TITLE: AGRICULTURAL REFORM IN RUSSIA TODAY:
THE DEMISE OF THE MORAL IMPERATIVE

AUTHOR: DAVID A. J. MACEY, Middlebury College

THE NATIONAL COUNCIL
FOR SOVIET AND EAST EUROPEAN
RESEARCH

1755 Massachusetts Avenue, N.W.
Washington, D.C. 20036
This paper was not produced under Council contract. It has been volunteered to the Council by the author under a limited release of copyright to the Council and to the United States Government for internal use and reproduction, but not for publication by either.
CONTENTS

Abstract ................................................................. i
Introduction ................................................................. 1
The Historical Legacy ...................................................... 2
The Search for Alternatives ................................................. 6
The Contemporary Program of Agrarian Reform ......................... 9
Alternative Programs and Prospects for the Future ..................... 12
Endnotes ................................................................. 15
Abstract

"Demise of the Moral Imperative: Agricultural Reform in Russia Today"

David A.J. Macey

Agriculture in Russia and the Soviet Union has been in a state of almost permanent crisis for more than two centuries. This "crisis" began with the identification of a "peasant question" in the late 18th century, was transformed into an "agrarian" or "land" question in the second half of the 19th century and by the 20th century had become a "grain problem." At the root of each of these "cursed questions" was always a concern with agricultural output and productivity and, ultimately, the state's persistent drive to overcome its perceived "backwardness" vis-à-vis the more advanced countries to its west by fostering economic development. Each of these "problems" was moreover perceived as a significant factor in the country's major political crises during the same period. As a result, the language of crisis was repeatedly transferred from the political to the agricultural sphere, and, often with little basis in fact, warnings of dire consequences to the nation's agricultural system and ultimately its food supply were bandied about with the goal of either encouraging or preventing both political and agrarian reform. Inevitably, "solutions" to the political crisis also involved a major campaign to reorganize the country's agrarian structure. However, because such reforms were introduced as a by-product of partisan struggle and political change, their more rational economic core was repeatedly subordinated to the existing regime's immediate political and social needs. Only with the passing of the political crisis was it possible for the underlying economic concerns to return to the center of attention.

This link between political and agrarian change was also manifest during the collapse of communism and the Soviet empire between 1985 and 1991 and led in turn to the emergence of an "agricultural problem" as well as renewed efforts at agrarian reform. Initially, the search for alternatives to the Stalinist system of collective and state farms focused on the mixed socialist and capitalist system, including free trade in agricultural products, that characterized the era of the New Economic Policy (NEP) in the 1920s. However, with glasnost', the entire socialist experiment was brought into question. Given the ensuing "moral" imperative to destroy the last vestiges of Stalinism in agriculture, proponents of reform sought a new model in the pre-revolutionary Stolypin agrarian reforms and began calling for a radical transformation of agricultural production and the creation of a system of individual family farms based on private property ownership—though the debate over the desirability of private property in agricultural land has yet to be fully resolved. "Privatization" thus came in two
forms: the creation of "Stolypin-type" farms, which in practice turned out to be not progressive, market-oriented fermerskie khoziaistva but a reversion to peasant-type subsistence-farming; and the juridical privatization or de-nationalization of state and collective farms, based largely on a formalistic understanding of western conceptions of privatization, that has led to merely paper changes. Thus, neither program has had any significant impact either on the structure of agricultural production or on agricultural output, and agriculture continues largely within the confines of the traditional system of state orders and state subsidies, with market-type relations limited to the system's periphery.

Clearly, both Stolypin and juridical models were misconceived. Worse, since the public debate became increasingly polarized between defenders of the existing system of state and collective farms and the supporters of a Stolypin-style privatization, it served to confine discussion to these two versions of "total" privatization thereby diverting attention from two other initiatives, both of which hold greater practical promise: the Rutskoi program to privatize the supply and marketing organizations and modernize the infrastructure, on the one hand, and the Nizhni Novgorod program of breaking-up collective farms into independent functional units, on the other. Unfortunately, the Rutskoi program is expensive and, given the bankruptcy of both government and society, the time for its realization on any significant scale has long since passed. Insofar as the Nizhni Novgorod program is concerned, even though Prime Minister Chernomyrdin has expressed his support, it, too, is unlikely to have widespread application, in part because such changes will have little impact without prior reforms of the supply and marketing networks and the modernization of the infrastructure.

Thus, the alternatives would appear to be: either a Leninist-type scenario of "the worse the better," since only complete collapse will be able to force the changes in behavior among government officials, farm managers, and farm workers that would be necessary radically to revamp the system; or the "muddling through" option. It is my contention that the latter case will prove the more likely, in large part because not only is there no immediate threat of agricultural crisis or collapse but also because the current lack of consensus at the center suggests the demise of the anti-Stalinist moral imperative that inspired the movement for reform in the first place. Indeed, there are already signs of the "return of the repressed" economic core of the reform program to center stage suggesting that a moderate "consensus" is beginning to emerge which will permit a pluralism of economic forms (mnogoukladnost') along the lines of the original NEP-era model.

What such an eventuality portends for the larger program of economic reform and development as well as the entire process of social, economic, and political transition, however, is unclear. In the short term, it may be a blessing since the labor that must
eventually be released by a successful reform of agriculture currently has no place to go and cannot be effectively used at a time when the industrial economy must also face large-scale layoffs to improve its productivity. As in the Stolypin case, a gradual reform that retains labor in the countryside may well be a prerequisite for the preservation of political stability during this complex transition. On the other hand, a gradual process of agrarian reform, whether it results in agricultural crisis and a breakdown in the food supply system or simply serves as a continuing brake on Russia’s hopes for industrial development by helping preserve a reservoir of conservatism in the countryside, could undermine both economic and political reform and hence the entire transition. The dilemma facing Russia’s policy makers today remains the same as it has over the past two centuries: how to balance the country’s need for political stability with the demand for economic development.
"DEMISE OF THE MORAL IMPERATIVE:
AGRICULTURAL REFORM IN RUSSIA TODAY"

David A.J. Macey
Middlebury College

Introduction

By all accounts, agriculture in both Russia and the Soviet Union has been in a state of almost permanent crisis over the past two centuries or so. Beginning with the identification of a "peasant question" by the first public critics of serfdom in the late 18th century, this was transformed into an "agrarian" or "land question in the second half of the 19th century." By the 20th century, it had become a "grain problem." The evolution in the description and content of these problems reflects, of course, the differing social contexts within which they arose and the immediate task that had to be accomplished. Thus, there was the emancipation of the peasantry in 1861 which followed Russia's defeat in the Crimean War; the Stolypin agrarian reforms and their program of individualization and privatization which followed the revolutionary challenges of 1905-6; the compulsory expropriation and redistribution of land during and following the revolutions of 1917; and, of course, the collectivization of agriculture that accompanied Stalin's 1928/29 "Revolution from Above."2

However, at the root of each of these "cursed questions" was always a concern with agricultural output and productivity and, ultimately, the state's persistent drive to overcome its perceived "backwardness" vis-à-vis the more advanced countries to its west by fostering economic development. Meanwhile, each of these "problems" has in turn been identified as one of the most significant factors contributing to the country's major political crises in the 19th and 20th centuries. So much was this the case, indeed, that the language of crisis was repeatedly transferred from the political to the agricultural sphere, and, often with little basis in fact, warnings of dire consequences to the nation's agricultural system and ultimately its food supply were bandied about with the goal of either encouraging or preventing both political and agrarian reform.3 As a consequence, "solutions" to the political crisis have inevitably also involved a major campaign to reorganize the country's agrarian structure. However, because such reforms were introduced as a by-product of partisan struggle and political change, their more rational economic core has repeatedly been subordinated to the existing regime's immediate political and social needs. Only with the passing of the political crisis was it possible for the underlying economic concerns to return to the center of attention.
In part because of this ongoing heritage and the close linkage between political and agrarian change, it is not therefore especially surprising to find that the collapse of both communism and the Soviet empire between 1985 and 1991 have also been accompanied by the emergence of an "agricultural problem" as well as renewed efforts at agrarian reform. Moreover, like its predecessors, this reform too was preceded both by what seemed to be an interminable period of discussion, which focused on the various economic shortcomings and outright failures of the existing agricultural system, as well as by various limited experiments designed to test out possible solutions. Yet, despite the acknowledged need to introduce changes, the political struggle surrounding this latest round of reform has exaggerated both the real nature of the crisis and the associated problems. As a result, the program that was finally adopted was motivated primarily by the moral imperative to destroy the last vestiges of Stalinism in the agricultural economy and hence was fundamentally misconceived. Only with the demise of this imperative will it become possible to address the underlying economic issues.

The Historical Legacy

Historians have yet to agree precisely as to what was the precipitating cause or event leading to the emancipation of the serfs in 1861. Traditionally, however, it has been assumed that among the reasons for serfdom's abolition was that it was in a state of economic crisis. This, however, has been demonstrated not to be the case. On the other hand, Russia's defeat by England and France in the Crimean War undoubtedly played a role in challenging political complacency. Even more important were the inauguration of a new tsar and the indirect influence of western social models and opinion. For, ultimately, the emancipation of Russia's serf population and the elimination of the so-called peasant problem was conceived as but one phase of a larger program of "perestroika" or renovation of the tsarist system known as the "Great Reforms" that was designed to accelerate Russia's social and economic development in order to preserve its "great power" status. Given what was assumed to be the retardative influence of serfdom, a major component of this program was to have been the transformation of Russia's serfs into free peasant proprietors based on the private ownership of land. However, in the course of the reform's preparation, the government's overwhelming fear of provoking social and political unrest and economic instability led it to strengthen the traditional peasant commune as a unit of local administration, and with it the peasants' traditional and communal land-use practices, and all at the expense of the original economic goal of increasing agricultural productivity by encouraging the development of more
individualistic and productive forms of agriculture. Thus, while the "peasant problem" may have been "solved," the very solution sowed the seeds of a new "agrarian problem."

Discussion of this agrarian problem surfaced within a decade of the Emancipation's enactment. As conceived by contemporaries, and particularly the government's revolutionary opposition, its essence was land hunger, brought on by the inadequate provision of land at the time of emancipation, a rapid growth in population in subsequent decades, and the emergence of a supposed "crisis of the three-field system." However, from the government's point of view, the real problem was less the quantity of land cultivated by the peasantry than it was the backwardness of Russia's economy as a whole vis à-vis the west and especially the low level of agricultural productivity which acted as a break on industrial development. Increasingly, leading officials began to talk of the need for a "second emancipation" that would encourage the growth of both land and labor productivity and hence permit the realization of the social and economic goals behind the original emancipation.

However, the "solution" to this agrarian problem, when it came, came in the midst of a revolutionary crisis and was enacted as part of a larger program of social and political reform designed to rebuild the regime's support and bring Russia into the twentieth century. In particular, it was designed to win back peasant support by offering an alternative to more popular proposals for the "compulsory expropriation" of noble land. As a consequence, the long-term economic goal of increasing agricultural productivity and output by gradually and voluntarily breaking up the "backward" peasant commune, privatizing landholdings, and individualizing production was subordinated to the short-term political goal of destroying the "socialist bacillus" presumed to be inherent in the commune and converting peasants into private property owners as rapidly as possible. To this end, the government began issuing what were essentially worthless certificates of title to unconsolidated strips of land that remained within the commune as well as encouraging small numbers of individual peasant "pioneers" to leave the commune and form single, compact and integral farms or "khutora" (ideally shaped like a square) to which their cottage and other farm buildings would be relocated.

Not surprisingly, the social conflict that was generated by this strategy of reform "from above" seemed to many to be counterproductive and threaten the reestablishment of political order. However, with the passing of the immediate crisis, the reforms' underlying economic goals began to reassert themselves and the government increasingly placed local interests at the center of attention and provided greater opportunities for compromise between supporters and opponents of change. Unfortunately, the outbreak of World War I and then the growing crisis leading to the February Revolution of 1917 not only cut short otherwise promising
possibilities for success over the long term, they effectively destroyed the only viable alternative to its critic's program of compulsory expropriation.

Inevitably, the collapse of tsarism gave the revolutionary opposition its chance to experiment with a full-scale program of land redistribution as a solution to Russia's agrarian problem, though in fact, to win peasant support for the revolution, they had no choice but to legitimize what was at root a spontaneous seizure of noble lands "from below." Despite this revolutionary transformation of Russia's social and agrarian structures, agriculture continued to be based on the traditional collectivist forms of the peasant commune and the compulsory three-field strip system of compulsory crop rotation as well as the equally traditional family centeredness of the peasant household. Thus, from the very beginning, the Bolshevik regime, whose long-term goals were also those of economic development and modernization, though embedded within a revolutionary program of social and political transformation, was not only confronted with the retardative economic consequences of an agrarian program that had been adopted under immediate political pressures to consolidate social support but also one that could eventually also undermine its political legitimacy. Meanwhile, before such consequences could run their course, the new regime was confronted with a food supply or "grain problem" which it inherited from tsarism and was a direct result of the War.

Following the 1917 Revolution, the regime's paramount political concern to win the civil war and consolidate its own power quickly forced it to "solve" the problem of feeding the cities and the army by adopting a system of forcible grain requisitions (prodrazverstki). However, while contributing to victory in the civil war, these policies only precipitated a new series of crises that, among other things, all but lost the Bolsheviks the support of the peasantry. In response, Lenin was forced to adopt his New Economic Policy, which, in the realm of agriculture, involved the restoration of trade and a return to the pre-revolutionary system of voluntary marketings of grain. Successful in the short run in reviving agricultural production and producing both a food surplus and raw materials for industry, the ongoing drive to fulfill its implicit social contract with the population also compelled the new government to pursue a variety of experimental policies designed to encourage agricultural modernization. Stalin's 1929 program of total collectivization, which evolved out of the largely unsuccessful experiments with various but voluntary forms of collective agricultural production as well as the persistence of the "grain problem" as manifest by declines in the marketing of grain and its delivery to the state, was the final choice. But here, too, in the last analysis, agrarian change was largely derivative of political change--above all the attempt to build a "truly" socialist society and the consequent launching of the industrialization drive and the first of the five-year plans. And, as with the earlier policy of prodrazverstki, the political imperative to establish
once and for all the state’s absolute control over agriculture and the countryside as a necessary prerequisite effectively sabotaged the regime’s ability to achieve its ultimate goal.16 Thus, collectivization, which was truly a "second serfdom," was launched at such a dizzying speed that, even though Stalin was forced, first, to slow the pace and, then, to compromise his plan by allowing peasants to retain a household plot, it ultimately led to the devastating famine of 1932/3 and even, some would argue, the Soviet Union’s eventual collapse in 1991.17 Such were the costs of subordinating long-term economic needs to short-term political imperatives.

Only by placing current efforts at agrarian reform within this context can we now begin to understand what precisely is happening in the Russian countryside today. Following Stalin’s death, economic concerns once again came to the fore, and for the next forty years successive regimes sought to rectify the errors of Stalin’s collectivization without, however, reversing it.18 The principal problem to be addressed was that of almost total neglect in matters concerning both social issues and the question of raising productivity. Thus, over the next thirty years, ever greater quantities of capital were invested in the agricultural sector in order to compensate for this neglect and to provide incentives to state and collective farmers to increase output and thereby also to raise rural and urban standards of living. This program was also, of course, an essential component in the construction of the post-Stalinist regime’s social contract with the population. Money and capital were not all that was required, however. Given Russian agriculture’s eternally low productivity vis-à-vis the west, more direct efforts were also undertaken to increase both land and labor productivity. Two additional strategies were followed: on the one hand, repeated searches for a technological fix, whether in the form of "genetic engineering," new crops or rotations, or the use of pesticides and fertilizers; on the other, a never ending series of attempts to restructure production units and within them the individual work units. Finally, there were repeated attempts at the reorganization of the state’s administrative apparatus in charge of agriculture.

And, to give the reformers their due, both agricultural output as well as rural and urban standards of living grew from the mid-1950s through the mid-1970s—years that were not only the heyday of Russian and Soviet agriculture and agrarian reform but also helped build that support for the Stalinist agricultural system which today opposes any further change. Despite these successes, agriculture never escaped the sense of being on the verge of a crisis, if only one of a permanent labor shortage as rural residents migrated to the cities, and as students, factory workers and even the military were repeatedly mobilized to go into the countryside and "get in the harvest." Nor did Russian agriculture ever raise its productivity levels high enough to satisfy either Soviet or western observers let alone "catch up with the west." Thus, sowing and harvesting campaigns as well as "reform" became an almost chronic state. Furthermore,
from the second half of the 1970s, a new concern raised its head: the increasingly low, and eventually even negative marginal rate of return for each new ruble that was invested in agriculture, which meant that the one reasonably successful path of reform during the Khrushchev and especially early Brezhnev years, was itself no longer producing the desired results. Thus, the general consensus among Russian and western observers was that thirty years of tinkering with the Stalinist state and collective farm system had failed to produce either desirable or acceptable results. And so, once again, the drive for economic growth compelled the state to search for new alternatives. However, as in each of the previous cases, not only would agricultural reform once again be derivative of political reform, immediate political imperatives would similarly undermine the new regime's long-term economic goals.  

The Search for Alternatives

While both the history of past reforms as well as the concern to foster general economic development played their role in influencing the new reforms' shape, the driving force behind the series of radical social, economic, and eventually political reforms begun by Mikhail Gorbachev under the rubric of perestroika was the moral imperative of eliminating all remaining vestiges of the Stalinist system from Russian society, economy, and polity. In the realm of agriculture this could mean only one thing—the abolition of the state and collective farm system which Stalin had established in 1929—in effect a "third emancipation." The more difficult question, however, was what was to be put in its place? During the Gorbachev years, when the regime was still intent on finally achieving "socialism" in Russia, most talk as well as legislation involved some form of a return to what were perceived as Leninist norms and a "genuinely" socialist model. The first attempts to look for an alternative thus turned to the era immediately prior to Stalin's Revolution from Above: the era of NEP. As seen by its proponents, the essence of this NEP model was its mixed economy, which combined collective, cooperative and individualistic forms of agricultural production in conjunction with state control of the "commanding heights," which in agriculture meant the procurement agencies and other marketing and supply organizations, though at this stage they were not the monopolies they were subsequently to become. Even more important was the rapid increase in output that followed its adoption. At the time, however, no one seemed to recognize the basic irrelevance of the so-called NEP model given the radically different social and economic context in which it would have to be applied.

However, even as the Gorbachev regime moved slowly towards accepting a pluralism of organizational forms in agriculture, and particularly towards encouraging the formation of enterprises based on various types of individual management as alternatives to the state and
cooperative farm system, the Soviet economy entered a period of accelerating decline that was accompanied by repeated threats of agricultural crisis and even famine and starvation. The net result not only undermined socialism and the post-Stalinist social contract it also discredited both Gorbachev and the Communist Party itself, leading the regime finally to lose its "mandate of heaven." In agriculture, these social, ideological, and political developments in turn provoked talk about the need for more fundamental reforms in the realm of agriculture. And, in the spirit of the pre-revolutionary intelligentsia, Russia's anti-Stalinist, westernizing, and modernizing reform-minded intellectuals, in conjunction with the newly emerging group of Russian nationalists, pursued their search for alternatives to its logical conclusion and turned their attention to the last decades of tsarism and the Stolypin program of individualization and privatization. Such a development, meanwhile, had been prefigured by Gorbachev's own expression of interest in the so-called Stolypin model prior to taking office as General Secretary.

Again, however, the imperative was essentially a moral one. For despite the rhetoric threatening an imminent descent into the abyss, there was no crisis in agricultural output. Whatever food shortages existed were largely a result of the breakdown in the traditional distribution system that paralleled the gradual emergence of limited market relations and private trading. As this crisis of transition deepened, however, the public debate about agrarian reform became increasingly polarized between defenders of the existing system of state and collective farms and all those who had a vested interest in it, on the one hand, and those who sought the destruction of that system and its replacement by peasant family farms on the Stolypin model, on the other.

However, like the image of NEP held by Gorbachev and his supporters, the image of the Stolypin reforms projected in the course of this debate was excessively simplified. In practical terms, what a policy based on the Stolypin model meant, in fact, was the gradual establishment of a network of individual family farms, based on either leased or privately owned property, and coordinated by a parallel system of private cooperatives. Moreover, ideological inspiration for this program also came from the writings of Aleksandr V. Chaianov, the ideologist of peasant family farming and cooperatives during the NEP, though the Organization-Production School with which he was associated was itself a by-product of the Stolypin experience before the revolution. Despite the relative moderation of their program, these proponents of the Stolypin and/or Chaianov models soon found themselves in a long-protracted debate over the merits of permitting the private ownership of agricultural land, including rights of free disposability—a debate that itself had deep roots in similar discussions preceding the emancipation of the serfs as well as in the decades preceding and following the Stolypin
reforms prior to 1917. Moreover, and notwithstanding Yeltsin’s recent October 1993 decree on private property, the issue remains a matter of bitter contention.29

To be sure, the supporters of individual private farming are highly critical of the existing system. However, they are also quite well aware that the existing system of state and collective farms can not be abolished by a "stroke of the pen," overnight as it were, if only because it provides such a vital portion of the food supply. Nor are they opposed to all forms of collectivism as their opponents seem to imply since, as we have seen, they also support the widespread development of cooperatives to take over many of the functions now fulfilled by the state’s monopolistic systems for marketing and supply. Rather, they can perhaps best be described, like Gorbachev and his former supporters, as proponents of a pluralism of economic forms in agriculture that would permit an entire range, from state and collective farms to individual peasants farms and even the private household plots—on condition only that each independent unit prove its economic viability within an overall market system. Nor do they necessarily support the elimination of all government subsidies, particularly those that go to individual farmers.30

At the same time, opponents of the state and collective farm system, who are not necessarily identical to the supporters of individual peasant farms, have also contributed to polarizing the discussion of reform alternatives by focusing on the question of state subsidies to agriculture and demanding their elimination and hence the elimination, presumably, of all but the most profitable such farms.31 But here, too, there is a significant degree of misrepresentation in that much of what the state and collective farm managers are currently demanding from the state is not simply subsidies but justifiable payments for crops delivered and/or loans to cover the expenditures necessary to permit future plantings and harvesting. Thus, as the managers correctly argue in their defense, the elimination of such "subsidies" would indeed be but a precursor to the collapse of the state and collective farm system and with it, of course, the principal source of agricultural products in Russia. Meanwhile, it is quite inaccurate to portray the supporters of the existing system as necessarily opposed to the development of a parallel private farming sector.32

Thus, at present, all sides to this debate seem to be caught up in a highly moralistic and hence polarized political struggle in which their cries of imminent crisis, far from reflecting objective economic conditions, are rather part of a political struggle to coerce the government to support their respective programs.33 Meanwhile, over the past few years, repeated predictions of crisis have been buried by the reality of a series of relatively good, even "bumper" harvests—which create their own problems in that the existing infrastructure lacks the capacity even to handle an average harvest.34 On the other hand, the mini-crises which have
perpetuated traditional Soviet-style campaign tactics during the sowing and harvesting seasons remain a regular feature of rural life. However, the fact that there is no crisis as yet does not mean that one may not develop in the near future. Meanwhile, were reform to be successful, it would have the paradoxical result of creating an increase in output that is not only unnecessary but which the system is unable to handle. Thus, in order to bring supply and demand into equilibrium, the government would be forced to reduce the number of agricultural producers—the ultimate though largely implicit goal of any successful reform. And while the resources released by such a program could be used to foster Russia’s industrial development, in the short-term the result would only be a further increase in unemployment. Indeed, it is undoubtedly this underlying threat that is responsible for mobilizing many of the often strident opponents of reform. More important, this debate over the supposed merits of legitimizing private property in agricultural land and granting agricultural subsidies has effectively diverted the public discussion away from more fundamental questions about the proper path of agricultural reform.

The Contemporary Program of Agrarian Reform

What then were the principal reform strategies adopted by the Gorbachev and Yeltsin governments and what have been their results? Following hallowed Soviet tradition, the main thrust of the government’s agrarian policy since 1985 has been to create new incentives for rural workers in order to stimulate the desired increase in productivity. At first, this involved creating alternatives to the state and collective farm system by offering up various kinds of individual and group leasing along lines originally proposed by Ivan Khudenko, the highly successful reformer of the late Khrushchev and early Brezhnev years who was eventually rejected by the system as a threat. Having met with little success, first the Soviet and then the Russian government, under the powerful influence of the anti-Stalinist moral imperative, pushed ahead on the path of privatization, attempting to encourage first the creation of individual peasant family farms and then the de-nationalization (razgosudarstvlenie) or juridical privatization of the state and collective farms and their transformation into alternative and private forms of organization such as joint-stock companies, limited liability associations, and real cooperatives as well as individual peasant farms.

Promising as these reforms seemed to be in theoretical terms, not only have they already run their course, they have also come virtually to naught. To date some 269,900 individual farms have been formed in the Russian republic and some two-thirds of the 26,000 state and collective farms have been restructured, primarily as joint stock companies, or secondarily as cooperatives, while the other third have reaffirmed their status as state or collective farms.
Despite these essentially juridical changes, not only have neither productivity nor output increased, they have in fact steadily declined in virtually all sectors of the agricultural economy with the possible exception of grain production. Meanwhile state collections for all products have fallen precipitously. Furthermore, there have been no significant changes in the structure of agricultural production.39

Thus, the so-called Stolypin farmers, turned out in practice to be not the progressive, market-oriented fermerskie khoziaistva that their supporters, like the original supporters of the Stolypin reforms, heralded as "pioneers" in forging a new future for Russia. On the contrary, these so-called pioneers represent but a reversion to peasant-type subsistence-farming that is even less productive than the infamous "private plots." And even though a majority of the state and collective farms have been transformed into non-state-owned enterprises, the whole process of denationalization was largely based on a formalistic understanding of western conceptions of privatization and hence has produced few changes in economic behavior.40 Why is this so? Why have these developments, which seemed so promising to western eyes, proved so singularly unsuccessful?

In part, as always, one might argue that not enough time has elapsed for us to truly determine what the real results of these reforms might be. In part, too, however, as Stephen K. Wegren has argued, the reforms failed largely because the changes being proposed lacked any basis of social support, no matter how "rational" they may seem to western or western-educated Russian economists. And he has elucidated the many factors that contributed to this lack of support.41 Even more significant, however, as I have argued elsewhere, these reforms failed because they were fundamentally misconceived.42 However, it has been difficult for us to see this until now because the propaganda war surrounding the reforms has served to obscure not only the real situation in agriculture, making everyone believe that in the short term the problem was one of output, but also the full nature of the underlying problems bedeviling Russian agriculture and hence what were the most appropriate means to resolve them.

Thus, I would argue, that both forms of "privatization," the individualization of agricultural management and the denationalization of the state and collective farms, have so far proved unsuccessful because those who sponsored the reforms failed to take into account the realities of the Russian economic system within which these different kinds of producer units operated. As a result, despite the many changes that have occurred, such changes have been purely formal, and Russian agriculture has continued to function largely within the confines of the larger economic system consisting of the traditional state monopolies that control the purchase, marketing and supply of agricultural inputs and outputs and that in turn continue to
function on the basis of state orders and state subsidies as if there had been no changes. Meanwhile, true, market-type relations, although they have begun to develop, have effectively been limited to this system’s periphery. Worse, the so-called privatization of both the state and collective farms as well as the "wholesale" level of the marketing and supply infrastructures have only reinforced their monopolistic positions vis-à-vis both individual farmers and the former state and collective farms.43

In this context, it also becomes clear that it was precisely the anti-Stalinist imperative that prevented reformers from fully understanding either the NEP or Stolypin models that they sought to adopt. For in the ideologically polarized environment in which the reformers were operating, they had virtually no choice, it seems, but to focus on the issue of state vs. private ownership or state subsidies vs. a free market. Yet, in neither the Stolypin nor especially the NEP cases was property ownership the central issue. In the case of NEP, the sudden surge in productivity and output which was so appealing to would-be reformers came as a result of the restoration of a market and the huge expansion of both public and private trade and not of the peasants’ transformation into private property owners. On the contrary, not only did the land remain the property of the state, as it had been since 1918, but the peasants themselves conducted their agriculture overwhelmingly according to traditional, pre-revolutionary, even pre-Stolypin practices, based on the three-field system of compulsory crop rotation, and within the traditional peasant commune with its system of periodical land redistribution.44

Insofar as the Stolypin reforms were concerned, meanwhile, there is little evidence that one can cite to support often-heard claims that the increases in productivity and/or output that occurred during the ten years of their operation were due to the introduction of private property ownership or other aspects of the reforms. Rather, what improvements did take place have almost universally been considered to be a result of favorable weather conditions.45 More important, the Stolypin Reforms did not even intend to introduce "private" property in the sense that this term is used in current debates. What, in fact, was being offered was known in the legal parlance of the time as "personal" property and was clearly distinguished from "private" property by the various legal limitations the tsarist government placed on the right of peasants' and non-peasants to buy and sell agricultural land.46 Moreover, although it was intended to grant peasants the right to mortgage their allotment land, and although laws were passed to that effect on two occasions, the ability to mortgage allotment land never became a reality, in large part because of fears that such land would be taken out of peasant hands in the case of foreclosures.47

Despite these caveats, it must also be acknowledged that the Stolypin reforms held real promise for a successful transformation of Russian agriculture, in the long term.48 But here,
too, it was only in part because of the transformation from communal to individual property ownership or, perhaps, more accurately, land-use. For, as was the case with the "successes" of NEP, this promise depended even more on the fact that these changes were taking place within a larger economic environment that had long been operating on the basis of a well-developed capitalist-style market. As A.N. Engelgardt noted on reflecting about his own efforts to introduce private property and individualistic forms of agricultural enterprise into the Russian countryside in the aftermath of the emancipation of the serfs, not only was there no evidence that changes in the forms of ownership necessarily led to transformations in consciousness and hence to new forms of behavior but there was also no reason to believe that the widespread adoption of such new forms was even possible in the face of an overwhelmingly hostile environment that actively supported the traditional system of communal landownership and use.\textsuperscript{49} Such observations, it seems, apply equally to the era in which they were written as they do to the present.\textsuperscript{50}

**Alternative Programs and Prospects for the Future**

Thus, I would argue that the real or primary problem lies neither with the volume of agricultural output in Russia today nor with the existing system of state and collective farms, though they are undoubtedly in need of reform. Nor, I would argue, does the solution lie with a vast program to create individual peasant farms based on private property ownership, for any such program is clearly anachronistic in principle and ultimately absurd in conception since there have long been no real peasants in Russia anyway, while those who do live in the countryside are largely older citizens, a significant majority of whom are women.\textsuperscript{51} Paradoxically, however, the one area of success in Russian agriculture continues to be that of the traditional "private plots" which these rural, as well as urban, residents cultivate in their own free time. Nonetheless, a country’s agricultural system cannot be based on such massively labor-intensive plots, which, in any event, are parasitic of the state and collective farm system, any more than one can expect a countryside with Russia’s demographic characteristics to provide an alternative to the state and collective farm system.\textsuperscript{52} Rather, the real problem lies with the backwardness of the agricultural infrastructure and the ubiquitous waste it creates. Indeed, were output in fact the problem, output could easily be boosted, according to some accounts by as much as fifty per cent, simply by eliminating this waste.\textsuperscript{53} And that could be done without the huge and wrenching disruptions involved in remaking the entire system of agricultural management and production simply by improving the delivery and storage systems. In part, too, the problem lies with monopolistic marketing and supply agencies that today are milking the farmers dry. Here, the solution clearly involves the break-up of these monopolies.
and the creation of either several competing units in a given area or perhaps by encouraging the development of truly producer-owned cooperative organizations.\textsuperscript{54}

And it is precisely here that the anti-Stalinist imperative and the propaganda war over private property ownership and state subsidies have performed their greatest disservice by limiting public discussion and preventing the consideration of two other reform initiatives that seem to offer alternatives to the current stalemate: on the one hand, Aleksandr Rutskoi’s program for privatizing the supply and marketing organizations and modernizing the infrastructure, which was issued in the spring of 1993;\textsuperscript{55} on the other hand, the so-called Nizhnii Novgorod program of breaking-up collective farms into small numbers of autonomous and functionally specialized units, including individual farms, which was developed by the International Finance Corporation division of the World Bank and which Prime Minister Chernomyrdin recently adopted as the model for all future agrarian reform in Russia.\textsuperscript{56} Unfortunately, while Rutskoi and his advisers focused attention in the right arena, insufficient attention was devoted to creating competition so that it would appear that his proposal, while properly seeking to modernize the infrastructure, would only have created new monopolistic monsters.\textsuperscript{57} Moreover, the adoption of the Rutskoi program would be immensely expensive. Thus, given the current bankruptcy of both government and society, and the difficulty of obtaining foreign investment, the time for its realization on any significant scale seems to have passed.

Insofar as the Nizhnii Novgorod model is concerned, this latest candidate for a panacea, too, seems unlikely to have widespread application. To be sure, its successful adoption may well encourage the gradual break-up of state and collective farms, but "gradual" is the operative word given its voluntary nature and the length of time it has taken to achieve the break-up of the three Nizhnii Novgorod farms. More important, such a program will undoubtedly facilitate the destruction of the monopolistic roles of these farms at the local level. As a result, such reforms will not only encourage the formation of competing units but will also create a more competitive market environment for individual farmers as well. In the end, however, this program’s impact will likely also be limited since whatever new units are created will still be forced to operate within the existing monopolistic and quasi-state system of marketing and supply networks not to mention the totally antiquated and inadequate infrastructure. Furthermore, the cost of implementing this reform is also extremely high.\textsuperscript{58}

Thus, the real alternatives would appear to be two. The first is a Leninist-type scenario of "the worse the better" according to which only a complete collapse of the agricultural system will ultimately be able to force the all-important changes in behavior among government officials, farm managers, and farm workers that are ultimately presumed essential.
to a successful reformation of the system. In fact, such a scenario may well be one of the calculations behind current attacks on the state and collective farm system. On the other hand, however, this is a dangerous game since the collapse of that system could equally well reinvigorate the supporters of the statist approach in at least a partial if largely political replay of the transformation from NEP to collectivization—even if in the end the outcome were only to support Marx's dictum that the second time around the result would be not tragedy but farce. The other alternative seems, therefore, to be a more moderate though less appealing policy of "muddling through" that will see only a very slow and gradual shift from a state-dominated agricultural system to one that is made up of the full range of agricultural forms. On the basis of existing evidence, it seems that the latter case will prove the more likely in large part because there does not appear to be any immediate threat of agricultural crisis or collapse. More important, the gradual demise of the anti-Stalinist moral imperative that inspired the movement for reform in the first place seems to have produced a loss of political will at the center that will doubtless encourage such a policy of "muddling-through" and, hence, the "return of the repressed" economic core of the reform program to center stage. Indeed, to some extent, just such a moderate "consensus" has already begun to emerge.

What such an eventuality portends for the larger program of economic reform and development as well as the entire process of social, economic, and political transition, however, is unclear. In the short term, it may in fact be a blessing since the labor that must eventually be released by a successful reform of agriculture currently has no place to go and cannot be effectively used at a time when the industrial economy must also face large-scale layoffs to improve its productivity. Thus, as was assumed in the Stolypin case, a gradual reform that retains a good portion of the labor in the countryside may well be a prerequisite for the preservation of political stability during this complex transition. On the other hand, such a gradual process of agrarian reform, whether it results in a genuine agricultural crisis and a breakdown in the food supply system or simply serves as a continuing brake on Russia's hopes for industrial development, by helping preserve a reservoir of conservatism in the countryside, could ultimately undermine both economic and political reform and hence the entire transition. Thus the dilemma of agrarian reform facing Russia's policy makers today remains the same as it has over the past two centuries or so—how to balance the country's need for political stability with the demand for economic development.
ENDNOTES

1 Some of the work preparatory to this paper was supported by a grant from the National Council for Soviet and East European Research. I would like to thank Don Van Atta for encouraging me to develop my ideas on this topic and also for contributing to their refinement, as well as Lars Lih, Ron Liebowitz and George Bellerose for comments on an earlier version.


11 Macey, *Government and Peasant*, p. 5. The term is used by V. Gerb'e, *Vtoroe raskreposhchenie, 19 fevralia 1861-14 iiunia 1910: obshchaia prenilia po ukazu 9 noiabria 1906 g. v gosudarstvennoi dume i v gosudarstvennom sovet* (Moscow, 1911).

12 Macey, *Government and Peasant*, chapter 7 and passim, and especially p. 106.


24 See the discussion Stolypin’s resurgence in David A.J. Macey, "Stolypin is Risen! The Ideology of Agrarian Reform in Contemporary Russia" in Van Atta, The "Farmer Threat," pp. 97-120.


33 On "food blackmail" see Nikolai Podlipskii, "Agrarians Manage to Get Everything They Wanted," *Kommersant-Daily*, Feb. 24, 1994, p. 3 in BEN; and f.n. 31 above.

34 See interview with Mikhail Lapshin, leader of Agrarian Party, by in Konovalov, "Mikhail Lapshin: We Want to be an Autonomous Force, p. 4.


Meanwhile, the government is apparently proposing to eliminate imports for 1994 relying on leftovers from the 1993 harvest to make up the difference. Faina Osmanova, "For the First Time Without Imports?" Nezavisimaiia Gazeta, No. 46 (Mar. 11, 1994), p. 1 in BEN. See also, Andrei Shmarov et al., "Moderate Inflation Rate to Last Until February," Kommersant, No. 48 (Dec. 6, 1993), p. 23 in BEN which charges falsification of statistics and an excess in the supply of grain over the demand. An open conflict also broke out between Zaveriukha, who keeps talking of ending imports, and Khlystun who disagrees: Konovalov, We Aren't Threatened," p. 2; and Aleksandr Gavriluk, "Having Cut Down on Imports, We'll Be Eating Our Own," Rossiiskaia Gazeta, No. 221, Dec. 3, 1993, p. 1 in BEN. This position was reiterated several times this spring and summer, see "Self-Sufficiency in Grain?" RFE/RL Daily Report, May 9, 1994; Interfax Food and Agriculture Report, June 3-10, p. 6 in RUSAG, June 20, 1994. Apparently, Russia's consumption of grain is declining considerably: Interfax Food and Agriculture report, June 17-24, p. 3 in RUSAG, July 1, 1994.


37 See Alexander Yanov, The Drama of the Soviet 1960s: A Lost Reform (Berkeley: Institute of International Studies, University of California, 1984). Gorbachev himself is associated with another experimental and successful form of work unit for harvesting, known as the Ipatovskii method, in Stavropol' that was also abandoned: Medvedev, Gorbachev, especially, pp. 81-7, 100-1.


42 Macey, "Is Agrarian Privatization the Right Path?"


46 Macey, *Government and Peasant*, passim.


50 See, for example, Brooks and Lerman, pp. 59ff.


55 Rutskoi, *Agrarnaia Reforma v Rossii*; and interview with Minister of Agriculture, Viktor Khlystun in Konovalov, "We Aren't Threatened with a Food Crisis," where he calls for precisely such infrastructural reforms; also "Alexander Zaveriukha: 'Peasantry is a Mainstay of the State.'" Cf. Wegren, "Yeltsin's Decree," p. 178. Also see Shchurov, "Goodbye Canadian Grain"; Radugin, "Transition to Market"; Wegren, "Rural Reform in Russia," p. 43.


58 Wegren, "Farm Privatization," pp. 25-27. See, too, Shishov, "Nizhegorodtsy deliatsia opytom," where infrastructural reforms are seen as a necessary prerequisite.


