

**BEYOND STRATIFICATION:
The Emerging Class Structure in Rural Russia**

Stephen K. Wegren
Southern Methodist University

David J. O'Brien
University of Missouri

Valeri V. Patsiorkovski
Institute for Social and Economic Problems of the Population, Russian
Academy of Sciences



The National Council for Eurasian and East European Research
910 17th Street, N.W.
Suite 300
Washington, D.C. 20006

TITLE VIII PROGRAM

Project Information*

Contractor:	Southern Methodist University
Principal Investigator:	Stephen K. Wegren
Council Contract Number:	821-17
Date:	April 25, 2006

Copyright Information

Individual researchers retain the copyright on their work products derived from research funded through a contract or grant from the National Council for Eurasian and East European Research (NCEEER). However, the NCEEER and the United States Government have the right to duplicate and disseminate, in written and electronic form, reports submitted to NCEEER to fulfill Contract or Grant Agreements either (a) for NCEEER's own internal use, or (b) for use by the United States Government, and as follows: (1) for further dissemination to domestic, international, and foreign governments, entities and/or individuals to serve official United States Government purposes or (2) for dissemination in accordance with the Freedom of Information Act or other law or policy of the United States Government granting the public access to documents held by the United States Government. Neither NCEEER nor the United States Government nor any recipient of this Report may use it for commercial sale.

* The work leading to this report was supported in part by contract or grant funds provided by the National Council for Eurasian and East European Research, funds which were made available by the U.S. Department of State under Title VIII (The Soviet-East European Research and Training Act of 1983, as amended). The analysis and interpretations contained herein are those of the author.

Executive Summary

This paper addresses the question, when do groups of people become a class, and is Russia developing classes in its rural society? This question about class development is particularly interesting because past Soviet policies were explicitly intended to minimize differences among classes, and because the way in which rural classes develop will affect the future competitiveness of the rural economy in Russia.

Using survey data from Russian villages, this paper examines the development of a rural class structure in postcommunist Russia. The paper argues that as a result of market reforms, social and economic relations have evolved beyond stratification, and instead argues that a rural class structure is emerging. The paper posits five measures of an emerging class structure: income stratification, land holdings, capital stock, class consciousness, and shared attitudes and values. Focusing on upper and lower income strata, significant differences are documented for each measure. The economic and political implications of the findings are discussed.

Introduction

According to official government propaganda, the Soviet Union was an egalitarian society without insignificant class differences. In reality, most analysts agree that actual egalitarianism was often more theoretical than real and that meaningful differences did exist, both within and between the broad categories of social structure defined by the Soviet government (Meissner, 1972, 122-30; Yanowitch and Fisher, 1973; Smith, 1976, chap. 1; Yanowitch, 1977; McAuley, 1979; Yanowitch, 1986; Millar, 1987, chaps. 6, 9; Klugman, 1989; Moskoff, 1993, 109-19). Since market reforms were introduced into Russia in the early 1990s, the economy and society as a whole have experienced a number of phenomena that were largely unknown during the Soviet period, including: a significant increase in differentiation and stratification, growing inequality within and between different strata of the population, and rising poverty. Overall, economic differentiation increased significantly throughout Russia during the 1990s, a fact that was reflected by an increasing Gini coefficient, from .28 in 1992 to .38 in 1995, and increasing to .41 ten years later (*Rossiya v tsifrakh*, 2005, 110).

In contemporary urban Russia, a new social structure became evident during the 1990s. In particular, the transition from a communist economy has been marked by the rise of new classes on the basis of position, skill, income, ownership of economic resources, and economic power. At the top of this urban class structure are the so-called oligarchs, people who obtained enormous wealth and power during privatization in Russia.¹ It is estimated that oligarchs numbered about 1,000 persons throughout Russia at the start of the new century (Freeland, 2000, chap. 5; Bonnell, 2001, 175-2001; Goldman, 2003, chaps. 6-7; Guriev and Rachinsky, 2004, 4-5). The urban oligarchs are followed by the so-called New Russians, who numbered less than

¹ In large part, oligarchs employed a strategy of 'grabification' of the country's key economic assets, including: natural resources, oil, gas, minerals, and precious stones during privatization in the early 1990s (Hough, 2000, chap. 2; Freeland, 2000, chap. 1).

one million persons throughout Russia in 2000. This term refers to entrepreneurs and businessmen who distanced themselves during reform by taking advantage of new opportunities to start new businesses or to engage in private trade, which in turn led to higher standards of living and conspicuous consumption not enjoyed by the masses (see Gustafson, 1999, chap. 5; Silverman and Yanowitch, 2000, chap. 6; Hoffman, 2002; Humphrey, 2002, 58-62). Increased differentiation became evident not only between New Russians and the rest of the population, but also across occupations within the urban working class—within occupational groups and across regions—giving rise to a new class structure in the working class (Zaslavsky, 2001, 209-13; Melin, 2002, 1-18).

Within rural society of Russia, the standard of living is much lower than in large cities, and there are no ‘rural oligarchs.’ Nonetheless economic differentiation also increased during the 1990s (O’Brien, Patsiorkovski, Dershem, 2000, chap. 9). But beyond increased inequality and differentiation, there are many questions that have yet to be answered about the processes and effects of economic and social change in rural Russia. This paper addresses the question, when do groups of people become a class, and is Russia developing classes in its rural society? This question about class development is particularly interesting because past Soviet policies were explicitly intended to minimize differences among classes, and because the way in which rural classes develop will affect the future competitiveness of the rural economy in Russia. Thus, our analysis has importance for how far events have distanced themselves from the Soviet past, and have significance for Russia’s future. However, we are not aware of any previous investigation of this important topic.

Previous research analyzed narrower aspects associated with differentiation and stratification as a result of responses to market reforms, finding, for example, that stratification has led to clear ‘winners and losers’ in the rural economy; that rural economic conditions were characterized by disproportionate levels of rural unemployment and high rates of rural poverty; and that different paths of rural social mobility began to take shape (Wegren, O'Brien, Patsiorkovski, 2003a; Wegren, O'Brien, Patsiorkovski, 2003b; Patsiorkovski, 2003, chap. 5; Wegren, 2005, chaps. 3, 4; Wegren, O'Brien, Patsiorkovski, 2006). Therefore, the purpose of this paper is to fill the void in the literature by widening the analytic scope and providing an original analysis of the emerging class structure in rural Russia. We are interested in the identifiable characteristics and behaviors of the richest and poorest categories of respondents, using a specific set of criteria for class composition. In particular, our purpose is to analyze how the top and bottom strata differ, arguing that these differences form the basis for an emerging class structure in rural Russia. Our analysis is based upon empirical data from surveys conducted during 1995-2003. The methodology and sampling technique for the surveys are explained in the Appendix.

In general, we argue that the processes of differentiation and stratification that occurred during the 1990s have passed a critical point, to the extent that it is now possible to talk about an emerging class structure. That is to say, using specific criteria and measurements of class (drawn from the literature on class), it is possible to sketch the broad parameters of an emerging class structure in rural Russia. We are less interested in attaching labels to these classes (beyond ‘high’ and ‘low’), and specifically are reluctant to apply Marxist labels of rural bourgeoisie or petit-

bourgeoisie. What we are interested in doing is to identify a cluster of shared attributes that are characteristic of class development. In that respect, we argue that it is time to move the analysis beyond mere stratification.

An Emerging Class Structure in Rural Russia

Classes are comprised of strata of individuals who share common attributes and characteristics. Virtually all groupings of class begin with economic stratification as a primary criterion. For Marxists, economic stratification is an indicator of class standing in society because it reflects the relationship to the means of production. In contemporary Russia the conception of class needs to be broader, which is to say that our understanding of class should be more than mere income differences or occupational stratification. In short, the worker/bourgeoisie (owner/non-owner) designation is insufficient. In contemporary rural Russia, most residents are owners of land, either by privatizing their household plot that they used, but did not own, during the Soviet period, or by acquiring additional land as a result of utilizing opportunities afforded by market reform. For example, in 2004, more than 35 million families in Russia were owners of a land plot (not all families were rural, but most were). The question for postcommunist rural Russia is how to operationalize an emerging class structure. We posit a cluster of five criteria. When taken together, these shared attributes represent our measurement of the emerging class structure in rural Russia. Our measures of class are:

1. Income stratification
2. Land holdings
3. Capital stock
4. Class consciousness
5. Shared attitudes and values

The definition and importance of each measure is provided in the respective section for that variable. The measurement of these five attributes is based upon survey data from households in rural Russia during different time points during 1995-2003 (see Appendix).

Income Stratification

We start with income stratification, the most commonly used measure by traditional Marxists and by contemporary social scientists to indicate class differences and class standing. The initial question to be answered is whether there is evidence of significant income stratification between an upper stratum and the lowest stratum. In short, this first section is intended to address our first criterion of class by addressing the question of significant income differentiation.²

We are aware that non-monetary income is a significant source of income for rural households, comprising perhaps as much as 30 percent of total income for lower income households.³ However, most non-monetary income is consumed. Therefore, we used monetary income in the analysis of income stratification on the basis that money may be used for investment in capital stock, to obtain land, or for other economic purposes that non-monetary

² When considering how to analyze the data, two possible methods exist, each with advantages. The first method divides the survey sample into deciles and compares the upper ten percent of the sample with the lowest ten percent of the sample. This method has the advantage of ensuring that each category has a sufficient number of respondents so as to make the analysis meaningful. The disadvantage is that this method dilutes the impact of stratification by including in the highest decile respondents from lower income categories. The second method scales respondents into categories based upon a percentage of the subsistence minimum established by the government, ranging from 0-200 percent (an arbitrary range decided upon by the authors), totaling nine categories with an interval of 24.9 percent between each category. For example, the lowest income category includes individuals with incomes 0-24.9 percent of the subsistence minimum; the second lowest category includes individuals with 25-49.9 percent of the subsistence minimum; the third lowest category ranges from 50-74.9 percent of the subsistence minimum, and so on. This method has the advantage of more accurately reflecting stratification between the highest and lowest income categories. However, it also has the disadvantage of having low numbers of individuals in certain categories, with the risk that the analysis loses significance. Both methods are used alternatively throughout the analysis.

³ We should point out that stratification among households is greater when using total income (monetary and non-monetary), a fact that suggests that a number of factors contribute to rural stratification, including household labor, food production, land holdings, and animal stocks (O'Brien, Patsiorkovski, Dershem, 2000, chap. 9).

income cannot. Thus, our implicit assumption is that monetary income is more important to the development of class differences than total income (monetary and non-monetary). Moreover, monetary income is used by the Russian government to establish subsistence minimums. Monetary income is also a more commonly used measure in the literature on classes and class development.

Income stratification was analyzed using mean monthly monetary income for households. The purpose was to find evidence of significant income stratification between the highest and lowest deciles. The panel data are directly comparable from year to year (1995, 1997, 1999, and 2003), although the 2001 survey data fit the general pattern as well. The results from the surveys are illustrated in Table 1.

Table 1: Comparison of Mean Monthly Monetary Income Per Household, Top and Bottom Deciles, 1995-2003 (in rubles)

	<i>1995</i>	<i>1997</i>	<i>1999</i>	<i>2001</i>	<i>2003</i>
Top decile	731	2002	3788	6979	11793
Bottom decile	177	368	544	1168	1760
Coefficient of differentiation	4.1	5.4	6.9	5.9	6.7

Note: The 1995 and 1997 monetary income figures have been denominated by the authors to make comparison easier. Actual monetary denomination by the Russian government occurred in 1998.

Sources: Survey data, 1995-2003.

The table demonstrates that significant income stratification exists between the top decile and the bottom decile in each of the surveys. In 1995, the coefficient of differentiation was about four, or approximately the level of inequality that existed during the Soviet period (based on fragmented data and best-guess estimates). After 1995, however, differentiation between households increased. Overall, during 1995-2003, the coefficient of differentiation increased by more than 50 percent, from 4.1 to 6.7, a clear indicator of increasing inequality. The peak of inequality was reached in 1999 when the coefficient of differentiation reached 6.9. After 1999,

rural stratification decreased slightly, as evidenced by the 2003 data when the coefficient of differentiation equaled 6.7.⁴ As noted before, actual stratification is understated in the table because the bottom decile includes respondents from the next highest income category and the top decile includes respondents from the next lowest income category. Nonetheless, we conclude that there is sufficient objective evidence of income stratification to satisfy our first criterion.

The 2001 and 2003 surveys offer additional insight into income stratification from a subjective standpoint. Two questions in particular are useful in showing that income stratification occurred not only objectively (as seen above) but also had a subjective aspect. In the 2001 survey, a question asked respondents to evaluate the change in family income during 1991-2001. To this question, two-thirds of respondents in the lowest income category (0-24.9 percent of poverty level) evaluated the change in family income as ‘bad’ or ‘very bad,’ while less than seven percent evaluated the change as ‘good’ (none answered ‘very good’). In contrast, only three percent of respondents in the top income category (200+ percent) evaluated the change as ‘bad.’ Instead, 61 percent evaluated the change as ‘good’ or ‘very good.’⁵

In both the 2001 and 2003 surveys, respondents were asked to evaluate the change in the household’s purchasing power since 1991. In the 2001 survey, 82 percent of respondents in the lowest income category (0-24.9 percent of poverty level) indicated that purchasing power had decreased, and 18 percent said it had not changed. In contrast, 64 percent of respondents in the top income category (200+ percent) answered that their family’s purchasing power had improved, and only 21 percent said it had declined. In the 2003 survey, 83 percent of respondents in the lowest income category answered that their purchasing power had declined,

⁴ These trends are confirmed elsewhere in O’Brien and Patsiorkovski, 2006, Table 6.1.

⁵ The remaining percentages in both deciles was ‘no change.’

and only nine percent indicated it had improved. In contrast, 85 percent of respondents the highest income category indicated that the household's purchasing power had improved, and only five percent reported an erosion in purchasing power. Clearly, upper and lower income individuals had very different perceptions about their relative income status to other households, and about changes in their households' purchasing power. The data allow us to conclude, therefore, that income stratification had both objective and subjective dimensions during rural reform in Russia.

Land Holdings

Traditionally land has been an obvious indicator of class standing, especially in undeveloped or developing nations where large landed estates provide economic power and have direct effects on not only class structure in society but the nature of political development (Moore, 1966). In contemporary rural Russia, one does not find large landed estates or landlords who preside over latifundia. The reasons for this are numerous, including the lingering effects of the Soviet legacy, depressed living standards during the 1990s that hindered the accumulation of land, legal restrictions on the size of land holdings (although those restrictions have largely been removed), and shared political values by both rural conservatives and liberals that latifundia were a negative development. Nonetheless, despite the absence of large landed estates, there is differentiation in land holdings.

In the post-Soviet period, land reform legislation provided a number of different methods for individuals to obtain and use rural agricultural land. A review of that legislation is not possible due to space constraints, and in any event previous reviews have appeared in other works (Wegren, 2006). For our purposes here it is important to note that households and

individuals have access to and are able to use different types of land plots. One type of land plot, the household land plot (often referred to as a private plot), is a carryover from the Soviet period. Households were allocated land plots they could use, but not own, in order to supplement the family diet and budget. Virtually all rural households in the Soviet period had a private plot. In addition, there is rental land, a right that existed prior to collectivization and then reinstated in the late 1980s. There also is land allotted by large farms for individual or household use, payment for which is often in-kind. Finally, as a result of farm privatization during the 1990s, individuals received land shares which could be converted into actual land holdings, or the land rights could be rented out to individuals or to a large farm.⁶ In order to analyze household land holdings, a variable was created that summed land holdings for these four sources of land. The question we address in this section is whether total land holdings differ significantly between the top and bottom deciles.

For the vast majority of households, the largest land holding is in the form of land shares. The 1995 and 1997 survey waves did not contain questions about land shares, so our time points for comparison are 1999, 2001, and 2003, during which the surveys did have questions about land shares. For each of those three years, a ‘total land holdings’ variable was created by summing land from household plots, rental land, allocated land, and land shares. Mean land share holdings by the top and bottom income deciles are indicated in Table 2.

⁶ The term ‘household land’ refers to land that is privately owned, without regard as to how it was obtained (conversion of plots from Soviet era to private property in the post-Soviet era, utilization of land shares, or purchase of additional land). The term ‘rental land’ refers to land that is *not* held as private property. Allocated land from a large farm is provided either free of charge or for payments in kind. Land shares were distributed free of charge to farm employees.

Table 2: Comparison of Mean Household Land Holdings, by Top and Bottom Income Deciles, 1999-2003 (in hectares)

	1999	2001	2003
Top decile	8.2	12.3	14.8
Bottom decile	6.0	5.8	5.9

Sources: Survey data, 1999, 2001, 2003.

In the table, the 1999 and 2003 data are directly comparable as they are from different waves of a panel survey. The data from 2001 are from a separate survey in different regions, and are not directly comparable to 1999 and 2003, but are illustrative of a general trend. The table shows that accompanying the macro-economic recovery in Russia, beginning in 1999, differences in land holdings became more pronounced.⁷ In 2003, the upper income decile of households had almost doubled their land holdings compared to 1999, while the bottom decile actually experienced a slight decrease. To put it differently, in 1999, the differential between the highest and lowest deciles was about 1.3; in 2003, the highest decile controlled almost 2.5 times more land than the lowest decile. Thus, land differentiation increased over time, and there is a linear increase in the coefficient of differentiation across the three time points. To be sure, the data even in 2003 are hardly suggestive of the emergence of a stratum of large landed estates. But our intent is less to *label* class differences than it is to *identify* the emergence of differences that may be representative of an emerging class structure. In this respect, the differentiation in land holdings is significant.

Capital Stock

Using longitudinal data, the measurement of capital stock is an important measure of class because it reflects past economic gains, affects present economic production capacity, and

⁷ During 1999-2004, gross domestic product increased an average of 6.4 percent annually.

the accumulation of capital stock is suggestive of future economic influence. Moreover, the accumulation of capital stock in turn directly affects future income potential, future standards of living, and future investment potential. In short, capital stock is an implicit reflection of present and future wealth held by the household.

For our purposes, capital stock is defined as the number of cows, pigs, autos, tractors, agricultural machinery, and agricultural equipment owned and/or used by a household. Households were used as the unit of analysis in this section because it is impossible to demark individual ownership from the survey data, and because it is likely that ownership is in fact collective within the household rather than individual (with the exception perhaps of autos). These measures were chosen for two reasons: (1) because these measures are broadly representative of an economically advanced household; and (2) because data exist for each in the four waves of the panel survey (1995, 1997, 1999, and 2003).⁸ The results are indicated in Table 3.

The table reveals several interesting trends that occurred over time. First, it is clear that the top decile improved its capital stock during 1995-2003. Comparing 1995 to 2003, households in the top decile improved their capital stock, with the mean of autos, agricultural machinery and agricultural equipment increasing in a linear manner. The mean number of cows and pigs also increased, but not linearly. In contrast, each of the six measures decreased for households in the bottom decile, which is to say that households in the bottom decile had fewer

⁸ Because we are interested in the accumulation process of capital stock, we want data that are directly comparable over time. For that reason, the 2001 data are excluded even though that survey also includes these measures.

Table 3: Mean Household Levels of Capital Stock, by Top and Bottom Income Deciles, 1995-2003

	<i>Top decile</i>	<i>Bottom decile</i>	<i>Differential between top and bottom deciles</i>
1995			
Cows	1.3	1.1	.2
Pigs	1.1	1.3	-.2
Auto	.18	.32	-.14
Tractor	.13	.05	.08
Ag machinery	.24	.00	.24
Ag equipment	.18	.03	.15
1997			
Cows	2.4	1.2	1.2
Pigs	2.3	1.1	1.2
Auto	.45	.16	.29
Tractor	.16	.00	.16
Ag machinery	.50	.00	.50
Ag equipment	.39	.21	.18
1999			
Cows	2.8	1.0	1.7
Pigs	3.4	1.0	2.4
Auto	.68	.13	.53
Tractor	.29	.03	.26
Ag machinery	.34	.03	.31
Ag equipment	.45	.11	.34
2003			
Cows	2.6	.87	1.73
Pigs	1.8	.55	1.25
Auto	.87	.13	.74
Tractor	.45	.00	.45
Ag machinery	.47	.00	.47
Ag equipment	.53	.05	.47

Note: A minus sign in the differential column denotes that the mean for the bottom decile was higher than for the top decile.

Sources: Survey data, 1995, 1997, 1999, 2003, and authors' calculations.

cows, pigs, autos, and less agricultural machinery and equipment in 2003 than in 1995. As a result, the table shows that the differential between top and bottom deciles grew larger, no doubt influenced by increasing income stratification, as less income was earned by households in the bottom decile.

In addition to illustrating present and future inequality between the top and bottom deciles, the data are also useful for portraying the overall poorness of Russian households and the continued undercapitalization of even ‘rich’ households. Thus, it is hard to argue, based upon these data, that a powerful class of ‘rural bourgeoisie’ is emerging, or that successful family farms will be able to compete with mechanized farms in Western Europe once Russia joins the World Trade Organization.

Class Consciousness

A fundamental requirement of a class is that members must have a consciousness that they share attributes, interests, and economic status with other members in that class. Thus, a member of a class must have some level consciousness that he is a member of that class. In other words, shared economic characteristics are not sufficient. It will be remembered that Lenin argued the proletariat (and poor peasantry) lacked a sufficient level of class consciousness that would lead them to revolution. It therefore was incumbent upon the Bolshevik party to lead—to bring class and revolutionary consciousness to the proletariat and to the poor peasantry.

For this analysis, we have to be somewhat creative because the surveys were not specifically designed to measure class development. For that reason, we used proxy measures to indicate class consciousness and shared attitudes. We feel we have done this adequately to substantiate our point about class consciousness and shared attitudes. However, questions that are relevant to class consciousness and shared attitudes were not asked in all surveys, and thus this section offers more of a ‘snap shot’ than a longitudinal progression of class consciousness. Thus, there are two departures in this section from previous sections. First, we employ survey

data only from the 2001 and 2003 surveys. Second, our independent variable is income as a percentage of the subsistence minimum instead of income deciles. We do not feel that these changes harm the analysis, and in fact the results are enhanced. Overall, the data are strongly suggestive of class consciousness and shared attitudes among income cohorts.

Turning first to consciousness, we employed two questions. The first question asked the respondent to evaluate the income status of the household, and this question is useful for approximating consciousness about class standing. The results are shown in Table 4.

Table 4: Evaluation of Income Status, 2001 and 2003 (in percent)

Percentage of subsistence level	<i>Poor or very poor</i>	<i>Average</i>	<i>Higher than average/high</i>
2001			
200 +	6	48.5	45
0-24.9	73	27	0
2003			
200 +	0	75	25
0-24.9	87	13	0

Note: Percentages may not add to 100 due to rounding.

The question asked: 'In which income group would you place your family?'

Source: Survey data, 2001, n=77; 2003, n=44.

The table shows that respondents in the lowest income category have a clear sense of being poor or very poor, and do not consider themselves as having an income status above average or higher. Conversely, only six percent of respondents in the 200+ category considered themselves poor or very poor. Most of the respondents in this income category considered themselves having either a middle class status (48.5 percent) or above middle class (45 percent). Thus, the first question indicates a clear demarcation of perceived class standing between upper and lower income respondents.

The second question about consciousness asked the respondent to evaluate whether his family has been a winner or loser since reforms were begun in 1991. Those results are indicated in Table 5.

Table 5: Evaluation of Family as Winner or Loser, 2001 and 2003 (in percent)

Percentage of subsistence level	<i>Loser or absolute loser</i>	<i>No change</i>	<i>Winner or absolute winner</i>
2001			
200+	39	12	48
0-24.9	79	14	7
2003			
200+	15	30	55
0-24.9	74	17	0

Note: Percentages may not add to 100 due to rounding.

The question asked: 'Do you consider your family a winner or loser as a result of reforms since 1991?'

Source: Survey data, 2001, n=77; 2003, n=44.

The table shows distinct patterns. Lower income respondents have a clear sense of being losers during the reform period (79 percent), while upper income respondents more frequently evaluate their families as winners (48 percent). While the results in Tables 4 and 5 are not particularly surprising, they are important for illustrating a level of awareness by respondents as to where they or their families stand in relation to other households. We conclude, therefore, a sufficient level of consciousness exists to meet this criterion of class development.

Shared Attitudes and Values

Our final measure of an emerging class structure in rural Russia concerns shared attitudes and values. In addition to awareness about economic status, another important aspect of class is shared cognitive orientations. Social scientists have long argued that classes are defined not only

by shared economic characteristics and class consciousness, but that they are also characterized by shared attitudes and values.

We start with attitudes. We offer two proxy measures that reflect shared attitudes. The first measure is derived from a question that asked respondents to evaluate changes in different aspects of life since 1991. The results are presented in Table 6.

Table 6: Mean Estimates of Change Since 1991

	<i>200+</i>	<i>0-24.9</i>
2001		
Family income	3.7	2.0
Family relations	3.7	3.1
Village life	3.3	2.7
Life in general	3.4	2.9
2003		
Family income	3.6	2.0
Family relations	3.7	2.9
Village life	3.5	3.0
Life in general	3.5	2.8

Note: The question asked: 'How do you evaluate changes in _____ since 1991?'

The responses are scaled: 1=became very bad, 2=became bad, 3=no change, 4=became good, 5=became very good.

Source: Survey data, 2001, n=77; 2003, n=44.

The table uses data from the 2001 and 2003 surveys and indicates a broad pattern whereby upper income respondents are more positive about changes since 1991 than lower income respondents. Although the data are not strictly comparable to each other, the fact that both surveys yield similar results adds credence to the notion that attitudinal variance reflects class differences, while intra-class attitudes are more homogeneous. The second proxy measure is derived from a question that asked respondents to evaluate their level of satisfaction with different aspects of life, illustrated in Table 7.

Table 7: Mean Levels of Satisfaction, 2001 and 2003

	200+	0-24.9
2001		
Income	4.0	1.8
Health	3.8	2.8
Family relations	4.1	3.5
Village life	4.0	3.2
Life in general	4.0	3.3
2003		
Income	3.9	2.2
Health	3.3	2.9
Family relations	5.3	3.3
Village life	3.9	3.3
Life in general	4.0	3.0

Note: The question asked: 'How do you evaluate your satisfaction with different aspects of life?'

The 2001 responses are scaled: 1=absolutely dissatisfied, 2=dissatisfied, 3=neither satisfied nor dissatisfied, 4=satisfied, 5=absolutely satisfied.

The 2003 responses are scaled: 1=absolutely dissatisfied, 7=absolutely satisfied.

Source: Survey data, 2001, n=77; 2003, n=44.

This table also uses data from the 2001 and 2003 surveys and reflects a broad pattern whereby upper income respondents are significantly more satisfied than lower income respondents. Again, although the two data sets are not strictly comparable due to different samples, both surveys show that upper income respondents are more satisfied on every dimension.

Shared attitudes extend into the policy realm as well. In the 2003 survey, a question asked respondents to agree or disagree with the statement 'the government should continue market reforms in agriculture.' In the lowest income category, only four percent of respondents agreed, but 30 percent did so in the highest income category. Another question asked respondents to agree or disagree with the statement 'government reforms have hurt people like me.' In the lowest income category, zero percent of respondents disagreed, while 50 percent in the highest income category disagreed. Finally, a question in the 2003 survey asked respondents to agree or disagree with the statement 'it is better to go back to the period before 1991.' In the

lowest income category, zero percent disagreed and 50 percent agreed with the statement. In the highest income category, 55 percent disagreed and only 15 percent agreed. Thus, it is apparent that distinct attitudes are shared among lower income respondents and upper income respondents.

We now turn to shared values within the two income cohorts. One important aspect is a work ethic and a sense of personal efficacy. In the 2001 survey, a question asked respondents ‘what can your family do to improve its economic condition?’ In the lowest income category, just over 52 percent answered ‘work more,’ but another 25 percent answered that there was ‘nothing’ they could do. The ‘nothing’ answer does not necessarily reflect laziness (although it might), but it certainly reflects an absence of personal efficacy. In contrast, among the highest income respondents 76 percent answered ‘work more,’ and only 12 percent indicated that there was nothing their family could do. In the 2003 survey, similar results were found, but the difference was more dramatic. A question in the 2003 survey asked respondents to agree or disagree with the following statement: ‘hard work will lead to a better life.’ In the lowest income category, less than 10 percent agreed with the statement, while in the highest income category, 40 percent agreed. The value of work was suggested by another question in the 2003 survey that asked whether people who were well-off personally benefited from illegal activities. In other words, this question was getting at the degree to which a person’s work was important. In the lowest income category, 65 percent of respondents answered that the well-off benefited from illegal activities, while only 30 percent of respondents in the highest income category answered similarly.

The value of work has an impact on the feeling of personal efficacy, which in turn is a measure for how a person perceives his value to society and his role in the economy. An efficacious person perceives himself to be valuable and is able to control his own life and influence others. His actions have meaning and worth. The absence of personal efficacy—that is, the feeling that a person does not control his destiny and has low worth—was indicated by a question in the 2001 survey that asked respondents ‘are you able to control your life?’ In the lowest income category, only 42 percent of respondents said they were able to control their life, while 70 percent of respondents in the highest income category indicated a sense of personal efficacy. Thus, upper income respondents share a value that hard work matters and a sense of personal efficacy that affects one’s value in life.⁹

Conclusion

At first glance, it may seem odd to posit the question whether Russia is experiencing a revival of classes in society. After all, Russia is now officially a market economy—as so acknowledged by the EU and the United States—and it meets the basic criterion for capitalism: private ownership of the means of production, which in Marxist terms means that classes must exist. Moreover, the process of market reform has introduced significant inequality, differentiation, and stratification throughout Russian society at large. In urban society, a dramatic increase in economic differentiation meant that a small percentage of people became enormously wealthy, while the bulk of the population experienced social and economic decline. But even within the working class, differentiation occurred. To be sure, the transition from communism

⁹ Respondents who feel they do not control their lives, have a low personal efficacy, also were more likely to feel depressed or unhappy. Such persons also were also more likely not to take advantage of reform opportunities by increasing land holdings, increasing food production, or selling more produce to increase income. Thus, a feeling of personal worth is a key variable that has important psychological and economic ramifications.

has been non-linear and characterized by leaps and jumps, followed by periods of little movement or even reversals. Nonetheless, reform ushered in state withdrawal from control over the economy as a conscious policy decision, accompanied by an involuntary loss of state control over the economy as different groups used new opportunities to expand their economic power and influence. The result was that the social structure in Russia represented a sharp break from the simplified social structure of the Soviet period, as contemporary social structure is characterized by deep divisions between and within classes (Khlop'ev, 1996, 99-105).

In Russia's countryside, inequality and stratification also occurred, although it may be too early to talk in terms of a *class* of economic hegemons as in urban society (although certain individuals have differentiated themselves). At the same time, there is little doubt that contemporary rural social structure has also experienced significant change in comparison to the Soviet era. While Soviet-era inequality was based upon occupation in the collective sector, new opportunities afforded by market reforms have made those categories increasingly irrelevant to present-day social structure. The question is whether rural Russia today is better understood as a hierarchy of economic strata, or as a sector of society in which a class structure is emerging.

This paper has argued that as a result of market reforms, social and economic relations have evolved beyond stratification, and instead the paper argued that a rural class structure is emerging. This class structure continues to evolve and has not yet matured, which is to say further changes in the class structure will be evident in the future. In particular, we have depicted a two-tiered class structure of upper and lower households and individuals, a structure that

without doubt will further evolve and change in the future.¹⁰ Our intent in the paper was not to attach labels to rural classes (beyond ‘upper’ and ‘lower’), but rather to document class differences and to analyze the processes that underlie their emergence.

Our line of argumentation was substantiated by focusing on the highest and lowest income strata among Russia’s rural population. We posited and then analyzed a cluster of different components that comprise a class. Preceding sections demonstrated that objective and subjective income stratification occurred during the 1990s and continues to exist. It was also shown that differences in land holdings between upper and lower income strata have become more pronounced since 1999. The section on capital stock depicted a process of accumulation by upper income households to improve their capital stock, whereas lower income households had fewer cows, pigs, autos, and agricultural machinery and equipment in 2003 than in 1995. These three measures are important for depicting the degree of economic stratification that has occurred since market reforms were begun.

Our argument, however, is that social and economic relations have evolved beyond stratification. Central to this line of argumentation is class consciousness. The preceding analysis demonstrated an awareness of class standing in terms of income status relative to others, and how the household had fared during the reform period. Another important criterion of class beyond stratification is shared attitudes and values. With regard to shared attitudes, it was shown that upper income individuals held more positive attitudes about economic changes since 1991, and were more satisfied with different dimensions of life. Dichotomous shared attitudes also were evident in the policy realm. Lower income individuals were opposed to the continuation of market reforms, felt that reforms had hurt them, and favored a return to the pre-reform period.

¹⁰ Some might question whether, using the same criteria as in this paper, the present class structure is three-tiered, four-tiered, or even more. We feel comfortable that the two-tiered class structure analyzed herein is satisfactory to our purposes, and we defer the question of multiple other class strata to a larger study of class structure.

With regard to shared values, the data led us to conclude that upper income individuals valued hard work more and saw it as an avenue to a better life. Moreover, the value of work contributed to a feeling of personal efficacy and self-worth. The data showed that upper income individuals had a sense of greater efficacy and self-esteem. Thus, the fulfillment of these five criteria of class lead us to conclude that the economic processes inherent to market reforms have gone beyond stratification or the presence of mere economic strata, rather, it is now more accurate to talk in terms of an emerging class structure within Russia's rural society.

Having argued that distinctive classes are emerging in rural Russia, there remain important questions for the future, questions that lie outside the scope of this paper and therefore are unanswerable at present. Nonetheless, the answers to these questions will affect in fundamental ways the future development and evolution of the class structure described herein. The first question concerns whether a genuine rural bourgeoisie will emerge in the countryside, based upon a process of capital accumulation that will allow them to exert economic hegemony. Will the rural class structure remain largely dichotomous, with relatively few well-off households while the bulk of the population is poor and exists near or just above the subsistence level? Or will economic growth diminish the numbers of poor and increase the ranks of the well-off? And will the well-off increase their economic power?

As the preceding analysis demonstrated, at present, the 'upper' class, though distinctive from the lowest stratum, nonetheless would hardly be considered either a rural bourgeoisie or an economic hegemony according to traditional definitions. For that to happen, income differentiation should widen more, land holdings should expand, and capital stock has to improve significantly. Households and individuals control this process, but it should not be

forgotten that human capital continues to exert an enormous influence on household production. Moreover, governmental policies—tax, budgetary, rural social development, and commodity intervention—affect households’ decisions.

The second question concerns the future political influence of economic hegemons. The political influence of economic hegemons is important because different classes have different political orientations, that is, they identify with and support different political parties. Political scientists have long-associated class with specific socio-economic characteristics that in turn are reflected in political attitudes, voting patterns, and political associations. As Greenstein and Polsby argued, ‘for any given regime, once we have correctly identified an individual’s class, we are likely to know both who his political allies are and what political goals they pursued in concert’ (Greenstein and Polsby, 1975, 249). Behind whom will economic hegemons throw their political support and financial capital? If they support the pro-Kremlin party (at present, United Russia), the party system will become less competitive and additional political power will gravitate toward the executive, with implications for civil society and the balance of political power in general.

Related to this last point, the final question concerns the effects of the rural upper class on the trajectory of democracy. Barrington Moore reminds us that the behaviors of the landed class in the commercialization of agriculture and the relationship that landed classes have with central authority are important factors that affect whether a nation ends up as an authoritarian or democratic system (Moore, 1966). Historically, he argues that a rural ‘nobility’ that remains too closely aligned with the crown creates unfavorable conditions for democracy. Countries that made the successful transition to democracy experienced a transition in which a rough balance of power existed between the nobility and the crown, and while the crown predominated, the

nobility had substantial independence (Moore, 1966, 417). Applying Moore's conceptual framework to contemporary Russia, the question is whether the rural upper class will be closely tied to the Kremlin or will have significant economic and political independence. Trends since 2000 suggest that political independence is already being eroded, as the Kremlin has made overt attempts to co-opt rural parties and interests on the one hand, while on the other hand has worked to undermine rural support for any political opposition, in particular, the Communist party, which largely depended on rural electoral support during the 1990s for its political comeback. If these trends continue, it is entirely possible that Russia will end up with an authoritarian political system, although a return to communism is highly unlikely. To revisit the Leninist question of whom the peasantry will support, the upper rural class described herein will be an important source of support for the Kremlin, and in that sense rural classes may play an instrumental role in influencing Russia's political future.

APPENDIX

Most of the analysis is based upon survey data from Russia's regions. In particular, the paper draws upon two sets of survey data. The first data set comes from a panel survey of three Russian villages during 1995-2003. A panel survey asks the same households (or individuals) the same questions at different points in time, thereby making longitudinal analysis possible. Separate waves of the survey were conducted in 1995, 1997, 1999, and 2003, although for purposes of this paper specific questions on land are drawn only from the 1999 and 2003 waves. (The reason for this is that some questions were added as the investigators learned from previous rounds.) The three regions include Belgorod oblast, Rostov oblast, and Tver' oblast. Belgorod and Rostov oblasts are located in the south, where land and climate are favorable for agriculture. The third oblast, Tver', is located in the north, in the so-called non-black earth zone of Russia that generally is not conducive to plant growing. One village was selected for sampling in each oblast, and the same villages were surveyed in each round. The original number of respondents in the first wave was 508, but due to deaths and out-migration, the size of the sample decreased over time. As a result, the findings reported in this paper are based upon only those respondents who were alive and living in the village in each wave of the survey. For purposes of this paper, only respondents who were still alive or present in their respective village in 2003 are used, and thus in 2003 $n=382$, thereby reflecting the number of respondents who participated in each round of the surveys. In the 2003 round of the survey, 132 respondents were sampled in Rostov oblast, 131 in Belgorod oblast, and 119 in Tver' oblast. One person from each household was interviewed, although information was collected about other members of the household as well.

The second data set comes from a survey of 800 rural households in five regions conducted during the second half of 2001. Those five regions include: Belgorod oblast,

Volgograd oblast, Krasnodar kray, Novgorod oblast, and the Chuvash Republic. The pretest of the questions was conducted in June 2001 in Ryazan oblast, followed by the full survey during July-October 2001. Within each region, four villages were selected, and within each village, 40 households were surveyed, for a total sample of 800 households (160 households in each region). The selection method purposefully focused on remote villages that are located several hours (by bus) from an urban center. Moreover, a cross-section of different types of villages was used: small, middle-sized, economically weak, and economically strong. As with the panel surveys, one person from each household was interviewed, although information was collected about other members of the household as well.

These two data sets provide important insights into the nature and processes of Russia's rural reform. The panel survey allows change over time to be analyzed, while the 'snapshot' provided by the 2001 survey is larger and more extensive. The 2001 survey included more than 100 questions and over 500 separate variables. The panel data and the 2001 survey together comprise more than 2,500 separate variables.

For both sets of surveys, a stratified sample was composed from the household list of permanent residents in each village, a list that is kept by the village administration for all households within its jurisdiction. This list is kept by the village administration for all households within its jurisdiction and contains demographic and social characteristics of the households in the village. This household list is updated annually by the village administration and categorizes households by demographic type of household (there are seven categories). The surveys stratified the sample based upon the demographic type of family, and then sampled randomly within each category. Using the demographic type of household as a basis for a stratified random sample has been a commonly accepted method since the late 1980s among

sociologists and was used in the well-known Taranrog survey, as well as subsequent surveys during the 1980s and 1990s. Interviews in the 1995-2003 and 2001 surveys were conducted person-to-person by a trained research team from the Institute on Socio-Economic Studies of the Population (Russian Academy of Sciences, Moscow).

REFERENCES

- Bonnell, Victoria E., 2001. 'Russia's New Entrepreneurs,' in *Russia in the New Century: Stability or Disorder?* eds Victoria E. Bonnell and George W. Breslauer, 175-200. Boulder, CO: Westview Press.
- Freeland, Chrystia, 2000. *Sale of the Century: Russia's Wild Ride from Communism to Capitalism*. New York: Crown Business.
- Goldman, Marshall I., 2003. *The Privatization of Russia: Russian Reform Goes Awry*. London and New York: Routledge.
- Greenstein, Fred I. and Nelson W. Polsby, eds, 1975. *Handbook of Political Science: Micropolitical Theory*, vol. 2. Reading, MA: Addison-Wesley Publishing Co.
- Guriev, Sergei and Andrei Rachinsky, 2004. 'Russian Oligarchs: A Quantitative Assessment,' *Beyond Transition*, 15 (1): 4-5.
- Gustafson, Thane, 1999. *Capitalism Russian-Style*. Cambridge: Cambridge University Press.
- Hoffman, David, 2002. *The Oligarchs: Wealth and Power in the New Russia*. New York: Public Affairs.
- Hough, Jerry F., 2000. *The Logic of Economic Reform in Russia*. Washington, DC: The Brookings Institution.
- Humphrey, Caroline, 2002. *The Unmaking of Soviet Life: Everyday Economies after Socialism*. Ithaca, NY: Cornell University Press.
- Khlop'ev, Alexander, 1996. 'The Transformation of the Social Structure,' in *Russian Society in Transition*, eds Christopher Williams, Vladimir Chuprov, and Vladimir Staroverov, 93-106. Aldershot, England: Dartmouth Publishing Co.
- Klugman, Jeffrey, 1989. *The New Soviet Elite: How They Think and What They Want*. New York: Praeger.
- McAuley, Alastair, 1979. *Economic Welfare in the Soviet Union: Poverty, Living Standards, and Inequality*. Madison, WI: University of Wisconsin Press.
- Meissner, Boris, ed, 1972. *Social Change in the Soviet Union: Russia's Path Toward an Industrial Society*. London and Notre Dame: University of Notre Dame Press.

- Melin, Harri, 2002. 'Towards a Working Class Society: The Russian Class Structure in the 1990s,' in *Restoration of Class Society in Russia?* ed Jouko Nikula, 1-18. Aldershot, England: Ashgate.
- Millar, James R., ed., 1987. *Politics, Work, and Daily Life in the USSR: A Survey of Former Soviet Citizens*. Cambridge: Cambridge University Press.
- Moore, Barrington Jr., 1966. *Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World*. Boston: Beacon Press.
- Moskoff, William, 1993. *Hard Times: Impoverishment and Protest in the Perestroika Years, The Soviet Union 1985-1991*. Armonk, NY: M. E. Sharpe.
- O'Brien, David J., and Valeri V. Patsiorkovski, 2006. *Measuring Social and Economic Change in Rural Russia*. Lanham, MD: Lexington Books.
- O'Brien, David J., Valeri V. Patsiorkovski, and Larry D. Dershem, 2000. *Household Capital and the Agrarian Problem in Russia*, Aldershot, England: Ashgate Press.
- Patsiorkovski, V. V., 2003. *Sel'skaya Rossiya 1991-2001 gg.*, Moscow: Finansy i statistika.
- Rossiya v tsifrakh*, 2005. Moscow: Goskomstat.
- Silverman, Bertram and Murray Yanowitch, 2000. *New Rich, New Poor, New Russia: Winners and Losers on the Russian Road to Capitalism*. Armonk, NY: M. E. Sharpe.
- Smith, Hedrick, 1976. *The Russians*, rev. ed. New York: Ballantine Books.
- Wegren, Stephen K., 2005. *The Moral Economy Reconsidered: Russia's Search for Agrarian Capitalism*. New York: Palgrave Macmillan.
- Wegren, Stephen K., 2006. 'Land Reform in Post-Communist Russia: The Effects of Household Labor,' Paper presented at the Conference on Land, Poverty, Social Justice, and Development, The Hague, Netherlands, 12-14 January 2006.
- Wegren, Stephen K., David J. O'Brien, and Valeri V. Patsiorkovski, 2003a. 'Why Russia's Rural Poor Are Poor', *Post-Soviet Affairs*, 19 (3): 264-287.
- Wegren, Stephen K., David J. O'Brien, and Valeri V. Patsiorkovski, 2003b. 'Russia's Rural Unemployed', *Europe-Asia Studies*, 55 (6): 847-867.
- Wegren, Stephen K., David J. O'Brien, and Valeri V. Patsiorkovski, 2006. 'Social Mobility in Rural Russia: 1995-2003,' *The Journal of Peasant Studies*, 33 (2): forthcoming.
- Yanowitch, Murray, 1977. *Social and Economic Inequality in the Soviet Union*. White Plains, NY: M. E. Sharpe.

Yanowitch, Murray, ed, 1986. *The Social Structure of the USSR: Recent Soviet Studies*. Armonk, NY: M. E. Sharpe.

Yanowitch, Murray and Wesley A. Fisher, eds, 1973. *Social Stratification and Mobility in the USSR*. White Plains, NY: International Arts and Sciences Press.

Zaslavsky, Victor, 2001. 'The Russian Working Class in Times of Transition,' in *Russia in the New Century: Stability or Disorder?* eds Victoria E. Bonnell and George W. Breslauer, 201-30. Boulder, CO: Westview Press.