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THE CULTURAL BASES OF SOVIET GEORGIA'S SECOND ECONOMY

By GERALD MARS AND YOCHANAN ALTMAN*

1. *Introduction*

THE primary purpose of this paper is to demonstrate, with the aid of illustrative cases, the link between the core values of Georgian culture and the working principles of its second economy. We aim to show that only by first understanding underlying cultural forces can we begin to grasp the reasons why Georgia, of all the Soviet Republics, should possess such a dynamic and deeply entrenched second economy (Grossman, 1977)—estimated by some scholars at over 25% of the Republic's GNP (Wiles, 1981).

The method we have adopted to obtain our data is a unique variant of anthropological fieldwork and a methodological note is therefore in order.

2. *A Note on the Sample and on our Method*

The method we adopted to delineate the core cultural features of Georgian society and which was also used to obtain our case material is what we term 'retrospective reconstruction'. Its mode is primarily anthropological. This is to say, it depends for its primary data upon anthropological fieldwork within a living bounded community—in this case among a community of 5,000 recently arrived immigrants from Soviet Georgia to Israel. Our method was to use this community as a data base to allow a reconstruction of institutional features as these existed—and still exist—in Soviet Georgia. It involved residence and social participation among the community for a period of over sixteen months by at least one and for some periods by both of us. This has been supplemented by a visit by one of us to Soviet Georgia, by continuous searches into the Georgian and Soviet press and by regular contact with specialists on Georgia including native Georgians in the UK.

(i) *The sample*

We are aware that Georgian Jews are in some respects not culturally synonymous with the Georgian majority and we have been particularly concerned in checking our data to ensure the applicability and relevance of our findings to the wider Georgian scene.

It is believed that Georgian Jews have a history of settlement at least since the eighth century and that they have consistently enjoyed a freedom of residence and worship unusual in the history of the Jewish diaspora. We have found that our informants, though following Jewish food taboos and maintaining a ban on marriage outside their faith, were nonetheless more integrated into their host society than Jews in other Soviet Republics (Ben Zvi, 1963; Ben Ami, 1965). Their lingua franca was Georgian and, as Mark Plisetsky, a Soviet ethnographer, has observed:

Generally speaking Georgian Jews live the same way as their Gentile neighbours . . . have the same customs, furniture, domestic equipment and dress. Wedding ceremonies too are the same, the only differences are a few songs in Hebrew of a religious or ceremonial nature . . . Jews and Georgians have the same names. (Plisetsky, 1931, p. 36)

In their economic activities Georgian Jews did not operate in any sense as an ethnic or sub-economy. The majority of our informants, though over-represented in trading occupations, were nonetheless widely spread in the lower and middle levels of the economy and in their economic relationships predominantly worked alongside non-Jews and were involved with them in a wide range of social and leisure activities. This extensive integration into the wider Georgian society did not, however, preclude a massive exodus to Israel in the early 1970s—a phenomenon more fully explored elsewhere.

The majority of our sample are from the rural areas of Georgia which, according to the 1979 Soviet census, contain half of the total population. However, according to Dragadze (1976) there are close links between town and country while Parsons (1982) argues that 'Georgians consider rural Georgia as the repository of the nation's cultural heritage'. We feel justified, therefore, in regarding our sample of Georgian Jews as a suitable source of effective data on the wider Georgian scene.

(ii) *The Method*

Since our method depended primarily upon the anthropological mode of participant observation we were thereby able to cross-check information received from different informants. We made intensive use of key informants, used structured interviews, and collected life histories. The principal language used in fieldwork was Ivrit—modern Hebrew. We came to recognise three fieldwork phases that are conceptually, though were not necessarily chronologically, separate.

Phase I involved straight anthropological fieldwork: the focus was to collect data on our migrants in Israel; to chart their social relations, to identify their principal social institutions and their basic cultural postulates. A further aim was to identify the differences as well as the similarities between our sample and that of the indigenous peoples of Georgia. As well as providing useful data on settlement in Israel this phase allowed the growth of trust by enquiring into relatively unworrying aspects of their social life as it unfolded at the time, *i.e.* 'How are marriages arranged *here*?' 'How are economic relationships organised *here*?'

Phase II then attempted to translate the understanding of observed social process retrospectively to Georgia. 'How were marriages arranged over there?' 'How were economic relationships organised over there?'

Phase III was directly concerned with second economy relationships in Georgia which can only really be understood when one has prior understanding of social institutions derived from Phases I and II. The questions here dealt with how people participated in or had experience of second economy activity in Georgia. The emphasis was on building up detailed cross-checkable case studies which then provided our basic resource for secondary analysis. Attention was constantly paid to the typicality of our data.

We believe that the unique contribution of anthropological fieldwork as a primary tool to an enquiry such as ours is two-fold: first, the core of its methodology depends on building rapport over time within the context of a close-knit community—which thus allows the build-up of good will and trust. At the same time it offers the opportunity to cross-check and validate the data obtained. It can therefore look in depth into questions which other methods of data collection may only hope to scratch on the surface. Second, anthropology's principal claim to academic specialism is that it concentrates on culture, that is, on the transmission of shared values and attitudes and on the characteristic ways by which people confront their everyday existential issues. In doing so it applies a conceptual approach to data that is holistic and which therefore encourages a linkage across the main institutional areas of social life. The operation of informal economies can thus more readily be considered within their social and cultural milieu.

3. *Georgian Society's Core Values*

(a) *General*

Our delineation of Georgian core values is primarily derived from our involved anthropological participation within our sample community in Israel. They conform, however, with our expectations derived from anthropologists who have made a speciality of other Mediterranean and Latin cultures. Peristiany (1966) and Davis (1977)—to mention just two—agree on the basic cultural homogeneity of this region.

While the pre-revolutionary Caucasus enjoyed considerable attention, the extent and quality of later work, however, are much more limited. The standard Soviet ethnography, *Narody Kavkaza* (Kardanov, 1962) devotes its overwhelming attention to the material culture of past generations. We attempted to monitor existing material from the West (*e.g.* Grigolia, 1939) and more recent journalistic impressions (*e.g.* Dragadze, 1976) which broadly conform with our own systematic findings.

To be accepted in Georgian society involves descent and membership in families where both sides are noted for respectability. This is a feature found not only in Georgia but also elsewhere, all along the shores of the Mediterranean (Peristiany, 1966). Georgian families are bilateral: they trace descent on both sides but stress the male line and within it an emphasis on agnates—on the solidarity and mutual obligations of brothers. When an individual's acts are evaluated this is done in the context of an assessment—and of continual reassessment—of his family and its honour. The same assessments, though less pronounced, apply also to associates and to friends.

Women are important in Georgian society as the articulation points between groups of males and the ensurers of male descent. Whereas the honour of men is achieved by assertion and dominance, the honour of women is passive and mainly associated with sexual modesty. As with manly honour, their passivity reflects also on the wider honour of their family and therefore of their menfolk, and to a lesser extent on that of their associates.

Honour, and its corollary shame, are constant preoccupations in Georgia. Within family groups spheres of action are well defined; they do not overlap and they are non-competitive—everyone knows their place. Beyond the family, however, these limitations

are reversed. Insecurity and instability in the perpetual ranking and re-ranking of personal relationships is the norm. Males have therefore constantly to prove themselves as men. They are, in this respect, perpetually 'on show'. They need constantly to demonstrate their worthiness to public opinion in general and to their peers in particular. This requires the demonstration of 'manliness' and use of goods in display and consumption.

In this kind of 'honour and shame' society where peer approval is so important hierarchical official relations are resented and resisted and are the source of perpetual conflict. The individual Georgian sees honour accruing to families and sees families linked by a common honour. In such a context there is little role for the state or for any centrally-organised hierarchy. Relationships need always to be personalised and abstraction has no place.

(b) *Competition*

Competition involves conspicuous display and the necessary involvement of one's peers in relationships of obligation. Feasts and bouts of excessive and competitive drinking are extensive in Georgia, whilst sitting rooms, which are the essential preserve of men, are the physical base for the demonstration of display items. Dressing up is important, as is eating out with friends in cafes and restaurants. All of these activities will affect a man's standing and influence the formation of his own network (discussed later) including the ranges of choice he will have in selecting spouses for himself and later for his children. So the Georgian is pushed to obtain resources which are practically non-existent in the formal economy. It is this which provides the underlying personal motivation and the dynamic force which boosts the republic's second economy.

(c) *Trust*

Trust is the basis of honour. A man who is not trusted has no honour: a man without honour cannot be trusted. Of course trust is a fundamental requirement in the operation of the second economy. When deals are illegal one cannot make contracts nor ask for the help of the law. Therefore a man's word has to be his bond. An illegal financier who used to give loans solely on a man's word of honour told us that a person who abused the trust given to him would be socially excommunicated. In this kind of society to be dishonoured is to face social discredit, but it is discredit that goes beyond the individual, since the whole family is contaminated; and not only the core family but the associated in-laws as well. One way to show the interchange between trust and honour is to look at the way loans are given at times of crisis. We will do this in the second part of this paper by presenting a case study.

(d) *Networks*

If trust is important to the second economy, networks—particularly those based on the family—are its backbone. In a highly personalised society, where a person is measured on his honour—and on the honour of his closest associates—the body of people to whom he can personally relate and through whom he can extend relations with others who might latently prove significant becomes an individual's major resource. The extent and weight of a person's network are the primary determinors for the type of occupation he will be

able to enter. And when he is in a post he can use his network to facilitate the gaining of honour, whilst the gaining of honour will facilitate the further growth of his network. Networks are thus crucial in the obtaining and distribution of resources and are central to understanding the second economy. While the paper focusses upon the role of family and kinship as the basis of personal support networks, what we call 'network cores', we would emphasise that such cores are supplemented by peer group membership. This is why the possession of brothers is particularly valued: they are both kin and the source of same generation peer contacts.

(e) *Taking risks*

Reckless risk taking is a valued macho attribute in Georgia and the successful gain both in honour and in resources. Risk taking, however, is also a necessary attribute for business ventures and its high social valuation provides a necessary validation for activity that is the object of formal discrimination. This urge to gamble therefore goes some way to explain why people accept the constant pressure of daily risk taking when they engage in regular second economy work, and also why the entrepreneurial spirit should be so pronounced in Soviet Georgia despite Moscow's persistent attempts to control it. But these are entrepreneurs of a different mould from those traditionally associated with Western capitalism—with the development of thrift and with Weberian ideas of deferred gratification: these are gambling entrepreneurs concerned to spend and to display.

The taking of risks is essentially linked to the operation of networks as providing the basis of one's personal support in crises. Having a large and strong network means taking less risks, since networks are a major resource to take advantage of in times of need. The absence of an effective network, as we shall see, means either that a person is limited to less risky jobs or is involved in a greater chance of exposure and conviction.

We offer these core features of Georgian culture, not to present them as iron laws that formalise or rigidly channel conduct, but as ideals that are expected to be followed. Though the norms of ordinary life might fall short of expected behaviour the ideals nonetheless set the standard.

4. *Case Study: The Market Trader: How the Culture Underlies the Second Economy*

The following case is told by an informant who at the time was seventeen years old. The subject of the story is his father who was a small businessman, running a small shop in a typical Georgian small town market holding some forty shops and a few stalls. The events happened at the beginning of the 1970s. Such traders are particularly vulnerable to checks or raids because, in the nature of their occupation, they necessarily commit offences. The most common offences are overcharging, selling unlicensed items and selling lower class items as of higher quality.

On Monday the traders got warning of a possible raid sometime during the coming week. The warning arrived from a person who was not a trader but had much invested interest in the market. He was "a silent partner" to some of the shops there. This person had a link to somebody in Tbilisi who would be expected to know of such things. A check with the local officials failed to verify the warning. They did not know anything, but people in the market nonetheless took the warning

seriously. After all it came from a highly regarded person. Some of them closed their shops for the whole week—most of these were the more established shopkeepers. Some said they were sick, others had family obligations. You don't need too much of an excuse. The rest, including my father, could not afford to close entirely. So they tried their luck.

A few stayed open all the week—others closed only on certain days. My dad closed on Tuesday and Wednesday and opened on the Thursday. Thursday, being market day, involved obviously a higher risk—but also a higher chance for earning, especially as some shops did not operate because of the scare. The special control committee arrived on Thursday. It was a central committee on an irregular check mission—and that is why the local officials were not told.

This is a rather common method of by-passing the local authorities. This was an *ad hoc* committee of eight persons working in two sub-groups, comprising persons from the commerce departments in some local governments and representatives from the central office of the *OBKhSS* (the economic police).

A local boy of fourteen was given some money to buy a few things at my dad's shop. The boy was probably a Komsomolnik (a member of the communist youth, who take on—among other civilian duties—help in controlling consumer prices). Three men, disguised as customers, watched him. He purchased a pair of trousers and was charged 4·40R instead of 3·60R; a pair of socks for 3·20R instead of 1·20R and an elastic band for underwear of which he got 7m. instead of 9m. as charged. The control men identified themselves, charged my dad with speculation (which is a criminal offence) and ordered him to close his shop, which was thereafter sealed until a formal inquiry was set up. He was taken immediately to the town's police station.

The rumour spread immediately at the market place and details quickly reached our home—though we lived some two hours away by train from the market. At once all our relations and neighbours came in to share the tragedy with us. My father's brothers and my mother's cousin—who happened to be visiting the town at that time—started to plan how to get him out of the mess. First of all, all the goods we had at home were dispersed quickly to face a possible police raid on our home. They were put, for the time being, at my father's brother's place.

My uncles and my mother's cousin made contact with the head of the police station where my father was arrested. It seemed possible to release him for a considerable amount of money. My mother's cousin proved to be of crucial importance. He was much richer than our family—he ran a factory in Tbilisi and had many contacts with officials there and knew in person the man who had issued the warning to the market traders.

He asked this person to come urgently from Tbilisi and both went to see a senior policeman. Of course they took a lot of risk, since they demanded the release of my father as well as the dropping of the charges against him. The charges however could not be dropped though they were much reduced. This was arranged for 5,000R to be handed in in cash. [Comparing this account with other information and discussing this case with other informants revealed that this was not an excessive demand in the given circumstances.] How was the sum raised in a short time? 2,000R were given by my family. Part of it we held at home as a matter of regularity for emergencies. The rest was given as a loan by my relatives. 3,000R were raised by the traders in the market—both Jews and gentiles.

The loans were given under no guarantee, without any condition or specified time for their return. It was all done on the understanding that a person's honour commits him and his family to see to it that the loans are returned as soon as possible. In this particular case it took 18 months to return the lot.

On his release, father went together with a few others (including me) to empty his shop of the illegal goods he held there. [Instead of 34 items he was licensed to deal with, he stocked 240, which means simply that this state-owned shop was used to run a private business. If caught and convicted of this offence he would have been sentenced for ‘sabotaging the state’s economy’, for which the minimum sentence is 15 years imprisonment.] Luckily, dad was clever enough to have left a window unlocked—through which we managed to get in with the help of the gatekeeper who was given 100R. We dispersed the goods among the other shops in the market—the traders had authorised the gatekeeper to open their shops to do it. But a considerable amount was loaded on a van we brought with us. On leaving, we phoned to our house from the gatekeeper’s home, saying: “the birds are on their way” which was an agreed code meaning; “the goods are on the way—be ready to disperse them”.

My mother’s cousin was driving. He was a man in his thirties and very tough. Since it was early morning, we were easily detected by the police patrols and were ordered to stop. [Police patrols are a constant factor to consider when delivering illegally. There should be a bill of lading (*faktura*) specifying the source and destination of all goods in transit. This is why most illegal deliveries are carried out during daytime when the likelihood of raising suspicion is low.] Of course we could not stop and a chase developed. But we knew the roads very well and managed to get away. On arrival we unloaded at my mother’s cousin’s place, since our home could already have been under surveillance. Small traders were waiting with cash to buy the goods off us at purchase price [that is—not to take advantage of the person’s difficulty]. Within 90 minutes all was gone.

In what sounds like an adventure story we can detect all the values which function both as instigators to action and as the necessary preconditions for a successful operation. Trust is an essential key factor in raising a large sum of money in a short time, as well as in exchanging goods only on word of honour. Networks are the skeleton on which this case successfully came to a (relatively) happy end. Without the help of his family, the tradesmen-colleagues and his neighbours, this trader would have been doomed. One can argue, however, that had his network been larger and stronger (to include for instance senior police) he would have been saved from troubles at the outset. But he took risks without having a strong enough backing and was lucky to escape, though at considerable monetary as well as other cost (he could not go on with his trade).

An example of such a powerful network in operation was told to us by the son of a powerful second economy financier whose brother had been arrested for an economic offence. The Attorney General of that region, who was on the monthly ‘pay roll’ of this person’s father, was approached to help but sent a messenger to say that he could not help in this particular case. His father’s reply was: ‘Tell him who sent you, that if my son is not released this evening—he will have no job to return to tomorrow’. Within twenty four hours our informant’s brother had been released and the charges quashed.

5. *The Social Correlates of Occupations*

If we look at some representative occupations in terms of their related networks and the risks involved in them, we find (see Table 1) that there is a close relationship between occupations and personal networks: a small and/or weak network enables an individual to operate only in a low-risk occupation. A strong and/or extended network allows for the taking of bigger risks and allows entry into more prestigious occupations. Earnings, as

TABLE 1
REPRESENTATIVE OCCUPATIONS AND THEIR RELATED NETWORK CORES, RISKS AND INCOME

Occupations	Network Cores*			Total score	Risk Involved			Monthly Income Formal and informal
	Occupational weight	Low	Medium		High			
Group I Personal services and shopfloor workers								
(a) Barber	1+1	✓		2				400-600R
(b) Shoemaker/ repairer	1+1+1+2	✓		5				400-600R
(c) Hatter	1+1+1+1	✓		4				300-500R
(d) Small snack-bar operator	2+1+1+1+1+1+1	✓		8				300-400R
(e) Blue-collar worker	1+2+1+1+1+1+2+1	✓		11				250R
	Average			6.0				
Group II Middlemen and small business operators								
(f) Shop assistant	1+2+2+1+1+2+1		✓	10				300-500R
(g) Shoemaker: foreman and middleman	2+1+1+1+2+1+1+2+1		✓	12				600-900R
(h) Taxi driver	3+1+1+3+2+3+1+1		✓	15				800-1,000R
(i) Small shopkeeper	2+1+1+1+1+1+1		✓	8				500-800R
	Average			11.25				

Group III Professional and executives				
(j) Supermarket manager	3+3+3+3+3+3+1+1	20	✓	2,000R-2,500R
(k) Small factory executive	3+1+3+3+3+3	16	✓	1,000-2,000R
(l) Medium factory executive	2+2+3	7	✓	1,000-1,500R
(m) Big factory executive	3+3+1+3+3+3+3	19	✓	2,000-10,000R
(n) Import warehouse executive	3+2+1+1+1+1	9	✓	3,000-5,000R
(o) Physician (GP)	1+3+3+3+3+3	16	✓	Starter 1,000R Specialist up to 15,000R
Average		14.50		

*Network cores are computed here from males within the nuclear families of origin and marriage. We thus include father of ego, father of wife, brothers, sisters' husbands and wife's brothers. Their 'weight' is then calculated on the basis of a rating of their occupation, classified into: personal services/shop floor labour=1 point; middlemen/small businessmen=2 points; professional/executives=3 points. Only socially active persons are considered. The deceased and young are excluded. Though network cores are kinship based their extension depends upon peer group contact.

TABLE 2

FORMAL SOVIET VALUES VS THE GEORGIAN VALUE SYSTEM

<i>Principle</i>	<i>Formal Soviet Values</i>	<i>Georgian Values</i>
1	Separation and insulation of private life from work life.	There is a fusion of work life and private life.
1 (a)	Since private and work lives are conceptually separate they are not rated vis-a-vis each other nor seen as competing for personal resources.	Since private and work lives are fused within one conceptual system the resources from one can be used in the service of the other. Since private concerns are dominant, work roles and resources are therefore subordinate to private concerns.
2	Recruitment on impartial universalistic merit.	Nepotism as a moral duty.
3	Hierarchical organisation: directives go down; information flows up.	Patron-client networks: directives come from where the real power is vested; information flows along network lines.
3 (a)	Officials are responsible to the official above them and for the work of subordinates.	Officials are primarily responsible to the claims of obligation and reciprocity imposed by network relationships.
3 (b)	Work roles and relationships are unambiguously defined.	Work roles and relationships are part of a total role set (work is not set apart from the rest of life).
4	Decisions are based on rules and analogies.	Decisions are submitted to honour commitments.
5	Every role is replaceable.	Every role holder is network-bounded.

would be expected, are linked to risk, and risks and earnings are both linked to honour—all derive from the effectiveness of network.

A barber (Case (a)) defined the risks in his job in these words:

To start with, people have their personal barbers, and they definitely would not give me in [report to the authorities for overcharging or supplying extra services]. They amount to 85% of our clients. For the rest, we [he and the other seven in his barbers' shop] run a quota. Everyone in his turn will take on outsiders, since you cannot charge them above the basic rate. But even, say, they catch you: what would they do? It's peanuts we're talking about. The most I would get is a warning from my cooperative headquarters. But it is different with a grocer because for him to make profit would mean to charge on some items at least 200% more and then when you are caught, either you pay every penny you've earned or you spend your life in jail.

This informant knew what he was talking about. He had tried for two years to be a grocer and had had to quit. The risk was too high: with a personal network score of only 2.0 (see

Table 1) he lacked adequate support—he could rely on no effective network either to prevent troubles or to mitigate them if they arose. Persons lacking effective networks can only make an adequate living by entering personal service occupations where their second economy activities are limited to regular clients. These they can charge more for that extra touch—the personal service—which is so highly considered in a macho society.

Of course it is not only low-status jobs which involve low risks. The qualified physician benefits from both high status *and* low risks. The physician (Case (o)), like the barber, the tailor, the hatter and the small cafe operator, makes his real money through strictly face-to-face interaction: the service giver and the client are the only parties to a transaction, thus minimising the chances of detection. But such professionals and their low-risk earnings are exceptional and the market accordingly recognises and adapts to the demand for places at medical school. Entrants must therefore be highly talented or able to command massive resources. In Tbilisi University's medical school, the only one in Georgia, competition for entrance is so rigorous that we were told that there were twenty applicants for each place and that a fee of 'up to 50,000R'¹ could be charged to ensure one's admittance. Here again a strong network is required to raise such large sums.

The medium risk occupations—those in Group II, middlemen and people in small business—are also mainly in contact with a regular circle of clients. But they also have more dealings with strangers, and the nature of their interaction is not always face-to-face as it is in personal service. This necessarily makes them more prone to detection if they break the rules and hence reinforces their need for strong backing from a good, reliable network. The average total score of those in Group II occupations is 11.25 compared with 6.0 in Group I.

In high-risk occupations the need for a strong network is paramount and here the average score is 14.50. Any small-town factory or supermarket has to obtain informal authority from the head of the local economic sector or from the *ispolkom* chairman himself. Usually too the head of the local police also has to be involved—at least passively. These officials are often placed on a monthly payroll and so too are their subordinates. As one factory executive explained: 'And what if the *ispolkom* chairman or the head of police is on leave? We have to pay their deputies, just in case they are in charge when some trouble occurs'.

Surprisingly, however, some high-status, high-earning, high-risk jobs are not backed with an influential network. Indeed, to take the case of one medium factory executive (1)—the production manager in a foodstuffs factory of several hundred workers—he made a deliberate choice to be extremely cautious. He used to practice only overproduction, that is, to make use of the state's machinery—but he would obtain raw material and labour at his own expense. He was careful not to reduce the standard of his products and he produced only the items he was licensed to. He was also careful about how he organised his factors of production—what Georgians call his 'combination'—so that many of his shop floor workers would not know too much about it.

When we compare this executive's situation with that of our big factory executive (m) we get a very different picture. He was considered one of the four most powerful people in his town. As production manager in a light furniture factory with a staff of 1,400 he had to have the backing of all the powerful job holders in his enterprise which involved a much higher order of necessary coordination. On his monthly payroll were the head of the

enterprise, the *ispolkom* chairman and his deputy, the head of the police plus three of his staff. They required a combined monthly 'salary' bill of 1,500R.

This person not only used state machinery for production and the formal distribution chain to dispose of it—as did executive (l)—but he also reduced the product's standard, acquired raw material from his formal supply, produced with it products which were in high demand—not necessarily those he was licensed to—and finally distributed B quality products to meet his quota while A quality products found their way to the second economy. In this way he satisfies two aims. Firstly by skimping on the quality of his formal production he is able to obtain extra scarce materials for his informal production. Second, by ensuring a higher quality for his informal production he ensures that it obtains a head start in competition for sales against the formal products.

However, the figures in Table 1 need care in interpretation. There can be cases where either a strong network would not necessarily be of benefit to a person or where a good and risky position is held without an adequate supporting network. The first position is highlighted by the blue-collar worker (e) who had an extensive familial network, but who could not benefit from it. He had eloped with his wife rather than submit to parental choices and vetoes and his network could therefore be regarded as damaged. Neither family was happy with the match. (This, by the way, brings out the role of women in the second economy—on which we have no space to elaborate here.) Without capital, without effective family, he had to enter blue-collar shop floor work where only occasionally was he offered extra work for second economy production—thus explaining his relatively high pay for manual work.

High pay alone does not however indicate high honour. In this culture, where individual autonomy is highly valued, the closeness of earnings between Groups I and II does not point up the essential differences between a job that allows one to take risks and a job that does not. Perhaps even more striking as an example of the care necessary in interpreting Table 1, is the case of the executive of a central warehouse (n) who was in control of imported consumer goods. These are of course in high demand. We believe this person was placed in that position *because* he possessed only a weak network and would thus not have been able to take full advantage of his highly sensitive job.

6. Conclusions

Having presented the core values of Georgian society and looked in some detail into their operation 'on the ground', we would now like to suggest some tentative conclusions concerning their articulation within the Georgian national economy. The most obvious conclusion from our data is the deep discrepancy they suggest between the formal, bureaucratic model of the Soviet economy—the way the economy is supposed to work—and the nepotistic, highly personalised entrepreneurial nature of Georgia's economy—the way that economy *really* works. Why, for instance, the key institutionalised function of the *tolkach*—the 'fixer'—in the Soviet economic system (Berliner, 1952) has no equivalent in the Georgian economy, nor in the Georgian language. The *tolkach* as such does not exist in Georgia. This is not because the system does not need this function but because the function has no need to be formalised and concentrated in a single role. It is a function that is dispersed and is always latently active within personal networks. Every Georgian is a potential *tolkach* in his own interest or in the interest of his network.

Since the formal system is predicated upon the idea of an individual's insulated occupancy of a role it follows that defective role performance should be curable by the replacement of the performer. This approach is always subject to some modification but the extent of its limitation in Georgia is almost finite in a culture so based upon personal networks. Here replacing one person by another cannot really change anything. The Moscow and (especially since 1973) some of the Tbilisi authorities have been concerned for years to bring an end to the Georgian way of running their republic. Their most serious attempt was the replacement of Mzhavanadze as first secretary of the Georgian Communist Party in the early 1970s. However, in its essentials the system has not changed, and the reasons are clear; in a network-based culture, though a person can be replaced, networks continue to exist. Persons will use personal support networks to try to find a lead to the new appointee, or if he proves too difficult to deal with, find a way to get rid of him or make his task impossible by limiting access to the social resources he needs.

We were told by an informant who was the personal chauffeur of an *ispolkom* chairman, and who thus had free access to much delicate information, that it was normal practice when a job changed hands to pass over the job's associated networks. Thus, in a 'casual conversation' the new appointee, if an outsider, would always ask: 'Are there any people around to count on?', and his predecessor would then reply: 'If you need anything—you can trust . . .'

In a similar way networks are used to mitigate penalties and to reduce disturbances on the occasions that exposure proves inevitable: criminal charges are reduced in scale; the honour code ensures that collaborators remain unrevealed to the authorities and evidence is removed or tampered with—all through the use of personal support networks.

But networks can also operate coercively—reciprocities and obligations have to be matched—not just in the immediate or short term but essentially because they become *part of a flow* that binds network members together. In such circumstances each network member finds that the network acts as a net; each member becomes a resource to others—a link in a chain upon which many others may depend. An informant who tried to stop fixing higher education entrance found himself trapped in this way by the demands of his network. He was not given the chance to leave his position. We thus can see that a network acts like a net in two senses: for some it can act as a safety net; for others it becomes an entanglement. 'A fence is built of wire and one man builds another' says a Georgian expression that neatly encapsulates this idea of linkages and networks. A factory executive explained it this way:

You can't be innocent. Once you occupy a certain position, people expect you to pay them and if you don't—they will see to it that you're replaced or that you're incriminated [and thus removed forcibly]. This is not difficult to fix. Everyone assumes there can be no genuine mistakes—a mistake would immediately incriminate you.

But normally such coercion is unnecessary. People remain in networks and conform to the social expectations these require because their *total* social situation demands it.

When the significance of network affiliation is considered alongside the macho virtue of risk taking, we can see how their combination is crucial to the idea of excess. In no way can the average—not the exceptional—Georgian male conform to the model of Soviet eco-

conomic man. Formal income counts for only a proportion of total income, and it is extra income from the second economy that is vital to a full social role that requires excess in feasting and display. As our informants say 'if you are poor and the house is empty—then where is your pride?' Georgian men not only benefit economically from 'screwing the system'—their very honour as men demands that they should screw it excessively.

We believe we can now go some way in explaining why the Georgian second economy should be larger in real terms than the second economies of other Soviet-type republics. To be sure, other Soviet-type economies display the same kind of second economy practices (see for example the works of Staats, 1972; Berliner, 1957; Katzenlinboigen, 1977; 1978 (b); Simis, 1982). They too depend for much of their informal economic activity on 'friends of friends'. But it is the degree to which networks in Georgia are institutionalised as a means of linking individuals through trust-based honour commitments that form the cornerstone of Georgia's second economy. The difference may appear to be merely one of degree but it is based on a fundamental cultural distinction.

We hope we have demonstrated how a concern with the central interest of anthropology—the idea of culture, the application of the concept of personal support network and the alliance of these to the anthropological method of patient participant observation, can produce understanding of an economic system that would otherwise be unobtainable. Other Soviet-type economies based on different cultural core values may well display high levels of second economy activity. Ofer and Vinokur (1979), for instance, suggest that this is the case in the Central Asian Republics—well known to be second only to Georgia in this respect. It is not sufficient, however, to consider merely the overall outcome of second economy activity. If this phenomenon is to be understood it must be examined in the context of its cultural setting. Recourse to the methods and concepts of anthropology is we would argue, the only way that this can be achieved.

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¹ Simis (1982) states that the standard fee at the same time to which our information refers was 15,000R. We would however expect the price to be higher for Jews than for non-Jews.

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