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On the Threshold of Agrarian Reforms in Russia

Russia has found itself in the midst of complicated socio-economic changes. They were invoked by the process of departure from communism. Their bases lie in the necessity of radical changes in production methods to which irrationality was especially sharply exposed in agriculture. More and more often it is perceived that market economy mechanisms need to be implemented into agriculture; on the other hand, however, there are no developed strategies that would take into account the all social groups interest in agricultural transformation. Certainly negligence in such social sciences as rural economics, rural sociology or rural law does not aid the situation. These sciences should be responsible for developing theoretical and methodological basis of agrarian reforms; they also should conduct critical analysis of social phenomena taking place in the rural areas of the Russian Federation.

An attempt to at least take an inventory of the emerging problems can be found in two monographs published in Russia in late 1993. The first one (*The Agrarian Relationships: Theory, Historical Practise, Development Perspectives*) [1] is the result of research conducted by a group of scholars directed by T. W. Savitch. It consists of material presenting the current state and development perspectives of Russian rural areas. The other one (*The Methodological Basis of Socio-economic Monitoring of the Rural Reform*) [2] describes the results of an empirical research on the attitudes of rural residents to the proposed and implemented changes to the functioning of agriculture.

Because the scope of the two works is quite wide, I would like to direct the reader's attention to three, in my opinion, of the most important issues. These are the following:

- ideology and strategy of the Russian agrarian reforms;
- re-organization of the state-owned sector and the development of individual farming;
- social results of the first stage of the reforms in agriculture.

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In both monographs presented rural reform is considered to be a process of complex changes in the system of agrarian relations, which, in consequence, should lead to the creation of new conditions allowing for a rational agricultural production, socio-cultural revitalization of rural areas, while sustaining their ecological potential. Recommended changes should have their sources in the market economy and should lead to the creation of a new group of independent producers-owners. This should be a result of the privatization of the state-owned land and the development of the infrastructure are allowed. Because of Russia's very peculiar history it is recommended that the changes take place in an evolutionary manner, without any unnecessary economic and social radicalism.

The notion of the agrarian relationships is identified with the entire complex system of economic relations; it includes not only the process of agricultural production but also its social and cultural dimensions which rise from the rural residents' natural inclination to dignified life. Summarizing the thesis of both monographs, we point at the most important factors shaping the new, post-Soviet reality. These are, besides already mentioned economic changes (private land ownership, free competition, intervention function of the state), the legal guarantees of choice of the form of economic activity and social security.

It is also worth mentioning that the Russian researchers strongly underline the necessity of tying free market with economic regulators available to the state, it is especially important now, during the transformation stage of rural reform. Weakening of the state's role will be possible only after the so-called limitators of the rural reform are neutralized. Among the most important limitators are deficiencies in materials and tools in newly created farms together with weakening of Russian economy (the country has to deal with the problem of huge foreign debt and deep crisis of the state's structures).

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A statement that 'land should belong to those who farm it' [3] can be considered a synthesis of the views of both authors on the issues of collective and individual organization of agricultural production.

Collective forms of ownership of the production means, so prevalent in Russia's past, now are considered to be faulty not only ideologically (in conflict with the nature of man), but also not very economical (the latter is well illustrated by years of collective farming in kolkhozes and sovkhoses).

It seems that a much better solution is connecting human activity, including farming, with private ownership of the production means — this allows for the development of creativity. Absolute superiority of private ownership over collective ownership, according to the Russian researchers, forces speedy reorganization of, still dominating in the Russian agriculture, state-directed forms of economies in agriculture.

According to the research presented in monograph *The Methodological Basis of Socio-economic Monitoring of the Rural Reform*, the process of restructuring Russian agriculture will take from 8 to 15 years. It's first stage (the reorganization) should take about three years; it should lead to the creation of a legal basis necessary for ownership transformation and the creation of the essential organizational structures. After that, the second stage can be initiated. It should comprise of a transition from almost exclusively state-ownership to a mixed forms as well as the moving of materials, tools and machinery to private hands and effectively functioning agricultural partnerships. Strategic importance of creation of new private agricultural enterprises, including individual family farming, is also underlined. Currently functioning regulations, which allow, free of charge, lease or take-over of land (together with other means of production) by former sovkhos and kolkhoz employees (also pensioners and people not directly employed in them but responsible for, for instance, functioning of social aspects of rural life), have to be re-thought and made more precise. At present they do not provide for simple rules and make the process of creating private land ownership quite complicated. Another difficult problem, to tackle, is securing financial security for large numbers of state-owned farms' employees who do not want to become individual agricultural producers as well as finding new owners for the rural infrastructure (roads, buildings, telecommunication, electricity, sewage and gas facilities) which used to belong to the collective farms. A proposed solution to give them rural self government did not fulfil expectations — local government having insufficient financial resources to maintain infrastructure.

The scale of the problem can be illustrated by the numbers showing the size and the dynamics of the reorganization of the state sector in agriculture in 1992. The table presented here comes from the monograph *The Agrarian Relationships: Theory, Historical Practise, Development Perspectives* (p. 132).

If in Soviet Russia (before the reforms) there were about 23,500 kolkhozes and sovkhoses, it is easy to calculate that by the end of 1992 almost 80 per cent of them fell under some form of transformation. The Russian reformers are especially pleased with the fact of a very dynamic increase in number of individual farms — from 4.4 thousands on 1st January 1991 to 213.8 thousands on 1st March 1993. There are, however, threats to the rural reforms in Russia. They come from an old sovkhos-kolkhoz lobby of people

Reorganization of state forms of rural ownership in 1992

Form of the organization	May 15, 1992	June 1, 1992	December 31, 1992
Kolkhozes and sovkhoses with a coop structure	7079	8391	19719
Various types of company	1662	1374	2738
Private agricultural enterprises using hired labour	1080	1099	2062
Individual farms	—	23337	43591
Sum	9821	34201	68110

holding managerial positions in the production cooperatives and the joint stock companies which emerged from state-owned farms. The lobby, which is not interested in the members of cooperatives going independent, wants to force legislation stating that every person wanting to leave (together with the land) the coop has to have the consent of the rest of the members or stock holders. Such legislation may cause a slowdown in the creation process of individual farm ownership; it also questions the whole process of privatization in agriculture.

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Other important issues discussed by the authors are the social consequences of agrarian transformations. The authors of *The Methodological Basis of Socio-economic Monitoring of the Rural Reform* are especially interested in the attitudes of various rural groups towards the idea of reform and the mechanisms of its fulfilment. The research results show that what the Russian researchers call 'the maturation of the social basis for the reform' is quite slow. The success of the reform is viewed with scepticism and the reorganization of state-owned farms is perceived as another initiative in which positive results will never be felt by rural residents. The lowering of the rural families living standard, especially those with many children, pensioners and workers in the rural infrastructure, is widely criticised. Increased unemployment, especially among women, caused by the crisis in rural communal infrastructure (liquidation of creches, kindergartens, ser-

vice points etc.) is also viewed with distress. It is worth adding that almost 40 per cent of the respondents were expected to be made redundant in the near future, with no prospects of new employment. Therefore, one cannot be surprised that the majority of the surveyed express opinion that the reforms have brought about more harm than good. Scholars interpreting the research result points at, besides poverty, of negative social and demographic factors (the majority of rural residents are elderly and retired people), low educational level of rural residents, their lack of knowledge about the market economy and lack of coherence between the reforms and their mentality and values.

Scholarly honesty forces to signal some positive social results of the reforms (as pointed out by the authors of the two monographs). One of them is the changing demographic structure of the rural areas. In 1991 for the first time the process of migration was suppressed. Also an increase in rural population and an increase in demand for specialists and highly educated employees were observed.

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Ending the presentation of the selected aspects of the two most important Russian publications on rural reforms in Russia published in 1993 it is worth adding that their authors do not exclusively concentrate on legal, social and economic aspects. They assign an important role to almost completely destroyed traditional rural culture (the one from before the Revolution of 1917). This culture is understood as a spectrum of phenomena of internal order, allowing man to solve their everyday life problems, live in harmony with the natural environment, the world and its residents. The traditional rural culture is not only folklore, it is an especially sensitive part of human identity expressed in his or her beliefs, values, norms and customs. It adds sense to the difficult life of a farmer and stimulates him to honest work on his farm. Its rebirth is one of the basic conditions of the success of the Russian rural reforms, which currently are supported by only 5 per cent of rural residents.

FOOTNOTES

1. *Agrarnyje otnoshenija: teorija, istoricheskaja praktika, perspektivy razvitiya* (*Agricultural Relations: Theory, Historical Practise, Perspectives of Development*), ed. T.W. Savitch, Moscow 1993, p. 268.

2. *Metodicheskiye osnovy sotsialno-ekonomicheskogo monitoringa agrarnoj reformy* (*Methodological Basis of Socio-economic Monitoring of Agrarian Reforms*, Moscow 1993, p. 181.

3. *Agrarnyje otnoshenija...*, op.cit., p. 134.