TITLE: THE LONG DILEMMA OF LAND REFORM IN RUSSIA: PERSISTING PEASANT INSTITUTIONS

AUTHOR: CAROLL SCOTT LEONARD, St. Anthony's College, Oxford

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1755 Massachusetts Avenue, N.W.
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Executive Summary

Despite a consistent policy encouraging agricultural exports and reform initiatives, the imperial, Soviet, and Russian governments have not had a great deal of success in improving agricultural productivity over several centuries. The most recent round of reforms is particularly astonishing in the degree of its failure and depth of its impact, and the drop of output brings back memories of a government that carried out a destructive kind of collectivization. The historical failure of Russian reform to go far enough, to design new agrarian institutions, is analyzed in this paper as an illustration of how inefficiency can be preserved in an economic environment where inefficient but long-established institutions are kept vital by government and popular support.

The paper is organized in two parts. Part one compares the three major market-oriented reforms, the emancipation of the serfs in 1861, the Stolypin era reforms of 1907-1913, and the contemporary reforms to show similar patterns in the political and fiscal purposes of government. The economic functions of reform were not foremost, and the communal form of rural governance was therefore preserved, without much thought, as a taxable entity. The peasant nature of this institution in the nineteenth century, and the industrial form of farm organization in the twentieth century, prevented it from being as flexible and open as agrarian organizations need to be in response to new learning and market shifts. Part two analyzes peasant resistance to reform in the modern era, documenting it by the use of survey data.
THE LONG DILEMMA OF LAND REFORM IN RUSSIA: DISMANTLING PEASANT INSTITUTIONS

CAROL SCOTT LEONARD
Saint Anthony’s College, Oxford

Introduction

Despite a consistent policy encouraging agricultural exports and reform initiatives, the imperial, Soviet, and Russian governments have not had a great deal of success in improving agricultural productivity over several centuries. The most recent round of reforms is particularly astonishing in the degree of its failure, and in the impact on agriculture there is resonance in reform of the destructive force of collectivization. At present, loss-making enterprises have not been forced into bankruptcy or restructuring, and farm survival strategies show little change in orientation since the fall of communism (Leonard 1996a). The government has responded passively rather than easing adverse terms of trade during the transition, and the result has been drastic shrinking of the sector (the contribution to net material worth of agriculture has declined from 15.3% in 1990 in GDP to 6.3% in 1994 [OECD 1995]; production of cereals in centners per hectare is down in 1995 from 1992 by 26% [Current Statistical Survey 1995, p. 27]; 17% of the cropland has been idled since 1985 [Biuleleten’ No. 1, 1995, p. 314]). The drop occurred as a result of the high credit component of farm costs when stabilization policies--price liberalization (January 2, 1992), elimination of directed credits (October 23, 1993), and introduction of tight monetary policy (Q4 1994)--brought interest rates to among the highest in the world (roughly 10% per month), with inflation still around 10% per month. In sum, farm structures are still performing poorly after almost five years of reform.

Agriculture ordinarily does not require much intervention. Should not the producers, themselves, given freedom to reorganize, prefer a more effective form of farming? Regardless of government intervention, the historical industrialization, modernization, and, now, market expansion should have had at least some impact in breaking up outmoded structures. Indeed, in the CEECs, where property rights are also difficult to rearrange, agriculture is doing much better even though investment is still constrained by continuing stabilization policies. Why have the more effective forms of agrarian organization, based on individual ownership or long leaseholds not made their appearance in Russia even when the government had the political will and attempted to create them?

This paper argues that reform is blocked from two sources, the government’s failure to place priority on the developmental side of reform, and local resistance to the dismantling of peasant institutions. The resulting weak effects of reform efforts are also examined in this paper as an
example of how the theory of path dependence in economics might be used to describe the persistence of a low output equilibrium and resilience of institutions.

The paper is in two parts. The first part concerns the government's approaches, support of institutions for fiscal and political reasons, even where these institutions strongly constrain development. The second part addresses village structure and attitudes. The argument is that the commune was a dual function institution, and in each historical period, as its tax collecting functions were supported by the government, due to the principle agent problem the protective functions of peasant organization, resisting increase in taxes, were also streamlined. First the commune and in recent years, the collective farm, has assisted the peasant's strategy of tax and labor evasion. Real advantages accrued to peasants from collective responsibility under a mercantilist regime, village loyalty and resistance to reform are economically motivated and productive, but not at all optimal.

Apart from political will and peasant resistance, the environment, naturally, also constrained output improvement. From the perspective of natural endowments, sectoral failure is almost over-determined. Roads are poor and regions are isolated. Farms must deal with extraordinary risk from incremental climate and poor soil conditions, for example, in the central and northern arable where excess moisture and poor soils confound agriculture, or in the south where too little moisture is available for richer fields. Government has found that, short of fundamental reform, it can indeed compensate for some of these conditions, and agriculture certainly expanded throughout the Soviet era, but the large investments necessary for such expansion suppress local incentives. It is clear in reformers' circles, but not in government circles, that it is effective intervention that is necessary for peasant institutions to be transformed by innovation and modernization.

Because of the reformers' and western economists' particular focus on the collective farm as the objective of reengineering, and not on high-risk in the environment, this paper too is concerned with the human and historical agency of development rather than on the weather, the geography, or the quality of the soil. To look more closely at the historical institutions that would have to be overcome before innovation is encouraged, I select the one (the commune/collective) which organized labor and governed peasant society rather than the myriad of other practices also called peasant institutions. The term peasant institution of course embraces not only governance but repartition, strip farming, household division, patriarchal families, universal marriage and high fertility, casual non-agricultural labor and target earnings, subsistence farming and self-exploitation. The reason I select the governance unit is that it is the only peasant institution that has proved unresponsive to per capita income growth. The others, including universal marriage and high fertility, recede on their own as per capita income rises, as in Russia in the late nineteenth century. As education advanced, workers acquired skills and permanent jobs off the farm. Kustar' -- peasant craft production -- was retreating in importance by 1900. Women's wages in agriculture leapt from $2/3$ to $4/5$ of men's by the 1880s, and family life underwent visible change (Leonard 1990).
But not the commune. Removing it required intervention then, as the collective enterprise would now require. I place the commune of the nineteenth century in a continuum with the collective farm of the twentieth, even though in many ways, these two institutions are not at all the same. The attribution of similarity must be loose, since the present is so different from the past. However, the collectivist principle that the two institutions share is revealing and important. Collective responsibility is generally thought to be an obvious feature of Russian culture, which is presumed to be less individualistic than Western European or American culture. In slavophile nineteenth century thinking, Russian culture could be characterized by the religious term “sobornost’”, a word used to evoke religious communalism. My purpose is not so much to lay stress on religion or culture, however, or on any specific comparisons between institutions over time, but to suggest that there is some economic significance to the continuous selection of collectivist over individualistic institutions in agricultural production management.

According to the theory of path dependence, an economic institution, established possibly for incidental reasons, may disappear but then appear again, later on; it may mutate and persist in different forms. Agrarian institutions in Russia can be used to see how an institution might take root and then be difficult to dismantle, even though it performs poorly. In a selection process similar to biological processes, an incidental event can leave a residual structure that is found useful and not discarded by successive generations. This selection process in economy and society, natural in an environment filled with risk due to the absence of insurance markets, will also be a product of choice. In Russia, the state used the commune for collection purposes, and in turn, the peasants used it to resist tax increases. The subordination of the commune/collective by the government thus is derived from, and encouraged by, the dual functions, reinforced by law, of simultaneous control over and stimulation of collective action. The commune/collective became an article of civil rights, a statute in successive land codes, an entity that can be alternately taxed, when it is sturdy, and subsidized, when it is performing especially poorly, and a mechanism for federal program delivery. The nativist organization is a powerful government weapon for preserving order and stability. In this paper I explore some of the reasons why this should be deemed so more important than economic growth: successful reform of property relations requires binding laws and rights and a long-term perspective, both missing in an economy geared to war-time emergency finance.

I.
Reform as Fiscal Management:
Politics of Conflict and Compromise

The historical failure of Russian reform to go far enough in redesigning traditional agrarian institutions has been explored in a large literature that focuses on conflict and compromise in the
political sphere. Emancipation of the serfs in 1861, for example is viewed as a blend of desire to modernize and the wish to maintain the traditional agrarian order. The development aspect of reform, as Arcadius Kahan wrote, "never entered the minds of the emancipators certainly not as much as safeguarding the interests of the landowners and those of the state's fiscal and political control over the peasant population (Kahan, 1989, p. 9). After 1906, the government attempted reform again in the so-called Stolypin reforms, which resulted in the transfer of millions of hectares to the peasants. However, the effects of this reform, too, were muted, as in the words of one historian,

*The impact of such a far-reaching social reform for the industrialization of Russia was not uppermost in the minds of reformers. Although they were not opposed to modernization, political considerations were their primary concern. What changed the thinking of most of Russia's gentry and officialdom by 1905 (including the forceful leader Peter Stolypin and his collaborators) was the realization that only by giving the peasantry a vested interest in the existing order could revolutionary violence and destruction of property be minimized and stability restored to Russian society*" (Blackwell, 1972, 2nd edition, p. 36).

The reform proved unsustainable, and it was rolled back under NEP.

The most recent of the market-oriented reform eras, similarly, shows that the government is for the most part unwilling to bring about a sweeping reform that would antagonize farm directors. The deputy head of the State Land Committee, Valery Alexeev, described the current stalemate as follows,

*The striving to prod the collective and state farms to engage in active privatization of land has run into tough resistance on the part of farm managements and, surprisingly, farmers themselves. Whatever the explanation, the reform in that direction proceeds painfully. Only some regions (e.g. Novgorod Oblast) have something to boast, and even there the reform has been progressing under strong pressure on the part of local authorities, something which is reminiscent of the tragic collectivization campaign of the 1930s* (Executive and Legislative Newsletters (1996, No. 46).

In historical perspective, such opposition is not unusual, and it is assumed here, rather than proved.

The Russian government was not always reluctant to use force, as collectivization demonstrated. However, since each of the major eras of reform was preceded by and caused by the effects of war and financial crisis, force was not always a feasible alternative. Alexander II's great reforms were induced by the debacle of the Crimean War, financed by inflation and foreign debt. The Stolypin reforms followed the episodic agrarian uprisings of 1903-1907 and the Russo-Japanese conflict. The NEP was a relaxation of War Communism. Collectivization followed not long after, and particularly dealt with a crisis in urban food supply. The transition economic reform has had to deal with declining productivity of capital and general malaise. Financial purposes of reform produced the effect that the government was seemingly not as interested as it might have been in
agrarian reform per se. In times of financial stringencies, the government chose not to disrupt fiscal networks and social arrangements.

19th Century
In the nineteenth century, concern with stability resulted in a reform pattern retentive of relatively closed social estates (sosloviia), that had fixed rights in law codes, whereby one advanced in society only when it was signified by the ascent to another soslovie. On becoming noble, for example, one was freed of taxes. It was therefore natural, not arbitrary in a legal sense, that peasants bore the incidence of the land tax and the poll tax. Given its role as protector of privilege, the truly neuralgic point of government was that it could change its investment policies to enhance its military potential only by expanding revenues, and that meant working with payment systems, not the tax system itself, whose overhaul in any society requires time. Added to this was the accumulation at mid-century of massive arrears on the part of the privileged nobles, whose extensive mortgaging of serfs made it useless for the government to plan on them absorbing further costs of mobilizing their serfs for war and collecting more taxes for the government. Meanwhile, the government expanded. War and extraordinary expenditures were never included in the budget, and there was never a year when the maintenance of the armed forces cost less than 40% of the budget; service of the debt was another 1/4 to 1/3 of total expenditure. As the Minister of Finance in 1878 wrote to the tsar, “Our government and our financial administration are among the most costly in the world.” (Anfimov, 1968). So, the tax system underwent few modifications until the late nineteenth century, the only significant step being emancipation of serfs, which removed some of the responsibility for maintaining a minimum taxable output, transferred to the peasants. There was some rationalization of the tax system: in 1863 excise was substituted for tax farming of spirits and in 1880 the salt tax was abolished; but in the 1880s, 69% of total revenue still came from indirect taxation, the peasants still paid 46% of direct taxes.

The objective of agrarian reforms in the 19th century, then, was to preserve tax paying entities, maintain grain exports, which amounted to roughly 15% of all exports and which were mainly produced on the estates of nobles, and give the peasants some wiggle room so that they could pay still more taxes. It was particularly important that taxes be collectable. The outrage of the peasants, when the weakness of their position sank in, is well known in the literature on naive monarchism. The emancipation gave them liberty, but not freedom, since they had to wait two years for any reform to start, conclude an agreement to separate from the lord only through the mir, and assume collective responsibilities for those payments for 49 years, during which time they could leave the mir only with its permission.

Thus best practice, a key concept in modern economics and a slang expression referring in this instance to anywhere where land markets functioned well, for example, in England or Holland, was
not a consideration in Russian reform. Alexander II used as models the Stein-Hardenburg reforms (1807-1811) in the East Elbian region, where peasants were first emancipated and then dispossessed of their grazing rights (Dickler, 1975, pp. 276-279), and Austrian emancipation in 1848, limited to the abolition of labor services.

In the 19th century, as this foreshortened description underscores, agrarian institutions did not serve as a springboard to modernization except in the mobilization of revenues. The constraining role of a communal organization in the functioning of agricultural systems was neither well understood nor accepted. Such a position was held so tenaciously that even in contemporary times, scholars sometimes accept it. Paul Gregory in his study of Russian national income, following the initiative of a British school of Russian economic history, wrote that the agricultural sector did not, in fact, perform so poorly in the late nineteenth century. In early industrialization, 1883-1913, Russian agriculture grew at only 75% of the rate that industry grew per annum (decline in produce share in constant prices being roughly equal to decline in its labor force share). In view, however, of a relatively similar performance by Germany, Canada, and the UK.

the Gerschenkronian (and Lenin) depiction of the Russian economy as a dual economy comprised of a dynamic modern factory industry and a backward and traditional peasant agricultural sector does not appear to be accurate, at least as judged by the period 1885 to 1913 (Gregory, 1982, pp. 169-170).

Such a calculation is fair and correct. But perhaps another point he makes is more relevant. At the time of Peter the Great, there were no very large disparities of per capita income between Russia and Europe, by 1861, Russian per capita income was about 1/3 to 1/2 that of Great Britain and by 1913, about 1/5, 15% of US, 33% of German, 50% of Italian, and roughly equal to that of Bulgaria and Romania (Gregory, 1982, pp. 4-5). Agriculture was a large part of this story. Alexander had done little to advance it and much to hold it back.

20th Century

It scarcely needs repeating that although Stalin had development goals, collectivization was mainly a device for procurement and outmigration, and it stimulated a highly risk averse regime in the continual threat of confiscation. Although Marxism was implicitly oriented toward modernization, its postulates about peasants show little knowledge of agricultural economics. Collectivization was, in a tragic way, incidental. Kolkhozes were coercive and appealingly large, without being good farming. Among the intelligentsia and the bureaucrats, knowledge about how agriculture actually works was almost entirely missing. Kirov himself despaired in the midst of collectivization, as he was arresting kolkhozniki for not realizing his plans, that he did not know more about agricultural matters. (Lewin, p. 229). Theodor Schultz, in his work on traditional agriculture, commented about the Soviet style reform,
The failures of public programs to transform traditional agriculture into a highly productive sector in a substantial number of countries are a consequence of policy decisions to establish very large operating units in agriculture. Back of these decisions are political goals, which are then supported by particular beliefs about 'returns to scale' that had long been an integral part of Marxian thought. The conception of agricultural production advanced by Marx is strongly biased in favor of large farms. This conception rests on elemental belief in the superiority and necessity of large producing units. Formally it is a proposition to the effect that large farms can produce farm products at less real cost than either small or medium-sized farms. Practically it has meant the larger the producing unit in agriculture the more efficient it will be. This then is the doctrine of gigantic farms. (Schultz, 1982?, p. 111-112.)

The impact on incentives of compulsory deliveries and central planning would naturally, always, be negative.

The post-Stalinist leadership made a major effort to correct the more obvious inequities in incentive structure -- granting farm workers internal passports (1974) and salary and the right to open up private channels of trade. But by that time what Moshe Lewin calls “quasi-sclerotic” phenomena had made their appearance everywhere in the economy, including agriculture. This may seem controversial. There are monuments of economic scholarship in the 1980s and 1990s that try to prove that it cannot be so, that if there were alternatives to collective farming, they would not have been necessarily more productive, because of the survival of this institution. Padma Desai, for example, in a review of the literature and her own econometric tests, posed the efficiency issue in regard to grain yields between 1956 and 1989, a period of decades when yields steadily increased, controlling for variation in weather. Seemingly, the growth rate, which achieved 4.5% per annum in the 1980s, can be correlated with capital investment, as well as price incentives introduced in 1987, when collective farm workers could sell grain in private or cooperative outlets, where prices were higher than in state stores (Desai, 1992, pp. 49-50). Thus she concludes that between the years 1956-1964 and 1981-1989 the kolkhoz responded to policy initiatives and price incentives, and it can be said to be an effective form of farming, under market conditions. The findings of Desai, however, do not reflect productivity analysis per se. Stochastic frontier analysis on Ukrainian agriculture done at the Center for Agricultural and Rural Development at Iowa State University for 1984-1992, and a similar work on Russia by Bob Koopman for the 1980s show no improvement in technical efficiency, and in Ukraine, decline over this period (Johnson, 1994; Koopman, 1989).

The needs of the sector have not been better met by contemporary reforms. The Ministry of Agriculture has consciously rejected best practice models of reform from the experience of China from 1979-1984, Korea, Taiwan, Czechoslovakia, and Poland, where the agrarian strategy was

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3 Aleksei Krasnopivtsev, Deputy Minister of Finance for Agriculture and Food Processing, 1993-1995, unsuccessfully urged the government head of the Price Commission to follow the Chinese model.
supportive of development. The Russian government chose as its model NEP, more limited reform without a fully market-based rationale. This conservative orientation is illustrated by the Program of the Council of Ministers for 1993-1995, No. 5, Agrarian Policy, specifying a “guarantee of the coordination of private ownership of land and other means of production with various forms of voluntary pooling of resources on the basis of collective forms or joint forms of ownership; the creation of a competitive environment for the formation of a multiple sector agrarian economy.” On the issue of resource allocation, the Program envisioned a Federal program supporting not release of labor from agriculture but “urban emigration to the village for the organization of peasant farms; social reforms in the village, equalizing conditions of life in the town and the village.”4

Why the Federal Government continues a large farm approach in the 1990s, cannot now, of course, be ascribed to concern for the tax base, since agriculture is not taxed. But it is linked to a concern for the collectability of taxes and focus by the IMF on expenditures, since governments can do little about taxes in the short term. Fiscal reform is quick, tax reform is a long and complicated process, by which both tax and revenue assignment have to be changed, and meanwhile, tight money policy puts a constraint on expenditures. In 1994 and 1995, the expenditures on agriculture actually released by the Ministry of Finance were rarely more than half of what had been projected by the budgets approved by the parliament. The powerful Agrarian Lobby, responding to the shift in terms of trade against agriculture during the transition, won tax relief as well as continued subsidies. The way that the reformers in the Ministry of Finance and Economy responded to this was to shrink agriculture, rather than taking on the agrarian lobby. World Bank development loans have been rejected. Subsidies and wages are not paid. Import duties on foreign food products are very moderate, well in line with WTO guidelines. In this way, the federal government attempted (unsuccessfully) to rid itself simultaneously of a large expense, strike back at the political opposition, and force regional governments through transfer payments to allocate subsidies, should they choose to do so. And they have, but in a very reduced way.

To summarize, the unusual course of Russian collective farming shows constraints on the conception of reform due to political content. The Emancipation edict in 1861 ended serfdom but did not permit peasants freely to dispose of the land. The Stolypin reforms of 1907-1914 promised to but did not entirely break up the commune as reform ended its course in war and revolution. In the 1920s, the commune was explicitly preserved under pro-Communist NEP leadership, when communal landholding was given priority of place in the Land Code of 1922 and granted tax privileges, equipment, and credit subsidies to communes and artels, meanwhile placing restrictions on the civil and economic rights of kulaks. With freedom to respond to prices, producers improved their position. Food consumption in 1927 was 27% higher than in 1913. But then, in the 1930s,

4Reform and Stabilization (1993).
these results were rendered meaningless in mass collectivization, imposing an administrative approach to production. 17 million peasants moved to the cities. Those left on farms were deskill ed as labor was mechanized and machines were serviced apart from farms (Machine Tractor Stations). The administered economy expanded and grew, but not through centrally planned and achieved productivity improvements. Despite this deficiency, the administered economy developed constituencies interested in perpetuating it, and the system survived Stalin's death.

What is now left of the unsatisfactory system of collective farming should have been simple to dispose of through reorganization into small, autonomous units. The average size of the new farm enterprise remains between 5 and 15,000 hectares (Brooks and Lerman 1994, p. 45). As during the NEP, pro-Communist leaders (the Ministry of Agriculture and its regional departments) pass laws boosting collectives. Subsidies and compensation payments, concessionary credit, and subsidized transport are preserved. The government has not yet enacted key infrastructure reforms, rural financial institutions, price information systems, commercial arbitration, and contract law, all of which are stalled in the upper chamber. A Land Code under preparation aims, at least at the moment, mainly to limit the land market. With only 10% of agricultural land registered to the non-collective sector (Brooks, 1994, p. 1), stunted growth seems inevitable in the medium term.

II. Peasants and Farm Workers

Are there Efficiencies in Communal Agriculture?

It has recently become an economic historian's business to reject the anomaly in favor of finding some efficiency that such an institution may have achieved. For example, Deidre McCloskey found that the open fields system existed in the absence of markets for insurance, and that when these appeared, open fields were no longer a way of life. For another example, Fogel and Engerman have argued that the cost of monitoring gang labor makes slavery seem 27% more efficient than northern farming in the ante-bellum period. I have looked at transaction costs literature, chiefly O. Williamson, but also others, to see if integration of trade and downstream activities into the estate structure in the nineteenth century and similar activities, like now, actually resolve problems of the high cost of transport or the lack of commodity markets. The Commune certainly had a powerful internal organization that resolved contract enforcement problems in an environment where trade was controlled in guilds, and riverways served as a main form of transportation.

There can be little doubt that the internal organization of the commune, and homogeneous values, served a variety of useful purposes that were not necessarily efficient in the economic sense. The notion of collective obligation was useful to the highly centralized state, and large noble holdings in organizing serf and later free labor and in collecting taxes; for the peasant community, it could store emergency supplies of grain or cash payments, overcome the free rider problem in
working off redemption obligations, negotiated with landlords and the state over rents and taxes, and provided some social welfare. It also had a military function in handling recruitment.

I find I cannot ignore these issues of function, how well the commune functioned to resolve transactions costs and other problems, because they surely are part of the larger welfare issue connected with redistribution in general. There is considerable vital discussion in the 1990s about what economics is doing and what it should do, what it should focus on, which is the consequence of exploration by theorists of how well economic assumptions of efficiency are supported by experience. Joseph Stiglitz summarized what can be said:

With imperfect and costly information and incomplete risk markets, the field of information economics has established that: 1) in general, markets are not (constrained) Pareto efficient; 2) markets may not clear, 3) markets may not exist, or when they exist, may be thin; 4) rents are pervasive, and indeed, reputation rents are necessary to ensure that high quality products get produced, that workers do not shirk, and so on; 5) even when there are many participants in a market, competition may be highly imperfect, 6) the distribution of income matters for economic efficiency; the neat dichotomy between distribution and efficiency that characterized neoclassical economics is not, in general, valid (Stiglitz, 1993), pp. 109-110.)

It seems to me that the implications of this clarification both for policy and for practitioners of history is that more work of definition needs to be done on how an economy actually functions and why it grows. Rather than taking an econometric view of the past to explain how institutions once thought to be awkward were really efficient, I take a somewhat different approach. Although it is important to ask in what way institutions are efficient, it is even more important to leave the answer open-ended: it does not follow that simply because the commune and collective survived that they were efficient in critical ways. Nor does it follow that there would be any costless or even affordable way to abolish an institution, even if it were proved in no way efficient.

Things go wrong in history. One can sense the despair over the commune as a way of organizing the rural economy in the response of a peasant from the North Volga, working in a four-field system, in an interview in 1929, “We have begun annual repartitions, and it harms the conduct of agriculture” (Danilov, 1977, p. 116). The collective inhibited agricultural growth and thus the rise of per capita income. Moreover, if one is concerned about new definitions of welfare being developed by Amartya Sen and others, that is, that welfare does not necessarily consist of the rise of per capita income or even protection of the poor, but in opening up opportunities for what people can be and do (Anand and Ravallion, 1993, pp. 150-151), then from the human development perspective, by which I close this brief review of the issues, the commune was extremely limiting.

The commune prevented the inflow of information about the outside world. One reason that the commune of the nineteenth century has been the subject of so little research, despite its fundamental role in governing the village, is that it resisted outside interference and attempts to gather information about it. The non-transparency of peasant institutions in Russia served an important
function in that the landlord was unable to discover amounts of savings, storage, and private trade, and therefore unable to tax them.

Moreover, although the strength of the commune varied a great deal across the empire, it occupied a position of respect and therefore served the dual function, so problematic that principle-agent theory is useful in understanding it. On behalf of individual peasants, it negotiated with landlords; there are numerous examples of successful resistance to rent increases, which could generally occur not more often than when one landlord died and the next took over. The fact that the government used it for collection of redemption payments is a sign of its stature and importance. It may well have slowed down confiscation of peasant surplus under serfdom and after.

Did the commune allow accumulation of wealth? The following comment is typical of narrative sources:

We rarely find among the peasants a sense of equity and well being. In all villages there is some wealthy person; he, like a great oak, dominates the small shoots grown up around him. He takes the general supply of food and alone in the darkness, his fortunes grow. He is powerful in his little corner. All are respectful to him. Those who dwell there are in debt to him, he rules alone in the village skhod, and the welfare of the most poor depends entirely upon him. (Borovoi, 1958, p. 255).

So the commune did not prevent serfs from becoming wealthy (Rosovsky). It did not necessarily always function to redistribute in egalitarian ways. There can be no doubt that the repartition was dysfunctional, ritualized, painful, contested, harsh, and reinforced perhaps mainly --perhaps only --by custom, as described in the following passage,

The redistribution of land... was done either according to the amount of labor power in the household or the number of mouths—po edokam. The decisions were made by the village assembly, an extremely interesting institution, which baffled observers. It acted amid an indescribable hullabaloo, with everyone shouting, cursing, and yelling. Suddenly the brouhaha would end and a decision was taken. The complex job of carrying out the redistribution would now proceed with a high degree of precision (Lewin, 1985, p. 80).

Are there Efficiencies in Collective Agriculture?

Much has remained the same. “The kolkhoz household had the obligation—reminiscent of the obligation of the serf household to the lord in earlier days—to deliver meat, dairy products, geese, and other produce from the private plot to the state” (Fitzpatrick, Stalin’s Peasants, p. 132). However, what began as repression, seemed quickly to turn into something else. The dual function of this institution remarkably reappeared. As Sheila Fitzpatrick writes,

While few peasants were really eager to become kolkhoz members in the early years of collectivization, the situation changed over time. By the second half of the 1930s, it was not uncommon to find peasants angrily protesting against denial of membership or expulsion by the kolkhoz. This was clearly because they perceived advantage in having the status of kolkhoznik (Fitzpatrick, p. 114).
The advantages came from not being independent, having rights to a larger private plot, a lower level of taxation, access to meadows for grazing, and if one were working outside the village, having one’s wife be supported by the village. There was insurance against disability or retirement and a guarantee of respectability in the eyes of urban employees. Similar advantages at present provide security during the transition: being part of a large farm enterprise—former kolkhoz—is a job which guarantees a pension at retirement age without actually requiring much labor, so that alternative employment, the garden plot, is highly rewarding (Leonard, 1996b). The large enterprise also provides informal credit and free housing. A less tangible but powerful advantage of the large farm is the political protection provided by lobbies of the Agro-Industrial Complex (APK); by the late 1960s, the collective farm had been transformed into a larger and more powerful organization which acquired under communism the dimensions of a sub-government. Vertically integrated production linked poultry and meat industries into large units called the APK, facilitating capital investment in upstream and downstream activities and meanwhile providing a large, well organized mechanism for implementation of political programs. The “industrialization of agriculture” strengthened agricultural enterprises by joining them to an industrial lobby.

Resistance to Reform

In earlier eras, it would be controversial to argue, without qualification, that the rural producer actually resisted the expansion of private ownership of land, since there was always a non-voluntary component to communal governance, and since, during the Stolypin era, some one-fourth of the peasant population left the commune over seven years when it was possible. During the present transition there can be no doubt of status quo preference. To verify this and ascertain some of the sources of that preference, I conducted a nation-wide survey of attitudes about the buying and selling of agricultural land.

The survey was carried out, under the guidance of E. Efimenko, the Deputy Head of the Foundation “Public Opinion” in Moscow, by established methods of random sampling, in late May and June 1996 in conjunction with opinion surveys about the presidential elections. Questions were designed to reveal attitudes that would have a bearing on the success and desirability of land reform (“buying and selling land”). Five questions were run to discover attitudes on a general level, whether respondents themselves wanted to purchase land or not, and why. Questions had to be

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1 The example of success was the poultry complex, “Ptitseprom,” established by decree on September 3, 1964, bringing together 386 poultry factories, 310 poultry producers (sovkhozes), 127 breeders, 1003 incubators, 2 research institutes, 6 experimental farms belonging to those institutes, 6 zonal experiment stations, and 2 veterinarian laboratories; for the next four years, the average annual rate of growth of output was 23.5%. The leading authority on the “industrialization of agriculture” was Vladimir Tikhonov (1927–1994), who headed the Agrarian Sector of the Institute of Economy of the USSR (Agrarnaia 1995, pp. 350-356; Smetanin 1980).

2 The Foundation “Public Opinion,” has conducted opinion research since 1992.
phrased in a way that was comprehensible and simple, so that the results would not be distorted by misunderstanding or confusion, or rendered unusable by too many qualifications. This means that answers had to be measurable by strength of agreement or disagreement. The respondents were given five statements, to each of which one of the following answers was required: (1) entirely agree, (2) mostly agree, (3) agree and disagree, (4) mostly disagree, (5) entirely disagree, (6) difficult to say, and (7) no answer. There were 1,521 respondents, representing a random sample of the Russian Federation (see Leonard, 1996b) of six types of settlements: the capital, Moscow; St. Petersburg; Oblast' (region) centers of highly populated areas (over 1 million inhabitants) and less populated areas (less than 1 million inhabitants); towns (small cities, or “villages of an urban type”); and villages. Criteria questions included sex, level of education attained, position or title, per capital household income (sic), and age (in age groups, 18-25; 26-35; 36-45; 46-54; 55-64; 65-87). The questions were as follows:

1. Neither I, nor those close to me will get any benefits from land reform.
2. Land reform will benefit only speculators, who will buy the best land.
3. An ordinary person will not be able to get credit to purchase land.
4. I would purchase land myself, but I don't have the strength to work the land and I cannot count on help from my relatives.
5. I would purchase land myself, but what is stopping me is the absence of laws protecting private property.

The highly negative form of questioning was viewed as appropriate by the surveyist who designed the questionnaire, since she had already determined in prior surveys that the overwhelming attitude was hostile to private ownership of land (see Table I, page 15); this questionnaire was designed to find out something about the nature and source of the negative view. Questions were selected to explore possible reasons that individuals might feel that the costs of reform were too high. The results of this survey showed that all of these questions dovetailed into risk, and it would be difficult to separate out general opposition from specific rationales as suggested above (see Leonard 1996b). The main conclusion, for present purposes, is that resistance in rural areas to further reform is imposing.

Conclusion: The Terms of Reform

The government, faced with a dual function institution, might well weigh the significance of the commune as an attractor of loyalty and patronage. The farm enterprise is represented in

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5 There was no effort to derive an actual estimate of income sources based on primary and secondary employment and income from sale of property. This was because the format, cost, and timing of such questions did not permit extensive and complicated questions.

6 55 is the age of retirement, the age when pensions are awarded, although receiving a pension in Russia does not require one to leave one’s job.
parliament by several lobbies, political interests, as discussed by Mancur Olson, stimulated as long ago as the death of Stalin. Olson points out that the less than dictatorial power wielded by the heirs, allowed apparatchiki to develop a politics of defending pork barrel expenditures in territories and ministries, even when the interests of the country's economy were not served. Collective farms are among the strongest institutions to last from that era. It is said that in a market economy, if institutions are not efficient, they do not survive. However, the experience with the CAP and US subsidies to farmers in the West shows that all sorts of farming will survive if subsidized.

Not only subsidies but incentive systems encouraged in the current state of reform lead to inappropriate results. I have conducted a special survey of the financial arrangements of farmers and enterprise households in Rostov Oblast' that does so. It reveals that less than one percent of household capital resources go into cereals; 58% go into garden plots (Leonard 1996b). Real farming of cereals cannot be attractive under current conditions. The land given to the independent farmers is not enough at the moment for successful farming. The amount of land being distributed must not exceed for any one person the rayon average. Asset shares carry a ruble amount which takes into account the seniority and hierarchic position of the employee. The director gets typically 15 to 20 times more than the junior workers. The ruble amount is determined by subtracting debt and non-productive assets from net assets (everything but cattle is valued at historical cost and amortized, whereas cattle is valued at its replacement cost). Land and assets shares were supposed to allow employees to exit the collective farm. But in reality those who want to exit must painfully negotiate with the director a decent piece of land. There are instances where the recipient has received the nominal value of the share, a few thousand rubles worth 75 cents.

Farm enterprise survival represents the privileged position farm directors achieved over the Brezhnev years, a bargaining position with authorities who are empowered by law to confiscate land and assets. Its popularity is also produced by social insurance, credit arrangements, some welfare benefits, as in the 19th century, when the commune would assist those who were starving or who ran out of "crusts" by January and February. In the twentieth century, there is considerable welfare obtained from alternative employment on the plot. With these benefits still in place, along with other features of traditional agriculture, reform is over. 98% of the 26,878 former state and collective farms are privatized as joint stock companies (open and closed), and they have not been broken up into more efficient farms. It remains to be seen how long a modern market-based society will pay the costs of such an agricultural sector and extend the life of this institution into the distant future.
Table I

Responses to a Public Opinion Survey by the Fund for Public Opinion on Land Reform, January 1996

No. 18, “How do you evaluate--positively or negatively--the privatization of land (its transfer to private property with the right to buy and sell)?”

<table>
<thead>
<tr>
<th>Responses</th>
<th>Sampled Population</th>
<th>Directors of Farm Enterprises</th>
<th>Independent Farmers</th>
<th>Workers on Farm Enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Extremely negatively</td>
<td>16%</td>
<td>41%</td>
<td>3%</td>
<td>29%</td>
</tr>
<tr>
<td>2. Negatively</td>
<td>15%</td>
<td>28%</td>
<td>6%</td>
<td>20%</td>
</tr>
<tr>
<td>3. Indifferently</td>
<td>17%</td>
<td>1%</td>
<td>3%</td>
<td>10%</td>
</tr>
<tr>
<td>4. Positively</td>
<td>38%</td>
<td>21%</td>
<td>50%</td>
<td>32%</td>
</tr>
<tr>
<td>5. Extremely positively</td>
<td>10%</td>
<td>7%</td>
<td>37%</td>
<td>5%</td>
</tr>
<tr>
<td>6. Difficult to say</td>
<td>4%</td>
<td>2%</td>
<td>1%</td>
<td>4%</td>
</tr>
<tr>
<td>7. No answer</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0&amp;</td>
</tr>
<tr>
<td>Number of Individuals</td>
<td>1,982</td>
<td>147</td>
<td>147</td>
<td>166</td>
</tr>
</tbody>
</table>

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