

Politics Without a Centre:
Political Change and Stability in Russia and Italy

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Discussions about political development have conventionally distinguished between previous and later arrivals to democracy. Whether using terms such as “waves” or “transitions”, the narrative has tried to address the ways in which liberal democracy and market capitalism supposedly initiate virtuous trajectories of political development referred to as “modernization”. The language of later arrivals to liberal democratic political development took on a more precise focus with the fall of the Berlin Wall, especially in Europe, as states emerging from the Communist experience were seen to be in “transition” towards forms of political rule that mirrored the liberal democratic experience of western Europe. The liberal paradigm prevailed, with an emphasis on elections, the rule of law and rules-based resolution of conflict as the basis for political order; economic prescriptions emphasized economic liberalization within and across national borders. In Europe, the European Union became the model for political and social modernization; it was the final destination of “transition” countries. Indeed, this standard was enshrined in what became known as the Copenhagen criteria for accession to the EU: a market economy, an established liberal democratic order and state capacity to govern a rules-based economy and society. The transition literature has gone through many phases and come in for its fair share of criticism and attempts have been made to introduce all types of qualifying adjectives to place before “democracy” when describing states where the process of political change has not gone according to the liberal paradigm described above. However, this creates a false dichotomy between transition states and established liberal democracies as all states are in transition or constantly changing and that this may or may not imply movement towards some ideal model. Our central aim in the paper is to challenge the teleological basis of transition arguments and to argue that a largely institutional account of political trajectories does not provide much insight into the organization of political authority.

We wish to add to the critique of the transition literature with a two-fold argument. First, we explore whether states, regardless of where one might place them on a conceptual scheme that implies transition, are characterised by what might be called “politics without a centre”, resulting from the prevailing modes of governance that are seen to be the ideal models of governing for

market economies. Politics in the modern era in advanced industrialized societies have been based on a number of premises: that national identity and the national state are the sources of political integration and community; that the state is the repository of political authority and governance of social and economic life; and that legitimate authority in liberal democracy is expressed through its formal political institutions, particularly representative assemblies. These provided central sites – focused around the state - for the generation and mobilization of norms and processes for governing and regulating large parts of social and economic life. Our paper will explore the extent to which these political centres are eroding or being hollowed out. We will draw on the existing literature on the state to find indicators of how it is increasingly difficult for political authority to define political communities from the centre, to define and maintain borders and to use centralized political authority to command societies. These include: ability to control borders and territory; tax collection; constitutional reforms; new forms of public sector management; changing centre-periphery relations.

Our second objective takes more direct aim at the transition literature and explores the hypothesis that it is the very indicators of successful transition – that is contemporary notions of liberal democracy and market capitalism – that may be contributing to the erosion of the political authority of the state. We argue that rather than focus on models of political development based on trajectories of transition to some standard democratic ideal, a more useful approach is to see how patterns of political development are being generated by the much deeper process of the hollowing out of political epicentres. Taking Russia and Italy as different cases producing the same outcomes, we will demonstrate how politics without a centre is leading to “dominant power politics” in the former and feckless pluralism in the latter. The comparison will raise important questions about the nature of political development in a broader Europe, highlighting how both the “consolidated” democracies of the EU and “transition” states on its borders responding to similar pressures and processes.

The paper will be divided into **two** main sections. The first will introduce the arguments about the hollowing out of the state and political authority in what we describe as politics without a centre. It will discuss some of the ways we might identify if and when hollowing out is taking place, along with some of its consequences. This section will also discuss why the two cases have been selected. The second section will explore and present the evidence of hollowing out by focusing on three areas of politics without a centre: representation, governing the economy and ontological security. We argue that market capitalism makes it hard for political authority to centralize power in accountable institutions as well as shape political communities, define borders and generate support for legitimate forms of governance.

1. Politics Without a Centre

While governing and the state have taken on many different forms and dimensions in the modern era, one central narrative has been fairly consistent; that is, that the organization of political and social life was to have a “centre” from which the political community was defined and governed. The reference here to a “centre” is not linked specifically to the distribution of constitutional powers between the centre and the periphery but to the Westphalian state as the repository of political authority as well as the basis for ontological security for the political community. Political communities have organized social and political life with clear central nodal points, whether it was to define membership in the community, the aggregation and articulation of political interests or the governing of modern economies.

The primary element in this organization of political power is the notion of sovereignty; that is, that there is a clear hierarchical structure that serves as the font of political authority. Whether or not this is the actual organization of political power is less important than the notion that political life and political communities were defined by the idea that authority rested in a “centre” that was able to exert itself over a given territory and a defined population (Krasner 1999). Governing emanated from a clearly defined locus from which it was possible to establish principles such as the rule of law, accountability and representation. We can contrast this with the recent emphasis on “governance”, which emphasizes notions such as steering, blurring of the lines of authority and being agnostic about the organization of political authority (Bevir 2010). Governance arguments begin with the assumption that there has been a displacement of the political authority that rested with the modern national state whose monopoly is now challenged on a number of fronts: from other levels of formal government, from parts of civil society (especially markets), and by regulatory agencies that may be created or recognised by but are not part of the state (Pierre 2000:1, Pierre and Peters 2000). The discussion about governance, then, is best understood as part of wider debates about the possible consequences for political authority of globalisation or interdependence, the crisis of the state and of growing social complexity (Pagden 1998). In these contemporary conceptions of sovereignty, it is seen to have effervescent qualities that at times are important determinant of policy choices but can just as easily pop or float away. The growing interdependence of economies, information technology and post-industrial societies have contributed to the supposed erosion of the need, and the capacity, to concentrate political power in clearly identifiable centres (Weiss 2000).

The erosion of the authority of a political centre – in the form of a sovereign power – necessarily leads to a discussion of the role of the state. We do not wish to engage with the on-

going debate about the state of the state (Levy 2006, Sorensen 2004). Rather, we simply want to point out the ways in which the constraints on the capacity of the state to exercise a monopoly of political authority represent politics without a centre. We can continue to find the state as the focal point of political life, even in polities such as the European Union where it has transferred key areas of decision-making to the supranational level. However, it is a state that is limited in what it can do, how it can define the collective good and the capacity to carry it out. State capacity can be seen as, “The capacity of state to actually penetrate civil society, and to implement logistically political decisions throughout the realm” (Mann 1984:189). It is hollowed out of some out of some of this capacity – such as governing the economy – while at the same time enhancing its capacity to control citizens (Jessop 1993, Jessop 2002). Andrew Gamble had described the relationship between states and the economy in contemporary capitalism as a “free economy and a strong state” but the latter is a lean structure whose primary role is to ensure that social and political demands do not disrupt the free movement of capital and trade (Gamble 1988).

We argue that we can begin to compare different polities on the basis of this erosion of state capacity, regardless of where they may be placed on the spectrum of transition. We do this by looking at some of the major roles that the state has played in organizing political life in the modern era: representation; governing the economy; providing ontological security.

Political representation has centred on political parties to aggregate and articulate political demands, regardless of the nature of the party system (Downs 1957, Duverger 1959). In politics without a centre, political parties are challenged by technology, changing forms of social organization that diminish the importance of partisanship as a form of belonging, the end of ideology as a coagulant for diverse political demands. We can find signs of this erosion of representation in indicators such as the decline in voter participation, the fragmentation of party systems, high volatility in party systems (with parties constantly appearing and disappearing) and the personalization of parties. Moreover, the range of policy options offered and implemented through political representation is limited as parties do not find electoral success when they do not present market-based programs. While many industrialised states have not seen significant decreases in public spending, there are numerous indicators of decline in state capacity to govern the economy. These can be found in the changing nature of the welfare state, privatization of large parts of the economy and the decline of redistributive social and economic policies.

Finally, the state in the modern era has been at the heart of providing ontological security for defined political communities; that is, it is the centre of practices, routines and narratives that help define who it is and why it remains as a political community (Mitzen 2006b, Steele 2008). Drawing from its use by Giddens and international relations scholars, ontological security refers to a sense of

confidence of one's identity (Berenskoetter 2014, Giddens 1991, Mitzen 2006a). Giddens claims that ontological security, “[r]efers to the confidence that most humans beings have in the continuity of their self-identity and in the constancy of the surrounding social and material environments of action” (Giddens 1990:92). Ontological security claims that social actors need basic trust in the continuity of the factors that give them their sense of identity in order for them to have agency, to set objectives, define interests and act strategically. This continuity is rooted in habit and routine (Giddens 1990:98) as well as in the stability of the environment that defines an identity. Scholars of international relations have extended the concept to argue that states seek security in ways that ensure a consistency in the narratives and stories they tell about who they are, what they do and why. In politics without a centre, the state finds it increasingly difficult to provide this form of security. It is challenged on all sides, by local and regional loci of power, by markets, by new forms of political identity and by the blurring lines of public and private power.

Russia and Italy are two different states, placed on different ends of the transition-consolidation spectrum. The former is conventionally presented as a case where the transition to liberal democracy and market capitalism has been less than smooth, if not back-sliding; whereas Italy is presented as a post-war success story, successfully transforming a rural economy from the ruins of fascism into a leading industrial economy in the EU with a consolidated liberal democracy. We will look to whether these two different systems exhibit similar features of the erosion of political authority and politics without a centre. We will look to three areas – representation, governing the economy and ontological security – to see whether different systems produce similar outcomes. This will lead us to explore whether these outcomes might be understood as the result of pressures on the traditional centres of political authority in the modern era, regardless of where states are conventionally placed by the transition paradigm.

2. Politics Without a Centre in Russia and Italy

a) Representation

Today's Russia is certainly a challenge for the willing analyst of political representation. It is obviously not a liberal democracy, but, given the freedoms available for every Russian citizen, (first of all market related) neither can it be labeled as a dictatorship. Russia does have a democratic electoral law, but it (and the bureaucracy) gives considerable influence to the party in power and practically assures its electoral success. Vladimir Putin is considered by many to be a 21st century incarnation of the czars, but in reality his power – especially in the regions – is seriously constrained. The Kremlin, though it fosters an aura of omniscience, continues to base its politics on

what might be termed as a timid trial-and-error approach. The government's rule is seen as strong but the state's institutions remain fairly weak (as evidenced by the existing corruption and noteworthy lack of accountability and transparency). The nature (or deep structural backbone) of the current Russian political system is a complex, intertwined hybrid of three components: pre-modern (Dionysian/Byzantine) mixed with (neo) realism and a high dose of postmodernism. From this 'nature' we can trace the relations between society and that in power to outline key elements of the representation system *a la Russe*.

The 'pre-modern' aspect embraces intrigue and manipulation as a surrogate of politics, expects subordination to the leader and assumes de-politicisation of society. The (neo)realist component embraces the idea of power as the most important factor in domestic/international relations, sovereignty as the most valuable treasure of the nation and anarchy as the main feature/threat of the system (the 'neo' aspect of realism). Finally post-modernism is key to understanding the system as it takes from post-modernism a highly constructivist belief that everything is possible and permitted, for everything seems to be only a question of either desire or fear, and desire and fear are merely a technical problem of will, resources and power. In other words 'reality' is what is to be constructed and the system is determined by the ability to transform virtually anything into an object subordinated to its own will. If the above is correct, then this mix of three modes of 'systemic being' becomes a structural feature of state-society relations.

The crucial second point is the model of relations with society based on the concept of *trusteeship* (Dutkiewicz and Trenin, 2011, 9-41). Putin's 'new ruling group' started to construct a new edifice using a mix of old bricks inherited from the Boris Yeltsin period as well as some new ones to rebuild a Russia that, in the early 2000s, was deeply traumatized after a series of a crises, with its peak in 1998 related to financial collapse (Vladimir Popov, 2007). To halt the downward trend, the Russian elite became engaged in a form of *étatization*. For that task, they needed not only more power than Yeltsin had as president but, most importantly, a different kind of power. The current rulers in the Kremlin are convinced that they needed to restore, at the very core, what was traditionally the central engine of social development throughout Russian history: the state. In order to accomplish this project, they had to link the state and accumulation into one undivided complex of social power. At this point comes an important question that was at the very the beginning of this paper's conceptualization. Who can lead society in a truly revolutionary time of transformation? What should be a model for state-societal interactions? Is conversation with your own society necessary and useful for development? It seems that Russian leaders made a conscious decision on what Boris Kapustin calls – an 'absence of the people' in a national discourse and what Boris Mezhuev describes as the 'strategy of self-isolation' from the people by both ruling group and its

nascent opposition (Boris Kapustin, 2015). Society, the argument goes, cannot be trusted as it has lived too long in an entirely different system, and so it cannot grasp the ‘goal of the transformation’, the “essence of democracy” and “historic logic of transition”. So who was to lead Russia to its revival? Who is to lead society towards development and progress? Who can be entrusted to lead the change? Will it be Hegel’s ‘spiritless mass’ or someone else? In their brilliant book on development, Michael Cowen and Robert Shenton observed that ‘a ‘handful of chosen men’ could now assume the mantle of the “active spirit” to become the inner determination of development,’ regardless of the system of governance and its ideological colour. Putin’s version of trusteeship is thus given its philosophical justification. It helps explain the mimicry of the electoral process with pre-determined outcomes and the Kremlin’s partial distrust of society, but also their desperate need to **‘have society engaged’**.

The puzzle is why we did not have a strengthened party system to engage society but rather have surrogates invented and imposed from above, such as: the Civic Chamber formed in 2005 to monitor the activities of the parliament and government or the All-Russia People’s Front (ONF) – a broad collation social movement - formed in 2011 to “provide new ideas, new suggestions and new faces” as the founding document says and keep in check the dominant United Russia Party. The case of the ONF can provide a partial answer. The “official party of power”, the United Russia party, serves the state, but the state is so independent that it has become nobody’s servant except its own. From being traditionally a vehicle for modernization, the current Russian state has in a sense devolved into a heavily bureaucratized obstacle to further modernization. The ONF might be used to dilute (and maybe even counter) the omnipotent, sovereign bureaucracy. The second task is to restore the social power of the political center(s), namely the capacity of the state to articulate and implement into policy representative demands. This has very much eroded in Russia in recent years, with laments from the top of the Russian political hierarchy that their decisions are not followed and that rules and laws are ignored. Having power re-centralized by then-President Putin, Russian leaders faced a new question: how much of that power could be effectively deployed for larger-scale, nationally meaningful projects? The ruling group has explored how to move to a social coalition-based system, as history has shown that even the most enlightened “trusteeship” cannot reorganize the system without broader societal support and societal legitimization. The third task at hand is the search for new ideas to feed the policy process. There are two issues involved in this. One is that bureaucrats (and the party) have proved not to be very good at generating them. As society was cut off from the political process, the role of “idea generators” was taken by a few Kremlin’s spin doctors whose task was to develop something that “looked and sounded good,” which was not necessarily what society was looking for. A second and more substantial problem

concerns the dominant ideas of United Russia itself. In December 2009, the party labeled itself as a “conservative party.” political economy perspective. Given that Russian citizens seem to be simply the objects of a power game played by the elite (as true conservatives distrust civil society), the party is unable to genuinely mass mobilize Russian society exactly at a time when such mobilization is badly needed. Moreover, conservatives’ dislike of change makes conservatism pretty useless as an ideology for guiding the larger-scale goal of crafting an innovative, modernized Russia.

The ONF case serves the point that “representation via trusteeship cum state sponsored social movement arrangement” creates some opportunities by having free hands to act as supreme arbiter of public good but also some serious problem. As Richard Sakwa pointed out, “The question is whether some more conventional system of competitive party politics could have delivered these same goods at less cost and of higher quality”. There might be two conclusions. One that civil society has thrived in the Putin years, but of a peculiar sort (very much different from Western models). Independence and autonomy is constrained, although it is far from destroyed but the regime itself sponsors forms of quasi civil society activism that advances its goals. Even official channels of civic activism, such as the Civic Chamber and its regional counterparts, can influence public policy, although within poorly defined limits. More importantly for our argument, it reflects the sense that the political centre, even in a less than fragmented system such as contemporary Russia does not serve as the sole locus for representation claims.

Clearly, political representation in Italy is expressed within a profoundly different institutional and political architecture. However, it also exhibits two similar features of representation in politics without a centre; that is, that political parties are no longer the primary structure that aggregates and articulates interests and that the left-right ideological spectrum may no longer serve to organise political interests. When Italians went to polls in 1996, in the midst of a major effort to meet the conditions to enter the single currency scheduled to come into effect at the end of the decade, not one of the major parties that they would have found on the ballot just four years earlier would have been present. The classic bipolarity of the Italian party system – centring around the centrist and dominant Democrazia Cristiana (DC) and the perennial opposition party, the Partito Comunista (PCI) – was replaced with an array of new formations, many of them not even calling themselves parties (for example Lega Nord) or having a formal party structure of architecture (such as Forza Italia). It was the start of a two-decade process in which parties, or more precisely, political formations have been formed, re-formed, disappeared or been replaced. A highly ideological party system that featured the theme of “Christ versus Communism” for over forty years was now much more fragmented, with ideology only occasionally a backdrop for a much different

form of political competition, centring on personalities, personal appeal (and personal parties) and occasionally issues (Calise 2006). For instance, in the 1987 election, the two leading parties (DC and PCI) received over 60% of the vote. In the 2013 election, the two leading parties collected 51% of the vote, however the second largest party was the anti-system Movimento 5 Stelle (M5S) led by a comedian, with 25.5% of the vote.

The erosion of political parties as organizing structures is apparent at all levels of elections, especially at the local and regional levels (Baldini and Legnante 2000). Individual candidates are the focal points of campaigns and determinant for outcomes, often at the head of a coalition of parties and civil society organisations that bears their name (Calise 2000). Moreover, even across what was once a deeply engrained left-right political spectrum, space between political formations is hard to define on salient political and economic questions. Both in electoral campaigns and in government, representatives of the centre-left and centre-right have implemented policies that have redrawn the boundaries of the welfare state, restructured labour markets and pursued fiscal policies that have sought to keep public finances under tight control. They have used European Union policies as the guiding light for governing agendas, arguing that there was little discretion for alternatives. The lack of ideological space between political formations is also seen the Italian governments since 2011, all of which have been grand coalitions spanning nearly the entire spectrum of the centre-left and centre-right. If all parties are now in the “centre”, then it is hard to define what is the centre.

Paradoxically, the lack of discretion and the personalization of representation have led to a proliferation of populist, anti-politics movements, such as M5S, which denounce “parties” for not being able to articulate clearly defined positions and aggregate interests to govern. Moreover, the populist parties tap into the malaise of what Carothers calls “feckless pluralism”; a lack of confidence in institutions, widespread perception that political parties are stale and corrupt, that representatives may change but the distance between them and the represented remains the same (Carothers 2002:10-11). Political parties are no longer the coagulants that give shape to representation nor do they provide the ideas on how to shape state-society relations.

b) Governing the Economy

Russia has a market system (as recognized by the EU and WTO) but the system of accumulation is to a large extent based on non-market political access. However, its transition to a market economy has not been painless. In 1998, at the lowest point in the transformational recession of the 1990s, Russia’s GDP was 55% of the pre-crisis peak of 1989 – slightly more than the percentage of the 1913 level achieved in 1920. GDP had only achieved the 1989 pre-crisis performance in 2008; but,

then, the new crisis of 2008-09 dealt another blow and it was only in 2012 that the GDP significantly exceeded the 1989 level (for more details, see Popov, 2000).

The transition to a market economy in the 1990s led to the dismantling of the Soviet state, with a third of all state property passed into the hands of a few dozen oligarchs at knockdown prices: government services, from healthcare to law and order, deteriorated drastically. The shadow economy, whose share under the Brezhnev regime stood at between 10% and 15% of the GDP (by the most generous of assessments), increased by the mid-90's to 50% of the GDP (Kaufman and Kaliberda 1996; Johnson, Kaufmann, and Shleifer 1997); In the 1980–1985 period, the Soviet Union placed in the middle among 54 countries in the rankings for corruption: Soviet government officials were less corrupt than those in Italy, Greece, Portugal, South Korea and practically all of the developing countries. In 1996, after the market economy had been established and democracy had won the day, Russia placed 48th in the same rankings out of 54 countries, between India and Venezuela. The income gap widened significantly with the Gini coefficient increasing from 26% in 1986 to 40% in 2000 and 42% in the 2006-13 period. However, income inequality grew much faster at the very top. There was no one with wealth exceeding 1 billion US dollars in Russia in 1995; while, according to Forbes magazine, there were 53 billionaires in Russia in 2007, moving the country into second or third place in the world, right after the USA (415) and Germany (55).

Very few experts would call the Soviet Union a resource-based economy; however, the structure of the Russian economy was substantially transformed after the transition to a market economy. For the Russian economy, the 1990's were truly a time of rapid deindustrialization and transitioning to the “resource track,” and the trend appeared to intensify with global fuel prices rising as of 1999. The share of the leading resource industries (fuel, power, ferrous and non-ferrous metals) in Russia's overall industrial output increased from approximately 25% in 1991 to more than 50% by the mid-1990s, and has remained this high ever since. In part, this was the result of changing relative prices (prices for resource commodities experienced a greater increase), but was also due to lower real rates of growth in production outside the resource sector. The share of minerals, metals and diamonds in Russian exports increased from 52% in 1990 (Soviet Union) to 67% in 1995 and 81% in 2007, while the share of machinery and equipment in the exports decreased from 18% in 1990 (Soviet Union) to 10% in 1995, and then dropped below 6% in 2007.

The post-reform recession was brought on more by the weakening of the political institutions due to the de facto collapse of the state than by market liberalization. Those countries that successfully prevented government revenues and expenditures from plunging (Central Europe, Estonia, Uzbekistan, Belarus) experienced a less significant drop in output. In contrast, in Russia, the current public spending for “ordinary everyday needs” (exclusive of spending on defence,

investments, subsidies and debt servicing) decreased 3-fold or more in real terms (Popov, 2000), so that purely government functions – from the collection of customs duties to law enforcement – essentially passed into private hands or were de facto “privatized” (Dutkiewicz, Geisler, Suchan, 2000).

And finally in the first half of the 1990s, Russia was faced with a wave of regional separatism that was rapidly gathering force. In 1990, in an attempt to win the Russian regions over to his side in his battle with the Gorbachev government, Yeltsin promised them as much sovereignty “as they could swallow.” As a result, the share of the regional budgets in the consolidated budget revenues and expenditures increased, while the federal government was forced to haggle with the subjects of the federation over the division of powers, including financial powers. Many of them directly blackmailed the federal government, threatening to withhold monies owed to the federal treasury. In 1992-94, agreements were signed with many of the Russian Federation’s constituent units, establishing different levels of federal tax to be paid in each specific case. One of the Russian regions, Chechnya, separated de facto from the federation.

In the period of macroeconomic stabilization in 1995-98 that the crisis of the state reached its culmination: federal government revenues and expenditures fell in 1999 to 30% of the GDP at a time when the GDP itself was almost half of what it had been 10 years before . The national and foreign debt had hit a maximum, and currency reserves had shrunk to \$10 billion, less than in the Czech Republic and Hungary with populations numbering 10 million. As a result of these processes, the division between private and public became blurred and the interests of the mid-level bureaucracy and the business elite merged. Thus, the state, having been almost completely privatized, took on neo-patrimonial (feudal) features.

The dominant pattern of Yelstin’s ruling group’s accumulation was conditioned by a symbiosis between oligarchs (big, Russia-based business), higher echelons of state (central/regional) bureaucracy and Kremlin’s elite, resulting in a sort of a super-amalgamated power structure. Russian capitalists started to consolidate their position as early as 1992-93 by using an innovative, cross-sectoral merger and acquisition strategy called FIGs (Financial Industrial Groups). They increased their profit simply by not paying taxes and secured their gains - in a highly volatile market environment - by sending money abroad and stripping domestic assets of their “real” value. This scheme was significantly modified as new dynamics were introduced by the “loans for shares” auctions – an indigenous invention of the Russian business-cum-political elite that legally, de facto, transferred to the Kremlin’s “trusted seven” (plus to the only non-banker, Kremlin’s confidant, Boris Berezovsky) a massive chunk of state property, including the jewels of the Russian economy.

The logic of the capital expansion at this stage was nothing short of “to penetrate and alter the nature of the state itself” .

They were, however, caught in an existential dilemma – to have a weak state was good for business (no taxes, corrupt officials, etc.) but to have a too weak a state was bad for business (their main problem was that the state was too weak to secure/protect the gains of the dominant capital and to secure the property rights). In a truly Hegelian spirit they solved this seemingly deep contradiction by evoking the notion of politics. The oligarchs, then, “had to take things into their own hands” by engaging in a collective political action. The process of “privatization of the state” was helped by their “all hands on deck” support for the re-election of the guarantor of their position - Boris Yeltsin (July 1996). Operation “Privatizing the State” was well under way by the time of the financial collapse in 1998

In order to make any change, to define new rules, and “bring the state back”, Putin’s Kremlin elite needed more power and new resources (in order to avoid becoming trapped in a new dependency cycle by the oligarchs). In fact, power and resources are synonymous with accumulation. So what they were really looking for was a different mode of accumulation; accumulation that would not differentiate between “economic” and “political” power; where money would not be “separated” from the institutions, law, culture, etc.; accumulation that would be more totalizing in their capture of economy/society; accumulation that would epitomize power. The relatively easiest and most profitable source of accumulation (and hence power) was oil and gas. With prices spiking for almost a decade, it gave Putin’s group enormous leverage and confidence domestically and internationally. Putin’s group reversed the main vector of accumulation from private to state. The state became the principal agent of accumulation; the state (and state “hegemonic” bureaucracy and key interests groups related to it) is also its main benefactor. It is not the invisible hand of the market but a very visible hand of the state that is to be responsible for “development and progress”. However, it is a state that serves the interest of a narrowly-defined and prescribed group. Moreover, Russian capitalism has been integrated into global capital, trade and financial networks so that the capacity to govern the economy of even a tight and cohesive narrow circle is limited.

The erosion of a political centre in economic governance is at the centre of a current debate about the legitimacy of the European Union (Youngs 2013) and economic governance in contemporary Italy is shaped by its membership in the European Union and, more specifically, the Eurozone. The story of Italy’s efforts to join and then be part of the single currency over the last two decades is too long to present here (Della Sala 1997, Della Sala 2004). The key point for our discussion is that the governing of the Italian economy, as in much of the Eurozone, does not

provide any clear central lines of command. Monetary policy has been effectively transferred to the European Central Bank (ECB), which answers only to the treaties that establish the relations between and within EU institutions and member states (Marsh 2010). The original decision in the Treaty of Maastricht, which established the plan for the single currency in 1992, left fiscal policy entirely in the hands of the member states. Over time, even fiscal policy is no longer an exclusive domain of sovereign states as a series of instruments have been introduced that sets limits on what states could do with respect to public finances along with multilateral supervisory powers and sanctions. States must present their proposed annual budgets must first be approved by the European Commission and the other member states even before their own legislatures. Final decisions on basic questions about how much a state will borrow and spend are now made in an ambiguous, murky process where no one political site claims full responsibility. Governments do not only respond to their electorates but, perhaps primarily, to the joint responsibilities they have with their European partners.

Economic governance has eroded the political center not only through legal constraints but also by the policy choices that guide the European Union and Eurozone. The thrust to establish a single market – that is, the free movement of capital, goods, people and services – and the single currency is driven by the aim to make European economies more competitive, largely by keeping public finances under control (thereby reducing fiscal pressure) and reducing labour costs (Cafruny and Ryner 2003). The result is a form of economic governance that has greater surveillance capacity at the European level but fewer levers for state control of resources and outcomes.

c) Ontological Security

As mentioned earlier, ontological security claims that social actors need basic trust in the continuity of the factors that give them their sense of identity in order for them to have agency, to set objectives, define interests and act strategically. This continuity is rooted in habit and routine (Giddens 1990:98) as well as in the stability of the environment that defines an identity. The state is central both as a source and as a site for the generation of ontological security. States help generate common experiences that define a political community and give it the capacity to govern itself. Conversely, contrasting and diverging economic, political and social trajectories for significant parts of the political community could generate ontological insecurity.

By the end of the first decade after collapse of communism, popular consciousness in Russia was highly contradictory, segmented and ideologically and politically diverse. Two of the main tendencies in society – democratic and authoritarian – had rather complex social origins. In addition to a relatively stable “nucleus,” both democratic and authoritarian tendencies were rooted in similar

and sizable segments of the population that were democratic on some issues and authoritarian on others. The authoritarian tendencies were largely a reaction to extreme social stratification, the threat of economic and political instability, and the protracted search for a way out of the crisis. Authoritarian views were held, in varying degrees, both by people who benefitted from the reforms and by people whose material well-being markedly deteriorated. The most democratically oriented group enjoyed rising prosperity during the reforms. The idea that a moderately authoritarian regime, which gave the shoots of democracy a chance to grow and mature, would be better than anarchy, chaos and backsliding into totalitarianism was rooted in Russia's historical memory. In the 2000s Vladimir Putin's government was able to present itself not only as the champion of the people, but its own discursive framework suggested that in some way it was leading a revolt against the privileges and distortions of the 1990s. In that first post-Soviet decade, the foundations of a capitalist system were established, but this was accompanied by the repudiation not only of the planned economy of the Soviet years, but also of many of the positive aspects of the Soviet system, including a high degree of social equality (although this did not encompass the top elite) and universal access to education, health and welfare provision. On coming to power in 2000 Putin launched a remedial programme to challenge what came to be presented as the dark 1990s, limiting the political privileges of the oligarchs, although part of his new 'social contract' allowed them to accumulate wealth as long as they kept out of independent politics.

During the second stage that started in the 2000s, government and business were rapidly becoming intertwined, and government officials were becoming increasingly corrupt. In the 1990s, old structural positions were replaced en masse, making each individual the main factor in determining their place in the system of stratification. However, starting in the mid-2000s, structural restrictions began to play a decisive role in determining the overwhelming majority of people's place in society, while their personal efforts to improve their social status were limited to a very narrow window of opportunity. (Tikhonova, 2014). It is natural for the Russians who lived and suffered through the reform years to wonder about Russia's future prospects. The data clearly points to mixed and even contradictory attitudes to the recent past, the present and the future of the country. On the one hand, the majority of respondents (60%) believe that the development vector chosen after the collapse of communism is generally correct and the country will sooner or later settle onto a trajectory of stable economic and political development. On the other hand, there are many Russians (40%) who are certain that the country's current path leads to a dead-end. In this context, 54% think that the country and its economy have become less dynamic, making it hard to bridge the gap between Russia and the leading world powers.

In 2013 only 18% of respondents believed that Russia will join the group of leading economies and become an advanced democracy within the next 5 to 10 years, which explains the modest rise in the number of Russians supporting change and more decisive measures to modernize the economy, the political system and the social sphere, even though supporters of stability continue to prevail, albeit not by an overwhelming margin (57% vs. 42%). These difficult two decades of reforms were not the result of a coherent and coordinated process. There were two fairly distinct reform periods: the 1990s and the 2000s, roughly divided into the Yeltsin decade and the Putin decade plus. The most important, and possibly fairest, verdict will be passed on them by the popular majority as represented by the country's various socio-professional and demographic groups. The first decade was widely viewed as a failure, a time of dashed hopes, and a string of ill-conceived, uncoordinated and radical measures in different spheres of life, which eventually led to the impoverishment of a great many people and set the country's development back by many years. The so-called young reformers, who were particularly zealous in their pursuit of radical transformation, put themselves in charge of privatization, doling out public property to their cronies in exchange for privatization vouchers worth less than the paper they were printed on.

According to public opinion, the second decade – associated primarily with the name of Vladimir Putin – marked a decisive shift in politics towards society, accompanied by the restoration of constitutional order, the country's emergence from acute crisis and onto a trajectory of sustained and stable development, and the recovery of its status as an influential world power. The country inherited from the 1990s such basic economic institutions as privatization, private property, price liberalization, and so on, while the Putin team managed to bring the state back to the social sphere, considerably reduce the ranks of the poorest Russians, strengthen the army, and bolster the country's international standing (Gorshkov, 2015). And yet, the legacy of the 1990s – grave problems that are unlikely to be solved within 10 or even 15 years – is still there in the form of pervasive corruption, profound social inequality, and huge income and quality-of-life disparities between the rich and the poor, which dampens public perceptions of the authorities' efforts. Moreover, the personification of the state with its leader has only highlighted how it is limited in its capacity to penetrate and define society.

As mentioned in the discussion about representation, Italian trust and confidence in political leaders is not very high. This extends to its institutions, as Eurobarometer surveys – the regular polling of EU member states – consistently finds Italy ranked amongst those states with the lowest rate of support for domestic institutions (Eurobarometer 2013). But the sense that the Italian state (or centre) provides the capacity to generate a sense of belonging to a political community and has agency extends beyond disenchantment with national institutions. The long-standing regional

disparities have not only persisted but have become even more acute in the wake of the economic crisis of the last decade (data may be found at http://ec.europa.eu/regional_policy/index.cfm/en/). Whereas central and northern regions have EU level per capita GDP, the figures for most southern regions is closer to that of some of the enlargement countries. Regional development policy is now mostly carried out at the European level but regional and national governments need to develop the capacity to access EU structural funds. A recent open letter by the southern writer to the Italian Prime Minister, Roberto Saviano, in which he signalled the sense that the central state had abandoned the southern regions, set off a heated debate that only served to highlight the distance between the different parts of the country; and the extent to which the centre could not provide a direction on how to resolve the problem (Saviano 2015). The debate harked back to a century-old debate about the “absence” of the state in large parts of southern Italy; that is, the terms of membership in the political community were decidedly different for the South (Schneider 1998).

However, it was not only the regional income disparities that have been part of unified Italy since the end of the nineteenth century that served to disrupt the continuity of the state but the growing political movements that crystallised this divergence. Much has been made of the political trajectory of the Lega Nord (Northern League), from its federalist origins to its anti-immigrant populism. But one theme that has remained constant is its claim that the Italian state was an artificial imposition on the different political communities of the peninsula (Bull 2003). It may be a regionalist party but it is the dominant party in the Veneto and Lombardy, two of Italy’s most populist and wealthiest regions. Their distance and disenchantment was captured by the fact that large parts of the regions controlled by the Lega refused to celebrate the 150th anniversary of Italian unification in 2011. The Lega also is one of the most vocal and increasingly popular critics of the European Union and the single currency, seeing it just as much an artificial community as Italy.

The Lega is not the only anti-politics movement that is shaping political discourse and even political development. The M5S has established itself as the party of choice for close to one-quarter of the electorate. It would be easy to dismiss it as the typical populist cry of anger that would be expected to emerge in the midst of the most prolonged period of economic stagnation in the history of modern Italy. However, it has many more features that suggest that it taps into an electorate that has lost its political moorings, cast adrift without reference or nodal points to aggregate and articulate its demands (Biorcio and Natale 2013). Its success is partly due to its innovative use (by the terms of Italian politics) of new digital technologies both to communicate with potential voters and also to shape its policy positions. The result is a fragmented, seemingly chaotic political platform that reflects the fragmented nature of movement and those who shape it, including its

voters. It provides little continuity either in its positions or in its structure but its support seems to remain consistent.

The Lega Nord and M5S are just two examples that suggest that many of the political institutions and practices that had shaped the modern era seem to no longer generate the sense of belonging in contemporary Italy. The state is no longer the central point that gives meaning to the political community for large parts of the population, many which have sought ontological security at the regional or even European level (Italians consistently express some of the highest rates of trust and confidence in EU institutions).

Conclusion

Russia and Italy present two very different trajectories of political development. The former is consistently lumped into the group of “transition” states, usually as an example of a stalled transformation into a functioning liberal democracy with a market economy. Italy, on the other hand, is seen as a consolidated liberal democratic state that has been an integral part of the process of European integration, arguably the epitome of liberal democracy and market capitalism. Yet, the two cases are struggling to come to terms political, social and economic forces that are undermining the central and nodal points of governing in the modern era. In both cases, we find political elites struggling to find new ways to provide political representation for societal demands that are much more fragmented. The traditional roles of political parties as aggregators and articulators of those demands must struggle with society’s that are much more fragmented. Ideology and party structures have given way to new forms of political communication that place an emphasis on political personalities and ephemeral issues. The capacity to shape and guide the economic destiny of the political community in both cases demonstrates that there is no guiding hand of a political centre. Governments struggle to deal with the consequences of having their economies traversed by transnational capital and economic flows. This erosion of representation and responsiveness has created a growing ontological insecurity, expressed in forms of anti-politics in both cases. This is not to suggest that Italy and Russia are similar states or forms of governing; but that they are having to respond to similar challenges with some similar responses.

What consequences may flow from this politics without a centre? First, it provides further ammunition to the argument that the transition paradigm does not capture the complex interplay of different pressures on states in the contemporary world, thus limiting the utility of the transition-consolidated state binary. Examining ways in which different states are dealing with similar challenges may help us better understand what factors in political development are “transitional”

and which are structural features of governing contemporary capitalism. Second, it may also help us better understand whether seemingly ephemeral phenomena such as populism have much deeper roots in the nature of contemporary society. If political parties no longer can aggregate demands and articulate them into clearly defined and consistent policies, what forms of representation can we imagine? Third, the two cases suggest that the security of a clearly defined political community cannot be taken for granted in this eroding landscape.

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