Crossing Boundaries: Informal Economic Exchanges in a Multiethnic Borderland

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Introduction

The specificity of Transcarpathia

Transcarpathia (Zakarpatska oblast) is home to approximately half a million people, most of who are of Ruthenian/Ukrainian ethnicity (78,4%)[1]. Roma, Poles, Romanians, Slovaks and Russians represent smaller communities but the region is home to a significant Hungarian minority (12,5%) who live predominantly along the Ukrainian-Hungarian border. The region (12 800 km^2) is bordered by Poland, Slovakia, Hungary and Romania.

The modern history of the region had a dramatic effect upon ingroup and externally imposed ethnic identifications: until 1920, Transcarpathia was part of the Hungarian Kingdom, after the World War, it joined the newly formed Czechoslovak state, a unification based on ethnic self-determination (the region's predominant Ruthenian population considered themselves culturally close to Slovaks). In 1938, Hungary reoccupied the region, in accordance with the Vienna Treaties dismembering Czechoslovakia. In 1945, Soviet troops established de facto control over the region, and the USSR pressured Prague to relinquish its claims upon Transcarpathia. In 1946, it was eventually integrated to the Ukrainian SSR and became an administrative unit without any attribute of autonomy.

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[1] 1989 USSR census data, source: Molnar, Jozsef et Molnar, D. Istvan, 2005. *Karpatalja népessége és magyarsaga a népszamlalasi és népmozgalmi adatok tükrében* (*The Population of Transcarpathia and the Hungarian minority in censuses*), Beregszász: A Kárpátaljai Magyar Pedagógusszövetség Tankönyv- és Taneszköztanácsa,
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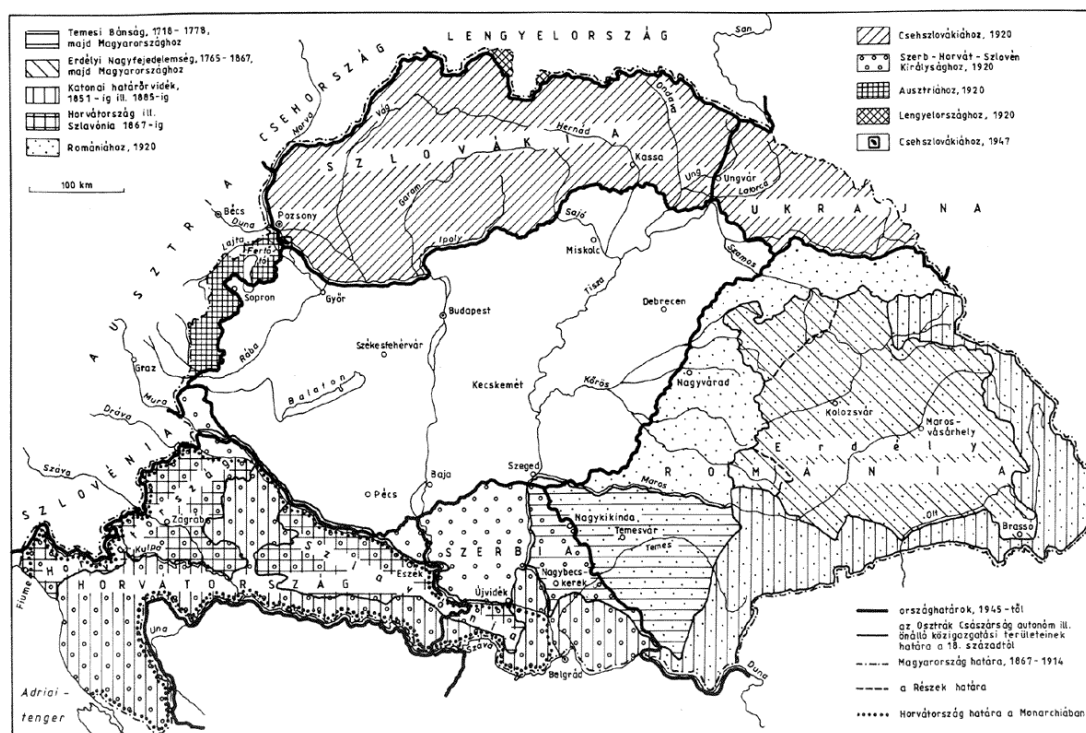
Map 1. Transcarpathia before and after its autonomy from the Kingdom of Hungary[2]

Ethnicity was always manipulated by local elites and foreign states to legitimate the integration of the region to different polities as these different integrations/occupations/ annexations used the rhetoric of ethnic self-determination. It was in every occupying state's interest to conduct ethnic censuses which exaggerated the numbers of a certain community: During the Czechoslovak era, most of the people were identified as Ruthenians, under Hungarian rule, the figures of Hungarians skyrocketed, while for the USSR, although the cultural proximity of Ruthenians and Ukrainians justified formally the annexation, Moscow decided to incorporate all Ruthenians into the Ukrainian ethnic category.

Beyond the obvious self-interest of the three states to artificially impose ethnic

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[2] Transcarpathia is here the formerly Hungarian region embedded between Slovakia and Romania. Source: http://terkepek.adatbank.transindex.ro/belso.php3?nev=129

categories upon the locals[3] this process was facilitated by an actual fluidity between ethnic categories: the lines between Ruthenian and Hungarian ethnicity on the one hand, and Ruthenian and other Slavic ethnicities on the other were blurred because of Hungarian assimilationist policies for the former and a general uncertainty over the place of Ruthenian ethnicity for the latter: was Ruthenian to be considered a dialect of Slovak or Ukrainian or would it be an entirely distinct cultural heritage?

Locals felt unsecure about these questions but the external powers gave them very strong incentives to use the entire range of the different possible answers. Furthermore, religious boundaries are not isomorphic with the different ethnic categories: Hungarians are Calvinist, Roman-Catholic and Greek-Catholics, Ruthenians are predominantly Greek Catholics or Orthodox, a fact which further complicates the task of separating these groups.

Today, minority nationalism is widespread among Ruthenians and Hungarians as well, local elites favouring primordialist narratives. Two competing political parties struggle for the representation of the Hungarian community (UMDSZ and KMKSZ), backing different projects of territorial autonomy while Ruthenian movements are in the process of consolidating their claims: a group of approximately 100 persons even declared Transcarpathian independence in October 2008 without popular consultation, not to mention Kiev's forceful animosity[4].

Briefly put, the essentialist narratives endorsed by local political elites coexist with a relative fluidity in past and present individual ethnic self-identifications.

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[3] Kertzer, David I., and Dominique Arel. 2002. *Census and identity: the politics of race, ethnicity, and language in national census.* Cambridge, UK; New York: Cambridge University Press.

[4] http://www.russiatoday.ru/Art_and_Fun/20081201/Ethnic_group_seeks_autonomy_in_Ukraine.html, accessed 15 December 2008

Boundaries and informal economies

It follows that Transcarpathia is an ideal field for observing how ethnic identities mutate in the post-communist context. Grasping this problem through the dynamics between informality and boundaries opens highly stimulating perspectives, which were somewhat ignored apart from a few innovative studies: in spite of its specificities,

Both economy and boundaries are essential notions for the student of ethnicity: For modern and constructivist analyses, capitalist economies are held accountable for the underlying structural transformations that gave birth to modern nations and nationalism[5] Moreover, while many scholars identified what seemed to be a specificity of the communist command economies (namely the existence of a significant economic activity escaping taxation and deemed illegal) empirical studies about the relation between this specific dimension of everyday life and nationalism in Eastern Europe hardly triggered academic attention.

Informality may be ill-suited to characterise the wide range of economic practices at scrutiny for its vagueness[6], but at least, it allows one to speak of a semantic and cultural proximity between blat (non-monetary service exchanges), bribery, nepotism or barter, phenomena which would otherwise seem to belong to different dimensions of social life. Informal economic exchanges share in common their lack of legal and moral legitimacy: during communist rule, private property and black markets were considered to be extremely grave crimes against the very purpose of the socialist state[7] while after

[5] Gellner, Ernest. 1983. *Nations and Nationalism*, Cornell University Press, Ithaca.

[6] Désert, Myriam. 2006. « Le débat russe sur l'informel (The Russian Debate on Informality) », Questions de Recherche, collection électronique du CERI-Sciences politiques, n°17.

[7] Kornai, János. 1992. *The socialist system: the political economy of communism*. Princeton, N.J.: Princeton University Press.

the transition to capitalist economies, the resilience of the same practices jeopardise both state capacity and the viability of market economies where a significant proportion of economic transaction occur outside the market. But even more important for our purpose is the fundamental threat they pose to essentialist nationalist narratives: in a multiethnic setting such as that of Transcarpathia, these practices overarch supposedly impermeable group boundaries:

The social networks blat necessitates (for securing a better place in a school or a hospital for instance) are inherently incompatible with ethnic based segmentation. As Burawoy and Verdery summed it up: "*uncontrolled movement violates the sense of order pertaining to bounded wholes… (-trade) breaches the borders of jealously guarded domains (…) Markets and border crossings are places where disorder is feared[8].*"

Informal economies were widespread in all communist countries and still exist to varying degrees in the post-communist era, even if the debate about their actual scope divides scholars and policy makers as well[9]. In Transcarpathia, it is clear that these practices never disappeared: the economic resources are extremely scarce and the geographic location in particular facilitated transfrontier smuggling of various products (gasoline, cigarettes, electronics), an income that was essential for many a household after 1991.

Today, blat, smuggling and bribery constitute the most visible manifestations of informal economic exchanges in Transcarpathia for the common people, while local

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[8] Burawoy, Michael, and Katherine Verdery. 1999. *Uncertain transition: ethnographies of change in the postsocialist world*. Lanham: Rowman & Littlefield.

[9] See Ledeneva, Alena V. 1998. *Russia's economy of favours: blat, networking, and informal exchange*. Cambridge, UK; New York, NY, USA: Cambridge University Press. and Ledeneva, Alena V. 2006. *How Russia really works: the informal practices that shaped post-Soviet politics and business*. Ithaca: Cornell University Press.

elites "specialise" in electoral fraud and nepotism

In this sense, informality challenges a variety of boundaries: Boundaries ought to be understood in a manifold approach to analyse ethnicity. First, symbolic and cultural boundaries between ethnic groups are of primary concern: the discursive and practical elaboration of boundaries often constitutes the basis for a shared in-group identification[10]. Second, territorial boundaries are especially important for group identification and territorial appropriation was a major factor in modern nation-building. Yet, if informal economic exchanges constantly challenge political, ethnic and territorial boundaries in Transcarpathia, the question remains, how do individuals' and ethnically self-defined groups' participation in these practices coexist with the abovementioned categories/boundaries, which most people generally adhere to in other contexts? Finally, the informality/formality dichotomy of economic exchanges is inseparable from the relation between the state and individuals as it inevitably presupposes boundaries between private and public dimensions of social life and therefore questions the relation between state, subjects and moralities.

Organisation

Our study is based on semi-structured and life-trajectory interviews as well as participant observation conducted in April 2009 in Transcarpathia. The lion's share of the fieldwork was spent in the town of Beregovo, the only urban municipality where Ruthenians and Hungarians don't outnumber one another too much.

Further interviews took place in Mukachevo and Uzhgorod, while we also followed the trips of petty smugglers back and forth between Hungary and Ukraine. Our respondents

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[10] Barth, Fredrik. 1969. *Ethnic Groups and Boundaries: The Social Organization of Culture Difference*. London: Allen & Unwin.

were ethnic Hungarians and Ruthenians, or Ruthenian-Ukrainians (depending on self-identification): it was technically impossible to integrate a deep analysis of the interactions and internal dynamics of other communities such as Russians, Roma or Romanians. The interviews were conducted in Hungarian with two exceptions when we were assisted by a Ukrainian translator.

Our interrogation dwells on the fact that apparently contradictory processes take shape in Transcarpathia: on the one hand, ethnic (and political) divisions are deeply entrenched and institutionalised, on the other, informal economies create systems of solidarities which escape both moral norms and the relevance of ethnicity. Trust is what defines and what enables solidarities in social networks. Therefore, if we seek to understand how do ethnic (between and within ethnic groups), economic (between economic actors) and political (between the abstract "people" and the state embodied in local administrations) ties relate to each other in Transcarpathia, we are necessarily enquiring about different natures of trust and different solidarities[11]. The aim of this study is precisely to demonstrate that informal economies are not only residual or marginal activities, but that they play a vital role in the relation between Transcarpathian ethnic communities, markets and the state. We therefore propose to approach this problem along four main explanatory frameworks: the institutionalisation/reification of ethnicity by state institutions and the strategies by which individuals challenge or accept it, the ethnicisation of the legal job market and its relation to less ethnically circumscribed black economy, the discursive strategies that shape the "corruption talk" through which Transcarpathians represent their relation to the state and to the market and finally the dynamics of informal exchanges that ensure

[11] Rothstein, Bo. « Social Trust and Honesty in Government: A Causal Mechanisms Approach » in Kornai, Janos and Rose-Ackermann, Susan and Rothstein, Bo (eds.) 2004. *Creating Social Trust in Post-Socialist Transition*, New York: Macmillan.

access to commodities and services through interpersonal networks.

Geopolitical uncertainties: the identity of dependence

The geographical entity we call here Transcarpathia does not correspond to any historical region with age-old specifics, but paradoxically enough, the very political instability of international borders during the 20th century created a strong geographical self-conscience we may dare call geographical identity.

The semantics of contention

National and nationalist representations of geography and political space being predominant in the region and closely tied to language, it is essential to comment upon the very name we use: English Transcarpathia doesn't correspond to the competing names of the region in Hungarian and Ukrainian and doesn't bear the respective political understatements of Hungarian and Ukrainian names. These territories have been successively called "Karpatalja" in Hungarian, "Podkarpatska Rus" in Czech, "Zakarpattia or Zakarpatska oblast" in Russian and Ukrainian. As implicit and seemless as it they may be, all of these names have a strong political and geopolitical component. The Hungarian "Karpatalja" (the slopes or beginnings of the Carpathians) for example conceptualises a centre to the region necessarily situated to the West: in its Hungarian form, the implicit boundaries of the region are delineated by the Carpathians in the East, while the lowlands further westwards in present Ukraine are naturally conflated with the long Hungarian plains (puszta). As such, the Hungarian idiom still considers the region as a natural and legitimate extension of Hungarian geographical elements into another country, namely Ukraine and doesn't fix westward limits to "Karpatalja". Similarly, the Russian and Ukrainian "Zakarpattia, Zakarpattye or Zakarpatska oblast" all bear a similar meaning: they all mean the region beyond the Carpathians. Symmetrically to the Hungarian example, the centre according to which the region is

defined, identified, is necessarily situated in the East: "beyond" makes sense inasmuch the region is thought to be politically integrated into the Ukrainian state but geographically separated from the rest of Ukraine by the Carpathians. Here the implicit boundaries of the region are clearer and more pragmatic: Zakarpattia is the part of Ukraine, which is part of the Ukrainian state yet isolated from the rest of the Ukrainian plains eastwards. These reflections are not sterile semantic interpretations: they are essential guidelines for understanding the competing claims of territorial sovereignty over "Transcarpathia". They underlie two problems: first, the Hungarian and Ukrainian idioms imagine Transcarpathia as being an extension of their own national territories: while the Hungarian name seems to justify it by the rationality of geographical ensembles (in defining the region geographically, the Hungarian language underlies a hypothesised "absurdity" – the political separation of the easternmost part of the "Hungarian" plain, which is not a coincidence but belies a historically and semantically embedded irredentism), Ukrainian "Zakarpatska oblast" reflects the uneasy relationship of the Ukrainian state to a region that is almost hermetically closed (in geographic terms) to the rest of the Ukrainian "national space".

The second and more profound problem beyond the implicit claims over a territory between two states that semantically reify a connection of Transcarpathia to the rest of their geographic and political spheres is that both Hungarian and Ukrainian idioms can only conceptualise the region in relation to a centre or core[12].

In both languages, Transcarpathia is not thought to have an autonomous geographical and political identity: contrary to other geographic ensembles such as "Aragon",

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[12] Svetko, Erzsébet, « Kisebbségpolitika Karpataljan a szovjet rendszer kiépitésének idején, (1947-1952) », in *Karpatalja, Tarsadalomtudomanyi tanulmanyok*, MTA, Budapest – Beregszasz, 2005.

"Burgundy", "Tuscany" or "Siberia", notions that imply their own boundaries independently of their surroundings, "Transcarpathia" is particular because it is inextricably embedded in power relations. Although setting different "centres" against which Transcarpathia is defined as a periphery, be it Budapest or Kiev (or Moscow), both languages assume spontaneously that Transcarpathia is dominated by a distant centre. In this sense, the geographical peripherality or liminality of Transcarpathia is equated with dependence and submission. This has far-reaching consequences: we believe that such a definition of Transcarpathia encapsulates and reflects reliably the geopolitical history of the region, one that has indeed been informed by dependence on political changes always taking place outside Transcarpathia.

Before reviewing this history, let us state that our preference for the English "Transcarpathia" is precisely rooted in the fact that it avoids to choose between two nationalistically reified interpretations of geography: it is a relatively neutral idiom, contrary to "Subcarpathia" (the other English alternative) which is just as politically charged as "Karpatalja" or "Zakarpattia"[13].

Historical instability

The territories of present Transcarpathia were part of the Hungarian kingdom until 1920. They were divided between four administrative regions or counties: Ugocsa, Maramaros, Bereg, Ung. Transcarpathia encompasses today 12 800 km^2 in the westernmost part of Ukraine, delineated westwards by the international frontiers between Poland, Slovakia, Hungary, Romania and Ukraine and eastwards by the internal administrative boundaries of Ukraine: the formal administrative boundaries of

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[13] Without further examining the diffusion of this term in English, we may simply remark that it is the approximate translation of Czech « Podkarpatska Rus », implying this time a third dominant centre symbolically situated in the North this time – Prague.

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"Zakarpatska oblast" embrace the entire region we call Transcarpathia. Under Hungarian rule, the region had no specific denomination and was not perceived to form a coherent whole[14]. The formation of a Transcarpathian territory began with the end of the First World War: by the end of the 19th century, the native Ruthenians had already taken part in a massive migration flow to the United States where many worked in the mining industries of Pittsburgh. Thus, the political organisation of Ruthenians (and the emergence of a Ruthenian national identity) originated in America rather than Eastern Europe. On the eve of the Austro-Hungarian Empire's disintegration, a National Council of Ruthenians was formed in Pittsburgh. The Council's legitimacy was soon recognised by president Wilson and it had an active role during the negotiations leading to the formation of the nascent Czechoslovak state[15]: On October 25th 1918, it reached an agreement with Masaryk whereby Ruthenian territories would join Czechoslovakia although keeping the status of an autonomous region within the federal state under the name of Podkarpatska Rus. The local Ruthenian elites remained divided over long-term strategies: while most felt loyal to Czechoslovakia, other currents favoured a unification with Western Ukraine on grounds of a closer cultural and linguistic proximity between Ruthenians and Ukrainians than with Slovakians (Ukraine was then divided between Soviet eastern and independent western Ukraine). In spite of these internal debates, Podkarpatska Rus remained a constitutive part of Czechoslovakia until 1938.

Following the radicalisation of Hungarian irredentist claims and regent Horthy's alliance with Hitler, Budapest felt confident enough to send "free corps" into Podkarpatska Rus as early as 1937: these military battalions operated undercover, the

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[14] For a clearer view of territorial changes affeting Transcarpathia during the 20th century, see Maps 2, 3 and 5 of the Appendix

[15] Kalman, Moricz, 2001. *Karpatalja Sorsforduloi*, Budapest: Hatodik Sip.

Hungarian government claiming officially no connection and no responsibility for their actions, their missions were nonetheless fixed by the Hungarian Ministry of War and consisted in sabotage of Czech infrastructure, actions against Czech military personnel, and the diffusion of Hungarian propaganda among locals. After the Munich agreements leading to the disintegration of Czechoslovakia, Hungary, enjoying Nazi Germany's support, was left free to occupy Podkarpatska Rus. The first Vienna Treaties of November 2nd 1938 confirmed the integration of these territories into Hungary.

Between 1938 and 1944, Transcarpathia was thus under fascist Hungarian rule (the deportation to the death camps of the considerable Hungarian speaking Jewish community took place during this period). The frontline of the Second World War finally reached the region in 1944 when the Soviet troops "liberated" Transcarpathia. On November 13th 1944, a special decree issued by the local Soviet military administration (of the Fourth Ukrainian Battalion) officially declared all male German and Hungarian civilians above the age of 18 enemies who deserved the same treatment as war prisoners: the majority of these populations were deported to the GULAG camps. On January 20th 1945, Hungary officially surrendered to the USSR, renounced to territorial claims over Transcarpathia and accepted its 1937 pre-war frontiers. Following the Soviet liberation, a Czechoslovak Provisional Council was constituted in Transcarpathia, preparing the reintegration into Czechoslovakia, however, under Stalin's influence during the peace talks, Prague was forced to voluntarily cede Transcarpathia to the USSR: the local Provisional Council had no other choice but to ratify the integration of Transcarpathia into the USSR, which was formalised on January 22nd 1946.

Unlike territorial autonomy in Czechoslovakia, Transcarpathia lost all attributes of sovereignty by becoming a mere oblast of the Ukrainian Soviet Socialist Republic

(SSR): in the hierarchy of Soviet territorial administrations, the oblast was at the very bottom and contrary to autonomous republics, had absolutely no independent political-administrative organs. Finally, with the collapse of the Soviet Union in 1991, Transcarpathia remained an oblast of the newly independent Ukrainian republic.

We have already touched upon the question of Ruthenian identity but it is essential to understand that Transcarpathia is one of the very last remnants of a multicultural Eastern Europe which vanished with the Austro-Hungarian Empire and the consecutive emergence of nation-states in the region. To this day, it remains one of the last places in Eastern Europe where so many national identities coexist within so small a territory[16]: there are allegedly as many as 76 officially registered nationalities in the region. Although one may necessarily be doubtful about this figure, the last reliable ethnic censuses (the last Soviet census of 1989 and the 2001 Ukrainian census) testify of a persistent multicultural setting as one can see in the following chart[17]:

Nationality/Year	Figures		% within Zakarpatska oblast		% in 2001 index base 1989=100
	1989	2001	1989	2001	
Ukrainians	976749	1010127	78,4	80,5	103,4
Russians	49458	30993	4,0	2,5	62,7
Hungarians	155711	151516	12,5	12,1	97,3

[16] See Appendix, Map 4

[17] Molnar, Jozsef and Molnar, D. Istvan, 2005. *Karpatalja népessége és magyarsaga a népszamlalasi és népmozgalmi adatok tükrében*, Beregszász: A Kárpátaljai Magyar Pedagógusszövetség Tankönyv- és Taneszköztanácsa.

Romanians	29485	32152	2,4	2,6	109,0
Belorussians	2521	1540	0,2	0,1	61,1
Germans	3478	3582	0,3	0,3	103,0
Roma	12131	14004	1,0	1,1	115,4
Slovaks	7329	5695	0,6	0,5	77,7
Other	8756	5005	0,6	0,4	64,0
Total	1245618	1254614	100	100	100,7

Table 1. The nationalities of Transcarpathia[18]

What is striking is that there is no mention of the Ruthenians[19]: in fact, after the USSR incorporated Transcarpathia, the official category of Ruthenian ethnicity/nationality was formally banned from censuses and Ruthenians became classified as Ukrainians (their religion, Greek-Catholicism was also integrated into Orthodoxy). This served several purposes: the most obvious is that the USSR could justify the invasion of Transcarpathia on the grounds that Ruthenians were only Ukrainians unjustly separated from their brothers (indeed the integration into the USSR was officially called reunification). More pragmatically, by stripping Ruthenians out of their ethnicity, Moscow could also justify the oblast status of the region: were Ruthenians recognised as a nationality, they would have automatically qualified for titular nationality status with autonomous institutions, a perspective that went against Soviet interests: Stalin

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[18] Based on Molnar, Jozsef and Molnar, D. Istvan, 2005. *Karpatalja népessége és magyarsaga a népszamlalasi és népmozgalmi adatok tükrében*, Beregszász: A Kárpátaljai Magyar Pedagógusszövetség Tankönyv- és Taneszköztanácsa.

[19] Botlik, Jozsef, 1997. *Harmas kereszt alatt*, Budapest: Hatodik Sip Alapitvany Uj Mandatum Könyvkiado.

wanted to exert a strict military control over the region because it was strategically important, offering the USSR a foothold beyond the Carpathians, railway and highway access to Czechoslovakia and Hungary. Even today, in a country where the linguistic divide between Russophones and Ukrainophones is already sensitive, the position of the Ruthenians is delicate: many Hungarians have Ruthenian names (and origins) in Transcarpathia, just as many Ruthenians self-identify as Ukrainians. In both cases, decades of coercive policies pursued by dominant states' ethnic categorisation systems (late 19th century and later fascist Hungary and the Soviet Union after 1945) resulted in a general uncertainty about ethnic boundaries: as we shall see, the same families and sometimes the same persons were categorised under radically different labels, depending on the period.

Dependence as identity

The historical instability that characterises Transcarpathia resulted in complex ethnic boundaries[20]: on the one hand the experience of circulation between ethnic categories was shared by the majority of Transcarpathians, on the other, public and political life, during and after communism, embedded ethnic boundaries by institutionalising them, first and foremost through the ethnic schooling system. An entire taxonomy of "Ukrainian", "Russian", "Hungarian" and "Gypsy" primary schools were put in place after the 1960's whereby the state actively fabricated ethnic markers. Two paradoxes inform this process: on the one hand, this state-imposed classification was often considered illegitimate or irrelevant for the individuals' subjective self-identification,

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[20] Beregszaszi, Aniko et Papp, Richard, 2005. *Karpatalja. Tarsadalomtudomanyi tanulmanyok*, Budapest & Beregszasz: MTA Etnikai-nemzeti Kisebbségkutato Intézet – II. Rakoczi Ferenc Karpataljai Magyar Fôiskola.

the second being that such an institutionalisation and legitimisation of ethnic boundaries were difficult to reconcile with the attempts of previous regimes and countries to impose their own ethnic categories often only years before.

This brief overview of Transcarpathia's chaotic history puts into perspective our remarks regarding the toponyms: the history of Transcarpathia in the 20th century reflects a gradually emerging geographical identity and instable ethnic identifications. Albeit considered today as an organic ensemble by all nationalities living there, the sole common entity that objectified Transcarpathia was the Ruthenian independence movement. What is paradoxical is that the Ruthenians had the less impact on the determination of "their" territory: after the initial recognition they were granted in 1920, the history of Transcarpathia has since been continuously determined by external powers.

This had far reaching consequences beyond Ruthenian national identity: the fact that Transcarpathia's identity and autonomisation is rooted in external powers' competition led eventually to the construction of a geographical identity (self-identification)[21] based on dependence. Briefly put, political and geographical peripherality and liminality (and dependence as a correlate) created Transcarpathia as a geopolitical object. Further, geopolitical domination by external actors both resulted in the emergence of a geographical identity and an increased trespassing of ethnic boundaries.

Informality and ethnicities: crossing social and moral boundaries

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[21] What we refer to as geographical self-identification is very close to Faret's concept of territoriality ie. The appropriation of a given geographical space through practices and représentations see Faret, Pierre, *Les territoires de la mobilité, Migration et communautés transnationales entre le Mexique et les Etats-Unis (Territories of Mobility. Migration and Transnational Communities between Mexico and the Unites States)*, CNRS, 2003.

This study engages two separate fields of post-communist everyday experience: informal economies and the resurgence of nationalist discourse and politics. These two fields of scientific enquiry have produced separate corpuses while there has been no thorough attempt to link these two realms. In the following, we propose to review some key concepts drawing from anthropological literature in order to understand how may one link these two fields. I will examine the relations these dimensions entertain with one another: the assumption is that both can be approached through the concept of boundary, both having important consequences on how social groups construct boundaries and how they use, re-appropriate, redefine and ultimately toy with inner and outer spaces, public and private, ethnic and economic, formal and informal, local and international spheres. If Eastern Europe is in that regard probably not very different from other parts of the world, the specificity of its peripheral history in relation to the West – uneven, syncopated integration into what one may call modernity – make these dynamics somewhat more apparent than in the old Western market economies where similar processes take place, only more efficiently overshadowed by a powerful narrative of legal-rational functionality. In this sense, looking at the East may have important lessons to teach about how things work in the West as well: how allegedly impermeable dimensions of social experience are being constantly trespassed, albeit the legitimacy of these categories and of their separation are seldom questioned.

From Economic Anthropology to Postcommunist Informality

The idea that communist countries have fundamentally different economic mechanisms than market economies seems obvious, although, if one looks at practices instead of

legislations, it becomes clear why social science, in both sides of the iron curtain, came to realise what sorts of economic transactions defined everyday life under socialism only after the 1980's. The communist command economies were, from a purely legal and administrative point of view, not that different from older Western experiences for they were modelled on nationalised war economies, forms of which France, Germany or Great Britain experienced during the First World War. Yet, beneath the surface, under Brezhnev especially, it became impossible to overlook that other mechanisms of economic regulation had to exist so that the entire edifice didn't collapse.

These micro-mechanisms, formally criminalised by socialist legislations, were instrumental in sustaining the viability of an otherwise too rigid system of production and consumption, the *economics of shortage*[22]. The country where the state let the rules deviate the furthest from socialist orthodoxy regarding the hierarchies of property (Hungary) and the one where economic constraints on consumption were the heaviest (the USSR) produced two different corpuses: while in Hungary, after the 1970's, the renaissance of private property was tolerated or even encouraged, in the USSR, endemic shortages necessitated the elaboration of a complex set of social networks that alleviated access to goods and services. It is therefore not a coincidence that Hungarian scholars were instrumental in describing the mechanisms of the second economy – the realm of private property's toleration under a communist regime, while Russian social scientists highlighted the mechanisms of informal economies – economic activities and modes of property that were officially condemned by socialist legality. These two trends later fused with Western European and American anthropological traditions of

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[22] Kornai, János. 1980. *Economics of shortage*. Amsterdam; New York: North-Holland Pub. Co.

approaching economic practices.

The fundamental assumption of economic anthropology is that, contrary to the neoliberal ideal-type, there is no separate field for purely economic mechanisms within a given society. In other terms, all economy is political economy as well: power relations, affective relations, symbolic production, are all necessarily intertwined in the body social. For our purpose, it is useful to keep in mind Polanyi's thesis as a guideline: the *embededness*[23] of economic processes within all dimensions of social experience is not a deviance from the norm of individual rationality or Weber's ideal bureaucratic standards but a generic situation shared by all societies. Following this path, there seemed to be new horizons for distinguishing the particular practices linking economy to the institutional and political settings of socialist countries: basic concepts such as value, property, exchange and capital acquired new meanings in the late communist, early post-communist period.

One of the first concepts to be thoroughly examined by anthropologists in the late socialist system was property: Socialist countries do normally admit only one type of property, state ownership[24]. However, communist countries also tolerated forms of collective ownership, slightly less legitimate in the eyes of Marxist orthodoxy, yet necessary for a minimal degree of decentralisation. Furthermore, it is also clear that private property was not eradicated during socialism: whether one looks at elite consumption in the ranks of the *nomenklatura*[25] or household consumption in general, it

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[23] Polanyi, Karl. 2001. *The great transformation: the political and economic origins of our time*. Boston, MA: Beacon Press.

[24] And although it seems intuitively something of an aberration to contemporary narratives, the relation between the ownership (that is free use, commodification and exchange) of objects by individuals, collectives or institutions always relies on the state's infrastructure: without a state, there is no property whatsoever (Hart, 2001: 182)

[25] Gronow, Jukka. 2003. *Caviar with champagne: common luxury and the ideals of the good life in Stalin's Russia*. Oxford; New York: Berg.

becomes obvious that individual consumption never lost its attraction. Thus, the socialist hierarchies of property were constantly under a dual assault: on the one hand, the boundaries between legitimate and legal taxonomies of ownership had to be maintained with clear boundaries between them, on the other, individual consumption and property had to be reduced to a minimal level. None of these two objectives proved successful: it is hardly surprising to see how incredibly intermingled the different spheres of property came to be, just as it is obvious that the pursuit of private property, albeit illegitimate and illegal, was equally shared by elites, intellectuals, peasants and workers alike. It is just as obvious that grave consequences ensued for the legitimacy of communist regimes. The existence of hierarchies, in other terms social classes with differentiated access to goods (Western and luxury consumer goods) and services such as housing, healthcare, travel etc.[26] under the auspices of private property was fundamentally antithetical with the socialist project.

Yet for the sake of clarity, it is important to maintain some conceptual distinctions: "black", "second" and "informal" economies are often used interchangeably. Here, and in accordance with Kornai's typology[27] the "second" economy refers to the legalised forms of individual property or the legal use of collective property for personal profit under socialism, while "informal" economic practices encompass activities that were strictly forbidden under socialism ranging from smuggling, to monetary (black market, bribery) and non-monetary exchanges of services (blat) and goods (barter). According to this definition, the "second" economy is irrelevant in postcommunist countries for the collapse of a socialist collectivist legislation of ownership, while informal

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[26] Zukin, Sharon. 1978. "The Problem of Social Class under Socialism." *Theory & Society* 6: 391.

[27] Kornai, János. 1992. *The socialist system: the political economy of communism*. Princeton, N.J.: Princeton University Press.

economies exist both in socialist and capitalist regimes: the ambiguity is that while under socialism, the informal economy was a niche for individual entrepreneurship and thus considered as either a survival of capitalism or an adequate stepping-stone for postcommunist markets (seducing liberal sympathies), it serves tax-evasion in market economies (then considered illiberal).

We are here concerned with informal economies for their existence proved vital in late socialism and during the transformation: According to a survey, non-declared revenues for the year 1980 would have increased household income by 38% in Leningrad, 67% in Belorussia and Ukraine, 179% in Armenia (Grossman 1987, quoted by Favarel, p. 35)[28].

One can rightly ask how it was possible that such widespread practices were tolerated by state leaderships otherwise known for their brutality: actually all legal regimes tolerate infringements on their periphery, what is more, not only do they distinguish between crimes that deserve more or less severe punishment but also adjust the severity of the punishment to the populations concerned according to the relations between the latter and the vital interests of the state. There is no need to mime surprise: this is what Foucault calls the realm of *illegalism*, in other words the domain of legal "elasticity"[29]. Briefly put, informal economies were tolerated because they compensated for the economic inputs the state was unable to deliver.

The transition to market economies raised new problems: private property was legalised but the different types of ownership (national or collective) persisted. In spite of our efforts to draw boundaries between informal, second and first economies, the systemic

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[28] Grossman, Gregory. 1985. *A tonsorial view of the Soviet second economy*. [S.l.: s.n. quoted by Favarel-Garrigues, Gilles. 2007. *La police des moeurs économiques, de l'URSS à la Russie, 1965-1995*. Paris: CNRS éditions.

[29] Foucault, Michel. 1994. *Dits et écrits: 1954-1988*. Paris: Editions Gallimard.

transformations brought about by privatisation seemingly managed to fuse them. Anthropologists and sociologists termed new forms of ownership "fuzzy"[30] or "recombinant" property[31]. In parallel to the fluctuation of property rights, late communist practices not only survived but they were essential for large segments of the population to cope with the hardships of liberalisation:

Unemployment being endemic after privatisation, little help could be expected from the labour market, while inflation eroded the face value of currencies and therefore hindered savings, consumption and investment.

Under these conditions, informal practices flourished: *blat*, the Russian term for non-monetary exchange of services relying on relatively stable social networks[32] or its Polish counterpart *znajomosci*[33] gained a new topicality as money was not reliable, and the resources of the states shrank while the barriers to social services such as education or healthcare symmetrically rose, the most vital issue was to secure access to these services and access to information (such as employment opportunities). Paradoxically, it is in the outsider's interest to gain entry into such a network while it is in insiders' interest to maintain barriers to entry: either for fear of legal proceedings or simply to sustain the efficacy of the network. Blat is not altruistic. Partakers of these networks help each other out but expect reciprocity: one can arrange a consultation with a reliable doctor who would be inaccessible through official channels but would expect a service

[30] Burawoy, Michael, and Katherine Verdery. 1999. *Uncertain transition: ethnographies of change in the postsocialist world*. Lanham: Rowman & Littlefield.

[31] Stark, David. 1996. "Recombinant Property in East European Capitalism," American Journal of Sociology, 101: 4.

[32] Ledeneva, Alena V. 1998. *Russia's economy of favours: blat, networking, and informal exchange*. Cambridge, UK; New York, NY, USA: Cambridge University Press.

[33] Dunn, Elisabeth. 2001. Carrots, Class and Capitalism: Employee Management in a Post-Socialist Enterprise. In *Poland Beyond Communism. "Transition" in Critical Perspective*. M. Buchowski, E. Conte, C. Nagengast eds. Freiburg: Universitätsverlag: 259-279.

in return, such as preferential access to a local administrative body. Everyone involved trades with the services and resources they have access to, in this sense, blat is an efficient way to market social capital. Yet, in a certain way, these are also networks of trust and solidarity, compensating for the loss of social cohesion that went along the transformation[34]. The blurred boundaries between property rights and the shortage of money (or rather the effect of inflation, which amounts to the same) naturally encouraged informality. It is indeed very problematic to categorise and demarcate practices such as blat, bribery, corruption and nepotism: In most cases the individuals who had something to offer did so because they were part of (or close to) an official administration thus blurring the boundaries between blat and corruption[35], on the other hand, payment in money for access to services or information was not rare among blat networks neither, finally, one would be hard pressed to distinguish blat from nepotism (involving a degree of family or kin connections), especially in multiethnic states such as most former Soviet Republics, Ukraine and Transcarpathia in particular. Moreover, other informal practices such as black-marketing and smuggling have tight connections with blat for they rely on similar or identical networks. These practices were not restricted to the criminal underworld: blat networks were essential for the very birth of post-communist capitalism because of two main factors: in an era when legal norms of property couldn't be relied upon everyone was vulnerable to legal proceedings, therefore an entrepreneur had a strong interest for engaging in solidarity networks with local officials, administrations and police, second, blat networks were also essential to

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[34] Lovell, Stephen, Alena V. Ledeneva, A. B. Rogachevski. 2000. *Bribery and blat in Russia: negotiating reciprocity from the Middle Ages to the 1990s*. Houndmills, Basingstoke, Hampshire, New York: Macmillan Press.

[35] We shall refrain from a normative definition of corruption since these are in most cases formidably vague. See for example Transparency International's definition: "Corruption is operationally defined as the misuse of entrusted power for private gain". Source: http://www.transparency.org/news_room/faq/corruption_faq#faqcorr1, accessed January 13 2009, 15:20.

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amass information, bring investors and suppliers together in the absence of routinised channels of information[36]. The deeper one digs into informality, the more evasive the term becomes since the various practices under scrutiny share porous boundaries with other illegitimate and illegal activities.

For some, there is an immanent impossibility to semantically capture informality that is consubstantial with the very notion[37]. Informality is about what happens at the boundaries of legal and illegal, legitimate and illegitimate, public and private.

In this regard, it is instructive to look at the critical anthropological literature that engaged the concept of corruption because of the semantic proximity with informality: first it identified the symbolic power of corruption narratives, second it highlighted how telling issues of corruption were about the relation to the state and public space in general. Indeed, one major finding is that the "corruption talk" is a constitutive part of corruption itself, in other words, the problematisation of corruption by media and public discourse reflects an attempt to construct a normalised relation to the state[38], to the nation-state in particular through everyday interaction with its bureaucracy by setting normative moral standards of legitimacy[39] against which deviance (in this case corruption) is measured. In a similar fashion, it is worth questioning the "formality" against which "informality" is formulated. The assumption is in both cases (non-

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[36] Барсукова, С.Ю. 2000 "Неформальная практика российского бизнеса в зеркале трансакционных издержек, *Проблемы, успехи и трудности переходной экономики*, Под ред. М.А. Портного." *Серия "Научная перспектива", выпуск XVI. М.: Московский общественный научный фонд.*

[37] Désert, Myriam. 2006. « Le débat russe sur l'informel (The Russian Debate on Informality)», Questions de Recherche, collection électronique du CERI-Sciences politiques, n°17.

[38] Gupta, Akhil. 2005. Narrating the State of Corruption. In *Corruption. Anthropological Perspectives*. C. Shore and P. Haller eds. London, Ann Arbor, MI: Pluto Press.

[39] Herzfeld, Michael. 1993. *The social production of indifference: exploring the symbolic roots of Western bureaucracy*. Chicago: University of Chicago Press.

corruption and formality) that there is a moral (legitimate) superiority to routinised, codified, legalised and institutionalised interaction between subjects[40] that has a lot to do with the Weberian ideal of rationality, and modernity (as a project) at large. By contrast, informality is perceived as anti-modern, an archaic remnant of rural societies in countries where a degenerated form of modernisation – communism in the case of Eastern Europe – had to compromise with deeply rooted practices. Therefore, informality inherently bears an ideological bias when it takes for granted that the East (or the South) has a natural preference for informality, unlike the legal-rational West: it is then part of an orientialising and teleological paradigm. To nobody's surprise, this criticism was vividly embraced by many a scholar who sought to demonstrate how deeply entrenched informal economic relations were in the most prosperous capitalisms, thus criticising the "West" for pretending to overlook the discrepancy between an ideal world of normalised public, political and private spheres on the one hand and far fuzzier empirical interactions on the other[41].

In the end, what is to be learnt from the anthropological approach to informality in Eastern Europe? The existing literature pinpoints so many weaknesses in the notion that it is difficult to bear with it: it is too vague, it covers an extremely large series of practices, it dangerously bridges the gap between sociability and criminality, it supposes a Manichean interpretation of the world in modernist terms which pretty much everyone knows is misleading. At the same time, it also identifies the complex of social capital and social networks as particularly salient in postcommunist societies. Against all odds, we shall attempt to keep the term with these precautions in mind: if the notion

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[40] Böröcz, Jozsef. 2000. Informality Rules: Sage Publications Inc.

[41] MacLennan, Carol. 2005. Corruption in Corporate America: Enron – Before and After. In *Corruption. Anthropological Perspectives*. C. Shore and P. Haller eds. London, Ann Arbor, MI: Pluto Press.

is semantically vague it is so because boundaries between legal and illegal economic practices have been in effect extraordinarily fluid in Eastern Europe – first because of the uneasy marriage of private property and statism in communist countries after the 1970's, second because of the general legal instability following liberalisation in the 1990's. If it is not to be considered an Eastern specific, it is also clear that the lack of domestic capital in communist countries favoured the exploitation of alternative resources, namely social capital. It may well have normative bias to it, still as Eastern European societies embraced the legal-rational ideal-type, and themselves raised the issue of informality as problematic (Russia was the epicentre of scientific discussion on the topic) it seems appropriate to judge them by their own standards. We will nonetheless focus our attention on particular practices which we will discuss later, let us simply posit for now that informality is not devoid of interest in spite of its shortcomings.

From Boundaries Back to Transactions

The problems encountered in the very attempt to define economic informality have a lot to do with the underlying assumptions that inform scientific enquiry in the modern age: the *disciplinarisation* of knowledge and the general passion for typologies and hierarchies of classification make it fundamentally difficult to grasp the porosity between scientific categories. Informality is precisely a concept that aims to capture exchanges and practices that happen in between those categories. In this sense, it is a paradoxical attempt to formulate the deficiencies of modernity with its own language, to objectify the very limitations of objectification. There is arguably no need to dramatise this contradiction: social science has been aware of its own limitations yet capable to produce intelligible discourse even about these[42]. It becomes very clear if one

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[42] Latour. Bruno. 2007. *Changer de société. Refaire de la sociologie*. Paris: La Découverte.

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looks at cognate and slightly less exotic terms, such as "boundary".

It would fundamentally exceed the present frameworks to draw a comprehensive genealogy of the notion in social science but we believe that boundary as an object of enquiry can be used with benefit in relation to informality: it allows us to link the problematic of non-institutionalised economies with ethnicity and territory.

What we identified as a problem for economic anthropology, that is theorising *liminality*, is all the more common to the student of ethnicity and geography. Ethnic identification, and its legal correlate, citizenship, are semantic constructs of closure and inclusion with very tangible political consequences[43]. What is more, ethnicity and citizenship cannot be divorced from geography because, as Kaiser puts it, nationalism is always an attempt to define geography in terms of ethnic self-understanding[44]. On the other hand, social sciences have also successfully demonstrated the empirical fluidity of ethnic categorisation (it is enough to think of the Nuer) as well as the historical contingencies that produced essentialist narratives of belonging, inextricably intertwined with the emergence of modern states in Europe[45]. In short, it wouldn't seem exaggerate to say that much of the work done around the notions of ethnicity and nationalism is basically concerned with the apparent paradox of the coexistence of legal, political and symbolic productions of norms objectifying and categorising

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[43] Brubaker, Rogers. 1992. *Citizenship and nationhood in France and Germany.* Cambridge, Mass.: Harvard University Press.

[44] Kaiser, Robert. 2002. « Homeland making and territorialization », In *Ethnonationalism in the Contemporary World: Walker Connor and the Theory of Nationalism*. Daniele Conversi ed. Londres: Routledge.

[45] Anderson, Benedict R. 1991. *Imagined communities: reflections on the origin and spread of nationalism*. London; New York: Verso.

subjects along with empirical evidence testifying of the subject's fluidity: be it Catalans torn between the nascent states of France and Spain

in the Ancien Régime[46] or Hungarian minorities in contemporary Romania[47], the basic question is about how the language and the institutionalised power relations of modernity (embodied in the state) attempt to impose meaning and discipline upon the raw material of existing social interactions. Therefore, the study of the nationalist phenomenon and the variations of ethnicity as a category for self-understanding are tied with boundaries: In Barth's understanding[48], boundaries, that is interfaces between various groups are precisely the loci where, through opposition and negotiation, an imagined community is created: the core of cultural authenticity is a myth created for legitimising group differences while interfaces are omnipresent. We may adapt this agenda to other works focusing on the role of the state in imposing ethnicity/nationalism[49] if we understand boundaries also as interfaces between state and subjects, imposed and existing references of identification, public and private spheres of social life.

Boundaries are tightly tied with ethnicity for another reason, as abovementioned, that is the geographical component of nationalism: the attempt by the state to control its citizens always takes place within geographic coordinates. An institutionalisation of power relations has to be spatially circumscribed to be effective: the state draws frontiers with other states, reshapes cities and landscapes, develops complex

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[46] Sahlins, Peter. 1989. *Boundaries: the making of France and Spain in the Pyrenees*. Berkeley: University of California Press.

[47] Brubaker, Rogers. 2006. *Nationalist politics and everyday ethnicity in a Transylvanian town*. Princeton: Princeton University Press.

[48] Barth, Fredrik. 1969. *Ethnic Groups and Boundaries: The Social Organization of Culture Difference*. London: Allen & Unwin.

[49] Gellner, Ernest. 2006. *Nations and nationalism*. Malden, MA: Blackwell Pub.

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technologies of surveillance for monitoring the citizens by remodelling space[50] and claims a monopoly over the symbolic interpretation of space by territorialising collective memory[51]. When efficient, this exhausting work produces in fact an *imagined community* of subjects who conceive of an existing bond – in proper: society – between them along the same geographic references as the ones legitimised by the state.

This activity of the state is especially salient in the former USSR because the hierarchies of ethnic and territorial typologies reached there a remarkable level of bureaucratic complexity through the ascription of ethnic markers in censuses[52] and the administrative territorialisation of the communities thus created[53].

What we suggest is that the literature of ethnicity/nationalism and informal economies pose similar epistemological problems: they share in common an interrogation about the trespassing of boundaries between private/public spheres and legitimate/illegitimate norms. Because they are both concerned with transgression, legitimacy and power relations between categories shaped by the state, they also question or at least highlight the tensions, transactions and negotiations modernity brought about. A useful way to connect the problems of circulation between ethnic categories and circulation between moralities of economic exchange is to turn to the notions of trust and moralities.

[50] Foucault, Michel, Michel Senellart, and Arnold Ira Davidson. 2007. *Security, territory, population: lectures at the Collège de France, 1977-1978*. Houndmills, Basingstoke, Hampshire; New York: Palgrave Macmillan.

[51] Nora, Pierre (ed). 1984. *Les lieux de mémoire*. Paris: Gallimard.

[52] Kertzer, David I., and Dominique Arel. 2002. *Census and identity: the politics of race, ethnicity, and language in national census*. Cambridge, UK; New York: Cambridge University Press.

[53] Blum, Alain and Filippova, Elena, 2006. « Territorialisation de l'ethnicité, ethnicisation du territoire. Le cas du système politique soviétique et russe », *Espace géographique* 35 : 4.

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Because the moralities of economy are informed by the degree and nature of trust people invest the state and markets with, because intra- and inter-ethnic networks depend on the trust and solidarities groups are able to establish, sustain or damp on the contrary, trust and moral norms are at the core of our enquiry.

Insititutionalising ethnicity

Censuses and state categories

State institutions played a central role in the USSR as ethnic markers. The Soviet state had a vital interest in undermining nationalist claims for two main reasons: ideologically, ethnic or national groups were considered to be a bourgeois cover-up for the exploitation of the working classes and nationalist mobilisation was considered by Marxists to be an artificial and ephemeral movement as opposed to "real" yet fetishised class interests and struggles. From a pragmatic point of view, the USSR inherited an immense multicultural country from Tsarist Russia, and in order to maintain territorial sovereignty, some sort of arrangement was to be found with the different peoples who were not considered ethnic Russians. Torn between the lack of ideological legitimacy for ethnicity as a relevant category in Marxist politics and the simple fact that for most Soviet citizens, their ethnicity continued to matter, Moscow resolved to undermine nationalist claims and hoped that with time the entire legitimacy of ethnicity would vanish through the recognition of nationalities as legal collective subjects of Soviet jurisdiction. As a consequence, a complex taxonomy and legal apparatus was put in charge to define relationships between ethnic groups: territorial autonomy was a key element in recognising a nationality's relative weight in relation to another. The various administrative statuses of Soviet territories reflected the official recognition or the

official denial of a certain ethnic category[54]. Soviet Socialist Republics were at the top of this hierarchy with political entities that were considered to be potential states, autonomous republics granted rights to specific minorities within another nationality's territory while oblasts were colour-blind administrative regions without attributes of sovereignty.

Different techniques of ethnicisation[55] were put in place in Transcarpathia during the 20th century but censuses and schooling may be the most prominent of all. Ethnic censuses were never mere bureaucratic tools: they always served geopolitical interests, especially in Eastern Europe, where ethnic self-determination became the formal claim of political sovereignty after the First World War. Thus, the different countries that successively occupied Transcarpathia always used the legitimacy of their own ethnic censuses. This translates into absurd family trajectories:

As for me, I am coming from the raion of Szolos, where everybody was Hungarian but they had to say they were Ukrainians. At school there was no one but Greek-Catholic Hungarians and yet they had to write "Ukrainian". It was under the Czechs. No actually, we were not Ukrainians, we were Ruthenians, yes Greek-Catholic Ruthenians at the time, we only became Ukrainians when the Russians came in later[56].

Put in a historical context, this testimony makes perfect sense: the Czechoslovak annexation of Transcarpathia was legitimated by the Ruthenians' cultural proximity

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[54] Waller, David V., « Ethnic Mobilization and Geopolitics in the Soviet Union: Towards a Theoretical Understanding », in *Journal of Political and Military Sociology*, vol.20, Summer 1992.

[55] Arel, Dominique, « Demography Politics in the First Post-Soviet Censuses: Mistrusted State, Contested Identities », *Population*, 16(6), November-December 2002.

[56] E., female Hungarian Greek-Catholic, 82 years, Beregovo

with Slovaks (and therefore Czechs), so that Prague had an interest in exaggerating Ruthenian numbers between 1920 and 1938. It is interesting to notice that porous religious boundaries were used in this case by the authorities to shift the ethnic category from self-identified Hungarian to state-ascribed Ruthenian: as Ruthenians are Greek Catholics in majority and Hungarians Calvinists or Roman Catholics, an entire community could be forced into a different category by virtue of a syllogistic logic where "all Ruthenians are Greek Catholics and all Greek Catholics are Ruthenians". As if the situation wasn't complex enough, the occupying countries, fascist Hungary during the war and later the USSR, imposed their own taxonomies so that in this case, for this Hungarian family the fact that the Czechoslovak state categorised them as Ruthenian logically concluded in their being considered Ukrainian after 1946 as the Ruthenian category was fused with that of Ukrainian, this time not on religious but ethno-cultural and linguistic grounds.

Schooling into ethnicity

Within such an apparatus, especially in multinational regions, schools played a vital role for establishing ethnic markers[57]. The paradox of ethnic schools is that they have a dual role: on the one hand they propose a space for the reification of ethnic self-identification, that is, they naturalise ethnic difference and set institutional barriers between communities, so that, in the context of a socialist regime, they allegedly offer a political space where ethnicity dominates class identification as a principle for elaborating the common good. On the other hand, from a less idealised standpoint, the school system is specifically the locus where the state (and the socialist state in this case) exerts the heaviest control (physical, biological and intellectual) on individuals.

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[57] Orosz, Ildiko, 2005. *A Magyar nyelvu oktatas helyzete Karpataljan az ukran allamisag kialalkulasanak elsô évtizedében (The Situation of Hungarian education in Transcarpathia, ten years after Ukrainian independence)*, Ungvar: Poliprint.

This duality reflects in individuals' life trajectories in Transcarpathia: on the one hand, parents were left free to choose a particular ethnic school for their children during the Soviet era, so that communities were allegedly free to sustain themselves, on the other, this "multicultural" apparatus actually legitimated the state's position for the state displayed a considerable effort to control everything that happened in the classrooms. Let us have a look on the ways in which this identification process took place through the case of L., 49 years old who was born into a half-Ukrainian (actually Ruthenian) and half-Hungarian family:

I was schooled in a Hungarian primary school, which is rather ironic. As you know, I have a typically Hungarian name[58] (laughs): on my father's side, we come from a Ruthenian family, but my father already grew up in a Hungarian context and thus he sort of grew up as a Hungarian. For the neighbours, he remained a Ruthenian but for me it was different: they perceived me as Hungarian. From my father's side, I am a Greek-Catholic, from my mother's side a Calvinist. I think my mother's family had a huge influence on me, especially as our village was 98% Hungarian. I had to speak Hungarian with the other kids, there was no other way. When I was in the kindergarten, because of my Ruthenian origins, the teacher tried to convince my parents to put me in a Ukrainian school. My mother said it was out of question, that I had to be educated in Hungarian. That is how I became a true little Hungarian. Actually, I have always considered myself to be Hungarian and it never occurred to me that it could be otherwise[59].

As one may notice, the contradiction is blatant between mixed marriages, individuals insecure about their right place of belonging and the reification process through which

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[58] He has a typically Ukrainian name in fact

[59] L., male Hungarian, 25 years old, Beregovo

this insecurity is deconstructed and replaced with essentialist narratives[60]. In this excerpt, it is also obvious that the individuals are well aware of the ethnicity fabrication process: the penultimate sentence belies even a sense of critical irony in this regard, yet this doesn't change the fact that the process is successful, and once in place, it becomes impossible to change it. On the one hand, families have a relatively free choice of ascribing their children to a specific ethnicity by deciding about their schooling, on the other, the public education system has a duty of accomplishing this ethnic categorisation process by erasing all uncertainties. It is paradoxical that blood and birth are not that important: although these imagined ethnic communities think of themselves as organic families with sharp boundaries, the individuals, even the ones who espouse these representations, are well aware of the fact that their community has nothing self-evident and that it is not predetermined by birth but fabricated through techniques of disciplinarisation. From a broader perspective, it may be also worth to mention that contrary to popular belief, the various ethnic communities of the USSR (here Ruthenian Ukrainians and Hungarians) were actually dependent on the state for the perpetuation of their own specificities. This is counter-intuitive since it is often thought that the central state was being captive to the "nationalities issue".

For Hungarian ethnic self-identification primarily hinges upon language, Hungarian schools played a vital role for setting the community apart[61]: Hungarian was not afforded the status of official language throughout the communist period, so that public education provided the only common place where this minority language was tolerated.

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[60] Csernicsko, Istvan, « Az ukrajnai kisebbségek és a nyelvi oktatas », in *Magyarok a Tisza-Forras környékén. A felsô-Tisza-vidéki magyarok anyanyelvi-oktatasi helyzete egy kutatas keretében* , sous la direction de Orosz, Ildiko, Poliprint, Ungvar, 2007.

[61] Orosz, Ildiko, *Magyarok a Tizsa-forras környékén. A felsô-Tisza-vidéki magyarok anyanyelvi-oktatasi helyzete egy kutatas tükrében*, Poliprint, Ungvar, 2007.

This led to a crucial dilemma for most families, one that endures until today: the choice between social mobility and the preservation of ethnic boundaries. Schools were during communism, and still are today precisely the loci where boundaries are set up in Barth's sense. The problem of ethnicity/language, schooling and social mobility affects differently the various ethnic groups: the Ruthenians, although absolutely forgotten by official categories after 1946 were not granted any sort of recognition but the objective proximity of Ruthenian and Ukrainian languages (even Russian) made it easier for them to assimilate. The Hungarians faced an entirely different issue: the preservation of their language and therefore of their ethnicity was always perceived as a zero-sum game: the effort a Hungarian family had (has) to put into educating their children in Ukrainian (or Russian under the USSR) was perceived tantamount to abandoning their Hungarian ethnicity. In brief, the choice for the Hungarians is between assimilation and social mobility. The fact that this representation may be erroneous is of little concern to us since this is the rationality according to which individuals and communities calculate their interests and shape their strategies. As B., 58 years old, Head of the Council of the Beregovo Raion said:

It is true that the lack of Ukrainophones among Hungarians poses a real problem, but it is the duty of the Ukrainian state to solve this issue. Increasing the amount of time dedicated to Ukrainian classes in Hungarian schools is not a good solution. I mean, children don't even have the time to assimilate the basics of Hungarian culture (...) I think they wouldn't have enough time to be Hungarians[62].

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[62] B., male Hungarian 58 years old, Beregovo

Strategies of compliance and exit

The last sentence captures the acuteness of the problem: for locals, there is a moral duty to perpetuate the ethnic community. Again, we think that Barth's position is highly relevant in this context for if communities are fictional and boundary production between social groups is the only empirical reality of ethnic divisions, the perpetuation of a community can be boiled down to the perpetuation of a set of frontiers. Here, the production of boundaries is understood as contingent on the time allocated to the teaching of the national language[63]. What is paradoxical is that the education of Ukrainian language in Hungarian schools is of very bad quality: interviewees often mentioned that Hungarian children schooled in such institutions usually don't master elementary Ukrainian by the age of 18, so that we are not only speaking about the production of symbolic or cultural boundaries here: quite concretely, Hungarian schools impeach the integration of Hungarian children within broader Ukrainian society. The question of responsibility is highly divisive: local Hungarian political elites and Ukrainian state administration (both at the oblast and national level) point to each other for not providing the basic infrastructure and trained Ukrainophone teaching staff in these schools. It remains that parents know this problem, so that when they choose to send their children to a Hungarian elementary schools, they are aware that they severe their children's academic and professional perspectives. If they nonetheless choose to do so, they probably expect some kind of compensation.

We believe there is a tension here between individual and collective strategies and interest calculation. At the individual level, a household has an interest in schooling their children in the institutions which will enable their children the greatest social

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[63] Urciuoli, Bonnie, « Language and Borders », *Annual Review of Anthropology*, vol. 24, 1995.

mobility: in the case of the Hungarians this means there is a rationality for sending their children to Ukrainian schools. At the collective level on the contrary, the ethnic community has an interest in sustaining its own self. This is not just about symbolic interests: the institutional apparatus dedicated to the Hungarian minority is heavily funded by the Hungarian state, therefore, the maintenance of a strong collective means that educational institutions such as the II. Ferenc Rakoczi Hungarian University of Beregovo, regional Hungarian journals, Hungarian political parties and NGOs all funded by Budapest are able to maintain a certain legitimacy for claiming substantial funding. The available statistical data about Hungarian education is extremely fragmented, yet if we proceed to a comparison between the ratio of Hungarians in Transcarpathian municipalities and the ratio of Hungarian pupils among all schooled pupils, we discover a foreseeable correlation:

Municipality/Administrative Region	% of children schooled in Hungarian elementary schools	Hungarian Population in %
Uzhgorod Raion	32,7	33,4
Uzhgorod Municipality	0,98	6,9
Beregovo Raion	63,1	76,1
Zakarpatska oblast	9,68	12,1

Table 2. Hungarian elementary school attendance[64]

Obviously, we cannot proceed to an in-depth comparison on the basis of this data, yet the correlation between the two ratios is striking (especially taking into account the extremely weak fertility rates among Hungarians) except for the Uzhgorod Municipality. This exception may be still telling about differentiated goals between collective and individual strategies: the extremely low rate of Hungarian children schooled in Uzhgorod may be linked to the overall feeble Hungarian population in the city: in areas where Hungarians represent the majority, the collective goal of community preservation seems to rule out individual exit (social mobility) strategies. On the contrary, in areas where Hungarians don't represent a sizeable community, Hungarian children are under-represented well below the expectable figures. We posit that this discrepancy can be traced back at least partly to a predominance of individual social mobility strategies in areas where the survival of the community is already endangered. On the other hand, where the ethnic community is not in danger, the incentive to protect the minority may be stronger. We do not have sufficient data to verify this hypothesis but it seems highly plausible.

We have so far sketched a superficial picture of the problems the Hungarians of Transcarpathia face and alluded to the fact that exit strategies, although more efficient on an individual basis, do actually bear a heavy cost in areas where the ethnic minority is strong: by opting out, one is systematically seen as a traitor to his community. This duality exists because the Hungarians conceptualise the problem in terms of a zero-sum game where linguistic assimilation necessarily implies giving up one's own ethnicity.

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[64] Based on Molnar, Jozsef and Molnar, D. Istvan, 2005. *Karpatalja népessége és magyarsaga a népszamlalasi és népmozgalmi adatok tükrében*, Beregszász: A Kárpátaljai Magyar Pedagógusszövetség Tankönyv- és Taneszköztanácsa.

These problems translate into a complete linguistic, cultural and political isolation of Hungarian pupils and students. As L., 25 years, young professional states:

I was born in 1984 in Transcarpathia in a totally Hungarian village, in a totally Hungarian family, in a totally Hungarian environment. My friends are Hungarian, I was educated in a Hungarian school, therefore I am proud to say I am totally Hungarian (...) Anyway, why should I feel Ukrainian: I don't speak the language, I never watch their TV, I get the news from Hungary, I have never been elsewhere in Ukraine but I know Budapest well[65].

It doesn't mean that anything such as a Hungarian ethnic purity exists: we have already pointed to the strategies and institutions that reify this representation, but, notwithstanding one's ethnocultural background, once one self-identifies and is identified as a Hungarian, he/she becomes part of this linguistically isolated ethnic microcosm where the barriers to exit are extremely high compared to barriers to entry. The same problems do not affect Ruthenians, I., 35 years old:

 My mother is Ruthenian and my father is Russian. I grew up here in Beregovo. I always thought of myself as Ukrainian. But when I was a child, we lived in this kommunalka with two Hungarian ladies. They were countesses expropriated after the war, and they were looking after me when my parents didn't have time to. My mother taught English at the Ukrainian primary school no. 5 and my father used to work at the radio factory. (...) I later went to the Ukrainian school as well, but for us at home, it was normal to speak Russian together or Ukrainian with my mother and since I grew up speaking Hungarian with the old ladies and because Beregovo still remains a Hungarian town, it was quite normal for me to speak Hungarian with whoever. (...) I

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[65] L., male Hungarian, 25 years old, Beregovo

don't understand why Hungarians can't speak the language: they live here after all[66].

This is not an isolated testimony: in informal conversations, I frequently noticed that Ruthenians or Ruthenian-Ukrainians living within the 20 km margins next to the Hungarian border where the majority is Hungarian do speak Hungarian and shift relatively easily from Russian to Ukrainian[67]. On the contrary, Hungarians suffer from (a self-imposed or at least sustained) linguistic isolation with regards to the major Slavic languages. The imbalance is obvious: it is not necessarily Hungarians' language that sets them apart but the isolation of their social world while Ruthenians may for various reasons enter the realm of Hungarian ethnicity, the constraints are extremely heavy on Hungarians to remain within their community, and were they trying to find arrangements, they are faced with the radical dilemma of remaining or leaving entirely the community.

The ethnicisation of market relations: the example of the Hungarian labour market

In terms of professional perspectives, the linguistic isolation of the Hungarians has a direct effect upon their chances of integration into the Ukrainian labour market. As I. testifies:

My father was a teacher, but back in the 1990's, his salary was worthless, so we went to Hungary on weekends to sell cigarettes. Later, he started to work as a guide for local tourist agencies that worked mainly with Hungarian tourists: who else would have come here anyway, if not for the transfrontier brotherhood? Later, I got a scholarship for studying economics in Hungary but I had to come back on weekends,

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[66] I., male Ukrainian, 35 years old, Beregovo

[67] See Appendix Table 3.

working as a guide as well. I wanted to stay in Hungary, but for an MA program, it would have cost so much that my family couldn't afford it. And now with Schengen, we can't commute anymore, even if I wanted to, I couldn't be looking for a job in Hungary now. (…) Hungarians above 30 all speak Russian as it was mandatory at school but my generation grew up in Hungarian schools where Ukrainian or Russian were taught as foreign languages. I remember, we did understand so little that we learned the texts by heart and we even wrote Ukrainian phonetically with Latin letters. And even here, in Beregszasz, you can't find a job in the administration, in a bank or a shop because they only hire you if you speak Ukrainian. For people like me, the solution is to find a job in a setting where everybody else is Hungarian as well: we simply can't compete with the Ukrainians for setting up a business or getting a normal job[68].

The fact that I. refers to "normal" jobs shows that he is aware of his community's and his generation's marginal position upon the job market. In fact, young Hungarians are being segregated against, not because the Ukrainian labour market is racist but because the Hungarian minority education system doesn't provide them with an elementary command of Ukrainian. Without speaking Ukrainian, the trajectories of young Hungarians may follow two paths: either integration into the specifically Hungarian professional sectors of Transcarpathia or working as unskilled labour force. For instance, in the Beregovo raion, between 1994 and 1997, the proportion of pupils aged 16, schooled in a Hungarian institution, who did not pursue secondary education almost doubled: it went from 27% for the 1994/95 scholar year to 40% in 1996/97[69].

Finding refuge in ethnicity

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[68] I., male Hungarian, 26 years old, Beregovo

[69] http://www.karpatok.uzhgorod.ua/karpatalja.html, accessed 10 December 2008.

What we call the Hungarian sector of the Transcarpathian labour market is composed of the tourist agencies run by Hungarians that recruit tourists from Hungary, the two Hungarian political parties with countless local bureaus, the numerous Hungarian publications (from webzines to printed poetry), Roman Catholic and Calvinist religious functions, and the extraordinarily over-represented educational staff working for most part as Hungarian teachers in elementary schools. These professions may seem trivial but they employ the majority of Hungarian graduates in Transcarpathia. For these businesses and administrations, the command of Hungarian language is vital, but as we have seen before, this is primarily a reaction to the impossibility for most young Hungarians to get a job outside of the community. In a certain sense, the Hungarians, linguistically isolated, excluded (or self-excluded) from the broader Ukrainian body politic, put in place their own job market where Hungarian language is very concretely the barrier to entry. As such, Hungarians created their own protected market where they enjoy a monopoly: it isn't exaggerated to say that it is an efficient way to market ethnicity, creating a niche market where the exploitation of Hungarian language can provide employment to a substantial number of people. One can assert that the independence of market economy offered an opportunity for escaping the state's perceived coercion and for finding shelter into ethnicity. This is ironic inasmuch the Hungarians of Transcarpathia never acknowledge this fact and they conceptualise their situation as a passive defensive strategy against an oppressive Ukrainian state which in their view does everything to segregate them. When asked about similar professional strategies among Ruthenians (the marketisation of ethnicity and language), the head of a Hungarian tourist agency organising tours for tourists from Budapest (going to Transcarpathia to visit the pass where Hungarians first entered the Carpathian Basin) replied without cynicism:

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Now they are trying to imitate us, they are trying to attract tourists here, with the aim of demonstrating that Transcarpathia is only Ruthenian. This is really ridiculous, I mean Ruthenians sometimes pretend to be Ukrainian, sometimes Ruthenian, they are like this, they change their nationality when it suits them. (…) I would say that this new Ruthenian tourist business is fake, this is ethno-business, nothing more[70].

Generational fault lines and competition

The problem is not so much that the Hungarians pursue an isolationist strategy but that this strategy doesn't offer sufficient perspectives to younger generations: the Hungarian labour market is already saturated, quite logically, the local demand for Hungarian teachers, tourist operators, journalists and politicians is not limitless. Young professionals such as L. are embittered by their inability to integrate the Ukrainian labour market, still, they never put it in perspective with their own community's responsibility. At first glance, the overall situation may appear counter-productive and irrational: who would have an interest in maintaining such impermeable ethnic boundaries that necessarily threaten the survival of the community? Upon closer inspection it appears though that there are vested interests to do so. Just as L. mentioned in the aforementioned quote, there exists a generational gap between those who grew up before and after 1991[71]. In fact, older Hungarians now between 50 and 60 occupy the most prominent positions within the community. Throughout our interviews we observed that the very same persons constantly complain about the lack of motivation among young Hungarians. They were frequently pictured as lazy, unwilling

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[70] S., female Hungarian, 50 years old, Beregovo

[71] Csernicsko, Istvan, *A magyar nyelv Karpataljan*, Osiris – MTA Kisebbségkutato Mûhely, Budapest, 1998.

to study or work. Sometimes these reactions were puzzling for their exceptional contentiousness, for example, I. 56, editor in chief of a Hungarian online newspaper told us:

This situation is really crazy here: Last year, I wanted to hire a young journalist for our publication. I published an ad. The requirement was simple: I was looking for somebody with a diploma and bilingual in Ukrainian and Hungarian. I had to wait seven months before I could find somebody. Young Hungarians just don't speak a word of Ukrainian. I seriously don't understand how they expect to find proper employment like this. And when you need a technician, you can be sure to never find a Hungarian: no Hungarian plumbers, no electricians. (...) These jobs pay well but they would have to go to specialised Ukrainian schools and since they don't speak the language, they exclude themselves from these opportunities, which doesn't make any sense to me (...) And anyway, they grew up during the 1990s, they saw their fathers trafficking at the frontier, making easy money. Today, when they are expected to work eight hours behind a desk, they just don't understand this is normal[72].

The fact that many among our interviewees blamed the young for their own exclusion was certainly surprising and although the explanation was quite obvious, we didn't even have to elaborate a hypothesis for the answer came during an interview with E., 49 years, editor in chief of a Hungarian journal, MP of the Transcarpathian Council (the

[72] I., male Hungarian, 48 years old, Beregovo

Council of the oblast) and a prominent figure in one of the two Hungarian parties:

I love my job, I am a journalist and even when my salary was only 8 or 10 dollars, I chose to stay and work here. I never wanted to be a politician. I knew G. from school, we have always been good friends. When he became a politician, I never asked for a favour, I didn't pay special attention to his career. (…) Things only changed in 2006: he was campaigning for the municipal elections and he asked me to be his advisor and director of his staff. I refused five times. I finally gave in. (…) I wasn't looking for power, but as we say, once you rent your ass… So I stayed after the campaign. We won the elections, I was second on his list, he became Beregovo's mayor and I entered the Council of the oblast here in Uzhgorod. But anyway, in retrospect, I don't think there is anything contradictory with this: I am not the first journalist who became a politician. And it also had a vey good influence on the newspaper: when I read articles in other journals about what is going on in the Council, I often find it amusing because these are just gossips and I have the accurate information from first hand on the other side. (…) Basically the entire civil society is dependent on one of the two Hungarian parties for subventions. I mean the readership is tiny: we have 150 000 Hungarians here, we can't fabricate more. So for further funding, we all depend on the parties and the Motherland Fund located in Budapest. We can't be economically independent. And who elects delegates to the Motherland Fund? The two parties, therefore, everyone has to be close to at least one side. But we try to preserve our independence in the editorial line, even if it is difficult. For example, I never asked my colleagues to join my party and I don't check for who they vote. (…) We, I mean my generation, have a rather comfortable position: even if it is sometimes hard to conciliate our different roles in politics, in journalism and our membership in various civil organisations, we all play different roles. (…) As a good friend of mine keeps on saying "Migration is a good

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thing, the more people leave, the more shit we have left to share"(laughs[73]).

This excerpt displays several dynamics of the Hungarian community: on the one hand, it explains the extraordinary conflation of political and civil roles among the local elite so that it is virtually meaningless to speak of an independent civil society.

Social multipositionality is the general rule since actors play on different levels at the same time and they use their different responsibilities to advance personal or factional interests. This is a major reason for the resilience of interpersonal networks as we later shall see and the enduring importance of informal relations. More directly connected to the question of professional perspectives and distribution is E.'s last sentence. In effect, the massive emigration flow which decimated the Hungarian community after 1991 and the young generations' inability to take on their parents' qualified positions is not necessarily bad for those already in charge. This is a classical situation of insider/outsider competition for a limited number of positions: the older generations who were forced to learn at least Russian if not Ukrainian don't suffer from the linguistic isolation their children are exposed to. In the labour market, these two generations would actually be rivals but the endemic under-qualification and cultural isolation of young Hungarians render them incapable to compete for these positions, so that, in spite of their relatively small number, the aging actors don't suffer from any sort of competition: they are protected by a dual monopoly. On the one hand, they are protected from Ukrainian competitors by Hungarian language (they are still located within the Hungarian niche economy), on the other, they don't have to compete with young and qualified Hungarian rivals neither since these don't speak Ukrainian in majority and they would be incapable of dealing with any official Ukrainian administration. They constitute the vital bridge between an isolated community and the

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[73] E., male Hungarian, 49 years old, Uzhgorod

rest of Ukraine so that they are indispensable to their people. The lack of rivals and their monopolistic or rather oligopolistic position allows them to further accumulate esteemed and marketable roles. We are aware of the fact that our instrumental analysis is somewhat reductionist and imputes agency where there is not necessarily coordination: we do not seriously think that there is a conspiracy or a class-project but it remains that the ethnic card allows actors, individual and corporate, to establish and sustain a dominant position within a specific social world in Becker's sense. We do not wish to offer a rationalist caricature of complex social and political forces, nor to over-stress a Gellnerian Marxist theory of elite manipulation[74]. We nonetheless think that our parallels between dominant behaviours and strategies among the Hungarian community, their efforts to institutionalise language as an impermeable ethnic boundary, their attempt to exploit the marketable potential of ethnicity for creating a niche labour market are valid.

It probably isn't a coincidence that the most vehement defenders of the existing status quo, which is evidently detrimental to the community at large, are also the ones who defend the development of education in Hungarian: instead of putting in place new arrangements for children to learn Ukrainian even in Hungarian schools, or lobbying Kiev for allocating funds to do so, their political demands tend toward the recognition of Hungarian as an official language in Zakarpattia oblast and vague projects of territorial autonomy.

We do not wish to elaborate too much on the specifics of the political situation within the Hungarian community and its relation to the education system in Hungarian minority schools but a number of facts must be mentioned: the political mobilisation of the Hungarian minority dates back to the 1960's and was strengthened during the

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[74] Gellner, Ernest. *Nations and Nationalism*, Cornell University Press, Ithaca, 1983

1980's in parallel to the nationalities' revival throughout the USSR. Models of mobilisation, repertoires of action were directly borrowed from the Ukrainian nationalist movement Rukh. The goal of this mobilisation, initiated by intellectuals (almost all of whom were teachers or writers) was to unite the Hungarians of Transcarpathia within a single cultural organisation (Karpataljai Magyar Kulturalis Szovetseg or KMKSZ)[75]: the concrete projects put forward centred around the development of education in Hungarian at all levels (from kindergarten to university) and territorial autonomy. With the gradual professionalization of the movement during the 1990's, the KMKSZ turned from a cultural organisation into a real political party but the specific issue of autonomy divided the membership and along personal dissentions, eventually led to the formation of an alternative party, the UMDSZ. Today, the KMKSZ is often pictured as more "nationalistic" (the term doesn't make much sense since both parties are ethnic and don't recruit beyond the community) and more radical in their demands of autonomy while the UMDSZ is criticised for being a vassal of Kiev. During (and since) the Orange revolution, the two parties were allied with opposite Ukrainian forces: the KMKSZ with the Orange coalition, while the UMDSZ was close to Kuchmist forces (the Ukrainian Socialist Party). The issue of autonomy virtually disappeared from the agenda as it became clear that it remains completely unfeasible and that Budapest, after signing a Treaty with Kiev in 1993, gave in all territorial claims over Transcarpathia. What is relevant in this story for the position of Hungarian elites within the Hungarian niche job-market is that both political sides are managed by leaders with very similar trajectories: they were born between the 1940's and 1960's, their parents or grand parents were deported and expropriated after the war,

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[75] Dupka, György 2004. *Autonomia törekvések Karpataljan*, (Autonomy projects in Transcarpathia) Ungvar: Intermix.

they generally come from rural areas, many completed higher education in the Hungarian department of the State University of Uzhgorod, opened in 1961 – the only place where the use of Hungarian was officially tolerated before the 1980's – or if they chose mathematics or physics, they went to the University of Lvov, in both cases, they had to speak Russian for being admitted to university, they lived in colleges with Ukrainians, Russians, Ruthenians, and throughout their careers, they had to deal with official administrations (either the ministry of education if they became teachers or at their workplace in factories, kolkhozes and other units of production). In any case, they may have grown up with the feeling of segregation (being Hungarian in the USSR certainly wasn't praised by Moscow) but they were not isolated. On the contrary, if they managed to initiate a successful political mobilisation, it is precisely because they were integrated in the soviet bureaucratic infrastructure and they knew how to use it to their advantage. Once at the controls of a social movement, their efforts, although undoubtedly sincere, were meant to offer their children the infrastructure they themselves had been (considered to be) deprived of: the positive recognition of their Hungarian ethnicity. They achieved successes in this regard: the legalisation of the use of Hungarian in municipalities where they represent more than 20% of the population, the opening of new Hungarian elementary schools, the attraction of funding from Budapest after 1991 and most spectacularly the foundation of the first entirely Hungarian university in Beregovo in 1996 (albeit dependent on Hungary for resources)[76]. Notwithstanding their opportunistic or personal oppositions, they clearly form a distinct social stratum both in Transcarpathia and within the Hungarian community[77]. Yet, if they managed to put in place the infrastructure they would have

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[76] Kovacs, Miklos, « A karpataljai magyar politika. Avagy meddig érvényes a politikatudomany », *Hatodik Sip Antologia*, Hatodik Sip Mandatum, Beregszasz, 1989.

[77] They are not isolated in this attempt as similar situations emerged in the neighbouring countries as well, with local oligopolies of rural elites see Kovach, Imre et Kucerova, Anna,

wanted for themselves as children, they never acknowledged the fact that their successful social mobility from peasants (for most part) to intellectuals, technicians or entrepreneurs after the 1980's had first and foremost to do with their knowledge of the Soviet system. This is precisely the knowledge they chose not to transmit to their children because they always considered the USSR as an illegitimate political actor and with the gradual softening of political repression and widening possibilities, they wanted to emancipate from the Soviet political community at large (not only in terms of autonomy projects but also in terms of values, culture, language etc.). So that eventually, they personally managed to break away from the constraints of Ukrainian economic and political forces by creating positions, which they were the only ones who could fill in, but they also condemned future generations to depend on them.

The Hungarian community or social world therefore functions as a closed microcosm: it uses the vestiges of Soviet nationalities policy, and more broadly the opportunities offered by the Ukrainian state apparatus for institutionalising ethnicity as an impermeable social boundary. The Hungarian strategy uses states (the economic support of Hungary and the minority school system of Ukraine) so as to create and sustain ethnic boundaries at the local level. In this regard, there exists a firm continuity between communism and postcommunism: ethnic minorities still exploit state institutions for strengthening their local positions. We have demonstrated that there is a strong economic rationale for this strategy inasmuch ethnicity can become a capital prone to be mobilised in a context of competition for scarce economic resources. We have also seen that circulation between ethnic categories such as Ruthenian and Hungarian is not uncommon (not only due to the variance of official census categories

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« The Project Class in Central Europe : The Czech and Hungarian Cases», in Socioogia Ruralis, janvier 2006, 46(1)

but also to intermarriage) but that these trajectories are downplayed, and instead the ethnic reification and categorisation process of the subjects by schools is valorised. The norm of ethnic boundary construction appears legitimate to most people: nobody among our interviewees, be they self-identified Ruthenian, Hungarian or Ukrainian, criticised these dynamics. Nonetheless, individual ethnic boundary crossing in the private realm and the norm of closed ethnic boundaries in the public space may be in tension: Speaking about my host, a retired Ruthenian teacher, with one of her former colleagues, now an entrepreneur, my interviewee reacted harshly when she learnt from me that the person she had known for more than 20 years was not Hungarian:

We never spoke about it but we always spoke in Hungarian anyway, for me it was self-evident that she was Hungarian. (…) And what does she say: Is she completely Ruthenian or does she have Hungarian ancestors? (…) Then you should be very careful about what she tells you. (…) I like and respect Ruthenians, their traditions, their dances, their language but they often have this very anti-Hungarian standpoint. (…) Don't pay too much attention to what she may tell you about Hungarians[78].

It is obvious in this case that there is a tension between the relationship of trust the interviewee entertains with a person and the political legitimacy of ethnic boundaries she adheres to. The trust she had in this relationship is suddenly severed by the discovery that they belong to different ethnic categories. Although it probably never posed an issue before, once pronounced, the other is reduced to a set of stereotypes[79]. This is not a Hungarian specific: in an ironic symmetry, when discussing ethnic relations with my host, and while she never mentioned interpersonal conflicts rooted in ethnic difference, she interrupted an anecdote about local interethnic cohabitation:

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[78] S. female Hungarian, 50 years old, Beregovo

[79] These psychological mechanisms have been investigated at length in Tajfel, Henri. *Human Groups and Social Categories*. Cambridge: Cambridge University Press, 1981.

But in my view Hungarians did the worst things here. They claim this land is theirs, they construct these memorials in Verecke as if this was Hungary, and during the war, they did terrible things to us. (...) It must be clear for Hungarians and for Ukrainians that they can live here but that this is Ruthenian land: I hope this Ruthenian Congress will change something. It would be normal to have our own country[80].

This reaction had in fact very little to do with our previous topic of conversation: this person, who didn't have a chance to claim her ethnic identity (Ruthenian ethnicity was only legalised recently in Ukrainian ethnic censuses) for her entire lifetime, is highly enthused by the opportunity to do so (notwithstanding the historical justification for her criticism) and is happy to adopt the existing ethnic categories and the subsequent stereotypes as long as they provide her with a satisfactory representation of her Self. Still, Ruthenian ethnic boundaries are far more complex than Hungarian ones: for one, Ruthenians didn't enjoy an officially legitimate ethnic status during the Soviet period, they didn't have minority schools which could have afforded them similar opportunities to the Hungarian ethnic boundary construction project. Coupled with an immemorial history of foreign attempts to assimilate into other polities and ethnic categories, it is not derogatory to say that indeed, today, Ruthenian ethnicity is far more fragile and ambivalent than Ukrainian, Russian or Hungarian in Transcarpathia. The Ruthenian political mobilisation only became active in the second half of the 1990's and cannot count on the support of any external kin-state. Nonetheless, international precedents such as Ossetia and Kosovo, are likely to radicalise Ruthenian claims. Two fundamental weaknesses lay in the way of Ruthenian ethnic boundary closure: the empirical subjective uncertainty of Ruthenian-Ukrainians about their ethnic identification and the lack of any pre-existent infrastructure such a mobilisation could

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[80] M., female Ruthenian, 50 years old, Beregovo

exploit. Even in the face of these difficulties, and as marginal as it may seem, Ruthenian entrepreneurs of identity are emerging: in October 2008, a self-declared National Ruthenian Congress proclaimed the independence of Transcarpathia and began to distribute Ruthenian passports. The leaders of the movement, Greek-Catholic priest Dmitry Sidor of Uzhgorod and self-proclaimed Prime Minister of Ruthenian Transcarpathia Petr Getsko attempted to bring foreign attention to their cause by inviting Russian journalists to publicise their struggle in December 2008[81]. Although they accuse Kiev (the FSB) of forging false accusations of separatism, objective economic interests between Transcarpathian Ruthenians and Moscow converge against Ukraine: pipelines channelling Russian gas to Europe go through Transcarpathia and amidst the perpetual economic tension between Kiev and Moscow, it would be rational for Ruthenian leaders to enter a deal with Russia to advance their cause. Indeed, it probably wasn't a mistake that Getsko claimed the property for the pipelines passing through Transcarpathia for Ruthenians before Russian medias.

Costs and benefits of ethnic boundaries

In short, ethnic markers are energy and time consuming to sustain in Transcarpathia: different states' ethnic categorisation practices over time, intermarriages and further cross-cutting cleavages such as religion render it very difficult. As we have already stated, religious differences are not isomorphic with linguistic boundaries: Ruthenians are divided between those who remained faithful to the Greek-Catholic Church and those who became assimilated Orthodox following the forced incorporation of their Church into Orthodoxy after the Second World War. Similarly, a minority of

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[81] The strategies of Ruthenian secessionist movements are compiled in Arguments for Recognising the Nationality of Indigenous Subcarpathian Rusyn People in Ukraine, 2005. Rusyn International Center. Source: http://www.rusynmedia.org/documents.html, accessed February 2nd 2009, 17:06.

Hungarians are equally Greek-Catholics, two situations that pose absurd technical difficulties to maintaining the myth of inter-group social closure. L., 58 years old Hungarian Greek Catholic said:

We have separate offices although we use the same church. Ruthenians come earlier and when they leave, there is a second mass in Hungarian for us. We do not meet each other but I don't think this is bad, we have nothing in common after all[82].

The cost of opportunity of inventing, re-inventing and maintaining ethnic boundaries seems to be lower than the expected benefits. Terms borrowed from economics should not let us forget that we are not only talking about calculations of ethnicised economic niche markets, profit-maximisation, elite manipulation and cultural hegemony: this costly attempt to separate and classify is also a by-product of modernity understood here in its dimension of subject objectivation. This is not only the legacy of late romantic nationalism in Eastern Europe, it is also a corollary of the European technologies for making sense of the world. The problem is that Transcarpathia is a blatant counter-example to the norms set forth by essentialist narratives: not only are all groups more porous than what people may want to think, not only may they be only peripheries without cores everywhere else but Transcarpathia, although inescapably entrenched in Europe and in this European ideal-typical classificatory rationality, is one of the few places where this myth is constantly contradicted on a daily basis for the coexistence of numerous "groups", and the incredible complexity of mechanisms for inter-group closure and incorporation. Norms and practices are therefore almost constantly at odds with one another.

Corruption and Corruption Talk

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[82] L., male Hungarian Greek-Catholic, 58 years old, Beregovo

The same dichotomy between norms of classification, norms of rationality and everyday experience exists in relation to the state as well. The place of postcommunist states is problematic in this regard, although again, we don't believe this to be specifically an Eastern European issue[83]: the question of redistribution, decentralisation and hierarchies pose the same problems in industrialised societies and we do not have the pretention to engage in a lengthy debate over the question as it has been exhausting the reflection of all social sciences.

The historical deficiencies of the state's resources

What can be said nevertheless is that in Transcarpathia, the aspirations of individuals, the desired relationship with the state as a functioning rational bureaucracy, regulator of economic exchange and provider of services and goods is completely negated by everyday experience. Individuals in all westernised industrial societies may well face similar disenchantment: Herzfeld offered a convincing analysis of inevitable bureaucracy criticism talk on these grounds[84]. Yet, we believe there is something particular to regions of the world, which think of themselves as parts of an imagined "civilisational" community but are also or represent themselves in a peripheral position to a hypothesised core. Mediterranean and Eastern Europe are for example in a particular relation to the imagined "West": for countless geopolitical, religious etc. ties connect them inevitably with countries further North and West, yet in Eastern Europe for instance, the local historical experience of the state has always been very different to that of Britons or Frenchmen for reasons contingent on history: political instability, migrations and invasions have substantially reduced the ability of states to accumulate

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[83] Åslund, Anders. 1992. *The Post-Soviet economy: Soviet and Western perspectives*. New York: St. Martin's Press.

[84] Herzfeld, op. cit.

comparable resources to "Western Europe". This inability to put in practice models of governmentality coming from elsewhere wouldn't have been detrimental if the peoples of the region didn't imagine themselves as inseparable members of this community. Unfortunately for them, they did so. The modern history and artistic achievements of these polities have been informed for a very long time by the frustration of being incapable to live up to the norms that regulate their moral regimes, norms that were perceived to originate in distant contexts. The inescapability of being a European (whatever this may mean: Christian, White, organised in nation states or being capitalist) and the trauma of not being able to live like one shaped Eastern European subjectivity to a great extent. If the experience of peripherality is an important component of Eastern European collective self-identification, this is all the more true in a region such as Transcarpathia, which even on a smaller territorial scale, acquired geographic identity precisely through its peripheral relation to Eastern European states already peripheral. Therefore, deception in the state is a narrative and affect of *longue durée* in Transcarpathia. The Soviet experience had complex and differentiated consequences on these representations: for Ruthenians and Hungarians, it was an experience of further alienation sucking them into an alien Eastern Other but at the same time, the Soviet order and the empirical closure of geopolitical boundaries to the West reduced the horizon of expectations for Transcarpathians.

The collapse of the USSR and the gradual integration into flows of ideas and goods originated in- or directed to Washington, London or Berlin only re-established former experiences of dependence on the "West" and the impossibility to break away from the "East".

One important feature of the relation to the state is corruption. We have previously discussed the semantic problems of corruption but it is impossible to dismiss for it constitutes both an ensemble of practices through which individuals maintain a relationship to the state, and an eternal topic of conversation through which they set ideas forth about how this relationship contradicts their expectations: we only consider corruption here in the sense of bribery between public administrations, civil servants (the state) and citizens.

Corruption talk: setting moral standards to the state

It is impossible not to notice the astounding parallel in this regard with other regions of the world: Akhil Gupta's fieldworks in rural India[85] especially are extremely close to what we have witnessed in Transcarpathia. In both cases, individuals deal with the state through their relation with local administrations: schools, hospitals, local councils, courts etc. Even if Transcarpathia offers arguably more services and infrastructure to its people, the feeling of relative deprivation is not very different. On the one hand, bribery is a common and unexceptional feature of the relation to these administrations, on the other, "big" scandals involving local politicians and businessmen are also classified under the label of corruption. The first category is usually described as a necessary evil and people who actively do corrupt officials valorise their own position by emphasising their "entrepreneurial creativity" against an inefficient state. The second category usually doesn't involve the respondents personally and therefore allows one to criticise the unfairness of existing power relations. E., a Ukrainian entrepreneur who owns two restaurants and a hotel stated for example:

We all had problems before, but the times of mafia wars of the 1990's are over. (...) I

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[85] Gupta, Akhil. « Blurred Boundaries: The Discourses of Corruption, The Culture of Politics and the Imagined State », American Ethnologist 22, May 1995: 2.

had issues with local bullies a long time ago but it doesn't work like this anymore. I am not engaged in any kind of illegal activity, I only care about providing good services (…) I only polish my relations with local administrations at the city level, I am not looking for establishing ties at the oblast level as it would cost me too much: you have to find the right person, to be considerate, buy gifts (…) When people are celebrating, I try to be kind to everyone: if a bank is having a party or an administration, I am there. For instance, if the Inland Revenue is holding a reception, we help them, if the Council of the raion organises something, we attend, if they need a hand for a dinner, we are there. These are small things but we make do with what w have because this costs us money as well. In return, if we encounter problems, we can always count on somebody there. The service of Public health of the Council called me yesterday for example, not for themselves but for patients, so we will send them a little something (…) For me, it is more efficient to have contacts with the Council of the Raion and the City Council. I don't want to go above this level. If I had a problem and went directly to Uzhgorod to speak with some high-ranking official, my contacts here would be upset, it would be disrespectful. This is about good manners. And for me to entertain relations at both levels, it is simply too expensive. I have a high-up friend in Kiev, we see each other once a year, but if I have a serious problem, I can always count on him. But this friendship is also time and money. But I don't use these relations for anything illegal, I just polish them, that's all (…) My business is completely legal, it's just that in case of emergency, one has to know whom one can turn to[86].

In a similar vein, M. 50 years remembered:

We used to live in a kommunalka with my husband and our two children but then during the privatisation, we were asked to move out. They promised us a brand new flat

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[86] E., male Ukrainian, 51 years old, Beregovo

if we paid a relatively small amount. We moved temporarily to my parents' house, which is very small as you can see. I went to the housing department of the Council, I basically went almost everyday to check how our case was going. I spent so much money to make sure we would get something quickly. (...) It never happened, we still live here, they offered some ridiculous compensation but they ruined our lives[87].

Although very different in their outcome, these two experiences demonstrate that bribery is still an intrinsic part of relations between the state and individuals in Transcarpathia. Either for facilitating tax-evasion with the consent of the Inland Revenue officials or for trying to secure fair treatment, the general consensus is that things cannot work out if left to the state's discretion. Public services are simply so inefficient that one has to find a way to get a short-cut to the person in charge: Transcarpathians understand all too well that the alleged anonymity of bureaucracies is a fiction, that in the end, there always is a human being at the levers, who necessarily has desires or greed to be satisfied. If this experience upsets them, if they complain about it, if it contradicts their expectations, they speak relatively easily of their own involvement in bribing civil servants because it allows them to represent themselves as active agents who fight the state's apathy.

The second category of corruption situation, which concerns important local personalities and in which the interviewee has no (or tries not to admit) personal involvement operates with different rationales. One of the biggest scandals in Transcarpathia concerned the chemical agent locally known as Primex: between 1996 and 2003, dozens of tons of this waste material appeared in sealed bags, scattered all over the region with trucks driving the bags at night and no apparent corporate body responsible for these operations. The rumours rapidly spread that Primex is some sort of

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[87] M., female Hungarian, 49 years old, Beregovo

a dangerous radioactive waste that "somebody" bought from Hungarian power stations and illegally imported to Ukraine only to leave it in the wide open[88]. I took part in a conference about the development potential of Transcarpathia: the conference was funded by a Hungarian NGO and organised by a local Hungarian tourist agency in the building of the Xy. raion Council with mainly Ukrainian political and administrative local officials. Among the speakers, V., the Head of the Tisza-Borzsa Protected Region shared a surprising view when he shifted his exposé from the theme of water quality protection to Primex: in his opinion, the large quantities of this mysterious chemical were actually an economic boon to be exploited and he asked everyone to end a pointless witch-hunt. Soon after the conference, M., an auditor of the conference gave me some precisions about the background of the story:

Everybody here knows that the mayor is responsible for this. He controls a very important company, N... with ramifications in different sectors. Besides, the municipality's public procurement tenders are always linked to his businesses: for example, the cleaning company of the city, V... is a Ukrainian-Hungarian joint venture in which he has an important share. (...) He started his career as a bandit, he was involved in human trafficking, smuggling and racketeering businesses. Primex was imported from Hungary through a company named O..., which legally cannot be traced back to him but I know some of the people who were driving the trucks. (...) Now, the biggest joke is that they plan to use Primex as a construction material, so that in the end, he will manage to sell and get rid of the chemical, which he brought here through

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[88] The different scientific tests do not concord: Hungarian and Ukrainian authorities tried to authentificate Primex. According to Hungarian sources, this is just a by-product in the production of tires, on the other hand, Ukrainian scientists claim the material shows signs of radiation. The issue is contentious as according to EU and international regulations, a country cannot discharge its dangerous waste and hazardous material to another without due surveillance of the subsequent treatment process. Ultimately, it doesn't really interest us what Primex really is or who was responsible for its importation: we are here concerned with representations of public-civil power relations.

the companies and administrations that are responsible for environmental protection and which he controls. That's how things work here: this is the kind of people who are in charge in Transcarpathia. (...) As for the young secretary who gave the opening speech, he married into Kuchma's family. Kuchma's daughter controls the goldmine here, the city never received a penny from the benefits of the mine, although we could have earned a lot and this young man without talent is steadily climbing the ladder of the raion's administration[89].

Although we have reason to think our partner had close ties to the persons he cites, the issue is here not about the veracity of the facts but about the discursive strategies through which one constructs a dichotomy between the corrupt elites, encompassing politicians and businessmen, the state in short, and the "people" on the other side. Corruption is here conceptualised not as a particular form of exchange, not even as a type of criminality but as the specific mode of governance through which the powerful maintain their position and interests.

As if the legal infrastructure was only a Potemkine village, where formal regulations were only a cover-up to the real system of power allocation, which takes place behind closed doors. The boundaries of moralities are extremely blurred: on the one hand these two types of corruption talk allow one to affirm a differentiation between rulers and ruled, between an inefficient and rotten public-political space and the martyrdom of simple people. At the same time, these narratives also acknowledge that everyone is a partaker in the process, even when attempting to legitimate one's involvement in petty or "benign" bribery. This contradiction is rooted in the aforementioned paradox, namely the constant opposition between expectations of legal-rational efficiency and the disappointment over the fact that the state apparatus is simply incapable to provide

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[89] Anonimised

basic services (and escapes accountability). Corruption is therefore not bribery: corruption is always the corruption of others. Corruption becomes corruption when it allows one to identify somebody else: bribing public officials is evidently not appreciated on the same grounds that the suspected illegitimate (and illegal) activities of the ruling elites. Therefore, corruption cannot be defined according to a particular type of practice or exchange: it is a type of morality that qualifies types of exchange, always contingent on the position of the observer who identifies corruption[90].

The clearest illustration of this point we heard came from I. 35 years, ethnic Ukrainian, formerly gasoline smuggler, who spoke about the economic situation of Ukraine:

When I hear that the IMF accorded this loan to the Ukrainian government, I go crazy. They even sent people from Brussels to audit the use of this money and they saw that the government had already spent two thirds of the loan, money that simply disappeared. And what do they do next? They give the rest. This is a crime: a normal person would never give money to Ukraine. (...) One day, the people will say stop, all the politicians in Kiev deserve to be shot like dogs[91].

We have seen that in institutionalised contexts, inter-ethnic relations are considered illegitimate: in schools, churches, party politics and the labour market, ethnic markers are strengthened in Transcarpathia. Nonetheless, besides marriage, there are other

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[90] We do not wish to underplay the existing detrimental effects of bribery between individuals and administrations or their extent but we are once again concerned here with their representation. For a thorough account of these practices see Corruption Assessment: Ukraine. Final Report February 2006. USAID

[91] I., male Ukrainian, 35 years old, Beregovo

practices, which bypass these boundaries: economic exchanges, favours and trust are an important part of these[92]. This triad is not fortuitous in our formulation: economic exchanges are closely tied to reciprocal favours in a situation where the legal apparatus for access to goods and services is not efficient enough. Trust on the other hand constitutes an important dimension of these relations: the exchange of property is necessarily contingent on trust for at least two reasons. On the one hand, the nature of economic exchanges is necessarily dependent on the trust individuals can invest the state with, as one of the basic functions of the state is to guarantee private property[93], the protection of possessions and the regulation of exchanges must always be correlated with a certain degree and nature of trust in the state for individuals to engage in transactions at all. On the other hand, as we have previously alluded to, we believe that the social embededness of all economic activities is not a fiction, therefore, there is much more to economy than prices: affects, moralities (regimes of legitimacies), power relations are impossible to divorce from economic relations. Therefore, questioning interethnic relations, especially in the field of economic exchanges and practices inevitably draws us to enquire about the nature of trust ethnic groups entertain with one another on the one hand and with the state on the other.

Other Informal Exchanges

Besides bribery, there are numerous other contentious economic exchanges that both regulate relationships between ethnic groups and between the private and the public-political realm[94]. We have already seen how strongly does ethnicity become a form of

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[92] Misztal, Barbara A. 2000. *Informality: social theory and contemporary practice / Barbara A. Misztal*. London: Routledge.

[93] Hart, op. cit.

[94] For an account of informal economic practices, encompassing work beyond exchanges throughout Ukraine, see Williams, Colin C. and Round, John. "Rethinking the Nature of the

capital in the postcommunist market economy for a certain category to exploit. On the other hand, it is also clear that in a region as small as Transcarpathia with as little economic resources, most people, independently of their ethnic self-identification, are necessarily brought to cooperate. If intergroup cooperation is captured or banned in formal institutions, it would be rational to expect it in marginal economic activities. Indeed, our findings confirm that informal economic exchanges do crosscut across the hypothetical ethnic boundaries (the myth of which is already very difficult to maintain).

Crossing states together

Smuggling used to be a widely diffused economic activity: it emerged immediately with the collapse of the USSR and went unabated until a couple of years ago. Based upon previous experience in Transcarpathia, we expected to find massive evidence of smuggling and were surprised to learn that in effect, smuggling is on a steady decline. The two most frequent goods concerned were gasoline and cigarettes in the past: their access was easy and legal in Ukraine (unlike drugs or firearms) and the difference in price between Ukraine and Slovakia, Poland or Hungary offered a tempting revenue especially at a time when the state was constantly on the verge of bankruptcy (during the second half of the 1990's) and when savings dating from the communist era as well as salaries were simply blocked. A., 62 years old remembers:

You should have seen the traffic jams at the Ukrainian-Hungarian border fifteen or ten years ago. Everybody went there, I was going with friends, we crossed the frontier at Zahony with a car and we had our contacts on the other side waiting for us. The customs officers were also making huge profits because they knew of course but they

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Informal Economy: Some Lessons from Ukraine", International Journal of Urban and Regional Research 31. June 2007: 2.

received fantastic bribes when they were not personally involved[95].

This testimony should be put in context: Ukraine was facing an extremely severe economic situation and the profits made by smuggling were only enough for acquiring the most basic commodities, often food in actual fact. The hardships of these times are still vividly remembered today: M., bank officer, was a teacher in an elementary school at the time:

I remember how we used to cross the green frontier (portions of the frontier that were not guarded) every weekend. First, I went with a colleague of mine, we brought jewellery we had at home and we sold them in F… (Hungary) on the market. Soon, we sold everything valuable we had, and we had to look for something else. Then we began bringing cigarettes to Slovakia and Hungary. Once I was on duty for Monday morning at school and I remember travelling all the weekend for selling what we had so that I only came back at dawn and went directly to school after the journey. (…) We lived like animals.

Today, the situation has changed dramatically for three reasons at least: the economic conjuncture in Ukraine has improved, the price differentials between the concerned countries have decreased and customs surveillance has become more serious because of repeated pressures and incentives on the part of the EU to secure the Eastern frontier of the Schengen area.

We have followed three drivers (two Ruthenian and a Hungarian) on numerous routes back and forth between Hungary and Ukraine as well as on shorter distances between Transcarpathian localities to assess the reality of smuggling. It became very clear during these trips that smuggling is in effect reduced to petty commodities today. The

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[95] A., male Ruthenian, 62 years old, Beregovo

profits are in effect extremely weak so that drivers or "taxis" as they are frequently called are mostly those who couldn't find better opportunities when the economic conditions changed or for some others, these activities are only a complimentary resource to another professional activity. These trips typically concern a minimal number of passengers: for example, from Nyiregyhaza, the biggest Hungarian city next to the Ukrainian border, no routine bus communication goes to Beregovo on the Ukrainian side. Commuters have either to take the train to Tchop and change there or use the services of "taxis". For a "taxi", to drive the distance between these two cities, a minimum of 3 passengers is required. The price per passenger varies between 1000 and 2000 forints (between 5 and 10 USD). It is worth to mention that only Ukrainian citizens (ethnic Ruthenians or Hungarians) are taxis. During these trips, besides the passengers, the taxis either transport their own supplies of goods (usually cigarettes) or if the passengers have their own load, they are required to pay extra money. It is needless to say that albeit concerning ridiculously small quantities of products, it remains illegal and the price to pay if discovered is disproportionately higher than the expected benefits. Taxis have to go through the same customs check as any other vehicle, either at Zahony or at Beregsurany. The customs officers are well aware of this and they have to be bribed in order to tolerate even this petty criminality. The transfer is further complicated by double checks on both sides of the frontier, which means that bribes should be paid twice. Routinised bribery doesn't contradict formalities: we witnessed how after a lengthy and professional check (which was not conclusive), the Hungarian officer simply asked the driver 2000 forints for letting him go, even in the absence of any evidence (although customs officers are not allowed to hold more than 300 forints, they share the surplus between colleagues according to taxis). On another occasion, the load comprised twenty cheap Chinese gypsum statuettes: although

objectively more suspicious (and more importantly, formally forbidden to transport) than the packs of cigarettes, the customs officer let him go for a relatively small amount. Taxis were lucid about their prospects, P., Ruthenian:

I used to work as an electrician and for some time I also worked at the X. factory near Beregovo. I had already carried people and things before but it became my real job after 1996. (...) Today, we have to come early to be in Nyiregyhaza in the morning when the express from Budapest arrives at the railway station so that we can hopefully catch someone who is going to Mukachevo, Beregovo or somewhere else. It demands too much work: you have to be careful with everything, once you pass the check, you have to turn back the kilometre counter because they also verify it at the frontier, you have to pay increasingly more and you spend sometimes 5 or 6 hours in the traffic jams. And now they even rotate the shifts at the customs so you don't even have the time to know somebody, the next day, you find someone else. I think I won't do it for long. (…) With the other taximen, we all know each other, we get along well: we split the passengers and the loads. We are all Ukrainians[96].

The last sentence is highly informative as in fact, there is absolutely no ethnic homogeneity among taxis: Ruthenians and Hungarians are equally involved in this activity, yet there seems to be a degree of solidarity which we haven't seen in other professional milieus for the simple fact that most Hungarians work within their own ethnic niche labour market.

The criminal professionalization of informal activities

We enquired about the reality of inter-ethnic cooperation in illegal economic activities with a young respondent, M., 26 years:

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[96] P., male Ukrainian

I was mainly involved in the smuggling of electronics and computer components. I personally never carried anything across the border, I had people to do it for me. They came with the stuff, I only had to assemble them and bring them to my customers here in Uzhgorod. Although it doesn't sound risky, it was: the fact that I had to change considerable amounts of dollars or euros brought me the attention of the police. I was finally betrayed by the father of a friend who, as I learned later, was an informant to the SBU (secret police). The police didn't hold real proofs against me and I managed to hire a good lawyer, so eventually, I didn't get anything but I lost all my savings for paying the lawyer (…) I was really worried during the procedure because my parents live in a different world and they didn't know anything about this. Eventually I only lost money they never knew about in the first place. But this is when I stopped this business. (…) I later worked at the X. factory where electronic products were assembled, I was in charge of the IT surveillance of the production chain and although a lot of people stole many things from there, I never did this. I think you have to respect your workplace. (…) I still have friends who are involved in big money: human trafficking is lucrative, drugs increasingly. I sometimes help X. on his trips to the green frontier: we bring migrants to a place where there is an abandoned industrial estate and where you can cross the frontier safely. (…) Given the good revenues you can count on, I considered applying for the customs, I even managed to get hold of the employment contract but I changed my mind. I think I will try to find a position in Lvov, in the railway where I have contacts (…) Nationality is not an issue in this: I grew up in Tchop and my partners were Belorussian and Russian kids although I am Hungarian, it never posed a problem. (…) Before the economic crisis, a new opportunity arose: big stores used to allow personal hire-purchases so that some friends of mine were involved in this scheme: they went to the countryside and asked for the personal data of people, usually

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unemployed or elderly – they actually paid them for this - they compiled lists with this information and hired others for going to stores and buying large quantities of products with false data or asked for loans from banks. But this became too big and now they are in trouble. (...) Generally speaking, I would say that this has become something very professional: you can do this sort of things only if you have political connections, and a number of local officials, mayors and deputies can count on serious revenues because they control this sector. Last year somebody was shot dead in this business, so it is better not to mess with this. Don't count on me for giving you names (laughs)[97].

A series of important facts are discussed here: first, ethnicity has definitely no relevance in seriously illegal activities: the narratives of boundedness and closure are completely dismissed in this type of economic transaction. Second, the regime of morality that governs the career of our respondent is the crudest possible profit-maximisation, which also means that it is naïve to suppose a dichotomy between public/capitalist and private/ solidary spheres that would respectively govern "formal" and "informal" economic transactions: monetised informal transactions involving commodities do not necessarily create affective ties, trust is not necessarily more present in informal exchanges than in the market. This is important because, as we shall see, the other type of informal exchange concerned with services (and not involving money) is very different in this regard[98]. Finally, black markets offer substantial gains for individuals who wish to escape the constraints of institutional control: the interviewee's parents have respectable positions within the Hungarian community. He wanted not only to escape

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[97] M., male Hungarian, 26 years old

[98] For the relation between monetised exchange and regimes of moralities, see Parry, Jonathan P., and Maurice Bloch. 1989. *Money and the morality of exchange*. Cambridge; New York: Cambridge University Press.

the legal regulations of the market but also the limited professional perspectives of the Hungarian niche labour market, which entraps his generation.

Blat Networks: accessing the state through interpersonal trust

Looking at another type of informal transaction, one discovers different patterns: Non-monetary exchanges of goods and services still play a vital role for many Transcarpathians. This type of exchange doesn't primarily cover access to goods. This may seem counter-intuitive as blat during communism was also heavily used for securing consumer goods in short supply: with the transition to market economies in a context of low wages, an increasing sense of relative deprivation would seem logical for people are now surrounded by goods they cannot afford. Yet where informal exchanges are not monetised, the most sought after resource is the state itself: services the state cannot provide in sufficient quality or quantity or infrastructures are the primary targets of blat networks. Ironically, after the shortage of material goods, one witnesses a shortage of the state itself[99]. The following excerpt offers several illustrative cases of the mechanisms at play in blat:

I know well how things work. My son used to bring gasoline to Hungary but now it is too dangerous, there is only the cigarette business left and it doesn't pay well for all the hazards. The most important thing is to know the right person: when I bought a fridge five years ago, I went to Hungary because the quality is better there. On my way back, I had a problem at the frontier, the customs officers were asking for a ridiculously high amount of money, so I called an acquaintance: I had given private lessons to her daughter in the past, I also managed to get her a grant for travelling abroad by writing

[99] This position, although true in essence, should not be exaggerated neither as blat had already been used by Soviet citizens to overcome the hardships of complicated administrative procedures before 1991.

her dissertation. Her mother then told me – Whenever you need a service, you can count on me. Meanwhile, her husband became some prominent official in the customs administration. That is why I called her. Within 5 minutes, the issue was solved. She spoke in person to the customs officer and I didn't pay a penny. (...) There is also this boy whom I teach. He comes for private lessons but frequently he just doesn't pay me, so I get really angry. But eventually, we always find an arrangement: he takes me to Hungary and he brings some gasoline to his uncle who lives there. (...) Last time I had to deal with my son's problem: he applied for a flat in the social housing estate owned by the municipality. The problem is that there are so many applications, his number on the list was 253, which means that it would have taken ages for him to get his flat. So I went to see this person whom I know and who works at the City Council, I asked her to change the numbers a little bit. We have an agreement: I teach her two daughters for free now[100].

Blat necessitates relatively stable networks. Blat networks operate by internal differentiation: each partaking individual has an interest in establishing contacts with other "nodes" who have the most different profiles. For solving everyday contingencies, one is advised to have contacts in vitally important local administrations: knowing a teacher, a dentist, the secretary of the housing department at the City Council are all relationships that function as insurances against unforeseeable risks. Although modern bureaucracies are purposely designed to anonimise and automate mechanisms of protection for the individual[101], blat networks developed against the shortcomings of such an ideal-typical world: over-centralisation and planning created innumerable bureaucracies, generally with overlapping attributions, so that only

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[100] M., female Ruthenian, 50 years old, Beregovo

[101] Adam, Barbara, Ulrich Beck, and Joost van Loon. 2000. *The risk society and beyond: critical issues for social theory*. London; Thousand Oaks, Calif.: SAGE.

interpersonal trust, creativity and solidarity could maintain the administrative behemoth alive. Bureaucracies and administrations are not rejected as such: they really constitute the interfaces where individuals may formulate demands to the state, what is negatively perceived is precisely their lack of efficiency, rapidity or fairness. Blat networks attempt to re-instate interpersonal relations of trust within faceless corporate structures and they are functional as long as they ensure the communication and the mobilisation of solidarities between a sufficient number of actors so that by joining in, most members can expect to find a shortcut to the service or administration they need. These are not typically friendships: blat networks rather illustrate the "strength of weak ties"[102]. The necessary internal differentiation of blat networks is in that regard the antithesis of a segmented public space. In Transcarpathia where this public space is ethnically and politically divided, blat networks offer channels of communication, which are not available in the "open": again, their aim is not to construct deep relations of trust which are not available elsewhere, they exist for solving problems, but a minimal degree of trust is an adequate means for protection against risks.

Even more puzzling is the ease with which the segmentation of the public sphere is completely put aside in blat networks:

In my village, we have this football team. We have Hungarians from both political sides and even Ukrainians. They are politicians and businessmen, educated people. We have a common interest, the team, and the stadium we managed to build together, so that we forget about our oppositions. If a party promises a certain amount to our team, we use our influence for getting them votes in our village. And we don't get in trouble with any

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[102] Granovetter, Mark S., 1973. « The Strenth of Weak Ties », *American Journal of Sociology* 78, May: 6.

sides: we split votes in the village so that everyone is happy in the end[103].

The very same people who rely on the reification of ethnic and even political boundaries seem therefore absolutely capable of cooperation when it comes to their private interest. The case is all the more astounding that the disproportionality between a leisure activity such as football and the gravity of electoral fraud necessary to secure it is not questioned here. There seems to be a moral superiority in securing and strengthening solidarities when the actual output of these individuals at their workplace is for a great deal concerned about ethnicising these networks of solidarities.

These last two extracts show that blat networks are necessary and deemed useful for overcoming the institutionalised social gates which pose a heavy constraint on communication and solidarity between various social worlds and ethnic communities just as they are vital for guaranteeing an access to the state. In such relations, inter-ethnic frontiers are completely secondary. The dichotomy between the private and public lives of Transcarpathians is somewhat surprising: one could reasonably expect to witness cooperation and solidarities taking place in national institutions or at the workplace, while ethnic ties could furnish a basis for cooperation in the realms of social life that escape public scrutiny. Transcarpathia on the contrary shows the opposite image: informality here serves to soothe the constraints of an inefficient state, the constraints of market economy and the constraints of ethnic segmentation. Informal exchanges bridge the gap between state and subjects, between ethnic communities, between the regime of morality of modernity and the experience of peripherality.

Finally, we should go back to the differences between the two types of informal transactions presented here: monetised informal exchanges serve the purpose of

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[103] Anonimised

accessing commodities, while non-monetised blat networks allow individuals to get access to public services or the state broadly speaking. They both stand in opposition to the norms regulating collective relations in the "formal dimension" of social life. The dichotomy between monetised and non-monetised transactions seem to confirm the old hypothesis, present in Marxist interpretations, that money inherently distanciates relations of production between subjects and objects: a Marxist interpretation of blat on the contrary could be perceived as an attempt to deconstruct the fetishisation of capitalist markets and more profoundly the fetishisation of state-civil relations. Our hypothesis is that monetised and non-monetised informal transactions belong to different regimes of moralities[104]: money (bribery, corruption) is simply less acceptable for securing an access to the state than interpersonal relations of trust, although their effect is similar.

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[104] Our findings therefore contradict Appadurai's critique of this Marxist dichotomy: although we may accept that monetised and non-monetised exchanges do not always belong to different moralities, it remains in our view a relevant empirical criterion for distinguishing between regimes of moralities. See Appadurai, Arjun. 1996. *Modernity at Large*. Minneapolis: University of Minnesota Press.

Conclusion

We have here attempted to initiate a reflection upon the relation between the institutionalisation of ethnic boundaries in a context where these are obviously extremely fragile and the broader relation between subject, state, economies and moralities. We have come to a series of partial conclusions we would like to propose for further investigation before we turn to a broader interpretation of our case study.

First, the institutionalisation of ethnic categories should not be considered as solely a product imposed by malevolent states: if it is clear that the state in itself is probably the principal project of modernity, and that Transcarpathia offers a convincing example of the symbolic violence by which states objectify their subjects, it is also clear that ethnic categories are actively being reinvented at the bottom and that communities, however small, happily use the state for defining, legitimating, closing or even isolating themselves[105]. In this sense, the postcommunist period testifies of strong continuities with the precedent era in the strategies by which corporate actors act to do so. At the same time, with the dramatic weakening of the post-Soviet state's resources and the emergence of economic rationales for exploiting ethnicity in both Ruthenian and Hungarian cases, the stakes are higher: the struggle is not only about finding an autonomous public realm for different communities within an oppressive and centralised polity, today, these attempts test the very limits for the possibility of sustaining political ties and solidarities within postcommunist multiethnic polities.

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Similar examples can be found throughout the world for the re-appropriation of modern ideologies in strengthening ethnic identities, see: Woost, Michael 1990. "Rural awakenings: grassroots development and the cultivation of a national past in rural Sri Lanka", Spencer, Jonathan (ed.) Sri Lanka: History and the Roots of Conflict, London and NewYork: Routledge.

Still, the dynamics of ethnic closure are in our view not just an opportunistic reaction by groups who inherently seek autonomy: they are rather causal reactions to a "shortage of state". Inefficient administrations, obsolete infrastructures, unavailable public services and a deficit of redistribution push ethnic communities to reify their differences while ethnicity becomes a marketable capital. Therefore, the perceived overture of market economies in itself offers no reliable guarantees against ethnic boundary making and isolation.

The relationship between subjects and the state is then often described by individuals solely as a complex of power relations: but here again, in our sense, what is criticised is not so much the oppressive nature of political life, rather the impossibility of relying on a political organisation with sufficient resources to counter injustice. The construction of the "corruption talk" is precisely an attempt to set moral standards for achieving the public good.

What we termed informal relations are therefore both the causes and the consequences of this situation. They are the causes because they are in sharp contrast with the ideal of legal-rational governance, they constitute the shadowy part of social life, which nobody wants to acknowledge inasmuch it testifies of backwardness, measured against the project of modernity. They constitute the mechanisms by which governance in effect remains unaccountable to the public at the top and the mechanisms by which the state - in effect - cannot reach down for a substantial part of social relations remain hidden, implicit. The paradox is that these dynamics are also the practices through which the social body attempts to get free of its imposed and self-imposed constraints, of the state's inability to regulate the body politic satisfactorily. We do not think that this paradox asks for resolution: understanding informal transactions only as causes or only as consequences to some of the structural dysfunctions of the postcommunist state

would certainly simplify the picture, and we would be in a comfortable position to advance normative propositions for more or less social control to put it abruptly but we believe that it would not be intellectually honest to ignore half of the problem.

We precisely believe that social sciences have so far been unable to formulate a proper language for understanding such mechanisms. The dichotomies between public and private spheres, between spheres of exchanges[106], between formal and informal interactions are fundamentally incapable of capturing what is happening in between symbolically segmented dimensions of social life. We therefore think it useful to conceptualise "informal" economies not as marginal or deviant practices but rather as evidence to the malleability of moral regimes, capable to find compromises between an inescapable effort to draw boundaries for making sense of the world – between men, objects, ideas and norms – and the empirical experience of always trespassing them[107].

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[106] See for example Kopytoff's theory of triadic realms of exchange among the Tiv in Kopytoff, Igor. 1986. « The Cultural Biography of Things: Commoditization as Process » In In Arjun Appadurai (ed), The Social Life of Things: Commodities in Cultural Perspective, New York: Cambridge University Press.

[107] We believe that the study of informal transactions would be vital for understanding the subjectivities of capitalism. Upon this broader topic see Boltanski, Luc, and Eve Chiapello. 2005. *The new spirit of capitalism*. London; New York: Verso, and Lash, Scott, and John Urry. 1994. *Economies of signs and space*. London; Thousand Oaks, Calif.: Sage.
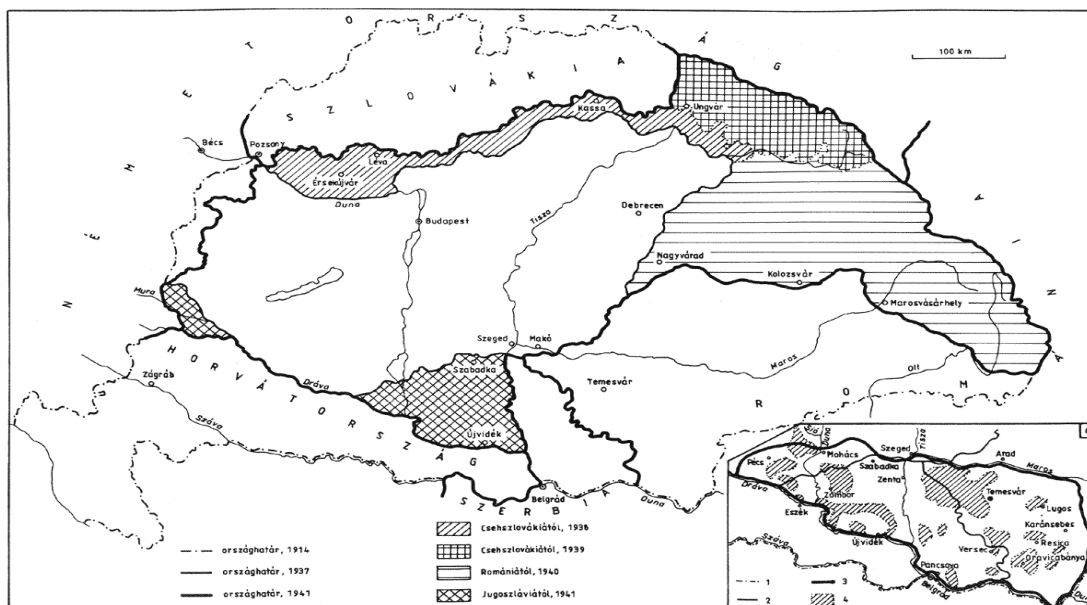
Appendix

Illustrations
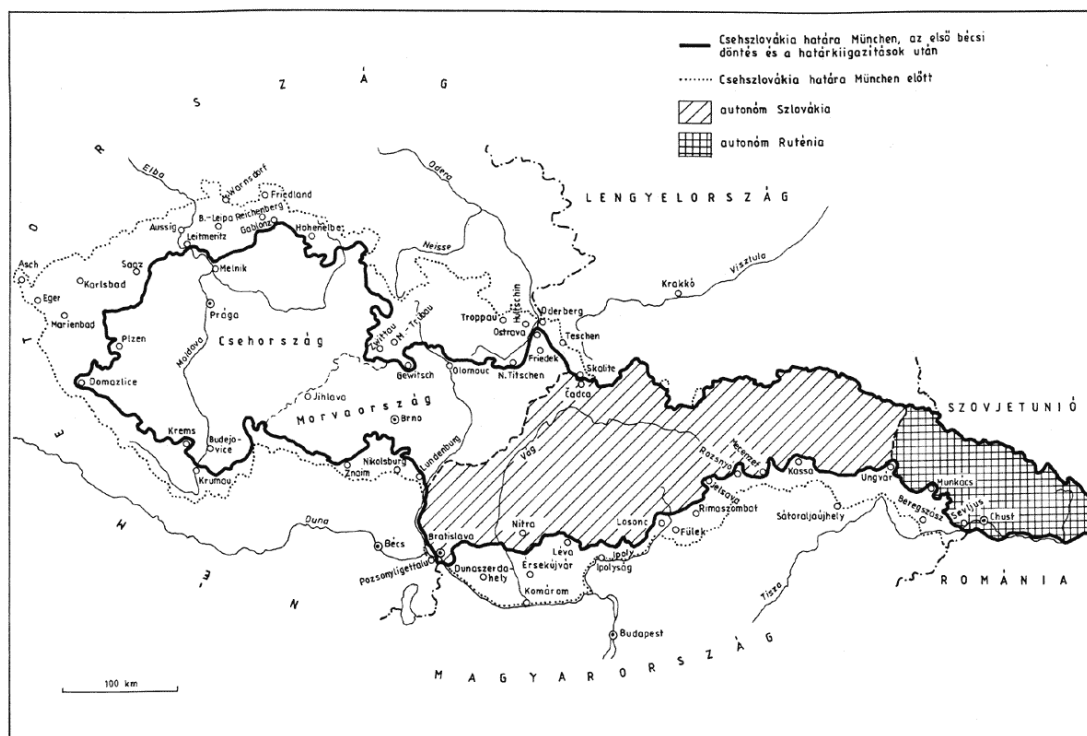
Map 2: Transcarpathia (Podkarpatska Rus) as an Autonomous Region within Czechoslovakia between 1920 and 1938
Source: http://terkepek.adatbank.transindex.ro/legbelso.php3?nev=200

Map 3: Transcarpathia as part of fascist Hungary (1938-1944) after the 1938 Vienna Treaties
Source: http://terkepek.adatbank.transindex.ro/legbelso.php3?nev=200

Map 4: The Ethnic Composition of Transcarpathia in 1910, 1930 and 1989
Source:http://terkepek.adatbank.transindex.ro/legbelso.php3?nev=246

Map 5: Transcarpathia as one of the 27 oblasts of Ukrainian SSR and independent Ukraine after 1991
Source:http://images.google.com/imgres?
imgurl=http://upload.wikimedia.org/wikipedia/commons/thumb/2/28/Map_of_Ukraine_
political_simple_Oblast_Transkarpatien.png/300pxMap_of_Ukraine_political_simple_
Oblast_Transkarpatien.png&imgrefurl=http://sk.wikipedia.org/wiki/Zakarpatsk
%25C3%25A1_oblas
%25C5%25A5&usg=__QIUhKJnXl2N7X0obcibQ4bcxio=&h=210&w=300&sz=42&hl=
fr&start=43&sig2=1LbtEgGP2mJnBuzeEKagw&um=1&tbnid=AjQMJF50bRM8dM:
&tbnh=81&tbnw=116&prev=/images%3Fq%3Dzakarpatska%2Boblast%26ndsp
%3D20%26hl%3Dfr%26lr%3D%26sa%3DN%26start%3D40%26um
%3D1&ei=oDgfSozkMM3dsgaN9tXVCg

Ethnicity	% of speakers of another language than mother tongue							Only speaks own mother tongue
	Ukrainian	Hungarian	Russian	Eng.	Ger.	Fra.	Other	
Hungarians	46,7		30,5	0,64	0,35	0,09	0,9	41,3
Ukrainians		3,1	26,5	0,63	0,33	0,09	0,9	68,8

Table 3. Multilingualism in Transcarpathia according to ethnicity
Source: Based on Molnar, Jozsef and Molnar, D. Istvan, 2005. *Karpatalja népessége és magyarsaga a népszamlalasi és népmozgalmi adatok tükrében*, Beregszász: A Kárpátaljai Magyar Pedagógusszövetség Tankönyv- és Taneszköztanácsa.

   N.B. These figures do not accurately represent reality because the high proportion of Hungarian Slavic speakers covers disproportionately older generations that are already over-represented among Hungarians.

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