

Market Transformations in the 1990s in the Russian Village

Olga Verbitskaya

Institute of Russian History, Russian Academy of Sciences, Moscow, Russia

e-mail: rossia20vek-iriran@mail.ru

Received January 20, 2022; revised March 15, 2022; accepted March 15, 2022

Abstract—This article examines the agrarian reform of the 1990s in Russia. It is noted that its first version was developed by domestic agricultural scientists and was designed for the phased implementation of transformations for a period of at least 10 years. However, later, under pressure from Western experts, this project underwent significant adjustments, in accordance with which the market reform in the agrarian sector was carried out more radically and at a faster pace. It is shown that the main methods of market transformations in the countryside were price liberalization, denationalization and privatization of land, distribution of land shares to farmers, creation of a farmer's way of life, disaggregation of former collective agricultural enterprises, their transfer to market forms of work, etc. The author believes that basically these transformations in the countryside were carried out formally and did not achieve their true goal. The reformers' hopes for the economic success of farms also turned out to be untenable, since their real number was extremely small, and their actual role in agricultural production was scanty. More than half of all products of the agricultural sector were produced by subsidiary farms, which were significantly replenished by the peasants who lost their jobs. At the end of the article, it was concluded that the agrarian reform, conceived with the aim of significantly increasing the efficiency of agriculture, did not justify the hopes: the tasks set were not fulfilled, and it only actually ruined agriculture. Over the 10 years of market transformations, the area under crops has significantly decreased, the number of livestock has decreased, production has fallen by more than 50%, and the level of labor mechanization has decreased by about 33%. As a result of the market transformations in the 1990s, the agricultural industry of Russia in terms of its main indicators was thrown back 30–40 years.

Keywords: Russian village, market reforms, price liberalization, denationalization and privatization of land, creation of a farmer's way of life

DOI: 10.1134/S101933162209012X

The last decade of the twentieth century witnessed many high-profile events in Russia: The State Committee on a State of Emergency (SCSE) and the August Putsch of 1991, the collapse of the Soviet Union, the war in Chechnya, rampant crime, default, severe inflation, etc. It is no coincidence that this period was ingrained in the memory of Russians as the “wild nineties,” but even against such a turbulent background, the country was rapidly and irrevocably changing. In the 1990s, radical reforms were carried out aimed at the transition from a socialist planned economy to the formation of market relations, including in the agrarian sector.

On the eve of market reforms, 38.7 million people lived in rural areas of Russia, or just over 27% of the total population of the country (145.2 million, in 2002).¹ The system of its agricultural production included 12 500 collective farms (without fishing) with 4 million workers and 12 900 state farms, in which

another 5.6 million people worked on a permanent basis. In other words, over 25 000 large collective enterprises functioned in the agricultural sector, which produced almost 75% of the total agricultural output; and another 25% supplied the individual sector of subsistence farms of the population (1990).² Nevertheless, the country's population experienced an acute food shortage, which confirmed the overall low economic efficiency of collective farm and state farm production, although quite adequate funds were already allocated from the budget for its development. For example, from 1965 to 1990 the total volume of state investments in the agricultural sector increased 6 times; the main production assets and capacities of the tractor fleet, 5 times; and the average capital-labor ratio of industry workers also increased. At the same time, the real increase in agricultural products in physical terms was just 35–45%.³ In other words, the economic return from the activities of agricultural

¹ Summary results of the 2002 All-Russian population census. Results of the 2002 All-Russian population census. Official publication. Vol. 14 (consolidated). M., 2005, pp. 10, 376.

² Russian Statistical Yearbook, 2000. Stat. Coll. M., 2000. P. 362.

³ The national economy of the RSFSR in 1990 Stat. yearbook, 1991. P. 200.

enterprises, in the form of additional food production, did not correspond to the financial and material resources received from the state.

Already at the end of Soviet power, in July 1990, at the XXVIII Congress of the CPSU, it was recognized that the main reason for the food problem in the Soviet Union was the mistakes and miscalculations made in the state agrarian policy, which led to the overall low efficiency of agriculture. However, the leadership of the country, including the CPSU, placed all the responsibility for the failures and shortcomings in their work on local authorities, and even directly on collective farms and state farms.⁴ And this practice bore the corresponding results. The established tradition of the authorities ignoring their own mistakes over time led to the formation in Soviet society of a deeply unfair attitude towards the peasantry and the countryside as a whole and the perception of the agrarian sector as a second-rate industry, quite deservedly placed on the periphery of national interests.

In the early 1990s, the main vector of state policy changed dramatically towards market reforms, including in the internal structure of the country. General Secretary of the Central Committee of the CPSU M.S. Gorbachev set before agricultural specialists from the Russian Academy of Agricultural Sciences the difficult task of providing scientific support for land and agrarian reform in order to form an economically, socially, and environmentally efficient agriculture sector.⁵ Despite the fact that the agrarian reform did not have a special ideological platform, nevertheless, Russian scientists quite correctly formulated its general scientific concept, which reflected the need to change the agrarian course, as well as the main goals of the upcoming radical transformation of rural Russia. The primary attention was focused on finding the most rational ways of transition from a planned economy to a market economy in order to make it as painless as possible for the economy and the population. Specifically, the leading representatives of agricultural science, headed by Academician of the USSR Academy of Sciences A.A. Nikonov, worked on this. At that time, by their own admission, they still knew very little about the real development of property relations in agriculture, since they spent a lot of time criticizing the current agrarian policy of the CPSU, and not developing constructive proposals for overcoming the crisis.⁶

⁴ Materials of the XXVIII Congress of the CPSU (July 1990). M., 1990. P. 192.

⁵ Nikonov Readings-2000. Market transformation of agriculture: ten years of experience and prospects. M., 2000, pp. 4–5.

⁶ Petrikov A.V. Actual problems of the agrarian development of Russia and modern agrarian and economic research // Nikonov Readings - 1999. Agrarian economic science at the turn of the century: methodology, traditions, and development prospects. M., 1999. P. 6.

The developed concept of agrarian reform for the period of transition to a market economy included the following areas: (1) gradual reorganization of collective farms and state farms as institutions of the administrative-command system in the country; (2) denationalization of land ownership; privatization of collective and state farm lands and other means of production as indispensable conditions for the transition to private land use; (3) carrying out institutional reforms, including the creation of a new rural way of life: farms; and (4) in the social area, strengthening the social and economic activity of agricultural workers as the main prerequisite for reviving in them the former feeling of the owner of the land, etc.⁷ Thus, the agrarian reform was originally conceived as a set of successive market transformations in the land, economic, and social spheres of the village.

The concept of agrarian reforms in the open press did not receive proper coverage, except perhaps for newspapers addressed directly to the villager.⁸ As a result, the general public throughout the country did not have the opportunity to get acquainted with the digital data and materials necessary in such cases. Moreover, important work such as an explanation of the goals and objectives of agrarian reforms, as well as their prospects for the village, was not even carried out with the villagers.

The most important provisions of the future agrarian reform received appropriate legal consolidation in the laws of the RSFSR and the USSR adopted in the autumn of 1990 (“On land reform,” “On property,” “On peasant (farm) enterprise”), etc., as well as decisions of the Supreme Council and congresses of people’s deputies.⁹ They reflected all the most innovative measures of that time: the introduction of private ownership of land; reorganization, i.e., dismantling of collective farms and state farms, denationalization and subsequent privatization of land, etc. In other words, the new legislative base for market reforms in agriculture was created based on the theoretical developments of scientists. Of particular value was the conclusion of scientists about the importance of observing the principle of gradualness and phases when entering the market. Unlike the laws adopted under Gorbachev, the new laws completely ruled out the possibility of the simultaneous coexistence of socialism and the market. And this brought the final line under the unrealistic hopes of the perestroika leadership of the Soviet Union on the possibility of reforming the so-called regulated type of socialist economy. Moreover, the scholars assessed the radical transition to market relations in the agrarian sector not as a one-time process but requiring a slow and consistent implementa-

⁷ Petrikov A.V. Ibid. P. 15.

⁸ The Selskaya Zhizn, Krestyanskiye Vedomosti, Rossiyskaya Gazeta newspapers (in the beginning of the 1990s).

⁹ Agrarian legislation of the Russian Federation. Coll. of norm. and legal acts and documents. M., 1999, pp. 15–35.

tion. At the same time, they proceeded from the fact that the full implementation of the agrarian reform would require 5–10, or even 20 years. Only over such a long period, in their opinion, would it be possible to dismantle the Soviet collective-farm system and form the necessary market institutions with the minimal pain for the economy and the population. And although the agrarian reform in Russia was historically late, Academician A.A. Nikonov noted that not every delay can be corrected by haste.¹⁰

Taking into account the fact that the agrarian sector had remained the weakest link in the Soviet economy for too long, it was decided to start market transformations from it. Moreover, by the beginning of the 1990s, the food situation in the country had deteriorated to such an extent that there was no longer enough bread. The population, tired of the food difficulties, at the same time clearly realized that the collective farms and state farms simply could not work differently. Under these conditions, the most radical measures were required to replace them with market mechanisms capable of ending the food problem forever. It was also clear that such a replacement would require an extremely difficult transition from the socialist foundations to a market economy.

Researcher G.S. Shirokalova, citing World Bank documents, argues that the full Russian version of the report on reforming the economy also was not openly discussed, mainly because it was “too frank” for this, since it contained a number of measures that were extremely unpopular with the population. Yet, the developed options and the concept of Russian reforms, including in agriculture, were naturally discussed a lot among specialists. Western experts also actively participated in these discussions, striving in every possible way to influence the formulation of the main principles of the upcoming reforms, insisting on their greater radicalism. The World Bank, for example, generally proposed for the period of reforms to “allow massive deindustrialization” of the country, obviously, dreaming of turning Russia into a “gas station country,” a secondary supplier of raw materials and energy to the world market. In general, the IMF and the World Bank clearly showed heightened interest not so much in the policy of Russian reforms, but in Russian energy resources and agriculture.¹¹

In December 1991, a change of power took place in Russia. The new government was headed by E. Gaidar (as acting Chairman, the chairman was Boris Yeltsin); also included G. Burbulis, A. Chubais, and others, mostly “marketers.” All of them proceeded solely from

the idea of the need for a rapid market transformation; the role of the market was overestimated and absolutized by them. In it, they saw a kind of panacea that could quickly and without any problems save the country from food and commodity shortages.¹² They were clearly impressed by the recommendations of their American partners, who insisted on urgent measures and the “emergency” privatization of state-owned enterprises. Western analysts, as can be seen from the archival documents, agreed that the reform of the Russian economy must necessarily include severe restrictions (reforms), up to “shock therapy.”¹³

American experts, who had closely observed the perestroika in the Soviet Union, understood that accelerated democratization would sooner or later lead to the collapse of the Soviet system, so they suggested that Russian politicians use the already existing world experience, supplementing it with the features of including the agriculture of the former socialist countries in the sphere of the European Union. In the Russian archive of the State Archives of the Russian Federation, in particular, interesting materials have been deposited, reflecting the attempts of foreign partners to influence the final project of agrarian reforms in post-Soviet Russia. They even developed a specific plan of action in the event of a real transition of the Soviet economy to a market economy, as well as several options for the “optimal” passage of its transition period, including the example of the Federal State of Brandenburg (former GDR), where reforms were carried out in 1990.¹⁴

Russian sociologists, observing the changes taking place in the supreme power of the Russian Federation, understood that a new approach to reforms was ripening there, threatening to become an ineffective imitation according to the principle: “do as the Germans do,” or the Americans, while completely ignoring the objective possibilities and patterns inherent in Russian civilization.¹⁵ It was clear that this could lead to significant changes in the concept of future agrarian reforms developed by scientists. As for the government of the new Russia, which was strongly impressed by the harsh demands of the West, it was frightened by the real possibility of being denied much-needed loans for the purchase of food abroad, and therefore listened to them especially carefully. As a result, contrary to the original version of Russian scientists, the Russian leadership nevertheless agreed to the proposal of the West: to act swiftly, by “jump” and “shock therapy” method. The situation in Russia, which had just survived the August putsch of 1991, became even more complicated: rapidly, literally before our eyes, the

¹⁰Nikonov A.A. Spiral of a centuries-old drama: agrarian science and politics in Russia (XVIII–XX centuries). M., 1995. P. 548; State Archive of the Russian Federation (SARF). F. 10026. I. 5. C. 626. P. 63.

¹¹Shirokalova G.S. Agrarian reform in the Nizhny Novgorod region: causes, goals, mechanisms // Peasant Studies. Theory. History. Modernity. Yearbook. 1997. M., 1997. P. 255.

¹²Petrikov A.V. Agrarian reform and directions of economic research in Russia // Nikonov Readings, 2000 Pp. 4–5.

¹³SARF. F. 10026. D. 5. V. 626, pp. 1–9, 10–34, and others.

¹⁴SARF. F. 10026. D. 4. V. 1795, pp. 32–33.

¹⁵Reform in Russia: Myths and reality (1989–1994). M., 1994, pp. 1, 10–56.

economy was falling apart and the food situation was becoming dire. In general, the real situation in the late autumn of 1991 did not favor the start of market reforms, especially since, according to politicians of that time, the prospect of a famine in Russia was looming, there was a heavy dependence on imported food, purchased by the rapidly depleting gold and foreign exchange reserves of Russia. Only the import of food from abroad could save the country from impending famine; after all, judging by the reports, food in most regions remained for just 2–3 days. Food arriving by trains to Moscow, St. Petersburg, and other cities immediately went on sale, and grain was sent directly from the trains to bakeries.¹⁶

Public sentiment in Russia was increasingly inclined in favor of quick and decisive measures, and many citizens were greatly disappointed with the position of Academician L.I. Abalkin, who urged the government not to rush into reforms, as a successful transition to a market economy in Russia would still take at least 15 very difficult years.¹⁷ As for the power structures, in the new conditions, not without reason, they were afraid to act in a measured way, to slowly and gradually transfer to a market economy. They feared an economic catastrophe that, together with such reforms, could sweep away the reformers themselves. There was no time for measured and gradual reforms under the control of the state, and the main disadvantage seemed to be just the forecast of their excessively long implementation.¹⁸ The real situation forced us to immediately start reforms, carrying them out at a rapid pace.

At the end of October 1991, Yeltsin spoke at the 5th Congress of People's Deputies of the RSFSR, proposing a program of market reforms and his speech was written by Gaidar. The speech was dominated by political statements regarding the need to rid the country of the communist past as soon as possible, while the specific issues of implementing reforms were not given the attention they deserved. It was especially striking that the change in the agrarian system in this speech was not linked with a specific economic mechanism capable of imparting much higher rates of agricultural development than that of collective farms and state farms. However, this was the main issue of all market transformations, for the sake of which they were conceived. However, in this presentation, without disclosing the mechanisms capable of providing significantly more efficient agricultural production compared to the Soviet period, this plan looked too simplified and schematic.¹⁹

¹⁶The Yeltsin era: essays on political history. 2nd ed. M., 2011. P. 191; SARF. F. 10128. D. 1. V. 348. P. 2.

¹⁷Pikhoya R.G., Zhuravlev S.N., and Sokolov A.K. History of modern Russia. Decade of liberal reforms. 1991–1999 M., 2011. P. 27.

¹⁸The Yeltsin era: essays on political history. P. 192.

¹⁹Reforms in Russia in the 2000s: From Legislation to Practice. M., 2016. P. 89.

Agrarian reform in Russia officially started in December 1991, entirely in accordance with the project of the main Russian “marketeters” (liberals E. Gaidar and A. Chubais). From the Decree of President B. Yeltsin “On urgent measures to implement land reform in the RSFSR” (dated December 27, 1991), it followed that the country's leadership had abandoned the first version of agrarian reforms developed by Russian scientists. Since the situation in the country required immediately rescuing people from the impending famine, the Russian leadership gave preference to the urgent recommendations of Western experts.

The original scenario of reforms, with its balanced and scientifically based approach, was recognized to be inadequate for the existing crisis situation in the country and was rejected. The Decree of the President included a list of the primary tasks of the land reform, whose solution had to be started immediately. The system of planned actions proceeded from a different program, much tougher than the previous one, for the accelerated construction of market relations in the agrarian sector. It is important that the Decree was no longer about agrarian reforms, but specifically about land reform, which was seen as the initial stage of the general process of radical changes in agriculture. The main idea of the Decree proceeded from the need for the speedy elimination of the collective-farm and state-farm system and the market restructuring of the system of organizing agriculture. To do this, first of all, it was planned to end the state monopoly on land and denationalize it by transferring it into private hands (privatization); and after that, to transform the former collective farms into market structures in accordance with the Law “On Enterprises and Entrepreneurial Activity.” It was clear that all this meant the actual dissolution of collective farms and state farms, since the Decree dealt with the forthcoming free distribution of their land: the main means of production. This was to form the basic prerequisites for the implementation of institutional changes: the organization of farms; and also by uniting agrarians into groups, creating renewed agricultural enterprises that had switched to a form of private ownership (i.e., cooperative, joint-stock companies, etc.). In other words, the redistribution of the land fund from state ownership into the private hands of citizens opened the way for the formation of a multiform structure in the agrarian economy. This was one of the main ideas of land reform in the Decree of the President, aimed at an accelerated transition to free peasant farms, and then to the formation of free market agriculture.²⁰

There was considerable surprise, not limited to rural residents, caused by the unusually short terms appointed by the President for the implementation of a whole range of such serious transformations (market reorganization of collective farms and state farms by

²⁰Agrarian legislation of the Russian Federation, pp. 290–292.

transferring them to a private form of ownership, land privatization, distribution of land shares, etc.), apart from other smaller but urgent reform measures. Moreover, Yeltsin allotted only two months for all this (until March 1, 1992). Admittedly, shortly after the publication of the Decree, a document of the Council of Ministers of the Russian Federation “On the procedure for the reorganization of collective farms and state farms” (dated December 29, 1991), in which this period was extended for another 10 months, until January 1, 1993, was received by the local authorities.²¹

In practice, the dismantling of the collective-state-farm system took place as a simple fragmentation of the former collective farms; i.e., based on one large agricultural producer of the Soviet type, as a rule, about a dozen small ones arose, including various joint-stock companies, partnerships, agricultural cooperatives, etc., as well as farms. Contrary to the expected rapid reorganization and liquidation of collective farms, everything went relatively calmly: acts were simply drawn up on the reregistration of farms into AO (joint-stock farms) or TOO (limited liability partnerships), etc.²²

The implementation of these transformations was entrusted to representatives of the local agrarian nomenklatura, who did not have any special instructions in their hands, so in their actions they were guided only by their own ideas. The much-needed instructions nevertheless arrived in the village, but only after 9 months, during which everything had already been somehow carried out on the ground. The “Regulations on the reorganization of collective farms and state farms, and the privatization of state agricultural enterprises,” approved by the Government of the Russian Federation on August 4, 1992, was such a document, although there had been an urgent need for it at the beginning of the year. This embarrassment with the “Regulations,” which arrived at the local level with a severe delay, is convincing evidence of the general unpreparedness of the authorities themselves, which hastened to announce the start of forced reforms in the countryside. At the same time, it was unable to provide even the basic conditions for their implementation on time. Is this not an example of the attitude towards reform? However, this document, which arrived in the countryside with a colossal delay, actually contained the necessary and detailed explanations of the procedure for reorganizing collective farms and state farms, distributing land shares to agrarians, etc.²³

Nevertheless, according to the available data, in the course of market reforms, almost 12 million former

collective farmers and workers of state farms in Russia received ownership not only of the share of collective and state farm property intended for them but also a land share. This created conditions for farmers to independently choose the best way for them to dispose of the means of production they received, primarily land: (1) use it when organizing a farm or other private enterprise on the land; (2) to expand, by using the share received, the land plot in his subsidiary plot; (3) transfer the received land as an entrance fee to a cooperative, joint-stock company, etc., an enterprise created on the site of a former collective farm, and thereby become its shareholder²⁴.

The state rather strictly followed the use of land plots, carefully considering the ways of their rational use. Thus, in 1990, at the 2nd (extraordinary) Congress of People’s Deputies, in order to prevent the squandering of agricultural land by speculators and persons who had nothing to do with their productive use, specifically introduced a 10-year moratorium on its sale. This meant that the right to private ownership of land temporarily became limited, extending only to land plots intended for agricultural production (farmers, owners of household plots, summer residents, etc.). Subsequently, this right was also extended to farmers who received land shares in their ownership, which also could not be alienated, sold, or donated for 10 years. The share received could be sold only in two cases: upon retirement or upon receipt of it as an inheritance. Together with this, at the end of 1991 in Russia, as in many countries, mandatory payments for land were introduced (tax, rent, price of land in the event of its purchase and sale).²⁵

A study of the events of that time in the countryside shows that the implementation of the land reform of the 1990s became increasingly formal. Of course, this was largely predetermined by the given extreme terms of the agrarian reform. It is not surprising, for example, that the reorganization of former collective farms into joint-stock companies, etc., was almost completely carried out in a hurry and as a simple drawing up of formal acts on the transfer of land and property funds, mainly to a collective-share form of ownership. Most of the requirements of the land reform were also carried out “for show,” which, of course, accelerated the reorganization, but did not benefit the actual formation of market relations. In the rush to reform, many legal violations were allowed, which is how, according to the available data, almost 80% of the total number of agricultural enterprises in the country were reformed in a predominantly formal way, practically without any changes in them.²⁶ Even in some suppos-

²¹Agrarian legislation of the Russian Federation, pp. 290–292.

²²Rogalina N.L. Power and agrarian reforms in Russia of the XX century. Training manual. M., 2010. P. 196; Vasiliev Yu.A. Where is Russia headed? Living conditions of rural society: what will take root on Russian soil? M., 1993. P. 142.

²³Agrarian legislation of the Russian Federation ..., pp. 334–337.

²⁴Nikonov Readings, 2002. Power, business, and the peasantry: mechanisms for effective interaction. M., 2002. P. 289; Rogalina N.L. Decree. I. P. 196.

²⁵Agrarian legislation of the Russian Federation, pp. 203–205.

²⁶Agrarian economics and politics: history and modernity. M., 1996. P. 122.

edly modernized organizations, the company's charter was not discussed, and even if it was discussed, it was not always the case, and not necessarily at a general meeting of the workforce. The key event of the reregistration was considered the fact of changing the seal and sign. As a result, it turned out that the transition from the status of a collective farm to a joint-stock company seemed to have taken place, however, the procedures and processes in it remained the same. However, the district authorities, as the newspapers wrote, managed to "kill two birds with one stone" in one fell swoop: to report the reforms had been implemented comprehensively, although the villagers continued to work as they had before on their farms.²⁷

There was considerable formalism in the transfer of land: although those who wanted to become farmers, at least, were given their land "in kind," then the majority of other owners did not even know where their land parcels were located. They had to be content with "virtual" plots, i.e., not the land itself, but the paper issued for it. However, equity holders had to wait for it for years, and only 70% of land share owners received this document.²⁸

The authorities harshly criticized the formal nature of the agrarian reforms: for example, in the decision of the Government of the Russian Federation "On the course and development of agrarian reform in the Russian Federation" (March 1992), it was noted that in a number of regions market reform, including land privatization, was not taking place satisfactorily and that the work was carried out poorly, often acquiring a purely formal character. In order to stimulate reforms and give them an appropriate pace, two ministries (the Ministry of Finance of the Russian Federation and the Ministry of Agriculture of the Russian Federation) ordered the government to develop appropriate measures to support agricultural producers through concessional lending. The very appearance of such a resolution actually confirmed that the leadership was also aware of the widespread formalism of the transformations. While the Decree of the President and the decisions of the Government of Russia (both at the end of December 1991), literally riddled with intolerance towards collective farms and state farms, demanded their urgent dissolution, this document had a much more restrained tone. The resolution recognized the mistakes made, in particular, excessive enthusiasm for the destruction of successfully operating collective farms and the squandering of their material and technical base in the course of privatization. After all, this actually threatened the country with an imbalance in the domestic food market.²⁹

However, apparently, the main reason for the change in the assessment of events was the dissatisfac-

tion and indignation of the workforce with the harsh and inefficient reforms. This required the country's leadership to adjust the tactics of the reform, bringing it into line with the real situation in the countryside. Suffice it to note that the reorganization led to a significant increase in the total number of unprofitable farms: before the start of reforms, in 1990, they were less than 10%, in 1995 among large and medium-sized agricultural enterprises that underwent transformation, this figure rose to 55%, and by 1997, to 78%.³⁰ In the conditions of the unceasing decline in agricultural production, it was clear that it was necessary, at least for a while, to preserve that part of the old collective farms that were still afloat and carried out their production profitably.³¹

The harsh Russian reality made its own adjustments to the real market renewal. Many of the surviving collective farms and state farms, not succumbing to radical reorganization according to the reformist scenario, continued to slowly decline for a long time. At the same time, there were quite a few completely different examples when the peasants and even the local authorities did not at all strive, headlong, to destroy the collective farms and state farms, destroying them "to the stage of ruins," but only pushed them back, just enough to accommodate the emerging market structures. In addition, both of these systems often subsequently coexisted peacefully. Among the many cases in Russia, the Lotoshinsky district of Moscow oblast stood out, where in 1994, several fairly successful collective farms (Kirov state farm, the Zavety Ilyich collective farm, etc.) still existed in 1994. They not only continued to develop production but also, in the spirit of the time, successfully conducted trading and purchasing activities, opened their stores, and in addition to their own products, also sold the goods of neighboring farms. Many of the profitable kolkhozes and sovkhoses of this region "went into the market" in their own way, in an organized way, and, which is typical, with the approval of the entire collective. The same farms that suffered losses all the time had a different fate, even though they were in no hurry to enter the market. Therefore, prosperity was still very far from being achieved in the agricultural sector.³²

The lands of large and medium-sized agricultural enterprises during the reforms, as a rule, became the property of labor collectives. At the same time, lands that were previously in the use of collective farms and state farms, which were now redistributed among individual agricultural producers, were being denationalized. Thus, the total area of all agricultural land in the Russian Federation in 1995 was about 210 million hectares, of which 10.4 million hectares had been

²⁷ Peasant news. 1992. No. 41 (October).

²⁸ Agrarian economics and politics: history and modernity. P. 122.

²⁹ Agrarian legislation of the Russian Federation, pp. 293–294.

³⁰ Agriculture in Russia. Coll. stat. M., 2000. P. 29.

³¹ Zyryanov A.F. Farming: history, contradictions, actual problems of formation. Krasnodar, 1994. P. 78.

³² Zyryanov A.F. Op. cit., pp. 77–78.

transferred to peasant (farmer) farms. During the same time, the area of private farmsteads of farmers (PSP) almost doubled (from 2.9 million to 5.3 million hectares). On average, in Russia, each rural family received approximately two land shares in the course of privatization (according to the number of employees). The results of the disposal of the received land were as follows: a relatively small part of the rural residents invested it in the created farms; many more of them preferred to use them to expand the land under their vegetable gardens and orchards, which, in fact, formed the base of their subsidiary plots.³³

Since the market reform of collective farms of the Soviet type took place, as an actual fragmentation of large-scale production, three years after the start of the land reform, a completely different economic situation arose in the agrarian sector. Its distinguishing feature was the multiple growth in the total number of economic entities, the most important production indicators, which were the number of employees, the level of material and technical equipment of farms, primarily land and material and technical resources, etc., had significantly decreased during the transformation. Indeed, instead of 25 000 collective farms and state farms that previously (in 1990) functioned in the RSFSR, by 1995 there were already 26 874 large and medium-sized agricultural enterprises of various organizational and legal forms, including 5 500 surviving collective farms and 2 100 state farms, as well as 2 400 agricultural production cooperatives. In addition there were 270 000 already registered farms, and most importantly, 13–14 million semisubsistence consumer-type peasant farms (LPSs).³⁴

Nevertheless, a quick transition to the market in agriculture did not work out, and the Russian leadership, apparently, did not have any fallback option in the event of such a development of events. And this testified to the fact that market transformations in the agrarian sector were carried out without the proper analysis and study of realities, while actually ignoring the scientific recommendations that were discarded in favor of the Western version of reforms. For this reason, the leadership of Russia was forced to literally improvise, acting by trial and error, depending on the situation. The rejection of the principles of consistency and stage-by-stage transformation proposed by Russian scientists in the implementation of agrarian reform, as well as the demand imposed by the West to force events, actually led only to a general formalization of the reforms.

The government, seeking to at least partially improve the situation in agriculture, made new deci-

sions in order to increase its efficiency. Many resolutions were developed and adopted, containing quite constructive proposals: “On urgent measures for state support of agricultural production in 1995” (July 1995); “On the critical situation in the agro-industrial complex of the Russian Federation” (February 1997); etc. The Federal Target Program for the Stabilization and Development of Agro-Industrial Production in the Russian Federation for 1996–2000 was also developed. However, due to the constant lack or even complete lack of financial support and material base, as well as due to control over the execution of the decisions made, these decisions were not implemented.³⁵

Around 1994, it finally became clear in the countryside that the market reforms had not brought the expected results, and had only further ruined the agriculture sector. The most severe consequence of unsuccessful reforms was the growing degradation of the productive forces and the entire agricultural production, including the reduction in the actually used land areas that did not stop from year-to-year. In the second half of the 1990s, the total reduction in cultivated land areas tripled compared with the previous period of 1992–1994. The most actively exploited sown areas were reduced especially quickly, by 25% immediately, from 117.7 to 88.3 million hectares (during the 1990s). It is important to emphasize something else: by the mid-1990s, a huge part, with an area of 20.8 million hectares, had already been finally classified as “other” land,³⁶ i.e., abandoned and unused, although in the preceding years the land had been actively exploited.

This was an alarming signal, because, as we know, it is the sown area that is the base for the development of the agricultural sector. The accelerated reduction of cultivated land was inevitably provoked by the consequences of an excessively radical breakdown, during which small economic entities actually replaced the large Soviet-type collective farms that previously dominated the countryside. And the new owners, quite predictably, were not able to develop all the land they inherited, because there was not enough equipment (tractors, combines, mowers, seeders, cultivators, etc.) for processing it. The overall technical support of agricultural enterprises (AEs) was rapidly declining: in 1990, there were 10.6 tractors per 1000 hectares of arable land in Russia on average, and in 1997, 8.7. Because of this, the production load on equipment increased significantly: from 95 hectares of arable land to 115 hectares, respectively (based on each tractor during this time),³⁷ which sharply increased its physical wear and tear.

In other words, the first stage of the agrarian reform of the 1990s was marked by tangible economic

³³Agrarian legislation of the Russian Federation. P. 243; SARF. F. 10100. D. 4.

³⁴Calculated by the Ministry of Agriculture of the Russian Federation. Agro-industrial complex of Russia. Stat. coll. M., 2001. P. 13; Russian Statistical Yearbook, 1994. Stat. coll. M., 1994. P. 346; Agriculture in Russia. Stat. coll. M., 1998. P. 85.

³⁵Agrarian legislation of the Russian Federation, pp. 376–378; 397–404; 514–516, and others.

³⁶Agriculture in Russia. 2000, pp. 52, 53; Agriculture in Russia. Stat. coll. M., 1998. P. 85 and others.

³⁷Agriculture in Russia. 1998, pp. 39, 41.

losses in agriculture. There is no doubt that the main reason was the course taken by the government for the accelerated dismantling of the inefficient Soviet system of organizing agriculture. As a result, there was an even greater reduction in production in large farms, not only in collective farms and state farms but also in the reorganized agricultural enterprises, and this was followed by an economic recession. The process was further intensified by the “unfair privatization” of public collective farm and state farm property, which often took place as a disorderly and primitive “grab” for powerful and modern equipment. After it, agricultural production quickly turned into a technically backward and poorly mechanized industry, with a general lack of financial resources for small farms. This did not allow them to even partially replenish the lack of equipment, not to mention renovate it.

However, the process of land becoming unusable was provoked not only by the lack of necessary agricultural equipment but also by the cessation of land reclamation work. It should be noted that even the lands that became the property of farmers through privatization were far from being fully exploited. There was excessive dependence on the labor potential of families; the majority of pensioners, due to their advanced age, as a rule, were physically unable to cultivate all their land plots. In the second half of the 1990s, the situation in the agrarian sector became so critical that demands were made throughout the country for the need to change the strategic course of the reforms. Undoubtedly, its legal framework was far from perfect and contradictory, and in many respects did not take into account Russian realities. However, the most negative results of the agrarian reform followed after the implementation of Western recommendations: on its significant acceleration and the complete rejection of the more justified gradual approach, which to a greater extent guaranteed favorable results.

Similar problems were experienced by other countries during the period of market reforms, which were moving from a planned command system to a market economy, and mistakes were made in each country. However, in the Russian countryside, these problems escalated to the extreme, especially when it came to transforming land relations. The general situation in the countryside was complicated not only by the extreme pain of the transformations themselves but also by the extraordinary haste that accompanied them, acquiring at times an almost extreme character.

At the same time, the accumulated historical experience of radical market transformations in Eastern Europe showed different results. There, the formation of a market-type agrarian sector with a developed high-commodity private sector and voluntary associations of individual owners on a cooperative basis, while maintaining a certain number of state-owned enterprises, took as much time as was really required for the reform. It is characteristic that the entire process of reform in these countries was basically carried

out unhurriedly, in stages, and as a complex of reforms.³⁸

In Russia, a characteristic feature of the transition to the market and, accordingly, the rejection of the directive-distributive approach in agrarian policy, was not only the complete destruction of the former economic ties under the Soviet Union but also a general reduction in the financing of the agro-industrial complex, both at the federal and local levels. In just 4 years (from 1992 to 1995), the share of state funds allocated for the agrarian development of Russia decreased almost by a factor of 8, from 17.4% to 2.4%. Together with this, the policy of liberalization constantly intensified the consequences of the disturbed balance of prices in the economy, and the rural commodity producer as a result suffered enormous losses. It should be noted that in the process of galloping inflation, prices for the main types of agricultural products in 1992–1994 increased annually from 4 to 11 times, while for technical resources for the countryside, produced by industry, they were many times higher: up to 20 times or more. As a result, in order to acquire mechanisms, fuel, and other resources necessary for an agricultural producer (agricultural enterprise or farmer), they had to sell much more of their products.³⁹

The constant increase in the share of nonmechanized labor in the Agro-Industrial Complex also caused a rise in the cost of food production. The continuous reduction of the employed labor force in collective agricultural enterprises also became a general rule of market transformations in the countryside. According to the official statistics, in 1991, 9.7 million people worked in Russian agriculture, then very large-scale reductions followed, and although a few years later the number of workers increased somewhat, but even so in 1999 there were only 8.5 million people left, i.e., 1.2 million less than before the reforms.⁴⁰

The changed approach to agrarian reform in Russia attached particular importance to institutional transformations: the creation of new production structures, which were to replace collective farms and state farms. The transition from a planned socialist system to a market system in the agricultural sector required new and much more efficient business entities based on private ownership of land. The most important part of the agrarian reform project of the 1990s, was the creation of a new layer of rural entrepreneurs: farmers. In the autumn of 1990, the law “On the Peasant (Farmer’s) Economy” was adopted, which determined its economic, social, and legal foundations. This type of farming was presented as an independent economic entity and one of the forms of free enterprise

³⁸See *Buzdalov I.N.* The content and main directions of development of agrarian relations in the transition period // *Nikonov Readings, 1998: Agrarian Doctrines of the Twentieth Century: Lessons for the Future.* M., 1998, pp. 19–22.

³⁹See *Rogalina N.L.* Decree. I. P. 199.

⁴⁰SARF. F. 10100. D. 4. V. 228. P. 1.

on land. In Russia, farming was revived, primarily as a family business, and, unlike personal subsidiary farms, it had to be of a commercial nature, i.e., focused not on intrafamily consumption but on the market. In order to broadly attract villagers to farming, the law exempted young farms from taxation, i.e., the mandatory supplies of agricultural products, for five years.⁴¹ In addition, until 1994, the state also provided farmers with loans on favorable terms, subsidies, and various benefits, which the owners of subsidiary farms did not have at all. Thus, the economic structures that arose in agriculture were placed almost from the very beginning by the reforms in unequal conditions: agricultural enterprises in the face of the remaining collective and state farms were doomed to gradual extinction, personal subsidiary farms survived as best they could, but farmers received help and all kinds of assistance from the state.

Farming is a special type of business, which to a large extent depends on the personal qualities of people: at the least, it requires physical strength, experience in agriculture, good knowledge of the production process, etc. In the hope that farmers will be able to finally solve the country's food problem, they were assigned a special role in market reforms. The fact that "the farmer will feed the whole of Russia" was trumpeted by all the media. However, in reality, according to their demographic characteristics, rural families in the 1990s, did not meet the tasks set for farmers: in the rural population, there was a large proportion of elderly people, and the number of young people and people of active working age (up to 50 years) was constantly declining. And most importantly, the majority of the villagers were reluctant to join the "free farmers," slowly leaving the collective farms. Sociological surveys in the countryside showed that the vast majority of farmers were mainly predisposed not to the entrepreneurial or farming way of doing agriculture, but to a gradual transition to a state-regulated market economy.⁴²

Practical villagers were well aware that in the conditions existing in the countryside, an individual commodity economy was most likely doomed to failure, since there was practically no equipment in it, and not every family even had its own transport to deliver the products grown to the market, etc. In addition, many villagers were afraid that in a couple of years they could be declared "kulaks" and exiled to distant lands, as had already happened in Soviet history.⁴³

All this had an impact on the quantitative dynamics of the farming movement: at the end of the 1980s,

⁴¹Agrarian legislation of the Russian Federation. P. 15–16.

⁴²Koznova I.E. XX century in the social memory of the Russian peasantry. M., 2000. P. 76.

⁴³See Logunova I.V. On the question of the complexity of relations between the authorities and farmers in the first half of the 1990s. (Based on the materials of the regions of the Central Chernozem Region) // State power and the peasantry in the 19th and early 21st centuries. Kolomna, 2013. P. 729.

when it was just beginning, the total number of P(F)Hs immediately increased more than 10 times, to 49000 by 1991. A peculiar peak for farmers began in 1992, when almost 134000 farms were operating in Russia, but since 1994, many farmers, being unable to cope with the constantly arising difficulties, stopped their activities.⁴⁴ In total, only 9000 new P(F)Hs were formed that year, and in 1995 this increase stopped altogether. Bankruptcies of farmers also became more frequent: in 1991, on average, there were only 2 such cases per 100 organized farms; in 1992, 5; in 1993, 16; and in 1994, 23% of C(F)Hs went bankrupt, primarily due to the termination of state aid. At the turn of the XX/XXI centuries, their total number in the countryside noticeably decreased. In general, in Russia, against the general background of almost 13.5 million rural households (2002), there were only 261700 farmers. In other words, in reality, only 2% of the total number of rural families had farms in Russia.⁴⁵

The initial draft of the agrarian reform provided for large-scale institutional changes in the agro-industrial complex, and in addition to creating a promising layer of farms, a certain transformation of personal subsidiary plots (PSPs) was also envisaged. This most numerous category of agricultural producers had to go through fundamental changes, through which they were transformed into private peasant farms of the market type. Indeed, over the years of agrarian reforms, these farms have changed markedly: not only quantitatively but also qualitatively. First of all, due to the land shares received, the average size of their vegetable gardens more than doubled. It is known that the process of transformation and liquidation of Soviet-type collective farms began with mass layoffs of workers, which caused the emergence of unemployment in the countryside. However, this, in itself a negative phenomenon, eventually played into the hands of the overall development of household plots, which were available in almost every rural family.

Of course, the market transformations of the 1990s opened a new stage in the evolution of rural society, and this was especially noticeable in the development of subsidiary farms. Traditionally, production in them included the cultivation of horticultural crops, primarily potatoes and vegetables, and somewhat less often, the breeding of livestock and poultry. The size of household land in the private household sector, due to the receipt of land shares and other available forms of land acquisition, during the 1990s, increased on average in Russia from 3.9 to 11 million hectares, i.e., 2.8 times. The average provision of land in family farmsteads varied from 36 acres of land (in 1995–

⁴⁴Bondarenko L.V. Development of social processes in the countryside. M., 1995, pp. 67, 68.

⁴⁵Russian statistical yearbook. M., 1997. P. 383; Agriculture of Russia. Stat. coll. M., 1995. P. 53; Bondarenko L.V. The development of social processes ... P. 69; SARF. F. 10200. D. 4. V. 214. P. 38.

1997) to 40 acres (in 1998–1999), but there were even larger plots. Thus, from the data of the All-Russian monitoring of the social and labor sphere of the countryside for 1999, it follows that more than one-third of the surveyed workers of collective enterprises had more land in their backyards: up to 83 acres. In general, this land was distributed as follows: about 37 acres, directly in the plot, and the rest, received in the form of shares, “outside the residential area,” i.e., in the fields.⁴⁶

The number of household plots in Russia practically coincided with the total number of rural families (households), which significantly grew annually throughout the 1990s, to 16.3 million from 13.5 million. In other words, almost every rural family ran a subsidiary farm, and this gave a special specificity to the entire rural way of life. Private farmsteads traditionally occupied an important place in the life of the village, but at the stage of market reforms they also had to play a truly historic role. The implementation of the agrarian reform was marked by unemployment almost from the very beginning. Collective and state farms were the first to undergo reorganization and transfer to market agricultural enterprises based on private ownership. The transition to a commercial basis forced the administration of these AEs to spend their resources more carefully, and many of the former workforce became redundant in the face of a decline in production. For many villagers, this was a very difficult time, since in 1992 more than 1 million people lost their jobs at once. In the conditions of the extremely limited rural labor market, where, apart from collective farms and state farms, there were only a few social facilities, it became impossible to find a new job there. Therefore, it was the farms of rural farmsteads (PSPs) that became the saving niche that accepted unemployed farmers.

People who lost their jobs switched completely to their subsidiary farms, where they found almost everything they needed. The arrival of hundreds of thousands of additional workers in household plots gave this sector a powerful impetus for development. Their productive forces, on the one hand, i.e., a huge number of additional workers experienced in agriculture, and, on the other hand, a noticeable increase in the land area (means of production), combined, created a solid economic foundation for increasing overall work efficiency. Since that time, for millions of villagers, including the unemployed and pensioners, the main center of labor activity has moved to their household plots. “The village retreated to the backyards” and reinvigorated life there; and these farms, through the tireless work of their owners, quickly got stronger and

moved to the forefront of rural life.⁴⁷ This played a decisive role in the transformation of household plots as a large economic segment of the rural economy.

The total number of people employed in household plots grew and doubled by 2001 (4.4 million people) compared to 1990, and taking into account all other categories, including the disabled and those who had other occupations and generated income, in the private household sector the total number of employed had risen to 14–16.6 million people.⁴⁸ However, a huge drawback, which significantly hampered its development, was the use of primitive agricultural equipment (shovels, pitchforks, rakes, etc.) with the almost complete absence of mechanization. Thus, in these farms, even at the end of the 20th century, as well as a hundred years ago, exceptionally hard physical labor was required. People who had lost their jobs and were left practically without a livelihood worked with maximum dedication, realizing that only the family farm would help them survive. Their selfless work brought results, providing, at a minimum, food for their families.

In general, throughout the transition period of the 1990s, all economic structures of the agrarian sector (collective agricultural enterprises, former subsidiary plots of the population, and farms) functioned in a single system of agricultural production, and their development took place in approximately the same conditions, although adjusted, of course, for the privileges of farmers. After all, the state for a long time had considered them the most promising layer of the village; therefore, it provided serious financial and resource support to them, in contrast to the private farmsteads of rural families and even large agricultural enterprises, which did not receive any special assistance from the state.

In any case, each of the three economic structures of the Russian village entered the new 21st century with its own economic results. Clearly private peasant farms (former subsidiary farms) were on the rise, and since the mid-1990s, they have been firmly in the lead among other modes of production in terms of their production results. Numerous rural residents, having no other occupation than working in their subsidiary plots, managed to successfully adapt even in crisis conditions. Despite the general dominance of the archaic and the almost complete absence of mechanization tools that facilitate physical labor, they nevertheless achieved significant economic success. In 1999, the sector of former household plots produced 59.2% of the total agricultural output in the country, while the share of collective agricultural enterprises of the reorganized type was only 38.7%. At the same

⁴⁶Agriculture in Russia. Stat coll. M., 2000. P. 86; *Bondarenko L.V.* Russian village in the era of change: employment, income, infrastructure. M., 2003. P. 163.

⁴⁷*Glazyev S., Kara-Murza S., and Batchikov S.* White paper. Economic reforms in Russia 1991–2002 M., 2004. P. 269 and others.

⁴⁸*Bondarenko L.V.* Russian village in the era of change: employment, income, and infrastructure. M., 2003. P. 165.

time, the share of the new economic structure, farms, in the total production of agricultural products was only 1.8–2%. These were the real, more than modest, results of the activities of Russian farmers. At the same time, the production achievements of the sector of the former household plots significantly exceeded not only the economic contribution of farmers but also collective agricultural enterprises of all types taken together.⁴⁹

This is not entirely surprising, since the majority of farmers, despite the assistance received from the state, still had to work in very difficult conditions, especially those who received far from the best land—swampy or rocky—during privatization. A major hindrance was, of course, the lack of technology and machinery. Due to the sharp rise in the price of agricultural machinery, it became impossible to purchase it even in the minimal amount. The disparity in prices led to the fact that agriculture constantly suffered enormous losses. The high cost of industrial goods and raw materials reached the point of absurdity: in order to buy one liter of diesel fuel, a villager had to sell three liters of milk.⁵⁰

There were many other shortcomings in the development of new farms. The *Kommersant* newspaper rightly noted that their successful development was hindered by the unfair distribution of state subsidies. Since the early 1990s, the existing system of subsidies to agricultural producers did not work effectively, leading only to the dissipation of funds intended for farmers. Moreover, about 50–70% of the profits received by them as direct producers, one way or another, went to procurement, processing, and trading enterprises. This created an atmosphere of hopelessness in the countryside: the small peasant economy, for all its weakness, really could not withstand the aggressive pressure of these organizations, which frankly profited from underpayments to farmers. Only as a result of buying up farm products at a low price and reselling them in the city market at times more expensively, in the early 1990s, more than 300 billion rubles “floated” away from the villages.⁵¹

In 1994, Chairman of the State Duma of the Russian Federation I. Rybkin, once again criticizing the state’s agrarian policy for weakness and inconsistency, told the newspaper’s correspondent: “Many politicians have recently pinned great hopes on farming. They say that thanks to this we will solve the most painful problem: food. In Russia, 280 000 peasant farms were created, 10 million hectares of land were distributed, but today the return from farmers is only 1% ... And there is no one to blame. There was no systematic or targeted support from the state to this cause.”⁵²

⁴⁹Agriculture in Russia. 2000. P. 33.

⁵⁰*Luzhkov Yu.M.* Rural Capitalism in Russia: Facing the Future. Agrarian question to the government. M., 2005. P. 79.

⁵¹*Kommersant*, 1993, May 28.

⁵²Russian News, 1994, June 28.

Of course, the availability of labor in farms, when compared with private farmsteads, was completely different: in the late 1990s, the total number of P(F)Hs was only 261 700, which, against the general background of almost 13.5 million rural households, made farmers an extremely small group. The total number of workers employed in them, together with family members, as shown by a sample survey of the Gomkomstat of the Russian Federation (2001), amounted to only 442 900 people. And even if we add to this about another 50% of those who worked in them for hire, we get that no more than 700 000 people were related to the farming sector. Therefore, it is not surprising that its share in the gross agricultural production in the 1990s—early 2000s turned out to be so small.⁵³ Unfortunately, this circumstance also confirmed the complete failure of the reformers’ plans that “farmers will feed the whole of Russia.”

However, the general failure of the agrarian reform was partly the fault of the state itself, which pursued an inconsistent agrarian policy, even in relation to farms. The offensive against the benefits of the future “bread-winners of Russia” began when, contrary to the law of 1990, which exempted farmers from taxes for 5 years, in 1992 the state nevertheless demanded from them a mandatory supply as an agricultural tax—25% of the total volume of the grown products. In 1996, in accordance with the new Civil Code of the Russian Federation, most farmers also lost the rights of a legal entity, a privilege given to them in 1990.

In our opinion, at the stage of carrying out market reforms, the state generally took a position that, on the whole, was not adequate for solving the tasks at hand. First of all, it too quickly abandoned the comprehensively verified and substantiated first version of the agrarian reform. Subsequently, having set a course for an accelerated transition to a market economy, it actually withdrew from providing financial support to the reformed agriculture. In fact, the transition to a market economy and the concomitant rejection of the directive-distributive approach in agrarian policy was accompanied by a significant reduction in funding for the agro-industrial complex from federal and local sources. In just 4 years, from 1992 to 1995, the allocation of funds from the state budget for agricultural development decreased almost by a factor of 8 (from 17.4% to 2.4%). In reality, taking into account constant inflation, this amount in the total volume of investments in the Russian economy actually amounted to only 12%, compared to 31% in 1991.⁵⁴

The position of the state in relation to farmers deserves especially harsh criticism: at first the state generously distributed loans, benefits, and credits to them, and then since 1994, the state practically ceased

⁵³Agriculture of Russia. stat. Sat. M., 2000. P. 33; *Verbitskaya O.M.* Rural family at the stage of socio-economic transformations 1985–2002. M.-SPb, 2017. P. 265.

⁵⁴Agriculture of Russia. Stat. coll. M., 1995. P. 8.

to support them. One gets the impression that as the market reforms increasingly came to a standstill, the state lost interest in them and left the rural sphere, stopping not only financing but generally regulating socioeconomic processes in the countryside.

During the years of market reforms other changes took place in the degree of state influence on the countryside. A.M. Nikulin, analyzing the significant changes in the external influence on the village of those years, noted that, unlike the Soviet period, when this influence was completely determined by one state, since 1991 the situation has changed. Gradually, the role of the state has receded into the background, and, naturally, the influence of the market, as well as specific political and economic factors of the 1990s, has become increasingly obvious. (migration and regionalization). As for the state, especially since the mid-1990s, it has supported its influence on the countryside mainly only by declarations about the need for land reform, reorganization of collective farms and state farms, support for the development of farms, etc. This was supported by rather confused and inconsistent legislative actions, confirming the fact of its self-removal from the management of state-owned agriculture. Moreover, this was allegedly presented in the interests of self-regulation of the free market.⁵⁵

As for speeding up the pace of agrarian reform in the 1990s, this was largely dictated by the peculiarities of the political situation in the country, including the position of the liberal politicians in power, who clearly underestimated the true realities of the Russian countryside. In their work, they were guided mainly by mechanically copying the Western experience and ignoring the peculiarity of the mentality of the Russian peasantry.

Economists have now expressed their competent opinion that in the 1990s domestic reformers led by Gaidar also had their own reasons for preferring an accelerated version of the implementation of reforms, especially privatization. It seems that they were afraid of missing that short historical moment when it was possible to really redistribute property. What were they so afraid of? Ten years later, in the 2000s, they themselves wrote and declared that it was the danger of communist revenge, which was especially aggravated by the division of state and collective farm property, that forced them to take swift action. However, the real practice showed that they resorted to such a “danger” whenever they had to overcome the resistance of society. Gaidar, although not entirely intelligibly, tried to convince us in his book that it was necessary to carry out privatization in the country, including in the countryside, very quickly, while the Russians had not yet

⁵⁵ Nikulin S.A. Large farms of modern Russia: options for development // Reflexive Peasant Studies: A decade of research in modern Russia / Ed. by T. Shanin, A. Nikulin, and V. Danilov. M., 2002, pp. 412–413.

had time to come to their senses.⁵⁶ This explanation reveals the true motives behind the interest of Russian reformers in urgent reforms, especially privatization. Later, they even called their reforms “firefighters”, presenting themselves as a “team of suicide bombers” and “kamikaze” rescuers, clearly wanting to remain in the minds of Russians as victims who took on the noble mission of carrying out a lofty function, on the verge of a feat, of “saving the nation.”⁵⁷

Ultimately, instead of creating a highly productive and modern market-type agriculture, the reform of the 1990s led to a completely different result, which practically destroyed the entire agrarian economy of Russia. Numerous mistakes and losses in the 1990s led to the fact that in agriculture there was an unprecedented drop in production volumes for a peaceful period. The main negative confirmation of the fiasco of the agrarian reform was the annual and rapid decline in agricultural production. By 1999, this indicator barely reached half (58.3%) of the level of the prereform agricultural production in 1990. During the period of agrarian reforms, gross grain harvests acquired a stably negative trend, and by 1999 they had declined in all categories of farms almost by 50% (from 104.3 million tons on average in 1986–1990, to 65.1 million tons in 1996–2000). At the same time, the average grain yield remained virtually unchanged (16.5 centners per hectare in 1986–1990 versus 15.0 centners per hectare in 1996–1999), but the gross grain harvest in the 1990s in Russia, however, decreased by 40%. The main reason for the decline in grain production was a significant reduction by 16.5 million hectares in sown areas under grain crops (from 63 068 000 to 46 555 000 hectares). All this is evidence of a serious degradation of the agricultural sector of the economy. In just 10 years of agrarian reform, this industry was thrown back by about 35–40 years in all key indicators.⁵⁸

Things were no better in animal husbandry. The number of cattle decreased by a factor of 2.1 in 1990–1999 from 58.8 million to 28.0 million, including cows, from 20.8 to 13.1 million heads. At the same time, livestock in large- and medium-sized farms especially suffered due to starvation. In contrast, it was possible to preserve and even increase the livestock of private farmsteads, thanks to which the damage to the public herd was partially compensated. However, the total production of livestock and poultry (in carcass weight) still fell by more than 50%. In general, during

⁵⁶ Simonyan R.Kh. Without anger and passion: the economic reforms of the 1990s and their consequences for Russia. 3rd ed., M., 2016. P. 38; Gaidar E.A. State and revolution. M., 1995. P. 162.

⁵⁷ Simonyan R.Kh. Without anger and passion P. 30.

⁵⁸ Agriculture in Russia, arguments and facts of the late twentieth century. (Economic problems of technical support of crop production in the conditions of market relations). M., 2002. Pp. 22, 53.57.

the reform period of the 1990s, the total number of livestock decreased more than during the years of collectivization and the Great Patriotic War.⁵⁹

The most important indicator of the development of the agricultural sector is the level of labor productivity, but even during the period of agrarian reform it decreased by 30%. Just in the first three years of market transformations (1992–1994), agriculture almost completely lost the entire increase in gross output achieved over the previous 20 years (from 1971 to 1990).⁶⁰ The official statistics do not provide direct data on the volume of gross agricultural output in the 1990s, referring researchers to indirect data. However, based on the annual dynamics of the index of the physical volume of agricultural products produced by all categories of farms (in comparable prices), we can get an idea of these changes. Taking the total volume of agricultural products produced by all categories of farms in 1990 as 100%, we see that in 1992 this index had dropped to 86.5%, in 1993 to 82.7%, in 1995 to 66.9%, in 1996 to 63.5%, in 1998 to 56%, and in 1999 to 58.3%. Consequently, only in 1999, after 7 years of continuous decline, was there a slight trend towards an increase in agricultural production, which can conditionally be considered almost progress after the deep fall in 1998. Nevertheless, it cannot be denied that throughout the entire period of market reforms of the 1990s, agriculture was losing production volumes annually, while its economic depression was growing.⁶¹

As for the modernization of the social sphere of the countryside and the improvement of the living standards of its population, obviously, in the conditions of the collapse of the rural economy, the state simply did not get around to this. As a result, rural wages in the 1990s were beggarly, and the proportion of the poor with incomes below the established subsistence minimum in 1994–2001 in Russia as a whole reached 20–30%, i.e., much higher than on the eve of the reforms.⁶²

⁵⁹Ushachev I. The main directions of the agrarian policy of the Russian Federation // AIC: economics and management. 2005. No. 6. P. 6.

⁶⁰Agriculture in Russia. Stat. coll. M., 2000, pp. 67, 73, 75.

⁶¹Ibid, pp. 34–35.

⁶²Rural poverty: causes and ways to overcome it. Nikonov Readings-2004. M., 2004. P. 114.

In other words, the agrarian reform of the 1990s, conceived for the sake of a significant increase in the efficiency of agricultural production, ended in complete failure. As a result, by the beginning of the 2000s, Russia's agriculture in terms of key indicators actually turned out to be at the level it was at 30–40 years ago. Thus, the agrarian policy of the state in the 1990s can be rated as highly unfortunate. The main reasons for this outcome were, firstly, the fact that the transformations were carried out in isolation from the original, scientifically verified concept, subsequently acquiring a formal and spontaneous character. Secondly, the position of the state itself also caused great harm to the implementation of the radical agrarian reform. From the very beginning, it abandoned its consistent and gradual implementation, agreeing to replace the previous guidelines with “recommendations” from Western experts who insisted on speeding up agrarian reforms. The excessively hasty and harsh methods of liquidating collective farms and state farms caused significant damage to the entire agrarian economy. Large-scale Soviet agricultural production was replaced mainly by small family-type farms. As a result, the agrarian market transformations only led to the replacement of inefficient Soviet production structures by an even less productive private sector (farmers, private household plots, and smaller agricultural enterprises). In the most difficult period of the reforms, the state generally preferred to move away from regulating economic processes in agriculture, practically stopping its financing, and in 1994 left even its favorites, farmers, without support. These policies eventually exacerbated the catastrophic effects of the market transformations of the 1990s in the agricultural sector of the economy.

OPEN ACCESS

This article is licensed under a Creative Commons Attribution 4.0 International License, which permits use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license, and indicate if changes were made. The images or other third party material in this article are included in the article's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the article's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder. To view a copy of this license, visit <http://creativecommons.org/licenses/by/4.0/>.