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Abstract

This paper argues that Russia is an "indeterminant" case study of land reform, which is to say it is neither successful nor unsuccessful, but rather somewhere in the middle. The argument has several distinct parts. The first is that the creation of a legal foundation and the process of land distribution means that progress during the past decade has been sufficient so that Russia cannot be termed "unsuccessful". Unsuccessful land reform would be characterized by: (1) a lack of property rights embodied in the legislation; (2) there would be no land privatization or land distribution process; and (3) land sales would not be permitted. Russia does not have those characteristics.

At the same time, Russia also is not an example of successful land reform. Why? Ownership rights – land shares from a large farm – are largely on paper and often not exercised by the owner of the land share. That is to say, a large percentage of agricultural land remained in use by large agricultural enterprises, though not owned by them, due to the fact that farm employees leased land rights back to the farm. In short, a relatively small percentage of farm members and land physically separated from large farming enterprises during the land privatization and distribution process. Thus, land distribution did not have the intended effect, and privatization was not quite as robust as it might appear. Finally, restrictions remain on the possession and use of privately owned land. Moreover, land sales remain somewhat restricted, economically and even politically. There clearly has been progress in the Russian land market, but it has not been so profound that it may be termed "successful". Russia has a land market, but it has remained rudimentary in many respects.

The purpose of this paper is to fill the void in the literature by examining certain social and economic variables and how they affect the land market. The basic argument is that rural "poorness" (bednost') is constraining the Russian land market, and as a consequence, land privatization has had a minimal impact on rural Russia and rural society.