INSECURE LAND RIGHTS, OBSTACLES TO FAMILY FARMING, AND THE WEAKNESS OF PROTEST IN RURAL RUSSIA

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INTRODUCTION

This article discusses property reforms in the postcommunist countryside (focusing on Russian policies, which have been the most “progressive” among the dominant economies of the former Soviet Union) and analyzes why they have hardly stimulated capital formation and empowerment among the rural population so far, compared with rural developments in Argentina that are discussed by Bidaseca in her paper in this issue.

A comparison between the post-communist countries and Latin America is interesting for an understanding of land reforms. On the one hand, the agrarian history of these areas is very different, with 70 years of collective agriculture in the communist system of the former Soviet Union, and much shorter and more limited state intervention in Latin American agriculture. During the heyday of state intervention in the Latin American countryside in the 1970s, widespread collective and public arrangements in credits and marketing existed, but production mostly remained in private hands (with the exception of some socialist states like Nicaragua). On the other hand, the postsocialist privatization in the former Soviet Union (FSU) and Eastern Europe can be seen as a chapter in a much bigger book of neoliberal reforms which have been taking place notably in Latin America, but also in Asia and Africa, since the 1980s and 90s. Privatization in the FSU, although unique in its scale and speed, was part and parcel of a larger neoliberal package that also had a strong impact on Latin America, and which included trade liberalization, the reduction or phasing out of price supports, cheap credits, and marketing institutions, not to speak
of reductions in other rural development and welfare policies (see e.g. Bryceson et al. 2000).

These policies, although in principle advocating individual entrepreneurship and empowerment, seem predominantly to have favored the large-scale agribusinesses, at the cost of small-scale producers. In Russia, after a short-lived increase in the number of private family farms in the first half of the 1990s, this segment has been characterized by stagnation in terms of the number of farms, and rather insignificant growth in production. Furthermore, the ownership of the large farm enterprises (LFEs), the former kolkhozes and sovkhozes (collective and state farm enterprises, respectively), which became the property of their employees through the egalitarian distribution of shares, has increasingly become concentrated in the hands of the rural (or even urban) elite. This accumulation of land and other assets by the elites has turned rural dwellers, who became landowners only in the 1990s, back into (almost landless) farm workers. However, as this article will show, this accumulation has gone almost unchallenged by any form of collective protest. The central question that will be addressed is this: Why does a peasant movement, potentially in coalition with other groups, not exist in Russia?

To answer this central question, this article will investigate the notable absence of a peasant resistance alongside two other crucial topics. These are, firstly, the various forms of accumulation of land and other assets by the elite, and secondly the legal, economic and socio-cultural obstacles to the persistence and expansion of family farming. These topics are also loosely touched upon in the parallel article by Bidaseca (this issue).

My focus on the obstacles to family farming should not be taken as reflecting an assumption that family farming would be more efficient than production in the large farm enterprises. The important point here is that Russian agrarian policy has shifted from giving precedence to private family farms in the early 1990s to prioritizing large farm enterprises, and moreover that this has had significant consequences for the viability of small-scale producers and the empowerment of the rural population. It is these consequences that will be addressed here.

Furthermore, the argument focuses on open and collective forms of protest and the notable absence of an emergent peasant movement. This is not to say that individual and more hidden forms of protest do not exist: such behaviors as gossiping, stealing, and footdragging, fall into this category and are described by Scott (1985) as the “weapons of the weak” (see e.g. Nikulin 2003; forthcoming).

To facilitate comparison (see Bidaseca, this issue, and Visser and Bidaseca, this issue), this article uses the term “peasant” to describe the relatively small agricultural producers in Russia, whether these are private family farmers or household plot holders, who are mostly farm employees tending their plots in a kind of symbiotic relation with the large-scale farm enterprises (see below). A discussion of the various connotations of the term within contemporary and historical Russia is beyond the scope of this article, but it should be noted that the term has both negative and positive connotations, including for the rural population itself (see Humphrey 2002; Kitching 1998 on krest’ianin and fermer).
The article is structured as follows. The first section provides a description of the regions covered and the methodology used. Second, I present a brief overview of the market reforms in Russia, discussing their goals and the major effects. The third section discusses the obstacles to the expansion of small-scale farming. I argue that the major obstacles to private family farm formation—which were also the major shortcomings of reforms—were a lack of independent institutions (here the focus is on legal institutions, but credit institutions, for example, are also important) and a lack of understanding of existing (informal) property relations and social structures by the Russian reformers and their Western advisors. Informal property relations primarily have to do with the symbiosis between large farms and household plots. This symbiosis had been widely discussed by Soviet-era Russian and Western researchers, but was insufficiently understood and taken into account by reformers in the early 1990s.

The fourth section will deal with the processes through which the rural, and also increasingly the urban, elites accumulate land and other agricultural assets. Elites sometimes employ illegal or semi-legal ways to accumulate property, a behavior which is made possible by problems with the availability and/or independence of institutions, discussed in the third section. The fifth section discusses the extent of the resistance of the rural population to accumulation by the elite, and seeks to explain the virtual absence of a peasant movement. The final section concludes by relating the weakness of peasant protest to insights on informal property relations and social structures in the Russian countryside.

THE FIELDWORK: REGIONS AND METHODOLOGY

This article is based on fieldwork that was conducted in three Russian regions and consisted of ethnographic research and a survey among farm enterprise managers, employee shareholders and private (family) farmers.

The fieldwork for this study largely took place in 2001 and 2002, with shorter trips of about one month each in 1999 and 2000, and further short trips in 2007 and 2008. The survey research took place in the Pskov and Rostov oblasts (provinces), with ethnographic research conducted in both regions and also in the Moscow region.

The northwestern Pskov region, with its unfavorable conditions for agriculture, and the well-endowed southern Rostov region more or less represent the extremes of the agricultural spectrum in European Russia. Pskov oblast is part of the macro-region of Northwest Russia, an area of insecure climatic conditions for agriculture. Moreover, Pskov is part of the northern non-black-earth zone, with relatively infertile soils. Rostov, on the other hand, is considered to be one of the country’s most important food-producing regions, thanks to its southern location and fertile soils. Despite its favorable natural endowments, agriculture in the Rostov region did not escape the general decline in Russian agriculture, although, compared to Pskov, the situation is much brighter. Moscow oblast, in Central Russia, is also part of the relatively infertile non-black-earth region, but due to its vicinity to the capital (with
high-priced demand and more investors) it is one of the major agricultural regions of Russia.

The survey data in this research are based on two surveys carried out during 2001 and 2002 in Pskov and Rostov. In total, the farm enterprise survey included 43 large farm enterprises (LFEs): 19 in Pskov and 24 in the (larger) Rostov region. At each LFE, two staff members were interviewed: a manager dealing with external contacts and a farm specialist, as well as two other employees (about their household plot). In addition, 44 private farmers were interviewed in these two regions.

Furthermore, the research consisted of additional visits (with semi-structured interviews) to other LFEs. The interviews and observations, by the author, normally took place during a single day, or on two- or three-day visits.

A case study of a successful large farm enterprise (LFE) was carried out in May-June 2001 at an LFE in the Moscow region. During the case study, I used the ethnographic technique of participant observation. I stayed in a village on the territory of the LFE, visited the different branches of the farm enterprise, went to the fields with workers or managers to observe the work process, carried out informal conversations and interviews with workers and staff members, and studied documents and accounts at the farm office and the sel'sovet (village council). I was also involved in activities beyond work on the farm enterprise, such as occasional work on the household plot, having lunch in the fields, and meetings with villagers in their houses.

MARKET REFORMS IN RURAL RUSSIA: GOALS AND EFFECTS

The reformers who started market reforms in agriculture in Russia and all over Eastern Europe in the early 1990s were strongly influenced by the blueprint laid out by the World Bank, which strongly resembled neoliberal structural adjustment policies introduced in Latin America the 1980s.

The first, overarching goal of the market reforms was to improve production and productivity in the agricultural sector, which during the Soviet period was infamous for its enormous subsidies and wastage of resources and low productivity. One key assumption was that private ownership of land and other means of production was fundamental to a free market economy and was the best way to stimulate the entrepreneurial spirit of people. Further, it was expected that the introduction of a free market through liberalization of the economy, would in itself bring forth the most efficient producers (these were considered to be private farms) and consequently an increase of production and productivity.

Second, besides improving efficiency in agriculture, an important goal of the reforms was to provide the rural population with resources to survive the shocks of transition (World Bank 1992), and to increase their independence. Western advisors hoped that privatization would empower the population and stimulate the emergence of civil society and democracy in rural areas (Prosterman and Hanstad 1993:155). Speaking about the need to introduce private ownership, reference was made to universal ideals and values. In reality this meant Western values, built on the ideology
of enlightenment. The ownership was presented as an “enlightened” and “natural” human right (Kirschik 2001:1). Employees of former kolkhozes and sovkhozes and other villagers were given shares in farm enterprises in a largely egalitarian way. It was foreseen that collective farms, known for their hidden unemployment, once privatized would dismiss part of their employees to increase labor productivity. The new unemployed (and poor) then could still gain income by hiring out or selling their land shares back to these enterprises, and by receiving dividends on their shares in other enterprise assets, such as equipment. Furthermore, it was expected that villagers would take out their paper shares and exchange them for parcels of land and other assets in order to start private farms.

At the start of reform many Western observers expected or hoped that privatization would trigger significant growth of private family farms (Prosterman and Hanstad 1993; World Bank 1992). However, even more so than in the economy as a whole, formation of private enterprises proved cumbersome. While it was estimated that, by the end of the 1990s, about 40 percent of agricultural production would originate from private farms, in reality this figure was only 4.5 percent in 2003 (Rosstat 2004:36), and the number of private farms had even declined somewhat since the late 1990s, although their average size increased. Instead, agriculture is still dominated by the privatized successors of the kolkhozes and sovkhozes. These large farm enterprises (LFEs), in which the employees have become shareholders, occupy the majority of the land and remain the major commercial producers.

The first goal—improving production and productivity—was not realized. On the contrary, in the 1990s agricultural production in Russia dropped by roughly 40 percent and the production in the farm enterprises by as much as 65 percent. Labor productivity declined as the number of employees fell somewhat less than production. Whereas in Soviet times inputs like fertilizer were sometimes overused, during the 1990s there were such sharp cuts in inputs that they became paralyzing. I visited some enterprises where employees worked in the dark to reduce the electricity bill or because power was cut off for non-payment. In other cases tractor drivers could not harvest on time because the farm enterprise had no funds to buy fuel. Given such constraints, farm enterprises did not manage to produce (let alone buy) enough fodder for their livestock. One livestock branch manager of a farm enterprise in Moscow oblast described the situation in the mid-1990s as follows: “The cows were so badly fed that they were hardly able to walk when they were in the field. They just laid down, exhausted. Many farm enterprises did not see a way out and decided to slaughter large numbers of animals”. In addition, the stock of machinery declined sharply. In sum, instead of increases in efficiency, agriculture in the 1990s was characterized by lack of investments, de-mechanization, and sharply declining productivity and production.

The devaluation of the ruble in 1998 and the subsequent financial crisis appeared to be a blessing in disguise for the countryside. The import of food products dropped sharply, and domestic agriculture began to recover. In the early 2000s substantial

1 The interview was conducted on May 15 2001, Moscow region.
growth took place in the agriculture sector due to recovery in the LFEs. However, it should be noted that this recovery, in the main, was caused by increased production in a small group of profitable farm enterprises, whereas large numbers of farm enterprises were (and still are) characterized by uneven recovery, stagnation or sometimes even ongoing decline (Spoor and Visser 2004). Moreover, with the rising value of the ruble in the early 2000s Russian agriculture was once again facing increasing competition from food imports, especially meat.

The second goal of the reforms, to provide the whole rural population with enough property rights to gain an income, thereby empowering rural dwellers, also proved problematic in practice, as will be shown later on. In most post-socialist countries the population received entitlements to former state property. In some countries, such as Albania, land and assets of the state and collective farms were physically distributed among (and restituted to) the workers, which led to a fragmentation of land. In Russia and other large CIS countries such as Ukraine, rural dwellers were given “paper” shares in farm enterprises. In the early 2000s many observers celebrated the alleviation of one of the last legal obstacles to the emergence of a real market economy in Russia, when a new land code was introduced and the sale of all kinds of land became legally possible. As will be discussed further on, interviewed farm employees rarely received compensation for their land—be it in the form of cash rent or as dividends on property shares—due to the dire financial situation of the farm enterprises (also see Pallot and Nefedova 2003:349).

Due to the hardship of transition, income differences rose and poverty increased sharply in the 1990s (EBRD 2002). In 2005, a World Bank report sketched positive prospects for the reduction of overall poverty, due to economic recovery, but also warned about deep pockets of poverty that may resist general economic improvement (World Bank 2005). Indeed, although an economic recovery took place in the 2000s in Russia and most CIS countries, inequality rose further, and the decline in poverty in the countryside lagged behind urban poverty reduction. In the 2000s, urban poverty declined at twice the rate of rural poverty, so that by 2004 poverty in Russia had become a largely rural problem (Gerry, Nivorozhkin, and Rigg 2007:14), with 5.6 percent of urban dwellers being poor, compared to 20.7 percent of the rural population. The impact of the global financial crisis has clearly had a negative effect on household income, and has (one hopes temporarily) halted the overall reduction of poverty in Russia.

At the same time the state has largely withdrawn from social security in the countryside. Thus it is important to consider the relevance of the neoliberal idea, mentioned earlier, that the poor in these countries can be stimulated to start their own enterprises by providing them with entitlements to private assets such as land parcels and machinery (Soto 2001, World Bank 1992).

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2 Overall, from 2000 to 2004 poverty declined from 31.1% to 10.6%. Whereas urban areas saw a 78.6% decline, in rural areas poverty had been reduced by only 47.3%. Measurements of poverty by Gerry et al. (2005:5) were constructed on the basis of a representative regional subsistence food basket for a number of demographic groups, adjusted for regional price variation. The Russia Longitudinal Monitoring survey they used included nearly 53,970 respondents.
That farm employees did not suffer from food shortages and have somehow been able to get by despite low wages, and widespread wage arrears in the 1990s, can only be understood by taking into account the informal property relations inherited from the Soviet era. As I will show, the survival of the rural population is due to the food and income generated from subsidiary household plots, a carry-over from the Soviet period. Yet at the same time, the legacy of Soviet-era informal property relations obstructs further mobilization of smallholders and resistance to accumulation of property by the elite.

**INFORMAL PROPERTY RELATIONS:**  
**THE SYMBIOSIS BETWEEN SMALLHOLDINGS AND LFEs**

The land reforms in Russia were based on an ideal-type conception of the Western farm, and upon lack of understanding of Soviet property relations, and supported by superficial comparisons with the successful land reforms in China and Vietnam. To begin with the latter, the rural situation in these countries was different from the one in the CIS, including Russia, in several important ways. First, collective agriculture in China and Vietnam was more short-lived than in the CIS, with collectivization starting later and de-collectivization beginning earlier. Second, the character of agriculture is very different. Agriculture in China and Vietnam, with a strong orientation on rice production, is basically labor-intensive, offering hardly any economies of scale. It was therefore much easier to privatize collective farms into small-scale farms than in the CIS, where divisibility of assets like storage and machinery posed a problem.

Probably the most important reason for the disappointing results of land reforms was the fact that post-Soviet reformers did not sufficiently take into account existing property relations. The blueprint for reform was based on a superficial observation of the Soviet farm economy, which included two opposing forms of production: on the one hand the state and collective farms, and on the other hand the small, semi-private parcels of their employees (Spoor and Visser 2001). The productivity of Soviet collective farms hardly increased despite enormous subsidies and investments in machinery, while the rural population produced about one-fifth to one-quarter of the country’s total food on the small parcels, the so-called subsidiary plots or household enterprises. This fact, as well as the strong growth of private farms in post-socialist China and Vietnam following market-based agrarian reforms, was seen as evidence of the potential of private farming. It led to the assumption that, if the population were given access to larger and more secure private plots, growth would become feasible.

In reality, however, subsidiary plots did not exist in opposition to, or separate from, the collective, but were integrally connected to it in what has been called a symbiosis (e.g. Nikulin 2002; 2003). Subsidiary household plots could produce relatively large amounts of food because households were allowed to use a whole array of collective facilities, from obtaining young livestock from the collective to letting private cattle graze on collective pastures, using kolkhoz machinery, and selling their produce through the sales networks of the collectives. The boundaries
between the collectives and household enterprises were thus permeable (Visser 2003b).

Although farm enterprises have been privatized, this support for the household plots has been largely continued. During the first half of the 1990s the restrictions on household enterprises were relaxed, and rural dwellers en masse increased their household production (increasing from a quarter of total food production at the advent of reforms to over 50 percent by the end of the 1990s), and some decrease in the share of households starting in 2007 due to growth of production in the farm enterprises. Farm management felt obligated to provide support for household plots as a compensation for meager wages. My survey among farm employees showed that in 2001–2 they sold 45 percent of the food produced, with income from the household plot accounting for nearly 40 percent of the combined income from farm wage and household plot.

In the early 1990s support for the plots increased, but as the financial situation in the LFEs deteriorated, farm directors were forced to reduce such support somewhat later on. My survey shows that, in the early 2000s, farm enterprises continued to provide a broad range of inputs and services (Visser 2008; 2009). Plowing of plots was carried out by practically all LFEs, although the cost of this service varied from farm to farm (and possibly from household to household). Fodder was provided by nearly 80 percent. Young livestock and pastures/meadows were provided by, respectively, 63 and 53 percent of the farm enterprises. Marketing services (mainly for milk) were provided by 42 percent of the enterprises, but due to increasing quality requirements by the processing factories, increasing numbers of farm enterprises stopped collecting milk from households. Currently farm enterprises rarely provide their households with free inputs, but they are still sold to employees below market prices. In the course of the 2000s, some of the profitable LFEs in well-endowed regions paying their workers a high average wage have been able to cut cross-subsidies to the household sector drastically (Pallot and Nefedova 2007:116–117). The director of a profitable LFE in the Moscow oblast mentioned during a conversation in 2007 that his farm enterprise did not provide support to the household plots anymore. Many employees curtailed or completely stopped their food production on the household plots, as they had sufficiently high wages. Other managers of profitable LFEs feel a moral obligation to provide such support, but under market pressures such support is likely to decline over time. LFEs and agroholdings from the well-endowed agricultural regions have also tried to lobby for legislation putting limits on the number of household livestock, but two proposals for such laws were rejected in the Duma (Twickel 2009). In sum, although support has declined compared with the early 1990s (very drastically in some of the profitable LFEs), overall it is still sizeable, and membership

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3 The share of households in total production fell to 41.5% in 2008. It should also be noted that the share of private farmers, although remaining small, increased from 3% in 2000 to 9.2% in 2008. Data from Rosstat: www.gks.ru/bgd/regl/b09_12/IssWWW.exe/stg/d02/15-02.htm.

4 At the time of the writing, in the summer of 2009, a third bill was proposed to the Duma.
of a farm enterprise still offers benefits to rural dwellers operating household plots. Households that start a private (independent) farm suddenly lose access to all these important benefits and public inputs, as well as to social services (see below).

Being a farm worker also offers informal (illegal) access to farm resources. In the socialist period, ambiguity existed because of overlapping rights to land (Verdery 2003). Although all land was formally owned by the communist state, and rural families only had use rights to their household plots, they often felt that they had certain entitlements to land not included in the cultivation plans of the collective farms, or perhaps to a small percentage of the farm harvest (or inputs). The general feeling among Soviet farm workers was that as the state had expropriated them or their forebears, all farm property was also partly their own. Currently, farm employees generally feel that they still have such entitlements to LFE resources (Nikulin 2003; Verdery 2003). Especially when the farm enterprise fails to pay decent salaries and dividends are non-existent, or farm management accumulates LFE resources itself, employees feel they have the right to take farm resources and oppose depictions of their survival strategies as “theft” (see also Nikulin 2002; 2003).

The tendency of rural dwellers to keep a low-paid job in the farm enterprise and operate a small household plot, instead of starting as an independent private farmer, is thus understandable once one takes into account the formal and informal access to resources connected to farm enterprise membership. Furthermore, the provision of resources for the plots increases management’s informal power over employees.

THE SOCIAL FUNCTIONS OF THE LARGE FARM ENTERPRISES

Another reason for rural dwellers’ decision not to embark on private farming, and for their continuing dependency on farm management, has to do with the social role of the farm enterprise. Soviet enterprises, and especially farm enterprises, were not only economic units but also took care of the social welfare of their workers. In villages virtually all social functions were shouldered by the farm enterprise. Collective farms were not just economic units but “total social institutions” (Humphrey 1998), providing “workfare”: welfare intimately connected to work.

Russian reformers and their Western advisors have advocated transferring these services to municipalities so as to free the LFEs from social obligations (World Bank 1992). It was assumed that these obligations would hinder a transformation to market-oriented, profit-seeking operations. However, local authorities were grossly underfinanced, and consequently were not eager to take over this responsibility. Profitable farm enterprises often continued to support the social infrastructure, with the municipality having only a coordinating function. In reality, farm enterprises mostly remain the centers of rural communities (Nikulin 2002; 2003; Visser 2003a; 2003b).

Several of the profitable farm enterprises I visited still built houses for their employees or maintained small processing units like bakeries and sausage production facilities for the benefit of their workers. In the Rostov oblast, one highly profitable LFE had renovated the local hospital and also maintained a large sports complex. Farm directors who were able to maintain the social infrastructure were proud of it.
An agronomist at a successful farm enterprise in Rostov gave me a long “tour”, showing with enthusiasm the school, the hospital and the sports facilities (“Even the oblast basketball team played in this hall!”) financed by the LFE. Villagers generally expect farm managers to continue providing such support (Miller and Heady 2003; Pallot and Nefedova 2007).

The precise role of the LFE in providing social services depends on its own financial health as well as on an oblast’s wealth and, by extension, the specific policies of the authorities. As the financial situation of most farm enterprises deteriorated during the 1990s, they were forced to reduce such social expenditures (see also Lohlein 2001; Miller 2003: 8). However, the managers of even the most unprofitable enterprises have been trying hard to maintain the most essential social services, such as running water, gas, and schools (see also Lohlein 2001:10; Visser 2003a). To sum up, the profitable LFEs continue to offer a wider range of social services, and in some areas they have even increased spending on social services (see Kalugina 2002), but even weak farm enterprises continue to finance at least the most essential social infrastructure.

It should be noted that the economic growth of the 2000s has recently enabled the authorities in some regions once again to assume full responsibility for rural social services. An interview with the manager of an agroholding in Krasnodar suggests that this is largely the case in this well-endowed region. As a result, this agroholding does not have to shoulder the social infrastructure anymore. By contrast, Nikulin’s (forthcoming) study of two farm enterprises in the economically depressed region of Perm shows an example where the authorities are still unable to take full responsibility. The weakest of the two LFEs has continued to manage the water supply system. The other farm enterprise was taken over by a rich outside investor following a bankruptcy in 2005, and has since been continuously enlarging the range of social services offered, in addition to providing support to household plots, like the other LFE.

Maintaining the social infrastructure expands the power base of the farm directors vis-à-vis the employees. As a director of a strong farm enterprise in Nizhnii Novgorod reported: “I can fire people because we build houses. If I can offer housing, I don’t have a problem finding [new] workers from the area” (Miller and Heady 2003:269). In such LFEs, farm workers who lose their job will also lose their housing and access to other forms of social support. It is therefore important for them to fulfill their tasks to maintain employment. Furthermore, farm managers can use housing, and social services in general, as a form of power in negotiations on labor and property issues. Humphrey (2002:157) presents the example of a farm director who “gave and took away, and sold buildings, according to her own will.” Cramon-Taubadel (2002:182), based on his experience as an agricultural consultant in Ukraine, states that old-age pensioners who do not rent out their land shares to the farm enterprise at the price offered risk losing access to these services.

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5 Visit to farm enterprise, Kagalnitskii district, Rostov region, October 25, 2002.
6 The interview with this manager took place in Amsterdam, during his visit to the Netherlands, on June 18, 2009.
That social services form an important element in the power of farm directors of strong LFEs is especially true for the ad hoc benefits given to farm workers individually. Support for individual employees, which was common in the Soviet era, has declined but not disappeared. Farm managers help out, for instance, by lending money for a welcome party when the son of an employee comes home from the army, or providing help when a family member becomes ill. As a farm director in Saratov said: “I am the head of a commune. Whether you are a farmer or a worker, you come to me. Wedding, funeral, a boy sent off to the army – I provide finances for that” (Amelina 2002: 281).

Pallot and Nefedova (2007) found that all the LFEs they visited in two districts in Moscow region paid for hospital treatment for sick workers and pensioners, and supplied meat for wedding celebrations and funerals. Farm managers are able to use such individual social benefits in their negotiations with workers.

**RIGHTS OF THE RURAL POPULATION AND PROPERTY ACCUMULATION BY THE ELITE**

For rural dwellers to profit from the new property they gained through privatization, they need to be aware of the rights they have with regard to selling, renting, and otherwise transferring their land shares. Furthermore, they need to know how to seek support when managers or outsiders try to infringe on their property. It was mostly the higher educated farm specialists, having more knowledge about the new laws as well as the necessary social capital (Spoor and Visser 2004), who started their own farms (Praust 1998).

Employees who are not interested in establishing an independent farm have several other options for the use their land share. For example, they can use part of it to expand their household plot while remaining in the agricultural enterprise, or rent it out to the enterprise or private farms. In principle, villagers can adjust property use over time in response to household size and needs. However, many employees invested their shares in the enterprises for next to nothing, losing the right to their property and the annual income they would obtain from renting it out. About half of all the land shares that the employees received were used by agricultural enterprises without legal formalities for lease or investment (Uzun 1999). Mostly, the provision of support for household plots described earlier was presented by the farm directors as a compensation for the use of land shares by the farm enterprise. Dividends are seldom paid, as most agricultural enterprises are barely profitable or make losses.

The promise of quick economic transformation and the creation of a “people’s capitalism” through privatization have proven illusory. The outcome of reform in the post-Soviet countryside suggests that providing the population with property rights in itself will not fight poverty, contrary to what de Soto (2001) and Prosterman and Hanstad (1993) suggest. Property reform requires above all in-depth knowledge of the local extralegal property system.

As mentioned above, many farm workers as a rule have no legal contracts with their farm enterprises. As Gregory Feifer writes, “few landowners understand their legal rights. In many cases, regional and local officials have been able to keep land in
the hands of collective-farm managers and other cronies” (Feifer 2003:1). Duma Deputy Viktor Pokhmelkin, co-chairman of the Liberal Russia party, stated that in most cases where rural inhabitants tried to defend their property against farm managers or authorities, courts have not decided in favor of private citizens (Feifer 2003).

In Pskov and Rostov oblasts, I came across cases where the district authorities had extorted land from private farmers. In Pskov region I visited one village where several villagers had been to court to win back the land they were entitled to from the LFE. One farmer had even been to court four times and, at the time of my visit, was still awaiting the final decision of the court. Even when rural inhabitants manage to win a case in court, this does not mean that they have “won.” In the summer of 2000 I visited a private farmer in Pskov whose land was illegally sequestered by the tax police. With the help of an NGO in the regional capital that offered legal support, he was eventually able to get his land back. However, in the meantime he had not been able to work the land for more than two years, and as a result, his exceptionally large private farm of about 1,000 hectares had gone bankrupt. When I visited him a year later, he had left agriculture highly disappointed, and had started a woodcutting firm.

Major changes are needed to develop an independent legal system, but the prospects are not bright. The land code itself leaves much of the implementation of regulations to the discretion of regional and local authorities. In some regions, authorities have created extra rules which hinder the emergence of private farms. In the southern region of Krasnodar, aspiring private farmers must have no less than 300 hectares of land to be allowed to start a farm, whereas the average size of private family farms in Russia is much lower, at 81 hectares in 2006.7 Moreover, local authorities have the right of first refusal for any land sale. The selling process is very cumbersome and prone to abuse (Wegren 2002b:659). Thus it is likely that the farm managers or rich investors will continue to be the winners of property reform. Indeed, “it is not difficult to imagine land committee officials, who are not well-paid, being approached (paid) to exercise the right of first refusal to some land deemed desirable, but not other land, on behalf of hidden investors” (Wegren 2002b:658). Already in the last years preceding the introduction of the land code, former local communist bureaucrats were assigning themselves plots of land in expectation of legalization by the land code (Nikulin 2003). The director of a farm enterprise in Rostov that I visited was buying up shares from farm employees. But this was a long process. He regretted that he had not chosen a smarter way to obtain majority ownership. He stated that “many farm workers stick to their shares as a memory of the past.” This description of farm workers’ behavior as inertia or conservatism glosses over the real interest that farm employees have in share ownership and the power struggles around the concentration of shares.

Poor rural dwellers have disproportionately lost their shares, and income differentials continue to increase. The chairman of the farm enterprise in Krasnodar even stated: “I could have made it all into my own property, but to do it one must

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7 Data from Rosstat: www.gks.ru/bgd/regl/b08_12/IssWWW.exe/stg/d01/15-09.htm
have no conscience at all” (Nikulin 2003). Other farm directors apparently have an easier conscience and have managed to concentrate farm ownership in their hands (Dvorkin 2000). Butuzova and Kassin (2007, cited in Lerman and Shagaida 2007:22) describe various cases in the Kaluga region where outside investors have bought up shares from farm employees with the use of deception, making use of the employees’ limited knowledge of their rights. Pallot and Nefedova (2007:117) describe the practices of the MiG company taking over large enterprises in Stavropol krai, where shareholders in the LFEs taken over by the company receive one ton of cereals per annum for their land share but “in recognition of the investments MiG has made in the land” they now have to pay for it.

Since the early 2000s there are increasing tendencies to further enlargement of farm enterprises, and concentration of shares in the hands of outside investors. These investors are food processors and wholesalers or financial-industrial groups owned by the so-called oligarchs. Takeover by outside investors appears to be a mixed blessing. On the one hand, one can see mounting investments in machinery, increasing wages, and growing production (Rylko et al. 2005). On the other, this process is inseparable from growing unemployment due to mechanization (Rylko et al. 2005), mounting rural inequality and social divides (Gollub 2008), as well as further disenfranchisement of farm workers (Nikulin 2005). This loss of power leads Nikulin (2002; 2003) to conclude that the transformation in the large farm enterprise he studied can better be described as a transition to a hacienda than to a holding.

THE WEAKNESS OF RESISTANCE BY THE RURAL POPULATION

It seems unlikely that uncontrolled concentration of property in the hands of the elites and abuse of law will diminish any time soon, unless the federal government makes the protection of the rights of the population a priority. However, agrarian policy is predominantly focused on the large farm enterprises. For example, at an agricultural conference in the Moscow oblast in February 2001, the Russian Minister of Agriculture stated that “no one should doubt the priority of large producers over small ones” (Wegren 2002a:28). The “national project for agriculture” which was started under Putin distributed most funding to the large farm enterprises, although some funding was set aside for private farms, and, for the first time, household plots. Within this political environment, it is not to be expected that the state will make small-scale agriculture and protection of individual rights a priority, unless strong lobbies and protests by the rural population force the government to take these issues seriously.

A brief comparison with Latin America may prove useful. In the Latin American countryside, peasant protest movements have had a significant influence on agrarian policy. In Bolivia, Brazil, and elsewhere, peasant movements were able to expropriate large estates through occupations and road blocks (Petras 2005:3). Even in cases where the initial state response was negative “mass peasant pressure organized with urban coalitions […] can force regimes to finance land expropriations and agricultural
cooperatives, as has been the case in Brazil” (Petras 2005:3). In various Latin American countries, peasants have strengthened their movements through the creation of transnational contacts and movements, such as Via Campesino (see e.g. Borrras et al. 2008; Edelman 2002). It should be noted that within Latin America the strength of peasant movements is uneven. While in countries such as Brazil and Ecuador, peasant movements are engaged in long-term, large-scale struggles with considerable success, Argentina (like Chile and Uruguay) is at the low end of the scale in terms of strength of direct action by peasants (Petras 2005:11). Although in Argentina peasant movements have little national impact (compared with most Latin American countries), they have developed regional influence in Santiago de Estero (where Bidaseca conducted her research) and some other provinces (Petras 2005). Bidaseca’s paper (this issue) presents a case where peasants in Argentina have successfully resisted expropriation of land by banks or creditors. In the spring of 2008, Argentina’s major producers’ associations organized a three-week strike and road blocks that shook the country (Astunes 2008), although it should be mentioned that the agrobusiness allied itself with small farmers and played a dominant role in this protest against limitations on agrarian exports.

In Russia, and CIS as a whole, there is no farmer mobilization on a scale comparable to Argentina (let alone Brazil or Bolivia). There have been instances of farmer protest in Russia which managed to get media attention. In Sakhalin a farmer by the name of Atagishi Emeev, who operated a small farm of 30 hectares, blocked a road used by the oil multinational Shell/Sakhalin Energy for more than ten days to protest the withholding of the compensation he was promised for use of his land (Environment Watch 2004; Svobodnyi Sakhalin 2004). In 2005, farmer protests occurred in several towns in Russia, and in April 2006, farmers protested the import of food (especially chicken wings) in Moscow. In Ukraine, on the outskirts of Kharkiv, in December 1991, employees of the farm enterprise Ukrainka used their tractors to defend their farm’s land, which the authorities wanted to distribute as garden plots among the urban population (Allina-Pisano 2008:2). However, such protests have been few and far between compared with the large-scale protests in Argentina, which received widespread international attention.

There are hardly any groups that can effectively pressure the state to protect the rights of the rural population. In Russia, there is a single countrywide private (family) farmers’ association, AKKOR, which has offices in 68 regions. It was established in 1990, when privatization started, but lost much of its support among farmers in the mid-1990s, when government subsidies and credits for private farms (which were allocated via AKKOR) declined, and the emergence of new private family farms stagnated. AKKOR lobbies the government on behalf of farmers and cooperates with the Ministry of Agriculture. For example, the association designed the new

8 Assotsiatziia krestianskikh (fermerskikh) khoziaistv i sel’skokhoziaistvennykh kooperativov Rossii—Russian Farmers’ and Agricultural Cooperatives’ Association.

9 It should be noted that the share of private family farms in total production increased due to a rise in average farm sizes, but was still below 10% in 2008 (Data from Rosstat: www.gks.ru/bgd/regl/b08_12/IssWWW.exe/stg/d01/15-09.htm).
government program to support private farms for 2009–11. This close engagement with the authorities appears to exclude more active forms of protest, such as demonstrations. The protection of land rights held by private farms, let alone of farm workers, is not a substantial part of the association’s activities.

The more recent Krest’ianskii Front (which can be translated as either Peasants’ Front or Farmers’ Front), was established in 2003. It is not currently an important actor in rural politics. The movement, which claims to have over 15,000 members in 20 regions, is still developing. It targets a wider constituency: not only private farmers, but also farm workers and all kinds of small land owners. However, taking into account that over 17 million people have rural household plots (Rosstat 2007:16), and millions more urban dwellers have dacha plots, the members of Krest’ianskii Front constitute a tiny percentage. In contrast to AKKOR, addressing land rights issues through petitions and demonstrations is an important activity of the association. However, its staff is limited, and it has not yet succeeded in arranging a meeting with the Russian president.

In sum, AKKOR is mostly focused on cooperation with the government, and its support among farmers has dwindled, while the more confrontational Krest’ianskii Front still has a long way to go to become an influential countrywide movement.

Why does a widespread peasant movement (in potential coalition with other interest groups) not exist in Russia? I will discuss three important factors below.

The first important factor is the Soviet tradition of weak and ambivalent trade unions and the suppression of protest movements. Thus, Bohle and Greskovits (2006:7) state that “institutional and ideological legacies are a serious impediment to the formation of a strong labor movement in Eastern Europe.”

Crowley and Ost (2001:219, cited in Bohle and Greskovits 2006:219) state that the weakness of East European labor is manifested in its “low capacity to shape public policy or to win material benefits [...] to organize the newly important private sphere [in the case of rural Russia, the family farms—O.V.], and a general decline of labor’s social and cultural standing.” However, several additional factors need to be taken into account to explain the continued quiescence of Russian (farm) workers, as well as private farmers, more than 15 years after the fall of the Soviet Union. In Russia as a whole, and generally in the FSU, there has been very limited protest by the population against economic reforms and economic injustice in comparison with Latin America (Greskovits 1998). However, rural protests have been especially infrequent (Javeline 2003).

In her study of payment arrears and protest in Russia, Javeline shows that employees in the countryside have protested wage arrears much less frequently than urban employees. This holds true even when controlling for the lower education and income levels in the countryside (Javeline 2003:143). In addition, in the 2000s the rural movement, like other social movements, was also largely ignored, or portrayed in a negative light, by the mostly state-controlled media. This, of course, makes outreach to potential members difficult.

Secondly, the number of private farmers and their share in production is too small for private farmer associations to play a role of any importance. As discussed
above, AKKOR’s initially broad membership declined with the drop in state subsidies from the mid-1990s onward. The experience of forced collectivization has made farmers skeptical of collective action. The majority of the private farmers I interviewed were not members of any association. The interviews with farmers suggest that cooperation among them is, as a rule, based on one-on-one exchanges, mostly on an ad hoc basis, and rarely involves larger numbers of farmers working together.

The third factor is demographic. In the 1990s in Russia, large numbers of young people left the countryside in search of better-paid jobs and more comfortable living conditions in the cities, attracted by growing consumerism. It should, however, be noted that although overall in Russia the rural population is aging, demographic profiles vary significantly by region.

Due to the poor conditions for agriculture and the pull factor of nearby Saint Petersburg, Pskov oblast has traditionally seen strong rural flight among young people. With the economic decline of the 1990s, these tendencies were aggravated. While the urban population in Pskov oblast dropped by nearly 10 percent from 1989 to 2007, the rural population diminished by over a quarter (Rosstat Pskov 2007:13–14). As a consequence, especially in the remote areas of the region, young or well-educated employees are leaving. After a sharp decline in the 1990s, the number of young rural dwellers continued to drop, albeit at a lower rate. From 2000-2007 the number of rural dwellers aged 20 to 45 declined by 17 percent (Rosstat Pskov 2007:19).

The demographic situation in Rostov oblast is more favourable. Unlike North-West and Central Russia, the oblast experienced net immigration, like many regions in the South. These migrants are mainly ethnic Russians who left the Transcaucasus following the independence of Armenia, Azerbaijan, and Georgia, as well as refugees from nearby parts of the North Caucasus.

As a result of the emigration of young people, an aged population remains in the countryside, which forms a weak base for membership, let alone leadership, of peasant movements (which mostly tend to consist of young and middle-aged people). Latin America is also experiencing rural flight among the same age groups, but given the exceptionally low fertility rate in Russia, the emigration of young people has a stronger impact on the demographic composition of the Russian countryside.

Fourth, the nature of existing informal property relations, especially the importance of household plots and the symbiosis with farm enterprises, also contribute to the absence of peasant movements, as I will discuss in the conclusion.

CONCLUSION

Various obstacles to the expansion of the family farm sector have been discussed. The market reforms in Russia were characterized by a strong focus on creating private property, combined with liberalization as a way to stimulate the emergence of private family farms and empowering the population. It has been shown that property rights are only the first step, and do not by themselves trigger the emergence of a land market and institutions such as independent legal support.
In Russia, as in Argentina, elites are accumulating land and assets as a result of neoliberal reforms. Although concentration of agricultural ownership is common around the world, the scale of concentration in Russia (and Ukraine) as well as in Argentina (and Brazil) is remarkable in international comparison, with single agroholdings operating more than 150,000 hectares (Gras n.d.; Rylko et al. 2005; Visser and Spoor 2011), although the actors and mechanisms in this process of accumulation are not precisely the same. Moreover, the scale of agroholdings in Russia is more extreme than in Argentina, as a small number of Russian holdings farm up to half a million or even one million hectares each.

While Western advisors expected that private property would stimulate the empowerment of the rural population and the emergence of civil society (Prosterman and Hanstad 1993), the reverse seems to be true. For the functioning of an egalitarian property system the emergence of an active civil society is urgently needed. However, the resistance of the rural population against accumulation by the elite has been rather weak in Russia, compared with Argentina. The legacy of 70 years of communism and the people’s lack of experience with protest and mobilization plays a role, but additional factors have been discussed. The virtual absence of protest by private family farmers can be explained by their small number, which makes it difficult for them to have any impact. Furthermore, the demographic situation in the countryside does not encourage the mobilization of rural dwellers, be they private farmers or household plot owners.

Finally, with regard to household plot holders who form the majority of the rural population, the relationship between household plots and large farm enterprises, as well as the social role of the LFEs, are crucial for understanding rural dwellers’ weak resistance in comparison with Argentina and Latin America at large. The plots formed a social safety net that protected the population against food shortages and severe poverty, especially during the deep crisis of the 1990s (Pallot and Nefedova 2007). Rural plots proved a defense against loss of earnings offering an alternative for meager wages in the farm enterprises. At the same time, the existence of the household plot also hinders the emergence of collective forms of protest. A farm manager interviewed in Rostov oblast stated the following regarding the reaction of the rural population to the negative consequences of market reforms; “In France the farmers take to the streets to protest, but in Russia rural dwellers remain quiet because they can always get by on their household plots”. Even farm employees who lose their job at the LFE can always fall back on the household plot by expanding production, although this means hard work and a low level of subsistence.

Moreover, the household plot holders remain dependent on LFE management for extra benefits which assist the productivity of their household plots. The transfer of benefits of this kind, as well as the provision of some forms of social support, have an informal character and depend on negotiations with farm management. Such paternalistic relationships hinder the emergence of protest by poor rural dwellers, let
alone widespread mobilization or the development of transnational movements (see Visser and Bidaseca, this issue).

Rural dwellers have developed covert, individual strategies to pilfer the stores or fields of the LFEs, or to conduct themselves as free riders when working at the farm enterprise. To some extent these could be considered forms of “hidden protest” (Scott 1985). However, such semi-legal or illegal strategies, in which an employee steals from, or tries to dodge work at the farm enterprise, comes at the cost of the whole labor collective (at least where the LFEs are still owned by all the employee shareholders). Thus they are likely to increase mutual distrust, making broader collective action and protest even more difficult.11

In sum, the legacy of property relations and rural social structures from the Soviet era (especially the household plot-LFE symbiosis and the social role of the LFEs), has enabled rural dwellers to survive the shocks of transition. However, at the same time it is also one obstacle, among others discussed earlier, to the mobilization of the rural population against accumulation of land by the elite, and forms one of the difficulties surrounding any potential request that the government give more support to household plots and private family farms.

REFERENCES


Thus the situation differs from that described by Malseed, who studied Karen villages in Burma. Among the Karen, there is no overt peasant movement, but “when asked how they have responded to specific recent abuses, awareness of their own acts of resistance promptly emerges, usually accompanied by expressions of community and solidarity” (Malseed 2008:336–337). It should be noted that the wider national context, and hence the reasons for the weakness of the peasant movement, are very different. Whereas for Russia this article discussed a wide range of social, economic, and demographic factors, in Burma severe repression by the state is the overwhelming reason for the lack of an overt rural movement.


