

ELITES AND THE MIDDLE CLASS
(rough draft translation)
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To carry out major initiatives
and perpetuate their holds on power,
elites need non-elite support.

J. Higley, M. Burton.
Elite Foundations of Liberal Democracy

Political analysts agree that elites play a crucial role both in the everyday life of society and the state, and especially in the context of socio-economic and political crises. Divergences are likely to be found rather in assessing the weight of elites' decisions, agreements among conflicting elites or in the struggle against popular mass movements. It is traditional for the students of elites to divide a community of human beings into the elite and the rest of society. Here belongs the classic Marxist postulate to the effect in a large-scale social crisis the upper classes are unable to rule and govern in the old way, and the lower classes do not want to live in the old way,¹¹ which is present in latent form in many discussions. Epochs change, and so does the organization of society, but we continue to think in terms of "the elite and the people." In practice, a greater part of the literature on the subject contains an analysis of elites without references to other social slices, and the writings on democracy usually fight shy of taking into account the factor of the ruling elite. In the classical form Pareto determined this 90 years ago: "...1) the lowest stratum, i.e. the class that is not an elite... 2) the highest stratum, the class of select few, i.e., the elite, consisting, in turn, of two parts: the ruling elite and the non-ruling elite [Pareto, 2008]. It seems that in the era of the "old classical capitalism", let alone the previous centuries (and millenniums) the weakness of the middle class naturally made the role of elites so outstanding, that the relationship between elites and the rest of society was described either in very general terms, or in a very individual fashion: recruitment into the elite of new members, including those from other classes, to ensure the stability of the elite [Higley, Burton, 2006].

In the ongoing debate about the elites and their relations with society, we see the reflection of the realities of life in different countries at different times [Elites, crises, and the origins of regimes, 1998]. At the same time, the political science's collection of "cases" is rather limited and it covers very different era in the socio-economic development of countries in the world – from the Glorious

¹ V.I. Lenin, Collected Works, Progress Publishers, 1966, Vol. 31., p. 85.

Revolution in Britain (1688-1689) up to the collapse of the USSR and the Socialist bloc. In these events and processes the role of elites is always crucial. But the elites are confronted with a completely different type of society beneath them - from late feudalism and industrial capitalism to Socialism and post-industrial society. The elites retain their role and functions, but their goals and methods to defend their position, of course, vary. New social forces increasingly fill the scene, where, according to **?Wright Mills, the elite shows to the public the historical drama it is staging [Mills, 1989]?**. Yet, the distinction between the actors on stage and the stage directors and playwrights remains, except for those amazing instances of historical revolutions, when the actors themselves write a play for themselves, often interactively, and sometimes not very successfully. But the period of transformations eventually comes to an end and the functional distribution in this "social theater" is restored.

The past century has seen tremendous social change: fundamentally different are the education and economic status of the masses, their awareness of ongoing social events, their willingness to participate in them, the norms and principles, and expectations and requirements. Before World War II the elites were confronted with the masses in the context of a drastic weakening of the middle class after World War I (and revolutions) and the Great Depression. In these circumstances, the ruling elites were looking for ways of direct control of society (up to Nazism) and pursued aims that would be difficult to attain through democratic referenda and parliaments. Perhaps, the sole bright exception was the U.S., where radicalism managed to be avoided within the framework of democracy. Gradual strengthening of democratic institutions in the postwar period forced the elites to adapt their behavior to solving pressing problems. **W. Mills** described the elites' control of American society in the 1950s amid the operation of quite democratic institutions. At least for a century now political scientists and sociologists have quite calmly observed a glaring contradiction: the free choice of individuals ("optimum") and the role of the ruling elite, which "is more equal than others". Usually this is not a question of understanding social life, but rather a matter of systemic presentation – no one denies the special role of the elite.

This article is based on a number of profound works by Western political scientists of the past decade (M. Dogan, J. Higley, etc.) regarding the structure and role of elites in modern society. Also, it builds up from the author's other works on the problem of elites and on the middle class [Grigoriev, Maleva, 2001, Grigoriev, 2008; Grigoriev, Salmina, 2009; Grigoriev, 2011]. We are faced with several issues that are largely interdisciplinary. Such as the interests of elites in the economic policy, the complexity of internal and external legitimacy of elites (especially the new ones), and interaction with other segments of society. The target of analysis is identifying a correlation between the structure of elites and middle classes and the search for possible ways of further analyzing the interests of social groups, their stability and their ability to agree to social compromises and form coalitions. These tasks are certainly

beyond the scope of one magazine article – one can merely identify guidelines for solutions and further analysis.

INTERESTS AND SOCIAL GROUPS

The theme of elites so rich that, although their typology, the internal logic of the behavior and the role of crises in the change of elites have become the basis of many remarkable studies, the latter have not exhausted not only the problem itself, but also, in our opinion, even topical themes for research. We believe that many aspects of the theory of elites still remain in the shadows and have not been explored in the conditions of modern society: the origin and the legitimization of elites after major changes in society (not just changes of ruling regimes) and the relationships among parts of the elites. Finally, the issue on the agenda is the relationship between elites and the educated part of society, which demands democracy and is able to adequately assess the situation in society, and not just confine itself to the role of the people. The starting thesis of this work, as worded in the simplest of ways is this: in the modern era the middle classes are of importance for the elites – middle classes matter for elites.

For the economist the elites are a very interesting object of analysis. But from the standpoint of rational economic analysis the elites' mode of action often looks irrational. However, we believe that the elites invariably pursue two objectives: maintaining their position and achieving some practical aim – so some shift of rationality is inevitable. In economic policies we are constantly confronted with the impossibility of making mathematically rational decisions, as they affect someone's interests. Usually the factor of interest manifests itself in tax policies, WTO negotiations, selection of regional priorities, electioneering tactics aimed to woo the electorate, etc. But there where rational economic analysis ends one finds too few convenient bridges to political constraints on decision-making. An attempt to achieve a more or less complete classification of interest groups produced a list of about 44 of them [Grigoriev, Plaksin, Salikhov, 2008]. And at once there emerged the problem of how to identify the interests of these groups in relation to the key issues of the national economic policy. The example of the exchange rate of the ruble and its devaluation in early 2009 instead of macroeconomically preferable October 2008 (as well as the problem of the flat individual income tax scale) illustrates well how difficult such analysis can be [Grigoriev, Plaksin, 2009; Grigoriev, Karin, 2010].

Politological analysis is based on a number of its own cornerstones, which are of great practical (instrumental) value for the real political process, particularly, for manipulating the voter (for slogans, not just for real problems). The elites' logic of behavior (especially, that of newly-formed and unstable ones) lends itself to comprehension only in case of joint analysis of their attempts to perform two complex and, apparently, sometimes conflicting functions: strengthening and legitimizing their own positions and retaining leadership in the country and society. In both cases they rely on the current state

of society and on what they have absorbed – in its pure or reformatted form – from the interests of the country.

The next problem – the link between the existence of elites and democracy – has for a long time remained in the shadow of the general opposition of "the elite and the masses." In the modern era the elite in most countries (both democratic, and authoritarian) supports, at least formally, the general rule of democratic principles of governance. The middle-class voter is the pillar of this ideological rule both objectively and by virtue of the strength of faith in that rule, and thereby – the pillar of the democratic process. Nevertheless, in political science there perfectly coexist faith in democracy and equality of civil rights, and the recognition of the existence and dominance of "more equal" elites.

The way the traditional works describe them, the elites seem to be hovering over society, trying to reconcile two objectives: maintain their control and address the issues of the day. But in this article we have no opportunity to raise such issues important for applied analysis as the unity and type of the ruling elite, as well as methods of maintaining its position [Higley, Burton, 2006]. For us it is important to emphasize the idea the objectives of elites must be formulated in the language of public interests – the interests of the country and of the nation. Practically, this means that the interests of elites in the modern era cannot be simply declared or imposed on the people – the non-elite part of it, but should become part of the public mind as its own goals. We are facing problems of the elites' integration in society, of determining their place in the social structure, and not outside society or above it.

We would like to find sources of sustainable reproduction of (recruitment into) elites as a systemic phenomenon, rather than just integration of individuals from counter-elites for the sake of their own stability. This is especially important in the process of forming a new structure of society, a new elite and a stable "elite- society" relationship during this transformation. In this regard, one should start with a methodological problem: the elite does not formally correspond to the middle class.

The middle classes is the common name for diverse groups, which, by their financial position, education, nature of activity stand above the lower or poor and unstable social strata. But at the same time they obviously rely on hard-earned incomes and for this reason remain outside the upper class – recipients of profits, rents and dividends. So, the middle classes as a concept and a statistically significant category are located between the lower and upper classes, while the financial elite has to be within the upper class of owners.

We can proceed from some fairly precise provisions. Among the representatives of the highest class owners – the highest strata (Upper Upper Class), of course, there is hidden (or remains visible) the financial elite. We also know that the middle class (or classes, depending on definitions) is heterogeneous, and in the Russian conditions one can see at least 15 groups: five units and three levels [Grigoriev, Salmina, 2010]. The upper level of the middle class of any country is quite capable of critical analysis of events in the world

and inside the country, including the status, activities and interests of elites [Grigoriev, Makarenko, Salmina et al, 2010].

In the 21st century the elites are forced to offer society a theory (legend) about the existence of meritocracy, fairness on the way of progress into the ruling class, natural success in establishing and developing businesses and a combination of talent and success in science and culture. These matters were discussed in the past [Feibleman, 1938]. The ruling elite – by **W. Mills's** definition, political power based on capital – in the current conditions is expected to show the possibility of achieving success (victory of meritocracy). The point at issue is opening the way upwards for the counter-elites on the condition they observe the rules of the game, to ethnic minorities and political dissenters, who remain within the constitutional framework – within the systemic elements of the political class. A brief note at this point the longer the period of maintaining democracy and the more stable the rules of the game, the greater faith of the competing social groups in the possibility of solving their problems through the democratic process, and for the leaders of movements – of being incorporated into the political elite.

No one can promise entry into the financial or intellectual elite – these have their own laws, often more severe and difficult to regulate. In science, literature and the arts the intellectual elite struggles with tremendous pressures on the road to Olympus (with few exceptions). Society, apparently, has not fully solved the problem of creating a mechanism of recognition of "the real" intellectual elite. The recognition of individual members of the elite is most often associated with personal talent, exceptional success, real abilities and socially valuable achievements. The cases of successful operation of the system of identification and recognition of individuals as an elite are quite rare and stand next (especially, in Russia) to endless stories of recognition only after death, the use of inventions by third persons, and other difficulties related with individual intellectual property rights. The situation gets still more complex with internal conflicts between the system of reproduction of the elite and talented ambitious individuals, forwarding new ideas and competing for high social positions (sidestepping the ordinary stages of the career ladder outside the elite). Of course, there may be conflicts inside the elite (between clans and factions) over goals and projects, basic ideas and wordings of interests, and methods of achieving goals or maintaining their control. Often the ruling elites try to intervene, for the sake of their own interests, in the process of the emergence of elites, especially, those in social sciences.

The financial elite in size (not capital) is a very small fraction in the top class (which is much wider than the elite). In relation to the other parts of the elite, we must regard the middle strata as the basis of civil society, for which the political and intellectual elite is an important matter for analysis, a source of rules, and the basis (explicit or implied) of the political regime. Representatives of the middle classes, particularly, those of the upper levels of the middle classes, holding high positions in the bureaucracy, non-governmental and political organizations, businesses, intellectual and any professional

organizations. To make the picture complete we shall remark that the life cycle includes the movement up the ladder of social stratification. This is a natural part of the life cycle of any successful individual, it is a normal aspect of life of a large mass of public and private employees, and workers of culture and science.

At this point one can reply to one question, naive in form (but very important): can a representative of an elite be part of the middle class, not the upper one? The answer, of course, is in the affirmative. Most likely, a significant portion, for example, of the intellectual elites by their formal parameters belong with the regular middle class. And even with a Nobel Prize there is no way of getting into the upper class – probably, the upper middle class is the limit. The advocates of noble ideas with their spiritual mission in most historical periods most often ended up on the road to Calvary, and not with a hefty lifetime rent. But for meaningful analysis of the social structure we are still to identify ways of combining segments of the elite and the corresponding elements of civil society.

ELITES AND HYPO-ELITES

For the purposes of further analysis of the problem of the elite in a society (nation, country) it is useful to look at the elite not as a mysterious source of important decisions, but as a conglomerate of individuals that in any given period of history (say, a generation) has the ability to take critical decisions in its realm of activity. In order to more accurately determine the position of elites in the structure of society, we shall move from the very top down the social stages of power and influence. Some preliminary observations have to be made (regardless of their originality) to clarify our position. Firstly, the structure of an elite is specific to the country and its history [Dogan, 2003]. If a country has a long military history, or dominant religion, it is very likely that the military or the clerical elite will be an important component of its elite in general, but this is not valid for all countries. The situation is similar to the specificity of the structure of the middle class, in which, say, farming is characteristic of the United States and Poland, but not of Ukraine or Brazil. The structure of elites will probably vary from country to country, depending on what groups have traditionally dominated (the landed aristocracy or the owners of financial capital, etc.). The ruling political elite, I suppose, is always there, albeit of a different type.

Secondly, the political elite, of course, does not coincide with the government or the three branches of power, and it is not engaged in running the nation day-to-day, though its members may take fairly high positions. In fact, many influential members of the political elite individually can take quite informal positions in society, but at the same time act as advocates and safeguards of their financial, religious and ethnic groups and influential families. We can imagine the hidden ruling political elites as a compendium of "political departments" of their bases of influence, producing rules that they

eventually enforce with their own means and influence.² We believe that the real ruling elite in a democratic society remains influential, but less obviously, trying to avoid visible control.

Thirdly, the ruling elite in the modern era, of course, is based on power and capital, but a combination of these two factors and of the basis is, of course, varied by type of countries. The cultural and political traditions of Anglo-Saxon, continental European and Asian countries are different. Countries with the traditional dominance of the state and bureaucracy tend to generate a higher political role of the elite (often bureaucratic).

Fourthly, it is important to distinguish between the functional elite (political or other) – those who actually have public control of the three branches of power, and the regulatory elite – the one that gives rules to society and is recognized as the true elite.³ In the previous work on elites we defined the functional elite (especially, that in the spiritual realm) as an aspirant for the position of the regulatory elite [Grigoriev, 2011]. For the ruling elite the distinctions lie in far-sightedness and the ability to find ways to achieve national interests, overcoming internal conflicts and restricting its own interests. A modern politician and philosopher stresses the importance of the quality of elites: "The elites with worthless and selfish aims not only to kill themselves, but also tend to destroy their own countries" [Vydrin, 2010]. This reflects the awareness of society's intellectual strata of how important the quality of elites is for the country's future prosperity.

The tradition of each country and the duration of the political elite's reproduction stems from the history of the given state. Relations between the authorities and businesses and the duration of democracy also play a tremendous role. In particular, they affect the ratio of the role of government tradition and the private sector in shaping the ruling elite: power and capital, or capital and power. This is of particular importance for the formation of new elites in severe crises, leading to a change of elites. The eternal and complex question is this: is it the specificity of the country that eventually forms its elite, or is the new elite capable of transforming itself on its own and changing the destiny of the country?

The ruling elite (political and financial) occupies the top tier (usually not quite transparent) respectively of the political and upper class (according to various definitions). Both are heterogeneous, neither one can function without replenishment, as well as without demonstrating the possibility of replenishment of the elites for entire democratic society. The presence of a particular elite presupposes the existence of social groups of the same specificity at lower levels of society.

² The journalists and historians of the elites have abundance evidence of how this covert control is exercised – from plain conspiracies to historic alliances and Masonic control.

³ In Russian science and popular literature the question about the "real elite" is brought up quite frequently, but the criteria of elites' qualities are usually blurred, mixed with the personal traits of individual contemporaries and with individual failures of the elite's representatives in business, economic or social policies.

Here, we consider it necessary to introduce a new term – hypo-elites, which we shall need in the future. The hypo-elite plays a dual role: of support for and of the immediate reserve of the elite, it surrounds the elite and acts as an agent of its policy; it is a far more numerous and a far more visible stratum. The hypo-elite is a bridge between the elite, with its secretive and ad hoc decisions, and open processes of the political, economic and intellectual life, having formal properties of the upper-middle class (and higher). The upper business class, the tip of the political class, the broad intellectual strata that make up the hypo-elite differ sharply from the elite in the scale of power and capital, recognition and fame, but they are so close to it that outsiders often find it difficult to see the boundary between them.

We believe that the recruitment of the political elite in both democratic and authoritarian societies comes from the hypo-elite, in addition to its internal reproduction, of course. The ruling elite forms a system of selection and promotion of potential candidates to positions in bodies of power, but that is also a path into the elite, although a much narrower one. In fact, we are not fully aware of who is most influential behind the scenes of the political theater, although we understand that a talented politician can walk all the way from being an expert in politics to a member of the elite, as well as to climb the political ladder. In the narrowest and most mysterious sense the political elite changes by its own laws and co-opts new members not by career-making laws, but by the laws of political and financial strength – the last step into the elite is either almost invisible or occurs "in the crowded square", i.e. during a crisis. In this sense, it is much easier to analyze promotion into the financial elite. But even there we may find not the richest, but extremely influential persons (including finance ministers and central bankers), as well as wealthy outsiders.

We offer (see *table*) an orderly presentation of the levels of approach to the elite and the structural roles along this way. In this particular case we discuss not the emergence of elites, especially, the ruling elite, but a model of its reproduction and interaction with the social forces that look at it in search of rules and compete with it for position. In essence, this is a view from the elite (top-down) on the process of vertical competition. The latter is rooted in the aspirations and ambitions of individuals, but is structured by the formal and informal institutions prevailing in society. It is important that in the vertical "shafts" we see both "lifts" and "filters". In the professional field it is simple: the way to the top should be open to socially capable and useful, while charlatans and trouble-makers are to be kept away until they prove their ability to integrate. But in the quieter periods of society's development these systems may stay inactive.

Table 1. Social ladder from top to bottom: elites, hypo-elites, civil society and middle class

Levels of society — roots of elites, ways into elites, filters of elites	Ruling - politics (1, 3)	Ruling – finance (1)	Ideology, social sciences and mass media (2, 4)	Natural sciences (2)	Culture and the arts (2)
Elites A – in power or at the controls – functional (not necessarily regulatory)	Ruling	Dominating: Anglo-Saxon; continental; Asian (5)	Religious and philosophical norms and leaders	Top of universities and research centers ("academics")	Performing artists and authors, "masters of souls"
Counter-elite B – intra-systemic	Opposition that has accepted the ruling elite's rules of the game, regional components	Foreign capital, competition by financial-industrial groups for domination (industrial and regional interests)	Difference of ideologies, ethnic base and cultures	Age competition	Evolution of cultures, tastes, fashions and generations
Counter-elite B	Extra-systemic or "under regional and nationalist components	Competition by small and medium businesses, foreign capital, private-public	Alternative ideologies (left-right, nationalist, religious)	Struggle of paradigms	Counterculture or foreign culture
Hypo-elite A – "functional elite aspirants". Upper class and upper middle class (7)	Three-branch apparatus; political class	Big business and managers (7) Financial-industrial groups – links with the state and the public, funds	Universities, mass media, think tanks	Teaching staff outside positions	Competition, mass media – criticism, teaching staff, sponsors
Society "under" the elites, "lifts and filters" (8)					
Civil society – professional (middle class) – "lifts"	Lowest bodies of power and parties, youth organizations	Nature of taxation and the structure and purposes of spending	Rules of behavior depending on the type of society	Discussion and promotion of talent – universities	Choice and opinion of the reader and viewer
Systems of protecting the stability of society from the ruling and functional elites – filters	Filters on the "way up" for outsiders	The effect of the size of capital, lobbyism, seizure of power	Censorship – rules and permissions and norm	Qualification selection	Mass media promotion

1. Ruling elite
2. Intellectual (professional) elite
3. Including army and security services
4. Including the leading church or organization of the leading religion
5. Systems of financial elite organization – three dominating types of businesses
6. Involvement of the opposition (intra-systemic counter-elite) in the unified elite is determined by the country's specificity
7. Upper layers of society, by social structure, the immediate reserve for vertical mobility towards the elite
8. Massive educated layer

Notes:

We offer a table – a matrix for orientation in the socio-political dynamic space. We are trying to show a rather universal pattern: how the movement upwards occurs, which "filters" exist in this way, and how average social status strata continually offer human resources to the elite. The table covers many of the vertical relationships, which we do not touch upon in this work, but it is very important to understanding our approach. Firstly, this is a look not from the bottom up - from society at the elite, but from the elite at the social forces that look at it (at times with greed) from below (or elites outside the country). Secondly, in every field of activity arranged vertically there can be traced specific relationships and mechanisms. The "shafts" with "lifts" and "filters" are arranged very differently inside and, if described in greater detail, may have many tiers. Thirdly, the matrix, at the wish of a researcher or observer can be extended or expanded to incorporate more detailed categories of elites or steps down from the elite. In the course of analysis one can go from the big elite groups through spheres of public life to smaller ones and to analyze their specificity. Fourthly, the table indicates (though does not reveal – that would require a multi-dimensional matrix) the internal relations of elites horizontally. The elites do not just stand side by side, they are interdependent, and the ruling elite dominates. And fifthly, we must again emphasize the difference between the analytical perception of the elites in the country in their status at a particular moment in time and in motion – human resource replenishment, age change and heterogeneity of origin. The mechanism of "filters" that is created by the elites, or with their active participation, helps ensure the sustainability of the elites in both senses: incorporation and absorption of active elements (ideas) for the stability of the elite (the country) in general, but on the elite's own terms – for the stability of its elements and for the protection of their position.

In pre-revolutionary and revolutionary periods The Word becomes a major force, and religious leaders (as we see in the case of scientists, writers and clergy) lay claim the role of the elite, not only intellectual, but also wielding power. They may become even a formative element of the counter-elite, and not necessarily intra-systemic. And in politics and business "lifts and filters" have a much more serious, and even harsh nature than in ordinary times. History is replete with examples of oppression, rather than integration of counter-elites. Do not forget that, unlike the mass movements and organizations in the average environment, the elites, in principle, are much smaller. The specificity of the elites is the members of the elites know each other in person, they know each other's character and temper, behavior in the past, mistakes, conflicts and successes. As Don Corleone said, "It's all personal, every bit of business!" Wins and promotion of certain elements of elites may infringe upon or threaten homeostasis within the elite. The emergence of internal conflicts leads to two threats: the loss of consensus regarding the objectives of the elites in the country and the world and a threat to the elites' position from its domestic competitors.

On the political side of the table the picture is perhaps more developed in the political science and looks rather conventional. The hypo-elite also serves as part of a system of power and government and a source of the reproduction of the ruling elite, which could adequately perceive the world around and respond to challenges to the country and to the stability of the elite itself. The hypo-elite gives a system of signals for career growth, and counter-elites create

competition. In authoritarian regimes counter-elite B (intra-systemic) can be a service part of the ruling elite, or, rather, hypo-elite. In a democracy, the counter-elite is important to developing long-term policies. The most developed and stable elites rely on stable arrangements or agreements in representative democracies, or on the authoritarian basis [Higley, Burton, 2006]. History knows many examples of integration of counter-elites, including conversion (or simulated conversion) of potential counter-elites into a ruling elite or hypo-elite. Real or at least apparent involvement of the upper middle class in government has a long history. It is hardly necessary to prove that the institution of the tribunes in Rome was (in accordance with the Table's terminology) a form of integration of counter-elite B in the ruling elite. In Venice, the aristocracy managed to find a way of ensuring the internal stability of La Serenissima on the basis of integration of a significant part of civil society (or else the middle class by its social status) into the political institutions [Lane, 1973]. In imperial Russia the local nobility was integrated as it expanded – Baltic barons and Georgian princes.

And yet in the *Table* one should reserve room for the social hierarchy of counter-elite B – the non-systemic one. Rebellious elements may form their own elites on a particular principle (religious, national or social) and launch a crusade for their interests (social goals or liberation) – successful or unsuccessful. If successful, they can be integrated into the elite, the way it happened to the rebels in Germany and France in the 1960s, as well as to the leaders of many liberation movements. We must take into account the enormous temptation for counter-elites to find a way into the ruling elite or to establish itself as a self-styled elite of a small country in case of separation from the parent country. It is also possible to consider separately the external (out-of-country) competition – this is quite evident in two areas: business and culture (imported massive "pop" instead of the national tradition). Inter-country competition of the elites for recognition, prestige and incomes, and for the development of their realms exists in science, and the arts (in sports). Wins in this area determine not only the position of individuals within the world elite, but also the prestige of the ruling elite, the possibility of development of whole sectors of the economy and the stability of the middle class [Grigoriev, 2010]. With respect to foreign competition in politics a great deal has been written about intervention (non-interference) in the internal affairs of countries. But in the language of this work it is external interference in the affairs of the ruling elite of the country (external non-systemic elite). This impact can take place in the form of a compromise or inducement, or sometimes, coercion (court, UN sanctions). In the context of social revolutions and transformations cross-border interaction of hypo- and counter-elites can acquire crucial importance.

Hypo- and counter-elites are involved in a complex process (including the struggle between them) of bilateral signaling. The point is hypo-elites, logically, are composed of strata and individuals who see their way upwards, and even to the very top – into the elite – under the current political regime, within the

framework of the investment climate, a system of promotion in professional organizations, universities, the army and the church.

The process of moving upward is always competition not only within the hypo-elite, but also with the elite, which (or its individual elements) may not be too positive in their attitude towards any competition that threatens the position of this or that representative or clan. Clearly, in emergencies, the elite rallies to resist the threat to fundamental common interests, if only the internal strife does not outweigh the survival instinct.

One can say that in a normal mode hyper-elites perform many management functions, including participation in democratic processes, they can even be part of the functional elites, hiding the ruling elite behind them. In explicit form it is an analysis of the country's position, and in a latent form, a request to the elite for weighing the possible solutions and compromises, as well as application for entrance to higher levels. Down from the elite there go decisions or delegation of the decision-making rights to politicians, and sometimes even co-optation of politicians into the elite. The elite is always in a mobile state, because the desire to consolidate the interests and positions, to limit its erosion is in conflict with the need to obtain new ideas and incorporate elements that ensure sustainability.

The middle class, especially its highest level in large companies and in the bureaucracy, is a natural talent pool of politicians. The political activity of the middle class determines the role of civil society, brings into being or promotes this or that initiative of the elite and the choice of a decision or determination of approaches and principles of decision-making. We believe that the upper (even middle) levels of the middle class on a broad scale of professional activity and social life form the foundation of civil society. The latter is more or less likely to develop and implement the needs and interests of citizens. Depending on the type of regime and the maturity of the elite (of democracy in general) it fuels the hypo-elite with its concerns and opinions, or drifts towards opposition sentiment. The inadequacy of the democratic process, a slow-down or even stoppage of the social "lifts" (labor market efficiency and the upward mobility of employees is excluded, of course), and growth and accumulation of social problems push certain elements of civil society out of the reserve of the ruling elite (albeit with ephemeral chances of getting to the top) to support counter-elites.

This hierarchy and competition along the vertical "shafts" is shown schematically in the *table*, which is an attempt to pull back the veil of mystery that cloaks the place of elites in society and their relationships with social strata regarding the activity of elites and of corresponding strata. The political hierarchy offers its convenient scale, while the social structure provides a convenient scale in the business sphere. In other professional fields, in the army, the church, culture and ideology, the relationships have their own specifics. At the same time it is difficult to demonstrate within one table the role of the ruling elite, which incorporates certain elements of other elites. The reason for this is not altruism or a gesture of reverence to scientific talents, or spiritual leaders

(which cannot be excluded at the individual level), but the rational logic of total control over society in order to ensure its own stability. However, the closer the shared norms and goals of elites to their base in society, the concerns and interests of civil society and businesses, the more natural the integration of the intellectual elite into the ruling elite. This lends more authority to the ruling elite and allows for the integration of society around the goals and programs put forward by such an elite.⁴

An important element of the system of "lifts" up from the business world or the political class into the club of financial and political magnates is found in the sphere of public business. Quite a few politicians around the world have found a way to convert the political clout into financial assets. In the era of privatizations we see a lot of fortunes massed up on the way from the political elite into the financial one, and not the other way round, common in more established societies.

In the intellectual sphere achieving the elite level in different aspects is both harder and easier. At first glance, talent shows its advantage easier than a politician, and competition proceeds among pleasant and educated people. Most of the representatives of science and culture will respond with a smile to this delusion of an outsider. Making a breakthrough for a talented individual has historically been extremely difficult precisely in sciences and the arts. In science, there is even a theory of the struggle of paradigms, authored by Kuhn and I. Lakatos [Kuhn, 2001; Lakatos, 2001]. In practice, decisions on the allocation of resources is usually made by administrators and experts, concerned about the current problems, rather than researchers and teachers, who look forward and see a future in their field. Nevertheless, something is very clear: the structure of professional fields usually has its own functional elite, which is very keen to be the regulatory one. There always exist counter-elites, sometimes they get integrated. In the spiritual realm, as opposed to the financial one, it is much harder to inherit a place in society, although the desire to achieve this is invariably present. In all fairness one must admit that amid tight competition in politics and in business the ruling elite can play a positive role in promoting counter-elites upwards, although this rarely happens in time and without conflict.

We recognize the difficulty of building a hierarchy in the system of elites, counter-elites and hypo-elites across the breadth of the spectrum of public life. But refining such a system as a research tool would be important to the analysis of the functioning of society and civil society's understanding of the hidden forces that in every epoch define the life of a country. In this regard, the most simple level of the table is the bottom one – "filters", competition, system of personnel and qualification selection that are have been established in society for building careers on the merits. Replenishing the elites and top upper classes through meritocracy is a dream that has better chances to materialize in a

⁴ One should not forget, though, that the "Poet-Tsar" and "King-Archbishop of Canterbury" type of relationships had very bad endings for outstanding intellectuals.

democracy. Of course, democracy does not abolish money, status, and all other starting benefits affiliation with the elite implies, but it rather makes them less noticeable, softer, and compatible with personal qualities.

In this case, we are unable to fully address the problem of the life cycle, the role of the direct reproduction of elites, dynamics, speed and intensity of exchanges between elites and hypo- and counter-elites, but a wealth of factual literature on this issue has been collected: the mysteriousness and secrecy of elites is partially offset by sensationalism and the ineradicable commercial interest in disclosing the secrets of the Madrid court. Yet it is worth noting that the ruling elite - that real part of it that takes decisions – is not inclined to agree to transparency. This applies equally to its structure, hierarchy, decision-making procedures and a clear public wording of specific goals. In reality, decision-making is always associated with the emergence of losers, with compromises and sacrifices of the interests of rather influential social groups. Sudden decisions ease the resistance of potential losers, and new compromises and alliances often involve reasoning that would prove difficult to defend within the framework of democratic rules or enforce with the help of mass popular support. In our opinion, this is due to several factors. We present here only four obvious ones. We are talking about the difficulty of reaching a compromise between the constituent groups of the elite and the need of sacrifices, a potential conflict between the objectives of the ruling elites and the mood of society, i.e. the purpose of self-preservation; a possible conflict with external elites (states) and, finally, the time factor, since the processes may be so dynamic that publicity will lead to the loss of the critical moment for decision-making and implementation of this or that strategy.

In conclusion, the structure of society, the degree of uniformity of its structure – the importance of the middle class, its upper tiers – affects the status of civil society. Many democratic tendencies were formed in context of growing strength of the middle class and greater equality achieved in the developed countries (particularly in the U.S.) during the 1960s, although in the 1970s there had already begun a turn towards greater inequality [Gilbert, 2008]. The change of trends had a two-fold effect. Firstly, it fuelled the concern of the Western middle class about its position and encouraged it to take defensive action, which was very typical of the EU countries in the context of the global crisis of 2008-2009 and its consequences. Secondly, there is the growing anxiety of the elites in the West over the material (financial) sustainability of the middle class, which is partly a yardstick of success and effectiveness of elites in making decisions on the strategic issues of national development. The stability of elites and of liberal democracy, as the 20th century showed, implies the stability of the middle class and its belief in the adequacy of political institutions and market mechanisms.

ELITES AND MIDDLE CLASSES IN RUSSIAN SOCIETY⁵

In Russia, one finds quite a lot of works devoted to elitology. First and foremost we should note studies by O. Gaman-Golutvina, I. Bunin, B. Makarenko, Yu. Levada, M. Afanasiev and others [Gaman-Golutvina, 2000-2001, 2006] There are works devoted to the middle class (classes) by T. Maleva, N. Tikhonova and others [Avraamova, Grigoriev, Maleva, 2000; Middle Classes in Russia..., 2003].⁶

But in all these studies either the middle class or the elite remains in the shadows. They coexist in real Russian society, they interact, but in theory they are coupled on very rare occasions. Basically, the middle classes have doubts about their elites, and some members of the elite criticize its objectives or actions [Yurgens, 2010]. In turn, the elites complain about the shortcomings of their people. The actions of the ruling elite through the state (the policy of taxes, subsidies and pensions – social policy) are aimed at maintaining certain interaction with the middle classes, as well as at receiving support from the social strata standing next on the social ladder. Middle-class groups have greater requirements in the field of democracy addressed to the political elite and their own ideas about the actions of the ruling elite [Grigoriev, Makarenko, Salmina et al, 2010].

As we pointed out above, the elites and the middle class are specific to each country. This applies to the history of countries (political, economic, ethnographic and history of religions), and in the 21st century it is largely determined by the nature of business in the broadest sense. The business elite of a small country will be linked to two or three large companies, the seaport and the ministry of foreign trade. In a large country history probably has a more complicated message to the citizens of all strata, and the "elite's makers of history" resist rapid transformation. The historical status of the elites of any country (in this case, Russia) is very important. It provides the best conditions for its existence, the protection of property rights and the realization of its interests, but it requires constant factual confirmation the claims are well-founded.

In case of great transformation journalists, observers and even scholars have paid more attention to the personnel composition of the new elites, the intrigues surrounding their emergence, and the struggle with the old elites, as well as difficulties in forming the middle class. We should remark that a change in geographical boundaries, structure of competitive resources and nature of the emerging market should determine at the same time a great deal in the economy, in the social structure, and in the specifics of the elite. The nature of employment, type of jobs, the opportunities of businesses and the state

⁵ This section is partially based on a paragraph from the work Grigoriev L. Russian Elites: The Choice for Modernization // Russia: the Challenges of Transformation // P. Dutkiewicz, D. Trenin (Eds.). — Lehman etc., 2011.

⁶ See review of literature in: L Grigoriev, A. Salmina, The Structure of the Middle Class in Russia: Hypotheses and Preliminary Analysis // The Russian Middle Class: Analysis of Structure and Financial Behavior. — M.: INSOR, Ekon-Inform, 2009 (in Russian).

determine the limits of capabilities of the middle class. The loss of entire industries after the opening of the economy, the compression of public expenditures for one and a half decades in Russia (1990-2005) largely shaped the structure of the business elite and of the middle class. We have repeatedly stated that the Russian experience of transformation has not led the structure of society into continental Europe, social inequalities in incomes were closer to those in the Anglo-Saxon countries, and inequality in wealth, to those in the Latin American ones [Grigoriev, Maleva, 2001].

The intellectual elite of the Soviet period failed to shape itself into a large-scale movement, in fact, it remained an intra-systemic counter-elite based in proto-middle strata. At the first stage of transformation in Russia the role of the intellectual elite was noticeable, but, in contrast to the countries of Central and Eastern Europe, that role was not as important, its effect was short-lived, and the elite itself was much less stable. True, the skeptical attitude of society and the middle class to the 1990s and the decade's personalities significantly interfered with attempts by new-comers having backgrounds in intellectual strata to gain a firm foothold in the political elite. In the context of a severe crisis and anger of the impoverished population the second and third echelons of Soviet bureaucracy found their way upwards. Big businesses incorporated industrial directors, former functionaries of the Young Communist League, members of the "underground" and intellectuals. The specificity of that privatization produced too varied a picture of the new business elite: it has not yet realized the need for unity for the sake of common long-term interests, for the time being it remains more interested in maximizing the privatization gains and retaining the assets as a liquid portfolio.

In the process of transformation in the post-Soviet space a major problem to be resolved, of course, was the "Schopenhauer theorem" in case of rapid historical change: There are three kinds of aristocracy in the world: aristocracy of birth and rank, money aristocracy, and the aristocracy of intellect and talent. The latter is actually the busiest and most famous. [Ortega-y-Gasset, 1984]. The new elite in all these fields must immediately begin to operate in the interests of the country and for the sake of taking deeper root, automatically seeking to become regulatory. Who becomes the new elite, how they are legitimized (inside the country and outside it) – all this largely determines the position of the country and in its relations with other countries, or, more precisely, of the new elite of Russia with the elites of other countries [Grigoriev, 2011].

For Russia, this problem is obvious: a big enough group of representatives of the national elite (at least intellectual), and a number of external (foreign) elites consider the collapse of the country in 1991 as a reason for lowering the status and claims of the new ruling elite. In the world (more rarely, Russia) one can hear some say the process of disintegration of the country is unfinished (although the ruling elite absolutely flatly denies this). As its position strengthened, the new elite came out with new status requests in accordance with the past greatness of the country (and its elite), objectively being in search for the highest possible status at the given level of national resources and the

international configuration around the country. We do not consider in this article the origin and composition of the ruling elite. It is worth mentioning some important considerations, though. In contrast to the new elites of Central and Eastern Europe (most emerged from the intellectual counter-elite of the Communist period), the Russian ruling elite was not quickly and unequivocally recognized by external elites. The gravest transformational crisis aggravated the internal legitimization of the political elite, which has experienced significant changes for the past two decades. It is being replenished from rather limited sources or hypo-elites – St. Petersburg, the *siloviki*, and so on, which is described in great detail in mass literature.

The processes of the USSR's disintegration, migration, and the transitional economic crisis led to a dramatic change in the population's spheres of activity. Accordingly, there was a significant shift in the importance of a number of areas and functions in society and the elite. The political elite emerged from the provincial counter-elite, a small group of intellectuals and businessmen and a mass of industrial directors and bureaucrats. There was an increase in the role of the regional elites, which still play an important independent role, although with the increase of centralist tendencies they are being pushed into the position of the hypo-elite, which prevents their attempts to become a counter-elite (even as a group), and even an intra-systemic one.⁷

In business, the old Soviet elite of the defense-industrial complex was first pushed aside by the bankers and "masters of privatization." However, further on the conflict of the financial sector and the political elite triggered the most complicated processes and the political elite's search for support in the energy industry (up to its partial nationalization), as well as in the surviving human resources of the defense industries. New forces joined politics, but over the past 20 years there has continued the adaptation of the structure of society and of civil society to new requirements, including those posed by the new ruling elite, which in recent years grew more consolidated, at least around some ideas.

The desire of the new ruling elite for creating an adequate hypo-elite situation and the entire system of "lifts and filters" is obvious. Efforts to retain control as one of the two most important functions of the elite are clearly seen and widely discussed in the country and outside it. It is important for us to understand that difficult adjustment is underway of the social structure by types of employment to the realities of the low funding of education, culture and science. The potential consolidation of the ruling elite against the sagging role of the intellectual elite (in fact, and not verbally) begins to distinguish the new emerging situation as-a-matter-of-factly, perhaps, against the subjective intentions of the political elite. This is due to the incomplete rooting of the new ruling elite, the struggle inside it for control of the financial sphere. The weakening of the intellectual elite weakens the country and lowers its chances for post-industrial development.

⁷ It was in the context of the crisis of the Soviet system that the counter-elite freed the genie of regional counter-elites, with consequences that would prove grandiose in strength and significance for the future of the country.

A brilliant intellectual elite is important for the country, its existence flatters the vanity of the ruling elite. But the intellectual elite generally seeks independence, which is very inconvenient. The ruling elite, apparently, would like to rely on a developed middle class and a "comfortable" hypo-elite. But the transitional crisis of the 1990s greatly impeded the consolidation of the old elite in the intellectual sphere, up to 20-year-long emigration of the potential hypo-elite. The laws of the existence and, let alone, transformation of these elites do not coincide: first, control is established in politics and finance ("seizure by the barons"), then the ruling elite struggles to find or create a system of institutions of civil society that would play the role it plays in the West, but would not pose a threat to the ruling elite in the volatile and conflict phase of its development.

Ensuring the development of a full-fledged intellectual elite is impossible without creating a large-scale hypo-elite, a whole system of "shafts". Otherwise, sooner or later the lack of prospects for good jobs, opportunities to rise into the higher strata from the middle class would lead not so much to socio-political tensions, as to emigration, to a drift towards other strata and realms of activity. Without a full-fledged life for the hypo-elite in the home country following clear rules the intellectual elite will gradually fade away, blending into the global elite. Still more dangerous will be attempts for the functional elite to simulate the regulatory role on the basis of clan-based positions, or wealth, acquired during the transformation. In this case, the functional intellectual elite of the country may eventually become "an imitation for domestic consumption" without recognition in the world (which is not so important), and also without innovation for its own country.

The groups within the middle class (intellectuals and the bureaucracy, medium businesses and managers, small business) correspond to the relevant elites and are a source of replenishment and reproduction of elites. The political elite should base its superiority on the reflection of interests of other elites, and all groups of the middle class (and the poor) – functionally it serves the nation, although quite often the nation has to accept the values of the elite and its regulatory settings (largely not yet mature). A well-formed ruling elite (the authorities and capital) has its own reserve - the bureaucracy. The emergence of the Russian bureaucracy from the old Soviet society has left an imprint on its members, despite the change of generations. The specific conditions of the country's transformation in many ways complicated the formation of a Western-style bureaucracy, so one can point to its unmistakably "Oriental flavor": servility, laziness, doubtful level of competence, and corruption.

The problems of parallel formation of elites and hypo-elites and of counter-elites in government and business will take a long time to discuss, despite the fact that quite a lot has been said on this subject (though quite often under different names). It is important for us to show that isolated existence of elites without reproduction and competition within the hypo-elites is impossible in principle. It is self-evident that without competition within the elites and with counter-elites the elites may lose their bearings in the contemporary world, focusing on their survival and control to the detriment of the country, and –

consequently – to their status in the world in the long term. The relevance of the topic of intellectual elites in Western political sociology largely stems from the scientific agenda, for instance, the continuing the interpenetration of social history and political science.

The intellectual elite in the period of transformation was under the influence of two factors – a change of ideology and type of state and the economic crisis. It is important to take into account the independent role of the latter, which pushed the regulatory part of the elite and the next tier of its potential recharge, including young people, out of the country. The emigrating representatives of the elite and the middle class are hard to blame for a lack of patriotism: the crisis was too grave and long! For over ten years talented people were faced with a stark choice – family well-being and ability to maintain their professional competence or patriotism. In these conditions for many citizens the question of competition for entrance into the elite of the home country as a lifetime competition goal for two decades remained obscured by the question of the family's survival and even of the possibility of continuing creative endeavor. The emigration of hypo-elites, especially, those in the intellectual sphere, was the result.

The transitional period of twenty years in Russia, against a background of borders open to information exchanges and movement, led to the emigration of the middle class and elements of the hypo-elite. Part of our elite dissolved in the Western middle class. So the electorate of Russian liberal parties does not really vote anywhere, but lives quietly in a half-dozen countries. The decision to award a Nobel Prize for physics to two not very old physicists of Russian descent is a great honor, of course, but both have lived in the UK for quite a while. In the reproduction of scientific creative elite there has occurred a disruption.⁸ And the world has received a "Russian world middle class", average in size and not voting in any election.

To make the picture complete we shall remark that the Russian-speaking groups of the population in the former USSR are mostly barred from political activity. Some of the Russians in Ukraine and Kazakhstan remain within the working class, but on the whole Russians in the former USSR (and some other minorities, too) have become middle class. This type of class (the way it is understood in this work) is not allowed by the national governments (out of fear of irredentism) to form its own counter-elite, and it is gradually supplanted (after a sharp expulsion in the early 1990s) from the hypo-elite. So the "ceiling" for Russians (the bulk of them, not select individuals) in this space is the middle business and intellectual level. In general, they do not have big chances to get into any sort of elite - meritocracy, most likely, will not work there. In a sense, Russia's post-reform middle class has become a world phenomenon. But with regard to the interests of separated families one can talk about greater integration of our society in the world community, especially in the intellectual sphere. The

⁸ The author's own experience indicates that in a number of social and economic sciences research work has to be placed in the hands of 25-30-year-olds. In other words, the gap to be bridged is about 35 years wide. Most of the researchers (good for science) aged 30–45 have gone in business or emigrated.

previous emigrations of the early 20th century, after the revolution, after the war, in the 1970s spelled lost talents and potential elements of Russia's elite. In the long term - dissolution in the world community. For Russia, a possible attitude to the world middle class might be aligning the conditions of democracy and development and giving them a chance to become an elite in Russia in this life, rather climbing the entire six-floor ladder in new host countries.

The intellectual elite, traditional in the western sociological vocabulary, requires a reference to the realities, detailing and disclosure. In the real life of a big country with historically rich intellectual tradition the functional intellectual elite is bound to stand out. Since we believe the structure of elite factions to be country-specific, in Russia's case, too, it might be possible to consider three subdivisions (really existing ones) in the intellectual elite: the natural sciences, social sciences (especially economics), and literature and the arts. In principle, it would be worth analyzing them separately, and in the *Table* there has been reserved the option of further fragmentation, if necessary. However, in a long-term crisis one encounters a major problem of exodus from the country of the old elite, the old hypo-elite and talented youth and disruption of the reproductive process in many fields of knowledge. In this connection the question arises: can the new intellectual elite compete in the world scene?

We can assume the probability Russian society may accept representatives of the world intellectual elite as gurus. Perhaps, in some areas it would be not bad at all. During the crisis and emigration of part of the elite there developed a risk the Russian (regulatory) elite may go extinct as a world phenomenon – there might remain only memories of scientists and poets. Reproduction is clearly narrowing, and this is exacerbated by economic emigration, the incomparable quality of life and the departure of young people.

In Russia in various areas we are witnessing a quite predictable functional symbiosis between the old elite (in general, and the regulatory by old standards) and new groups. The old functional elite is elastically (without undue haste) ceding its positions to new aggressive elements, offering a compromise: the maximum preservation of its command positions in exchange for the recognition of members of the new political elite, their absorption into its ranks as a relatively easy way of achieving recognition by the intellectual elite. The transition of elements of the political elite into the ranks of the functional intellectual one does not make them a regulatory, recognized and respected elite, but this is not clear to all. The “new bourgeoisie” in history usually cannot tell between commonplace and a work of genius for one or two generations (until their children start to engage in intellectual competition). The broad definition of the “intellectual elite” being used by a number of Russian researchers can be formulated as follows: the intellectual elite consists of groups that set a rational paradigm of activity for intellectual communities. These social groups provide an effective system of approaches to solving current problems of science and the arts, competitive on the global scale (the legitimization of elites through foreign countries). These groups determine the identity of representatives of natural sciences and the socio-economic and political cultures.

The struggle of old and new intellectual elites proceeds simultaneously with the transformation of the financial and political elites, who seek to gain full control in the country with the help of reciprocal recognition in relations with the intellectual elite. The understandable desire of the elite to become recognized has practical value for each of them for consolidation in the system of elites' factions. Interaction is important also for its security as a functionally effective elite in dealing with the common problems of the elite (the country's interests and its own survival as the elite). Simultaneously, individual and group competition is underway for resources and material benefits associated with the dominant position of groups in a particular intellectual market. The two competing trends are natural selection of talent and active elements of civil society from below, and attempts by the elite to form its hypo-elite (to reduce its risks), and affect the formation of civil society from above. In this regard, there develops a trend towards an accelerated "imitation of the elite" through the media, towards the substitution of the intellectual elite with "functional" popularity and tabloids. For the political elite it is hard to resist the temptation of planting from above a new hypo-elite as a functional intellectual ersatz-elite. This would help avoid the external division of the elites and a conflict with civil society (middle class) over the quality of the new elite.

For groups and individuals the difficulty of immediate or gradual recognition by the regulatory elite makes the phase of their inclusion in the functional elite a sort of "historic post-graduate course" (transition from bosses to geniuses). Outside the functional stage the path into the regulatory elite from the depth of the middle-class has been and remains extremely difficult and slow – "unguaranteed." Of course, some parts of the creative elite finds its way to the Olympus, but quite often too late and with great losses; there they are confronted with "the Olympian old-timers". The entry into the functional elite, though, creates only the illusion of belonging to the regulatory elite, although it is not as disputable as it was under Soviet rule (except, perhaps, for natural sciences). Self-identification of this or that group (or individual) as an element of the "intellectual elite" requires a check for how realistic the claims are. Other factions of the elite may accept this claim in the context of their stability, but the effectiveness of the group is constantly tested by counter-elites, the middle class, and external challenges. Remaining within the regulatory elite is very hard, even if it is functionally legalized.

In a well-established society the intellectual elite maintains a certain distance from politics to maintain independence. The financial elite and the bureaucracy exercise strong control through the funding and sponsorship of research and cultural projects. In the context of social transformation the intellectual elite is an important but temporary source of personnel for the new political elite by virtue of its social position and certain independence of the former political elite.

The middle class is the anchor that provides social stability, which de facto includes recognition of the elites and their unique role in formulating objectives and governing the country and its major social institutions and assets.

Modern democracy in the world and in post-transformation countries introduces its own restrictions, but it has not undermined the position of new elites. The traditional elites, which have become long-recognized (regulatory), and successful, are interested in maintaining open "gateways" to exchanges between gene pools with the middle class: neither too wide, nor too narrow. Vertical migration in a normally functioning society is important not only at the bottom (from the poor into the middle class and up by its levels), but also further on - including the possibility of entering into the elite by virtue of achievements and merits. The shutting of such "gateways", the ossification of clans and castes would add to the threat of social upheavals and block the individual motivation for innovation and modernization in general.

In the Russian tradition there has developed a habit of emphasizing the role of intellectuals, but immigration and the difficult financial situation in the 1990s and 2000s weakened its role and position in society, which seemed so active and promising in the late 1980s and early 1990s. One might expect some strengthening of the role of business to the detriment of intellectuals in the early stages of transformation. But in recent years we have rather seen growing strength of the officialdom, often opposing businesses and serving as support for the political elite. It is crucial that in Russia, unlike the countries of Central and Eastern Europe and the OECD as a whole, the weakness of the middle class and civil society strengthens the role of elites and individuals in stabilizing the country and choosing the path of development.

Russian society is still emerging out of the transformation crisis. We have to admit that the restructuring of the elite and the middle class proceed with great difficulty and great losses. In the political elite consolidation, apparently, has not yet been completed. In the financial elite there is dramatic competition, financial and industrial groups are being reformatted, the public sector is quickly gaining strength in the energy and financial sectors. The intellectual elite has entered another round of discussion of the country's fate and of the proper approach to modernization – conservative or liberal, European or Eurasian. The formation of hypo-elites is proceeding under the harsh influence of processes on the top floor – inside the elites. The middle classes and civil society are looking down at these processes with certain skepticism, inherited from the Soviet era, but significantly enhanced with the observed corruption, economic policy errors and doubts about the intentions of the elites (in addition to saving their own positions). The Russian case of forming elites after transformation remains the most interesting and still largely unexplored at the same time, especially this is true of attempts by the elite to shape social life in its own interests, including civil society, hypo-elite and even counter-elites.

CONCLUSION

Consideration of the problems of elites in the XXI century, in our opinion, requires clearer research into the relations of the elite and society. Amartya Sen more than 40 years ago pointed to the incompatibility of liberalism and the implementation of the Pareto criterion, if there are more than two alternatives to

choose from [Amartya Sen, 1970]. We believe that in the final count theories traditionally worked with the elites and the people, but in the political practice, business and public life, we rarely have to deal with any homogeneous elements making a free choice. Rather, we see a complex social structure, which experiences the pressures of real life problems from below, and above it depends not only on the views and interests of the ruling elite, but also on social mechanisms, “lifts and filters”, equipped for the elite and approved and supported by the elite in the authoritarian or (preferably) democratic societies. Even the question of the Pareto optimum can be considered in the context of the social hierarchy: what is the optimum for the elites, for the middle strata, and for the lower classes. Individuals make their choices regardless of their position on far from all issues. The functioning of elites in the modern world, especially the formation of elites after the transformation period, are of great theoretical and practical interest, but they are very difficult to study – this is not quiet historical material, but a subject matter of daily struggle and competition within the country and in the world. But we propose a system of approaches that could help streamline and organize the efforts of researchers. Practically we have in mind the need to understand the structure, nature and purposes of the elites not only in Russia, but also in the world's leading powers, especially Russia's neighbors. In their own national policy the objectives and priorities of the ruling elite may significantly redefine the rationality of certain socio-economic decisions. In international relations and in addressing global challenges the position of national elites, too, has an independent meaning: there is no extra-elite rationality in the world economy and politics. Our methodological conclusion is this: in the 21st century it is necessary to study not isolated elites and their relationships, but elites in combination with their complex structures and together with the neighboring social strata, up to civil society (and the middle classes). This will allow a better understanding of the condition and behavior of the world community, the Russian society and the countries important to us, more precisely, their elites. There one may find some hope for the gradual emergence of elites worthy of our country. Tomorrow never dies. James Bond surely hit the nail on the head.

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