. In the 1970s, Komsomol organized talented youth for a wide variety of activities ranging from quiz-type competitions to discos or traveling to evaluate the work of another educational institution. True, not all the work was exciting - Alexei mentioned an order to find 300 people with seesaws overnight as a common example of the Soviet-style last-minute absurdity.

Apart from the exciting life, Alexei had a challenging goal – to get employment at *Vysshaia Partiinaia Shkola* (the Highest Party School), also abbreviated to VPSH. It was an educational institution for the communist party leaders. A friendly neighbor, who lived next door and supplied him with rare publications, worked there. He advised Alexei to aim higher than the traditional career for an ambitious Komsomol leader, which was employment at the municipal Komsomol or Party Committee. Alexei could aim higher – to become an employee of the VPSH.



A photo of VPSH in Rostov. From http://community.livejournal.com/arch_heritage/216532.html

The system of Higher Party Schools was launched around 1939. It aimed to prepare local leaders and administrators in economic management, social psychology and ideological work. According to the *Bol'shaia Sovetskaia Entsiklopedia* (Big Soviet Encyclopedia), one third of its

students had to be workers or peasants who showed promising organizational skills and could be promoted within the party hierarchy, the rest were current leaders, who needed to upgrade their skills and education for further promotion. To be admitted, a student had to be recommended by the local party committee.

There were fourteen schools of that type in the USSR, all located in large industrial centers. They were part of the promotion system, a form of upgrading education of the party cadre and dissemination of advanced experience. Several hundred thousand people went through these institutions between 1939 and 1974⁵. There were two forms of education – distance-learning courses and full-time study (graduate and PhD programs). Students were provided with a separate room with modern conveniences at the party hostel. Distance learning required trips for lectures and exams twice a year, for which the student was given a paid work leave and a free or discounted travel pass.

In the 1970-1980s, the party schools had departments of history of the Communist Party, Marxist-Leninist philosophy, political economy and scientific communism, international communist struggle and national liberation movements, Soviet economy and management, journalism, Russian and foreign languages. In many ways, Party Schools functioned as think-tanks for the analysis of the Soviet and East European experience of socialist construction. They not only ensured that local leaders and editors of media outlets were in line with the central committee policies, but they also facilitated personal networks similar to the American “old boys networks.” This fact was pointed out by Alexei himself, hinting that the Soviet and American systems were not that different.

With a 'red diploma,' which meant that he had only excellent marks, he was dispatched to a village in the middle of nowhere. He did not worry because he was waiting for the following year when the Ministry of Education would assign a place for one graduate student (*aspirant*), and Alexei's department head had promised him that place. I asked him why he went to the village at all because there were many ways to avoid that or get a better place, he claimed that it was the only vacancy possible at that time. Vacancies for teachers were scarce in the city but plenty in the countryside, where nobody wanted to go:

“Those who stayed in the city were either pregnant women – there was an epidemic of 'false pregnancies' and 'false marriages.' If I wanted to go to *obkom* (the regional party committee), they would have written a letter asking for me and I would have been dispatched there. That was an option I did not use.”

Alexei tried, despite his recent arrival to the village, to leave a meaningful trace in the lives of his students. He took a class of 16-year olds all across the USSR – first to Moscow and then to Novosibirsk. For them, it was an eye-opener – from their village perspective, Rostov was the center of

5 Source: wikipedia article on VPSH.

the universe and very few would have ever seen Moscow. He said he dared to organize this trip single-handedly only because he had been a member of the Rostov youth club “ETO” - *Estetika, Tvorchestvo, Obschenie* (Aesthetics, Creativity, Communication). The club, through which we met, was headed by two enthusiasts, who united idealistic young people, organized poetry recitals, creative events, carnivals and summer camps. It changed lives of dozens of Rostov teenagers mixing children from families or *intelligensia* and disadvantaged or marginal families.

Unexpectedly, Alexei's would-be academic adviser died of heart attack and all the previous arrangements about *aspirantura* were discontinued. He tried hard to obtain information and build new connections flying to Moscow and Leningrad on his own initiative. The perspective to stay in the village for two more years, which was the requirement for all Soviet graduates, was not attractive. But he was lucky – several people quit their jobs in the Rostov pedagogical institute and the administration decided to hire young specialists. He was invited back to his *alma mater* to teach history at the worker's department – *rabfak*, which had 8-month preparatory courses for those dispatched from the army or workers, who wanted to enter the university. He had a double load being a deputy dean and doing Komsomol work and he proudly told me that he managed to organize unique and memorable events for the students, most of whom were only five years younger.

During the three years he worked at Rostov University, he succeeded in securing a place in a distance-learning *aspirantura* and then transferred to full-time study in Moscow from 1983-85, the years when Russian leaders followed each other into the grave: Andropov in February 1984 and Chernenko in March 1985. Life was about to change completely but no one, even a historian like Alexei, knew it at that time. His *kandidatskaia* (*pre-doctoral*) dissertation was written on the Don *intelligensia* and its role in the revolution, a popular topic for a Soviet historian, with a regional flavor disclosing the contentious relationship of different groups with regard to the Bolshevik victory. He describes the two years in Moscow as a wonderful time when, “you are paid money to do the work you love.” There was a lot of spare time to visit museums, party weekly with other *aspiranty* in the hostel, and chase scarce goods, like the famous cake “*Ptich'e Moloko*” (Bird's Milk) to take home:

The possibilities in Rostov and in the capital...When we returned home, we carried the cake “*Ptich'e Moloko*”. We had to queue for it 2-3 days in advance, come for a roll call every day, when you were in this line. They sold 30-40 cakes per day and when you are spat out from it with the cake, what great joy you feel! You bought a cake! I later bought a duck in the same fashion.

Not only museums but communication with other well-read *aspiranty* (graduate students) played a role in expanding Alexei's views. He befriended a woman, who loved Pasternak and

Solzhenitsyn, and she took him on walks around Moscow to visit Bulgakov's 'haunted house'⁶, a pilgrimage place for fans of his novel "Master and Margarita." They traveled outside Moscow to Peredelkino to look at Pasternak's grave on the poet's birthday. On that occasion, dissidents always gathered around the grave and read Pasternak's poetry, which was not published officially, while the officials changed the local train timetable so that most trains would pass Peredelkino station without stopping on that particular day. Still being an Orthodox Communist, Alexei got a taste of forbidden Russian literature - some from the "ETO" club and some from his Moscow contacts.

As a young party member, he had to run errands and fulfill party committee assignments. It was time-consuming but his power to negotiate a reward – save a friend from a difficult situation at work or school, or fulfill his/her whim or dream - increased. He told me that he made a very strong impression on a female fellow-student at her birthday by promising to fulfill any wish she could possibly have. She asked for a ticket to one of the popular theaters that were never sold to the public but distributed through insiders' networks:

I tell her: "All right!" I go downstairs to the telephone, dial my Rostov rector (university president). "Do you have 'bugs' - that was the slang – to get tickets to such-and-such theater?" - "Sure! Dial that number, tell them you are sent by me." He dictated me from Rostov a number in Moscow. I called and the tickets was arranged. I went upstairs and said: "You've got a ticket!" She was speechless.

Alexei enjoyed magically manipulating the social system and pulling invisible threads. His friends could not see the mind-boggling complexity of the system of mutual favors and connections called *blat* but the magic result of it was visible. In *Bribery and Blat in Russia* Ledeneva demonstrated that Soviet blat was a system of mind-boggling complexity based on personal connections that developed in the Soviet Union⁷ but these chains of connections could be very long. The system was a structural outgrowth of planned economy, where it was not money but *dostyp* (access) to certain goods and services that was assigned to each member of society. Certain things, like theater tickets to particularly popular Moscow theaters, were only distributed and never sold. Money could not have helped.

Chains of mutual favors could be really long, and in this case Alexei calls someone in Rostov who refers him to a Moscow contact. But, naturally, the higher the power, the easier the access to deficient commodities was. What impressed Alexei's friends was the ease that he, a student like them

6 A house in the center of Moscow, which is described in Bulgakov's famous novel "Master and Margarita". It was a secret, semi-legal 'insider's knowledge' passed within circles of Moscow *intelligensia* from person to person and was akin to symbolic initiation into *intelligensia* circles.

7 Ledeneva compares Russian *blat* to the functioning of informal contacts and connections to *quanxi* in China (Yang 1994) or *zalatwic sprawy* in Poland (Wedel 1986). (p. 186)

and not yet in a powerful position, found ways to get almost unimaginable things. I believe, however, that he knew already that not many things were impossible for him where he was and almost nothing – where he was heading to. A person like that was a great resource in any Soviet network, and Alexei performed his magic tricks for friends just for the sake of art. In a similar vein, in the book of interviews with the Russian president Putin⁸, his wife Ludmila mentioned that he impressed her during courtship with his ability to easily obtain tickets to exclusive theater performances in Leningrad. Putin's magic was rooted in the specific access open to employees of the state security system, while Alexei's sorcery came from personal connections in the party. Both systems had nothing to do with money, and for many Soviet people as well money meant little while informal networks were efficient ways to solve problems.

But that was only the beginning because in the following years, when Alexei moved to his dream, a lecturer at the Party School, his magic potential grew exponentially:

I had colossal possibilities in everything. Note what I said – in EVERYTHING.

(MM: Like what, for instance?)

The students we had came from all the area of the south of Russia up to Moscow, plus Moldavia. That is why if you needed to solve just any question, you could call the regional party committee. Those who worked in the School for a long time also shared their contacts. You'd come to the dean's office and ask: "Who do we know in such-and-such place?" And then you call him and say: "Ivan Petrovich! Did you study at..." And he'd say: "What is the problem? It'll be solved right away." You know, when I read the book "Britain through the Eyes of a Russian" about the school system in England, it's the same thing.

(Have you ever tried to find out the limits of your powers?)

What for? I heard stories from the older generation. Maybe, it is also partly my upbringing, maybe because of the influence of X (MM: the leader of the youth club that we both attended). If I were an Orthodox communist, I might have used it to the full."

Communist Party was at the base of a lot of magic for Alexei. As an example, he recalled a story that happened in the summer of 1989 or 1990, well into Gorbachev's perestroika. He got a call from a woman who was the secretary in ideology at the Sochi Committee of the Communist Party. She confessed that she was too busy and could not prepare for the exams and asked him for help - giving her a good mark. After reprimanding her, he agreed. She, in return, left him her phone number so that he could contact her if he needed something. Within a week, school was over and Alexei went on vacation. One of the privileges of his position was that he could choose from any sanatorium in the country for his vacation. Sanatoriums were free and reserved places for party leaders. Alexei chose Sochi and called an old friend who worked in the Sochi Party Committee to reserve him a place in one of the sanatoriums. They agreed to get together, get a bottle and remember the 'good old times.' When Alexei arrived and came to the Party Committee to meet his friend, the door of his office was flung open and the same woman walked in scolding Alexei's friend about some delayed report. It was just a

week after Alexei had given her a good grade. She was excited: “Oh! What are you doing here?!! Why didn't you call – we would have sent a car for you to the airport?!! Where are you staying?!! What are you doing in the evening?!!”

The arrival of a Party School lecturer was a big event and regional party leaders depended on the VPSH courses for every step up in their career. When she discovered that her subordinate and Alexei were old friends, she softened and gave his friend extra time for the report. But that was not the end. Alexei slept late after spending the previous evening at a restaurant, and when he woke up, he discovered that the whole personnel of the sanatorium was on alert. His roommate said that the chief doctor had already come three times to check if he had woken up. The chief offered him a luxury room and begged him to contact the top management for anything he might need or disliked: “I got a call yesterday from the second secretary of the City Party Committee – why weren't they warned? He said we need to create proper conditions for you. Does your neighbor bother you? Should we move him to another room? ”

Alexei thought it was very funny. The picture of life in the communist party resembled Gogol's classic “Inspector General,” a comedy of errors written in 1836, where a man was mistakenly taken for an auditor by the scared local authorities. They go to extremes to meet his every wish so that he writes a positive reports covering their misdeeds. The popularity of the play is unbeatable - it has been on the stage for almost two centuries and repeatedly filmed by a plethora of Soviet and post-Soviet film directors (1933, 1977, 1983 1996, 2008).

But the party magic was coming to an end. Gorbachev's *perestroika* culminated in putting the party was openly under fire for numerous misdeeds, mistakes, and corrupt practices. As the party hypocrisy was exposed, common members started returning their party cards being appalled and ashamed to be in it. The party was also weakened by internal struggles and became a battlefield where the liberal and orthodox members clashed their views. Orthodox Communists complained of an ideological cacophony in their once consolidated rows. The “old guard” kept control over the local media and they sent appeals to the population from the pages of the local daily *Vechernii Rostov* (Evening Rostov) to prevent the disintegration of the Soviet state and boycott reforms. Buy liberals and democratically inclined citizens read the central newspapers and watched central TV, where programs like *Vzgliad* (Glance) discussed formerly unimaginable topics: sexuality, social justice, life in prisons and hazing in the army. It was a time of colossal mental shifts - what used to be anti-Soviet became a normal Gorbachev's era discourse and what was unquestioned became a topic of debate. In his job, Alexei was accused of anti-Soviet propaganda on more than one occasion by the old communist guard.

“What have you said again at the lecture?” the rector, a progressive liberal Communist, would jokingly ask him, “four people came to complain about you during the break.” Some students sent complaints to higher officials about an anti-Soviet nest in the Rostov VPSH.

But it was the liberal lecturers of the Party Schools, according to Alexei, the most informed part of the communist elite, who founded the opposition within the Communist party. They did not go through an euphoria stage with the masses that took to the streets with populists slogans: “Communists are idiots!,” “ Long live private property!” When I asked him if he had been tempted to leave the party, he denied it exactly because he felt the party needed people like him: “Why would I leave? I felt like it was my party. I wanted to struggle for it and defend it.”

The late 1980s were a time of great excitement. The socialist system was disintegrating and the advanced scholars of socialism, like Alexei, were analyzing the diverse processes in different countries of the former socialist camp: Hungary, Germany, Bulgaria. Poland. Alexei liked that part of his life: Party Schools in the late 1980s were think-tanks: the academics there had unlimited resources to travel to conferences, they could meet other academics, ambassadors, diplomats, and specialists in any field, work in any, even secret, archives and get information from sources that were closed not only to the public but to many common party members. For instance, when the head of the Club of Rome came to Moscow, Alexei managed to obtain an invitation to the closed meeting and the banquet in his honor where he sat among the economic and political elite of the country. He believed that the world belonged to those who had access to information and his motto was: if we want to raise intellectual elites, we must know everything we possibly can.

When the August 19th *putsch* happened and Gorbachev was arrested in Faros by the members of the GKChP (*Gosudarstvennyi Komitet po Chrezvychainym Situatsiiam* or the State Committee for Emergency Situations), nobody unexpected it. Alexei worked late the night before and was sleeping late the following morning when a neighbor rang his door bell saying the country was seized by the military junta. He thought it was a joke. But it was not. He spent the day on the telephone trying to find what was going on. His boss, a seasoned communist, warned him not to discuss much over the phone – it could be bugged. He wrote in his diary that an attack of the military against the people that congregated on the Red Square was expected at night.

Outwardly, life in Rostov did not change on that August day of 1991. As a historian, Alexei claimed that there were no mechanisms in the Russian regions to make any impact on the events in the center, where big history was made. The putsch quickly demonstrated who was who in Russia: some leaders wanted to remove Gorbachev from power and restore the previous order, others went on his side. Despite the fact that Rostov leaders did not declare an emergency, which would show their

support of the coup, they also did not actively oppose. They waited to see how the events would turn and appealed to residents to remain calm and refrain from any actions. The coup ended as unexpectedly as it had started.

There was, of course, a bunch of personal details. Like we had a general meeting of the lecturers with lights out. But that was in August so at 8 or 9 there is still some light. “GKChP is arrested”, we were told, “take all your papers, don't leave any compromising materials. The party goes underground.” The elevators, naturally, didn't work. We grabbed plans of work, various papers. But these are personal details, nothing was going on in the city.

The image of a group of people, who assembled in a semi-dark hall of the monstrous Party School building to discuss the situation before they go underground and then dispersed to their offices to liquidate traces of their work resembled spy films that once inspired Alexei. But the party did not go underground after the coup – it was outlawed by Boris Yeltsin in a radical and widely supported populist act. All of a sudden, Alexei was unemployed. He found himself at home with his wife and their two children – a 3-year old and 3-month old. And he needed money to feed them.

Part 2. Money

It was summer 1992, when everyone around seemed to plunge into buy-and-sell: “you buy it on one corner for 5 rubles and sell on the other corner adding 30 kopecks as your commission.” But Alexei surprised me declaring that he, in fact, had already been engaged as a mediator in commercial transactions while he still was a Party School lecturer. It did not look quite like entrepreneurship: his ex-classmate, who traded computers, asked Alexei to ask around if anyone wanted to buy a computer and paid him a fee. It was easy because many people wanted a computer but they had little trust for businesses and Alexei's recommendation mean it was a trustworthy source. Then someone needed to sell a Volvo and he found him a buyer. Some transactions happening on a more regular basis required that he had a price list and could speak about the characteristics of the product.

When the first stock exchange was opened in Rostov in 1991 (find record), Alexei attended the event. Only when the photograph was taken for historical records, he tried to refrain from visibility: a Party School lecturer among businessmen! That could compromise his reputation and he did not plan on changing his career or going into business.

It was 40-50 young men in one hall, most in their 30s and 40s. I think there were no women at all. We agree on the rules of the game. Discussed the charter. You could be an independent or you could represent a company. Each had its strengths and weaknesses. I was told to go and check it out. I said that it was all alien to me. Well, I was told, go and get a taste of it. (Did it work?) How could I put it – it was enough to keep your pants from falling, we didn't starve. It lasted for eight months when I was unemployed.

A few months later the situation improved – the Party School was converted into the North-Caucasus Cadre Center and most of the lecturers, except for the most notoriously Orthodox, were

reemployed. Alexei was happy that the expert potential they represented was not squandered over political struggles. The decision to convert all Party Schools into Cadre Centers that would continue educational activities without the ideological component, was, naturally, made in Moscow, by the progressive ex-Communists who held important positions in the Yeltsin government. The new Center had to finish educating the students they had admitted, adjust the diplomas, and create admission procedures and entry exams. Previously, students were recommended for admission by the local party authorities. Thus, Alexei found another source of income – tutoring students for admission exams.

Traditionally, private tutoring for entry exams was widespread in the Soviet Union and prospective students were a huge market for private tutors also linked to networks of bribery and blat. Private tutoring gave additional income for millions of university faculty, who could in addition to their state salaries tutor several would-be students throughout the year and have crash-courses for individuals or even groups in the two summer months before the entry exams. Tutors who were on the entry exam commission charged higher prices for their private lessons if they could guarantee a high mark at the entry exams through negotiations with other commission members, and tutors who were not on the entry exam commissions charged less. Every family in the USSR ran into in contact with the tutoring system when their children were about to apply for higher education, except for the elites who could guarantee the admission through their networks, or children from the lower classes, who used state preparatory courses . It was not approved by the Soviet system but was considered a minor violation and nobody was punished for it. In post-Soviet times, when faculty salaries plummeted and moral barriers for making a living were readjusted, tutoring became a moral way of making an extra income compared to buying good marks at entry exams. For what was about to happen to Alexei, his discovery of tutoring as an extra income was a life-belt, which allowed him to provide for his family and pay back 33,000-dollar debt while his salary in rubles was equivalent to \$100 per month.

When he said that he did not help “his students” during the entry exams when he was a member of the exam commission, we had a little argument. He insisted that he never promised support, he just tutored them to be able to meet the passing standards, but I refuse to believe it. Places in this commission, I heard many times, are not so easy to get – they are sparingly distributed (or sold) among many interested parties. But Alexei kept persuading me and I finally accepted his arguments. His persuasive power is another distinguishing feature in him – it would also help him in what was about to happen:

“This practice [helping the students you had tutored during the real exams] was not tolerated – imagine that every commission member will help his five or ten students. Imagine the Bacchanalia! We admit 150 or less students. There is a quota for the disabled, there are 50-60 *medalists* (*M*: students with a golden medal for excellence who take only one entry exam in the main subject instead of four). And imagine that each member on the commission pushes for his own students! Well, smart people will tell you that these arrangements are done at the rector's level. Of course, you can go to him and ask

for some student if you are on good terms with the rector. But not for a list of ten! Because the rector also has his own list. Who accesses the rector – governors, the Legislative Assembly, Duma deputies, big businessmen...And we have students from all the south of Russia – Kuban, Stavropolie, the North Caucasus...”

The demand for tutoring was always higher than what he could possibly cope with - he is cautious enough not to give me numbers of students and I was polite enough not to ask. All the tutors, he said generalizing, could cope with a workload of, say, 50-60 students over the year but there were over 100 would-be applicants willing to pay. He tried to keep his professional standards and reputation high to be known as a tutor whose students always pass the exams. Tutoring peaks came in several waves: first, the students who lived in the same city started preparing for the next summer's entry exams early, then as summer started students from other places arrived, and the final wave was at the end of the summer, when students enrolled in distance education arrived to take their exams.

The hardest year for everyone, including Alexei, was 1992, when state-controlled prices were released and freedom was given to the market. Working in the new Cadre Center, getting some additional income through business mediation and tutoring a few students, Alexei managed to support his family. Salaries of university faculty were low and would only get worse over the next decade and tutoring was the main contribution to Alexei's meager earnings. But he did not plan to give up on the opportunities around him. In 1993 he started “the Project” or “the Scam” - until today he does not know how to define it.

“The Project/Scam”

Some people in Russia have accumulated large sums of money by early 1990s - whether from fair trade or from other dealings. Early business was done in murky waters at that time far from the clarity of the CMC formula. Those who lived in the regions and got ahead of others often moved to Moscow, where life was more exciting and businesses could grow faster. Alexei knew one successful businesswoman who relocated to Moscow but often came back to Rostov to visit her family. She told him she had sums of money that wanted to lend to trustworthy people and receive interest. Twenty percent interest per month was an average rate at the time, but when money was needed badly, it could even go up to thirty or forty per cent. Money during the whole decade of the 1990s, but especially in the beginning, was in high demand. There was literally no banking system yet and entrepreneurs were hungry for loans. Almost all business transactions were in cash and people with back-packs full of money were dispatched on risky trips around the country to pay for various goods. Everyone needed a start-up capital and very few lucky ones could obtain it.

Alexei discovered that there was a niche for him in this market as a mediator between investors

and emerging businesses, and he was in a good position to do it his socialist time networks of people in power and Komsomol leaders could be used in the new reality. I will let him tell that part of the story:

She had a boyfriend, a two-meter monster, who said he was from Alfa unit (M: the top anti-terrorist SWAT team). Maybe he was lying, who knows. He claimed they could find anyone in Russia but why bother. Find us trustworthy guys and you will get your interest. At that time, all loans were in dollars and the interest rate was 20 per cent per month. You receive \$1000, you return 1200 the next month. The mediator could put his own interest on it. She loaned at 10-15 per cent.

I found guys, who had cars, construction, real estate – it was guaranteed. I found them through Komsomol leaders, the former Komsomol construction brigades – those people got into business really early. I came to the former chief of construction brigades. He said that he did not want to deal with that but he had a couple of entrepreneurs, two brothers, who were renting some space from him. He insisted that he did not want to be in that.

And for a year, it all went well. I delivered them the money, they signed IOU papers, nobody played games. The creditors sometimes said: we need one or two million this month. Fine. Everything was with signatures. Then some disputes started in Moscow and in Rostov. And it all ended poorly for everyone. Those guys lost their business – some payments weren't made, some deadlines weren't met. A trainload of petrol passed by their hands and they had relied on that money, some construction brigades didn't want to wait and went elsewhere....One failure is enough.

In spring or summer 1994, when it was still looking good. I took all my family to Sochi. We flew there, took at taxi and went from one hotel to another choosing what we wanted. I had just received two or three thousand dollars and much bigger sums loomed ahead. Naturally, we lived in a deluxe suite. They changed flowers in the room every other day. We ordered breakfast and dinner to be delivered to the room. This was a hotel where all famous Moscow actors lived. We saw them drinking beer. We lived in that hotel for a month. I met a colleague who came to Sochi with his daughter – they rented a shack somewhere.

Those were the times when work was streamlined and I could easily get a loan of two-three thousand dollars whenever I wanted. I could put that into the project and it accumulated, a good job....for a professor, instead of writing articles or books.

The whole scheme ended abruptly within a year. Shortly before the end of it, Alexei, unaware of what was coming, had been researching the question of how to hide big money from the tax police asking around. “Don't worry! Try earning it, hiding is easy!” He and his wife were considering a cottage in a prestigious settlement near Moscow where Russian oligarchs lived. The real estate had not yet become expensive at that time. His capital in dollars amounted to hundreds of thousands dollars. He repeated it slowly and distinctly for me to understand: “Hund-reds thou-sands.” He stopped tutoring and paid a colleague one hundred dollars to fill in for him during the entry exams. A hundred dollars was a lot for his colleague – faculty salaries were low – and he gladly agreed.

Then problems with non-payments started – the Rostov businessmen did not send the money on time, the Moscovites did not pay for some shipment and were annoyed. They arrived in Rostov and Alexei put them in touch with the businessmen. Trying to keep the system running, he borrowed several thousand dollars in his name with twenty per cent interest to help out the Rostov side. But failures continued. His own debt grew fast: five thousand became six the following month, then more. He guessed that, maybe, the Rostov businessmen figured out he was a loner in the field and moved him to the end of their priority list. Maybe, if he were backed up by a local godfather, they would have acted differently. He regrets now that he never asked the local godfather for advice and support – their children went to school together and he met the man briefly. But Alexei was proud and did not want to

share his problems with others trying to protect his reputation.

Things got worse when the Rostov businesswoman died unexpectedly and it turned out that nobody knew where her money was and how much she had, except for Alexei. He kept all the papers. Her family hired a powerful mafia group – *the Uralmashevskaya* group - to go after him and the local businessmen who were failing the scheme and not paying back. Alexei was caught unprepared for such a turn and unfamiliar with the rules of the underworld. What had happened to him has taught him some basics rules that mafia follows: no one can, actually, arrive and extort a payment from a Rostovite unless he had obtained permission from the local godfathers. But the knowledge came too late.

A man of below average height wearing thick glasses (his miopia is -20 diopters)⁹, he had to negotiate with thugs and his own creditors who were getting restless. He had to organize meetings between the thugs and all the parties in the money-chain, and some clients were from entrepreneurs, others - from the mayor's office. Then Alexei's own creditors began to pressure him and hired local thugs. The second lesson he learned was that he should have stopped the process of debt accumulation and declared bankruptcy earlier. For a year all his earnings went into paying the interest on the debt until he realized he would not be able to pay manage. He finally declared bankruptcy and promised that he would pay everyone back. By the end of 1994, his debt had grown to 33,000 dollars, his salary was around one hundred. For the following eleven years took he was paying this debt. By 2005, he was debt-free.

During these eleven years, Alexei's life was threatened on many occasions, he received calls at night and was summoned to meet mafia thugs. Sometimes he did not dare spend the night at home. He dealt with threats that his wife and children would be knifed. He was videotaped by people he did not know, and his life depended on his ability to negotiate it:

I explained to them that I was too unimportant to be killed. No one would even notice. But if they wanted the money back, they'd rather keep me alive. But people are different.

There were a few interesting *razborki* (meetings or negotiations with mafia). The Uralmashevskaya group was the most "interesting." I took my sister with me to one. Asked her to sit on a bench and if I am forced into the car to write down the number. We had to go to the relatives of the deceased businesswoman. I kept telling them that I was not going to run away, here is my phone number, let us meet those who borrowed the money.

Some *razborki* were classic – the left bank of Don, three cars from each side, as they show in the movies. Everyone has pistols and it depends whose side loses their nerve first.

He ended hiring a friend with a name in the underworld to be his *krysha* (protection). Now, he could refer whoever approached him about money to him and he learned the third rule of the game: if his *krysha* was stronger than someone else's *krysha*, that person may never get his money back. His stronger *krysha* may say: "Forget it. There was no money," and the creditor would have to withdraw. So

9 The scale defines high miopia between 6 and 9 diopters and extreme – above 9 diopters.

people mostly chose to wait to get their money back and not pressurize him.

Life went on: while working hard to return his debts, Alexei defended his doctorate in history. In 2001, he did not need stick to traditional Soviet vision of the role of the local *intelligensia* in Bolshevik revolution and researched a broader impacted of it on the life in the Russian South. His salary was still humiliating for his status as a faculty of a prestigious regional educational institution. He was reminded of his poverty at every step: when his son started school, rich parents collected money for some holiday treat and split among themselves the share for his son telling Alexei that they knew he was poor. The school was for children of upper middle-class and elite parents, or local godfathers. Alexei's status allowed him to negotiate his son's admission but expenses that were negligible for most of the parents were beyond his financial means.

After the only luxurious vacation in Sochi, Alexei could not afford vacations for over a decade. He tutored all summers to pay back his debt and considered himself lucky that he had this perennial opportunity. Stories about people, who were forced to sell their home, parents homes or summer cottages to save their life, were circulated in the post-Soviet discourse. He also knew what happened to the two businessmen, who failed his scheme – one was kidnapped and chained to pipes in a basement until his relatives found the money to buy him out, the other ended in prison, which, ironically, was a safer place for him.

All in all, Alexei paid back the sum of money which could have bought him another apartment that his family badly needs. They live in his parents' three-room apartment: one room is occupied by his mother, the other one – by him and his wife, and his grown-up son and daughter, both in their twenties, have to share the third room. His wife, who even today does not know most of the details of what had happened, sometimes rebukes him that he lost an apartment and a half.

What I found the most striking in this story, however, is yet to come. As Alexei's explained the reasons of what happened to him, he shared two basic hypotheses not being sure which one was right. One is that he became a Christian at about the same time as he was engaged in these deals. It took him many years to accept Christianity: he, a liberal communist, first attended a church service in the mid-1980s with a woman-believer he deeply respected. It took him almost ten years to grow into accepting Christianity and becoming a Christian. Alexei believed that it could be the Christianity and his abrupt change of understanding the meaning of life that brought his financial collapse. In religious and occult sciences, he told me, there is a concept of *egregor*, a collective mind that can influence people's behavior and psyche and is beyond individual control. *Egregor* is created when many people come together for a common cause. The power and stability of an *egregor* depends on the quantity and concordance of the group. Christianity has an *egregor* and the fact that he shares Christian beliefs

creates a mutual exchange of energy and ideas between them. His financial scheme did not fit into Christian ideas. Moreover, he could accuse himself of one of the worst Christian sins - the sin of pride. He thought of himself too highly and looked down on others when he imagined himself wealthy :

“I kept saying to everyone, when things were good, that there is money around, just under your feet. There are dozens of projects! Which was pretty much true. But, probably, it was the pride....I followed the growth of my money – this month I have another 300,000 dollars, and here is 100,000 more.”

His second hypothesis is embedded in occultism: people must be careful with certain mediums, such as water or wine, that pass encoded information that impacts another person's destiny.

Wine is a medium of information. And esoterics teaches: don't drink with losers. At that time when I was in Sochi, I invited one of my former colleagues, who was there with his daughter, to a restaurant. He was unemployed and I wanted to return some past favors. We treated ourselves and didn't drink much. But he kept complaining all the time that things were very bad. Maybe it's my imagination now. But the change of the egregor, my pride and this...together...

The story of Alexei puzzled me for a long time. Firstly, it was the numbers. How could one start from zero and go to half a million dollars in one year even if the money was lent at twenty percent per month? I made some computations and they did not tally. Secondly, why would a person with his education search for an esoteric explanation of his losses in what looked to me like a pyramid scheme?

Economic reforms of the 1990s caused several waves of money losses and, in fact, it was hard to find people who had not lost money. Everyone's life savings were wiped by hyperinflation. Then Pavlov's reform in 1991, prepared in secrecy, declared all fifty and one hundred ruble banknotes invalid after three days. It was explained as an attack against the criminal world, black marketeers and holders of large sums of illegally procured money. But many people were caught in the trap laid for big game. Russian government acted much like the Devil from the famous Bulgakov's novel *Master and Margarita*, who turned money bills turned into paper overnight.

The longest lasting wave that swept large amounts of money rolled across the country in the form of financial pyramids – *MMM*, *Chara-Bank*, *Hoper-Invest*, *Hermess*, *Vlastelina*, to name a few. These were the best-known examples of nation-wide fraud scandals, in which millions of ordinary citizens and elites lost what they had accumulated over and over again. The term *obmanutye vkladchiki* (duped bank clients) united everyone, who suffered from financial pyramids, or banks and trusts that failed. Many of these pyramids were organized around popular public figures and were invisibly connected to men in powerful positions.¹⁰ Numerous investment funds and banks throughout the 1990s and well into the 2000s persuaded the gullible population to invest their savings promising high interest, new apartments and cars, and then disappeared. The government seemed to be so helpless against them that one might think it was on their side. These massive waves wiped saving and earning

10 See David Satter. *Darkness at Dawn*. New Haven and London: Yale University Press. 2003 pp. 72-92.

of average Russians, who never even dreamed about risky entrepreneurship. How much money was lost in business failures and fraudulent partners was hard to judge: business risks grew exponentially with revenue, fortunes rose and fell chaotically. So losing money, which happened to Alexei, was not a unique experience.

What was strikingly new was how he explained it to himself. The story puzzled me because he chose to speak the language of occultism, where wine as a medium and bad luck was like a virus. In the first part of the life narrative, Alexei identified with intellectuals and liberal communist elite, he was better informed than most people around him about the processes of the post-Soviet transition to the market. If he built his explanation on Marxist theory or economic categories, I would not be surprised. Why would such an educated person use a mix of occultism and religion to explain what happened to him in his own life?

I had to talk to Alexei again to solve these puzzles. I called and was lucky to find him at home and free. I asked him about the money first - it turned out that the hundreds of thousands of dollars came from his professional fees as a mediator, a percent of the sums that were loaned to various persons. I did not dare ask how big the sums were. Then I asked him why he did not want to look at realistic - structural or social - explanations for his bad luck. Alexei insisted that the scheme he was in was not a pyramid, it was a normal working scheme: other people did the same and succeeded. I had to agree – in the absence of banking system the market for loans was in private hands.

We talked about the evolution of his views – how he moved from Marxism to eclecticism. He warned me not to stick labels: Marxism, he said, could still explain some part of the world and Christianity could explain another, and other ideas could be applied to explain different phenomena - but one idea could not explain everything. That was the essence of the eclectic worldview, he said, not to get stuck with one thing only, but to think and use many ideas critically. When censorship was lifted, he read about the GULAG, and non-Marxist philosophers and historians, and the banned authors, and his views transformed. He read profusely about reincarnation, Russian mystics, and occult literature. He could move freely along a continuum of ideas that were far from the social theory. He was convinced that the language of Christianity and esoterics explained the country's present and his own situation better.

My understanding of this life narrative relates to the work of Jean and John Comaroff on occult economies in rural Africa. The Comaroffs start with a quote from Max Gluckman that “new situations demand new magic” and proceed arguing that magic becomes a code “in situations of rapid social transformation, under historical conditions that yield an ambiguous mix of possibility and powerlessness, of desire and despair, of mass joblessness and hunger amidst the accumulation, by

some, of great amounts of new wealth” (1963: 3-4). The utility of magic as a language (and codifying system) to frame reality that is incomprehensible is related to a deep confusion on an existential level.

The post-Soviet transition was a confusing experience to many people. Shevchenko (2009) offers the concept of “permanent crisis” as a new *habitus* that the post-Soviet person constructed, inhabited and turned into an enabling tool to survive. Ries (1997) suggested that narrativizing reality helped people feel informed and in control of it to some extent. Religion, magic and mysticism offered another way to map oneself onto another reality, distance oneself from the traumatizing aspects of everyday life and unattractive identity and articulate an exit strategy from the current social situation.

Ironically, it was the language of magic and not the language of rationality that better described the workings of early Russian capitalism on the ground. The Comaroffs argued that the encounter of rural South Africa with the promises of millennial capitalism led to a dramatic rise in occult beliefs originating from the impossibility to make sense of what could be expected, the desire for success and the crash of hope. Russia seemed to me not much different. The master-narrative of global capitalism, I thought, utilized the language of 'civilized world' and professed rationality and basic freedoms but, it brought financial pyramids and scams, impoverishment and destruction of the fabric of everyday life. It was not even the 'survival of the fittest' doctrine, which was built on a clear rationale of force - its system of distribution of success was even less comprehensible. Compared to that, it was socialism that was crystal clear – it was easy to understand how money appeared in one's pocket, and if someone accumulated wealth, legal or illegal, its origin was not so difficult to track down. Market mechanisms of wealth accumulation, on the contrary, favored a few and left too many out of the promise of prosperity, and they were mysterious in who they chose.

If we step back and look structurally at the situation, we can ask ourselves: what were the conditions that made Alexei's “get-rich-fast” scheme work and earn a fortune, which he almost immediately lost? What was going on in the field of entrepreneurship, which had to operate when there was no banking system? And what were the risks of going into private loan system?

Everyone in Russia needed money in the 1990s. Common people were enticed with opportunities unreachable unless they had enough money, while consumer loans were unknown. Buying a household item like a washing-machine was still possible by saving for a while but expensive things, such as a better car or a better apartment, were beyond the reach of most people. Banks operated on very dubious standards: they mostly took money from the population against a small interest and gave it as loans to a limited circle of insiders. “Loan practices were based less on evaluating business plans than on trust or personal connections...Bank branches were under weak control from the center, often following dubious loan procedures.” (Hass 1999: 390) Besides, bank

charged low and fixed interest rates for loans, and high inflation rate created absurd situations that a large amount of money borrowed from a bank was returned the following year by selling a couple of used office computers¹¹.

Everyone, who wanted to enter entrepreneurial field but had no access to banking loans turned to the private lending market. It boomed due to the high demand for cash: there was no bureaucratic procedures, no waiting or approval times, and the high risks on both sides were offset by high yields. The clients of the private market for loans were mostly ordinary people who wanted to start a business or go into trade. Millions of Russians became *chelnoki* (shuttle traders) and went on shopping trips around the world to bring back bags of goods from India, China, Poland, or Turkey. Those of my interviewees who engaged in shuttle trade shared with me that the average profit from one trip was on average three to five and, if very successful, ten times of what they had invested. Before the trip they collected money from relatives and friends and also borrowed from money lenders at twenty percent a month. The high interest rate made loans more attractive to small traders than serious businesses.

Lenders were people with good income who accumulated sums of money but wanted to grow it or spend later. Stacking money at home was risky – apartment robberies skyrocketed, and even installation of steel doors, the emblematic sign of the 1990s, could not guarantee safety. A steel door next to the dilapidated doors of other neighbors attracted crime: it was expensive to begin and signaled that there is something worthy inside. This market was operated by a few individual mediators, like Alexei, and by numerous organized criminal groups, who could loan and control the debt return. Individuals operated through a network of personal connections between private loaners, like the businesswoman who looked for safe clients, and emerging businesses. For many years, while the private money-lending system was operating in the field of high demand and short supply, the practice of *krutit' den'gi* (rotate money) and make it work by loaning was widespread and lucrative. But not for all.

Loaning was always personal and based on trust, which was considered safer than impersonal giving to banks. The more widespread and impersonal the system became, the more the private lender needed a private guarantor - an organized group of thugs or a friendly law enforcement officer - to control the return of the loan. Alexei's work was on a large scale judging from the speedy growth of his revenues, but he was alone in this field. His social contacts made him a hub for various networks: former Komsomol leaders who became active in the business and former party leaders who held various positions in the city administration. His niche was a real one in the transition between socialist

11 Information from a personal interview.

and market banking system, and he charged an average interest for his services. Alexei's move into that niche was a very smart and calculated act, if he could predict the risks of working there alone. But nobody had experience at the start and had to gain it aspiring to the model of the "civilized West." What Alexei's training and experience failed to predict was the havoc and instability in all businesses. The destiny of entrepreneurs was very capricious: someone did not pay on time, someone did not deliver, someone was robbed or threatened out of a lucrative deal, someone's goods were confiscated by customs, taken by force, or stolen by fraudulent partners. Violence and high risks were part of everyday life and followed entrepreneurs on every step. Alexei's mistake was, he recognizes, that he was alone in that risky field and being too proud: trusting himself, his intellect and his fortune too much. When he later had to be made sense of, interpret this part of his life and incorporate into his biographical story, he rejected rational causality and turned to belief systems. He is still not sure whether to call what he did a project or a scam and what he was punished for – too much pride or carelessness in drinking partners. Or, as he also suggested, not listening to the higher will – to develop his clairvoyance and healing skills.

The deep confusion with how the market operated that I want to suggest here transcends education and class categories. The Comaroffs observe the confusion of uneducated rural African people who were easy prey and fell into the trap of rampant promises of enriching in the narrative of capitalism. However, well-educated and informed people, like Alexei, have found themselves equally unprepared to understand capitalism in practice, which was different from capitalism in books.

On the level of narratives, there was the need for a new language to codify the fissure between one's life experiences and the circulating promises of the world where "the possibility of rapid enrichment, of amassing a fortune by invisible methods, is always palpably present" (293). The language of occultism and religion offered new causality, which was based on powerful forces beyond an individual's control: karma, egregor, God's will. Nobody could succeed without negotiating with them. Witches in rural Africa, Comaroffs argue, are semiotic codes that distill complex material and social processes into comprehensible human motives and through these codes translocal processes are mapped onto local landscapes and translocal discourses are translated into local vocabularies of cause and effect (286).

Different cultures and localities create systems of narrative frames and codes that are used by narrators to encode their experiences and construct causality in their own story with reference to a larger picture. The language of Orthodox Christianity is one of the local languages that is gaining popularity. We will hear it in another chapter in a narrative of a successful businessman, who explains his business success with God's will and not the market. Alexei needed to make sense of failure and he

selected *gordynia (bad pride)*, one of the sins for which punishment is severe. Russian language has two words for pride: *gordost'*, the good pride, which is often for something or someone outside yourself, and *gordynia (bad pride, arrogance)*, which is pride related to oneself or of an excessive degree. He was punished for his *gordynia*, when he was successful and looked down on others.

But being fluent in several 'languages' (codification systems), Alexei suggests an occult explanation – using wine as a mediator of information between him and his unfortunate colleague. He also speculates that knowing mantras and being familiar with transcendental meditation required him to hear the voice of the Divine – but he refused to for a while. Only when his troubles started, Alexei realized that he had been ignoring that call - he stopped reading detective novels, accidentally found (but, of course, it was meant to be) the books of Lobsang Rampa, a writer whose novels about Tibet are a mixture of religion and occultism. Then Alexei went to different seminars about Reiki and hands-on healing. These practices not only helped him deal with the pressures of being threatened and living in debt for eleven years, he also used that rhetoric to persuade his creditors: “I told them: Give me a chance, wait, and God will give you too.”

Alexei is convinced that he was selected to survive – many people could have lost their lives or health in a similar situation. Alexei is convinced, too, that his path in life is clairvoyance and spirituality and he takes many seminars though they are not cheap:

The clairvoyant community praises me....There was one seminar – we had to stand in front of each other and say: “Who are you that stands in front of me?” and the response was “I am you but in another form.” When fifteen-twenty people tell you that, you start to understand. And you think about the purity of your soul. I understood that I came to this world with a program that I have to fulfill. Whatever happens is meant to be, nothing is just a chance. And the world around is just an illusion....All our troubles are not random, they are sent to us so that we understand something important.”

In the early 1980s, a group of people in Rostov got together and did yoga. KGB knew about it and kept an eye on them but it was strictly physical exercise, no anti-government propaganda though attendees paid the coach privately, which was prohibited. Alexei, as a Party School faculty, was informed about it. Little did he know that twenty-five years later he would be reciting mantas, healing with hands and practicing Tantric yoga as a form of personal development.