3. Actors
This chapter deals with **comparative conceptualization of political, economic, and communal actors**. It will unfold along the lines of Table 3.1, which contains many of the concepts to be introduced, sorted according to the three polar types from the six ideal type regimes of the triangular conceptual space.

The chapter is divided into seven parts. First, as the chapter will define actors of the three spheres of social action, we must define these spheres in a more formal way than we have done previously. Part 3.2 is devoted to this, giving an overarching framework for the book in general and for the discussion of actors in this chapter in particular.

Spanning conceptual spaces by defining the ideal typical actors as well as corresponding entities and activities in the three polar type regimes, we start, in Part 3.3, with formally political phenomena, such as the prime minister and governing and opposition parties (as they are called in liberal democracies). In Part 3.4, we move on to formally economic actors, including entrepreneurs, lobbyists, and economic front men. Furthermore, we offer a typology of so-called oligarchs in patronal regimes and explain how the formation of a single-pyramid patronal network, drawing upon its monopoly of power, destroys the relative autonomy of oligarchs and aims to integrate them into a single chain of command.

Part 3.5 is devoted to communal actors. It is this part where we speak about the citizens of the three polar type regimes, how they uphold human rights and the private sphere; the church, and how it ideal-typically relates to various states; and NGOs, the corresponding groups of which are GONGO (Government-organized NGO) in a patronal autocracy and TRANSBO (transmission belt organization) in a communist dictatorship.

We devote Part 3.6 to our main conceptual contribution in this chapter, the “adopted political family.” We provide for it both a positive and a negative conceptualization, that is, we explain what the adopted political family is and is not. Our aim in this section is to clarify why terms like “new feudal order,” “neomenklatura” or “the new ruling class” are misguided attempts at characterizing the ruling elites of post-communist patronal regimes. A description of the anthropological character of the adopted political family is also included in this part. Finally, Part 3.7 includes schematic depictions to illustrate the ideal typical connections between the ruling elite and other elite groups in all the six ideal type regimes.
### Table 3.1. Political-economic actors in the three polar type regimes (with the topics of the chapters’ parts).

<table>
<thead>
<tr>
<th>Spheres of Social Action</th>
<th>Liberal Democracy</th>
<th>Patronal Autocracy</th>
<th>Communist Dictatorship</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Separated Spheres</strong></td>
<td>prime minister / president, limited govern (within formal authorization)</td>
<td>chief patron, unconstrained dispose over (beyond formal authorization)</td>
<td>general party secretary, totalitarian command (within formal authorization)</td>
</tr>
<tr>
<td><strong>Colluding Spheres</strong></td>
<td>cabinet, politician</td>
<td>patron’s court, poligarch / political front man</td>
<td>politburo, high level party cadre</td>
</tr>
<tr>
<td><strong>Merged Spheres</strong></td>
<td>trustee, public servant</td>
<td>patron’s hand (<em>smotryashchiy</em>, смотрящий), patronal servant</td>
<td>middle and low level party cadre, administrative cadre (<em>apparat-chik</em>, аппаратчик)</td>
</tr>
<tr>
<td><strong>Economic Actors</strong></td>
<td>entrepreneur, subcontractor</td>
<td>oligarch / minigarch, client</td>
<td>state enterprise leader, n.a.</td>
</tr>
<tr>
<td><strong>Political Actors</strong></td>
<td>democratic party politicians’ party joining, governing party opposition party</td>
<td>patron’s party, vassals’ party, cooptation / adoption, transmission-belt party, marginalized / domesticated absorbed / liquidated / fake party</td>
<td>centralized party cadres’ party enrollment, state party, n.a.</td>
</tr>
<tr>
<td><strong>Communal Actors</strong></td>
<td>citizen, independent church</td>
<td>servant (client), client church</td>
<td>subject, repressed church</td>
</tr>
<tr>
<td><strong>NGO</strong></td>
<td>NGO (government-organized NGO)</td>
<td>GONGO (government-organized NGO)</td>
<td>TRANSBO (transmission belt organization)</td>
</tr>
<tr>
<td><strong>Ruling Elites</strong></td>
<td>constrained political elite</td>
<td>adopted political family</td>
<td>nomenklatura</td>
</tr>
<tr>
<td></td>
<td>autonomous elites</td>
<td>patronalized elites</td>
<td>incorporated elites</td>
</tr>
</tbody>
</table>
3.2. The Three Spheres of Social Action

As we explained in the *Introduction*, we generally rely on Offe and the way he distinguishes political, market and communal action in a society. We accept his approach because it conforms to our general, Weberian starting point that starts conceptualization from the notion of social action. Indeed, we start from the three types of action and define spheres to them, whereas something can be a “sphere” only when it can be characterized by a particular type of action. Thus, we use the three types of action Offe identified to give the following operational definitions for the three spheres of social action:

- **Sphere of political action** is a segment of a society that is populated by people who either do or aim at (1) setting the course of using political power, (2) using political power, and/or (3) facilitating the use of political power as hired employees. (“Political action” refers to the use of political power.) People in this sphere, which may also be called “political sphere,” are political actors.

- **Sphere of market action** is a segment of a society that is populated by people who either do or aim at (1) setting the course of production, (2) producing the supply of goods and services, and/or (3) facilitating production as hired employees. (“Market action” refers to production.) People in this sphere, which may also be called “economic sphere,” are economic actors.

- **Sphere of communal action** is a segment of a society that is populated by people who either do or aim at (1) setting the course of reciprocal exchanges, (2) engaging in reciprocal exchanges, and/or (3) facilitating reciprocal exchanges as hired employees. (“Communal action” refers to reciprocal exchanges.) People in this sphere, which may also be called “communal sphere,” are communal actors.

In case of political action, the notion of “political power” has been explained in the previous chapter, referring to the capacity to extract, manage and distribute resources relying on the state’s legitimate use of violence. “Production” is a self-explanatory term, referring to the transformation, arrangement and combination of existing resources to create goods and services that can be bought and sold on the market. Finally, “reciprocal exchange” has not been mentioned yet, although we did refer to Karl Polanyi’s notion of reciprocity, which he understands as the main form of interaction between members of such societal groups as families. We define reciprocal exchange as follows, based on a more recent study:

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1. Offe, “Political Corruption.”
Reciprocal exchange is a type of interpersonal action that involves an act by party A to give something of value to party B, either (a) without knowing when B will reciprocate or (b) reciprocating an earlier favor given by B. Typically, reciprocal exchanges involve barter of goods and services, with the distinctive characteristic that, while at the time of the initial act reciprocation is implicit and its terms are unspecified, reciprocation from the other party is expected to take place at some future point.

Although we constructed each definition according to the same pattern of sentences, “setting the course of” a certain type of action is the primary function of actors only in the political and economic spheres. For example, an entrepreneur’s primary function is to determine what to be produced in a market economy \((\rightarrow 3.4.1.1)\), while the primary function of a liberal democracy’s politician is to determine the direction of a constitutional state’s action. When citizens vote, they also become political actors temporarily, as they aim at setting the course of political action of their state (indirectly, through representatives \((\rightarrow 4.2.2, 4.3)\)). In the communal sphere, however, the course of reciprocal exchange is what Offe refers to as “significant markers of identity and cultural belonging” as well as “shared values and shared notions of virtue,” and those are not set by concrete actors or a central will but rather evolve with culture and civilization. Therefore, it is engaging in reciprocal exchanges on the basis of shared values and identity that constitutes the primary function of actors in the sphere of communal action, and it is only a secondary function that some institutions—such as churches and NGOs—try to shape value structures and support their notions of virtue and belonging.

We speak about a separation of the spheres of social action if there are no overlaps between the roles of actors of different spheres. Separation does not imply there is no connection between the spheres, or the actors thereof, nor that an individual does not engage in more than one type of social action. What separation implies is that, while an individual fulfills different social roles, his actions and motives in one role do not influence his actions and motives in the other role. For example, a head of executive engages in political action as a politician, but he can also engage in communal action in his family. But if the spheres of social action are separated, that means that his sense of belonging and familiar reciprocity does not guide his political actions. Similarly, an economic actor can be an entrepreneur as well as a personal friend of a politician, but neither one’s actions in their primary sphere are influenced by their communal relationship if the spheres of social action are separated.

In the previous paragraph, we spoke in absolute terms like “no influence” to make the meaning of separation clearly. In the real world, separation of spheres of social action is never this clear. Therefore, separation should not be seen as a binary category but rather as a continuum from total separation—when one role of an individual in one sphere has no effect on his other roles in other spheres whatsoever—to the total lack of separation—

\(^5\) Offe, “Political Corruption,” 78.
when every action in every role of the actor is subordinated to the same motive. In other words, we can say that separation signifies the level of autonomy of social actors and roles, whereas the lack of separation signifies the lack of autonomy.

In the post-communist region, what we can typically observe is the lack of separation of the spheres of social action:

- **political actors enter the sphere of market action**, that is, they informally engage in economic action to serve their political-economic goals;
- **economic actors enter the sphere of political action**, that is, they informally engage in political action to serve their economic goals;
- **economic and communal actors are subjugated by political actors** and forced to serve the political-economic goals of their subjugators (especially in case of patronal autocracy).

The rest of the chapter analyzes and differentiates actors along these lines. More specifically, we will conceptualize actors in the three polar type regime:

- **in liberal democracies**, characterized by a separation of the spheres of social action, that is, separation to the degree that autonomies of the spheres are mutually respected and political actors do not enter the sphere of market action;
- **in patronal autocracies**, characterized by a collusion of the spheres of social action, that is, lack of separation to the degree that autonomies of the economic and communal spheres are not respected by the political sphere and political actors enter the sphere of market and communal action;
- **in communist dictatorships**, characterized by a merger of the spheres of social action, that is, lack of separation to the degree that autonomies of economic and communal spheres are completely eliminated, all actors being subjugated to and/or annexed by the formal bureaucratic network of the party state.

### 3.3. Political Actors in the Three Polar Type Regimes

In this part, we span conceptual spaces (define 3–3 corresponding ideal types) for actors of the sphere of political action in the three polar type regimes. The actors were chosen (1) on the basis of their importance for the functioning of each regime type and (2) only if ideal typical differences could be noticed between them in the three polar type regimes. In other words, although some of the political sphere's actors we omit (such as policemen) might be important in one or more regimes, we decided not to include them if the actors fulfilling their roles in different regime types were essentially the same, that is, if they could not be distinguished ideal typically.

Naturally, as the spheres of social action are fully separated only in the ideal typical liberal democracy, some of the following actors (the ones belonging to patronal autocracies and communist dictatorships) are also part of the market and communal spheres.
Moreover, the actors that are presented as corresponding exist with different weight in different regimes, and as the regimes are not structured in the same way the order of the following parts does not imply the structure of the regimes’ political institutions either. That we discuss trustees (and patron’s hands) after politicians (and political front men) does not mean that these are two “layers” that follow each other in every regime. Simply, we wanted to structure our discussion of actors, and therefore we decided to separate them as they are separated in the mainstream literature. In this way, it will be seen why the words—indeed, formal titles—which are used in the language of liberal democracy to denote these actors are inappropriate for the corresponding actors in patronal regimes where informal institutions have supremacy.

3.3.1. President/Prime Minister—Chief Patron—General Party Secretary

We start with the actor who is the head of that (formal and/or informal) organization which holds the executive power in a certain polity. In a liberal democracy, this actor is either a president—when the system of governance is presidential or semi-presidential—or a prime minister—when the system of governance is parliamentary.7

- **Prime minister** or **president** is an actor who is the head of executive power in a liberal democratic regime. The defining characteristic of his power is being limited: first, it is limited to the sphere of political action and, second, by the separation of branches of power within that sphere. Accordingly, his main action is to govern, that is, exercising authority in ruling a constitutional state, and he does so within formal authorization.

The corresponding actor in patronal autocracy is the chief patron:

- **Chief patron** is an actor who is formally the head of executive power and informally the head of a single-pyramid patronal network in a patronal autocracy. The defining characteristic of his power is being unconstrained: he has a monopoly in the sphere of political action with connected branches of power, so he has the opportunity to act in all the spheres without any effective check on his power. Accordingly, his main action is to dispose over, that is, exercising authority in ruling a mafia state, and he does so beyond formal authorization.

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7 For a classic work on the forms of government, see Lijphart, *Parliamentary Versus Presidential Government*.
In communist dictatorship, we see in this position the general party secretary:

- **General party secretary** is an actor who is the head of executive power as well as the Marxist-Leninist party in a communist dictatorship. The defining characteristic of his power is being **totalitarian**: he leads a system which merges both the spheres of social action and the branches of power, so he necessarily acts in all the spheres without any effective check on his power. Accordingly, his main action is to **command**, that is, exercising authority in ruling a party state, and he does so within formal authorization.

Each definition above represents a cluster of concepts: first, there is a concept for the head of executive power; second, there is a one for his scope of rule; and third, there is a verb to express his action as the head of executive (following the first two concepts). The concepts within each cluster are logically connected to each other therefore neither should be used interchangeably with the corresponding concept of a different cluster.

The definitions express what we have already described with respect to the various ruling elites. However, it may be useful to underline two subtle differences between these actors. On the one hand, **the chief patron is the only one whose scope of power does not follow his formal position**. Indeed, it follows his informal position, or that he patronized (and patrimonialized) the sphere of political action. This is why, in other words, the chief patron acts beyond formal authorization, whereas the others act within it: although he is formally limited by the separation of powers and confined to the sphere of political action, he steps over the boundaries between the executive and other branches and steps into the economic and communal spheres of action. Consequently, his actions can also be considered **illegal**, as opposed to the general party secretary who also steps into the non-political spheres of action but has authority to do so (for the “vanguard” of the Marxist-Leninist party is the “leading force” of society, as set out in the constitution [→ 4.3.4.2]).

On the other hand, **both the chief patron and the general party secretary have unlimited power, but the chief patron does not necessarily subjugate the entirety of the spheres of social action**—hence, the former’s power is only “unconstrained” whereas the latter’s one is “totalitarian.” This follows from the difference in the nature of their regimes, or their main motives. The motivation of a communist dictatorship is ideology, aiming at re-engineering the entire society. The motivation of a patronal autocracy is elite interest, that is, power and wealth accumulation. The former goal requires (at least according to communist ideologists) the use of state power at all levels of society—that is, totalitarianism. The latter goal does not require the subjugation of every social group, only the ones which threaten the chief patron’s power and are important to make fortunes—that is, “simply” unconstrained power will do. In the ideal typical communist dictatorship, the entire society is incorporated, leaving no freedom and autonomy; in the ideal typical patronal autocracy, the spheres that are neither promising nor dangerous are neglected.
3.3.2. Cabinet—Patron’s Court—Politburo

3.3.2.1. General definitions

After the head of executive, we move on to the main decision-making body of the three polar type regimes. In a liberal democracy, this is the cabinet:

- **Cabinet** is a group of actors who make executive decisions in a liberal democracy. It is led by the president/prime minister and includes the high ranking members of the leading political elite (actors with formal positions in the executive branch) who can (1) decide against the will of the president/prime minister and (2) hold formal positions following the winner party’s electoral mandate.

The corresponding entity in a patronal autocracy is the patron’s court:

- **Patron’s court** is a group of actors who make executive decisions in a patronal autocracy. It is led by the chief patron and includes the top members of the adopted political family (actors with or without formal positions either in the executive branch or the economic sphere) who (1) cannot decide against the will of the chief patron and (2) not all of them hold formal positions following the winner party’s electoral mandate.

In communist dictatorship, we see in this position the politburo:

- **Politburo** is a group of actors who make executive decisions in a communist dictatorship. It is led by the general party secretary and includes the top members of the nomenklatura (actors with formal positions on the top of the hierarchy of the Marxist-Leninist party) who (1) cannot decide against the will of the general party secretary and (2) hold formal positions following intra-party selection mechanisms.

The main difference between a patron’s court and the two other decision making bodies is the presence of informal actors. In the ideal typical liberal democracy, no one who does not have a formal position in the executive can be part of governance. There may be presidential advisors or party members who have great influence over decision-making, but this influence also stems from the formal positions these actors legally fulfill around the head of executive. Similarly, in a communist dictatorship, without being a formal member of the politburo no one can exercise real power—indeed, being removed from this political committee is concomitant with the loss of prerogatives of power. In turn, the

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9 Cf. the description of “Putin’s Court” in Judah, *Fragile Empire*, 115–34.
10 In Stalinist times, this meant the Gulag and death, while later, in communism’s “humanized” form, it entailed sinecure without any access to power, a pension, and a partial continuation of consumer privileges,
3.3. Political Actors in the Three Polar Type Regimes

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3.3.2.2. Post-communist regional differences: Nazarbayev’s “Christmas tree,” Putin’s tables, and Orbán’s family VIP box

Since the patron’s court does not constitute a formalized body, it shows a great variety of forms as it appears in different post-communist regimes. At this point, it might be illuminating to look at three examples, each taken from a historical region of the Soviet Empire [→ 1.3.1].

We may start with the example from the easternmost, Islamic region—Kazakhstan and the court of Nursultan Nazarbayev. In this region, as we explained in Chapter 1, the typical way for a country after the regime change was continuity, with the top positions of the communist party and the secret service switching directly into informal patronal networks. This is well expressed in the various titles Nazarbayev has held: first, he was the general party secretary (First Secretary) of the Kazakh Soviet Socialist Republic; second, he was elected president of the newly formed Kazakhstan in 1990; and by now, he holds the legal title “Leader of the Nation,” which harmonizes with his actual role—the chief patron—and character of leadership—the pater familias [→ 3.6.2.2].

An opposition website visualized Nazarbayev’s adopted political family as a Christmas tree, reflecting on the shape of the patronal pyramid he is leading. Based on publications in the press, the website guides the reader through the patronal network, and one may note the variety of positions that are mingled: people with kinship ties (like his daughters) are present alongside people with quasi-kinship ties (like the head of state-owned oil and gas company KazTransGas), just as people with formal positions (like the Minister of Justice) are there with people with informal positions (like Nazarbayev’s confidante). As for the patron’s court, the website puts on the top of the Christmas tree Nazarbayev’s brother and first and second wives as well as his (formal) trustee, assistant, middle daughter (the richest woman in Kazakhstan) and third daughter (Kazakhstan’s largest developer). The extensive business interests of these actors show how a lack of separation of the spheres of social action is present, with people holding a variety of formal and informal positions at the same time.

like in the case of Nikita Khrushchev. See Taubman, Khrushchev, 16–17.

11 Hale, Patronal Politics, 249–53. Nazarbayev resigned from the presidency in 2019 yet retained much of his powers [→ 4.4.3.3].

12 “Nazarbayev’s Christmas Tree.”

13 “The Chart of N. Nazarbayev’s Family OCG.”
Turning to the Eastern-Orthodox region, the patron’s court in Vladimir Putin’s Russia is “identified as an ‘inner circle’ of people who take part in practically all of Putin’s meetings,” according to the classic study of Stephen White and Olga Kryshtanovskaya. They describe this inner circle as the joined network of three “tables.”

- **Presidential cabinet.** The Monday meetings are effectively meetings of the President with members of the government, that is, a decision-making body reflecting the pattern of the formalized government structure.

- **Security Council.** The circle of participants at the Saturday meetings is more closed, and its composition does not coincide with bureaucratic boundaries. The people participating in the meeting of the body called the Security Council have formal political positions (in the presidential cabinet, government, secret service organizations or the prosecutor’s office), are confidants of Putin, and are key figures in executive authority and law enforcement. All that the media reports in this case is that at the meetings “various questions of domestic and foreign policy” were discussed.

- **“Tea-drinking group.”** “This [group] consists of Putin’s personal friends, who meet informally at his official residence. Nothing is known of the frequency of such meetings, and every precaution is taken to ensure that even the names of those who are admitted into this inner circle are not made public. This ‘tea-drinking group’ is overwhelmingly composed of leading officials who—like Putin himself—were born in Leningrad and graduated from its university. They include Sergei Ivanov, Igor’ Sechin, Dmitriy Medvedev (a former member of the university’s teaching staff), federal narcotics board head Viktor Cherkesov, presidential envoy Dmitriy Kozak […], presidential aide Vladimir Kozhin, [and the] presidential envoy in the central federal district[]. These patterns of interaction are underpinned by less formal patterns of informal association, or ‘clans.’”

In the case of the newly emerged Hungarian patronal regime in the Western-Christian region, it is chief patron Viktor Orbán’s family VIP box by the football pitch that presents the clearest picture of the country’s real power center. Here, the chief patron chezars among the awkward intimacy of his circle, people who are in their civil roles under a rule of law (minister, mayor, chief prosecutor, president of the State Audit Office, bank chairman, businessmen etc.) together with the people of his household. The changes in the set of people who can enter this family VIP box expresses who are adopted or cast out from the decision-making center, as exemplified by Lajos Simicska who had been Orbán’s close friend.

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14 Kryshtanovskaya and White, “Inside the Putin Court,” 1066.
15 Kryshtanovskaya and White, “Inside the Putin Court,” 1067–68.
16 Kryshtanovskaya and White, “Inside the Putin Court,” 1068.
17 Kryshtanovskaya and White, “Inside the Putin Court,” 1068–69.
18 "Orbán és Polt fergetegesen érezte magát a pénteki meccsen – fotó [Orbán and Polt had fantastic time at Friday’s match – photo]; "Egy nyár a VIP-páholyban [A summer in the VIP Box]; "A NER elitje Orbánnal nézi a Vidi stadionavatóját a díszpáholyból - fotók [The NER elite watches Videoton stadium opening from VIP box - photos]."
and highest oligarch before he started a “mafia war” with the chief patron [3.4.1.4].
Also, more recently the decision-making center can be seen on the private jet of one of
the regime’s main oligarchs, used by Orbán and his court to travel to football matches.

3.3.3. Politician—Poligarch / Political Front Man—High Level Party Cadre

People in political roles in post-communist autocracies are generally considered politi-
cians, whereas they are not—at least not in the Western sense of the word. Indeed, we may
define the “politician” of liberal democracy as follows:

- **Politician** is an actor who only has formal political power which he can use au-
tonomously, according to his own will. In other words, he acts freely but solely
in the sphere of political action managing public affairs from positions of public
authority, obtained (directly or indirectly) through elections.

In the autocratic case, strict rules of conflict of interest to separate public and private inter-
ests do not apply. To the contrary, to paraphrase Max Weber, they handle their authority
as economic opportunities they appropriated in their private interest. Hence, in a patronal
autocracy, we should rather speak about “poligarchs.”

- **Poligarch** is an actor who has formal political power and informal economic
power. In other words, he acts in both the sphere of political and the sphere of
market action acquiring illegitimate economic wealth by the means of legitimate
political power, running a political business venture.

Although their personal wealth is secured from their political position and decisions, the
poligarch’s illegitimate financial advantages overstep the limits of privileged allowances that
could be related to his position and revenues from classical corruption (see Box 3.1). Man-
aging the family business in the form of a political venture, the poligarch also establishes
land leases, real estate possessions and a network of companies through so-called economic
front men who legally stand for his illegally acquired property and authority (see below).
Sometimes poligarchs pile up private fortunes in the guise of pseudo-civil organizations or
foundations sourced from public funds where they have informal decision-making com-
petencies over the money.

20 Balogh, “Corruption at the Very Top.”
21 We borrow this apt expression from the novel of Frei, 2015—A káosz éve és a magyar elit háborúja
[2015—The year of chaos and the war of the Hungarian elite], 18.
22 An example of this would be the football stadium and academy on the private estate of Orban’s family
in his home town of Felcsút, built and maintained from tax benefits and redirected public funds. Magyar,
Post-Communist Mafia State, 91–92.
Box 3.1. Putin, the chief poligarch of Russia.

“Putin [has got] over twenty official residences, fifty-eight planes, and four yachts. […] Putin does not ‘own’ any of these, except […] perhaps his first yacht […] which was presented to him as a gift by a group of oligarchs headed by Roman Abramovich […] Those who say politicians can’t be called corrupt unless the police find $20,000 in small bills in their freezer […] should contemplate how much has been spent from public funds on the construction, maintenance, furnishing, and round-the-clock staffing of these twenty residences, most of which did not exist […] prior to Putin’s rule. […]

Putin increased his influence over Gazprom’s [the largest company in Russia] board of directors immediately upon being elected by [replacing the former chairman of the board] by Dmitriy Medvedev, who had been Putin’s legal advisor, headed his electoral campaign, and had become first deputy head of the Presidential Administration. […] Putin personally attended the Gazprom meeting on May 30, 2001, and […] informed the startled board that he was instructing the five government-nominated directors to replace [the CEO] with Aleksey Miller, […] Putin’s St. Petersburg coworker […]. Within Putin’s first years, more members of his clan would be placed on the Gazprom board […]. By all accounts, from the beginning Putin […] took a personal interest in the company’s performance, its policies (particularly in terms of gas supply to Russia’s neighbors), and the distribution of its profits. […] Installing Medvedev as chairman of the board gave Putin direct access to the board’s decisions and deliberations.”


On the other hand, in patronal autocracies, there are people who have formal political power, but they cannot use the authority vested in them on the basis of their public office autonomously. Indeed, these people’s actual scope of action contradicts their formal authorizations, for they are dependent on a patron whose orders they must follow. With the formation of unbridled power in the political sphere and over the appointments of personnel, the formally democratic institutional system becomes the domain of such “political front men.”

**Political front man** is an actor who has formal political power but cannot use it according to his own will. In other words, he acts in the sphere of political action but he is a client in a patronal network, subordinated to the will of a patron (ultimately the chief patron) who disposes over the front man’s formal authorization.

The (chief) patron disposes over the political front man in two ways: (1) he disposes over the front man’s status (appointment); and (2) he disposes over the action the front man is formally authorized for. Indeed, the formal position or legal standing of the front man serves only to bridge the gap between the legitimate and illegitimate spheres, that is, between the formal institutional system and the informal patronal network.

In turn, such mismatch between *de jure* and *de facto* power or rulership structure does not appear in a communist dictatorship, where the actor with political power is the high level party cadre:

**High level party cadre** is an actor who has formal political power in the nomenklatura of a communist dictatorship. In other words, following the nature of his system, the high level party cadre acts in every sphere of social action making decisions about the goals and plans of the Marxist-Leninist party.

“Party cadre” (or simply cadre) is the general term for position-holding members of the party state. However, it is only the high level party cadre who has actual political power, whereas the functions of lower level cadres are different. We describe these cadres in the next two parts.
3.3. Political Actors in the Three Polar Type Regimes

3.3.4. Trustee—Patron’s Hand (Smotryashciy)—Middle/Low Level Party Cadre

While the political front man is an actor who formally has competences to make decisions but indeed executes the will of his patron, there are actors in all three polar type regimes who represent, as agents, the interest of their principals without a misleading formal title. Such actor in a liberal democracy is called trustee:

- **Trustee** is an actor who is entrusted to act on behalf of his principals representing their formal interests. Such an actor may appear in the political sphere (political trustee) as well as the economic sphere (economic trustee), but they are always situated in the same sphere as their principals formally are. The trustee’s activity is formalized, and can be either occasional or permanent.

In a patronal autocracy, the actor acting on behalf of the members of the adopted political family is called a patron’s hand or, by the Russian term, smotryashchiy (literally “watcher”):

- **Patron’s hand** is an actor who is entrusted to act on behalf of his principals representing their informal interests. Because they are typically employed by the adopted political family, patron’s hands are not necessarily situated in the same sphere as their principals formally are. The activity of a patron’s hand is non-transparent, it is either formalized or informal, and it can be either occasional or permanent.

Patron’s hands can be categorized in two ways. By their position, we can differentiate three subtypes: the ones who are entrusted informally, and do not have a formal position at all; the ones who are entrusted informally, and have some kind of formal position (which is not that of a trustee); and third, there are the ones who are employed as trustees but, in fact, represent informal interests. “In Putin’s sistema,” for example, “state institutions are controlled through his ‘core contacts’, ‘curators’ and highly personalized monitoring and reporting practices within Putin's networks. Such control practices penetrate also non-state companies, which are likely to be informally supervised by ‘parachuters’ — people appointed over the heads of their formal bosses and personally connected to the political leadership.”23 On the other hand, by their function, patron’s hands can either connect different levels within a certain vertical or connect different verticals. One example for the latter, virtually matching the ideal typical definition, can be seen in Orbán’s Hungary, where patron’s hands with various formal positions informally connect party (and state) communications with nominally private media, the “held” editors and journalists of which receive orders about what to publish through the representatives of the adopted political leaders.

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According to investigative journalists, the same role in the Russian patronal autocracy is fulfilled by Alexey Gromov, a member of Putin’s adopted political family who personally oversees and controls the content of Russian patronal media. The primary reason which makes patron’s hands necessary is the size of the adopted political family and its domain: although ultimately everyone is subject to the will of the chief patron, he cannot be everywhere, so he must use patron’s hands to represent his interests in particular areas and levels of society.

In a communist dictatorship, the party ensures its interests are always served at each of the leading positions in the society by doubling the nomenklatura’s hierarchy and adding middle/low level party cadres to the corresponding levels of society:

- **Middle/low level party cadre** is an actor who is formally entrusted to act on behalf of the Marxist-Leninist party. Such an actor may appear within any spheres of the social action that are bureaucratized by the party state. Because they are situated in a regime which is characterized by a merger of spheres of social action, middle/low level party cadres are always situated in the same sphere as their principals (higher level cadres) formally are. The middle/low level party cadre’s activity is legitimate and permanent.

Adam Podgórecki describes the use of middle/low level party cadres on every level of the society as “totalitarian bureaucratization,” where the party state develops “a complicated web […] which surround individuals and compel them to act according to the expectations of the system. […] In Soviet schools, organizations were set up to control the sociopolitical behaviour of parents; in all communist countries, party cells were created in all workplaces and residential areas, and they closely and comprehensively surveilled the behaviour of all employees and residents.” Also, the existence of middle/low level party cadres makes it possible (1) to keep the independent movement of the party elites within bounds and (2) to switch the bureaucratic functionality of the party elites temporarily into a campaign mode, when such mobilization is initiated through various campaigns directed from above [→ 4.3.3.1].

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24 Rényi, “Ez nem újságírás, ez politikai nehézfegyverzet” [This is not journalism, this is political heavy weaponry].

25 Rubin, Zholobova, and Badanin, “Master of Puppets.”

3.3.5. Civil Servant—Patronal Servant—Administrative Cadre (Apparatchik)

The next three actors are preoccupied with administrative tasks related to the ruling elite in polar type regimes.

In a liberal democracy, the administrative actors are called civil servants:

- **Civil servant** is an actor who belongs to the bureaucratic administration of a liberal democracy. Accordingly, he is appointed on the basis of normative (professional) criteria to serve in a clearly defined sphere of competence subject to impersonal rules. He is expected to act in accordance with the law, and he is loyal to the organization and its ethos over his direct (and indirect) bosses.

In a patronal autocracy, the corresponding actor may be called patronal servant:

- **Patronal servant** is an actor who belongs to the bureaucratic administration of a patronal autocracy. Accordingly, he is appointed on the basis of discretional (political and personal) criteria to serve in a sphere of competence that is subject to informally changing political demand. He is expected to act in accordance with the will of the adopted political family, and he is loyal to his direct (and indirect/informal) bosses over the organization and its ethos.

Finally, if we turn to communist dictatorships, the enormous bureaucracy of the party state requires a high number of administrative cadres (or “apparatchiks”):

- **Administrative cadre** is an actor who belongs to the bureaucratic administration of a communist dictatorship. Accordingly, he is appointed on the basis of discretional normative (professional) criteria to serve in a sphere of competence that is subject to formally changing political demand. He is expected to act in accordance with the will of the Marxist-Leninist party, and he is loyal to the organization and its ethos over his direct (and indirect) bosses.

To fully understand the role of bureaucrats in all three polar type regimes, it is worthwhile to return to the writings of Weber, in which he explains the sociological functions and ideal typical characteristics of these roles. As he writes: “The master rules with or without an administrative staff. […] The typical administrative staff is recruited from one or more of the following sources: (I) From persons who are already related to the chief by traditional ties of loyalty. This will be called patrimonial recruitment. Such persons may be a) kinsmen, b) slaves, c) dependents who are officers of the household, especially ministerial, d) clients, [etc.], and (II) Recruitment may be extra-patrimonial, including a) persons in a relation of purely personal loyalty such as all sorts of “favorites,” b) persons standing in a relation of fealty to their lord (vassals), and, finally c) free men who voluntarily enter into a relation of personal loyalty as officials.”27 When the administrative tasks are dominated by

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vassals, that is already the feudal form of the patrimonial rule, where the “administrative staff appropriates particular powers and the corresponding economic assets,” either by an organization or by individuals.28

Weber summarizes the characteristics of professional bureaucratic administration performed—usually in modern societies—by free officials as follows:29

◆ a continuous rule-bound conduct of official business;

◆ a specified sphere of competence (jurisdiction);

◆ the organization of offices follows the principle of hierarchy;

◆ the rules which regulate the conduct of an office may be technical rules or norms. In both cases, if their application is to be fully rational, specialized training is necessary;

◆ it is a matter of principle that the members of the administrative staff should be completely separated from ownership of the means of production or administration;

◆ there is also a complete absence of appropriation of his official position by the incumbent;

◆ the principle of administration on the basis of documents is adhered to. The combination of written documents and a continuous operation by officials constitutes the “office;”

◆ the administrative group that operates along the lines of the principles above is called the army of officials, bureaucracy.

In turn, within the administrative system of the mafia state the patterns of traditional autocratic rule increasingly emerge. The patriarchal head of the adopted political family exercises control in circumstances that do not adhere to the law. Rather, he gives commands himself, or through his confidants, thereby diluting and adjusting the traits of the bureaucratic administration typical in the modern state to his own demands. While the public servant’s motive is to adhere to legal procedures, the patronal servant proves his loyalty to the (chief) patron of the patronal network.

Accordingly, the professional bureaucratic administration in a patronal autocracy can be characterized, contrasting it to the Weberian description,30 as follows:

◆ the normative system of “a regular system of appointment on the basis of free contract, and orderly promotion” is disassembled;

◆ the “clearly defined sphere of competence subject to impersonal rules” are loosened.

The political appointees handle a great variety of roles in the adopted political family, within the legitimate sphere of administration: front man, governor, com-

3.3. Political Actors in the Three Polar Type Regimes

missar, steward, treasurer etc., expressions that describe the real functions of their roles more accurately in sociological terms, than would the official definitions of the administrative positions;

◆ the “rationally established hierarchy” is disrupted. The affiliates of the adopted political family traverse the lower and higher regions of public administration freely; the centralization of decisions pertaining to promotions by subjective mechanisms increases as the normative system of promotion is replaced by discretionary decision-making mechanisms driven by political interests. If the elastic laws are still too tight for the implementation of the preferences of the adopted political family with regard to personnel, the “normative” environment is shaped to fit demands through regulations tailored to fit;

◆ “technical training as a regular requirement” is relativized. When necessary, peculiar exemptions pave the way for the positions that previously had strict prerequisites in terms of professional training;

◆ allowances and property entitlements are added on to “fixed salaries” as one rises through the hierarchy, reaching domains well beyond legal sources of income.

In short, the Weberian traits of the professional bureaucratic administration either regress—typically in the westernmost historical region, where the traits could even be found in the first place—or never take form—typically in the two other regions, where the regime change meant the replacement of party loyalty and formal hierarchy with personal loyalty and informal hierarchy. Yet in such cases, the influence of the bureaucracy in the adopted political family is not negligible. Indeed, in case of nomenklatura-based clans [→ 3.6.2.1], the patronal bureaucracy contains positions for much of the former nomenklatura, and therefore patronal bureaucracy is itself a powerful branch of the ruling elite. As Nikolay Petrov explains, in Putin’s nomenklatura-based clan—which still, as we explained, should be seen as an adopted political family under the patriarchal domination of the chief patron—“[the] competition between two powerful verticals—namely the Communist one and the Chekist one—which provided greater internal rigidity for the [original nomenklatura] is […] absent. With a certain degree of simplification, one may consider that under Yeltsin a weakened administrative vertical had taken over the party vertical function, while the Chekist vertical was reduced, though it retained its subordination to Moscow. Under Putin, the administrative and Chekist verticals were strengthened significantly and effectively merged, with the Chekist element playing a dominant role for the first time.”

This leads us to the case of communist dictatorships and the bureaucracy of apparatchiks. In communist regimes, the apparatchiks share the normativity of Weberian bureaucrats and the subjection to political demand of patronal servant. Yet even beyond the usual difference between formality (communist dictatorship) and informality (patronal autocracy), we should note a more subtle dissimilarity, emerging when the bureaucracy—even if it involves the former nomenklatura—gets patronalized by a top patron. Namely, an apparatchik follows the line which the party dictates, and he is loyal to the party as an

organization; as Hungarian historian Miklós Szabó wryly noted, “the good communist firmly fluctuates with the party.” In turn, the patronal servant proves his goodness, and loyalty to the (chief) patron, by stepping over the formal (legal) rules on the patron’s order. From this it follows, first, that in a patronal autocracy, organizational loyalty is replaced by personal loyalty. Second, making the patronal servant commit illegal acts, which are persecuted only if the chief patron wants them to, creates the informal subordination the patron-client network of the mafia state depends on. For the patron can use the fact of illegality as a base for blackmail to coerce the patronal servant. Indeed, while in a liberal democracy a bureaucrat is fired if he commits a crime, in a patronal autocracy he is fired if he fails to commit a crime, and thus fails to be compromisable in case of disloyalty.

3.3.6. State’s Secret Service—Patron’s Secret Service—Party’s Secret Service

The various intelligence agencies fulfill different roles in the three ideal type regimes, depending on whom the agencies answer to. In a liberal democracy, we can speak about the state’s secret service:

- **State’s secret service** is an intelligence agency that answers to the institution of the state. It is under the control of the executive, and the confidential nature of its workings reaches over the electoral cycles of the regime for those outside the secret service and/or the cabinet.

In a patronal autocracy, the secret service is subordinated to the chief patron:

- **Patron’s secret service** is an intelligence agency that answers to the person of the chief patron. It is under the control of the executive, and the confidential nature of its workings can be violated according to the political needs of the patron’s court.

In a communist dictatorship, the secret services and the state enforcement organizations are under the control of the small, topmost body of the party:

- **Party’s secret service** is an intelligence agency that answers to the institution of the state party. It is under the control of the (non-separated) executive, and the confidential nature of its workings applies to everyone outside the secret service and/or the politburo.

The confidential nature of the workings of intelligence agencies, and how it ideally typically differs in the three regimes, is demonstrated by the process of classification. In the

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32 Szabó, *A jó kommunista szilárdan együtt ingadozik a párttal.*

33 We now speak only about secret services that are subordinated to the ruling elite; ones that are more autonomous and form a kind of “deep state” are going to be discussed in Chapter 7 [7.4.2].
fundamentally formal systems of liberal democracy and communist dictatorship, information may be deemed a “national security secret” on the basis of the normative criteria of the state and classified for decades accordingly, meaning it cannot be shared with anyone without strict formal authorization. In the fundamentally informal system of patronal autocracy, however, information may be deemed “national security secret” on the basis of the discretional criteria of the chief patron and classified for decades accordingly,34 whereas classified information can be used, upon the discretional decision of the chief patron, either for intra-party blackmailing (kompromat) or for public character assassination and criminalization campaigns [4.3.5.2].

The nature of loyalty of the intelligence agencies also differs in the three polar type regimes. In the communist system, loyalty to the general party secretary was indivisible from the formal position, and in case of a downfall the loyalty of the secret services transferred to the new leader. In patronal autocracies, the personal attachment and dependence on the chief patron and his “family” becomes stronger. Though it would be hard to test how loyalty survived in the wake of the death of autocrats and the transitions ushered in by color revolutions, Hungary’s example is illustrative in a number of respects. After the electoral defeat of Fidesz following its term in government between 1998 and 2002, the chief patron withdrew some of the secret service cadres from the formal institutions and established an alternative, private secret service and security capacity, and then placed these at the head of the reformed secret service and security organs after Fidesz’s 2010 election victory. The newly established Counter Terrorism Center (TEK), which was invested with secret service, counterintelligence, police and investigative functions as well, is directed by Viktor Orbán’s former personal bodyguard.35 On a larger scale, the situation is the same in the case of the National Guard of the Russian Federation, founded in 2016 and with Putin’s personal bodyguard also becoming its leader.36

This leads to the third and final aspect, the selection of the head of the secret service. In communist regimes, the head of the party’s security were important political actors themselves—some of them, like Heidar Aliyev in Azerbaijan, even rose to the top after the regime change where the (leaders of the) nomenklatura preserved its power.37 In general, the cadre policy of the secret service and enforcement organizations in communist dictatorships (as well as liberal democracies) follows a formalized order of advancement established by the former communist nomenklatura that regulates and somewhat limits the number of candidates who can be considered for the given position. In contrast, in a patronal autocracy, the chief criterion for filling a position of real power—indepedent of advancement and position on the formal table of rank—is a close personal connection and a relationship of trust with the chief patron.

34 For an example, see Oroszi, “Hungarian Government Classified Whether Russia Gets Compensation If Paks II Nuclear Plant Expansion Is Called Off.”
35 Magyar, Post-Communist Mafia State, 103–5.
36 Savage, “The Russian National Guard.”
37 Hale, Patronal Politics, 149–51.
3.3.7. Democratic Party (Politicians’ Party)—Patron’s Party (Vassals’ Party)—Centralized Party (Cadres’ Party)

Political parties are considered the main collective political actors in electoral regimes, liberal democracies or otherwise. In this section, we outline a typology of parties on the basis of their membership. More precisely, we focus on what powers (1) the rulers of the party have vis-à-vis (2) the rest of the party’s members, and we define parties in the three polar type regimes from both of these angles.

In a liberal democracy, a party is, from the side of the rulers, a democratic party, whereas from the side of the members it is a politicians’ party:

- **Democratic party** is an organized group of actors led by a democratically elected party leadership. The leadership is both the de facto and de jure top decision-making body of the party and its competences are strictly delimited by the party’s formal rules (constitution or charter). The party’s membership is composed of politicians—autonomous actors—who entered the party through joining, that is, entering voluntarily and being accepted on the basis of predefined (formal and normative) criteria. Therefore such a party may also be called politicians’ party.

Post-communist regimes also have numerous political parties, yet the definition of “democratic party” can be best applied to parties in the EU member countries in Central Eastern Europe. But even in their case, questions immediately arise, including whether these parties operate in close concert with dominant patronal networks (which developed in the course of the disposal of state property and occasional reallocation) or independently of them. In the second (East European, Christian Orthodox) and third (Central Asian, Muslim) historical regions of post-communist regimes, it becomes obvious that the definition of parties developed for liberal democracies can only be applied in a very limited sense. In their case, we could rather speak of patron’s parties, which ensure the patronal networks a formal framework to grant them legitimacy in a (restricted) competition. And while “parton’s party” captures the phenomenon from the side of the rulers, from the side of the members it can be best recognized as a “vassals’ party.”

- **Patron’s party** is an organized group of actors led by a chief patron, who is either head of the formal party leadership or not. The chief patron is the de facto but not necessarily de jure top decision-maker of the party and his competences are unlimited, regardless of the party’s formal rules (constitution or charter). The party’s membership is made up of vassals—informally dependent clients—who entered the party through co-optation, that is, entering voluntarily and being accepted on the basis of non-predefined (informal and discretionat) criteria. Therefore, such a party may also be called vassals’ party.

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38 For a classic work on parties, see Sartori, *Parties and Party Systems.*

39 It could also be called “front men’s party,” which followed previous conceptualization more neatly. However, we call it “vassals’ party” because we believe the concept’s meaning is more straightforward this way.
In contrast to the democratic parties of liberal democracies, patron’s parties are naturally characterized by not serving as political institutions with an interest in channeling and formulating the grassroots desires of the electorate. Instead, they act as one of the necessary formal institutions—necessary even in autocracies—for the top-down extension of the informal patronal network. It is through the patron’s party that the adopted political family can act in the sphere of political action, and can acquire formal positions of political power. The party, therefore, is a “creative façade” in a regime where the formally democratic institutions are maintained [→ 6.5], and every position the formal members of the party acquire means the extension of the chief patron’s control through his vassals. Indeed, it is not the party membership that chooses party leaders with the aim of seizing political power based on ideologies, programs or personal interests, but the top patron who integrate clients into the patron-client network he disposes over. The dominant parties operate as a sort of “HR-organization,” through which not those who believe in similar ideals but who swear loyalty to the same chief patron are integrated [→ 3.6.2.3]. It is not the members who get the people aspiring to lead them to compete, but the leaders who have potential clients competing for their favor [→ 4.3.4.4].

In case of a patron’s party, individual co-optation often takes the form of adoption. While “co-optation” is a more general category [→ 6.3], and it involves other ways of tying people to the patron’s party as well, adoption implies the informal bondage to the adopted political family, as well as that non-kinship relations are transformed into quasi-kinship relations. In case of adoption, the relationship goes beyond mere patronalism and starts carrying the anthropological character of the adopted political family [→ 3.6.2].

A good example for a patron’s party is the Party of Regions in Ukraine, which has been a patronal democracy with numerous competing patronal networks existing in dynamic equilibrium [→ 4.4.2]. As Mikhail Minakov writes, “[the] Donetsk regional group is a common name for many clan-like patronal organizations, both big and small, that […] emerged in Donetsk in the mid-1990s and coalesced around the figure of Viktor Yanukovych from 1997 onward. […] In 2001, they (together with some minor clans from Crimea, Vinnytsia and other regions) established the Party of Regions. This party was successful at liaising between established clans and groups of local elites from southeastern Ukraine. Even though Viktor Yanukovych was rarely the formal head of the party, he was its informal leader up until his escape to Russia in February 2014.”

Minakov further identifies clans, oligarchs and poligarchs behind practically every formal political actor in Ukraine, leading him to describe the country in general as “a republic of clans.” Indeed, in other patronal democracies like Romania and Bulgaria, ruling parties that are nominally left or right-wing are also patron’s parties, granting a legitimizing camouflage for competing patronal networks.

Democratic parties can transform into patron’s parties. Indeed, even for a party leader with no patronal intentions there is a rational basis for such transformation in a patronal democracy, where democratic parties, confined to the sphere of political action, are in competitive disadvantage vis-à-vis patron’s parties. For the latter (1) dispose over political as well as substantial economic resources, companies etc. and (2) they are vassals’
parties, meaning they are more disciplined and can be operated more efficiently, subordinated to a single goal in a quasi-military fashion. Furthermore, in the post-communist region there is generally less room for Western-type democratic parties because of lack of sufficient social differentiation that would be guided by the criteria of market economy and free labor markets.\[^{42}\] If the transformation from democratic to patron’s party occurs, we can speak about the emergence of a party-based clan [\(\rightarrow\) 3.6.2.1].\[^{13}\]

The obvious reason why leading parties of patronal autocracies do not endorse the democratic internal organization of democratic parties is that it would be incompatible with the autocratic nature of these regimes. True, this feature also appears in communist dictatorships, where the topmost organ of the pyramid-like, hierarchically constructed party, the politburo, had a monopoly on power. But in communist regimes, the chief overseeing body of the party does not wholly lose its importance even in parallel with the authority of the first secretary. For example, anyone who counted as a current confidant, or favorite, of Stalin was at the same time a member of the formal decision-making body, the politburo. This is why one of the favorite subjects of the Kremlinology literature was the analysis of the composition and changes of this body, focusing on informal coalitions therein.\[^{44}\]

On the other hand, in vassals’ parties, the party chair at their helm—usually chief patron of the dominant patronal network—is no longer subject to decisions of any formal body. Appointments to positions of power within the party, as well as outside of the party, depend on the ruler’s personal, discretionary decision. The party hierarchy is no longer the broadest frame of power like that which structured the communist nomenklatura. Instead, it is just a part of the patronal network. In the case of the “leading force” of patronal autocracies, the actual decisions are taken away from the—nevertheless strictly controlled—bodies of the party, and are transferred by the chief patron to his court, existing without formal structure and legitimacy.

Finally, in a communist dictatorship, a party is, from the side of the rulers, a centralized party, whereas from the side of the members it is a cadres’ party:\[^{45}\]

- **Centralized party** is an organized group of actors led by a dictatorial party leadership. The leadership is both the *de jure* and *de facto* supreme decision-making body of the party and its competences are unlimited, according to the party’s formal rules (constitution or charter). The party’s membership is composed of high-, mid- and low-level party cadres—bureaucratically dependent clients—who entered through enrollment, that is, being permitted or ordered into membership by the party state. Therefore, such a party may also be called *cadres’ party*.

\[^{42}\] Weßels, “Corporate Actors: Parties and Associations.”

\[^{43}\] The core of a party that eventually transforms it into a patron’s party can also be a different type of clan. In the case of Fidesz, for instance, it was a fraternity-based one. Magyar, *Post-Communist Mafia State*, 40–45.

\[^{44}\] D’Agostino, *Soviet Succession Struggles*.

\[^{45}\] Not to be confused with Duverger’s “cadre party.” Cf. Duverger, *Political Parties*.
The expression “centralized party” stems from the Leninist notion of “democratic centralism,” as accepted and practiced in the Communist Party of the Soviet Union and its counterparts in other communist countries.\(^{46}\) Particularly, it reflects on the dictatorial nature of the party leadership: (1) that the members of the political committee are formally elected by the wider membership (the party congress) but there is no competition for the seats; and (2) that the members of the party (cadres) are not allowed to form factions or act in any way against the current leadership. This situation is the symmetrical opposite of a democratic party, where the members (politicians) have autonomy, can form factions and can remove the party leadership if this is what they, collectively, find beneficial. In a centralized party, dissatisfaction can only lead into intra-party rivalry, which is to be distinguished from the intra-party competition of democratic parties. For competition implies, beyond rivalrous people, free and open challenge as well. Indeed, the two regimes maintain a consistent attitude toward competition: \textit{in a liberal democracy, competition exists between parties as well as within them, whereas in a communist dictatorship competition exists neither between parties nor within them.}

\subsection*{3.3.8. Governing Party—Transmission-Belt Party—State Party}

In the previous part, we spoke about parties as such in ideal type regimes. Now, following the previous points, we may focus specifically on the \textit{de jure ruling parties} in the three polar type regimes. While the status of ruling party is probably what best illustrates the crucial importance of distinguishing \textit{de jure} and \textit{de facto} in patronal autocracy, it is also this entity that is subject to misunderstanding and false comparisons between patronal ruling parties and those in communist and liberal democratic regimes. To clarify the matter, we will examine ruling parties in liberal democracy and communist dictatorship first, and then move on to patronal autocracy’s ruling party to highlight the differences.

\textbf{In a liberal democracy}, the ruling party can be identified as a governing party:

- \textbf{Governing party} is a politicians’ party which is the \textit{de jure} ruling party in a liberal democracy. Its formal decision-making bodies have \textit{de facto} power over the actions of the party. Therefore it indeed governs the polity in which it was elected.

Speaking about “governing party” in singular is already a simplification, as even the party that wins the parliamentary elections might need to form \textbf{multiparty coalitions} to be able to govern (i.e., to achieve majority to pass laws).\(^{47}\) This is usually not the case in patronal autocracies: the most striking example is probably Moldova under chief patron Plahotniuc, whose party in the 2014 elections won only 19 seats out of 101, so he turned to MPs from other parties and started to “buy them up,” that is, to bribe them into supporting his party, to secure eventually a majority \(( \rightarrow 7.3.4.4).\)\(^{48}\) More generally, we can observe that,

\begin{footnotesize}
\begin{itemize}
  \item \(^{46}\) For a comprehensive analysis, see Waller, \textit{Democratic Centralism}.
  \item \(^{47}\) Lijphart, \textit{Patterns of Democracy}, 80–85.
  \item \(^{48}\) On Plahotniuc’s climb to power, see Mizsei, “The New East European Patronal States and the Rule-of-Law” 566–76.
\end{itemize}
\end{footnotesize}
in patronal autocracies, either a single party achieves (constitutional) majority alone or a large parton's party has one or more coalition partners in a subordinate role, like KDNP as Fidesz's coalition partner in Hungary. This reflects the fact that the leading political elite in patronal autocracy is unconstrained, while in a liberal democracy it is constrained.

“Governing” means limited rule, or the exclusive rule of no one—neither of the party over the country nor of a party leader over the governing party. One’s will may become law only if a series of other actors agree so, from the party leadership to the members of parliament. These politicians are all part of the decision-making process of the governing party, acting at different levels of a formally defined hierarchy. In short, a governing party’s actions are determined by those in the party’s *de jure* decision-making hierarchy. Those formally having competences are not political front men but can act by the powers vested in them, and they can do so autonomously insofar as there is no coercion from any person or party organ, meaning (1) politicians are free to turn against higher orders (although they may choose not to, either because they agree with them or because of voluntarily chosen “party discipline”), and (2) there is free exit from the relationship, meaning the opportunity to leave the party and resign from assigned positions [→ 2.2.2.2].

While a governing party is only one entity in the regime, and it is surrounded by various autonomous institutions and actors [→ 4.4.1], in a communist dictatorship the Marxist-Leninist party dominates and, indeed, is virtually identical with the state and its bureaucracy. As Kornai explains, while in a number of socialist countries “the constitution asserts that the leading force in the country is the Communist party;” “the way this leading force applies in practice is not specified.”49 However, he finds that the party’s jurisdiction in practice typically covers: (1) all major appointments, promotions, and dismissals, covering offices in the state administration and all major managerial positions in the economy; (2) reaching decisions on every major affair of the state before the state organization responsible has come to its own decision (the major decisions of the government are preceded by resolutions of the party’s central leadership, those of county councils by resolutions of county party committees, and so on); and (3) direct connections between the party apparatus and the state apparatus, which results in—as we mentioned above with respect to middle/low level party cadres—“a curious kind of duplication in which a specific party functionary or group of functionaries within the party apparatus has responsibility for every important sphere of state activity.”50 Hence, in such regime we can speak about a state party:

- **State party** is a cadres’ party which is the *de jure* ruling party in a communist dictatorship. Its formal decision-making bodies have *de facto* power over the actions of the party, which rules over the entirety of the state as well as the polity. Therefore it indeed is indistinguishable from the state.

Besides a communist dictatorship, a market-exploiting dictatorship also features a state party as the single, *de jure* and *de facto* holder of power. Yet its central control is less severe in normal times than that of communist state parties. Analyzing the characteristics of Chinese politics, Heilman finds that the local party state maintains Leninist democratic

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centralism by prohibiting the formation of internal factions51 but it usually functions in a non-totalitarian “normal mode.” “Party leaders set general guidelines and objectives for national policies,” “government departments negotiate with one another about the drafting of national regulations,” and “local governments flexibly apply national laws and directives in accordance with local conditions.”52 It is only in times of domestic security crises, intra-party decision-making and organizational crises, foreign policy and military tensions, or some other kind of acute crises that are perceived as threats to stability53 that the reformed party state enters “crisis mode.” This is characterized by “abrupt centralization of the decision-making processes and central interventions across the party hierarchy,” “personalization and increased emphasis on ideology in decision-making,” “recourse to militant mobilization rhetoric” and “political upgrading of the disciplinary and security organs.”54 Such a crisis mode can be compared to rights-suspending campaigns in communist dictatorships, when the state apparatus enters into a movement mode and nomenklaturists can actually step over formal laws to be able to fulfill the central plan [→ 4.3.3.1, 5.6.1.2]. However, the Chinese crisis mode is none other than the temporary reintroduction of what the normal way of functioning is in communist dictatorship.55 Communist campaigns are exceptional, too, but they go beyond communist rule in default and bring even more severe control and rights suspension for the given period.

Finally, in a patronal autocracy the de jure ruling party does not rule the country, for the actual ruling competences are moved outside the party’s formal bodies. While state action in patronal autocracy aims at realizing elite interest [→ 2.3.1], neither power centralization nor personal-wealth accumulation is a matter that formal party bodies control. The party merely mediates between informal/personal and formal/institutional competences and positions. Accordingly, it may be called a transmission-belt party:

- **Transmission-belt party** is a vassals’ party which is the de jure ruling party in a patronal autocracy. Its formal decision-making bodies have no de facto power over the actions of the party, which does not make decisions but only represents and executes in the formal institutional realm the decisions made informally by the adopted political family. Therefore it indeed is the transmission belt of the adopted political family.

Before the collapse of the Soviet Union, the Marxist-Leninist party, as the center of power, did have transmission belt organizations in the sense that they transmitted the will of the topmost body of the communist party to various segments of society [→ 3.5.2]. In patronal autocracies, the ruling party becomes a transmission belt of the informal patronal network, that is, of the adopted political family. We may sum up the differences between such a party and a governing and state party as follows:

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53 Heilmann, 159–60.
54 Heilmann, 161.
• **the de jure ruling party is not the central actor of the regime.** It is commonplace to treat the ruling party as the regime's central actor, which makes laws, formulates policies, and generally steers the country in a certain direction. This is justified in liberal democracy and communist dictatorship but not in patronal autocracy. While it usually includes some actual decision-makers as well (often the chief patron at its helm), the transmission-belt party is a subordinate, secondary entity to the ruling patronal network, the adopted political family. Indeed, the transmission-belt party is one of the many institutions used by the informal patronal network to grant its activities a formally democratic appearance. The regime's actual central actor, then, is the adopted political family, and the chief patron's vassals' party does not act independently from it or him;

• **the party's actions are not decided upon by the formal party leadership (or membership) but those who are informal members of the patron's court.** This is a point already included in the definition. Naturally, there is overlap between formal and informal membership, but it is the informal position that matters. Those who are in the patron's court have decision-making power, with or without formal authority, whereas those inside the party leadership but outside the patron's court are not decision-makers and they are not “politicians” either. While they look like politicians, they indeed are political front men, that is, simple executors of the *de facto* leaders’ decisions;

• **there are no internal factions or “cleavages” within the party as such.** While factions are everyday in a democratic party, and a centralized party might have a “reform branch” or other, value- or interest-based informal alliances between formal members, such phenomena are non-existent in a transmission-belt party. For the party is a simple executor, a vassals’ party where members with only *de jure* competences have no *de facto* powers that could be united for a common goal in a faction. Conflicts might arise only between members of the adopted political family, like the chief patron and renegade oligarchs [→ 3.4.1.4], and the fights that seem to be between formal members of the party are, in fact, linked to the internal matters of the informal patronal network [→ 4.4.3.3].

A final point to underline why it is misleading to speak about the *de jure* ruling party as the *de facto* leading actor of patronal autocracy, it is revealing to consider transmission-belt party not only from the aspect of power but of ownership as well. Concretely, **the wealth the adopted political family accumulates does not belong to the party: formal party bodies have no jurisdiction over the money or companies**, neither formally nor informally. In other words, that the chief patron and his circle accumulate does not mean that those who are even high-ranking members of the party automatically have access or a say in the matters of accumulation. Indeed, it is high-ranking members of the adopted political family, poligarchs and oligarchs who accumulate and they do so independently from the party (i.e., from the formal competences of the party leaders). Independent wealth-accumulation implies that even if the party is removed from power in elections, the wealth does not move immediately to the new rulers (as opposed to state-owned assets). Rather, it
3.3. Political Actors in the Three Polar Type Regimes

will be in the formal ownership of oligarchs and economic front men [→ 3.4.3], who may therefore be able to exercise definitive influence over the polity even under such circumstances [→ 5.3.4.4, 4.4.4].

To sum up, in a patronal autocracy the adopted political family becomes the real center of power, which gains formal legitimacy through the party that mediates the adopted political family’s will toward the formally democratic political institutions. In a sense, the party itself is a “political front man” of the adopted political family, whereas the chief patron, if in the position of president of the country, standing above the parties, may at times (as in, for example, Russia) not even formally be a “member” of the delegating party even as this same patron controls the party’s cadre and policy matters.56

3.3.9. Opposition Party—Marginalized / Domesticated / Absorbed / Liquidated / Fake party

Parties that are formally against the rulers are banned in the ideal typical communist dictatorship. In a liberal democracy, however, they are among the most important pillars of the system, guaranteeing the altering of administrations:

- **Opposition party** is a party that aims at getting political power, or the ruling positions of the state, removing its current holders. Opposition parties are autonomous organizations, independent in their executive decision-making from the prevailing government. They have their own voting base, and have the chance and willingness to expand that base to an extent where it can win the elections.

In a patronal autocracy, opposition activity is legal but they do not have a chance to win the elections. Indeed, we can formulate a typology of (formally) opposition parties in patronal autocracies, differentiating four ideal types (Table 3.2).

The first four ideal types represent four ideal typical ways of neutralizing opposition parties, which is part of the broader process of neutralization of democratic public deliberation [→ 4.3]. **First**, there is **marginalization**, making a party—which otherwise resembles liberal democracy’s opposition parties—unable to win the elections:

- **Marginalized party** is a party that aims at getting political power, or the ruling positions of the state, removing its current holders. Marginalized parties are autonomous organizations, independent in their executive decision-making from the adopted political family. They have their own voting base, but they do not have the chance, only the willingness, to expand that base to the level that it can win the elections, due to the intervention of the mafia state.

Table 3.2. Opposition parties with different formal and de facto status in a patronal autocracy.

<table>
<thead>
<tr>
<th>Formal status</th>
<th>De facto status</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marginalized party</td>
<td>Opposition</td>
<td>Neutralized opposition (without winning chances)</td>
</tr>
<tr>
<td>Domesticated party</td>
<td>Opposition</td>
<td>Neutralized opposition (subordinated to the chief patron)</td>
</tr>
<tr>
<td>Absorbed party</td>
<td>Opposition (former coalition partner)</td>
<td>Neutralized opposition (emptied by the chief patron)</td>
</tr>
<tr>
<td>Liquidated party</td>
<td>Opposition</td>
<td>Neutralized opposition (liquidated by the chief patron)</td>
</tr>
<tr>
<td>Fake party</td>
<td>Opposition</td>
<td>Virtual opposition (created by the chief patron)</td>
</tr>
</tbody>
</table>

“The intervention of the mafia state” includes two types of acts. First, there is **financial incapacitation** through fines, driving away private donors via (implicit) blackmail, existential threats against party members and their families etc. Being financially incapacitated means not only a limited scope of political action for the respective party but also **inability to develop a patron-client pyramid**, that is, to become a patron’s party and a party-based clan. Thus, these parties are confined to the realm of political action, which is one of the reasons why they resemble Western-type opposition parties in a patronal environment.

The second type of acts resulting in marginalization of opposition parties includes restricting media access, state discrimination against activists, criminalization in the media, politically selective law enforcement etc. This phenomenon is often noted in hybridology by the concept “uneven playing field,” popularized by Levitsky and Way in their renowned book, *Competitive Authoritarianism*. However, this expression does not exclude the possibility of winning, just understands it as highly unlikely. Indeed, in the **ideal typical patronal autocracy**, the “playing field” is made “uneven” as much as is needed to ensure the opposition cannot win. Hence, the opposition is marginalized permanently, justifying the separation of the concept of “marginalized party” from that of a weak “opposition party.”

The **basic function of marginalized parties**, or the reason why they (and opposition groups in general) are not banned entirely, is **the pretense of competition**. By gaining a minor number of seats in the parliament, marginalized parties enjoy minimal oversight over the transmission-belt party, and they usually get some funding from the state as well. But this does not change the fact they have no winning chance or significant influence; on the contrary, parliamentary seats and state incomes incentivize such actors to strive on and maintain the pretense of competition.

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59 For an example from Orbán’s Hungary, see Balogh, “A Few Tricks Later, Hungarian Legislators Overwhelmingly Vote Themselves a Raise.”
The second way of neutralization is domestication:

- Domesticated party is a party that formally aims at getting political power, but informally it acts out the role of an opposition incapable of ever winning against the ruling party. Domesticated parties are client organizations, dependent in their executive decision making on the adopted political family. They have an own voting base, but they have neither the chance nor the willingness to expand that base to the level that it can win the elections.

A domesticated party is, by definition, preceded by an opposition party (in the liberal democratic sense) or a marginalized party that was then “domesticated” by the adopted political family. Domestication includes informal deals and blackmail, as well as compensation of the leading members of the domesticated party in the form of financial and political career opportunities. At the same time, these parties can be radically critical of the ruling party and attract opposition voters, who do not know that the party is informally a vassal affiliate of the adopted political family. Keeping up the pretense of competition, domesticated parties serve to underpin the argument of the rulers that it is not the system which makes the opposition unable to win but the clumsiness of government-critical parties.\(^{60}\)

The third way of neutralization is absorbing:

- Absorbed party is a party that formally aims at getting political power, but as it was an opposition party that was threatening for the ruling party it is co-opted and subsequently emptied by the regime. Absorbed parties (if they are not dissolved) remain autonomous organizations, independent in their executive decision-making from the adopted political family. They do not have a substantial voting base anymore and they do not have the chance, only the willingness, to expand that base to the level that it can win the elections.

Absorption by the regime is a three-step process: (1) the patron’s party (perhaps while in opposition) makes the respective party and ally or even a coalition partner; (2) situations are created in which the party becomes discredited; (3) the patron’s party wins over the voters of the party by presenting itself as a true representative of the values that were originally represented by the absorbed party. Indeed, the way the patron’s party co-opts can be understood as a “deadly embrace,” whereby it eventually neutralizes the party by emptying it in terms of popular support. In Hungary, such absorption happened to both the Independent Smallholders’ Party (FKGP) and the Hungarian Democratic Forum (MDF), two substantial right-wing parties that were co-opted by Fidesz into government in 1998 and completely absorbed in the following years.\(^{61}\)

The fourth way of neutralization is liquidation:

\(^{60}\) For further discussion, see March, “Managing Opposition in a Hybrid Regime.”

**Liquidated party** is a party that formally aims at getting political power, but as it was an opposition party that was threatening for the ruling party it was liquidated by the regime. Liquidated parties (if they are not dissolved) remain autonomous organizations, independent in their executive decision-making from the adopted political family. They do not have their own voting base anymore, and they neither have the chance nor the willingness to expand that base to the level that it can win the elections.

“Liquidation by the regime” includes acts like banning, and imprisonment or perhaps even murder of party leaders. Liquidation always follows unsuccessful attempts to force an opposition party into a domesticated position, but it is not always followed by the dissolution of the party. A party might continue to exist after liquidation, but—as opposed to a marginalized party—it will virtually leave the political arena and not aim at getting political power anymore, but rather exist in a neutral, indifferent position in the polity.

**The four ways of neutralization utilize means of different levels of brutality.** On the one hand, we can observe the means targeting the parties as organizations: there is financial incapacitation (the lightest method, employed in marginalization); forcing the party out of the political arena (the middle method, employed in liquidation); and banning/dissolving the party (the most brutal method, employed in specific cases of liquidation). On the other hand, we can observe the means targeting the heads of the parties: there is character assassination in the media (the lightest method); initiating criminal proceedings, eventually leading to the imprisonment of the opposition leader (the middle method); and murder (the most brutal method). Which method is employed follows not an ideology but mere pragmatism: whatever the adopted political family needs to neutralize the party in question, it will employ it, while trying to keep up the democratic façade of multi-party competition.62 The **timing of neutralization** also varies: the chief patron may act (a) before the election, whereby he preemptively neutralizes a party that might become a threat,63 or (b) after the election, detaining opposition members who were the primary vote-getters and leaders of protest movements. The latter technique has been frequently applied in Belarus, where no real opposition party has won seats in decades but protests have been organized after fraudulent elections (see Box 3.3).64

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**Box 3.3. Managing the opposition in Belarus.**

“[In Belarus], divisions led to the emergence of two informal blocs of opposition parties to contest the 2004 parliamentary elections: the Coalition Five Plus and the Democratic Centrist Coalition (DCC). After restrictions on the opposition’s ability to organize throughout the campaign, none of the opposition candidates contesting the election won seats. As with the 2000 parliamentary election, most seats went to independent candidates who supported the president’s agenda. [In 2006 presidential elections], Lukashenko officially received almost 85% of the vote […] Once again, international monitors declared the election to be fraudulent and thousands of protesters poured into Minsk’s central square after the results were announced. Days of subsequent protests culminated with the arrests of Alexander Kazulin and Alexander Milinkevich [the two leading opposition candidates]. Kazulin was sentenced to a lengthy jail term. Milinkevich escaped a similar fate, but was repeatedly detained under charges ranging from taking part in an unsanctioned rally to drug trafficking in the months that followed. [In 2009], [while] campaigning took place without official restrictions, President Lukashenko continued to enjoy favourable media coverage and officially received almost 80% of the vote. [Andrei] Sannikov was the leading vote-getter among the opposition candidates, but none of the nine candidates officially received more than 2.5% of the vote. Seven of the nine candidates were then detained in the wake of post-election protests.”


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63 Schedler, “The Menu of Manipulation.”
64 Ash, “The Election Trap.”
That no “real opposition party” could win seats in Belarus implies that there were “not real” ones that could. Indeed, Belarus represents a special, deviant case that has been described as a “non-party political system” where most seats go not to a ruling party but de jure independent candidates who support Lukashenko.65 Yet this leads us, after discussing the three neutralized parties in patronal autocracy, to the final “opposition” party type, which is particular to patronal autocracies: fake parties.

Fake party is a party that formally aims at getting political power, but informally it was created by the adopted political family as virtual opposition. Fake parties are client organizations, dependent in their executive decision-making on the adopted political family. They might have their own voting base, but they have neither the chance nor the willingness to expand that base to the level that it can win the elections.

Fake parties are typically launched by the chief patron in two cases. On the one hand, they can be launched when brushing the opposition parties off the party structure has been “too successful,” and the central power decides it needs to have “opposition parties” to fit well into the democratic scene. This has been the case in Turkmenistan since 2007, where fake opposition emerged in form of fake parties as well as fake presidential candidates, all being vocal supporters of chief patron Gurbanguly Berdimuhamedow.66 On the other hand, a chief patron may decide to launch fake parties to help him marginalize existing opposition parties, reducing their winning chances by dividing the opposition. Such parties were created in Hungary in 2014, although not directly by the chief patron (or his clients) but indirectly, through the deliberate restructuring of campaign financing and the relaxation of rules of candidacy. The plentiful availability of campaign funds gave adventure-seeking rogues the incentive to pick up the funding in the name of parties that practically did not exist.67 The appearance of these parties disoriented voters and fragmented the government-critical votes, which was instrumental in keeping Fidesz's supermajority.68

3.4. Economic Actors in the Three Polar Type Regimes

In this part, we span conceptual spaces (define 3–3 corresponding ideal types) for actors of the sphere of market action in the three polar type regimes. The actors were chosen (1) on the basis of their importance for the functioning of each regime type and (2) only if ideal typical differences could be noticed between them in the three polar type regimes. In other words, although some of the economic sphere’s actors we omit (such as workers)

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67 Magyar, Post-Communist Mafia State, 221–22.
68 Balogh, “Fidesz-Created Bogus Parties as Means of Political Gain.”
might be important in one or more regimes, we decided not to include them if the actors fulfilling their roles in different regime types were essentially the same, that is, if they could not be distinguished ideal typically.

Naturally, as the spheres of social action are fully separated only in the ideal typical liberal democracy, some of the following actors (the ones belonging to patronal autocracies and communist dictatorships) are also part of the political and communal spheres. Yet, as we want to structure our discussion of actors, we decided to separate them as they are separated in the mainstream literature. This way, it will also be seen why the words—indeed, formal titles—which are used in the language of liberal democracy and mainstream economics to denote these actors are inappropriate for the corresponding actors in patronal regimes where informal institutions have supremacy.

3.4.1. Entrepreneur—Oligarch—State Enterprise Leader

3.4.1.1. Entrepreneurs vs. communist state enterprise leaders

The primary form of economic action is setting the course of production, that is, to decide how scarce resources are to be used to create goods and services. Those who engage in this type of market action may be recognized as “primary economic actors.” In our understanding, they are who possess economic power, meaning the capacity to make decisions about the functioning of their economic unit, particularly its profile and/or the course of production. (“Economic unit” refers to any kind of entity which supplies goods and/or services to private costumers.) In other words, when we speak about primary economic actors, we speak about the owners, meaning those who dispose of the de facto ownership rights that entail him to use and control his economic units (endogenous property rights [\( \rightarrow 5.5.3.4 \)].

In a communist dictatorship, the economy is a planned economy that is characterized by the dominance of public ownership, whereas the economies of liberal democracy and patronal autocracy, while vastly different, both are capitalist and characterized by the dominance of de jure private ownership [\( \rightarrow 5.6 \)]. Therefore, the communist primary economic actors are also the main political actors, namely the central planners in the nomenklatura,\(^{70}\) and primary economic actors de jure detached from the political sphere exist only in capitalist economies. This leads us to the first comparison, between entrepreneurs—who exist in capitalist economies—and communist state enterprise leaders:

- Entrepreneur is an actor who has formal economic power and nothing else. In other words, he is the owner of an economic unit that exists under normative regulations. The criterion of his success is marketability (that is, his ability to meet consumer demand), on the basis of which he enjoys profit and loss. He does not necessarily have connections to (formally) political actors, but in case he does,

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69 We are indebted to Júlia Király for her suggestions to this part (as well as to several other parts of the book).

those connections—or at least the decisive ones—are formal and voluntary on both sides (non-embeddedness in the ruling elite).

- **State enterprise leader** is an actor who has no economic power but engages in economic action in the management of a specific state-owned enterprise. In other words, he is no owner but can make executive decisions about his economic unit that exists under normative regulations. His criterion of success is his ability to organize production in a way to meet the requirements of the central plan, from which it follows that he does not personally enjoy profits or losses of his activity. He necessarily has connections to (formally) political actors, and these connections—or at least the decisive ones—are formal and coercive from the side of the political actors (central planners).

As the latter definition shows, the state enterprise leader is a mere functionary, a member of the nomenklatura, who is assigned with the task of meeting the physical targets of the central plan. Because the course of production is already set by the central planner, there is no room for Schumpeterian entrepreneurship and innovation for the state enterprise leaders. Indeed, innovation in socialist state-owned enterprises occurs not on the production/supply side—trying to find new ways to serve the costumers—but on the management side—trying to find new ways to fulfill the plan with an inadequate amount or quality of assets, overcoming the inherent bottlenecks of the planned economy. Moreover, in default of the enjoyment of profits or losses, state enterprise leaders lack the incentives to run their business profitably. Kornai introduced the term “soft budget constraint” for the phenomenon when the state makes up for the losses of (state-owned) enterprises, thereby removing the incentive not to have losses. Nevertheless, as he notes, in communist dictatorships “[i]t is customary […] to employ incentive schemes that could give the top executives of state-owned firms a measure of interest in raising profits, and the interest may even extend to the firm’s whole workforce. But it is normally a loose and weak interest. The scale (usually small) and precise formula of the incentive are set arbitrarily by the higher authorities, so that it becomes a mere means of control, that is, an incentive of the [artificial] kind […], and not a type of a property right under which the whole residual income belongs to the owner.”

In sharp contrast, the entrepreneur is the owner of an economic unit, possesses economic power and bears market risk, creating the incentive scheme to reach profits and avoid loss. As the definition states, the success criterion of an entrepreneur is not meeting some central plan but marketability, meaning his ability to meet consumer demand. Naturally, “marketability” does not necessarily refer to the entrepreneur’s excellence in any objective sense: indeed, his success is influenced by a wide variety of different factors, many beyond his personal qualities. But at the end of the day, he can earn only

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71 Kornai, “Innovation and Dynamism.”
72 Laki, “Kényszerített innováció” [Forced innovation].
74 Kornai, The Socialist System, 74.
75 Mises, “Profit and Loss.”
76 For a classic analysis, see Blanchflower and Oswald, “What Makes an Entrepreneur?”
if other people on the market are willing to pay for what he offers; that is, if there is demand for what he supplies. Also, the entrepreneur secures both market and state contracts through transparent competition, whereas other entrepreneurs are free to enter the market and outcompete him. This is naturally unimaginable in an economy where the state is the monopoly owner. There, state enterprise leaders do not “enter” when they see a profit opportunity in a market, but they are appointed by higher-level members of nomenklatura.

To sum up, entrepreneurs are primary economic actors whereas communist state enterprise leaders are secondary economic actors, being the subordinate servers of the central planners who are the primary economic actors. In a capitalist system, the closest to communist state enterprise leaders is a corporate manager, whose task however is to make profit for the owner on the market and not to meet physical targets of the central plan. The similarity can be noted in that state enterprise leaders are, too, technocrats, especially in reformed communist regimes where they got more freedom in a more decentralized system. And while they did not have a proper incentive system of profit and loss there either as the budget constraint remained fairly soft, technocratic skills allowed former state enterprise leaders to become entrepreneurs after a capitalist system was established by privatization (management-employee buyout and secondary privatization [\( \rightarrow 5.5.2 \)). As Szelényi and his colleagues noted about Central-Eastern European economies in the 1990s, “most of the economic command positions in the post-communist corporate sector are occupied by former communist technocrats who were younger and much better educated than senior cadres.” Yet this could happen only when the monopoly of state ownership ended and private ownership emerged. After the regime change, private actors gained economic power in a regulatory environment that sets limits to free-market entrepreneurship rather than setting the course of production in a merger of economic and political spheres.

### 3.4.1.2. Major entrepreneurs vs. post-communist oligarchs

Entrepreneurs are not particular to liberal democracy but may exist, with different weight, in any regime that features a capitalist economy. Focusing on polar type regimes, entrepreneurs exist in liberal democracy as well as patronal autocracy. However, the economy is different in the former regime, where the spheres of social action are separated, and in the latter, which constitutes a collusion of economic and political spheres. For in the case of collusion, the instruments of public authority are used discretionally, in favor of certain targeted actors, who can earn regardless of meeting or not meeting demands of the consumers (marketability). In such a system of political capitalism, \textit{de jure} private owners secure illegal support for their (otherwise legal) economic activity by various means of corruption.

We will elaborate on corruption and the notion of political capitalism in Chapter 5 [\( \rightarrow 5.6.3 \)]. At this point, it suffices to say that it is a certain type of political capitalism that prevails in patronal autocracies, too, where the spheres of social action are formally separated but informally related through the adopted political family. The distinctive type of economic actor appearing in the systems of political capitalism of patronal regimes is the oligarch:

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• **Oligarch** is an actor who has formal economic power and informal political power. In other words, he is the owner of an economic unit that exists under discretionary regulations. The criterion of his success is patronal allegiance (that is, his ability to seek favors from patrons), on the basis of which he may enjoy profit and loss. He necessarily has connections to (formally) political actors, and those connections—or at least the decisive ones—are informal and coercive on either his or the other actor’s side (embedded in the ruling elite).

On the one hand, the oligarch is the inverse of the poligarch: poligarchs have formal political power and informal economic power, whereas oligarchs have formal economic power and informal political power [→ 3.3.3]. The appearance of such actors in patronal autocracies follows the notion of power&ownership, that there can be no property without power and power without property [→ 5.5.3.5]. The poligarch is what the formally political actors become in a system of power&ownership; the oligarch, what the formally economic actors become. Nevertheless, it should be made clear at this point that oligarchs are not particular to patronal autocracies; indeed, oligarchs may appear in other regimes with other types of political capitalism as well. Furthermore, while the term “oligarch” conjures images of vast wealth and national—even regional—influence, we can observe in the post-communist region some local “oligarchs,” too. Such actors, if their local embeddedness, influence and wealth are to be considered, would better be called minigarchs, using an apt expression from the literature.\(^{79}\)

On the other hand, the oligarch is the opposite of the entrepreneur. While this point will be crucial in our discussion of market and relational economies [→ 5], the distinction between these two types of actors is not obvious. Indeed, politically well-connected major entrepreneurs in liberal democracies are colloquially referred to as “oligarchs,” whereas parallels are sometimes drawn between oligarchs and the “robber barons” of 19th-century U.S. capitalism as well. An expert economist of the region, Anders Åslund argues that Russian oligarchs in the 1990s were practically the same as American robber barons: businessmen who amassed large wealth from monopoly rents, exploiting underdeveloped institutions and corrupting developed ones like courts and legislatures.\(^{80}\) Another scholar, Johanna Granville, makes a good response to this point: “Those well-connected young men [the oligarchs] made fortunes not by creating new enterprises that increased their country’s wealth, as did Carnegie (steel), Rockefeller (oil), Ford (automobiles), and Morgan (finance). Instead, they played the role of old state trading monopolies, arbitraging the huge difference between old domestic prices for Russian commodities and the prices prevailing on the world market. Instead of investing in the Russian economy, they stashed billions of dollars in Swiss bank accounts. Experts estimate that as much as $15 billion leaves Russia each year as either ‘capital flight’ or laundered money from illegal transactions.”\(^{81}\)

Focusing on contemporary billionaires, we may make a more detailed comparison of oligarchs and major entrepreneurs (“major” meaning the ones comparable in size, eco-

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\(^{79}\) Havrylyshyn, “The Formation and Role of Oligarchs.”

\(^{80}\) Åslund, “Comparative Oligarchy.”

\(^{81}\) Granville, “‘Dermokratizatsiya’ and ‘Prikhvatizatsiya,’” 449.
nomic power and national importance to post-communist oligarchs) by revisiting their definitions. From the way we defined “entrepreneur” and “oligarch,” we can immediately see the three ideal typical features that distinguish them:

◆ the nature of political connections. That a **major entrepreneur** is “well-connected” might mean that his company spends much on lobbying, that is, a formalized process whereby offers are made to politicians who may or may not accept them. Besides the relation being formal, it is also **voluntary on both sides**. Lobbying may be successful if the politician finds the entrepreneur’s offer beneficial, and the entrepreneur is not forced to form a relation with the politician [→ 5.3.1]. In contrast, an economic actor may be recognized as an **oligarch** when he has formal economic power and informal political power, that is, **informal and coercive relations** to *de jure* political actors. This does not mean he may have no formal state relations whatsoever, rather that the relations that dominantly influence his economic activity are informal (hence “decisive” in the definition). Indeed, this means that the oligarch is part of a patronal network while the major entrepreneur is not. The relation may be coercive (a) from the side of the oligarch or (b) from the side of the *de jure* political actor, like a president chief patron: both alternatives constitute a pattern of coercive corruption [→ 5.3.2.3];

◆ the nature of political favors. On a competitive market, a **major entrepreneur** operates under **normative regulations**, which follows from the fact that it exists under a constitutional state with minimal amplitude of arbitrariness (as explained in the previous chapter [→ 2.4.6]). The lobbying efforts of a major entrepreneur under liberal democracy may also be targeted toward such regulations, typically as part of a **business group** as regulations are applicable to entire industries normatively. This is in contrast to **oligarchs**, who are embedded not in a business group but an **informal patronal network** and operate under **discretional regulations**, supplied by patrons with wider amplitude of arbitrariness in “picking the winners” of competition and suppressing others in a discretionally fashion (we will return to this in Chapter 5 [→ 5.4.2.3]);

◆ the nature of success. Major entrepreneurs on a free market (1) become “major” through technical/organizational innovation, that is, capturing market opportunity by introducing a highly marketable product or service, and (2) remaining “major” does not depend on their personal allegiance to a *de jure* political actor. In contrast, oligarchs in a system of political capitalism (1) become oligarchs irrespective of market innovation, typically by securing monopoly grants with political/patronal support,82 and (2) remaining oligarch depends on their patronal allegiance, meaning their informal political connections are necessary to maintain their economic elite status. In other words, a **major entrepreneur can remain profitable without political favors**, relying only on the invisible-hand process of the free market [→ 2.6], while the **profitability of an oligarch depends on political actors maintaining discretionai privileges**.

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82 Fellow-traveler oligarchs are a partial exception, as they may become major entrepreneurs first and then turn into oligarchs to survive and prosper in a patronal environment [→ 3.4.1.3].
In short, the main difference between the oligarch and the major entrepreneur is that the former uses his legitimate fortune not only to build economic but political power as well, creating a collusion of spheres of social action. The oligarch's economic power is public, but his political power is kept hidden. Yet the above-quoted passage about the differences between oligarchs and “robber barons” suggests that oligarchs are distinguished from the ideal type of the entrepreneur not only by the advantages the regime ensures. In Table 3.3, we provide a more comprehensive overview of major entrepreneurs and oligarchs, including aspects like the measure of vulnerability to power, the degree to which the oligarch's particular economic activity and existential conditions make it possible to force him into a patron-client type of relationship. Most of these have been either mentioned previously or are going to be explained in detail in Chapter 5 (like privatization [→ 5.5.2] and rent-seeking [→ 5.4.2]). The only feature we may explain at this point is the nature of activity, which refers to the state's ability to create rent-collecting opportunity for the oligarch. As we mentioned in Chapter 2, “rent” is the difference between what income would have been in open relationship by closing such relationships to certain individuals. “Nature of activity,” in turn, defines whether the relationship can be closed, that is, monopolized by the state, forcing out competitors. In industries which are difficult or impossible to mo-

<table>
<thead>
<tr>
<th>Relationship to the ruling elite</th>
<th>Major entrepreneur</th>
<th>Oligarch</th>
</tr>
</thead>
<tbody>
<tr>
<td>not embedded (remains in the sphere of market action, uses lobbying through formal channels to exert influence)</td>
<td>embedded (enters the sphere of political action by forming informal—patronal—relations with the leading political elite)</td>
<td></td>
</tr>
<tr>
<td>Economic activity</td>
<td>legal</td>
<td>legal</td>
</tr>
<tr>
<td>Economic activity ordered on basis of</td>
<td>competition, legal market practices</td>
<td>personal (patronal) contacts, illegal or “legalized” practices</td>
</tr>
<tr>
<td>Business performance</td>
<td>dependent primarily on performance on the market</td>
<td>dependent primarily on patronal relationships</td>
</tr>
<tr>
<td>Nature of activity</td>
<td>difficult, or impossible to monopolize by the state</td>
<td>easily monopolized by the state</td>
</tr>
<tr>
<td>Conditions for the business venture</td>
<td>not directly under the influence, or hardly influenced by state arbitrariness (not easy to blackmail, less vulnerable to political decisions)</td>
<td>established by state arbitrariness and therefore wholly prone to state influence, even to the extent of liquidation (open to blackmail)</td>
</tr>
<tr>
<td>Source of wealth accumulation</td>
<td>mainly market, though also possibly competitive privatization</td>
<td>mainly directed privatization, state concessions, public procurement with illegally guided bids</td>
</tr>
<tr>
<td>Nature of risk</td>
<td>independent from single (de jure) political actors, market dependent</td>
<td>under influence of single (de jure) political actors, based on patron-client relationship</td>
</tr>
<tr>
<td>Utilization of profit</td>
<td>utilized in transparent fashion, largely reinvested</td>
<td>drawn out of the venture, utilized in other (less transparent) fashion</td>
</tr>
<tr>
<td>Type of venture</td>
<td>innovative, market-oriented, got big by the consumer's decisions (market means)</td>
<td>non-innovative, patronal-network oriented, got big by patronal intervention (extra-market means)</td>
</tr>
</tbody>
</table>
napolize (often as a result of the innovative nature of the business), we typically see major entrepreneurs even in patronal regimes, whereas the more easily monopolizable industries are taken over by oligarchs.

While the oligarch is the distinctive type of economic actor in patronal regimes, we mentioned that patronal autocracies also feature entrepreneurs. However, it can be observed that, as the world of oligarchs expands, the world of entrepreneurs shrinks (other things being equal). This is true in both multi- and single-pyramid systems, as well as when markets are effectively taken over by oligarchs and when they are not. For in the latter case, entrepreneurs who managed to retain their autonomy—usually in the sector of small or medium-sized enterprises—often decide to (a) narrow or stop production in the domestic market [→ 5.5.4.3] or (b) they become the subcontractors and suppliers of oligarchs, becoming dependent on the system of political capitalism [→ 6.2.2.2]. Alternatively, entrepreneurs may enter the grey zone of informal economy, devoting their innovative capacities not to maximize real production and meet consumer demand but to avoid being prey to the adopted political family [→ 5.6.1.4].

3.4.1.3. A typology of oligarchs and the breaking of oligarchic autonomy in patronal autocracy

Developing a conceptual toolkit for the post-communist region, we offer a typology of oligarchs in patronal regimes, patronal democracy and patronal autocracy (Table 3.4). First, we identify three types that appear in both patronal democracy and patronal autocracy, that is, in multi-pyramid as well as single-pyramid systems.

- **Inner circle oligarch** is an oligarch who is among the founders of a patronal network. Indeed, he did not have significant wealth to begin with but made his start-up capital via positions weaving through politics. Inner circle oligarchs belong to the top spheres of the adopted political family, and also play seminal roles in both the spheres of political and market action.

- **Adopted oligarch** is an oligarch who has been accepted as member of a patronal network. Indeed, he had significant wealth to begin with but decided to boost his capital via positions weaving through politics. Adopted oligarchs may or may not belong to the top spheres of the adopted political family, and usually play greater roles in the sphere of market action than political action.

- **Patron-bred oligarch** is an oligarch who has been fostered by a patron (typically the chief patron). Indeed, he did not have significant wealth to begin with but became part of the adopted political family and has been given lucrative economic positions accordingly. Patron-bred oligarchs do not belong to the top spheres of the adopted political family, and act in the sphere of market action with the active help of others in the connected spheres of market and political action.

As it can be noticed, the three types are ordered according to their influence over the sphere of political action, or rather their importance regarding the patronal network they
belong to. These actors are the basic types of oligarchs that can be found in any patronal network, be it in patronal democracy or autocracy.

In the post-communist region, adopted oligarchs accumulated their wealth in the period of oligarchic anarchy [→ 2.5], that is, after the regime change and often as a result of the chaotic, spontaneous privatizations of former (communist) state property [→ 5.5.2]. Their admission into the political family only stabilizes their position and protects them in the world of politically motivated, violent redistributions of wealth. They can access opportunities offered by the adopted political family, and provide benefits in return; their contributions are exacted as the economic or political demands of the political family would have it, at any given time. Their account balance nevertheless remains in the black by a wide margin. As for inner circle oligarchs, their wealth can be compared to that of adopted oligarchs but they accumulated it by forming close ties to politicians and political ventures in the first place, developing independent patronal networks around them. In con-

Table 3.4. A typology of oligarchs in patronal regimes (in descending order according to distance from the chief patron in a patronal autocracy).

<table>
<thead>
<tr>
<th>Initial source of wealth</th>
<th>Patronal connections</th>
<th>To which feature the category refers to</th>
<th>Presence in patronal regimes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inner circle oligarch</td>
<td>Patronal network</td>
<td>Embedded</td>
<td>Being founder of a patronal network</td>
</tr>
<tr>
<td>Adopted oligarch</td>
<td>Private sector / patronal network (different from present)</td>
<td>Embedded</td>
<td>Having been accepted as member of an already existing network</td>
</tr>
<tr>
<td>Patron-bred oligarch</td>
<td>Patronal network</td>
<td>Embedded</td>
<td>Being fostered by a patron</td>
</tr>
<tr>
<td>Surrendered oligarch</td>
<td>Private sector / patronal network (different from dominant)</td>
<td>Embedded</td>
<td>Having been subjugated by the chief patron</td>
</tr>
<tr>
<td>Fellow-traveler oligarch</td>
<td>Private sector</td>
<td>Not embedded</td>
<td>Maintaining constrained autonomy from the single-pyramid network</td>
</tr>
<tr>
<td>Recalcitrant oligarch</td>
<td>Private sector / patronal network (different from dominant)</td>
<td>Not embedded</td>
<td>Being undecided as to what attitude he should have toward the chief patron</td>
</tr>
<tr>
<td>Autonomous oligarch</td>
<td>Private sector</td>
<td>Not embedded</td>
<td>Having no patronal allegiance (maintaining equally good relations to every network)</td>
</tr>
<tr>
<td>Rival oligarch</td>
<td>Private sector / patronal network (different from dominant)</td>
<td>Not embedded</td>
<td>Resisting domination attempt of the single-pyramid network</td>
</tr>
<tr>
<td>Liquidated oligarch</td>
<td>Private sector / patronal network (different from dominant)</td>
<td>n.a.</td>
<td>Being removed from the game (alive or dead)</td>
</tr>
<tr>
<td>Renegade oligarch</td>
<td>Private sector / patronal network</td>
<td>Not embedded (previously embedded)</td>
<td>Betraying and turning against his adopted political family</td>
</tr>
</tbody>
</table>
Contrast, patron-bred oligarchs gained wealth after the patronal network was developed and they were adopted. There are various ideal typical subtypes of patron-bred oligarchs, such as: the one who is connected to the adopted political family as a relative (wife, husband, son-in-law etc.); the one who had been a member of the adopted political family primarily in the political sphere, which he left for the economic sphere (former ministers etc.); or the one who became wealthy as a patron’s economic front man (to be defined below).

Second, there is one type of oligarch who appears only in patronal democracy:

- **Autonomous oligarch** is an oligarch who has no patronal allegiance but maintains equally good relations to the major informal patronal networks. Indeed, he had significant wealth to begin with but secured his capital from positions weaving through politics. Autonomous oligarchs are not embedded into any adopted political family, and act in the sphere of market action with occasional help, but more generally freedom, from others in the connected spheres of market and political action.

The autonomous oligarchs do not commit themselves permanently to any patronal pyramid, and they do not want to create their own political force either. While attempting to establish corrupt business relations with actors in the political sphere, they try to keep their integrity. This, however, is only possible if no patronal network manages to monopolize all political power. For in that case, a single-pyramid patronal network emerges, and drawing upon its monopoly of power it destroys the relative autonomy of the oligarchs and aims to integrate them into its own chain of command.

Logically, an autonomous oligarch has three possibilities if a patronal democracy—where he established his oligarchic position—turns into a patronal autocracy:

- **he can be positive** toward the chief patron, that is, accepting the new state of affairs and asking for adoption;
- **he can be negative** toward the chief patron, that is, not accepting the new state of affairs and actively fighting the patronal network’s domination attempt;
- **he can be neutral** toward the chief patron, that is, trying to remain autonomous.

Also, for a limited amount of time, the autonomous oligarch can remain undecided; in that case, he is not an autonomous oligarch anymore but rather a recalcitrant oligarch:

- **Recalcitrant oligarch** is a former autonomous oligarch who has not decided yet what attitude he should have towards a newly established single-pyramid patronal network. Indeed, he made his wealth in a patronal democracy but, as the regime turned into a patronal autocracy, he is under the threat of being subordinated (made client) by the chief patron. Recalcitrant oligarch is a temporary category, meaning he eventually must decide from the three possible attitudes (positive, negative, and neutral).

In case the oligarch decides to be positive, he will become an adopted oligarch. In case he decides to be negative, he becomes a rival oligarch:
3.4. Economic Actors in the Three Polar Type Regimes

- **Rival oligarch** is a former autonomous oligarch who has decided to be negative towards the newly established single-pyramid patronal network. Indeed, he made his wealth in a patronal democracy but, as the regime turned into a patronal autocracy, he starts actively fighting the patronal network’s domination attempt.

Rival oligarch is a temporary category. This means that he eventually either wins—in which case the regime degenerates into a multi-pyramid system—or loses. In the latter case, one of the two possibilities is to become a liquidated oligarch:

- **Liquidated oligarch** is a former rival oligarch who has lost his fight against the patronal network’s domination attempt, and was forced to leave the political-economic arena (either alive or dead).

Among rival oligarchs, the adopted political family considers the most dangerous those who clearly have their own political ambitions; they become the targets of efforts at economic annihilation, and they are liquidated by the means of state coercion. On the other hand, those who do not have personal political ambitions and only support alternative political forces can count on more peaceful forms of liquidation. For both versions, model examples can be found in the case of Russia after 2003, when Putin started subjugating the country’s formerly autonomous oligarchs. Mikhail Khodorkovsky is a fine example of liquidation for having his own political ambitions as he was not only deprived much of his wealth but also sentenced to prison. On the other hand, Boris Berezovsky who was forced to sell his media companies and was also exiled provides an example for the second type of liquidation.

The other possibility for a rival oligarch is to become a surrendered oligarch, which however is also the fate of those former autonomous oligarchs who decided to be neutral but were unsuccessful, meaning they could not keep their autonomy:

- **Surrendered oligarch** is either a rival oligarch, who has lost his fight against the patronal network’s domination attempt, or a former autonomous oligarch who has decided to be neutral towards the single-pyramid patronal network but could not remain autonomous. Indeed, those oligarchs who had been rivals in the sense that they had been members of a rival patronal pyramid in patronal democracy, also become surrendered in a patronal autocracy.

The oligarchs who had not been autonomous before but “played for the rival team” had been “rival oligarchs” from the point of view of the patronal network competing with them. And if that network gets monopoly over political power and becomes the single-pyramid, these former rivals become surrendered (or liquidated) oligarchs, consequently. Ways to make them surrender include state contracts petering out under the mafia state, or

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83 For a classic piece on the subject, see Sakwa, “Putin and the Oligarchs.”

84 Hale, *Patronal Politics*, 272–73. Ten years after he left the country, Berezovsky was found dead at his home. To date, most signs point to that he committed suicide, although several observers have voiced their opinion that he might have been victim of homicide.
non-market tools of state coercion—tax authorities, prosecutor’s office, police—enforcing the change indirectly. Since they are struggling to survive economically, with a lot to lose but no protected bargaining position with the regime, they are compelled to find their place in the chain of command under the political family. They enjoy privileges, but strictly meet all expectations of the chief patron and are subject to repeated cycles of “feeding and shearing” in terms of economic assets [5.5.4.1].

Finally, if a former autonomous oligarch chooses to be neutral and he is successful, he becomes a fellow-traveler oligarch:

- **Fellow-traveler oligarch** is a former autonomous oligarch who has decided to be neutral towards the newly established single-pyramid patronal network and managed to remain autonomous, without any political ambition or further rivalry with the chief patron notwithstanding.

“Fellow traveler” is a translation of the Russian word *poputchik*, which was used by communist ideologists for those members of the intelligentsia who were outside the subordinating order of the nomenklatura but were neither ardent supporters nor persecuted by the communist party. Similarly, fellow-traveler oligarchs are not subordinated into the single-pyramid patronal network but exist outside of it, enjoying constrained autonomy alongside the adopted political family.

As opposed to the rival oligarchs who actively fight the system and, in case of their success, the patronal autocracy degrades into a multi-pyramid patronal democracy, the success of fellow-traveler oligarchs entails no change in the regime. In the post-communist region, fellow-traveler oligarchs are basically not beholden for their wealth to any currently competing patronal network. Rather, their network reaches back to the period before or during the regime change, or they first became major entrepeneurs and then turned oligarchs to survive and prosper in a patronal environment. While still autonomous, the favors of fellow-traveler oligarchs were courted by different political sides for support, and they were further reinforced by this mutual dependence. However, the position of “equal accommodation and equal distance” towards rival political forces by patronal networks is undermined by the disruption of the political balance between competing patronal networks. The encroaching advance of the adopted political family tips these previously autonomous oligarchs out of their balancing act between various political forces, and in the first round, forced them into the roles of committed adjuncts in the venture. Though as allied oligarchs they have not been included in the political family’s chain of command, they end any supportive ties with rival political forces or clans.

The possible trajectories of autonomous oligarchs are summarized in Figure 3.1. At the top of the figure, there is the initial state, the autonomous oligarch; in the middle, there are the two temporary categories (recalcitrant and rival); and at the bottom, there are the “terminal stations” in a patronal autocracy, which are ordered from left to right according to their level of subjugation. Naturally, as the chief patron aims at power concentration and wants to eliminate all autonomies beside him, the most comfortable for him would be all oligarchs being strictly subordinated, meaning either subjugated or adopted status.

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Liquidation is more of a “worst case scenario,” which is necessary when an oligarch does not want to accept the chief patron’s rule and takes up a fight against him. The presence of fellow-traveler oligarchs is the least comfortable for the chief patron, as in contrast to the oligarchs more deeply embedded in the adopted political family, the fellow-traveler oligarch does not owe his wealth to the chief patron, therefore he can retain more autonomy and carries the potential to use his wealth to finance an opposition pyramid (i.e., to become an inner circle oligarch). On the other hand, less embeddedness also means that fellow-traveler oligarchs do not enjoy such protected status as other members of the family \[ \text{à} 3.6.3.1 \] and are potential targets for predation, which the chief patron will initiate as soon as he is able to do so without excessive losses \[ \text{à} 5.5.4.1 \].

**Figure 3.1. Possible trajectories of autonomous oligarchs in a single-pyramid patronal network.**

The pattern we described in ideal typical terms above is clearly visible in empirical data of the Hungarian patronal autocracy as well (Figure 3.2). Hungary is a good example because it had a relatively long period of patronal democracy before 2010, when two patronal pyramids competed with their own inner-circles and adopted oligarchs with considerable degrees of autonomy. The two pyramids had relatively equal strength, although the one represented by the governing MSZP had access to more resources than Orbán’s Fidesz in opposition. Gábor Scheiring, who analyzed data from 2002–2018 about the political allegiance of the 100 richest Hungarians, also notes that the average wealth of Orbán-leaning billionaires was significantly smaller than that of MSZP-leaning ones at that time. However, he points out that despite MSZP occupied government in 2002–2010, the number of billionaires on its side soon started to decrease, and it was constantly lower than the number of billionaires on Orbán’s side from 2005 on.86 This follows from the fact that MSZP’s net-

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86 Scheiring, *Egy demokrácia halála* [How a democracy dies], 204. Indeed, Scheiring treats both major (domestic and foreign) entrepreneurs and oligarchs as a single “capitalist class.” On this, see Part 3.6.1.1 below. We will also return to Scheiring’s argument about the role of TNCs in Hungary as well in Chapter 7, when we will be discussing country-specific features \[ \text{à} 7.4.5 \].
work, though it had an advantage in terms of access, was worse organized and less efficient in ensuring revenue streams than Orbán’s one \(\rightarrow 7.3.3.4\). The point that needs to be made, however, is that the ability to change sides, or at least to maneuver from the governing MSZP to the opposition Fidesz from 2005 on, shows the level of autonomy oligarchs had in this period of patronal democracy.

Figure 3.2. Number of Hungarian oligarchs associated with MSZP or Fidesz, 2005–2018. Source: modified from Scheiring (2019, 204).

Requests for adoption by Hungarian oligarchs happened already in the year before the 2010 elections, when it became obvious that Orbán would have a landslide victory. He even announced that he was going to build a single pyramid, which he termed a “central field of force” that would be “capable of defining […] national interest […] without constant debate” for two decades to come. 87 Scheiring adds that major entrepreneurs also sided with Orbán in expectation of rewards, particularly protection from international competition. 88 Since 2010, most of the rival and autonomous oligarchs have surrendered and/or been adopted in the single-pyramid patronal network, whereas the number of oligarchs who support the now opposition MSZP has shrunk significantly. Scheiring reports, “[in] the year of the change of government, the [Fidesz-to-MSZP] ratio was already 28:16, and by early 2011, [Fidesz] superiority continued to grow (30:11). […] In 2018, there were 37 [Fidesz-leaning] billionaires among the 100 richest Hungarians, compared to the 6 with

87 Orbán, “Megőrizni a létezés magyar minőségét [Preserving the Hungarian quality of existence].”
88 Scheiring, Egy demokrácia halála [How a democracy dies], 218–27.
ties to [MSZP].”³⁸⁹ It should also be noted that the number of Orbán’s oligarchs in 2018 was more than the total number of oligarchs in each year between 2003 and 2009 (and only one less than the total number in 2002).

To sum up, in the ideal typical patronal democracy, an oligarch can remain autonomous from the competing patronal networks. Being embedded into a patronal network has both pros and cons. On the one hand, lucrative economic opportunities, bigger profits if the respective patronal network is the ruling one, and state protection; on the other hand, he must be loyal to the chief patron and be a client of his, that is, recognize that the chief patron can dispose over the oligarch’s property to a certain extent. In a patronal autocracy, the chief patron aims at making all the oligarchs his clients in the former sense; in case of adopted oligarchs, this is achieved in voluntary agreement, while in case of surrendered oligarchs, by coercion. And in case of liquidated oligarchs, it is not simply that the chief patron may “ultimately” dispose over the oligarch’s property “to a certain extent” but the oligarch is forcibly deprived of his economic assets (as well as political capacities), which go to the possession of the adopted political family.

3.4.1.4. Renegade oligarchs and the voice and exit options in the adopted political family

There is one oligarch type in Table 3.4 we have not defined yet—renegade oligarchs:³⁹⁰

- **Renegade oligarch** is a former member of the adopted political family (inner-circle, adopted or patron-bred oligarch) who has decided to betray his network and turn against it. Indeed, he made most of his present wealth with the help of the adopted political family but he starts actively fighting his initial patronal network.

Renegade oligarchs may appear in either patronal democracies or autocracies. Renegades are former inner-circle, adopted and patron-bred oligarchs who become “rivals” (yet we do not extend the definition of rival oligarch to them). A textbook case for this is that of Lajos Simicska in Hungary, who was the strongest inner-circle oligarch of Orbán’s adopted political family who turned against his friend and chief patron. In a previous publication, we termed this a mafia war within the organized upperworld, which ended with the financial liquidation and marginalization of Simicska.³⁹¹

Those who become renegade oligarchs may have the same kinds of fates as rivals: they can be liquidated or surrendered—in case they lose—or they can win, in which case the system degenerates into a multi-pyramid one. However, this is highly unlikely because the chief patron disposes over the means of public authority and can punish disloyal actors with them. Indeed, under a regime of competing patronal networks it can still be

³⁸⁹ Scheiring, Egy demokrácia halála [How a democracy dies], 204–5.
³⁹⁰ This term is used by Markus for rival oligarchs, but “renegade” precisely implies betrayal, that is, that the person had been a member of the adopted political family before he became its enemy. Markus, “The Atlas That Has Not Shrugged,” 107–8.
³⁹¹ Magyar, Post-Communist Mafia State, 82–88; Rényi, “The Rise and Fall of the Man Who Created Viktor Orbán’s System.”
an open question as to who is the leader (patron), who depends on whom, who gives orders and who executes them among those with partial political power, on the one hand, and economic power, on the other. In a single-pyramid patronal system, however, the chief patron is evidently the “boss,” being able to outlaw his rival by means of the legislature, the tax authorities, the prosecutor’s office or the police. The one who can eject the other from the game using state powers is the winner who takes all. Those who argue that in patronal autocracies oligarchs have “captured the state,” fail to recognize that the reverse is true: in the tight political venture that is the mafia state, the adopted political family appoints its own oligarchs and gives them power. Some have suggested “the informal submission of private businesses to state interests”—particularly the situation in Russia under Putin—should be conceptualized as “business capture,” but as we explained above it is not “business” or major entrepreneurs but oligarchs who are subjugated, and not to “state interests” but to the chief patron. Therefore, we may apply the term “oligarch capture” instead:

- **Oligarch capture** is a situation when, under the conditions of single-pyramid patronal network, oligarchs lose their autonomy to the chief patron. The oligarch’s status and property become conditional upon the chief patron’s decision, who can appoint their own oligarchs or dismiss out-of-favor ones. Oligarch capture is a top-down process of subjugation by an informal patronal actor, in contrast to state capture when formal political actors are captured by oligarchs in a bottom-up fashion.

It is obvious that, in cases of oligarch capture, the oligarch cannot blackmail the chief patron. For this classical mafia technique assumes publicity and the institutions of democracy, which can be activated when wrongdoing is unveiled. The indebted politician is blackmailed not with the threat of physical violence, but with that of disclosure. As the tax authorities, the prosecutor’s office, the parliament, and so on, belong to the chief patron in the mafia state of the organized upperworld, the chances of an oligarch blackmailing him are rather thin [→ 4.3.5.2].

This leads us to the final analytical points that should be made about oligarchs: their status and options after the single-pyramid network has solidified. Using Hirschman’s famous **voice-exit-loyalty triad**, Markus analyzes Russian oligarchs and describes their situation in a patronal autocracy. Obviously, the simplest option for oligarchs is **loyalty**, for that only means they remain inactive in terms of not trying to challenge the chief patron. This way they can minimalize the chance of being deprived of their assets and even enjoy various favors on behalf on the adopted political family. However, as Markus points out, this is not an ideal situation for oligarchs. For they are in a subordinate position with no effective way to keep the chief patron accountable. They are subject to his whim, and that indeed makes business-power relations ultimately unpredictable (see Box 3.4).

Considering ways out of this situation, **exit** seems to be a viable option. Based on Markus, we can identify ideal type strategies along two dimensions: (1) placement of prof-

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92 Yakovlev, “The Evolution of Business.”
93 Markus, “The Atlas That Has Not Shrugged.” Also, see Hirschman, Exit, Voice, and Loyalty.
it-generating assets and (2) placement of person and family. We can type exit strategies as follows:

- **strategy of personal security**, when the oligarch gets residence permits in foreign countries for himself and/or his family while keeping the profit-generating assets in the country (under the authority of the chief patron);

- **strategy of personal and financial security**, when the oligarch gets residence permits for himself and/or his family and also registers his assets and cash flow abroad (offshore);

- **strategy of leaving**, when the oligarch moves to a foreign country (with his family) and also relocates the physical profit-generating assets abroad, moving to a safe distance from the authority of the chief patron.

In the case of ordinary people, leaving is a strategy that helps the regime’s consolidation, for it means the voluntary exile of more restless, anti-regime elements [→ 6.2.2.1]. In the case of oligarchs, however, while the opportunity to leave “may reduce their demand for change,” at the same time “capital flight or its implicit threat as such can put pressure on the system by depriving the [regime’s] economy of investment, jobs, and tax revenue. In other words, an exit may reduce the oligarchs’ explicit demand for better arrangements from the state while simultaneously increasing the oligarchs’ implicit leverage to get such arrangements.”

There are two ways chief patrons can handle such situations: they can try to limit capital flight (a) by formal means, as it happened in Putin’s Russia where laws were created to counter such actions, or (b) by informal means, blackmailling or extorting the oligarchs by the means of suspended punishment [→ 6.5]. Indeed, it is more likely that an oligarch who wants to leave the regime will try to strike a deal with the chief patron, who will let him keep enough wealth to live a comfortable life in exchange for handing over most of his (productive) assets to the adopted political family.

Finally, oligarchs may consider voice. As Markus explains, in Russia “even when business elites voice their disagreement with the system, they may press the state for de facto accountability at the firm level via stakeholder alliances with labor, the community, or foreign investors. Such alliances serve as ersatz institutions, allowing business owners to protect their

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specific firms while avoiding the need for country-level rule of law. This reveals a major difference between liberal democracy and patronal autocracy. In liberal democracy, entrepreneurial voice can be targeted toward two kinds of actors who may help: (a) the people, as the entrepreneur demeans the government through the press in an attempt to turn public opinion against it (and thus damaging its popular support), or (b) the judiciary, as the entrepreneur brings a lawsuit against the government in an attempt to get legal protection under the normative rule of law. In a patronal autocracy, however, both of these options are neutralized: there is a so-called dominated sphere of communication and the judiciary is either not independent or not effective. Therefore, oligarchs have no other option but to try to defend their interests on a more local level—no wonder both loyalty and exit have been more popular alternatives among oligarchs in Russia.

3.4.2. Lobbyist—Corruption Broker—Tolkach

Among the many specialized roles fulfilled by economic actors in various regimes, one occupation that shows ideal typical differences between the three polar type regimes is mediation between the spheres of political and market action. Even when the spheres of social action are separated that does not mean that they are also isolated from each other. They coexist in the same society, and they do communicate to ensure cooperation in general. Moreover, if the relation between the actors of different spheres goes beyond mere communication and involves the transaction of valued resources as well, the mediators can be recognized as brokers, that is, intermediaries in the process of exchange between actors. Yet “broker” is a general term, whereas the different level of separation of spheres in the polar type regimes gives rise to different ideal types of brokers.

In a liberal democracy, the mediator/broker between economic and political actors is the lobbyist:

- **Lobbyist** is an actor who creates contact between private actors (entrepreneurs) and public actors (politicians) through a legal, regulated and transparent way. His tasks, to which he is legally authorized, are (1) to represent the interests of individual economic actors toward political actors, (2) to communicate pieces of information to facilitate coordination of interests, and (3) to act as a broker in the legal process of exchange of valued resources between economic and political actors.

Lobbyists are typically employed by interest groups for the purpose of interest representation of societal actors, such as major entrepreneurs. Scholars have called...
attention to the phenomenon of “revolving doors,” that is, the movement from government service into the lobbying industry where former political actors can utilize their political connections in the interest representation of big business. However, that politicians may enter the economic sphere only after they have left the political sphere means precisely that the spheres of social action remain separated. There is regulated connection and cooperation between the economic and political spheres, via lobbyists, not a collusion of spheres where active political actors would also become economic actors [→ 5.3].

In a patronal autocracy, the spheres of market and political action are formally separated but informally connected. Thus, mediation/brokerage steps out of legal and transparent channels in order to (a) connect participants of corrupt transactions and/or (b) legitimize illegitimate business deals as a judicial expert. Generally, such actor is called a corruption broker:

- **Corruption broker** is an actor who creates contact between private and public actors through illegal and non-transparent means. His tasks, to which he is not legally authorized, are (1) to represent the interests of individual private actors toward public actors, (2) to communicate pieces of information to facilitate coordination of interests, (3) to act as a broker in the illegal process of exchange of valued resources between economic and political actors, and (4) to guarantee the safety of the transaction as well as the protection from (legal) controls.

Corruption brokers appear in various forms in different types of political capitalism, that is, in every case when a transaction is made outside legal and regulated channels [→ 5.3.3.2].

Focusing now on the setting of patronal autocracy, there are two main types of corruption brokers we can distinguish. First, there are the so-called **gatekeepers**, who are corruption brokers within the public administration employed to guarantee the bureaucratic background and protection of illegitimate deals. Gatekeepers include heads of law enforcement bodies, members of tender boards, judges etc. Second, there are the so-called **corruption designers**, who are usually not individual persons but firms, involved in the process of transferring governmental monies into private hands. Corruption designers include law firms, tender writing companies, project management companies etc.102

Gatekeepers and corruption designers can also be observed in various regimes. However, they show a number of specificities when operating in a patronal autocracy, where, as we mentioned in Chapter 1, centralized and monopolized forms of corruption appear. First, in the ideal typical case, all mechanisms of control are paralyzed by turning their key figures into gatekeepers, answering to the chief patron. Second, different corruption designer firms are not employed individually by corrupt private actors but they work together, forming a unified machinery with division of labor, as part of the corrupt network of the adopted political family. Third, following the (informal) institutionalization of grand corruption, specialization takes place for the certain phases of corruption design, and each step in a corrupt transaction is covered by a specialized corruption designer firm. Finally, both oligarchs and poligarchs can have their own corruption brokers, although it is

101 Blanes i Vidal, Draca, and Fons-Rosen, “Revolving Door Lobbyists.”
102 Jancsics, “From Local Cliques to Mafia State,” 139–42.
typical that the chief patron (usually a poligarch) disposes over the gatekeepers, whereas the oligarchs are in closer connection with the corruption designers.

In a communist dictatorship, the equivalent of the lobbyist of a private enterprise is called the tolkach (“pusher” or “expediter”) of a state enterprise.103

- **Tolkach** is an actor who creates contact between cadres responsible for economic units (state enterprise leaders) and cadres responsible for bureaucratic coordination (central planners and party cadres on higher levels) through an unregulated and non-transparent way. His tasks, to which he is not legally authorized, are (1) to represent the interests of companies toward bureaucratic coordinators and (2) to transact plan bargains, that is, to try to adjust the plan in terms of modifying deadlines or speeding the flow of products toward the firm through aggressive intervention or corruption.

The main difference between the tolkach and the two other types of mediators/brokers is that the tolkach does not work for the private benefit of his employer. Indeed, a tolkach is employed to help overcome the bottlenecks of the planned economy and to keep the factory operational. Kornai calls the acts of the tolkach a “vestigial form of market transaction:” “[if] a firm is short of a means of production (material, semifinished product, component) it seeks to obtain, it will try bribing the representative of the supplier firm with favors, gifts, or even money. This effort replaces, in a distorted form, what would be in the case of market relations an offer of a higher price, except that the few officials involved in the transaction receive the extra, instead of the owner of the supplier firm.”104 Also, while neither the tolkach nor the corruption broker is legally entrusted to act on behalf of his employer, the tolkach does not act against the express prohibition of the law but rather outside the legal framework (hence his action is “unregulated”). Furthermore, the corruption broker circumvents legal ways of advocacy whereas the tolkach circumvents the official (nomenklatura) ways. Indeed, the tolkach does not go through all the degrees of the bureaucratic administration, trying to lobby at the cadre directly above his employer and then move upwards step by step, but goes immediately to the highest office he can. And while the tolkach always acts bottom-up, employed to talk to people in higher offices, a corruption broker can be top-down as well when he is employed by a poligarch to connect him to his clients.

3.4.3. Economic Front Man (Shell Company)

Already the entry of the political front man, it will be recalled, indicated that the transformation of public good to private benefit turns from an occasional deviance into a systemic operation in a patronal autocracy. However, there is an economic variant of the front man as well, also called stróman in Hungary (from the German Strohmann).105 Being in a role

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105 In earlier publications, we referred to “front man” as “stooge,” but changed it for the sake of clarity.
3.4. Economic Actors in the Three Polar Type Regimes

as deputy for poligarchs, he may even give his name to the ownership of patronal wealth or economic units:

- **Economic front man** is an actor who has formal economic power but cannot use it according to his own will. In other words, he acts in the sphere of market action but he is a client in a patronal network, subordinated to the will of a patron (ultimately the chief patron) who disposes over the front man's formal authorization.

Neither liberal democracies nor communist dictatorships necessitate front men. For in those regimes, everyone is simply who they are, be it as defined by the rule of law or by compulsion. In other words, in those regimes the nature of power and its legitimation coincide, and this was typical in the various historical predecessors of patronal systems as well. After all, the feudal landlord did not hang upon the acknowledgment of his vassals, and he could as a matter of course hold his goods and estate publicly to be his own. In the communist regimes, people in the positions defined by the nomenklatura were exactly what the official, formal position said. Neither one nor the other system had any need for the presence of front men in order to bridge a gap between the formal position and the actual competences. In patronal autocracies, however, where the formal institutional setup is used by the adopted political family as a façade, front men are required both in the economic as well as the political sphere [→ 3.3.3].

The companies formally led by economic front men can either be called “economic front men” themselves, or we can introduce the colloquial term shell company for them:

- **Shell company** is an economic unit where the *de jure* owner provides anonymity for the *de facto* owner while guaranteeing control over the shell company and its resources.

In this broader sense, shell companies can be led by both entrepreneurs and economic front men for a variety of reasons from money-laundering through tax evasion to hiding the actual wealth and economic power of a political actor (as in case of a patronal autocracy). While the literature on corrupt shell companies is limited, corruption researcher Dávid Jancsics tackles this research gap by offering a typology of shell companies in post-communist Hungary. Using his terminology, we may differentiate two subtypes: live shells and empty shells. In a patronal autocracy, both types of shells are created on behalf of the chief patron or one of his sub-patrons and they are used to reap the benefits which are informally and illegally directed toward the shell company. As Jancsics writes, “the state distributes valuable resources, licenses, concessions, or other monopolistic market positions to this shell company that virtually guarantee profit making.” However, while live shells are just like any normal economic unit (company), with the sole difference that

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106 In Russia, shell firms (*levye firmy*) are sometimes called scam firms (*pustyshki*) and monkey firms (*martyshki*) as well. Ledeneva, *How Russia Really Works*, 148.


108 Jancsics, “Offshoring at Home?”

they are informally owned and fostered by a patron, empty shells carry out no economic activity. Indeed, empty shells are created out of mere technicality, to have a formal entity that can “legally” receive the state benefits, such as winning public procurements. The shells companies of economic front men have an incredibly fast ramp-up phase and become “national champions” in spite of the fact that they were established immediately prior to their first state procurement order being announced, or even after that. They are able to win huge state contracts without appropriate references or base capital, and secure loans if necessary—under rather favorable terms—without any capital cover.

As for the subtypes of economic front men themselves, based on an investigative journalist’s analysis of economic front men in the post-communist region, we may distinguish three:

- **Low-profile front man** is an economic front man who has no personal wealth or financial expertise, and he can offer only his identity (name etc.) to the patron. His main function is formally to run empty shells (“phantomization”), thus there may be large sums to his name but only for a limited amount of time. Ideally, he has no other role in the adopted political family whatsoever.

- **Mid-profile front man** is an economic front man who has some personal wealth and/or financial expertise, and he can offer these as well as his identity (name etc.) to his patron. His main function is accumulation of wealth for his patron, thus there may be large sums to his name and he is employed for a longer period of time. He may also be a corruption broker or an oligarch.

- **High-profile front man** is an economic front man who has considerable personal wealth and/or financial expertise, and he can offer these as well as his identity (name etc.) to his patron. His main functions are (1) accumulation of wealth and (2) operation of live shells, thus there may be large sums as well as companies on his name and he is employed for a longer period of time (often lifetime). He is almost always an oligarch as well.

Related to these definitions, two aspects should be noted. First, there is the aspect of guarantees, that is, the problem of enforcement of informal contracts between the front man and his patron. In the case of low-profile front men, this is rarely a problem; sometimes the low-profile front man does not even know that his identity is being used, that is, the patron only steals the identity of someone else to use it for reasons unbeknownst to the front man. In the case of mid- and high-profile front men, however, there is considerable risk, because they formally keep the wealth of their patron and they can theoretically deny his access to it, taking advantage of the legal situation. Patrons can employ the—simple but more risky—solution of verbal agreement and reputational enforcement or the—less risky

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110 Jancsics uses a different definition. See Jancsics, 14–16.
111 Brückner, “A strómanlét elviselhető könnyűsége.” [The bearable lightness of being a front man].
112 Cf. Lambsdorff, *The Institutional Economics of Corruption and Reform*.
113 For an example (of low-profile front man Béla Orgován), see Balogh, “The Quaestor Scandal.”
but more complicated—solution of a legal arrangement that limits the possibilities of the front man.\textsuperscript{114} The most effective solution, however, is the one through politically selective law enforcement; that criminal persecution against front men starts if and only if they betray their patron. This solution, however, is available only to those actors who have power over law enforcement bodies.

The last point leads us to the second aspect to be dealt with, namely \textbf{who can have what kind of front men}. In general, both oligarchs and poligarchs can have economic front men, representing them in the economic sphere. They can be either “friends of the family,” insignificant businessmen, or even oligarchs, subordinated either to a more significant oligarch or to a poligarch. In particular, \textbf{the chief patron} of a single-pyramid patronal network makes all the oligarchs his clients, which means that they indeed become his high-profile front men. True, they are not entirely deprived of their autonomy, and oligarchs may be classified by the extent of their “front-manness” (for example, patron-bred oligarchs are more frontman-like than adopted or inner-circle ones, for the latter are not as dependent on the chief patron as the former). But the chief patron as \textit{pater familias} can dispose over their property at his whim, meaning they are not private property owners in the Western sense of the term [\textsuperscript{\textsuperscript{5.5.3.4–5}}]. And while the chief patron can in every case mobilize law enforcement against disloyal front men (oligarchs etc.), the oligarchs need further guarantees for they cannot be sure, not even if they are inner-circle oligarchs, that the chief patron will help them resolve their disputes.

\section*{3.5. Communal Actors in the Three Polar Type Regimes}

In this part, we span conceptual spaces (define 3–3 corresponding ideal types) for \textbf{actors of the sphere of communal action} in the three polar type regimes. The actors were chosen (1) on the basis of their importance for the functioning of each regime type and (2) only if ideal typical differences could be noticed between them in the three polar type regimes. In other words, although some of the communal sphere's actors we omit (such as artists) might be important in one or more regimes, we decided not to include them if the actors fulfilling their roles in different regime types were essentially the same, that is, if they could not be distinguished ideal typically.

Naturally, as the spheres of social action are fully separated only in the ideal typical liberal democracy, some of the following actors (the ones belonging to patronal autocracies and communist dictatorships) are also part of the market and political spheres. Yet, as we want to structure our discussion of actors, we decided to separate them as they are separated in the mainstream literature. This way, it will also be seen why the words—indeed, formal titles—which are used in the language of liberal democracy to denote these actors are inappropriate for the corresponding actors in patronal regimes where informal institutions have supremacy.

\textsuperscript{114} Brückner, "A strómanlét elviselhető könnyüsége."
3.5.1. Citizen—Servant (Client)—Subject

The fundamental actors in the sphere of communal action are the people living under the authority of a certain state. In general, people in a liberal democracy can be conceptualized as citizens:

- **Citizen** is an actor who lives under the authority of a constitutional state, which creates the laws he is subject to. He is granted basic rights and liberties, and he can exercise them free from direct interference (oppression) by the ruling elite.

In our understanding, the meaning of “citizen” harmonizes with the French word “citoyen” and the English word “freeman,” that is, people enjoying civil or political liberty. As for “basic rights and liberties,” they may be listed, for the purposes of our definition, as follows: the right to vote and to hold public office, freedom of speech and assembly, liberty of conscience and freedom of thought, freedom from physical assault and dismemberment, and the right to hold personal (private) property. The state interferes with the exercise of these liberties only in case of conflicting rights, that is, when the exercise of one citizen’s rights may violate the rights of another citizen. In other cases, the state stays neutral, maintaining equality before the law for each and every member of the community.

In a patronal autocracy, the people in general can instead be described as servants:

- **Servant** is an actor who lives under the authority of a mafia state, which creates the laws he is subject to. He is formally granted basic rights and liberties, but he cannot exercise them free from direct interference (oppression) by the ruling elite.

We can say **client** instead of servant as well, expressing that the people in an ideal typical patronal autocracy are ultimately subordinated to the chief patron in the single-pyramid patronal network. De jure, a servant is granted all the rights that a citizen has. De facto, he is hindered in exercising them by the adopted political family, using a wide variety of methods from politically selective law enforcement to existential threats. It must be seen, however, that the mafia state is not dogmatic: just as it gives up the normative law enforcement of liberal democracies for discretional “justice-making” by the chief patron, it decides case-by-case about the oppression of individuals as well. Indeed, the situation of servants has been indirectly touched upon in a previous part, discussing neutralization of political opposition in a patronal autocracy. The adopted political family cares only about effective opposition, that is, what can be a threat to its power. If the people exercise their basic rights and liberties in a way that they do not pose serious threat to the regime, they are left alone.

In a communist dictatorship, the people are no more than the subjects of the nomenklatura:

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115 “Freeman.”
118 We will come back to the status of freedom of speech (media) in Chapter 4.
3.5. Communal Actors in the Three Polar Type Regimes

Subject is an actor who lives under the authority of a party state, which creates the laws he is subject to. He is not granted basic rights and liberties, and if he tries to exercise any of them, he is persecuted by the ruling elite (via the state’s power machinery).

3.5.2. NGO—GONGO—TRANSBO

The main collective actors of the communal sphere are the various non-profit organizations, which are in contact with the people and help them achieve various social objectives. In a liberal democracy, such organizations are the NGOs:

- NGO (non-governmental organization) is an organized group of actors embedded in the sphere of communal action and functioning *de jure* and *de facto* independently from the state. It is a bottom-up organization, which means that (1) it can be founded by any citizen or groups of citizens and (2) it aims at promoting the interests of the citizen vis-à-vis the ruling elite.

In patronal autocracy, the corresponding organizations are the GONGOs:

- GONGO (government-organized NGO) is an organized group of actors embedded in the sphere of communal action and functioning *de jure* independently but *de facto* dependently on the state. It is a top-down organization, which means that (1) it can be founded by authorized members of the ruling elite and (2) it aims at promoting the interests of the ruling elite vis-à-vis the people (servants).

“GONGO” attempts to capture a *contradictio in adjecto*: that these organizations formally position themselves as NGOs, whereas they are actually state organizations in the sense that they are founded and fostered (informally) by the ruling elite and they serve the existing power. As mafia states are pragmatic and do not ban (all) opposition groups, NGOs which do not challenge the power and applied ideology of the ruling elite can exist in patronal autocracies. The NGOs that do pose a challenge, especially so-called anti-corruption watchdogs, are subject to neutralization by the authorities [→ 4.4.3.2], whereas GONGOs enjoy privileged status in terms of regulations and funding.

In communist dictatorship, the main collective actors in the communal sphere are the transmission-belt organizations of the party state which may be dubbed by the acronym TRANSBO:

- TRANSBO (transmission-belt organization) is an organized group of actors embedded in the sphere of communal action and functioning *de jure* and *de facto* dependently on the state. It is a top-down organization, which means that (1) it can

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119 For a meta-analysis, see Haque, “Non-Governmental Organizations.” Some real life NGOs are for-profit organizations. However we can say, defining ideal types, that an NGO is ideal typically non-profit.

120 Naim, “Missing Links.”
be founded by authorized members of the ruling elite and (2) it aims at promoting the interests of the ruling elite vis-à-vis the subjects.

“Transmission belt” entered the terminology of communism after Lenin used it in 1922, defining trade union as “the transmission belt from the Communist Party to the masses.” Indeed, all such organizations, including labor unions, popular front-like organizations, communist youth organizations, cultural associations, women’s organization, and so on were TRANSBOs, founded by the state party to transmit its will in general and proposed communal lifestyles in particular to the dictatorships’ subjects. The leaders of TRANSBOs are appointed by (the authorization of) the party leadership and they are also members of the nomenklatura ideal typically.

In Part 3.3.8, it will be recalled, we used the term “transmission belt” with respect to the ruling party in a paternal autocracy. Indeed, the adopted political family has various transmission belts in the communal sphere of paternal autocracies as well. Some of these organizations, like the transmission-belt party, cannot be confined to any of the above-defined acronyms but represent independent concepts in other spheres of social action. Nevertheless, there are various state organizations (cultural, scientific, sports etc.) which fit the definition of TRANSBO. Formally, these are autonomous organizations, but informally they are dominated by the adopted political family. Such organizations may have three main functions, appearing with different emphases in different cases: (1) they are corrupt pay-offices, that is, places through which the adopted political family can divert public funds to private hands in general and put its beneficiaries on sinecure in particular; (2) they are places of recruitment, that is, a formal organization where those who wish to be adopted to the political family can express this by joining; and (3) they are bastions of symbolic politics, that is, organizations which supply and publicly support the ideological legitimation of the regime and broadcast the (typically conservative) cultural/lifestyle norms of the patriarchal family.

3.5.3. Independent Church—Client Church—Repressed Church

3.5.3.1. General definitions

Finally, among collective actors fulfilling a special role—and in the post-communist region, a historically important one—in the sphere of communal action we find the churches. We narrow the general definition of this term to the institutions which represent the believers, although it is often used to denominate both the institutions and the believers themselves. Furthermore, at this point, we do not distinguish between the churches of different religions, but rather focus on the ideal typical differences in the status of the church in the three polar type regimes.

In a liberal democracy, churches are independent:

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122 Bozóki, “Nationalism and Hegemony.” We will return to the role of ideology in Chapter 6 [6.4].
Independent church is a religious organization which is independent in its workings (communication, internal rules, ceremonies etc.) from the state. It is recognized by the state on a normative basis, and its primary function is to perform religious services to the believers. The state with respect to the independent church can be labelled a secular state for it aims at providing a neutral framework for the coexistence of religions.

The independence of churches stems from the separation of the spheres of social action in general and the separation of state and the church in particular. True, independent churches ideal typically sustain themselves from state subsidies and/or enjoy (partial) tax exemption. But these privileges are granted to them on a normative basis, should they meet certain pre-defined criteria required for the state recognition of a religious group (denomination). On the other hand, in a patronal autocracy where there is a collusion of state and the church, funding as well as state recognition of denominations is placed on a discretional basis, making them subject to bargain and loyalty toward the chief patron. Therefore, churches get into the position of a client:

Client church is a religious organization which is dependent in its workings (communication, internal rules, ceremonies etc.) on the state. It is recognized by the state on a discretional basis, and its primary function is campaigning for the ruling elite and offer ideological (religious) cover for its actions. The state with respect to the client church can be labelled a hypocrite state for it uses religion as a political tool.

The religious commitment of the adopted political family is just as pragmatic as its commitment to any ideology. Its function is, first and foremost, to transfer the legitimation of power from an accountable, democratic base to an unaccountable, autocratic one, and ideologize the deeds of the chief patron as guided by providence. Second, it provides an unfalsifiable language for the ritualization of public affairs. Finally, religion ensures that the power of the adopted political family is embedded in the sphere of communal action, even in politically less accessible regions and social groups. In short, the link between the church and the mafia state is businesslike, in a very secular way.

Finally, in a communist dictatorship, we can speak about repressed church:

Repressed church is a religious organization which is either banned or hindered in its workings (communication, internal rules, ceremonies etc.) by the state. It is not recognized by the state, meaning it is deprived of open (legal) communal functions. The state with respect to the repressed church can be labelled an anti-religious state for it persecutes religious groups and churches.

Under communism, churches are not recognized as serving any useful communal function. On the contrary, religion is contrasted with “scientific Marxism,” which—in communist propaganda—offers “rationality” instead of “superstition,” “full control of destiny” instead of:

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123 For a meta-analysis, see Dreisbach, “The Meaning of the Separation of Church and State.”
124 Gábor, “The Land of an Appropriated God.”
of “submission to divine will,” and “wealth and prosperity” instead of the poverty which followed “all those years of praying in the past.” Following this, the party state destroys religious buildings, confiscates the property of the church, and deprives churches of their legal status. Churches which are not entirely banned are subjugated to the nomenklatura, appointing its local leaders (just as the leaders of TRANSBOs), and/or they are sent undercover agents from the party’s secret service.

3.5.3.2. Regional differences in state-church relations in the post-communist region

As we explained in Chapter 1, the church was a defining element of the historical regions of the Soviet empire. It was especially important in the Islamic region, which had been characterized by the identity of church and state before the communist rule. In communist times, churches were—in line with the ideal typical description—disrupted and crowded out from the merger of spheres of social action, which was continued in a bureaucratized form under communism. After the collapse of the Soviet Union, there has been a revival of Islam in the sphere of communal action in post-Soviet Central Asia, while in the sphere of political action the local patronal autocracies crack down on religion-based movements seeking political power, following the numerous conflicts with Islamic extremists.

In the Eastern Orthodox historical region, there is a tradition of the symbiosis of the state and the church with the head of secular power supervising the head of religious power. If we look at the case of Russia, religion has been resurgent since the regime change, with over a hundred Orthodox brotherhoods founded by 2010. Yet, contrary to popular belief, the church has not been a system-defining institution but rather a system-covering ideological robe of the Russian regime. As scholars have shown, the influence of Orthodox Church in the sphere of political action has been relatively weak in Russia since the collapse of the Soviet Union, whereas it has been rewired in the sphere of communal action and exercised great influence there. And by the peak of the Putin era—that is, in a full-grown patronal autocracy—the ideal typical collusion of state and church to mutual benefit can be observed. As Ben Judah writes in his comprehensive analysis of Putin’s regime, “[the Orthodox Church’s] budget is now a secret, but [its] fortune is estimated at being several billion dollars at least. [Its] property portfolio has exploded, with a 2010 law pledging to restore to the Church all lands expropriated during Lenin’s revolution. This could make it Russia’s single largest landowner. [On the other hand], the Patriarch [lives] in the Kremlin, blessing the President after each inauguration, regularly broadcasting alongside Putin and his ministers, with his priests integrated into the army and the religion de

126 Dragadze, “The Domestication of Religion under Soviet Communism.”
127 Khalid, Islam after Communism.
128 Knippenberg, “The Political Geography of Religion.”
129 Knox, Russian Society and the Orthodox Church.
130 Papkova, The Orthodox Church and Russian Politics.
131 Judah, Fragile Empire, 150–54.
Communal Actors in the Three Polar Type Regimes

3.5. Communal Actors in the Three Polar Type Regimes

facto that of party and state.” No wonder in late 2018 Ukraine, which is on the Eastern side of the border of the Eastern Orthodox region and Western Christian one, decided to create a new church independent from Russia’s influence bringing a split in religious power following years of confrontation between the two secular powers.

Finally, we may turn to the Western Christian historical region. The collusion of state and church in Hungary, which is the only patronal autocracy in the region, is unprecedented in the sense that church and state had been separated before the rise of communism. Soon after the regime change, the collusion of the main churches with the political sphere became apparent: at the 1998 national elections, the Catholic and Calvinist churches sponsored Fidesz’s otherwise lacking organizational background, since it had rhetorically returned to the Christian fold. Not only did this spare Fidesz much on campaign expenses, but also meant nationwide outreach and swayed the type of social groups that made their electoral decisions not on the basis of ties of faith. After 2010 and the establishment of a single-pyramid patronal network, preference has been given to church schools at the pivotal elementary school stage (1) to draw the channels of social mobility under political control and (2) for the reasons of ideological indoctrination and discouraging autonomous thinking. Being co-opted by the adopted political family, Hungarian church leaders have tended to orient their actions to follow Orbán rather than following the head of the Church. A particular example of this is the Church leaders’ opposition to the pope’s stance for migrants during the migration crisis, when Fidesz also had an extremely strong anti-migrant rhetoric.

Hungary contrasts starkly with another country in the region, namely Poland. Admittedly, this is not obvious if we consider that Kaczyński and his party Law and Justice (PiS) represent a case of collusion of state and church. Yet a closer comparison reveals the important differences between the two regimes. Having had a long and enduring role in the life of the Polish state and society, the Church is a public-policy ally of PiS. According to expert Simona Guerra, the Catholic Church and PiS are in a mutually beneficial alliance, whereby the former grants legitimacy to the latter and its “Christian social” program. This involves a very strict pro-life abortion regulation, as well as privileges in education and the promotion of religion in everyday life. Practically, the Church in Poland acts like an interest group that is particularly influential in both politics and society. In contrast, the Church in today’s Hungary is a patronal-policy ally of Orbán, a link that is businesslike in a very secular way. True, the Church enjoys a privileged status in education—just like in Poland—and Orbán frequently uses religious panels in his communication. But he also utilizes pagan and other elements that contradict Christianity and the Church is limited to education—unlike in Poland. Indeed, besides

132 Judah, Fragile Empire, 151.
133 Talmazan, “Christianity Faces One of Its Biggest Splits in Centuries This Weekend.”
134 Enyedi, “Religious and Clerical Polarisation in Hungary.”
136 Balogh, “They Don’t See Eye to Eye.”
137 For a more detailed comparison, see Magyar, “Parallel System Narratives.”
138 Guerra, “Eurosceptic Allies or Euroenthusiast Friends?”
139 Ádám and Bozóki, “State and Faith.”
education, other state departments and policies in Hungary follow interests that often contradict any religious teaching or the interests of the Church in general [→ 6.4.1.3]. Considering all state action, Hungarian policy-making is just as eclectic as Orbán’s ideological stance—and for the same reason. Namely, he selects ideologies in communication as well as policy by what we will call “functionality-coherence,” meaning if the particular ideologies help him fulfill the twin goals of power concentration and personal-wealth accumulation [→ 6.4.1]. This is in sharp contrast to Kaczyński, who is motivated by power and ideology: the concentration of power goes hand in hand with the goal of achieving a hegemony of the “Christian-nationalist” value system. The Polish regime is more driven by ideology, and its occasional inconsistencies do not mean a multitude of 180-degree turns, as in the case of Orbán. As conceived by Kaczyński, the state and the Catholic Church operate closely entwined (as he put it, “Christianity is part of our national identity, the Church was and is the preacher and holder of the only commonly held system of values in Poland”).

In the end, what distinguishes church-state relations in Poland and Hungary is what fundamentally distinguishes their regimes: Kaczyński is an ideology-driven populist, while Orbán is an ideology-applying populist [→ 6.4].

3.6. A Ruling Elite of Colluding Spheres: The Adopted Political Family

Having finished the enumeration of individual and collective actors in the three polar type regimes, we next elaborate on the adopted political family, a ruling elite that combines political, economic and communal actors and relations [→ 2.2.2]. While the adopted political family is the only ruling elite we devote a separate part to, given it is one of our central conceptual innovations for the study of post-communist regimes, we will start with an explanation of why the adopted political family is different from other elites. Therefore, other ruling elites—including the nomenklatura, feudal elites and the general notion of “ruling class”—will be described, too, in an attempt to differentiate them from the adopted political family. After defining the adopted political family as a sui generis concept, we move on to describing its anthropological character, that is, the internal relations and culture that characterize the ideal typical leaders of patronal autocracies.

3.6.1. What the Adopted Political Family Is and Is Not

When it comes to the conceptualization of ruling elites in the post-communist region, there have been two different approaches in the literature. First, there is the approach we subscribe to, which understands such ruling elites as sui generis
types. Examples include

140 Schmitz, “As an Election Nears in Poland, Church and State Are a Popular Combination.”
141 We use “sui generis” in the sense that the adopted political family is a unique, new phenomenon in the region, contrasting it to the sociological and historical categories described below. Yet one may find the
Janine R. Wedel and Olga Kryshtanovskaya, both of whom employ the term “clan,” which we consider in the next part [→ 3.6.2.1]. But there is another, seemingly more popular approach, which holds that post-communist ruling elites can be properly described as subtypes, diminished or augmented, of preexisting ideal types or historical ruling elites. For the former, one can think of expressions such as “the new ruling class;” for the latter, both pre-communist and communist times are taken as basis, yielding concepts such as the “neo-nomenklatura.”

The reason we reject the second way is that we believe the adopted political family is more different from these types than it is similar to them. To substantiate our point, we explain in more detail why the adopted political family is not (1) a class, (2) a feudal order, nor (3) a nomenklatura. As we show, there is always a single aspect these ruling elites are similar to the adopted political family—this similarity is the reason they are chosen by scholars as root concepts. But in most of the other aspects, including several ones that are constitutive to the operation and character of adopted political families, we can find no similarity at all.

3.6.1.1. Why the adopted political family is not a class

Starting with the term “class,” we may turn to the Marxian tradition or to Weber’s class definition from his classic study Class, Status, Party (see Box 3.5). In both traditions, the most important characteristic feature of a class is that it is a fundamentally economic phenomenon, and both the community of interests within groups and the difference of interest between groups are dynamized by the division of labor and the capitalist mode of production. This serves as the basis for choosing class as a root concept, reflecting on the exceptional economic status of the members of the adopted political family. However, the patronal network in a post-communist single-pyramid system cannot be characterized as a class, because the adopted political family:

◆ is not a fundamentally economic phenomenon. Hale points this out early on, writing that patronal politics “refers to politics in societies where individuals organize their political and economic pursuits primarily around the personalized exchange of concrete rewards and punishments through chains of actual acquaintance, and not primarily around […] categorizations like economic class.” Indeed, patronalism is a product of culture and political ambition [→ 1.5.1], whereas the primary engine of economic and social inequality in favor of the patronal rul-

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142 Petrov, “Putin’s Neo-Nomenklatura System and Its Evolution.”
143 Weber, “Class, Status, Party.” Naturally, there exist many different approaches to classes. For an overview, see Wright, Approaches to Class Analysis.
144 Pakulski and Waters, “The Reshaping and Dissolution of Social Class in Advanced Society.”
145 Wright, “Understanding Class.”
146 Hale, Patronal Politics, 9–10.
3. Actors

Acting elite is discretionary state intervention [\(\rightarrow\) 5.4]. In sharp contrast, a class comes about as a result of capitalism, or impersonal market forces (hence it is a fundamentally economic phenomenon). True, as some class theorists point out, the state can become a means for the capitalist class to enhance its elite position.\(^{147}\) While in a liberal democracy such class analysis is valid [\(\rightarrow\) 5.3.1], in a patronal autocracy it is not the capitalist class or market-driven entrepreneurs who use the state. It is the other way around: it is a political venture that is turned into a business venture, and the chief patron disposes over the state and uses its means to reward and punish, as well as to subjugate the oligarchs in a top-down fashion [\(\rightarrow\) 3.4.1.3–4, 5.3.2.3]. Indeed, the adopted political family is not caused by, but it is the cause of, the patterns of social inequality, association, and distance. Emerging patterns of disparity in wealth follow from the activity of a political-economic group—the adopted political family and its beneficiaries—vis-à-vis the other members of the society [\(\rightarrow\) 6.2.2.1];

**subjugates economic actors with similar class status as well, on a political (patronal) basis.** The chief patron regularly attacks wealthy capitalists, that is, people who have a similar class status in the sense that they have just as much productive property as the adopted political family [\(\rightarrow\) 5.5.3]. This indicates political, not economic, cleavages between elite groups: the targets of the adopted political family include those with no patronal allegiance, that is, who are out-of-circle or disloyal [\(\rightarrow\) 5.5.4]. At the same time, the oligarchs and front men of the adopted family are not “capitalists” as they cannot use their capital without the chief patron’s permission [\(\rightarrow\) 5.5.3.4].\(^{148}\) The dynamics of a relationship between political and economic actors is not explained by the market or the division of labor but personal factors of patronalism;

**the cohesion thereof is based not on class consciousness or identity but on personal loyalty.** As Pakulski and Waters explain, in class theory “[class] membership is also causally connected to consciousness, identity, and action outside the arena of economic production. It affects political preferences, lifestyle choices […], patterns of marriage, occupational inheritance […], and so on.”\(^{149}\) In turn, the adopted

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\(^{147}\) Domhoff, *Who Rules America?* Also, see Scheiring, *Egy demokrácia halála* [How a democracy dies], 79–85.

\(^{148}\) Cf. Scheiring, *Egy demokrácia halála* [How a democracy dies], 203–10. Class approach becomes even more confusing in patronal autocracies dependent on foreign direct investment (FDI), where foreign businesses have greater weight in the economy [\(\rightarrow\) 7.4.5]. For in such regimes foreign economic actors form a business group, co-opted for the purpose of the regime’s stability, while domestic oligarchs and economic front men are subordinated in an informal patronal network [\(\rightarrow\) 5.4.2.3].

political family is characterized by the cultural patterns of patriarchal families, especially patriarchal domination by the chief patron. Meeting the criterion of personal loyalty (as well as the ability to understand and comply with informal orders), members of the family can be rather heterogeneous in terms of culture and lifestyle, causally unrelated to their (informal) status within the adopted political family;

◆ is characterized by vertical, hierarchic connections between its members instead of horizontal relations. It follows from both Marxian and Weberian class analysis that power inequalities exist between classes and not within them. Indeed, a class is ideal typically composed of people who may only be horizontally related, featuring no chains of subordination between class members (it is only when these people enter a formal organization, such as a party, when vertical relations appear). However, as we explained in Chapter 2, the adopted political family is a patronal network, featuring (informal) patron-client chains of command;

◆ creates a society where class-based, horizontal status organizations for collective bargaining are disrupted. In a class society, the interests of each homogeneous class is aggregated and represented in civilized inter-class relations by some advocacy body (such as a trade union). The adopted political family has no such institution, let alone a formal one, for the members’ interests are not treated as equal. The institutions of collective bargaining of other social groups are disrupted and, in place of a class society, a so-called clientage society takes shape [à 6.2] where it is more revealing to analyze social status from the perspective of dependence rather than the relation to productive property;

◆ co-opts and subordinates other social groups instead of struggling against them. The idea that classes have opposing interests and that they struggle against each other appears in Marxian theory as a necessity, whereas Weber argues it may or may not come about, depending on ideological factors. However, “class struggle” could only be applied to patronal autocracies with serious conceptual stretching, for the development of a single-pyramid patronal network includes the co-optation and subordination of other social groups that eliminates the possibility of struggle [à 6.2.2]. This state of affairs is considerably different from a “class compromise” as well, for here a non-class (non-economy founded patronal) entity makes others dependent on its rule;

◆ does not link people of similar economic status within a capitalist society of legal equality. Since class is a fundamentally economic phenomenon it follows that it is also a market phenomenon, where differences in class mean inequalities with respect to property (especially productive property). However, market inequality

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150 Ledeneva, *Can Russia Modernise?*, 95.
151 See the famous “iron law of oligarchy” in Michels, “The Oligarchical Tendencies in Working Class Organizations.”
152 Bendix, “Inequality and Social Structure.”
153 Korpi, *The Democratic Class Struggle.*
does not imply inequality with respect to the law [→ 4.3.5.1]. On the contrary, it is asserted that class relations exist within a capitalist system of people in homogeneous legal status, for otherwise it would be politics that defined class inequalities and not the economy.  

In turn, the adopted political family is a phenomenon of colluding spheres of social action, and the wealth of its members stems from an instrumentalized legal system, under which the normative status of legal equality is undermined by discretionary state intervention and laws arbitrarily tailored to individuals and businesses [→ 5.4]. The classes in capitalist societies come by their social status through competition, and not through special laws and state coercion [→ 4.3.4–5].

3.6.1.2. Why the adopted political family is not a feudal elite

Turning to historical analogies, the basis for choosing feudal elites or orders as a root concept is patronalism or vassalage, that is, "permanent subordinate service to a single lord." In feudal times, such “master-slave” relations typically existed between the king (landlord etc.) and his subjects, while nepotism, the importance of the court and the centrality of personal power in the ruling hierarchy are further elements the feudal analogy often builds upon. However, rights and obligations in the feudal rank order were formalized in law, like in the case of pre-communist Russia (see Box 3.6), which feudal analogies regarding the post-communist region primarily focus on. Accordingly, the patronal network in a post-communist single-pyramid system does not resemble the service gentry or feudal order, because in the adopted political family:

- there is no corporate-type organization, no rank order-type separate positions in relation to the chief patron, no corporate self-consciousness. While informal personal contacts are of paramount importance in both types of ruling elites, in feudalism these informal contacts were situated within, and primarily made possible by, “a formalized, hierarchical set of relationships." In contrast, the adopted political family is an informal organization, where the formal hierarchy of the actors is secondary to their informal hierarchy [→ 2.2.2.2]. Indeed, the adopted political family has no formal structure or membership, whereby there can be no corporate-type organization and rank order-type separate positions in relation to the chief patron. Furthermore, there is no such corporate self-consciousness as nobles or priests had in feudal times, for a member of the adopted political family can occupy a wide variety of different (formal) social positions at the same time;

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154 Some authors interpret state-induced inequalities as class relations, which we regard as conceptual stretching. See Hoppe, "Marxist and Austrian Class Analysis."
156 Török, “A tüntetésektől nem lesz vége Orbán királyságának, de fordulat jöhet” [The protests won't end Orbán's kingdom, but changes may come].
157 Shlapentokh and Woods, Contemporary Russia as a Feudal Society.
3.6. A Ruling Elite of Colluding Spheres: The Adopted Political Family

◆ the client does not have the legal status of a vassal, only the vassal’s social position. In feudal times, while the vassal was entitled to his property on the basis of his status, the lord could also take that property from him rightfully. The system was legitimately built on this, and so the legal status and social position of the vassal coincide. However, it follows the previous point that subordination of clients by patrons does not take a formal form either, although it is enforced through the means of public authority by the adopted political family. Thus, the social position of vassals is created en masse while equal rights are not de jure eliminated in a patronal autocracy;

◆ there is no “contractual” relation to the chief patron. The feudal orders stood in some sort of legitimate contractual relationship with their master (the monarch), with rights and obligations limiting both the nobility and the monarch itself. In contrast, the adopted political family not only lacks a formal organization and set of binding rules, but the chief patron, being the patriarchal head of the family, has ultimate authority over status within the single-pyramid network as well. As illustrated by the fate of Paul I in Imperial Russia (see Box 3.6), this was very much not the case in feudal times, where the orders insisted upon, and were ready to protect, their own legally granted rights;

◆ power is being exercised in illegal ways, which means systemic compromising that puts an extra layer of obedience on the network’s members toward the chief patron. While people using the feudal analogy trust it brings focus to the regime’s central element (i.e., the patron-client relationship), disregarding the informal nature of the adopted political family means they lose sight of another important element that determines the ruling elite’s dynamics. A reason for the chief patron’s ultimate authority over status, as opposed to the formally constrained authority of a king, is that the chief patron can blackmail his clients, threatening them to persecute the crimes they have committed [→ 4.3.5.2]. Such crimes as well as the chief patron’s ability to blackmail exist precisely because: (1) the workings of the informal network do not coincide with formal laws, which necessarily results in constant violations of lawfulness; (2) clients are required to take part in the illegal actions of the criminal state, and they are adopted to the family only if the chief patron can

**Box 3.6. Legal status of feudal nobility in Russia.**

“The hereditary nobility was […] a group […] defined by law whose members shared certain privileges and institutions. These were largely set out in legislation enacted under Peter I and Catherine II. This legislation established who was or was not a noble, how one acquired nobility, what rights and obligations noble status entailed, and what common institutions united the nobility. The most famous piece of Petrine legislation was the 1722 Table of Ranks which stressed the link between service to the crown and noble privilege, and created the rule that officers and civil servants acquired noble status automatically upon reaching defined ranks. […] The eighteenth-century legislation also confirmed the nobility as a property-owning class, with absolute possession of their estates and the subsoil, and exclusive rights to ownership of serfs. Catherine II’s son, Paul I (1796–1801), attempted to infringe her Noble Charter of 1785 which had confirmed that noble property could under no circumstances be confiscated by the crown and that noble honour entailed an absolute exemption from corporal punishment. Paul’s (actually rather limited) assault on the nobility’s sense of its rights and dignity was a key factor in his overthrow and assassination by members of the Petersburg aristocracy.”


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159 Lanskoy and Myles-Primakoff, “Power and Plunder in Putin's Russia,” 78–80. See also Ledeneva, *Can Russia Modernise?*
keep them in check by blackmail in the first place (they may be involved in criminal acts to get adopted or have already committed a crime before, making them eligible for adoption); and (3) the chief patron has authority over law enforcement bodies, especially the office of the chief prosecutor, which means he decides which crimes shall be prosecuted and which ones shall not be (politically selective law enforcement). Hence, systemic compromising that follows from the regime’s very nature, is a resource (a “stick”) that the chief patron can use to discipline his clients;

- **the institution of treason against the highest ruler exists in a non-formalized form, resulting in the client’s loss of orderly status.** In the feudal system, the institution of treason (or “high treason”) against the monarch was a criminal act according to the law, and indeed it followed the open and legitimate nature of feudal authority. In the case of patronal autocracies, betrayal of the chief patron or being disloyal to him counts as a *de facto* crime, but since the adopted political family is informal, the conviction of treason must be informal, too. Indeed, the punishment of such people is carried out using the means of public authority, executing various ways of discipline like confiscation of property, but the reason is not the violation of any written law but the unwritten law of the patriarchal family. Also, in feudal times, no one could be stripped of his status because of disloyalty; law enforcement could mean the loss of life, freedom, or property for the traitor, but not status. In a patronal autocracy, disinherited members of the adopted political family lose their status, first in the informal and second, as a consequence, in the formal realm.

### 3.6.1.3. Why the adopted political family is not a nomenklatura

Last but not least, we should turn to the historical analogy of the *nomenklatura*. Here, the main basis for choosing the communist ruling elite as a root concept is the widespread idea that members of the old nomenklatura survived the regime change and managed to transform their power, remaining highly influential in the executive and legislative branches formally as well as informally. But a comparison with Michael Voslensky’s classic analysis of the nomenklatura (see Box 3.7) reveals substantial differences between communist and post-communist ruling elites. The patronal network in a post-communist single-pyramid system **does not resemble the nomenklatura, because the adopted political family:**

- **extends the network of political and bureaucratic administration beyond its formal institutions.** One of the main features of the adopted political family is that it is composed of people in different formal positions, both in the public sector (formally: politicians, ministers etc.) and the private sector (formally: entrepreneurs, spin doctors etc.). In turn, the nomenklatura was composed of people enrolled to the party as well as the bureaucracy of the state;

- **has members with not necessarily only one formal position but a number of formal positions at the same time.** Closely related to the previous point, mem-

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160 For an analysis of post-communism based on this presumption, see Frydman, Murphy, and Rapaczynski, *Capitalism with a Comrade’s Face*. 
bers of the nomenklatura could have a single formal position, for that position also signified and grounded their power within the bureaucratic patronal network. On the other hand, a member of the adopted political family can have a variety of different formal positions, public and private, while occupying a single position in the informal patronal network what defines their power;

- **does not have a double-structure of connecting horizontals in different levels of party committees (middle/low level party cadres).** In a communist dictatorship, the formal hierarchy of the nomenklatura is doubled throughout the entire party state hierarchy, extending to the lowest levels of the society [→ 3.3.4]. This is the way the nomenklatura ensures the ideological control of the society, whereas each level of the hierarchy of nomenklaturists is associated with a level in the mirror-hierarchy of middle/low level party cadres. An adopted political family has no such double-organization (and no formal organization itself either), whereas social control, which is not ideological in nature, is ensured through societal patronalization and the changing patterns of existential vulnerability [→ 6.2.2];

- **typically features not the adoption of a person but of a family of blood-related or adopted members.** To the nomenklatura, it was individuals who were enrolled and appointed to certain positions. Family members enjoyed certain privileges, both formally and informally in form of nepotism, but there was a strong limit on their access and influence if they were not formal members of the nomenklatura. In contrast, to the adopted political family, families (of blood-related or adopted members) are adopted, through forming with one of its members kinship or quasi-kinship relation, sealed by businesses in common. Furthermore, nepotistic favors from a nomenklaturist did not give rise to patronal dependence, only reciprocity, whereas members of the adopted political family are granted favors if and only if they are also part of a patronal network of dependence and obedience;

- **has privileges that may bring not only extra consumption and income, but property as well.** Because private ownership was only moderately tolerated at best in communist systems, the members of the nomenklatura could enjoy privileges only in terms of higher incomes or extra consumption, such as using the state’s

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162 White et al., “Interviewing the Soviet Elite.”
facilities (cars, real estates, resorts etc.). Accordingly, individual members could not accumulate wealth in terms of tangible goods or monetary fortunes. However, since the adopted political family rules over a patronal autocracy which is fronted by a predatory state, its members can and do accumulate fortunes in monetary terms as well as property, companies, lands, concessions and so on;

- **gives privileges gained in property that are not restricted for the duration of being in “service” but can be kept.** The range of privileges of the nomenklatura was tied strictly to position, and not to persons. Accordingly, and also following the previous point, privileges were limited to the time the respective people were in office (or formal position in the party). In contrast, the members of the adopted political family have the opportunity to keep their wealth, unless they are removed from the patronal network (for disloyalty), leave the country, or die [5.5.3.4]. Even in cases of “high treason,” confiscation of property may be a gradual and/or partial process, using illegitimate ways of state coercion.

3.6.1.4. The sui generis character of the adopted political family

To sum up, **the informal patronal network in post-communist systems can be characterized as an adopted political family, because:**

- **different networks of extended personal acquaintance are organized into a single adopted political family;**
- **not only individuals, but families are incorporated;**
- **it is informal, without formal membership;**
- **it extends over formal institutions;**
- **it is based on patronal, and not organizational loyalty (there is no free entrance into or free exit from it);**
- **position within the adopted political family does not converge necessarily with formal administrative positions;**
- **its power is based on the merger of political and economic “resources;”**
- **it follows the cultural patterns of rule of the patriarchal family (patriarchal domination).**

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163 The system of privileged personal benefits serves as a guide in deciphering the hierarchical relationships between positions within the partial elites of the nomenklatura. In communist Hungary, for example, the exchange rate between positions occupied by the partial elites took the form of sophisticated consumer and prestige benefits. These included a hierarchy-based access to goods and services including party hotel resorts, the number of stags and the size of their antlers licensed for shooting at a state hunt, different levels of privileged health care, the hierarchy of license plate numbers for official cars and so on.

An illustration of the workings of adopted political families is provided by Minakov, who analyzes Ukrainian “clans” and traces their evolution from smaller strong-tie networks into “sophisticated multi-layer organizations” on the national level.¹⁶⁵ Let us quote him at length, as his description offers insight into how spheres of social action collude within the complex informal patronal structure of adopted political families: “In the initial stage, the clans centered around the key patronal figure of the ‘poligarch’ (or several partners/poligarchs), central figures demanding loyalty from all the members of a clan or a group of clans. They were surrounded by an inner circle of oligarchs, ‘adopted oligarchs’ and ‘surrendered oligarchs’ who controlled key plants, banks, and other economic assets. The next circle (of ‘front men’ and political partners) included leaders of dependent political parties, heads of executive, legislative and judiciary institutions and de jure state-owned enterprises, and managers of media holdings. A separate group of associates would be ‘security providers’: criminal groups and dependent officers of the secret services and the police. This structure was strong enough to succeed during privatization, survive the criminal wars, and successfully conduct (or defend its interests from) corporate raiding attacks. […] Around 2000–2002, the major clans started moving from shadow political and economic activity into a more public posture. Those economic assets that were legally owned by poligarchs and the inner oligarchic circle were incorporated; this process produced the largest Ukrainian corporation of 2000–2014. The same organizational process was occurring with political assets and client networks. Small parties were merging into larger, more durable organizations, such as the Party of Regions or Yulia Tymoshenko’s Batkivshchyna. Client networks were managed by emerging private and corporate philanthropic foundations.”¹⁶⁶

As we can see, the adopted political family involves the kinds of actors we have described above and associated with patronal autocracy, from oligarchs to poligarchs, from front men to patron’s parties. The informal patronal network of these actors is what we call the adopted political family, which embodies a collusion of political, economic, and communal spheres. To be more precise, we give the following definition for the adopted political family:

- **Adopted political family** is an informal patronal network which takes the form of a clan, meaning it features kinship and quasi-kinship relations under the patriarchal domination of the chief patron. Adopted political families strive for political positions and coercive (state) power over every sphere of social action of a formally democratic regime. As it entails the respect of informal rules over formal ones, the rule of adopted political families tends to be illegal, regularly stepping over existing formal laws.

¹⁶⁶ Minakov, “Republic of Clans,” 238.
3.6.2. The Anthropological Character of the Adopted Political Family

The expression “adopted political family” reflects on three characteristic features of informal patronal networks:

- **adopted** refers to the structure of the network in general and to the kinds of links (kinship and quasi-kinship ones) it uses in particular;
- **political** refers to the elite’s function within the polity, namely that it strives for political positions and coercive (state) power over every sphere of social action;
- **family** refers to the cultural pattern of patriarchal families, particularly patriarchal domination by the chief patron.

Previously, we mainly focused on the middle word, “political,” presenting the adopted political family as the ideal typical ruling elite of patronal autocracy [→ 2.2.2.2–3]. As for the two other terms, they circumscribe the anthropological character of the ruling elite from two different aspects: the aspect of linkage (“adopted”) and the aspect of subordinating order (“family”). We elaborate on them in that order.

3.6.2.1. Linkage: a typology of post-communist clans

If one wants to reflect on the anthropological aspect of linkage alone, he can use the word **clan** instead of the multi-faceted “adopted political family,” just like one can say, with respect to a patronal autocracy, “clan state” instead of “mafia state” if his primary focus is the nature of the ruling elite.⁶⁶⁷ Previously, we identified clans as follows [→ 2.4.1]:

- **Clan** is a network of people which is informal, patronal, and features kinship and quasi-kinship ties between its members.

The clans of pre-modern society were, just like dynastic houses in feudal times, organized on the basis of bloodlines, but they also took in outsiders as they expanded on a personal, family basis. In post-communist clans, kinship relations are supplemented by quasi-kinship relations as the network (or its core of founders) itself is continuously complemented by families not connected to other members on the basis of bloodlines [→ 2.4.1].

Existing literature using the concept of clan for the analysis of post-communism defines the term in a similar way. If we take a look at Collins’ renowned *Clan Politics*, the main difference between her definition and ours is that she stresses, with respect to the networks’ cohesion, the presence of a shared identity instead of patron-client rela-

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⁶⁶⁷ This logic of conceptualization has been shown in the previous chapter, where different state concepts have been used for different interpretative layers of states [→ 2.4].
We decided to include patronalism instead, and leave shared identity out, because patronalism is a more general feature of clans when they are also political networks (ruling elites), whereas shared identity is particular to a specific subtype of post-communist clans.

Differences of clans in the post-communist region stem mainly from their genesis, that is, the kind of social group that comprises the core of the network or what kind of values and interests it was founded on. Accordingly, we may develop a typology of clans, differentiating five ideal typical fundaments upon which they are built:

- **Ethnicity-based clan** is a clan which is built upon the common ethnicity of its members, that is, similarities between them such as common ancestry, language, culture, or nation. Such a clan is characterized by a shared identity, which means the core feature it was founded upon (ethnicity) is shared by all of its members.

- **Nomenklatura-based clan** is a clan which is built upon the common pre-regime change history of its members, particularly that they were members of the nomenklatura together. Such a clan is characterized by a split identity, which means the core feature it was founded upon (nomenklatura membership) is primarily shared by the founders and less by the members who were adopted later.

- **Party-based clan** is a clan which is built upon the common post-regime change history of its members, particularly a party which developed its own patronal network in the competition with other parties and their networks (that is, in patronal democracies [→ 3.3.8]). Such a clan is characterized by a split identity, which means the core feature it was founded upon (party membership) is primarily shared by the founders and less by the members who were adopted later.

- **Fraternity-based clan** is a clan which is built upon a small, very close and tightly knit community of friends or colleagues who had found their social bearings together (in, for example, college or a sports club). Such a clan is characterized by a split identity, which means the core feature it was founded upon (fraternity and close friendship) is primarily shared by the founders and less by the members who were adopted later.

- **Criminality-based clan** is a clan which is built upon a criminal group or syndicate that transformed itself, probably during the regime change, from the organized underworld to the organized upperworld. Such a clan is characterized by a split identity, which means the core feature it was founded upon (criminal-group belonging) is primarily shared by the founders and less by the members who were adopted later.

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Whether the ruling elite in a concrete post-communist country is closer to one clan type or the other is rather accidental, highly influenced by contextual as well as personal factors. For instance, in the post-communist regimes of Central Asia, while it is the top positions of the communist party and the secret service that switched into informal patronal networks, these post-Soviet republics bear the signs of strong ethnic divisiveness. Traditional clans mostly come together to form tribes, and at times the tribes will form tribal unions, which in Kazakhstan are called zhuz. The chief patron will sometimes be balancing between a few such large ethnicity-based clans, including them in the regime and thereby precluding serious clan opposition to the regime. Elsewhere the clans will form six-seven regional groups, and one or two stronger regional groupings will rise to more-or-less monopolizing the available positions (Tajikistan, Turkmenistan, Uzbekistan). At other times, plenty of independent tribes competing in the political arena drive the political system towards a parliamentary bargain-mechanism (Kyrgyzstan).

Nomenklatura-based clans were especially prone to develop where secret services and militaries had had a more prominent role before the regime change, due to their stricter chains of command (e.g., Azerbaijan). But even in such cases, it was not the entire nomenklatura that turned into a clan; indeed, as we move from Soviet Central Asia, where the top positions of the communist party and the secret service switched directly into informal patronal networks, through the Eastern Orthodox region to the Western Christian region, a smaller proportion of the nomenklatura became members of the post-communist ruling elite. This is because the nomenklatura as a whole, which depended on bureaucratic hierarchy, was by and large unsuitable for the role of a post-communist clan, based on informal ties and personal loyalty to the chief patron. This point is finely illustrated by the fate of the old communist parties in the region. After the regime change, it was typical of patronal autocracies—especially Turkmenistan and Uzbekistan—that the former member states of the Soviet Union broke away practically without any democratic transition, under the leadership of the local communist party and secret service elite. But these parties only seem to hold out temporarily and eventually lose their significance, disappear, or transform into “nationalist” parties. Indeed, the former local communist party chief, having stabilized his power through a presidential system, often abandoned the old party and its structure for a newly established party, like a snake shedding its

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169 The Chinese party state fights the tendency of informal patronal networks taking over the state in a bottom-up fashion [5.6.2.3], and it—possibly relatedly—prohibits nomenklaturists from having membership in organizations from which clans could naturally develop. These include internal factions, officially not recognized associations (e.g., university alumni or military cadets) and informal regional clubs (e.g., party functionaries coming from the same area). Indeed, members of the state party are "only permitted to join associations whose establishment expressly meets with official government approval." Heilmann, "3.7. Informal Methods of Exercising Power," 184.

170 Collins, Clan Politics and Regime Transition in Central Asia, 50.

171 On the basis of an interview one of the authors conducted with Dr. Dosym A. Satpayev (director KRAG Assessment Group, Almaty, Kazakhstan).

172 Cf. Hale, Patronal Politics, 149–53; Székely, Bárányvakság [Daytime-Blindness], 213–49.

173 Szélényi and Szélényi, “Circulation or Reproduction of Elites during the Postcommunist Transformation of Eastern Europe.”

174 Luong, Institutional Change and Political Continuity in Post-Soviet Central Asia.
worn skin. The notable exception to this rule is Turkmenistan, where the ruling party remained the communist successor party, and this is largely explained by the fact that basic democratic institutions were not even formally instituted (the country remained a de jure one-party system until 2008). However, if the establishment of the single-pyramid system came after a longer transition through patronal democracy, as with the Yeltsin-Putin turn in Russia, the new patronal network is recast as a political party founded by the chief patron independently of the communist party, which endures in opposition.

In Ukraine, clans show a peculiar regional character, yielding the Dnipropetrovsk and Donetsk regional groups, which comprise numerous—smaller and bigger—clans in their region and had several important political figures and parties in Ukrainian political life. Largely ethnicity-based actors that existed within the nomenklatura and then in the post-communist times, these clans “were also connected with organized crime. The formation of Ukrainian clans took place in the era of the post-Soviet ‘criminal revolution.’ Some of the leaders of this ‘revolution’ turned out to be among the poligarchs and oligarchs of the clans (among them the twice-convicted Victor Yanukovych, and Rinat Akhmetov, who is believed to have led criminal groups in Donetsk since 1995). Others remained at the level of security providers and chiefs of teams responsible for corporate raiding. The criminal underworld was one of the most important sources of cadres for Ukrainian clans.” Thus, we can speak not only about ethnicity but also criminality-based clans in the case of Ukraine.

Somewhere between the ideal typical nomenklatura-based and fraternity-based clans is the adopted political family of Putin in Russia. There, the decision-making power center of the adopted political family is grounded in the relationships that developed (1) on the lower levels of the former party and secret service nomenklatura and (2) between people who were born in Leningrad and graduated from its university (like Putin himself). The necessarily restricted circle and locality of these relationships provides ground for what is often called the St. Petersburg Clan. Several members of the previous nomenklatura ended up in the patronal bureaucracy, which has become an important segment of Putin's adopted political family as a result. The membership of Putin's clan—as we are going to explain below—has changed over time, whereas he is also often seen as an “arbiter” between the various factions of the adopted political family. Yet it is unclear how much he arbitrates and how much he simply lets sub-patrons fight with each other on lower levels of the patronal pyramid. The crucial point, however, is that the role of a simple arbiter would be an unstable position vis-à-vis almost equals in the family, and this is not what Putin has. Indeed, he disposes over the family and has the capacity, as chief patron, to protect or punish as he sees fit.

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175 Luong, The Transformation of Central Asia.
177 Sz. Bíró, “The Russian Party System.”
178 Way, Pluralism by Default.
180 Kryshchanovskaya and White, “Inside the Putin Court.”
181 Staun, “Siloviki versus Liberal-Technocrats.”
Finally, in Hungary we can see the rise of a fraternity-based clan. For it was the former alternative liberal party Fidesz, founded originally as a youth organization, that changed directly into a patronal network, grounded in early friendships from student fraternities at university. A transformation of the party and its subsequent achievement of a two-thirds parliamentary majority during the elections of 2010, resulted in Orbán and his inner circle acquiring unconstrained political power. This enabled them to eliminate individual and institutionalautonomies as well as the system of checks and balances within the parliamentary system, and to arrange members of society into a single-pyramid patronal system dominated by its network. This did not of course happen on the basis of the former communist party and secret service nomenklatura, though those who surrendered were accepted, and the secret service apparatus was domesticated for the purposes of the adopted political family.

3.6.2.2. Subordinating order: the character of pater familias

The cultural models of the head of the adopted political family and the features of his rule differ vastly from the model of communist dictators. He rarely shows his power in parades or party congresses, and the manifestations of his rule bear the characteristics of relations within the patriarchal family. If we were to place it in historical-logical order, we would find that the role of the head of the adopted political family begins with the archaic patriarchal head, followed by the Roman pater familias, and the chief patron of patronal autocracies. What is common in the concept of the roles can best be described through the role of the pater familias. The Roman family unit, as a household community subject to the initially unbridled power of the pater familias enjoyed a rather high degree of autonomy from the state. “The scope of public law, the ius publicum, that is, the power of the magistrates in a sense came to a stop (in principle and in general) at the border of the private estates, on the doorstep of the private houses, from where the rules of private law, ius privatum were instated, ensuring absolute power to the head of the family.” This power extended to all matters of life, individuals, property and activity. The “existence of the family is the sum of those who stand beneath the power of the head of the family,” from the head of the family down, through the wife, as well as the children by blood and adopted children, and other relatives living in the household, down to the servants and menials of various statuses. Indeed, the Latin word familia, where the English word “family” comes from, is an abstract noun formed from famulus, meaning “servant, slave.” Historically, we have the opportunity to bear witness to the process by which the people belonging to the household of the patriarchal head of the family, subjected to him under various statuses, are gradually becoming emancipated, and finding ways out of all-round personal and material dependence. In this centuries-long process, we have only recently reached, for example, prohibition of domestic violence.

182 Magyar, Post-Communist Mafia State, 40–45.
183 Földi, “A római család jogi rendje” [The legal order of the Roman family].
184 Földi, “A római család jogi rendje” [The legal order of the Roman family].
185 “Family.”
186 Felter, “A History of the State’s Response to Domestic Violence.”
In patronal autocracies, however, the patriarchal head of the adopted political family extends his entitlements over persons, property and activities by illegitimate and illegal means to a national level, by the means of a monopoly on the enforcement of state power. The family, the household, the estate and the country belong to the same cultural pattern for the head of the political family. His actions, although he formally “governs” the country, cannot be expressed appropriately by this verb, just like the pater familias did not “govern” his family. Indeed, he disposed over them, their property and status. Accordingly, the proper verb for describing the ruling action of the chief patron is “to dispose over,” concerning all spheres of social action.

3.6.2.3. Vassalization and the pattern of patron-fostered careers

There is an apparent contradiction between what we say about linkage and subordinating order. For at the former, we said clans could be based on small groups, even closely knit cliques of friendship and fraternity, which constitute the core of these networks; whereas now at the latter we say the chief patron, as pater familias, subordinates everyone in the adopted political family and disposes over them, meaning there can be no core of equals in the clan. This contradiction is resolved in favor of the latter aspect: horizontal relations of fraternity, although they may exist in the beginning, are eventually transformed into vertical patronal hierarchy. As the regime consolidates, former “comrades” become “vassals,” that is, people who are both loyal to the chief patron and are willing to give up their autonomy: performing any kind of task they are assigned, no matter how humiliating it is in the public eye. Those who do not accept vassalization (i.e., patronalization), but remain loyal, are usually sent to sinecure, receiving an office with decent income and little or no work; those who want to keep their dignity, and give up loyalty as well, are cast out.187

As the “comrades” of autocratic breakthrough are sidelined in autocratic consolidation [→ 4.4.1.3], successive generations of clan members enter who do not share the identity of the core and are subordinated on default.188 While they are more loyal than original members who thought of themselves are equals, the newcomers who are also given political, party positions are subject to various tests: (1) loyalty testing, meaning they are assigned specific tasks (indeed, often illegal ones) where they need to prove that it is the interest of the clan in general and the chief patron in particular which they serve; (2) capacity testing, meaning they are faced with different challenges, typically a challenging position, where they have to prove their proficiency or prowess; and (3) compromising, meaning the tasks they perform in accordance with (1)-(2) make it practically impossible for them to start an alternative career, let alone in a rival patronal network. By (1)-(2), the

187 Illustrative is the case of Orbán’s fraternity-based clan in Hungary. While in the beginning there were around half a dozen political actors on the top of the clan, with the passing of a decade, of the whole team only Orbán has remained. The rest have all been exiled from the innermost circle of power: József Szájer, Tamás Deutsch, and János Áder were sent to the European Parliament in Brussels (though later the place of service for the latter was relocated, and he was reactivated as President of the Republic); Zoltán Pokorni became a mayor of one of the districts of the capital, while István Stumpf was made Constitutional Judge. László Kövér became the Speaker of Parliament, and Attila Várhegyi joined the private sector affiliated with the adopted political family.

188 On the case of Russia, see Gaaze, “Court and Politburo.”
bonds of trust are built, whereas by (3) a patron-client relation is created. For compromising means (1) that the newcomer, having committed illegal actions, can be blackmailed to follow orders by a patron and (2) that he becomes a client who is in need of something (a career and high position) which the patron is the monopolist of. Deprived of their autonomy via this tripartite rite of passage, these people with political positions are among the best servants of the chief patron. Though they may eventually retire to some quieter political backwater with sinecure, they can be called back for some character-eroding “auxiliary duty” on occasion. Indeed, what is meted out as punishment to the former founders and one-time comrades in arms of the chief patron is granted as a reward to these latter actors.

3.6.2.4. Clans or tribes? Disloyalty and amoral familism

It follows from the character of the chief patron—that is, the character of a Godfather, for patronal autocracies have mafia states—that the sin above all sins in the adopted political family, which is always avenged, is disloyalty. Loyalty is the condition of both adoption and being party to a share of the proceeds. Those who want to leave the system, or turn against it, may be penalized for things they could never be penalized for in a liberal democracy, and the way they are penalized could never be pulled off in a liberal democracy. As a result of the obstruction and liquidation of the institutions upholding democracy and the establishment of the patron-client system, discretionary tools—that would never be accessible with functioning checks and balances and separated powers—become available to enforce silence and obedience. The tools basically affect existences, possibly in an all-consuming and enduring way. Thus, the victims coerced under threat of their existences are silent—as familiar from criminology—for if they spoke, it would only visit more troubles upon them.

Closely related to this point, there are no peaceful means—by individual volition—of stepping out of the system. Once adopted, the member is either discharged by the head of the political family, or if deserting, he will be chased down. No matter if he were the political family’s appointed president of the republic, a minister, or a member of parliament, he knows the consequences of opposition and of quitting. It is not merely the loss of some advantages, but the possibility of complete loss of existential means. Defection entails not only a “shooting license,” which means other members of the family can disadvantage the defector and use political and economic means against him, but a “shooting obligation.”

On the other hand, while disloyalty counts as a sin, members of the political family who commit some other offence, whether against the law or decency, can avoid punishment in a patronal autocracy. The abuse of public office for private gain, forgery of official documents, or (ordinary) domestic violence does not matter—at least until they do not exceed the level the actor is authorized [→ 5.3.4.2]. If public opinion pursues the offender more vociferously, or the case meets with an exceptionally serious international response, it may come to a sacrifice of the one responsible. Yet these individuals can still be assured of one thing: the chief patron will always be there for them, ensuring immunity and impunity. At most, the political family will create a new existence for them—just like in witness-protection programs—somewhere else, removing them from public view. Only,

189 Ledeneva, Can Russia Modernise?, 39.
However, if the individual is loyal. This gives the regime its strength: they do not serve their own people up to “alien powers.” And for those who know the disadvantages of confrontation and the protection that adherence means, not only the possibility of confrontation is lost, but its rationale as well.

Edward C. Banfield’s category of “amoral familism,” describing the poverty-ridden conditions of a Southern Italy woven through-and-through with mafia culture, can also be used describe the rules of conduct determining the behavior of the adopted political family and the mafia state. Amoral familism in patronal autocracies means, following the internal culture of the clan, a lack of any responsibility or solidarity towards all those who do not belong to the adopted family. Furthermore, amoral familism often develops into a Manichean worldview of “them” and “us” in protection of the network from outsiders, whose interests are threatened or violated by the mafia state [→ 6.4.2.3].

Reflecting on this feature, “tribalism” and “neo-tribalist politics” have been applied in the literature on contemporary politics, and “tribe” itself is a closely related concept to clans in sociology and anthropology literature (including the works of Max Weber). However, the sociological structure of tribes in general and their ruling elite in particular are rather different from those of post-communist clans. Most importantly, in a tribe, the character of pater familias, chief patron or Godfather does not appear. The tribal chief or chieftain, both in pre-modern and modern tribes, is usually limited in power by a “council of elders” or a similar body, and it is not uncommon that there is some kind of formalized rite or procedure to challenge him by other members of the tribe. In an adopted political family, the condition of loyalty and strong retaliation for disloyalty, both stemming from the character of pater familias, does not allow for such elements.

3.6.3. Disposing over Status and Wealth as Chief Patron

3.6.3.1. Shelter provision: krysha, limited-access order, and wealth accumulation

As he disposes over his regime and country, the chief patron also disposes over the wealth and status of various people of interest, particularly “the people of his household,” his adopted political family. This is made possible by the maximum amplitude of arbitrariness he enjoys, meaning he is free to use and not use the means of public authority at his whim [→ 2.4.6]. However, as we indicated in Figure 2.2 in Chapter 2, discretionary state action can go both ways: it can be positive as well as negative. In the former case, we can speak about shelter provision:

191 Banfield, Moral Basis of a Backward Society.
193 Weber, Economy and Society, passim.
• **Shelter provision** means the discrentional use of (public) resources and means in favor of an actor. In patronal regimes, patrons engage in shelter provision toward their clients.

Within the adopted political family, the most common form of shelter provision is **krysha**, meaning “roof” in Russian. Focusing on Russia in the decade of oligarchic anarchy [➔ 2.5.1], Volkov finds that the initial meaning of krysha was “a private enforcement partner, criminal or legal, [providing] a complex of services […] to protect [economic actors] physically and minimize their business risks.”

Ledeneva also defined the term at one point as “protection from above, can be of criminal, military, or secret services origins,” although she later gave it the more general definition of “political and criminal protection in exchange for payments or financial support provided by businessmen.” Our definition, designed to situate top-down as well as bottom-up forms of corruption [➔ 5.3], is even more general:

• **Krysha** is the informal, discrentional protection of one’s freedom and property from legal and illegal threats.

In the case of the adopted political family, the most important form of krysha is the guarantee of **impunity**, that is, protection from law enforcement and the various punishments imposed by formal control mechanisms. How comprehensive protection one can provide depends on (1) his amplitude of arbitrariness and (2) the range of institutions where he can exercise his arbitrary will. Loyal members of the adopted political family can see themselves as particularly protected: the chief patron is a neopatrimonial/neosultanistic ruler, meaning he treats public institutions as private domain and has the ability to overrule the decisions of formal institutions discretionally, along his informal interests [➔ 2.4.2]. As long as his krysha is intact, a client need have no scruples to violate formal laws or commit outright crimes. Naturally, he cannot do anything he wants; moreover, the chief patron gives precise authorization, defining the allowed extent of corruption and the territory (a region, a city, a ministry etc.) to which one's corrupt activities are confined [➔ 5.3.4.2], and these limits are zealously monitored. But as long as he plays by the rules, the client can be sure that the institutions which have *de jure* obligation to counteract him, like police or prosecution, will be *de facto* neutralized, disabled or biased in his favor upon the chief patron’s top-down (informal) orders.

The importance of krysha goes beyond personal protection. Indeed, the supremacy of informal rules over formal ones would be unimaginable without it. If informal norms, interests and licenses are to be exercised against formal rules, the latter must be made irrelevant, which also means that one must disable control mechanisms that are in place to ensure lawful, orderly functioning. Thus, in an informal regime actors must have krysha, which means precisely that formal institutions are disregarded in face of informal ones.

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195 Volkov, *Violent Entrepreneurs*, 139.
197 Ledeneva, *Can Russia Modernise?*, 274.
Furthermore, one can act by his informal interests and commit illegal, corrupt acts only as long as his krysha is intact—in a patronal autocracy, as long as the chief patron does not decide to remove the krysha from above his head. The famous saying “for my friends everything, for my enemies the law” becomes literal here,198 with the exception that here we are not talking about “friends” or cronies but clients in a subordinate relation to the chief patron [➔ 5.6.3]. Krysha automatically generates kompromat, meaning evidence that can be used in courts [➔ 4.3.5.2], as the chief patron can know about all the illegalities one had committed before his krysha was removed. Thus, illegality puts an extra layer of obedience, which does not exist in legal regimes, on the network’s members; disloyalty can even lead one to losing his wealth and freedom (prison). An example we mentioned in the previous chapter is the Komi Republic, where governor Gaizer had run a sub-sovereign mafia state for years before he was eventually charged, although plenty of evidence and rumors had been public about his activities without prompting any official response [➔ 2.5.3].

However, krysha is not the only way of shelter provision. Indeed, it is the mildest form of it, required to run the state along informal norms in the first place. Creating a typology, we may distinguish three levels of shelter provision as follows:

- **protection**, which refers to krysha, or the removal of formal obstacles to informal practices;
- **preferring**, which refers to granting unequal opportunities to the members of the adopted family vis-à-vis non-members;
- **promotion**, which refers to the active development of a family member’s wealth by state means.

Indeed, that the chief patron protects someone already means illegitimate advantage, for others who do not have such protection have to obey the law and cannot disregard existing regulations. However, when a member of the adopted political family is preferred, that means he is granted access to resources that people outside the leading political elite cannot get. These might include state positions, public procurements, international trade opportunities, and practically any kind of political or economic opportunity where access would be granted on the basis of normative, impersonal criteria in a liberal democracy [➔ 2.4.6]. This is what North and his colleagues refer to as limited-access order, where access to important resources is limited to members of the ruling elite [➔ 6.2.1].

Finally, the chief patron becomes an active promoter of a person of his adopted family when he reallocates public and private resources by the instruments of public authority in his favor. This applies mainly to economic actors of the adopted political family, like (patron-bred and inner-circle) oligarchs and front men. They are the prime beneficiaries of the mafia state’s (1) discretional interventions, regulations and monopoly grants [➔ 5.4], (2) kleptocratic functioning, meaning the channeling of public monies to the actors’ hands illegally, and (3) predatory functioning, whereby outsiders’ companies and assets are taken over and relocated to the ownership orbit of those the chief patron

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wants to promote \(\rightarrow 5.4\). These techniques are involved in the arsenal of relational market-redistribution, which is the main economic mechanism of patronal autocracies’ relational economy \(\rightarrow 5.6\). Also, it is one of the prime manifestations of the principle of elite interest. For, by these techniques, the adopted political family can accumulate wealth, money and assets, which are then used for both private spending and reinforcing the chief patron’s monopoly of political power \(\rightarrow 5.3.4.4\).

3.6.3.2. Integrity breaking: threat, harassment, and attack

The opposite of shelter provision, representing the negative side of Figure 2.2, may be called “integrity breaking:”

- **Integrity breaking** means the discrentional use of (public) resources and means against an actor’s formally defined autonomous position. In patronal regimes, patrons engage in integrity breaking toward actors who are disloyal, pose a risk, or seem like enticing prey.

Among the targets of integrity breaking, only (former) members of the adopted political family can be **disloyal**, whereas threats and prey are typically outsiders who are either hostile or neutral toward the regime. Indeed, one does not have to actively oppose the regime to become a **risk**. It is enough to have substantial independent resources and autonomy to potentially counter the regime. “Resources” may include economic resources, like in the case of autonomous oligarchs \(\rightarrow 3.4.1.4\), or political resources, like in case of opposition parties \(\rightarrow 3.3.9\) and media personalities, who can publicize sensitive information and therefore potentially change public opinion and election results. On the other hand, not every actively hostile element is subject to integrity breaking, only those who pose an effective threat to power monopolization and personal-wealth accumulation. The mafia state shows a great amount of pragmatism in this respect \(\rightarrow 4.3\), just as when it comes to choosing **prey** \(\rightarrow 5.5.4.1\). In the period of circular accumulation of wealth, the adopted political family redistributes property from private owners \(\rightarrow 5.5.4.2\) and uses it for promotion, as well as to accumulate capital for the long-term functioning of adopted political family.

Again, we may distinguish **three levels of integrity breaking:**

- **threat**, which refers to (verbal) messages about potential attack if the target does not obey the adopted political family;
- **harassment**, which refers to “warning shots,” which do not permanently damage the target but clearly signal the chief patron’s hostility;
- **attack**, which refers to the full-scale use of the legal as well as illegal means, potentially leading to the loss of wealth, freedom, or life.

Threat involves no harmful action per se but it precedes it, meaning it envisages harassment and attack to compel the target to surrender. Basically, it is an **irrefusable offer**, to paraphrase the famous and very apt expression (“an offer you can’t refuse”) from the movie *The Godfather*. As far as the two latter levels are concerned, actual harmful acts of integrity breaking can be classified as (a) moral, (b) existential, and (c) physical. “Moral” should
primarily be understood as referring to public image, meaning a person's reputation that can be harmed in negative campaigns (character killing). While negative campaigning is not unprecedented in liberal democracies, there are some significant differences. First, in a patronal autocracy, patronal media has an overwhelming dominance in the sphere of communication. Unlike in liberal democracy where campaigning media are surrounded by a plural media environment, reputation-dirtying campaigns can rely on patronal media and frame anyone as a public enemy, an immoral person or as a scapegoat, perhaps with the help of kompromat, whereas the target has no opportunity and resources to answer the charges with similar publicity. Moreover, the prosecutor's office can be used to criminalize targets, too, making well-photographed arrests and starting investigations upon informal orders. Simply put, the prosecutor's office can act as de facto part of the chief patron's campaign staff. The second difference between character killings in the two regimes is that, in liberal democracies, the target audience of such campaigns is the electorate, who politicians want to convince about the unacceptability of their competitors. In a patronal autocracy, character killing (1) does not necessarily link to a voting event, as it is not launched because of the electorate per se but because it wants to break the target's integrity, and (2) the target audience also involves members of the single-pyramid network, who get the above-mentioned “shooting-obligation” to disfavor (or at least avoid) the target, as well as other people in similar status as the target. If a journalist is subject to moral integrity breaking, that signals to other (would-be) journalists that they better be afraid of similar consequences should they not obey (negative signaling).

One final difference is that character killing in liberal democracy is not followed by existential harassment or attack. “Existential” refers to wealth or more generally the living conditions of a person that is dependent on his wealth and income. Harassment may involve firing friends and family members from public positions, or positions related to the economic empire of the adopted political family. The most obvious form of existential attack is predation, that is, the takeover of one's assets through centrally-led corporate raiding. Finally, physical harassment and attack refers to white and black coercion, that is, the use of police and criminal groups, respectively, to abuse the target physically. This method is typically a worst-case scenario when the target is unyielding, or when other methods simply cannot be used because the target has a strong moral standing and independent existence, possibly with ties to foreign countries where he can flee. However, in most cases, the chief patron can neutralize threats, hunt down prey and punish disloyal actors without getting physical, making coercion in his regime overall subtler than that in 20th century communist dictatorships.

199 We are now focusing on regime-specific differences, related to other features of patronal autocracy. For a discussion of technical differences, see the chapter on black PR in Ledeneva, How Russia Really Works, 28–57.

200 Cf. Min, “News Coverage of Negative Political Campaigns.”
3.7. The Structure of Elites in the Six Ideal Type Regimes

At the beginning of the chapter, we stated that in a liberal democracy the spheres of social action are separated. Focusing now on elites [→ 2.2.2], we can say that in such a regime, the ruling elite is composed solely of the political elite, that is, the formal members of the branches of power. Furthermore, this political elite is indeed split between those supporting (and being part of) the group in power and those opposing it, that is, the leaders and the opposition.

In other regimes, however, the political elite is partially or fully merged with other, market and communal, spheres of social action which includes the annexation of market and communal elites, too, breaking their autonomy and subjugating them to the ruling elite’s hierarchy.

Selecting elites of different walks of life from different spheres [→ 2.2.2], we draw up, in ideal typical form, their relationship to the political elite in all the six ideal type regimes. Indeed, we have not given precise definitions for these regimes yet (given that will require the concepts developed in the following chapters) and for the three intermediary regime types we have not defined actors yet either. However, in Chapter 1, we described the general character of these six regimes [→ 1.6]. Patronal democracy features competing patronal networks, which means it has actors common in patronal autocracy—like top patrons, poligarchs and oligarchs—but it also has certain democratic features, like a governing party (instead of a transmission-belt one). Conservative autocracy is most similar to liberal democracy in the sense that the spheres of social action remain separated, but among formal state institutions we can find bureaucratically patronalized ones, and in the opposition, various neutralized parties. Finally, market-exploiting dictatorship features one-party state with a thriving private market, meaning we can find a coexistence of politburo, cadres and state party with entrepreneurs and lobbyists (as well as tolkachi).

For the purposes of ideal typical presentation, we have chosen five elite groups, the relationship of which to the leading political elite (but not to each other) will be shown:

◆ economic elite, which includes the elite of the private or business sector;
◆ media elite, which includes nationwide media outlets as well as professional opinion-molders (journalists etc.);
◆ cultural elite, which includes the country’s leading cultural figures, artists, directors and so on;
◆ administrative elite, which includes the decision-makers in the state apparatus (administration) organizing governmental policies and overseeing their execution;
◆ law enforcement elite, which includes the decision-makers of law enforcement bodies, secret services, the chief attorney and so on.201

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201 The elites were chosen as carrying most importance to post-communist regimes. Nevertheless, the list could be expanded with other elites that are not included now, such as religious or military elites [→ Conclusion].
3.7. The Structure of Elites in the Six Ideal Type Regimes

Note that the latter two elites belong to the sphere of political action, whereas the first three are divided between the spheres of market and communal action. The ideal typical relationship of these elites and the opposition political elite to the leading political elite is summarized in Table 3.5, where we differentiate three general types of relationship:

- **no annexation**, which means the political elite may only define the legal framework but it is not involved in executive decision-making of another elite;

- **partial annexation**, which means the political elite is involved in the executive decision-making of another elite;\(^{202}\)

- **full annexation**, which means the political elite is the primary executive decision-maker, whereas the annexed elite has no autonomy whatsoever.

In other words, in the case of full annexation the political elite becomes the “elite of elites” by definition, because the members of the executive and legislative branches will have greater influence over the lives of the subjugated elite groups than vice versa. However, this is different from the phenomenon of **merger**, which we also identify, and which means that people formally belonging to two different elite groups become *de facto* elite figures in one another’s walk of life, blurring the boundaries between the two groups.

Before we present the ideal typical elite structures (with approximating examples), we need to make two technical notes. First, they are presented in the following order: we start with the polar type regimes (liberal democracy, communist dictatorship, and patronal

| Table 3.5. Annexation of elites by the leading political elite in the six ideal type regimes. |
|-----------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Liberal democracy                             | Economic elite  | Media elite     | Cultural elite  | Administrative elite | Law enforcement elite | Political elite (opposition) |
| Liberal democracy                             | No              | No              | No              | No              | No              | No              |
| Communist dictatorship                        | Fully           | Fully           | Fully           | Fully           | Fully           | n.a.            |
| Paternal autocracy                            | Partially (with merger) | Partially     | Partially       | Fully           | Fully           | Partially (with merger) |
| Conservative autocracy                        | Partially (only state) | Partially    | (only state)    | No             | Fully           | Fully           | No             |
| Market-exploting dictatorship                 | Partially       | Partially      | Partially      | Fully           | Fully           | n.a.            |
| Paternal democracy                            | Partially (with merger; shared by pyramids) | Partially (shared by pyramids) | Partially (shared by pyramids) | Partially (shared by pyramids) | Partially (shared by pyramids) | No             |

\(^{202}\) The ideal typical presentation only marks that parts of certain elites are incorporated. The exact number or ratio of incorporated elite members is an empirical question, to be determined case-by-case.
autocracy), which are followed by the three “intermediary” types (conservative autocracy, market-exploiting dictatorship, and patronal democracy) into which the three polar types can typically develop if they break down. Second, the ideal typical elite structures are going to be illustrated by isosceles triangles placed next to each other in certain configurations. We provide legends for these figures, and we want to emphasize that one should not read more into them than what the legends say. In particular, the size of these triangles and how much they overlap (in cases of annexation) are merely a matter of editing and do not indicate either absolute sizes or relative ratios. The only exception from this rule is patronal democracy, where the opposition patronal pyramid is ideal typically smaller than the ruling patronal pyramid. But the exact difference in their size or in other cases the exact sizes and relative ratios (of annexation) are all questions of empirical research, which should yield different answers case-by-case.

3.7.1. Elites in the Three Polar Type Regimes

3.7.1.1. Liberal democracy: autonomous elites, democratic political elite

The elite structure of an ideal typical liberal democracy is presented in Figure 3.3. The leading political elite in this regime can be called democratic because (1) it respects the autonomy of other elites even within the public sphere and (2) it is particular to ideal typical liberal democracies. Therefore, we can observe autonomous elites, because in such a regime the separation of social activities as well as the division of powers within the political sphere results in a society in which no elite is dominant. The political elite only defines the range of options for the other elites via setting the legal framework, but it does not interfere with the executive decisions of any members or groups of them. Political opposition is legal and can also operate unhampered [→ 4.3].

In the post-communist region, the country closest to the ideal type liberal democracy is Estonia [→ 7.3.2.2]. According to a Freedom House report, Estonian media are legally protected and largely free of overt political influence, whereas media ownership is also dominantly private and subordinated to business interests rather than political interests (FH notes “increased commercialization and undeclared advertising” as problems). The economy has been dominated by entrepreneurs, and not oligarchs, in competitive markets, and the state has adhered to conservative-liberal economic program since the regime change. Naturally, separated spheres and—as in Figure 3.3—isolated triangles do not mean there is no connection between these elites. Lobbying is ideal typical in liberal democracies [→ 5.3.1] and its reform has long been a topic in Estonian politics. There have also been corruption scandals—the most serious ones being those of former Minister of the Environment Villu Reiljan who was convicted by Estonian courts for seeking a bribe of ca. €100,000 and favored a long-time supporter of his party in a land swap case, too. Estonian politics has not annexed the economy, and there are no informal patronal networks

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203 Pettai and Ivask, “Estonia.”
204 Bohle and Greskovits, Capitalist Diversity on Europe’s Periphery, 96–137.
205 Lumi, “Comparative Insight into the Status of the Lobbying Regulation Debate in Estonia.”
or oligarchs either. Opposition parties have also been strong, law enforcement is normative and due to the proportionate electoral system Estonian governments have usually been coalitional, with numerous changes of government.206

3.7.1.2. Communist dictatorship: incorporated elites, totalitarian political elite

The elite structure of an ideal typical communist dictatorship is presented on Figure 3.4. The leading political elite in this regime can be called a totalitarian political elite, because it does not respect the autonomy of other elites at all and radically eliminates boundaries between the various types of social action as well as the division between the branches of power. Therefore, we can observe incorporated elites. Ideal typically, elites beyond the leading political elite have no form of autonomy, but they can only be placed within a unified nomenklatura ruled by the state party. The organizations of the incorporated elites are the party’s transmission belts, that is, they are merely the carriers and executors of the will of the Marxist-Leninist party [→ 3.5.2]. These may include labor unions, women’s associations, academia, and so on. Only the leading figures among these “sub-elites” can ideally hope to make it into the broad governing body of the true political elite, the central committee of the communist party, while only the leaders of the secret service and military elite are on occasion included in the smaller, actual decision-making bodies, the political committees. Political opposition is illegal, and every group opposing the system is persecuted.

While every communist dictatorship had a similar pattern of incorporated elites, we may take the example of the Soviet Union for illustration. In his book Soviet Politics in Perspective, Richard Sakwa writes that the Communist Party of the Soviet Union “was in effect the senior executive branch of Soviet government where decisions were made or confirmed. [This] was a natural consequence of the constitution’s rejection of the separation of powers.”207 He also explains that the party controlled the state and governmental systems through the use of party groups in institutions and mass organizations, a vast network of party organizations, appointments through the nomenklatura, and a strict system of mon-

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206 Mikkel, “Patterns of Party Formation in Estonia: Consolidation Unaccomplished.”
itoring cadres in executing top-down instructions.\textsuperscript{208} As private ownership was practically eliminated, there were no private institutions, media or culture either. On the contrary, the respective elites were under the control of the party, which fulfilled the function of “socialization” through a vast agitation and propaganda (agitprop) network \textsuperscript{\[4.3.1.2\].\textsuperscript{209}} All censorship and communist bodies were formal, just as the subordination of all non-political elites to the totalitarian political elite. Opposition was not tolerated either, not even inside the party where factions were banned early on.\textsuperscript{210}

3.7.1.3. Partonal autocracy: patronalized elites, monopolistic patronal political elite

The elite structure of an ideal typical patronal democracy is presented in Figure 3.5. The leading political elite in this regime can be called monopolistic patronal political elite, first, because it subjugates other political elites into its patronal network (a process that

\begin{itemize}
\item \textsuperscript{208} Sakwa, \textit{Soviet Politics in Perspective}, 97–98.
\item \textsuperscript{209} Sakwa, \textit{Soviet Politics in Perspective}, 100.
\item \textsuperscript{210} Sakwa, \textit{Soviet Politics in Perspective}, 26–27.
\end{itemize}
is termed **patronalization**), and second, because it is the only political elite that does so. Therefore, we can observe **patronized elites**. As opposed to (full) annexation of elites in communist dictatorship, the subjugation of elites here is not total. Indeed, the elites belonging to the political sphere are fully patronalized, following the monopolization of political power by the ruling elite, but some segments of the elites of other spheres of social action remain outside the single-pyramid system’s dominant network’s chain of command. Nevertheless, these **independent elites are lower level ones, certainly in no position to shape the regime, whereas those who do matter** (that is, the top members of the respective elites) **are annexed**.

*Figure 3.5. Patronalized elites in the ideal typical patronal autocracy.*

Annexed elites are **not de jure incorporated but de facto subjugated**. In other words, while the communist ruling elite (the nomenklatura) is a formal, bureaucratic phenomenon, the ruling elite of a patronal autocracy (the adopted political family) is an **informal phenomenon**, composed of an aggregate of formal and informal positions ordered into a patronal network. Furthermore, the phenomenon of **merger** prevails. On the one hand, the patrons of the single-pyramid patronal network have both political and economic power (while formally having only one of these), whereby **they become indistinguishable in the sense of belonging to the political elite or the economic elite**. On the other hand, **the ruling and the opposition political elites are merged**, too, with the main opposition parties serving the interests of the leading political elite, since they are either fake or do-
mesticated by the adopted political family. Independent members of the opposition are either marginalized or liquidated [→ 3.3.9].

Two paradigmatic cases of patronal autocracy, Russia and Hungary show monopolistic political elites and high level of patronalization. András Bozóki describes post-2010 Hungary as follows: “The center of the system is […] the patriarchal head of the family […]. Around him are concentric circles of essential, influential, and interchangeable supporters. Although the Parliament can vote by a two-thirds majority, the members of the parliamentary group are selected by Orbán. The same is true of the leaders of all institutions that were previously independent of the government. […] The model of influence of the mafia state is the informal advocacy of largely ‘family’ nature associated with single-centered power and the person of the leader.”211 Bozóki analyzes influential de jure political and economic actors and how they merge in a single ruling elite, pointing out that they are dependent on Orbán who maintains control through “systematic existential threats, propaganda, censorship, co-optation, demonstrative criminalization, discriminatory law enforcement and similar techniques.”212 Ledeneva describes Putin’s “sistema,” its internal culture and the informal patronalization of institutions and people in a similar manner.213 The patronalization of media elites happens through economic means and most independent journalists are forced into a non-elite, not influential status in a dominated sphere of communication [→ 4.3.1.2]. Whereas cultural elites in both countries are under what Bozóki calls, “instead of cultural battles (Kulturkampf), battles against culture.”214 Opposition parties are also neutralized and partially incorporated, and the two countries represent cases for all techniques explained above.215

3.7.2. Elites in the Three Intermediate Regime Types

3.7.2.1. Conservative autocracy: partially autonomous elites, authoritarian political elite

The elite structure of an ideal typical conservative autocracy is presented on Figure 3.6. The leading political elite in this regime can be called authoritarian (as opposed to the democratic one in liberal democracy), because it does not respect the autonomy of other elites within the public sphere. Therefore, we can observe partially autonomous elites. On the one hand, the elites belonging to the sphere of political action, the administrative and law enforcement elites are subjugated to the rulers, who become the de jure and de facto top decision-makers concerning these elites’ executive actions. As a consequence, the state in a conservative autocracy is ideal typically more expanded than it is in liberal democracies, which is the regime type typically preceding conservative autocracy.

211 Bozóki, “À Párttól a Családig”[From the Party to the Family], 236–37.
212 Bozóki, “À Párttól a Családig”[From the Party to the Family], 252.
213 Ledeneva, Can Russia Modernise?
214 Bozóki, “Nationalism and Hegemony,” 467–73.
3.7. The Structure of Elites in the Six Ideal Type Regimes

Figure 3.6. Partially autonomous elites in an ideal typical conservative autocracy.

On the other hand, in this type of regime **the political opposition is legal** and can operate unhampered; **the cultural elite**, being ideal typically separated from political action, **remains independent**; and **the economic and media elites are incorporated only in their public parts, while their private elements remain autonomous**. Although the legal framework regulating their activities may change, they remain free in making their own executive decisions.

While there is no fully developed conservative autocracy in the region [→ 7.2.1], **Poland** has seen conservative autocratic attempt since 2015. Accordingly, we can observe the PiS government as a formal body increasing its influence over state-owned media (featuring strong pro-government and anti-Soros propaganda)\(^{216}\) and also in the economy, with growing share of state-owned enterprises and varieties of state control over the private sector.\(^{217}\) Yet these regulations are normative and there are no PiS oligarchs, leaving the economy non-patronal. In spite of the strong Church relations and ideology implementation elevated on the rank of central politics [→ 3.5.3.2], Poland still features independent opposition, media and cultural elites as well.\(^{218}\) Yet in a consolidated conservative autocracy, independent opposition would be neutralized by bureaucratic means,\(^{219}\) whereas the Polish opposition still has the potential to reverse the autocratic attempt via electoral correction [→ 4.4.4].

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\(^{216}\) Wójcik, “Poland.”

\(^{217}\) Kozarzewski and Bałtowski, “Return of State-Owned Enterprises in Poland.”

\(^{218}\) Wójcik, “Poland.”

\(^{219}\) For a close, albeit not post-communist example, see Raby, “Controlled, Limited and Manipulated Opposition under a Dictatorial Regime.”
3.7.2.2. Market-exploiting dictatorship: partially incorporated elites, dominant political elite

The elite structure of an ideal typical market-exploiting dictatorship is presented on Figure 3.7. The leading political elite in this regime can be called dominant political elite (as opposed to the totalitarian one in a communist dictatorship), because it leaves little or no autonomy to other elites, blurring the boundaries between the various types of social action as well as the division between the branches of power. Therefore, we can observe partially incorporated elites. On the one hand, the elites belonging to the sphere of political action, the administrative and law enforcement elites are subjugated to the rulers, who become the de jure and de facto top decision-makers concerning these elites’ executive actions. On the other hand, economic, media and cultural elites are partially incorporated, that is, left with a certain degree of autonomy under the heavy regulations of the state. There-

Figure 3.7. Partially incorporated elites in the ideal typical market-exploiting dictatorship.

Legend: Every triangle represents an elite and the tops of the triangles, the tops of the elites. Overlap represents annexation.

Therefore, while in a communist dictatorship (which typically precedes market-exploiting dictatorship) the only genuine elite is the ruling elite, the nomenklatura of a market-exploiting dictatorship is not exclusive and other elites exist outside of it. What is more, in spite of the substantial magnitude of state intervention as well as the direct influence in the executive decisions of some companies, there is a large number of autonomous major entrepreneurs as well, comprising the top of the economic elite. This follows the market-exploiting
nature of the regime, which allows for a substantial private sector to serve the political/economic goals of the party state [→ 5.6.2.2].

However, it is only the nomenklatura that is allowed to have formal political organization. The elites leaning out of the party state network can only enjoy the status of an elite individually, and no one can organize vis-à-vis the leading political elite. Thus, political opposition is illegal and every group opposing the system is persecuted.

Among the post-communist countries we consider, China is the country that can be best approximated by the model of market-exploiting dictatorship. According to Szelényi and Mihályi, “during the 1980s China was building ‘capitalism from below’ and […] many of the wealthiest people in China even during the early 2000 lists of rich Chinese came from humble background (like the Liu brothers or the Yang dynasty). Even those who seem to have fit the image of political capitalists (like Rong) were not political capitalists in the sense we know from post-communist Russia.”220 The economic elite's embeddedness is shown by the major entrepreneurs who either became rich due to party connections or needed party protection, but some of the wealthiest Chinese, like Jack Ma, made their wealth from innovative IT or other high tech industries. And while entrepreneurs like Ma have been enrolled in the Chinese communist party, they still enjoy considerable autonomy in making executive decisions in their own companies, unlike state enterprise leaders in pre-regime change communist dictatorships.221 On the other hand, media and culture are heavily restricted in China, and the Communist Party of China (CPC) acts as a state party that dominates the political landscape.222

3.7.2.3. Patronal democracy: partially patronalized elites, competing patronal political elite

The elite structure of an ideal typical patronal democracy is presented in Figure 3.8. The leading political elite in this regime can be called competing patronal political elite, as opposed to the monopolistic one in patronal autocracy. For (1) it subjugates other political elites into its patronal network (a process that is termed patronalization), and (2) the leading political elite is not the only political elite that does so. Indeed, the opposition political elite also maintains an informal patronal network that also patronalizes some parts of the non-political elites.

In this regime, we can observe partially patronalized elites. Every non-political elite group is divided into three parts. First, there is a part patronalized by the leading political elite; second, there is a part patronalized by the political opposition. Both patronal pyramids include some of the non-political elites, although the ruling elite's patronal network is ideal typically larger that of the opposition political elite.223 Finally, there is also an autonomous part, which maintains equal distance from the two groups, that is, having equally good relationship but steering clear of the patronal domination of any side. That autono-

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220 Szelényi and Mihályi, Varieties of Post-Communist Capitalism, 198.
221 Brant, “Why Is Jack Ma a Communist Party Member?”
222 Heilmann, China's Political System.
223 If the opposition is not unified, this part may be split, too, among multiple opposition patronal networks. For the sake of clarity, we present the case where the opposition political elite is unified.
Mous actors can exist is ensured by the competition of patronal pyramids, where no political elite has the monopoly of political power and cannot dominate the spheres of social action as a consequence. Furthermore, the phenomenon of merger appears, for the patrons of the patronal networks have both political and economic power, whereby they become indistinguishable in the sense of belonging to the political elite or the economic elite.

Figure 3.8. Patrially patronalized elites in ideal typical patronal democracy.

Legend: Every triangle represents an elite and the tops of the triangles, the tops of the elites. Overlap represents annexation and dashed lines, merger. The opposition pyramid is ideal typically smaller than the ruling one.

Ukraine has been a patronal democracy since the Soviet Union collapsed. Based on extensive research, Minakov lists the positions that have been controlled by the clans comprising the Dnipropetrovsk and the Donetsk regional groups, both of which cover large portfolios of the above listed elite groups. In the Dnipropetrovsk group, the informal patronal network of Privat Group has controlled separate MPs, parliamentary parties and factions (from 1998 to today), deputy heads of the National Bank, managers and Board members of state-owned gas and oil companies, whereas the Kuchma-Pinchuk clan has been a low-profile clan since 2005, with control over separate MPs, deputy-ministers and vice-general prosecutors. In contrast, the Donetsk regional group is comprised of “old” clans that have controlled the Party of Regions, vice prime ministers, governors, MPs, separate ministers and deputy ministers, the Tax Administration etc.; “new” clans that have controlled governors and mayors of Donetsk (1996–2014), positions in the Party of Regions, Opposition Bloc, separate MPs, parliamentary factions (1998–present), general prosecutors, separate ministers etc.; and some smaller and newer clans that have controlled judiciary/separate courts, the Central Electoral Commission, separate ministers and state-owned companies. Amidst intense patronal competition, Ukrainian oligarchs have had considerably more autonomy than Russian ones, and since the Orange Revolution [→

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4.4.2.3] the empowered oligarch-controlled parliament has guaranteed that poligarchs can be kept in check.\textsuperscript{225}

To sum up, in post-communist regimes the process of elites becoming relatively autonomous began during the early regime-change process, but soon the alignment into rival political-economic patronal networks followed. In those polities where the rotation of rival political forces persisted over time, there was a better chance for autonomous economic, cultural, media and other elites to take a hold, or at least attach themselves to competing patronal networks that are unable to secure power exclusively, finding subsistence under their wings. This latter scenario is perhaps the best outcome for countries further outside the Western civilization and the EU’s gravitational pull \textsuperscript{[7.4.4]}, securing the multi-pyramid arrangement of patronal democracy instead of the single-pyramid patronal network that structures the actors of patronal autocracies.

\textsuperscript{225} Markus, “The Atlas That Has Not Shrugged,” 103. Also, see Markus and Charnysh, “The Flexible Few.”