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Russian economic History in Global Perspective

Russian economic history is constantly used to confirm our models and preconceptions instead of asking questions. This is much often done by evoking the presumed “specificity” of Russia (as a whole). The “Mongol yoke”, absolutism and serfdom, then communist, totalitarianism, and now, once again, the “new Russian mafia” peril are among the most widespread notions historians and commentators use to explain Russian history. Notions of coercion, serfdom, failed reforms, communist economy are taken as synonymous of “backwardness”. Indeed, from the eighteenth century to the present, comparisons between Russia and the major European countries have formed part of a wider debate about “backwardness.” The goal has been to create a comparative scale to account for both economic growth and so-called “blockages”. Montesquieu’s “Asiatic Despotism,” Voltaire’s and Diderot’s perceptions of Russia and Asia, and the so-called Asiatic mode of production described by Liberal, radical, and Marxist historiography in the nineteenth century are well-known examples. Then, in the twentieth century, the comparative and global analysis of Eurasia found its way into discussions of backwardness and underdevelopment, decolonization, the fate of communism and the Cold War as well as arguments such as Oriental despotism and Hayek’s *Road to Serfdom*. Authors as different as Kula, Wallerstein, and North agree on this: in early modern times, Russia and Eastern Europe responded to the commercial, agrarian and then industrial expansion of the West by binding the peasantries to the land and its lords.¹ It is interesting that even new approaches to world history such as Pomeranz’s “great divergence,” while contesting Chinese backwardness and European ethnocentrism, still consider Russia the paradigm of unfree labour and lack of markets and, as such, opposed to both the Lower Yangtze and Britain.²

After the collapse of the Berlin Wall and Asia’s return to world prominence, after the global crisis of the Western economies, the time has come to discuss these notions and stop using history to judge or to prove the superiority of the West in terms of economic efficiency or political organization. Of course the point here is not to deny the differences between, saying, Russia, China and England, but rather to study them from a more problematic perspective. A

¹ Immanuel Wallerstein, *The Modern World-System: Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century* (New York, London: Atheneum, 1974,1976); Witold Kula, *An Economic Theory of the Feudal System* (London: New Left Books, 1976); Douglass North, *Structure and Change in Economic History* (New York: Norton, 1981).

² Kenneth Pomeranz, *The Great Divergence* (Princeton: Princeton University Press, 2000).

new historiography of Russia and of the USSR has developed in recent decades and contributed analyses and innovative solutions in all these areas. Curiously, those contributions have had trouble gaining recognition outside Russianist circles and conversely, Russian scholars, unlike specialists on China, India and Africa, have shown little interest in participating in global history debates, with a few notable exceptions of course – Lieven, Burbank, Morrison among others – not to mention several forums on the topic in *Kritika* and *Ab Imperio*.³ This back-and-forth exchange is indispensable but difficult, for indeed the comparative and/or globalizing approaches available to us accept a relationship between economic growth, on the one hand, and democracy, the absence of corruption, openness to minorities, innovative capacities and privatization on the other. Now this scheme has a hard time accounting for Russia's history over the long run: How, despite several institutional changes, did Russia succeed in enlarging and later keeping a vast territory from the seventeenth century until today? Why, despite its economic weaknesses and lack of democracy, has it not only continued to exist but maintained a leading role on the world stage?

Russia and economic backwardness

Alexander Gershenkron is justly famous for *Economic Backwardness in Historical Perspective*. Yet these two terms – the notions of backwardness and historical temporalities – are hardly compatible. In reality, economic backwardness refers to logical time. From the eighteenth century to today, comparisons between the Russian economy and the economies of Europe's main countries have been part of a broader debate over the notion of “backwardness”. It involves proposing a scale of comparison to account for economic growth as well as for so-called “obstruction” factors. The framework of comparison is created by

³ Jane Burbank and Frederick Cooper, *Empires. A World History* (Princeton: Princeton University Press, 2010); Alexander S. Morrison, *Russian Rule in Samarkand 1868-1910: A Comparison with British India* (Oxford: Oxford University Press 2008); Dominic Lieven, *Empire. The Russian Empire and its Rivals from the Sixteenth Century to the Present* (London: Pimlico, 2003).

drawing up a list of elements based on a standard Western ideal. We will not recount the history of this model⁴ here but simply mention its main components.

In this sense, Gershenkron offers an excellent example of how the approach was applied to the case of Russia. Indeed, like Max Weber and others before him, Gershenkron began by drawing up the list of Western characteristics on which his comparison would be based; he too emphasised cities, the bourgeoisie, markets and private property. Yet unlike Marx and to some extent Weber, he thought it was possible to arrive at industrialisation (but not capitalism) without a bourgeoisie. In place of this component, “backward” countries (to use the jargon of the 1960s and 1970s) such as Prussia and Russia had “substituting factors”, notably the state. This is a very clever solution to the problem raised by the need to reconcile particular features, historical specificities and general dynamics. If backwardness and diversity go together, then it is possible to conceive of alternative paths.⁵

One might wonder, however, if this solution really eliminates the confusion between historical time and logical time. Contrary to appearances, Gershenkron does not compare Russia to England in specific historical contexts. Instead he opposes an ideal image of the West (and of England in particular) to an equally ideal image of nineteenth century Russia. English economic development is associated with the early introduction of a Parliament, privatisation of the commons and hence the formation of a proletariat available for agriculture and industry. In contrast, Russia is associated with market towns – and therefore with a bourgeoisie – as well as the presence of an absentee landed gentry living off serfdom.

⁴ Cf. my “Free Labour-Forced Labour: An Uncertain Boundary? The Circulation of Economic Ideas between Russia and Europe from the 18th to the Mid-19th Century,” *Kritika. Explorations in Russian and Eurasian History*, 9,1 (2008),1-27.

⁵ Alexander Gershenkron, *Economic Backwardness in Historical Perspective* (Cambridge, Mass: Harvard University Press 1962).

These interpretations stemmed from the research work on England and Russia available at the time Gershenkron was writing, starting with more general works from Marx to Polanyi that stressed those characteristics in describing the English industrial revolution.

Soviet and Western historiographies also concurred on the limits of the 1861 Russian reforms (abolition of serfdom), the ensuing impoverishment of the peasants and the extent of Czarist industrialisation.⁶ Like these authors, Gershenkron put great trust in the economic and statistical research produced in Russia between 1870 and 1930. Though indeed these works contained a wealth of information, it is nevertheless important, as we have shown elsewhere, to understand the conditions under which it was produced. Our aim is not to invalidate turn-of-the-century Russian statistics, let alone “correct” them in line with a given statistical history, but rather to take the empirical methods and the intellectual and political challenges of the period into account so their conclusions may be used later on.⁷ In particular, the economic and social statistics produced in Russia at the turn of the century were, for the most part, the work of intellectuals, specialists and sometimes merely activists employed by the *zemstvo*, local self-government organisations. These authors were quick to reveal the inadequacies of the reforms, the limits of autocracy and the impoverishment of the peasantry. Above and beyond their considerable differences, “Marxists” and “populists” agreed on this aspect. They selected typical cases and variables to confirm their hypotheses. Kablukov, a

⁶ Just a few examples: Jerome Blum, *Lord and Peasants in Russia from the Ninth through the 19th century* (New York: Atheneum, 1964); Richard Hellie, *Enserfment and Military Change in Muscovy* (Chicago and London: The University of Chicago Press, 1971); Peter Kolchin, *Unfree Labour: American Slavery and Russian Serfdom*, Cambridge (Cambridge Mass.: Harvard University Press, 1987); Daniel Field, *The End of Serfdom: Nobility and Bureaucracy in Russia, 1855-1861* (Cambridge, Mass: Harvard University Press, 1976); Ivan D., Koval’chenko *Russkoe krepostnoe krest’ianstvo v pervoi polovine XIX v.* (The economics of serfdom in Russia during the first half of the nineteenth century), (Moscow: Nauka, 1967).

⁷ Alessandro Stanziani, *L’économie en révolution. Le cas russe, 1870-1930* (Paris : Albin Michel, 1998).

professor of economics and statistics at the University of Moscow in charge of statistics for the Moscow region in the early twentieth century, thus stated that a peasant should be classified as a *meshchane* (petit-bourgeois) as soon as he bought land for himself.⁸ By definition, a peasant was someone who did not have enough land to satisfy the needs of his family.⁹ These were the sources Gershenkron used in his work, which were hence doubly decontextualized: he took out context turn-of-the-century sources, which in turn were the result of a particular empirical clarification.

At the same time, this approach completely dominated in the 1960s: a certain historical situation could fit into a more general pattern of economic development, drawing comparisons by analogy without worrying too much about the conditions in which the sources were produced. This explains how it eventually became possible to use Russian development and the debate between “populists” and “Marxists” from 1870 to 1914 in discussions about which type of development policies were best suited to Asia, Africa or South America during the 1960s.¹⁰ The comparisons were not so much anachronistic as a-temporal.

Russian and economic neo-institutionalism

Such approaches were not abandoned when colonialism and the cold war came to an end; on the contrary, those historical processes even encouraged their use. The “transition” to capitalism in the former Soviet-bloc countries as well as in Latin America and of course

⁸ Nikolai Kablukov, *Posobie pri mestnykh statisticheskikh obsledovaniakh* (Remarks for local statistical surveys), (Moscow, 1910), 8-10.

⁹ Alessandro Stanziani, “Les enquêtes orales en Russie, 1861-1914,” *Annales HSS*, 1 (2000), 219-241.

¹⁰ Alexander Mendel, *Dilemmas of Progress in Tsarist Russia. Legal Marxism and Legal Populism* (Cambridge, Mass.: Harvard University Press 1961); Paul Rosenstein-Rodan, “Problems of Industrialization of Eastern and Southeastern Europe,” *Economic Journal*, June-September, 53 (1943), 202-211; Gunnar Myrdal, *Economic Theory and Underdeveloped Regions* (London: Duckworth, 1956).

China and India became the inevitable outcome of an economic model considered to be valid everywhere. Neo-institutional economics, developed in the 1970s by Douglass North among others, became the dominant paradigm in comparative economic history.¹¹ Instead of evoking an ideal competitive market, like liberal, neoclassical theory, neo-institutional thought took seriously the criticism of those who viewed the market economy as a particular historical construction. It incorporated institutional phenomena in the neo-liberal approach, maintaining that institutions were efficient insofar as they offered a means to cope with “market imperfections”.

According to this approach, the commons, which had been criticised since the eighteenth century as a source of inefficiency, were viewed as a safeguard against risk at a time when the markets were still so imperfect they prevented rapid compensation for poor harvests in one region by the surplus from other regions.¹² In this way, “market imperfections” were the explanation for Russian peasant districts and even serfdom in eastern Europe.¹³ In other words, there was an economic explanation for every institution present in the history of humanity.

The only difference in relation to previous approaches was that henceforth the list of development factors was drawn up on the basis of one and only one criterion: efficiency and

¹¹ Douglass North and Robert Thomas, *The Rise of Western Civilization: a New Economic History* (Cambridge: Cambridge University Press, 1973).

¹² Deidre McCloskey, “The Open Fields of England: Rent, Risk, and the Rate of Interest, 1300-1815” in David Galenson (ed.), *Markets in History: Economic Studies of the Past* (Cambridge: Cambridge University Press, 1989), 5-51; Randall Nielsen, “Storage and English Government Intervention in Early Modern Grain Markets,” *The Journal of Economic History*, 57,1 (1997),1-33.

¹³ Tracy K., Dennison “Did Serfdom Matter? Russian Rural Society, 1750-1860”, *Historical Research*, 79,203, (2003), 74-89.

minimized transaction costs. The pattern has been applied to all sorts of historical experiments, including in Russia and the USSR. Using the theory of transaction costs and the information economy, Joseph Stiglitz, a Nobel Prize winner in economics, revealed the limits of free market equilibrium along with the distortions produced by the Soviet bureaucracy and by managed economies in general.¹⁴ The same model is employed to talk about the market in nineteenth century Africa, serfdom in Russia or fairs in Europe in the modern period: it is no accident that neo-institutional economics speaks less about capitalism than about the market economy. This approach calls into question the classifications of economic systems proposed by traditional neo-classical and Marxist literatures (capitalism, peasant economy, feudalism, etc.). Instead we find a typology of organizations that evolve strictly in relation to the institutional context. Hence, the approach cannot explain the relationship between institutional changes and forms of market organization: are institutions the result or the source of economic behavior?

In the case of the USSR, did economic weakness cause political decline or, on the contrary, did Soviet institutions close the market and thereby bring about its inevitable collapse?

This question, which may seem innocuous to historians, was important for development policy insofar as the debate, especially in the 1990s, was focused on knowing whether it was first necessary to set up market institutions and a democratic political system in order to have a market, or conversely whether the market would give rise through its very development to adequate institutions. The issue appears to have been resolved since then because, contrary to the politically correct arguments that always sought to link capitalism to democracy, the experiences in China and Russia in recent years confirm that this equation is

¹⁴ Joseph Stiglitz, *Whither Socialism?* (Harvard: MIT Press, 1994).

by no means obvious from the standpoint either of political philosophy or historical observation.

Russia and the great divergence

In a recent article, Gareth Austin took up the proposal put forward a few years ago by Kenneth Pomeranz and Bing Wong to develop a form of “reciprocal comparison” in which Africa (Austin’s case) and China (Pomeranz and Wong) would not be compared exclusively to the Western model as the exemplary scenario and exclusive yardstick.¹⁵ The fundamental aim of these proposals was to break free from the “Eurocentrism” underlying most economic history analysis. The solutions presented were arrived at in an unusual way in that they authors did not claim the “specificity” of China or Africa in relation to the West. As Austin asserts, the point is not to reject any general model of economic development, but rather to widen the definitions of city, market and private property to include practices found in non-European worlds.

In Pomeranz’ approach, the great divergence is mainly related to colonial expansion and factors endowments: while Western Europe benefited of its American colonies, then of American markets and resources, Russian despotism and power limited Asian, mainly Chinese expansion. Of course, as Pomeranz pointed out several times, we should not confuse global history, which focuses on broad yet determined spaces, with world history. If we accept this distinction, the next step is to grasp what these syntheses contribute compared with comparative global history and conventional approaches. The problem lies in the difficulty of confirming these interpretations empirically; the environmental component and Europe’s use of colonial resources correspond more to the colonizers’ aims than to historical realities.

¹⁵Gareth Austin, “Reciprocal Comparison and African History: Tackling Conceptual Eurocentrism in the Study of Africa’s Economic Past,” *African Studies Review*, 50, 3 (2007),1-28. Kenneth Pomeranz, *The Great Divergence* (Princeton: Princeton University Press, 2000), 8; Bin Wong, *China Transformed* (Ithaca: Cornell University Press, 1997).

Similarly, the history of Asia is punctuated with wars just as much as that of Europe.¹⁶ In all these cases, the subsequent imperial constructions were often unexpected historical results that need to be explained. It is not by chance if much of the debate focused on the “empirical proof” and data set. Authors such as Patrick O’Brien, Angus Maddison, Stephen Broadberry, and Bishnupriya Gupta have contested revisionist theories such as the one by Kenneth Pomeranz, and have shown that the difference between European and Asian growth was significant as early as the sixteenth century, hence the role of colonies was less important.¹⁷ These differences can be explained by the accumulation and spread of innovations as far back as the twelfth century, by the role of commerce and cities, and finally by English institutional reforms, in juxtaposition to the bureaucratic weight of China’s predatory state. The debate in this sense has brought data and their measurement to the forefront of the discussion. In defense of Pomeranz, Robert Allen and especially Prasannan Parthasarathi have emphasized that critics of the Great Divergence rely on Maddison’s estimates,¹⁸ which were produced using data from the 1990s that were then extrapolated into the past. As these authors have respectively shown for China and certain regions of India, the results would be profoundly different if the reference values were those from the mid-nineteenth century. In this case, the gap between Europe and the primary regions of Asia would be smaller, and the argument of Pomeranz would be confirmed.¹⁹ Thus, it is true, as other authors, such as Osterhammel²⁰ argue, that Russia was still suffering from famines in the 1890s; private property was still limited, democracy was weak if not nonexistent, corruption was widespread, along with repression; science had to fight against censorship, the army had few material resources, etc. Admittedly, the standard of living was constantly inferior to that of the Western powers, the great technological and scientific innovations came from elsewhere, and the rate of economic

¹⁶ Stephen Broadberry, Bishnupriya Gupta, “The Early Modern Great Divergence: Wages, Prices and Economic Development in Europe and Asia, 1500-1800”, *The Economic History Review*, 59, 1 (2006), pp. 2-31; Patrick O’Brien, “Ten Years of Debates on the Origin of the Great Divergence”, <http://www.history.ac.uk/reviews/review/1008>.

¹⁷ Stephen Broadberry and Bishnupriya Gupta, “The Early Modern Great Divergence: Wages, Prices and Economic Development in Europe and Asia, 1500-1800,” *Economic History Review* 59, no. 1 (2006): 2-31; Patrick O’Brien, “Review of *Ten Years of Debate on the Origin of the Great Divergence*,” *Reviews in History* (2010): <http://www.history.ac.uk/reviews/review/1008>.

¹⁸ Angus Maddison, *The World Economy: A Millennial Perspective* (Paris: Development Centre of the Organisation for Economic Co-operation and Development, 2001).

¹⁹ Robert Allen, *The British Industrial Revolution in Global Perspective* (Cambridge: Cambridge University Press, 2009); Prasannan Parthasarathi, *Why Europe Grew Rich and Asia Did Not: Global Economic Divergence, 1600-1850* (Cambridge: Cambridge University Press, 2011).

²⁰ Jürgen Osterhammel, *The Transformation of the World. A Global History of the Nineteenth Century* (Princeton: Princeton University Press, 2014).

growth in Russia lagged behind that in the West. Yet these limitations never became so severe as to cause the collapse of the system. What are the reasons for this?

Of course, we should not confuse global history, which focuses on broad yet determined spaces, with world history. Thus, the question is not so much why Russia is not included into Pomeranz' analysis, but about the reasons and consequences of this. The reasons are that, while contesting China backwardness and European ethnocentrism, Pomeranz still considers Russia the paradigm of unfree labour and lack of markets and, as such, as the country that stands in contradistinction to both the Lower Yangtze and Britain.²¹ What if we escape from this ideal type of Russian economy?

Russia as the quasi-periphery of Europe and Asia?

One well-known argument borrowed from other authors by Wallerstein consisted in showing that the expansion of Western capitalism was the cause of the second serfdom in Russia: increased demand for wheat in Europe prompted Russian lords to coerce peasants into producing the amount of wheat required for export. This was said to have resulted in an international division of labour: England produced textiles using wage labour, whereas Russia sold grain by resorting to serfdom. In reality, the situation was quite different. Russian serfdom was introduced in the fifteenth century in connection with the consolidation of Muscovite power; restrictions on peasant mobility were a factor in complex agreements and tensions between state elites and various categories of landowners.²² The issue revolved around identifying which social groups should be allowed to own inhabited estates and transfer possession to their heirs. What was really at stake in the rules limiting peasant

²¹ Kenneth Pomeranz, *The Great Divergence* (Princeton: Princeton University Press, 2000).

²² Richard Hellie, *Enserfment and Military Change in Muscovy* (Chicago and London: The University of Chicago Press, 1971).

mobility was the social, political and institutional difference between old aristocracy and nobility resulting from state service, and later between these two categories and others (merchants, ecclesiastics, workers, peasants).²³ These transformations took place between the sixteenth and the seventeenth centuries, well before English industrialization, and had little to do with the West. The identification of social groups in Russia consequently had to do with establishing state power in the Muscovite expansion to the steppes, on the one hand, and against Poland and Lithuania on the other.²⁴

The increase in labour service (*la corvée*) in the eighteenth century, so frequently mentioned by Wallerstein, therefore takes on a whole new meaning. According to the traditional analysis of serfdom, the rapid development of labour service was linked to a drop in commodity sales, causing the estates to fall back on their own resources and exert greater pressure on the peasants. The dynamics of Russian estates at the time does not confirm this argument. Most microeconomic studies focus on large estates²⁵—even if some Soviet scholars like Koval’chenko exploited several estate archives. In part, such a focus creates a bias, as large estates were more inclined to adopt modern techniques and they tended to have higher yields and rates of commercialization than smaller units. Yet this bias does not invalidate our argument; rather, it confirms it. Despite the better performances of big estates, overall data reveal quite good outcomes for the Russian economy as compared with most Western economies,²⁶ and this despite the well-known tendencies of statistics to underestimate

²³ Daniel Kaiser, *The Growth of Law in Medieval Russia* (Princeton: Princeton University Press, 1980); Dmitri Grekov, *Sudebniki XV-XVII vekov* (Precis of laws, 15th-16th centuries), (Moscow, Leningrad: Akademia Nauk SSSR, 1952).

²⁴ Alessandro Stanziani, “Serfs, Slaves, or Wage Earners? The Legal Statute of Labour in Russia from a Comparative Perspective, from the 16th to the 19th century,” *Journal of Global History*, 3, 2 (2008) 183-202.

²⁵ Dennison, *The Institutional Framework*; Peter Czap, “The Perennial Multiple-family Household,” 5–26.

²⁶ Carol Leonard, *Agrarian Reforms in Russia* (Cambridge: Cambridge University Press, 2011).

products, yields, and revenues. Protoindustrialization has long been considered an obstacle to modernization and industrialization—an approach that is firmly rooted in the hypothesis that large manufactures and the “British” way are the only paths to industrialization. More recently, this view has been strongly modified, stating instead that the Continental European, Asian, and Latin American paths, mostly anchored to small units, were the rule.²⁷ Recent analyses have also shown that in contradiction to the first theories, guilds declined even without protoindustrialization (this was the case in most parts of England, Flanders, and the Netherlands). Conversely, in many other parts of Europe (Bohemia, northern Italy), the seigniorial institutions, community, and guilds remained strong despite the diffusion of protoindustry.²⁸ But to what extent does Russian history confirm or invalidate these issues? In eighteenth-century Russia, agricultural prices continued to climb, rising by a factor of two and a half, which no doubt made service labour more profitable than quitrent.²⁹ Wheat exports, which were relatively insignificant until the middle of the century, continued to rise and reached about 20 percent of Russia’s total exports in the late eighteenth century.³⁰ This growth did not take place at the expense of local and national markets, however. Beginning in the 1760s, growing demand for wheat in local and national markets pushed up prices, which

²⁷ For a synthesis and a discussion, see Sheilagh Ogilvie, Markus Cerman, eds., *European Proto-industrialization* (Cambridge, Cambridge University Press, 1996); Pierre Jeannin, “La proto-industrialization: développement ou impasse?” *Annales ESC* 35 (1980): 52–65.

²⁸ Sheilagh Ogilvie, “Guild, Efficiency, and Social Capital,” *Economic History Review* LVII (2004): 286–333.

²⁹ Boris Mironov, *The Social History of the Russian Empire*, 2 vols. (Boulder, CO: Westview 1999).

³⁰ Boris N Mironov., “Eksport russkogo khleba vo vtoroi polovine 18 v.-nachale 19e v.” (Exports of Russian wheat during the second half of the nineteenth century), *Istoricheskie zapiski*, 93 (1974), 149-88; Boris Mironov, *Rossii vo vtoroi polovine 18 veka-pervoi polovine 19e v.* (The Russian domestic market during the second half of the eighteenth century-first half of the nineteenth century), (Leningrad: Nauka, 1981).

in turn helped to integrate local channels in the national market.³¹ The landed gentry sought to reverse the situation produced during the first half of the century, when urban merchants had taken over grain markets in the cities and the country. The noble landowners regained control over the sale of products from their estates and firmly took their place in urban markets. At the beginning of the 1760s, 413 of the 1,143 country fairs (36 percent) still took place on noble estates; by 1800 the percentage had risen to 51% (1,615 of 3,180 fairs).³² This rapid development can be attributed not only to the nobles but also and above all to the peasants, who were increasingly involved in selling wheat and proto-industrial products.³³ Thus while 5 percent of all private factories belonged to nobles in the 1720s, the percentage rose to 20 percent by 1773. In 1725, 78 percent of industrial activity was located in cities; that dropped to 60 percent in 1775–78 and to 58 percent, in 1803.³⁴ On the whole, the second half of the eighteenth century saw a drastic increase in landlords entering the proto-industrial sector; the ruralisation of proto-industry was not a symptom of demesne autarchy, but quite the contrary—it testified to the demesne’s increasing commercialization. Both peasants and landlords entered the market in cereals, in addition to going in for protoindustrial activities and trade and transportation activities. Numerous “serf-entrepreneurs” registered businesses or even proto-industrial and industrial activities—sometimes on behalf of the landowner and sometimes quite independently³⁵—and they often employed workers in their protoindustrial

³¹ Boris N Mironov. and Carol S., Leonard, “In Search of Hidden Information: Some Issues in the Socio-Economic History of Russia in the Eighteenth and Nineteenth Centuries,” *Social Science History*, 9, 4, (1985), 339-359.

³² Mironov, *Vnutrennyi rynek*, 153-4.

³³ Alessandro Stanziani, “Revisiting Russian Serfdom: Bonded Peasants and Market Dynamics, 1600-1800.” *International Labour and Working Class History*,” 78, 1 (2010), 12-27.

³⁴ Mironov, “Consequences,” 465.

³⁵ On serfs-entrepreneurs, see Robert Rudolph, “Agricultural Structure and Proto-industrialization in Russia:

activity. They came from the same villages or from neighboring districts. During and after the mid-eighteenth century, peasants bought an important share of protoindustrial products while benefiting from increasing incomes.

Quitrent declined on state estates and on some private estates as well, while rising in the heartland (although this rise was generally moderate). Regional specialization also increased, with central and other industrial and protoindustrial areas tending to specialize while agricultural areas lost non agrarian activities. In particular, while factories shut down and proto-industrial activity was reduced in steppe and central Black Earth areas,³⁶ the surface area of cultivated land expanded in the territory as a whole and inside the main estates.³⁷ The main issue was that the use of *obrok* and the movements of peasants in the city and in neighbouring estates had intensified.³⁸ During the 1840s, in the north-western and western

Economic Development with Unfree Labour,” *The Journal of Economic History* 45 (1985): 47–69; Prokof'eva, *Krest'ianskaia obshchina*; Iurii A. Tikhonov, *Pomeshchic'i krest'iane v rossii: feodal'naia renta v XVII-nachale XVIII v* [The private estates' peasants in Russia: the feudal rent in the seventeenth to early eighteenth century] (Moscow: Nauka, 1974). On the urban activity of private peasants, I have consulted the following archives: RGADA, fond 294, opis' 2 and 3; fond 1287, opis' 3. TsGIAM, opis' 2, dela 31, 40, 82, 124, 146; RGADA, fond 210: razriadnyi prikaz; fond 248, Senat I senatskie uchrezhdeniia; fond 350: revizkie skazki po nizhegorodskoi gubernii, opis' 2, dela 1975 and 2056; fonds 615, krepostnye knigi, dela 526, 528, 529, 4753, 6654; fond 1209 (pomestnyi prikaz), opis' 1, delo 292; fond 1287 (Sheremetev), opis' 5 and 6; RGIA, fond 1088 (Sheremetev, opis' 3, 5, 10). See also Gestwa, *Protoindustrialisierung*.

³⁶ Irina V. Ledovskaia, “Biudzhety russkogo pomeshchika v 40-60kh godakh XIX v” (Estate owners' budgets in the 1840s–'60s), in Akademiia Nauk SSSR, *Materialy po istorii sel'skogo khoziaistva i krest'ianstva SSSR*, vol. 8, (Moscow: Nauka 1974): 240–245. David Moon, *The Russian Peasantry, 1600–1930: The World the Peasants Made* (London and New York: Addison Wesley Longman, 1999).

³⁷ Ibid.

³⁸ Koval'chenko, *Krepost'noe*: 394; Boris Gorshkov, “Serfs on the Move: Peasant Seasonal Migration in Pre-reform Russia, 1800–1860,” *Kritika: Explorations in Russian history* 1, 4 (2000): 627–56.

agricultural and industrial regions of European Russia, passports and tickets granted to peasants concerned between 25 and 32 percent of the male population.³⁹ By 1850, in the Vladimir province, 92.44 percent of the state peasants were involved at least part-time in a non-agricultural occupation; in Moscow province, the proportion was 89 percent; in Kostroma province, 86.5 percent; in Novgorod province, 80.5 percent; in Pskov province, 80 percent; in Iaroslavl province, 75.8 percent; and in Nizhnyi-Novgorod, 65.7 percent.⁴⁰

To sum up, the economic dynamics of eighteenth and first half of the nineteenth centuries Russia cannot be explained by an increase in serfdom in response to European growth, but on the contrary by a relaxation of the labour constraints weighing on peasants and their gradual integration, together with noble landowners, in trade networks. These dynamics went beyond the official rules governing “serfdom”, which were increasingly overtaken by social and economic changes. It is just as hard if not harder to find confirmation of Russia’s dependence on the West as it is in the case of India or colonial Africa. Finalism and historical determinism keep us from seeing the temporal dynamics specific to the Russian context.

Russian economic dynamics in comparative and global perspective

These outcomes confirm similar recent issues in the study of Eastern European agriculture under serfdom.⁴¹ For example, in Brandenburg-Prussia, by the turn of the nineteenth century, commutation payment increasingly eclipsed labour services. As in Russia, the government encouraged changes in the legal status of peasants;⁴² however, before that date, increasing

³⁹ Nikolai M. Druzhinin, *Gosudarstvennye krest'iane i reforma P.D. Kiseleva* [The state peasants and the reforms of Kiselev] (Moscow: AN SSSR), 2: 315, 321.

⁴⁰ Druzhinin, *Gosudarstvennye krest'iane*, 2: 296–390.

⁴¹ For a deep revision of second serfdom in Central and Eastern Europe, see Markus Cerman, “Social Structure and Land Markets in Late Medieval Central and Eastern Europe,” *Continuity and Change* 23, 1 (2008): 55–100.

⁴² Hartmut Harnisch, “Bäuerliche Ökonomie und Mentalität unter den Bedingungen der ostelbischen Gutsherrschaft in den letzten Jahrzehnten vor Beginn der Agrarreformen,” *Jahrbuch für Wirtschaftsgeschichte*

labour service in the seventeenth and late eighteenth centuries was not synonymous with a retreat from the market, as previously stated in the historiography, but, quite the opposite, commercialization of both peasant and demesne production (agriculture and protoindustrial products) quickly increased.⁴³ In contradiction to traditional historical literature on these matters (which conveyed the impression that East-Elbian agriculture was a simple affair of cereal monoculture based on coerced labour), new detailed analyses based upon estates' archives reveal a complex picture of a large and expansive workforce and high commodity sales. This was true not only of Brandenburg, but also of other regions of east-central Europe, including Poland. Peasant labour services here provided only 40 to 50 percent of the demesne labour force required during the summer months and thus had to be supplemented by hired labour.⁴⁴ In all these areas, both peasants and seigniors employed hired labour. There were also migrant day labourers who worked only during the harvest. In eastern Prussia, many of the day labourers lived in small towns, subsisting on wages earned during the peak season. Tracy Dennison and Sheilagh Ogilvie have recently stressed the strong similarities between Russia and Bohemia regarding serfdom and social relations. Peasant and seigniorial institutions interacted in both systems and strongly contributed to the social and economic dynamics.⁴⁵

Taken together, the experiences of Russia, Prussia, Lithuania, and some parts of Poland lead to the conclusion that on the whole, "second serfdom" was not so much a form of slavery but, above all, a set of legal constraints on labour mobility. These rules were dictated much less by

24 (1989): 87–108.

⁴³ Hagen, *Ordinary Prussians*.

⁴⁴ Robert Frost, "The Nobility of Poland-Lithuania, 1569–1795," in *The European Nobilities in the Seventeenth and Eighteenth Centuries, vol. II: Northern, Central and Eastern Europe*, ed. Hamish Scott (London: Routledge 1994).

⁴⁵ Dennison and Ogilvie, "Serfdom and Social Capital," 513–44.

a scarcity of population than by increasing demand for agriculture produce and protoindustrial products. Labour and other institutions (seigniorial estate and justice, communes, and guilds) were flexible enough to simultaneously guarantee a stable set of rules and the procedures to adapt them to the changing economic and social environment. Labour services were not opposed to market development; quite the contrary, the two enhanced each other. Protoindustry developed, and the specialization of some areas went along with the seasonality of protoindustrial activity for many peasants. Estate relations sometimes opposed protoindustry but in some other cases were favourable to it, which did not necessarily enhance or retard the proletarianisation of peasants and craftsmen (as asserted in Franklin Mendel's model in which protoindustrialization slowed the growth of towns, confirmed by Jan De Vries).⁴⁶ Instead, agrarian development, protoindustry, demographic insights, and institutional and legal hierarchies varied from one estate to another, within the same country, in accordance with the specific relations among the landlord, the peasant community, and the involved markets.

Like theories of dependence, comparisons made on the basis of ideal types or general models of historical economic development have trouble explaining historical dynamics, as the case of Russia shows. The fact that the dynamics did not correspond to those at work in England or France at the time in no way implies they were incompatible with the development of markets and industry, but simply that those results can be achieved by following different historical paths. Neither the formal status of Russian peasants nor common property was in itself a source of what the West sees as backwardness. These features help to understand the dynamics of the Russian economy after the abolition of serfdom.

⁴⁶ Jan De Vries, *European Urbanization, 1500–1800* (London: Meuthen, 1984).

Reforms and continuities in Russian history. The impact of the abolition of serfdom

The global trend of Russia between 1861 and 1914 hardly corresponds to the conventional images that Gershenkron and many others have painted. Revised population trends show, on the whole, lower mortality and birth rates and better living conditions in the eighteenth and nineteenth centuries than previously thought.⁴⁷ Thus, pauperization of the peasantry and frequent famines did not in fact take place,⁴⁸ and both agriculture and living standards experienced stable growth during the period extending from 1861 to 1914.⁴⁹

Indeed, this revised trend is easy to understand when we put it into the broader and long-term perspective. Russian growth during the second half of the nineteenth century was important insofar as it had already been consistent during previous decades and as legal constraints on and bondage of the peasantry had already lessened before the official abolition of serfdom in 1861. As a consequence, during the second half of the nineteenth century and up through 1914, the rate of growth and commercialization of Russian agriculture was

⁴⁷ Steven Hoch, "Famine, Disease and Mortality Patterns in the Parish of Boshervka, Russia, 1830-1932", *Population Studies*, 52,3 (1998): 357-368. Steven Hoch, "On Good Numbers and Bad: Malthus, Population Trend and Peasant Standard of Living in Late Imperial Russia," *Slavic Review*, 53, 1 (1994): 41-75. Steven Hoch, "Serfs in Imperial Russia: Demographic Insights", *Journal of Interdisciplinary History*, 13, 2 (1982): 221-246.

⁴⁸ Stephen Wheatcroft, "Crisis and Condition of the Peasantry in Late Imperial Russia", In Esther Kingston-Mann, Timothy Mixer eds., *Peasant Economy, Culture and Politics of European Russia, 1800-1921* (Princeton: Princeton University Press, 1991): 101-127.

⁴⁹ Elvira M. Wilbur, "Was Russian Peasant Agriculture Really That Impoverished? New Evidence From a Case Study From the 'Impoverished Center' at the End of the Nineteenth Century", *Journal of Economic History*, 43 (March 1983): 137-44; Esther Kingston-Mann, "Marxism and Russian Rural Development: Problems of Evidence, Experience and Culture", *American Historical Review*, 84 (Oct. 1981): 731-52; James Y. Simms, Jr., "The Crisis in Russian Agriculture at the End of the Nineteenth Century: A Different View", *Slavic Review*, 36 (Sept. 1977): 377-98; James Simms, "The Crop Failure of 1891: Soil Exhaustion, Technological Backwardness, and Russia's 'Agrarian Crisis'", *Slavic Review*, 41 (Summer 1982): 236-50).

accelerated.⁵⁰ Between the 1880s and 1900, the grain trade spread capitalism to even the remotest corners of the Empire⁵¹ and Russia's wheat market was fully integrated into global markets.⁵² Between 1861 and 1914, agriculture's contribution to the national income grew at a rapid pace, comparable to that of contemporary Western European economies. As Gregory evaluated it, Russia experienced rates of growth similar to those of Germany, France, America, Japan, Norway, Canada, and the United Kingdom – 1.35 percent average annual productivity growth in agriculture between 1883-1887 and 1909-1913, which was three-quarters of the industrial productivity growth rate and nearly equal to the economy-wide 1.5 percent.⁵³

Thus, unlike common view, capital intensification took part in Russian growth, though labour kept a dominant role. At the same time, the share of agriculture in the national income fell over the entire period (1881-1914) from 57 percent to 51 per cent; but most of this decline occurred before Stolypin's privatization of common lands.⁵⁴ As opposed to the conventional view, the rates of growth of labour productivity in agriculture do not appear to have diverged significantly from the economy-wide average. In other words, if we look at the performance of agriculture and the main demographic index, recent estimations show that Russia was not falling behind most advanced countries, but rather keeping pace with them.

Growth relied on the evolution of basic Russian institutions – for example the peasant commune. It is no accident that during the past twenty years, when the history of enclosures

⁵⁰ Paul Gregory, *Russian National Income 1885-1913* (Cambridge: Cambridge University Press, 1982; paperback 2004); Alessandro Stanziani, *L'économie en révolution. Le cas russe, 1870-1930* (Paris: Albin Michel, 1998); Peter Gatrell, *The Tsarist Economy, 1850-1917* (London: Batsford, 1986).

⁵¹ Ivan Koval'chenko, L. Milov, *Vserossiiskii agrarnyi rynek, XVIII--nachalo XX v.* (The Russian agrarian market, eighteenth-nineteenth centuries) (Moscow: Nauka 1974).

⁵² Barry K. Goodwin, and Thomas J. Grennes, "Tsarist Russia and the World Wheat Market", *Explorations in Economic History*, 35 (1998): 405-30.

⁵³ Gregory, *Russian*: 126-130; 168-194.

⁵⁴ Serguei N. Prokopovich, *Opyt ischleniia narodnogo dokhoda 50 gubernii Evropeiskoi Rossii v 1900-1913 gg* (Study of the national income of 50 provinces of European Russia, 1900-1913) (Moscow: Sovet Vserossiiskikh kooperativnikov S'ezdov, 1918): 67.

in Britain and agriculture in Europe has been revisited,⁵⁵ the image of the Russian commune has been contested as well⁵⁶. Recent estimations made for Russia confirm the lack of any correlation between land redistribution and productivity.⁵⁷ Added to this revised view of Russian agriculture is that of industrialization. In contrast to traditional judgments, between 1881 and 1913 the share of industry in national income rose from 25 to 32 percent. Industrial labour productivity was 28 percent higher than that of agriculture.⁵⁸ This seems to confirm Olga Crisp's and more recently Borodkin's and Leonard's argument that a lack of industrial labour was owing not to internal passports or legal constraints on mobility, but to the strength of agriculture, its profitability, and the interest that people had in staying in rural areas and alternating these stays with seasonal urban employment.⁵⁹

If this is so, then, unlike Osterhammel's argument (Russia as an exception in Europe), the Russian specificity consisted in adopting extreme variations of Western solutions. Estate owners entered the proto-industrial and the cereal markets at the expense of urban merchants and producers and of occasional new "bourgeois" estate owners. This outcome was politically relevant and specific in that it expressed an extreme defence of old agrarian aristocracies in a context of progressive transformation of the peasantry. In terms of economic growth, this solution was far from being catastrophic and confirms that markets and capitalism do not

⁵⁵ Donald McCloskey, "The Open Fields of England: Rent, Risk, and the Rate of Interest, 1300-1815", *Markets in History: Economic Studies of the Past*. ed. David Galenson (Cambridge: Cambridge University Press, 1989): 5-51.

⁵⁶ Esther Kingston-Mann, "Peasant Communes and Economic Innovation: A Preliminary Inquiry", In Esther Kingston-Mann and Timothy Mixter eds. *Peasant Economy, Culture, and Politics of European Russia, 1800-1921* (Princeton: Princeton University Press, 1991): 23-51; Pavel' N Zyrianov, *Krest'ianskaia obshchina Evropeiskoi Rossii 1907-1914 gg.* (The peasant commune in European Russia, 1907-1914) (Moscow: Nauka, 1992); Judith Pallot, *Land Reform in Russia 1906-1917: Peasant Responses to Stolypin's Project of Rural Transformation* (Oxford: Clarendon Press, 1999).

⁵⁷ Steven Nafziger, *Communal Institutions, Resource Allocation, and Russian Economic Development* (unpublished Ph.D. dissertation, Yale University 2006).

⁵⁸ Gregory, *Russian*: 132.

⁵⁹ Leonard, *The Agrarian Reform* .

necessarily stand upon democracy and free labour. If this is true, thus the place and role of Russia in global history require a new basis. Which ones?

Proto-industry developed in Western, Central and Eastern Europe since the end of the seventeenth century, in response to market demand and demographic pressure⁶⁰. It kept a central role all over Europe at least until the mid-nineteenth century. After that date, and only after, some areas declined and manufactures and industries replaced the putting-out system.⁶¹ However, this issue was far from being general, and in many European areas and districts, proto-industry kept a leading role during the second half of the nineteenth century and even in the twentieth century.⁶²

This timing was even more relevant in Asia; authors such as Lee and Sugihara have maintained that the “industrious revolution” De Vries had identified in Europe⁶³ was at hand also in some Asiatic areas⁶⁴. As in Russia, in Japan and China too, the success of proto-

⁶⁰ William Hagen, “Capitalism in the Countryside in Early Modern Europe: Interpretations, Models, Debates”, *Agricultural History*, 62,1 (1988): 13-47.

⁶¹ Ogilvie, Cerman, *European proto-Industrialization*.

⁶² Charles Sabel, and Jonhatan Zeitlin, (eds), *Worlds of Possibilities. Flexibility and Mass Production in Western Industrialization* (Cambridge, Paris: Maison des Sciences de l’Homme, Cambridge University Press, 1997).

⁶³ Jan De Vries, “The Industrial Revolution and the Industrious Revolution”, *Journal of Economic History*, 54 2 (1994): 249-270.

⁶⁴ Kaouro Sugihara, “Labour-Intensive Industrialisation in Global History”, *Australian Economic History*, 47, 2 (2007): 121-154; John Lee, “Trade and Economy in Preindustrial East Asia, c. 1500-1800: East Asia in the Age of Global Integration”, *The Journal of Asian Studies*, 58,1 (1999): 2-26.

industry, in particular of rural proto-industry, was at the root of a labour intensive path of growth.⁶⁵

In all these areas, as in most Russia regions, agriculture did not turn into a simple supplier of produce and labour-force for industry; quite the contrary, estates and peasants took part to the development of local and national markets, for both wheat and proto-industrial products. In Russia, as in Japan, and in Central Europe, peasants' commercialization was not always nor necessarily "forced" (by the landlords and/or the state); economic and legal dependence of many peasants was not in contradiction with the attraction the market exerted on many others.⁶⁶ As in many areas in Russia and Western Europe, in Japan as well increases in agricultural output and income lead to a growth in demand for manufactured goods that was met by an expanding rural industry utilizing labour-intensive technology. The resulting growth in rural non-agricultural activity in turn generated increased incomes for rural households and hence increased demand for agriculture output.⁶⁷

Similar results are now available on India; unlike traditional view, stressing the decline of cottage industry under the British rules and the growing international markets, fresh researches show that "traditional" labour-intensive techniques were well developed until our

⁶⁵ Penelope Franck, *Rural Economic Development in Japan: from the Nineteenth Century to the Pacific War* (London, New York: Routledge, 2006).

⁶⁶ Sugihara, "Labou-Intensive".

⁶⁷ Osamu Saito, "The Labour Market in Tokugawa Japan: Wage Differentials and the Real Wage Level, 1727, 1830", *Explorations in Economic History*, 15 ,1 (1978): 84-100.

days; thanks to their flexibility, these techniques allowed labour-intensive pattern of growth linked to family units integrated in both agriculture and industrial markets.⁶⁸

Though, such a persistent and global strength of agriculture and proto-industry had an unanticipated effect: urbanization and the supply of labour for urban manufacture were mostly seasonal.

Not only in Russia, Japan and France,⁶⁹ but also in Britain, until the mid-nineteenth century double employment (mostly in rural and urban areas) was the rule rather than the exception. This means that not only in Russia, but also in France and most of the European countries, economic and industrial growth of the eighteenth and nineteenth centuries remained at a small scale and was labour intensive. Growth most mostly achieved through a movement along the same production function whose scope slightly moved upwards until the mid nineteenth century.⁷⁰ There is evidence that a lot of productivity increase was not associated with specific innovations, but with workers operating more machines.⁷¹ The most declared goal of the innovation was either improving the quality of the product or saving on capital, not labour. And if inventors were not particularly intent on saving labour, those who judged their inventions were even less so. In other words, economic actors did not wish to

⁶⁸ Tirthankar Roy, *The Economic History of India, 1857-1947* (New York: Oxford University Press, 2001); Frank Perlin, "Proto-Industrialization and Pre-Colonial South Asia", *Past and Present*, No. 98, (Feb., 1983): 30-95.

⁶⁹ Gilles Postel-Vinay, "The Di-integration of Traditional Labour Markets in France. From Agriculture and Industry to Agriculture or Industry", In George Grantham, and Mary MacKinnon, eds. *Labour Market Evolution: The Economic History of Market Integration, Wage Flexibility and the Employment Relation* (London and New York: Routledge, 1994) : 64-83.

⁷⁰ Crafts, *British Economic* .

⁷¹ Clark, "Productivity Growth".

substitute labour with capital and the final outcome for the whole economy was an increasing demand of labour⁷².

The collapse of those systems in the West was linked to a twofold process: increasing mechanization and decreasing prices of foodstuffs, colonial products and wheat; stronger resistance from “subaltern” groups. All these phenomena, though occasionally present in the late eighteenth century and early nineteenth centuries, took on decisive weight only in the last quarter of the nineteenth century. The second industrial revolution, the welfare state, the masses bursting onto the political scene and the decline of labour-intensive processes led to a disjunction between profitable production and coercion, at least in Europe and in many of its colonies. Free wage labour became more productive than coerced labour.

However this shift was far from universal; the accommodation between large-scale, intensive production and new forms of bondage came back to the forefront with World War I and its aftermath, as the revival of coercion in Africa and Nazi and Soviet Europe show. Soviet Russia was not only the land of coercion; more specifically, it marked an attempt to achieve the second industrial revolution using the methods and organization of the first, i.e. with increasing labour intensification, longer labour time and little attention to the quality. The Soviet experience consisted in combining large-scale production and mechanization with labour intensification in terms of time and extremely unequal rights between working people and state masters. From this perspective, the main feature of Russia over the long run is not so much “economic backwardness” as persistent, strong social inequalities inside an industrializing economy and society. The history of late tsarist and nowadays Russia confirms that economic growth and markets are perfectly compatible with lack of democracy and unequal social rights.

⁷² Christine MacLeod, *Inventing the Industrial Revolution. The English Patent System, 1660-1800* (Cambridge: Cambridge University Press, 1988).