

# KONDRAT'EV'S VIEW OF RUSSIAN AGRICULTURAL DEVELOPMENT : A PRELIMINARY NOTE

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## INTRODUCTION

One of the most profound changes taking place in Russia since the beginning of Perestroika is marketization, and economists are seeking, given Russia's conditions, a feasible path for a transition to a market economy. In fact, marketization has been tried twice before in Russian history: in the pre-revolutionary period and in the NEP period (Suborova 1998), so the present situation might better be characterized as "re-marketization," or more precisely, "re-re-marketization." In search of a model, Russian scholars are now striving to learn from the historical experiences of these two periods, and within this context, the works of Russian economists forgotten in the Soviet era are being rediscovered, reprinted, and reconsidered (Drozdov 1994; Zubchenko 1998).

Since in the pre-revolutionary and NEP periods the rural population ratio exceeded 80%, the success of marketization in the countryside was decisive. This is why the reconsideration of the Stolypin agrarian reform is extremely important to present-day Russian historiography (Kabanov 1993; Kondrashin 2001).

What then, was the state of agricultural and rural studies in those days? In fact, Russia before collectivization was among the world's most advanced countries for rural studies. As D. Thorner, B. Kerblay and R.E.F. Smith have pointed out, "Probably the most sophisticated and best documented studies of the theory and problems of peasant economy in the half-century from 1880-1930 were written by Russians" (Thorner et al. 1966). Their studies "came to flower" completely in the first half of the 1920s, when a great many excellent monographs were published not

only in the Soviet Union but also by Russians in exile. For example, the works of A.N. Chelintsev (published in 1919), N.P. Makarov (1920), N.D. Kondrat'ev (1922), B.D. Brutskus (1923), L.N. Litoshenko (1923), G.A. Studenskii (1923), A.V. Chaianov (1923), Chelintsev (1923), S.N. Prokopovich (1924), and Chaianov (1925) should be mentioned here (Kojima 1987).

Although various schools of thought were evident in Russian rural studies at that time, the economist who placed the most emphasis on marketization was Kondrat'ev. Among emigrant Russians, the representative economist who placed the same importance on the market was Brutskus (Brutskus 1922, 1925; Rogalina 1996, 1998).

While Kondrat'ev is renowned for his "Kondrat'ev cycle" abroad, in Russia he was well known (but only during 1920s) as a leading agricultural economist. He was very influential in agricultural studies and policy-making, especially in the first half of the twenties, when he argued in favour of a market-led development of Russian agriculture. Given the current situation in Russia, Kondrat'ev's work has some historical relevance,<sup>1</sup> and it is for this reason that I have chosen to provide this introduction to his approach.

### KONDRAT'EV'S CAREER AND WORKS

Nikolai Dmitrievich Kondrat'ev (1892-1938) was born a peasant's son in Kostroma Province, joining the SRs, a peasant political party already in 1905. In 1911 he entered St. Petersburg University, where he was greatly influenced by M.I. Tugan-Baranovskii and M.M. Kovalevskii. There Kondrat'ev also formed a friendship with P.A. Sorokin, who later sought refuge in the United States and became a famous sociologist. In 1916 Kondrat'ev befriended Chaianov in the Economic Department of the Zemstvo Association.

In October 1917 Kondrat'ev became the vice-minister for food in Kerenskii's Provisional Government, where he was re-

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<sup>1</sup> For recent studies on Kondrat'ev, see Efimkin 1991; Abalkin 1992; Nikonov 1992; Simonov & Figurovskaia 1992; Blagikh 1993; Barnett 1998; Davydov 1998; Shcherban' 1998; Klein 1999; Louca 1999.

sponsible for grain market controls and the supply of food to the cities. This practical experience not only produced a long monograph, *The Grain Market and its Regulation at the Time of War and Revolution* (5), but also exerted a strong influence upon his later thinking on economic policy. In the same year, he was also very active in the Central Land Committee as well as in the League for Agrarian Reforms, and wrote an important article entitled, "The Agrarian Problem" (1).

In 1918, just after the October Revolution he published an article that criticized Bolshevik ideology, calling it "completely utopian" (3). But he remained in Russia, and in 1920 he founded a small institute in Moscow to study business cycles. This institute later grew under the control of Narkomfin (the People's Commissariat for Finance) after the introduction of NEP. His reputation at the time is demonstrated by the fact that the institute was named the "Kondrat'ev Institute." In addition, Kondrat'ev was also active in Narkomzem (the People's Commissariat for Agriculture), and played a leading role in drafting early Soviet agricultural plans in 1924-25 (9)(10). In the Zemplan (the Planning Committee of Narkomzem) he drafted the "Perspective Plan for the Development of Agriculture," an attempt to plan the direction of Soviet agriculture for the following five years, 1923-28, which came to be called the "Kondrat'ev Five-Year Plan." Thus, he was "the most influential economist both in Narkomzem and in the People's Commissariat for Finance" (Davies 1980).

From June 1924 to January 1925 Kondrat'ev made a short trip to the West. He studied agricultural policy and farming organizations, and renewed his friendship with Sorokin, while in the United States and met J.M. Keynes in the United Kingdom.

Moreover, in 1925 Kondrat'ev, who had been engaged in the study of long cycles since 1920, published a famous article entitled, "Big Cycles of Conjuncture," which led to a special colloquium on long cycles in 1926.

From the middle of the 1920s, as the political situation changed, Kondrat'ev's views were attracting more and more criticism from the party. Finally, in 1928, he was dismissed

from his institute, and was abruptly obliged to suspend his vigorous research. Then, in 1930 Kondrat'ev was arrested as one of the leaders of the "Working Peasant Party" along with Chianov and other colleagues. He was confined to a cell in an old monastery in Suzdal', but continued his studies and began to write a voluminous work on economics which would eventually consist of five volumes. The manuscript of a part of this work was first published in 1991 (25), more than half a century after he was executed in 1938.

Kondrat'ev's research activities, compressed within a very short time, can be roughly divided into two fields: studies in Russian agriculture and studies in long cycles of conjuncture. I will focus on the former, placing the above-mentioned "Perspective Plan" at the center of consideration for two reasons.

Firstly, Kondrat'ev wrote over 120 books and articles and the majority of these dealt with particular problems facing Russian Agriculture. The issues he took up in his studies were as diverse as Zemstvo management, land reform, the food crisis, control of the grain market, industrial activities of rural cooperatives, agricultural taxes, world agricultural market, Russian agricultural exports, agricultural planning, rural differentiation, peasants' natural accumulation, rural overpopulation, and the links between industry and agriculture. However, it was in the "Perspective Plan" that he surveyed the whole picture of Russian agricultural development, so this work is the most relevant to this paper.

*Secondly*, Kondrat'ev's deep sympathy for peasants led him to ally himself with Russia's largest peasant party, the SRs in 1905, and in his early major works he advocated the Social-Revolutionary socialization of land, starting from the customary law principle of securing the right to life (1). After the revolution, however, his views gradually altered. He departed from the Social-Revolutionary idea and attached greater importance to the development of productive forces through a market economy. Presumably this shift came primarily as a result of the failure of grain market control; his experiences during the agrarian revolution, his own study of rural markets, the introduction of NEP (Barnett 1998).

To some extent his new viewpoint was in harmony with the party's official line in the early 1920s, that of economic reconstruction through the use of the market mechanism. But by the latter half of the 1920s, the party was moving toward high tempo industrialization and its hostility toward the market economy of NEP grew. Although Kondrat'ev never changed his pro-market position throughout the twenties, out of political necessity late in the decade he made big concessions to the party line (for example, accepting the kolkhoz system, quoting from Lenin and Kamenev etc.). Thus, it was in the years referred to as "the apogee of NEP," in 1924-25, that Kondrat'ev was able to develop his own theories most freely and boldly, and it is in the forementioned "Perspective Plan" that we find his ideas in their purest form.

#### PERSPECTIVE PLAN FOR THE DEVELOPMENT OF AGRICULTURE

##### *"The Kondrat'ev Five-Year Plan"*

"The Perspective Plan for the Development of Agriculture" which Kondrat'ev drafted was one of the Soviet Union's first economic plans. The process by which this plan was prepared was complicated, but Kondrat'ev's role in it can be summed up as follows (Lunden 1990; Suzuki 1993).

In 1921, with the introduction of NEP, the preparation of the perspective plan for the reconstruction of agriculture was started in Narkomzem. Chaianov was at the center of this project, and Kondrat'ev participated. After that, when Zemplan was founded in Narkomzem, Kondrat'ev took the lead in drafting the first sketch, "The Basic Provisions of Planning for the Reconstruction and Development of Agriculture", and in the same year also wrote "The Working Program of the Planning Committee of Narkomzem". At Gosplan in January 1924, Kondrat'ev gave a presentation, "The Perspective Plan for the Development of Agriculture" (9) which was a first draft. After developing this draft and including forestry, Kondrat'ev presented a new draft entitled, "The Basic Provisions of the Perspective Plan of the Development of Agriculture and Forestry" in July. After

that, besides this general plan, various sectional plans such as forestry, land arrangement and so on were also prepared at Gosplan. In July 1925 Kondrat'ev made a presentation entitled, "The Foundation of the Perspective Plan for the Development of Agriculture and Forestry" (10). A counter-presentation by P.I. Popov and the discussions by V.G. Groman, L.N. Kritsman, A.S. Mendel'son and others followed Kondrat'ev's presentation and led to an active debate. But in the end, the "Kondrat'ev's Five-Year Plan" was treated as a preliminary research and ultimately rejected by Gosplan.

Kondrat'ev's methodological viewpoint is best shown in the words "perspective plan". He used "perspective" to mean realizing desirable goals within the framework of probability, and "perspective plan" meant a system of concrete policy measures to achieve that. To use his terms, probability meant "probable" or "likely" (*veroiatnyi*) development. It is, *first*, to identify developmental trends from the empirical observation of past spontaneous agricultural evolution as well as from the analysis of the present, and, *second*, to apply these trends to the near future, and to extrapolate the definite path of development. On the other hand, Kondrat'ev emphasized the normative viewpoint of "desirable" (*zhelatel'nyi*) development as well. As far as agricultural development was concerned, he put the criterion of "desirability" on "the development of productive forces of the national economy", which he called "the least disputable" principle, a sort of *a priori* axiom for him.

To summarise: the "Kondrat'ev Five-Year Plan" consists of the following two procedures: first, a *factual* analysis of past agricultural development to identify the fundamental trends; second, the introduction of "elements of planning" (7) into spontaneous developments to lead it in a "*desirable* direction" through policy measures. So Kondrat'ev's plan is fundamentally different from Stalin's. For him, the observation of past agricultural evolution is much more important than establishing some policy goal. This is why he stated, "the starting point to make a whole plan is to recognize the facts and nature of the natural-historical evolution of agriculture in each region concerned" (9). He devoted himself to the collection of statistical data on Rus-

sian agricultural history so much so that he took on the work of compiling the book of statistics entitled, *Russian Agriculture in the 20th Century* (25), published in 1925.

### ***Russian Agricultural Development in Historical Perspective***

How did Kondrat'ev define Russian agricultural development? He divided the development of the recent past for which statistical materials were fully available into three periods: pre-war, war and revolution, and NEP.

The basic tendencies of Russian agriculture in the pre-war period (from the end of the 19th century to 1913) were, in his view, as follows (9)(10).

(1) Increase in agricultural income. From 1900 to 1913 agricultural income grew by 88.5% in the 50 provinces of European Russia. But since this increase came mostly from a rise in agricultural prices, it was really only a 33.8% increase. Moreover, not a little of this increase was due to population growth.

(2) Uneven development of agricultural sectors. The growth rate in income in the intensive sectors such as stockbreeding and technical cultures was higher than that for grain, although a significant part of the growth, particularly in stockbreeding, was attributed to price rises.

(3) Growing regional differentiation. Regional specialization progressed in pre-war Russia: the intensive sectors developed in the North western, Western, and South western regions, and the regions around large cities, while extensive branches grew in the North eastern, Eastern, and South eastern regions, and the Northern Caucasus.

(4) The commercialization of agriculture. "The reorganization of agriculture through the market mechanism" was underway (9). The level of marketability of farm products was increasing, as is shown by the percentage of grain transported by railroads.

(5) An increase in agricultural exports. Both the export of livestock products and their ratio to total agricultural exports were increasing, while the ratios of grains and technical crops were decreasing.

(6) “The replacement of large capitalistic landowners’ farms by peasant farms.” From 1877 to 1911 peasant land use doubled. Peasants’ share in livestock holding as well as grain market trade tended to increase until the war.

(7) The differentiation of peasant farms also progressed during this period.

Kondrat’ev sought the causes of the above developments in population growth, improvements in transport, the division of labor, increasing labor productivity through improved technology, the industrialization of Russia and Europe, the rise in agricultural prices and so on. Indeed, he paid attention to the pre-war development of Russian agriculture, but at the same time pointed out that Russian development remained less advanced and progressed more slowly compared to other foreign countries. The main causes of Russia’s agricultural underdevelopment were, in Kondrat’ev’s view, a shortage of capital (an underdeveloped railroad system and capital shortage in farms), peasants’ extremely dispersed and small size farms, soil exhaustion and unstable farming due to hypertrophic grain culture, and Russian social and legal conditions (the landlord system, industrial protectionism, heavy tax burdens, and peasants’ cultural backwardness).

In the period of war and revolution, however, Kondrat’ev explained, the above tendencies reversed, except for 6) Russian agriculture began to decline, with income decreasing by 25%. Marketable intensive crops like sugar beets declined rapidly, while produce for natural consumption like millet remained very stable. Homogenization in terms of peasant farming and regional farming proceeded. The marketability level of peasant farming decreased and agricultural exports stopped completely. Kondrat’ev attributed this decline to such factors as decreasing agricultural labor, and the destruction of the transport network, the decay of industry and cities, the collapse of the market network, and a reduction in the division of labor, etc. But what is most significant is that he evaluated the agrarian revolution in 1917-18 in a positive way. According to Kondrat’ev, although this revolution brought about a temporary, or short-term decline due to massive land redistribution and the fragmentation of farms,



in the long run it created the precondition for the development of productive forces through the abolition of the landlord system.

Finally, the NEP period. Since some regions suffered from bad harvests in 1921, real reconstruction started in 1922 with an increase in crops; a striking reconstruction of labor-intensive technical cultures, marketable grains and stockbreeding; a decrease in natural consumption crops; a growing level of marketability of peasant farms; and regional and rural differentiation. The basic tendencies of pre-war development arose again, because old factors like population growth resumed in the NEP period and new factors like the abolition of the landlord system came into being. Kondrat'ev thus concluded that there were some basic tendencies embedded in Russian agricultural development such as intensification, regional differentiation, growing marketability and rural differentiation. Indeed, he asserted, "This evolutionary direction is based upon deep and basic causes" (9). So it is possible to say that Kondrat'ev observed NEP agriculture to be the natural outcome of the restoration of pre-war trends aided by the extinction of landlords. Kondrat'ev's remark that "a kind of inertia", or an "internal inertia" seen in Russian agriculture is "one determinant of the future direction of agricultural development" (9) is therefore understandable. By extending the tendencies of pre-war development into the near future, he predicted the intensification of agriculture as a whole, the decreasing market share for grain, the increasing regional differentiation between intensive and extensive sectors of agriculture, and a growing level of marketability in peasant farms. There is no doubt that behind these changes he saw "the reorganization of agriculture through the market mechanism."

## INDUSTRIALIZATION AND AGRICULTURE

These were the "probable" developments, or "likely tendencies" of the near future. But what about the "desirable" development of agriculture? Since he regarded the "development of productive forces of the national economy" as the "desirable" development, his basic point of view was to study agriculture within the context of the national economy in general, and in

the interrelation with the growing industry in particular. This meant to analyze agriculture in terms of the industrialization of Russian economy. But this point was not fully discussed in the works written in 1924-25, so I will summarize his perspective on Russian industrialization as far as agricultural development is concerned, using some of the works he published later.

To Kondrat'ev, "industrialization" meant the growth pattern of productive forces of the national economy where the percentage of industrial production in the total production of the national economy is increasing (19)(24). Russia in the 1920s was still in the early stage of industrialization, to use his term, at the level of a "backward agrarian-industrial country" (21), so the relationship between agriculture and industry was very close. This relationship, seen from the industrial side, was explained as follows (24).

1. The supply of labor power from agriculture to industry.
2. Food supply to the urban and industrial population.
3. The supply of agricultural raw materials to industry. (This is very important especially in the early stage of industrialization.)
4. Rural and agricultural regions as the sales market of industrial products.
5. Agricultural exports paying for the import of industrial equipment and raw materials from abroad.

These interactions could also benefit agriculture as follows. Numbers 2,3,5 would pull the peasant economy into the market network (a rise in the marketability level), and would make farming more profitable by expanding agricultural demand and raising prices. This increase in profitability could stimulate an intensification and regional specialization in agriculture, leading to a growing productivity in agricultural labor. Number 3, the expanding production of agricultural raw materials, would be particularly instrumental in bringing about the development of primary processing industries such as flour-milling and butter-manufacturing in the rural areas. Both labor-intensive farming and processing as a whole would create a great many employment opportunities in the villages, which would make a significant contribution to the solution of the rural overpopulation prob-

lem, leading to rising productivity. This could also have a positive impact on cooperative development. The development of village industries was highly prized by Kondrat'ev, and he called this process the "industrialization of agriculture" (24).

Number 1 would absorb surplus labor from the countryside and 4 and 5 would encourage the introduction of agricultural machinery and rural electrification, all of which would raise productive forces. In other words, according to Kondrat'ev, strengthening the relationship between agriculture and industry through the market mechanism, and thus stimulating productive forces within "an agrarian industrial form of national economy" is the picture of "desirable" Russian agricultural development for the near future. Therefore, in his view, it would be necessary in Russia, where agriculture still dominated the national economy, to prioritise the agricultural developmental sequence (13). Since he was thinking in terms of a growing market for farming, the basic agricultural policy proposed by him was to create domestic market conditions which would induce peasants to sell more of their products on the one hand and to expand agricultural exports overseas on the other. As for the former, at that time peasants tended to avoid the marketplace in favor of "natural accumulation",<sup>2</sup> because they hated the instability of the currency, the shortages, high price and low quality of industrial products. Kondrat'ev wrote that expanding "natural accumulation" was a harmful phenomenon for the national economy, because it would lower the marketability level and eventually lead to a decline in agricultural production (16). So he insisted on the "rationalization of the market trade" as well as stabilization of the currency. It is clear that this "rationalization" was meant to make the industrial sector more competitive to reduce prices and to enhance quality. However in Kondrat'ev's view "one of the most urgent problems" (21) for Russian agricultural development was the expansion of agricultural exports.

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2 "Natural accumulation" means private accumulation among peasants in natural forms such as livestock and grain stock outside the market mechanism. According to Kondrat'ev, the predominant part of peasants' accumulation was of this type, which would not be available for economic growth. See Kondrat'ev 16.

## AGRICULTURAL EXPORTS

Kondrat'ev consistently insisted on the significance of agricultural exports to the Russian economy, feeling that Russia had no choice but to be integrated into the world economy. He explained the significance of agricultural exports from two perspectives: the need for agricultural reconstruction and for industrialization (21). In fact it seems certain that he was gradually moving the center of gravity from the former to the latter with the change in domestic conditions. For example, Kondrat'ev wrote in 1922, "Only contact with the world market will stimulate the rapid improvement of market conditions for Russian agriculture. Only that will be able to give fresh power to Russian agriculture in a short time" (6). Thus, he asserted that the expansion of overseas markets would raise domestic agricultural prices and activate farming. But in 1927 he began to stress agricultural exports within the context of Russian industrialization, for the purpose of importing large quantities of equipment, machinery, and raw materials for industry (21).

In spite of the significance of agricultural exports, however, recovery to pre-war levels was much more delayed than that of the GDP, industrial and agricultural production. Since Kondrat'ev predicted the reconstruction of the pre-war trend for agricultural exports as well, he sought a way to restore exports by analyzing the factors behind the stagnant situation since the outbreak of war.

He argued that stagnant agricultural exports were not caused by a depression in the world market, nor by a decline in domestic production. In his view, the main causes were, the low level of agricultural marketability, and other obstacles to export such as the inefficiency of the foreign trade apparatus. The marketability level was only 16.1% in 1923/24, and 18.3% in 1926/27, even though it had been as high as 23.8% in 1913. Behind this low marketability Kondrat'ev identified five factors: the extinction of large estates, the leveling of peasant farms, the expansion of peasant family consumption, the reduction of peasants burden and payments, and the low prices of agricultural products. Most of them were, to use his words, "the by-products of

the revolution” (21). So, to increase the marketability of agriculture, he suggested eliminating these “by-products” as well as raising agricultural prices.<sup>3</sup>

### TYPES OF FARMING

From the above explanation it should be clear that Kondrat'ev regarded growth in the marketability of farming as crucial for expanding exports. But what kind of farming would result in the highest level of marketability?

Kondrat'ev observed that the Russian countryside at that time was full of “a homogeneous mass of extremely dispersed and weak farms”, and that “the overwhelming dominance of the family-consumption principle” (18) was evident in peasant economic organization. Moreover, the rural overpopulation resulting from this state of affairs was “a very serious difficulty” for Russian agricultural development (23). “The overwhelming part” of peasants’ accumulation was “natural accumulation” (16) and the farming base was “extremely primitive and old-fashioned”. There was no way that this type of peasant farm would be able to raise the level of marketability.

Searching for a way to overcome this situation, Kondrat'ev *first* examined the collectivization of agriculture, i.e. the productive cooperativization of peasants to improve productivity and marketability (20). However, despite the desirability of this form from the viewpoint of the Bolshevik government, “We don't think that the collectivization process can be realized by command and request” (20). If seen “fully realistically,” the development of collective farming would presuppose “a high level of agricultural production technology” such as the extensive diffu-

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<sup>3</sup> It is very interesting that Keynes had a view similar to Kondrat'ev's in the 1920s. Keynes also argued for Russia's integration into the world market through agricultural exports. He pointed out the necessity of raising domestic agricultural prices in order to increase production in Russia. In 1924 Kondrat'ev visited Keynes in Cambridge, and next year Keynes made a short trip to Moscow and Leningrad, so we might say that Kondrat'ev influenced Keynes on some points. For this similarity, see Barnett 1998; Kojima 2000.

sion of tractors and rural electrification. But the government clearly lacked the means to provide this, so “a very long period” would be necessary for the diffusion of productive cooperatives. Actually, even in 1927 the kolkhoz was producing less than 1% of the total marketable agricultural products.

*Secondly*, Kondrat’ev examined non-productive cooperatives in fields such as land arrangement, selling, processing, and credit and so on. In his opinion, since individual peasants who join cooperatives are themselves “commodity producers,” their differentiation is unavoidable under a market economy.<sup>4</sup> The fact is that with the introduction of NEP rural differentiation through market competition was underway again, as in the pre-war period.

*Thirdly*, Kondrat’ev argued that according to recent statistical data, large peasant farms evolving as a result of differentiation showed high levels of marketability, labor productivity, and capital accumulation. So he wrote, “We cannot help using some increase in rural differentiation as a way of developing agriculture” (20). He acknowledged the “positive significance of differentiation,” not for the wealthy peasants, but “for the sake of realism in the approach” for smooth economic development. However, he adds that differentiation should not be completely unregulated, and that the Soviet state had an opportunity to put “certain limits” on it and to support the majority of the poor peasants resulting from the differentiation by absorbing them into governmental urban and industrial sectors.

Therefore, Kondrat’ev obviously placed great faith in large productive peasant farms, aiming for the creation of “a healthy, energetic stratum of peasant farms with the highest labor productivity and the fastest accumulation” (18).<sup>5</sup>

## CONCLUDING REMARKS

As mentioned at the beginning of this paper, Russian scholars forgotten or neglected in the Soviet period have been re-

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4 This point is one of the differences between Kondrat’ev and Chaianov. See Kojima 1987; Hahn 1994; Wehner 1998a, 1998b.

5 For his high evaluation of American farmers, see Kondrat’ev 11, 12.

stored to honor and have been receiving increasing attention since Perestroika. Although this will be a great contribution to study in this field, its use for political ends has also been recognised (Bokarev 1995). To avoid this, we have to put these scholars within the context of their age. As for Kondrat'ev, two points are important.

*First*, most of Kondrat'ev's works were written under Bolshevik rule. He was analyzing the contemporary Russian economy and proposing reform without discussing the post-revolutionary system or the historical and structural problems of Russian society explicitly. This is one of the main differences between Kondrat'ev's work and that of scholars in exile such as Bruskus, Prokopovich and Sorokin.<sup>6</sup> In other words, neither total analysis of the Soviet system nor historico-sociological study of the Russian revolution can be expected in Kondrat'ev's work. It was not because he had no interest in these problems, but because of his position in the system.

*Secondly*, in the 1920s when Kondrat'ev was active, market-oriented peasant farms and land communes were still in existence. The rural population occupied about 80% of the whole, and neither full-scale industrialization nor urbanization had begun. Put simply, he was active in the era of early industrialization and before collectivization. But today's Russia has the "legacy" of the kolkhoz system which lasted for more than half a century. Besides, industrialization has been achieved, and over 70% of the population is urban. Therefore, when evaluating the works of Kondrat'ev, we have to take the differences of historical context into consideration.

When reading Kondrat'ev's works closely, we note that behind the difficulties of market-led agricultural development in Russia he saw two major factors: the behavior pattern of Russian peasants and the arbitrary economic policy of the Bolshevik government.

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6 As well known, P. Sorokin wrote a book on the sociology of revolution. Boris Bruskus published a book which analyzed the socialist economic system fundamentally in 1923. For his argument, see Kojima 1997. Bruskus also argued the establishment of constitutional state and of peasants' property right in the Soviet Union.

The former, the peasants' tendency toward natural economy and family-subsistence farming was seen in the growing family consumption of agricultural products and "natural accumulation". According to him, this tendency increased significantly at times of crisis such as war or revolution, but even in ordinary times it could often occur in the Russian countryside when market conditions became unfavorable for peasants (16). It resulted in a decline in agricultural marketability and productivity in particular, and in the agricultural contribution to the national economy in general. Besides, under such a "family-consumption principle," serious problems of farm fragmentation and rural overpopulation also became apparent. However, Kondrat'ev optimistically argued that peasants would become more and more market-oriented through rises in agricultural prices and an increase in employment in the urban industrial sectors.<sup>7</sup>

As for the arbitrary economic policy of the government, Kondrat'ev was of course extremely careful. Early in 1918 he felt free enough to criticize Bolshevik ideology as "completely utopian," but in the NEP period he changed his attitude. He cautiously identified the problems with the government's price and trade policy and proposed an alternative economic policy as a specialist. Inwardly, however, his criticism of the Bolsheviks for their neglect of "objective conditions" (4), "objective possibilities" (22) remained unchanged and consistent.

Kondrat'ev placed special emphasis on these "objective conditions" as is explained in this paper. Through observing these conditions and an analysis of agricultural development, he found a market tradition, or a long-term trend of marketization in agrarian Russia before 1929. On this point he might be called the forerunner of recent "revisionist" economic historians such as P. Gregory, who explains Russian agricultural history until

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<sup>7</sup> Litoshenko, another representative liberal economist in those days, was not so optimistic on this point. He was the most important critic of Chayanov school and he called its viewpoint "neonarodnichestvo." Litoshenko wrote that the "blind evolution" of peasant farms would lead to a dead end. See Kojima 1987. For alternative views to Kondrat'ev's on this point, see Kojima 1987, 1988, 1999; Danilov et al. 1996; Saizew 1998; Hosking & Service 1999.



collectivization in terms of the growth of the market economy (Gregory 1994,2001; Gattrell 1986; Kojima 1996).

Kondrat'ev's views with their emphasis on individual initiatives might also appear related to recent studies on the history of Russian entrepreneurs. In any event, his works are very pertinent to the historical study of the so called "emerging market" in Russia.

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