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0521816998 - Russia's Economic Transitions: From Late Tsarism to the New Millennium

Nicolas Spulber

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PART I

THE TSARIST ECONOMIC TRANSITION

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CHAPTER I

The Socioeconomic Framework

1-1. Territory and Population

The humiliating defeat of the Russian Empire in the Crimean War (1853–6) by an Anglo-French expeditionary force of only seventy thousand men assisting Turkey, the “sick man of Europe,” revealed clearly the Russian incompetence at the highest political and military levels, the inferiority of the quality of Russia’s armaments, the absence of an adequate system of transportation for moving troops on her own territory, and Russia’s overall backwardness. The military and diplomatic disaster shattered the stability of the Empire, threw Russia out of the Near East, destroyed its influence in Europe, and raised immediately the question of the future course of Russia’s development.

Facing the necessary reorganization of its military establishment – increasing the combat effectiveness of its army and moving toward the modernization of its economy (and the underlying railroad network) – Russia needed, on the one hand, to ward off the widespread dissatisfaction and social instability of the peasantry concerning its postwar status, and, on the other hand, to overcome the deep-seated conflicts within the nobility concerning the increasingly evident necessity of handling as soon as possible the questions of land tenure and peasant serfdom. Finally, on February 19, 1861, Tsar Alexander II launched a historically decisive reform emancipating the peasantry from feudal dependence and also establishing a complex set of procedures intended to preserve as much of the gentry’s control over most of the best land, as well as its privileged status in the society, as possible. On the other hand, the reform created along with the landowning gentry a landowning peasantry, and, in time, opened numerous ways and byways to transform Russian society. Notably, the reform increased differentiation among peasantry, shifted land ownership, increased agricultural output, expanded markets, and spread capitalist relations. However, the reform also maintained various legal differences among the country’s social strata (the so-called social estates).

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In these conditions, the question of Russia's path of development became of decisive importance not only for the Tsarist regime, its bureaucracy, and its policies, but for the country as a whole and for the public at large. In what direction should Russia's development be guided? Should Russia resolutely take the path pursued by various European states? Should it rather attempt to forge a new, unique path of growth and change that would "jump over" certain phases and stages of Europe's development? Should Russia actually reverse its course decisively and simply return to the old pre-Peter the Great path? Or, in fact, should Russia just try to adjust itself to the sporadic, spontaneous, largely unavoidable capitalist relations spreading willy-nilly throughout the economy? I will return in detail in the next two chapters to the passionate debates and to the action these issues brought forth. For now, I will first attempt to sketch in broad historical outline the evolving characteristics of the Russian Empire from the post-reform period up to the end of the Tsarist regime, the framework within which these debates and these actions took place. The questions to be considered in this respect are the following: Did the Russian Empire continue to expand territorially after the Crimean disaster? To what extent, and exactly in which directions? What was the pace of growth of the population, and what were its social characteristics? How did the rural society, on the one hand, and the urban society, on the other, evolve after the reform? How did the Tsarist command and control system actually function? In which particular ways did the expanding capitalist market relations combine with certain persistent feudal methods of production and with certain equally persistent feudal institutions?

Consider first the question of the Empire's territorial situation. After the Crimean defeat, Russia turned much of its attention toward the Asian continent. Consolidating the portions that it had acquired there from the beginning of the nineteenth century, Russia advanced successfully, first in the Eastern Caucasus, and then, after a series of campaigns and annexations in Central Asia, Russia took over the so-called Transcaucasian region, completing the Empire's full control over the Eurasian plain. Concomitantly, Russia started to change its boundaries in the Far East. The Empire obtained the southern half of the island of Sakhalin (in exchange for ceding to Japan the Kurils islands). By 1897 Russia acquired a twenty-five-year lease of Port Arthur and Talienwan (Dairen) – arrangements that were to be called into question after Russia's defeat in the 1904–5 war with Japan. Following that war, Russia was forced to recognize the "predominant interest" of Japan in Korea, ceded to Japan the lease on Port Arthur and Dairen along with the South Manchurian Railway (the so-called Eastern Chinese Railway), and returned to Japan the southern half of the Sakhalin island. On the other hand, Russia's conquests in the nineteenth century in the Caucasus, Central Asia, and the Far East made the Empire's southern boundary a lasting one; indeed, that boundary stretching from the Black Sea to the Sea of Japan assumed by the end of the nineteenth century the shape that it was to maintain until the collapse of the Soviet party-state in 1991 (see Figure 1-1).

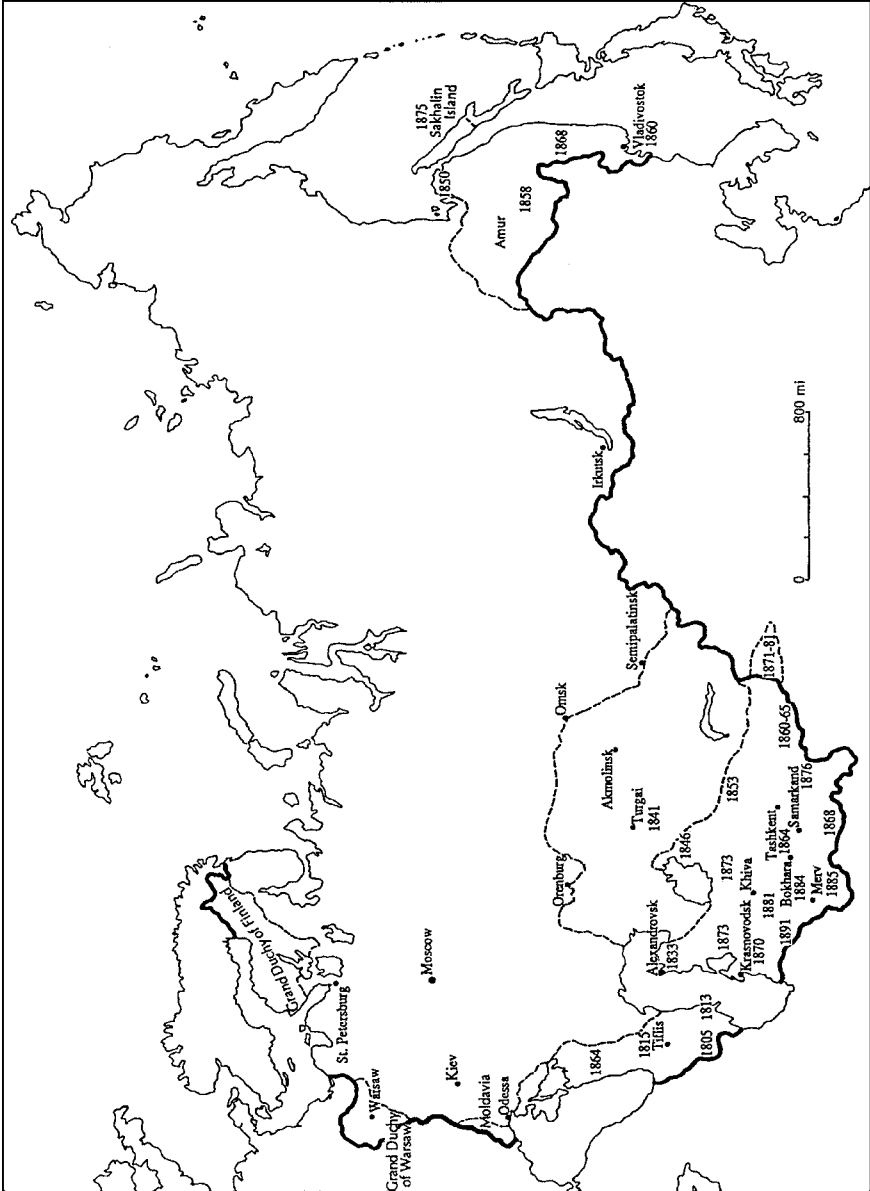


Figure 1-1. Russian Empire Expansion, 1800–1914

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Russia's position in Eastern Europe started to improve unexpectedly fourteen years after the Crimean defeat, as a consequence of the Franco-Prussian War of 1870. In exchange for Russia's neutrality in that war, Germany supported Russia's demand for the abrogation of the dispositions of the post-Crimean War Treaty of Paris (of 1856) forbidding any Russian activity on and around the Black Sea. In 1876 Turkey had to accept a Russian ultimatum requesting the establishment of autonomous administrations for Bosnia, Herzegovina, and Bulgaria. Finally the Treaty of Berlin of 1878, ending the Balkan war, recognized the independence of the Romanian principalities, and of Serbia and Montenegro, sanctioned a special status for the three-way partitioned Bulgaria, and ceded Southern Bessarabia to Russia.¹

By the end of the nineteenth century, the immense European-Asian Russian Empire extended over 22,430,440 square kilometers – over 8,660,390 square miles (in contrast to 7,770,882 square miles in 1862), a total including European Russia's 1,902,202 square miles, Caucasus' 180,843 square miles, Central Asia and the steppe region's 1,548,825 square miles, Siberia's 4,833,496 square miles, plus Poland's 49,159 square miles and Finland's 144,255 square miles. (In comparison, note that the giant United States extended in 1860 as well as in 1900 over 3,020,789 square miles)²

According to the estimates available, not always consistent from source to source, the population of European Russia increased from the morrow of 1861 to near the end of the nineteenth century (in 1897) from 69.9 million to some 94 million. From 1861 to 1914 – the entire period under review – the population of European Russia more than doubled, reaching 128.8 million. Imperial Russia, excluding Poland and Finland, increased from 1861 to 1897 from 69.9 million to 117.1 million, and also more than doubled for the entire period beginning in the early 1860s, rising by 1914 to 162.8 million (see Table 1-1). Including Poland and Finland, the Empire saw its population rise from 1897 to 1914 from 129.1 million to 178.3 million (with the population of Poland and Finland accounting respectively for 9.4 and 2.5 million in 1897 and for 12.2 and 3.2 million in 1914).³ The growth of Russia's population was one of the critical factors that affected the processes of Russia's transformations from 1861 onward.

¹ See Pushkarev, Sergei, *The Emergence of Modern Russia 1801–1917*, Alberta, Pica Press, 1985, pp. 337–43, 353–8.

² *Appleton's Annual Encyclopedia 1899*, New York, Appleton, 1900, p. 756; *Statistical Abstract of the United States 1946*, Washington, DC, U.S. Department of Commerce, 1946, p. 4.

³ Up to the general census of 1897, the population data for Russia consist of estimates not always consistent with one another notwithstanding the great efforts of Soviet demographers to surmount the difficulties involved and to produce reliable series for the nineteenth century. See, for instance, the numerous inconsistencies present even in the important work of A. G. Rashin, *Naselenie Rossii za 100 let* (The population of Russia over one hundred years), Moscow Gosstatizdat, 1956. See notably pp. 26, 47, 48, and compare to *Rossia 1913, Statistiko dokumental'nyi spravochnik* (Russia, 1913, Statistical Documentary Reference Book), used by the Russian Academy of Science, St. Petersburg, 1995, p. 16.

Table 1-1 *Russian Empire^a: Population in Millions, 1863, 1897, in 1914*

Areas	1863	1897	1914	1914/1863
European Russia	61.1	94.2	128.8	210
Caucasus	4.1	9.4	12.9	314
Siberia	3.1	5.8	10.0	322
Central Asia	1.6	7.7	11.1	693
TOTAL	69.9	117.1	162.8	233

Note:
^a Excluding Poland and Finland.
Sources: For 1863, Rashin, A. G., *Naselenie Rossii za 100 Let*. (The Population of Russia over one hundred years), Moscow, Gosstatizdat, 1956, p. 26; for 1897 and 1914, Rossiiskaia Akademia Nauk, *Rossiiia 1913 god. Statistko – dokumental’nyi spravochnik* (Russian Academy of Science, Russia in 1913. Statistical – documentary reference work), St. Petersburg, Blitz, 1995, p. 16.

Table 1-2 *Russian Empire^a: Rural, Urban, and Total Population,^b 1811–1914, in Thousands and Percentages*

Years	European Russia			Imperial Russia			European Russia urban population Percent	Imperial Russia urban population Percent
	Rural	Urban	Total	Rural	Urban	Total		
1811	39,020	2,785	41,805	40,983	2,802	43,785	6.6	6.4
1867	56,007	6,543	62,550	66,193	7,395	73,588	10.5	10.0
1897	81,378	12,065	93,442	101,541	14,696	116,237	12.9	12.6
1914 ^b	103,183	18,597	121,780	135,876	23,277	159,153	15.3	14.7

Notes:
^a Excluding Poland and Finland.
^b January 1, 1914, or the end of 1913.
Sources: Based on Rashin, A. G., *Naselenie Rosii za 100 let*, *op. cit.*, pp. 27, 45, 87, 88, 95, 98, 101; for the end of 1913 data, *Tsentral’noe statisticheskoe Upravlenie, Naselenie SSSR, 1973* (Population of the USSR, 1973), Moscow Statistika, 1957, p. 7.

A salient feature of Russia’s pattern of population growth during the nineteenth century was the slow growth of the urban population. As can be seen in Table 1-2, over the 103 years from 1811 to 1914, the rural population increased massively both in European Russian and in the Empire as a whole. During the same period, the Empire’s urban population increased only from 6.4 percent of the total population to 14.7 percent. If we take into account that Imperial Russia expanded its rule in the southeast and the east through unstable territories with imprecise boundaries and unreliable populations, and we focus only on European Russia’s urbanization, we find that there, too, urban changes followed closely the same growth pattern: from 6.6 percent of the total population in 1811 to only 15.3 percent in 1914. In 1811, only two cities, Petersburg

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and Moscow, had populations of over one hundred thousand. By 1863, only one additional city reached the one hundred thousand level; by 1897, eleven additional cities did so as well, resembling “the pattern which had existed in Europe in the twelfth and thirteenth centuries.” Besides Moscow, the large towns with a population of one hundred thousand and more that owed their progress to commercial relations with the foreign countries lay close to the frontier, stretching in an arc beginning with Petersburg in the northwest, continuing southward, and coming to an end with Nizhni-Novgorod in the east.⁴ The contrast between Russia and West European countries such as France, Belgium, Germany, and England, where the towns included well over one-third of the population, was striking. The contrast is even more telling when one compares Imperial Russia to the United States, then clearly the opposite poles of modern civilization. In 1860, the total population of the United States amounted to 31.4 million, of whom 19.7 percent lived in urban areas; by 1890 the U.S. total population reached 62.9 million, of whom 35.1 percent lived in the cities; by 1910, out of a total population of 92 million, 45.6 percent lived in the rapidly growing industrializing cities.⁵

The inhabitants of Imperial Russia, amounting in 1897 to a total of 126.9 million including Poland and Finland, belonged to some 110 different nationalities, speaking 54 main languages, apart from various minor tongues. These nationalities can be grouped into four basic divisions: Indo-European, Uralo-Altaic, Semitic, and groups isolated by language. They accounted respectively for 80.6 percent, 13.7 percent, 4.1 percent, and 1.6 percent of the total population. The first group used nineteen and other languages, the second twenty-six and other idioms, the third mainly Yiddish and Hebrew (for religious services) and a very small percentage of other Semitic tongues, and the fourth, eight and other idioms.⁶

The indicated multinational divisions were reflected in different religious beliefs and devotions. Until the expansion of the Russian state in non-Slav areas, Russian religious homogeneity was secured under Russian Orthodox Christianity. From the end of the eighteenth century on, when large numbers of people were brought within the expanding state, the situation changed, at least away from the Empire's center. The growth of the Empire brought within its frontiers indeed a considerable number of Catholics (Poles and Lithuanians), Protestants (Finns, Estonians, and Latvians), Moslems (Turks and Iranians), Buddhists (Mongols and Kalmuks), and last but not least, a large number of Jews. The latter, treated as second-class citizens, were confined into seventeen

⁴ Valentine, J. Bill, *The Forgotten Class: The Russian Bourgeoisie from the Earliest Beginnings to 1900*, New York, Praeger, 1959, p. 206.

⁵ Peterson, John M., and Gray, Ralph, *Economic Development of the United States*, Homewood, IL, Richard D. Irwin, 1969, pp. 156, 308.

⁶ See Miller, Margaret S., *The Economic Development of Russia 1905–1914, with Special Reference to Trade, Industry, and Finance*, London, P. S. King, 1926, pp. 10–13.

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gubernias (regions, provinces, or governments) of European Russia and into the ten *gubernias* of Poland – jointly forming the “Pale (of Jewish) Settlement.” “Western” in outlook and believers of an “alien” religion, most of the Jews did not fit easily into the traditionalist Russian world rendered particularly hostile to them by the paternalistic, intolerant, and deeply antisemitic Orthodox Church. Great Russian nationalism, which identified itself eagerly with the exaltation of the Orthodox Church, and whose policy of russification coincided with religious persecution, assumed its most brutal and outrageous antisemitic forms under Alexander III and his successor, Nicolas II. The pogroms of 1881–2 in southern Russia, the “quiet” pogroms organized all over by the police with the help of illiterate crowds, the bloody pogroms of Kishinev in 1903, the pogroms of 1905, along with all kinds of mischievous fabrications such as the Beilis Case (concerning an alleged Jewish ritual murder) and the *Protocols of the Elders of Zion* (a vicious, forged publication by the Russian secret police widely referenced by modern antisemites), became the indelible marks of the official Russian antisemitism. The results of this policy were momentous for the Jews and for the world. One of these results was the accelerated Jewish emigration from Russia and Poland, which greatly enlarged the Jewish communities of Britain and the United States. Another direct result of that official policy was that Russian Jews thronged into the revolutionary movements, a fact that many of them had to regret after the victory of Bolshevism, when again – as we shall see later on – antisemitism became woven into the fabric of political conflicts throughout the history of Communism.⁷

In Imperial Russia, individuals were not facing the state in a uniform way. The country’s “administrative nomenclature” classified each human under a specific heading. As noted by Anatole Leroy-Beaulieu, the state did not have in front of it citizens or subjects, but only specific social categories – in Russian, *sosloviia* (a term roughly equivalent to *estates*, *categories*, or *orders*) – to which each individual belonged. The system distinguished, from 1649 on, four social categories or estates: *gentry*, *clergy*, *townspeople*, and *peasants*. These categories eventually acquired various subdivisions: The gentry was divided into hereditary and personal nobility; the clergy split at the margin into different, competing religious sects, and new religious beliefs besides the dominant one; the townspeople divided into several groups, including the growing number of professional people, the honorary citizens (hereditary or personal), the merchants (assigned to three and later to two “guilds”), the small traders along with craftsmen, artisans, and townspeople including industrial workers; and finally in the countryside, the peasants, comprised on the one hand of the peasants

⁷ Rogger, Hans, *Jewish Policies and Right-Wing Politics in Imperial Russia*, Berkeley and Los Angeles, University of California Press, 1986, particularly pp. 25–39; see also various contributions in *The Jews in Soviet Russia since 1917*, Kochan, Lionel, ed., London, Oxford University Press for the Institute of Jewish Affairs, 1970; Setton-Watson, Hugh, *The Decline of Imperial Russia 1855–1914*, New York, Praeger, 1952, pp. 158–61.

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of the nobles and, on the other hand, of the peasants of the crown. The state eventually added various accessory categories to take account of complex social changes. Thus the army started to be registered separately, particularly because of the use of a specially organized war caste, the Cossacks, with certain duties notably on the southern frontier of the Empire. None of these categories, nor their subdivisions, corresponded to Western social classes.⁸

The gentry (*dvorianstvo* – from *dvor* [courtyard]) did not form a closed caste. Peter the Great had established the rule that the highest grade of the civil service was to be granted the title of *hereditary* nobility, while the holders of lower positions in the civil service were to be accorded the title of *personal* nobility or of “honorary citizens.” By competing for offices and court favors, the gentry remained divided and incapable of coalescing into a coherently organized status group, even though the summit of the hereditary gentry continued to retain the leading positions in the society even by the beginning of the twentieth century. The Orthodox Christian clergy (*duhovenstvo*) also continued to be viewed as forming part of the society’s upper strata, even though the reforms of Alexander II deprived clergymen of the hereditary privilege on which their foundation rested until the 1880s. In the towns, the top social category was that of hereditary honorable citizen (*potomstvennyi pochtennyi grazhdanin*), usually awarded to influential or very wealthy merchants, financiers, and industrialists. Other merchants (the *kuptsy*) were divided for tax purposes into two “guilds.” The first guild consisted of rich industrialists and professional people. Also among the townspeople, the last category – the broad group of small traders, craftsmen, and so on (the *meshchanstvo*) – was subject to military obligation and paid the head tax just like any peasant (although they were freed from the latter obligation in 1866, years before the peasants’ tax burden was lightened).⁹

As shown in Table 1-3, at the close of the nineteenth century the hereditary gentry accounted for only 1 percent of the population of European Russia, and as I point out in the next section, vast differences existed within this upper stratum in terms of wealth, landholding, and number of peasant serfs. Both the gentry and the clergy, the traditional upper strata of the society, by 1897 registered sharp decreases from their relative leads of 1858 (on the eve of the great reforms of Alexander II). The 1897 decrease ranged from a joint total of 2.5 percent of the population to 1.5 percent. On the other hand the townspeople estate and the peasants estate registered massive increases. Within the townspeople, the actual growth was accounted for by the *meshchanstvo*, the

⁸ Leroy-Beaulieu, Anatole, *L'Empire des Tsars et les Russes* (The Empire of the Tsars and the Russians), Vol. 2, *Le pays et les habitants* (The Country and the Inhabitants), Lausanne, L'âge d'Homme, 1888, reissued 1988, pp. 266–79.

⁹ Pushkarev, Sergei, *The Emergence of Modern Russia 1801–1917*, op. cit., pp. 324–7; Blackwell, William L., *The Beginnings of Russian Industrialization 1800–1860*, Princeton, NJ, Princeton University Press, 1968, pp. 101–4.

Table 1-3 *European Russia: The Population by Estates (sosloviia) in 1858 and 1897, in Thousands and Percentages*

Estates	1858			1897		
	Thousand	Thousand	Percent	Thousand	Thousand	Percent
Hereditary gentry	886.8		1.5	888.8		1.0
Clergy	601.9		1.0	501.5		.05
Townspople	4,300.4		7.3	10,980.2		11.9
estate including:						
Honorary		347.5	0.6		794.6	.08
citizens ^a						
Merchants		399.6	0.7		239.6	.03
Small traders		3,553.3	6.0		9,946.0	10.8
Peasants estate	48,953		83.7	78,641.4		85.1
Military estate	3,767.4		6.5	1,439.7		1.5
TOTALS	58,510.0		100.0	92,448.6		100.0

Note:
^a Including in 1897 also personal gentry and officials.
Source: Rashin, A. G., *Naselenie Rossii za 100 let, op.cit.*, pp. 259, 262.

vast and ill-defined mixed group including “declassés,” members of the gentry, shopkeepers, craftsmen, and so on. The *meshchanstvo* grew from 6.1. percent to 10.7 percent of the much larger population of 1897. Finally, the peasants estate rose from 83.7 to 85.1 percent of the total population.

After this global view of the structure of the society of European Russia, I turn in the next section to the social structure and characteristics of the Russian countryside, and then to the demographic composition and characteristics of Russia’s towns.

1-2. The Rural Society

The structure of Russia’s rural society is only indirectly reflected in the respective size of the *sosloviia* of the hereditary gentry and the peasantry. On the one hand, the landholding, serf-owning core of the gentry was quite small, and, in addition, it was highly diversified in terms of wealth and power. On the other hand, the massive privately owned peasant serfs – those owned by the *pomeshchiki* (landlords) – represented only a part of the peasantry as a whole. According to the data furnished by I. D. Koval’chenko, in 1857 the total of 106,391 landlords of forty-seven *gubernias* (governments of provinces) of European Russia had in their private service a total of 10,694,000 “souls” (that is, male serfs only). The peasant male serfs were distributed as follows among the various categories of landlords: 3.3 percent of the “souls” in question were in the hands of the gentry with up to twenty serfs only; 15.9 percent were held by gentry with from twenty-one to one hundred souls; the balance