

**Map I.1. The Provinces of European Russia**



Cartography by Bill Nelson

# Introduction

## *Reform from above*

ON NOVEMBER 9, 1906, the Russian government issued a decree (*ukaz*) enabling Russia's 90,000,000 peasants<sup>1</sup> to start a complex process of transforming their property rights. The ukaz may be history's most sweeping effort to establish private property, a building block of liberal democracy. But less than five years later, an assassin's bullet killed Prime Minister Petr Stolypin, privatization's champion and the last figure in tsarist Russia with the vision, dynamism, conviction, and eloquence to have led the country to reform. Little more than a decade after the ukaz, the October Revolution swept aside private property, liberalism, and democracy.

The price of failing to avert the Revolution was high—not least for peasants who had responded to Stolypin's reform as had been intended, with hard work and skill. One such peasant later told a companion in a Soviet prison:

I had 20 desiatinas [about 54 acres].<sup>2</sup> That means I was a kulak [rich peasant] by their ideas. All right, call me a kulak. I worked hard, but

1. David Moon, *The Russian Peasantry, 1600–1930: The World the Peasants Made* (1999), 21.

2. See the Glossary for definitions of Russian words and specialized terms used in the book.

to tell the truth, got little from it. I wasn't able to manage. At least not until the Stolypin booklet<sup>3</sup> fell into my hands. Perhaps he didn't write it, but that's what they called it. There it was explained how one needs to manage. And when I applied what was written there to my land, I got rich directly. But of course, when it [the Revolution] began, as you know, they took everything away and threw me out into the forest. There they set aside four *desiatinas* for my family and me.

“Enough for you, *kulak!*”

And to tell the truth it was enough. They took away everything, but I brought my Stolypin booklet. And then years passed, and again I did things according to Stolypin, and again I was rich—not rich, but well enough off. And again they were envious, and again they took everything and threw me out.<sup>4</sup>

The property rights reform launched in 1906 is a case of reform from above—more exactly, reform in the direction of liberal democracy, but chosen and implemented by a government that couldn't seriously be described as liberal or democratic. The reform was by some measures extremely radical. Before, a typical peasant family's land had been subject to periodic repartition by a “commune” council, was scattered about in dozens of plots interspersed with neighbors' land, and wasn't in any real sense individually owned. The reform allowed peasants to exit that system and convert their holdings into plots that were physically consolidated and secure in tenure—that is, into yeoman farms. It thus took an agricultural society that was only beginning to be touched by markets, and whose internal institutions operated largely by non-market mechanisms, and gave

3. The booklet was presumably one of the booklets and brochures on agronomy that the government published and distributed as an accompaniment to the property rights reform. See A. P. Borodin, *Stolypin: reformy vo imia Rossii* [*Stolypin: Reforms in the Name of Russia*] (2004), 187–88.

4. Boris Fedorov, *Petr Stolypin: “Ja veriu v Rossiū”* [*Peter Stolypin: “I Believe in Russia”*] (2002), 1:404–05 (quoting V. V. Shulgin, *Razmyshleniia. Dve starykh tetradi. Neizvestnaia Rossia XX vek., Istoricheskoe nasledie, kniga 1* [*Reflections. Two Old Notebooks. Unknown 20th Century Russia, Historic Legacy, book 1*] (1992), 325]).

its inhabitants the opportunity to adopt the rules and institutions of the market. It had the potential to destroy peasants' isolation and transform their previously subservient role in Russian life.

This book, besides setting out the key features of the reform, explores whether liberal reform from above is an oxymoron. In contrast are liberalizing reforms from below—reforms extracted from a ruler or ruling elite by groups previously enjoying few formal rights and little direct say in a country's politics. While I think liberal reform initiated voluntarily by elites can play a genuine role, it has systemic pitfalls that make the task of would-be reformers harder, and the role of voluntary reform smaller, than any of us would like.

### *Stolypin: the man behind the reforms*

It has been said that Petr Stolypin “played only a minor part in the enactment of the reform that bears his name.”<sup>5</sup> That is true in the same way it might be said that Franklin Roosevelt “played only a minor role in the enactment” of Social Security: All the ideas involved had been previously worked up by others; the political support of others was essential to enactment; and it is hard to trace any specific provision to the man receiving credit. But Stolypin was the reforms' most eminent cheerleader in public debate, in parliament, and in the state apparatus. He made the reforms his, and he made them the centerpiece of his plans for transforming Russia: “Give the state 20 years of peace, internal and external, and you will not recognize present-day Russia.”<sup>6</sup>

As a prosperous member of Russia's gentry and thus exercising a kind of tutelage over local peasants, Stolypin might seem an odd candidate for this role. But in fact his experience—not to mention

5. George L. Yaney, *The Urge to Mobilize: Agrarian Reform in Russia, 1861–1930* (1982), 207.

6. V. G. Tiukavkin, *Velikorusskoe krestianstvo i Stolypinskaia agrarnaia reforma* [*The Great Russian Peasantry and the Stolypin Agrarian Reform*] (2001), 167.

his origins—foreshadowed his role as an engine of change. He was born in 1862 in Dresden, where his mother was visiting relatives.<sup>7</sup> His family had been distinguished and well-connected since the 1600s, his great-grandfather a friend of Speranski, the great but thwarted reformer of the early 1800s, and his father was a onetime comrade-in-arms of Leo Tolstoy. He was the second cousin of Michael Lermontov, one of Russia's greatest poets, and spent his early years at a family estate in Serebnikovo, outside Moscow, now better known as the place where Lermontov spent a few youthful summers.<sup>8</sup> His father's cousin, D. A. Stolypin, studied peasant property rights and productivity much of his life and published many articles on the subject. In addition, moved evidently by hopes for peasant prosperity, and by intellectual curiosity as to how it could be achieved, D. A. Stolypin used his own property for experiments aimed at enhancing peasant cultivation. For example, he leased compact tracts of land to peasants for terms of about six years, with the prospect of sale to lessees who made a go of it.<sup>9</sup> From 1874 to 1888, D. A. Stolypin headed a commission appointed by Alexander II to look into matters of peasant land ownership.<sup>10</sup> The commission published voluminous works on the subject; their arguments worked their way into a book on the subject by Karl Kofod, a Dane who later promoted property rights reform and was active in carrying out those of Petr Stolypin.<sup>11</sup>

Stolypin's career was a brilliant and public-spirited example of

7. Avenir P. Korelin and K. F. Shatsillo, "P. A. Stolypin. Popytka modernizatsii selskogo khoziaistva Rossii" ["P. A. Stolypin. Attempts at Modernization of Russian Agriculture"], in *Derevnia v nachale veka: revoliutsiia i reforma* [*The Countryside at the Beginning of the Century: Revolution and Reform*], ed. Iu. N. Afanasev (1995), 8.

8. See Arcady Stolypine, *De l'Empire à l'exil: avant et après 1917: Mémoires* (1996), 19–23 (describes link to Lermontov through their common great-grandfather, Alexis Emilianovich Stolypin (1744–1810)). See also Boris Fedorov, *Petr Stolypin: "Ia Veriu v Rossiia,"* (2002), 2:194–204.

9. Fedorov, 1:348; Gennadii Sidorovnin, *P. A. Stolypin: Zhizn za otechestvo* [*P. A. Stolypin: A Life for the Fatherland*] (2002), 29–37.

10. Korelin and Shatsillo, 8.

11. Fedorov, 1:348. See also Tiukavkin, 159.

a rather standard pattern for the Russian nobility. He entered St. Petersburg University in 1881, the year of the assassination of Alexander II, an event that is said to have inspired him with “a deep, instinctive distrust of the Russian intelligentsia.”<sup>12</sup> There he specialized in natural sciences, including some work on the tobacco industry. In his final oral examinations, he dazzled his examiners, including D. I. Mendeleev, creator of the periodic table. They shot questions at him on obscure topics that had not been the subject of any lecture, and, it is said, he answered them all correctly. Mendeleev suddenly stopped the examination, exclaiming, “My God, what am I doing? Enough.” The examiners then gave him a five, the highest grade in Russia.<sup>13</sup>

On graduation, Stolypin worked for a while in the statistical department of the Ministry of Agriculture, and then returned to one of the areas where his family owned estates: Kovno Province (now Kaunas, Lithuania). There he became a district marshal of the nobility. At least as Stolypin practiced it, the position involved close work with peasants and landowners on practical matters such as agreements for disposition of land. He also oversaw institutions of peasant self-government. In 1899, he became marshal of the nobility for all of Kovno Province, where he helped found a local agricultural society to develop and circulate practical farming know-how.<sup>14</sup>

Life as a landowner showed him the impact of property rights. Because of the vagaries of highway routes (and perhaps also the low quality of Russian highways), travel among Stolypin family estates took him periodically through nearby parts of Prussia. He was struck by the greater efficiency of German farming and the industriousness of the farmers, which he traced to differences in property rights.<sup>15</sup>

12. Abraham Ascher, *The Revolution of 1905: Authority Restored* (1992), 219.

13. Abraham Ascher, *P. A. Stolypin: The Search for Stability in Late Imperial Russia* (2001), 16.

14. Sidorovnin, 45, 48.

15. Maria Petrovna von Bock, *Reminiscences of My Father, Peter A. Stolypin* (1970), 22 (relating his comparison and saying that observations such as these “served as a basis” for the later reforms). See also Ascher, *P. A. Stolypin*, 19.

His alertness to the relation between property rights and incentives, whether originating in his travels or merely reinforced by them, remained with him for life. While prime minister, for example, he argued in the Duma—a legislative body created under Tsar Nicholas II—that the endless redistributions contemplated by some of the left’s agricultural proposals would eliminate farmers’ incentives to improve their (temporarily held) land and their ability to try new techniques; he compared this to the way the lack of property rights in air and water prevented individuals from investing in their quality.<sup>16</sup> In Kovno itself, a part of the Baltics, peasants’ interests in “allotment” land (land derived from their former status as serfs) were hereditary, not subject to repartition. But plots were scattered, and he persuaded the peasants of several villages to work out land exchanges consolidating their tracts to eliminate scattering and intermingling.<sup>17</sup>

Stolypin was appointed governor of Grodno Province in 1902, the youngest man in Russia to occupy such a post. After ten months there, he was promoted to the governorship of Saratov Province. As it was larger, there was no longer an intermediate official between him and the central government in St. Petersburg. In a 1904 report to Nicholas II on Saratov, Stolypin proposed that the government try to transform peasants on the commune into independent yeoman farmers, using essentially the same economic and political arguments that he would later wield when boosting the reforms as prime minister. Nicholas wrote in the margin, “The views expressed here deserve attention.”<sup>18</sup> Even before the Revolution of 1905, Stolypin put down a minor peasant uprising without arrests or flogging, talking the leaders out of the enterprise.<sup>19</sup> The revolution itself brought

16. See P. A. Stolypin, *Nam nuzhna velikaia Rossiia: polnoe sobranie rechei v gosudarstvennoi dume i gosudarstvennom sovete, 1906–1911* [We Need a Great Russia: Complete Collected Speeches in the State Duma and State Council, 1906–1911] (1991), 89 (speech of May 10, 1907).

17. Sidorovnin, 48.

18. Korelin and Shatsillo, 11–12; Ascher, *P. A. Stolypin*, 56–59.

19. Ascher, *P.A. Stolypin*, 56–59, 42–43. See also Sidorovnin, 96–97.

him to the fore, as he managed to combine firmness in suppressing insurrection with recognition of the need for reform and efforts to forge alliances with moderates.<sup>20</sup>

A number of oft-reported episodes illustrate Stolypin's sangfroid in the face of threatened violence. On one occasion, he plunged into a restless mob; men hurled epithets at him, and one "sturdy chap" came up to him with a club. Stolypin took off his greatcoat and threw it to the man, saying, "Hold it." The man dropped his club and held Stolypin's coat. Stolypin then faced the crowd and ordered it to disperse; apparently cowed, it did so.

Another time, a man suddenly aimed a revolver at him while he addressed a rebellious crowd. Stolypin opened his coat and said, "Shoot." Completely nonplussed, the revolutionary dropped his arm and his gun.<sup>21</sup> Even his snidest enemies seem to have conceded Stolypin's courage.<sup>22</sup>

It was presumably his record of skill in controlling insurrection, as well as his dedication to removing some of the possible causes, that persuaded Nicholas to give Stolypin the post of interior minister in April 1906, and to add that of prime minister in July 1906.

Most accounts of Stolypin refer to his eloquence in debate, a point on which the non-native reader of Russian can hardly speak confidently. It is clear that he stirred the audience. The records of his speeches in the Duma are filled with notations such as, "Deafening applause from the center and right," "Cries of 'Bravo,'" and "Stormy applause from the center and right." As the sources of applause indicate, his language seems to have been quite polarizing. Indeed, the phrases for which he is most famous all pose sharp antitheses. Three are quoted ubiquitously. "What [the revolutionaries] say boils down to two words, 'Hands up!' And to these two words, the government

20. Thomas Fallows, "Governor Stolypin and the Revolution of 1905 in Saratov," in *Politics and Society in Provincial Russia, Saratov Province, 1500–1917*, eds. Rex A. Wade and Scott Seregny (1989), 160–90.

21. Ascher, *P. A. Stolypin*, 60.

22. See, for example, Sergei Iu. Witte, *Vospominaniia [Memoirs]* (1960), 3: 446.



with complete calm and confidence in its right can answer with two words, ‘Ne zapugaete’ (“You don’t scare us”).”<sup>23</sup> In a similar vein, addressing his revolutionary foes: “You need great upheavals. We need a great Russia.” And finally, a phrase to which we shall return in detail, uttered in a debate over the agrarian reforms and highly controversial (largely because of what appears to be a deliberate distortion by Stolypin’s foes): “We are placing our wager not on the drunk and weak, but on the sturdy and strong.”

Stolypin’s tenure at the top was brief. A number of struggles over policy issues and the handling of Rasputin, the debauched priest whom the empress credited with relieving the tsarevich’s suffering from hemophilia, engendered the hostility of powerful court cliques and eroded the tsar’s support. We will never know whether he could have mastered these political problems. On September 1, 1911, on a trip to Kiev with Nicholas II, he attended Rimsky-Korsakov’s opera “The Tale of Tsar Saltan,” sitting not far from the emperor. A well-off student—with ties to the Social Revolutionaries, the anarchists, and the secret police—pulled out a revolver and shot him (possibly preferring him as a target rather than the tsar for fear that killing the latter would trigger anti-Jewish pogroms).<sup>24</sup> He died on the evening of September 5, his last words being, “Turn on the light.”

Stolypin’s story is deeply poignant. He was the last tsarist prime minister with a reformist agenda and the intellect and personality to put it across. His prime ministership was thus Russia’s last realistic chance to avert 1917’s October Revolution through preemptive reforms.

### *This book’s goals*

Stolypin’s agrarian reforms raise a host of issues for today. For a Russia that has cast away seven decades of communism, precedents

23. Korelin and Shatsillo, 20.

24. Ascher, *P. A. Stolypin*, 380.

from pre-communist reform efforts beckon—but ambiguously. Should we see Stolypin’s reforms as a model to be emulated or as an object lesson in failure? More generally, if a liberal segment of the elite in *any* illiberal polity seeks to nudge the country’s property-rights system in the direction of liberalism, what sort of problems is it likely to encounter? Yet more fundamentally, can we expect reformers in an elite, subject to relatively little pressure from below, to implement policies that will bring about the dispersion of power essential for liberal democracy, thereby reducing the elites’ own power?

The Stolypin reforms have long stirred controversy. Much of it, starting with Lenin, has been based on attributing sinister motives to the reforms’ proponents. We can largely sidestep that sort of criticism. The motives of historical figures are fine objects of curiosity, but maddeningly elusive. Whatever the actual motivations of Stolypin and his colleagues, the most public-spirited proponents of property rights reform in any illiberal state would confront complexities and contradictions such as those faced by the Stolypin reformers.

The remainder of this book is organized as follows. Chapter 1 sets out a quick summary of the reforms and then poses the book’s central puzzle: the conflict between the end state of liberal democracy and the interests of those who hold power in an illiberal state. Chapters 2, 3 and 4 develop the context of the reforms. Chapter 2 looks primarily at the pre-existing property-rights regime to see its possible dysfunctions and, thus, the reasons it might be an object of concern. The exploration takes us into the origins of the prior regime for lessons about its possible continuing usefulness. Chapter 3 looks at peasant conditions just before adoption of the reforms; only with them in mind can we compare the reforms to other proposed solutions to the “agrarian problem.” Chapters 2 and 3 contain a good deal of numerical detail. Those readers primarily interested in the broader theme of liberal reform from above may wish to skim them; that’s quite all right.

Chapter 4 takes a look at the main alternative solutions and their

proponents, as well as the political force field confronting a government that sought reform as a substitute for revolution.

The remaining chapters, though drawing on the prior material, offer a largely freestanding analysis of the reforms; the arguments that have swirled around them insofar as those arguments bear on the problem of liberal reform in an illiberal regime; and broader reflections on the reforms' lessons. Chapter 5 describes the reforms themselves, a necessarily somewhat technical business. Because the reforms gave peasants choices, their responses are critical, and the chapter goes on to examine the degree of peasant acceptance and its variability across regions, times, and scale of peasant households.

With these in hand, we turn in Chapter 6 to the main disputes about the reforms. Two themes endlessly circle through these disputes: imputations of anti-democratic purpose and the question of whether or not the options given to peasants effectively pressured them to accept the government's ideas of rural landholding over their own. I try to unite the two, by continuously asking how the government's policy design stacks up against what one might expect of a government dedicated to simply enabling peasants to choose for themselves.

Finally, in Chapter 7, I attempt a broader assessment, looking especially at effects on productivity and peasant habits of mind; at the reversal of policy right after the October 1917 Revolution and the Bolsheviks' partial re-reversal in 1922; at the illiberal character of Russia's other agrarian policies in the same era; and at the ultimate implications of the Stolypin reforms for top-down movements toward liberal democracy. Finally, I examine the post-communist state's current efforts to introduce markets and property rights into an agricultural system dominated by sixty years of state and collective farms.

Although the reforms have attracted much historical attention, I found in my research comparatively little effort to apply the insights of economics generally, and even less the insights of the modern law-and-economics movement. The focus of that movement is "transac-

tions costs”—i.e., all the costs of reaching and enforcing agreements. Its central insight is that if transactions costs were zero, the initial allocation of rights would make little difference—parties would bargain their way to efficient solutions.<sup>25</sup> Because transactions costs are never zero and are often prohibitive, assessing legal arrangements requires us to consider their effects on parties’ ability to resolve conflicts and improve efficiency by contractual reallocation of rights. In the end, the problem with peasants’ pre-Stolypin property rights was that they imposed large transactions costs on efficient exploitation of the land.

The barrier of transactions costs also plays a key role in analyzing the evolution of political institutions and in efforts by scholars such as Douglass North to explain why liberal regimes, despite their apparent advantages, are so far from universal. But the problem of liberal reform launched by the leaders of an illiberal state has drawn little direct attention from prior writers.

This book strives to fill in some of the gaps.

25. See Ronald H. Coase, “The Problem of Social Cost,” *J. of Law & Economics* 3 (1960): 1–44.