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# The Russian Provincial City: Key Elements of the Structure of Life

by Vladimir Vaguine

Vladimir Vaguine is Regional Director, Russian Socio-Political Center, Pskov; Senior Expert on Regional Politics in the Russian Federation, Video International, Inc., Moscow; and former USIA Regional Exchange Scholar, Kennan Institute.

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# THE RUSSIAN PROVINCIAL CITY: KEY ELEMENTS OF THE STRUCTURE OF LIFE

## Introduction

There are at least four aspects to the meaning of the term "provincial city" in modern Russian: economic, political, cultural and "civilizational."

In an *economic sense* a provincial city is a place in which there is a concentration of enterprises from "pre-industrial" and "industrial" waves of industrial revolution. The municipal budget's own tax base depends chiefly on the fate of these factories. Both these factories and city-based VPK (military and industrial complex) enterprises, several of which may be attributed to the "post-industrial" wave, are united by a single common rule: they depend in a fixed way on external regulation, investment, and non-guaranteed orders.[1] The overwhelming majority of them were created as links in a single all-Union or republican network, as branches of the country's largest industrial associations. They did not have to worry about selling what they produced and they were supplied with all necessary parts and materials. All these problems were taken care of by the higher authorities overseeing the running of these plants and factories: ministries, departments, and "heads" of enterprises situated in capital cities.

Realizing the instability of such relationships (the industry of small cities is always the first to fall victim to economic disruption in the country), the inhabitants of provincial cities, that is, those working in the enterprises concerned, strove to create a system for their own households in which external influences such as shortages or the absence of official wages could be compensated for by their own efforts. At the same time workers usually thought of the enterprises they worked for merely as sources from which to obtain essential construction materials, instruments, transport, etc. The low cost of ground-rent, the territorial proximity to parcels of land, together with families' experience of involvement in the "in-kind" economy, made prevalent the traditional structure of the family economy.

The municipal economy is burdened by strict double budget regulation. The federal budget defines the key rules for the formation of budgets by subjects of the federation; regional authorities, in their turn, provide cities with norms of deductions for the regional budget for another part of the budgetary indices. The money that remains at cities' disposal is insufficient to decide the key issues involved in the functioning of the city's economy, infrastructure, and social sphere.

This theme is closely connected with the *political aspect* of provinciality. In the majority of cases the authorities of large cities are in dispute with regional authorities over the right to retain for their own use a large part of tax deductions. For their part, the administrations of the majority of subjects of the Federation regard the large cities of regions as donors to the regional budget, and they settle the problems of depressed regions at the expense of such cities.

1 It is no accident that bread factories have become the most thriving of enterprises in small and medium-sized cities. Bread was and remains an indispensable accompaniment, and sometimes the primary food product of Russian citizens. Factories that produce this everyday product for city-dwellers are only able to keep it fresh for one day, so they need to be located as close as possible to their customers. As a rule, they do not face competition from other cities and have no bodies of higher authority. Following the freeing of prices on bread in the majority of regions of the Russian Federation, enterprises ceased to be dependent upon untimely state allocations. A large number of commercial enterprises entered the industry, creating market competition and significantly improving the quality of manufactured products, methods of sale, and variety of supply.

In the majority of subjects of the Federation, irreconcilable contradictions have arisen between the regional and municipal authorities. Cities in which there is a concentration of a territory's main development potential are becoming hostage to regional politics. Only rarely do cities manage to formulate and realize an independent policy without hindrance from higher authorities. The absence of a workable delimitation of plenary powers between authorities at various levels makes such interference admissible.

It is very difficult to find in modern Russia in general—and in provincial Russia in particular—models of urban development known in American literature as "growth machines." Characteristic of the latter is the intensive development of the urban economy (boosterism), based on a compromise between local elites, on the priority development of specific urban features, and on the readiness of the population to actively promote the administration's plans.[2] The city in this case becomes the core of development for the whole region, guaranteeing its attractiveness to developers of the surrounding territory.

On the *cultural plane* the provinces are characterized by a reduction in the already modest cultural support programs that existed in cities under socialism. The cities are losing their thin coating of bygone intellectualism.[3] Culture, as a branch of the economy, has become the first victim of budget cuts following liberalization of the economy. For people of art and science it is ever more difficult to survive in the provinces if they do not have connections with Moscow-based or foreign sponsors. The urban way of life of the provincial intelligentsia is very fragile. The intelligentsia of provincial cities now spend increasing amounts of time at their dachas and vegetable gardens, and not at theaters and libraries.

With regard to *civilization*, the provincial structure of life reproduces traditional styles of the vital activity of Russian households.[4] More so than in highly urbanized, central locations, it depends on "non-market relations," and thus becomes a focus for the "demodernization" of the way of life and a "decentralization" of the labor force.[5]

In reviewing these peculiarities of urban provinciality, it is essential to detail the key characteristics of the latter: economic, political, and cultural dependence, and subordination to external regulation. In key spheres of provincial life there has occurred an actual and a legal delegating of political, economic, and administrative plenary powers, from local levels of self-government to the higher authorities. The genetic "defenselessness" of the internal processes taking their course in Russian cities, together with outside interference, represent a fundamental defect of provinciality. However, the formation of such relationships is not a one-sided process. Plenary powers were

2 J. Logan and H. Molotch, *Urban Fortunes: The Political Economy of Place* (Berkeley, CA: University of California Press, 1987); Jan Nijman, "Globalization to a Latin Beat: The Miami Growth Machine," *Annals, AAPSS* 551 (May 1997): 164–77.

3 Buildings belonging to the "new Russians" can very rarely, if ever, be called works of art. Very little creative architectural work goes into their construction.

4 F. M. Dostoevsky, characterizing the composition of jurors determining the fate of Dmitry Karamazov, in just a few words depicted the petty bourgeois of provincial Skotoprigon'evsk: "Our petty bourgeois are pretty much those same peasants, they even tend sheep" (F. M. Dostoevsky, "The Brothers Karamazov," *Collected Works*, vol. 15, Nauka, Leningrad, p. 93).

5 Richard Rose and Evgeny Tikhomirov, "Who Grows Food in Russia and Eastern Europe?" *Post Soviet Geography* 34 (1993): 116.

in reality not taken away, but instead consciously, and with skillful intent on the part of the *muzhik*, handed "upward." "Up there sit people who are cleverer than us, so let them make the decisions," is a graphic description of the discourse of provincial mentality.[6]

In tandem with this, the laws of Russian provincial life create abundant soil for the culture of "self-sufficiency." The eternal Russian fear of government interference and the life-complicating, inconstant official regulations and norms cultivate a refined variety of informal practices in the vital activity of the population, and create odd combinations of household elements.

The civilization of Russian provinciality grew out of unspoken opposition to a government noted for its despotic disposition, extravagant behavior, and tendency to make erratic changes in direction. This civilization is disseminated through households, which live according to the laws of their own development. The most striking evidence of the manifestation of this civilization is the specific provincial life structure of the urban population, which enables it to guarantee the effective (to the extent of its own understanding) functioning of families.

### Geography and Demography of Provinciality

As in the past, the key indicator characterizing the provincial status of a city appears to be the number of people living there. Within the framework of regional "center-periphery" relationships there arises the concept of "internal provinces": small and medium-sized cities. Large cities become the centers of their regions, avoiding the fate of provinciality within the region.

The data in Table 1 provides a breakdown of the population of Russia by cities with various sizes of population.

**Table 1: Division of Cities and Urban-type Settlements According to the Number of Inhabitants (in millions of people)**

| | 1939 | 1959 | 1970 | 1979 | 1989 | 1992 |
|---|---|---|---|---|---|---|
| Total Settlement | 36.3 | 61.6 | 81 | 94.9 | 107.9 | 109.2 |
| Of which, according to the number of inhabitants (thousands) | | | | | | |
| Less than 50 | 13.8 | 23.2 | 26.5 | 27.2 | 29.3 | 29.1 |
| 50–100 | 4.1 | 6.7 | 7.9 | 9.3 | 11.3 | 11.5 |
| 100–500 | 10.1 | 15.5 | 3.3 | 26.8 | 28.2 | 29.1 |
| 500–1000 | 0.7 | 7.2 | 8.4 | 12.5 | 13.8 | 13.2 |
| 1000 and above | 7.6 | 9.0 | 14.9 | 19.1 | 25.3 | 26.3 |

Source: A. G. Vishnevsky (ed.), "Population of Russia. Second Annual Demographic Report," *Evrazia* (Moscow, 1994).

From this table it is clear that the largest part of the urban population lives in small cities and urban-type settlements (29.1 percent), as well as in cities with a population of 100–500 thousand people (29.1 percent). Although the latter category experienced a sharp growth in the number of citizens in the period 1975–80, it has been typical for Russia during its recent history that the

6 There is also a certain amount of irony in this pronouncement: "try," they say, "to understand our problems without us."

majority of its citizens have lived in small cities and towns. True, one can also see a trend toward a slowdown in population growth in such cities.

A further 11.5 percent of citizens live in small cities with a population of up to 100 thousand people. Altogether, more than 40 percent of the Russian urban population lives in small cities and in urban settlements. Approximately the same percentage of people live in large and the largest cities, with populations of 500 thousand and above. In between these two are medium-sized and large cities with populations of 100–500 thousand people. Thus almost half of the urban population of Russia lives in provincial, small and medium-sized cities, which makes it extremely important to analyze the processes going on in such cities.

**Definitions**

The subject of this analysis is "households." This category is only now coming into statistical, scientific circulation in modern Russian social sciences and in state regulatory practice. In the field of Russian statistics up to now there has been only an intention to include regular information on statistics about households in the composition of official reports.

At the same time, in social science literature and sociopolitical journalism one increasingly encounters materials devoted to specific features of the economy and life of households in small Russian cities. The city-dweller organizes the structure of his life in the city not according to the orders of the authorities and plans of architects, but independently, assimilating it to official requirements and occupying "vacuums" and "niches" in the system of state control. "His soul, squeezed into the cramped space of the typical apartment, cries out for elbow room. That is why everyone has his own shed in the courtyard—a spacious building, sometimes with a cellar, generally not marked on architectural plans and therefore not officially noted or accounted for anywhere."[7]

The family space of households in provincial cities is rarely limited to an apartment. In the majority of cases it includes sheds, garages, cellars, dachas, allotments, garden plots, etc. These elements of urban households arise from the need to provide the family with food, which includes storing and transporting it. The level at which consumption of commodities[8] is satisfied is significantly lower in Russia's provincial cities than in its large cities.

In order to analyze the way of life and economics of families in provincial cities we must, therefore, study a wider aggregate of elements of urban life structure. In this article a "household" is understood to mean an objectively determined complex, consisting of a basic dwelling together with secondary social and living elements (plots of land, out-of-town housing, garages, sheds, etc.) which provide for the effective functioning and satisfaction of needs of

7 E. Dobrovol'sky, "With a Dream about a Trolleybus," *Moskovskie Novosti*, 12 May 1996, p. 22. This essay brilliantly describes the structure of life in the small Russian town of Gus'-Khrustal'nom, famous for its glass-blowers.

8 The American sociologist Torry Dickinson, analyzing the process by which the modern welfare society came into being, singled out one striking feature. The strengthening of "commodity satiation" in the behavior of American families, that is, acquiring the majority of goods and food products from market sources, rather than producing them within households themselves. The work points particularly to the fact that a decisive shift in the direction of modern consumer behavior of American families occurred only after the Second World War [Torry D. Dickinson, *Common Wealth: Self-Sufficiency and Work in American Communities, 1830–1993* (Lanham: University Press of America, 1995)].

the urban family. Apart from official monetary incomes, the economy of this type of household necessarily includes income received as a result of various types of activity (informal practice) relating to the maintenance of personal households. The economics of households represent one of the weightiest parts of the informal economy.

The concept of the informal economy itself is widely used in the scientific literature.[9] Some interesting attempts have been made to systematize concepts relating to the range of themes encompassed by "informal economy"—1) concepts that emphasize the qualitative distinction between this term and the official economy: "informal," "irregular," "nonmarket"; 2) concepts which imply that this economy belongs to social institutions and units to a greater degree than it belongs to separate individuals: "domestic," "household," "neighbor," "community economy," "green economy"; 3) concepts that divide up the economy: "parallel," "second," "dual"; 4) concepts that reflect the oppositional character of this type of economy: "alternative," "counter"; 5) concepts that emphasize the peripheral character of the economy: "marginal," "gray," "colored"; 6) concepts that reflect the forbidden character of this economy: "hidden," "underground," "black," "submerged," "shadow," "unregistered," "unrecorded," "invisible," "moonlight," "twilight," "unofficial," "cash economy"; 7) concepts that emphasize its lowly status: "illegal," "nether."[10] Strictly speaking, this systematization provides a "tree" of concepts relating to the informal economy, each of the branches of which characterizes a specific feature of the scholar's confessional approach.[11]

The wide variety of concepts adduced above highlights the key trait of the informal economy—its "unofficial," "extra governmental" character. "Unofficial" means such interaction of individuals or social institutes as is without direct state regulation (taking the form of administrative or legislative intervention in the organization of associations' affairs and households' functioning).

Given the abundance of closely-related definitions, it is necessary to explain the terms used in this article. The most general concept, which encompasses the whole non-official economic sphere, is the informal economy. The "shadow economy" is a weighted term. It presupposes the presence of a conscious deviation by economic agents from state control. In my view, informal economy to a great degree presupposes a personal, extra-institutional basis indifferent to "state-individual" relationships. A person ends up being involved in the informal economy not because he consciously strives toward this (although sometimes also for this reason), but by the force of his living circumstances, the "civilizational" peculiarities of the "place" in which he resides.

9 The U.S. Library of Congress's holdings of post-1975 monographic sources on this theme alone exceeds 800 titles.

10 Louis A. Ferman, Stuart Henry, and Michele Hoyman, "Issues and Prospects for the Study of Informal Economies: Concepts, Research Strategies, and Policy," *Annals AAPSS* 493 (September, 1987): 157.

11 It should also be recalled that in Russia the concept of "expolary" economy is often used. The author of this term is a professor at the University of Manchester, T. Shanin (Teodor Shanin, *Expolary Economies: A Political Economy of Margins*, 1994).

The sphere of personal, family economics is the one most hidden from state intervention. Social groups and extra-familial institutions are more predisposed to state intervention and control. Consequently their deviation from official regulation immediately creates the basis for practice falling under one of the informal economy trees listed above. If conscious, premeditated illegal activity shows up in the practice of economic agents; their activity may be characterized as the "criminal economy."[12]

"Informal practice" is inherent not only in the economic, but also in the political, social, and other spheres of city-dwellers' activity.[13] It exists in complex symbiosis with practice that has been made official (formal practice). "Informal practice" arises in the following cases: when it is impossible in principle to regulate relationships in an individual part of an association's functioning; when state intervention is temporarily absent; when the state attempts excessive regulation of an association's individual spheres of functioning; or when there is "erroneous" (norms not shared by the association) regulation.

Virtually any "informal practice" contains within itself a source of income and represents a source of expenditure. True, the income and expenditure themselves are often of an "in-kind" or symbolic nature, rather than a monetary one. Thus informal practice, of which the process of exchanging goods or services is an attribute, can be analyzed from the point of view of the economic processes occurring within it.

The banknotes issued by the state serve as a universal means of exchange and a criterion for comparing the value of goods and services being produced by agents of the informal economy. At the same time, informal practice also frequently gets by without monetary regulation, creating odd equivalents of the value of mutual services.[14]

The "shadow economy" is beginning to be perceived as a problem by both state administrative bodies and the public, because the significant growth of this part of the economy implies a material increase in the volume of income sources that are being hidden from taxation. In this case the informal economy's dominating relationships begin to pose a threat to norms and laws established by the state and to shatter the official peace and order.[15]

However, the state sometimes consciously "closes its eyes" to the informal economy of households. In periods of social and economic transformation, difficulties are ameliorated by the "self-sufficiency" of urban households active in the sphere of the in-kind economy. At the same time, the reduction in the level of demand for commodities on the part of households

12 O. V. Kryshtanovskaya, "Illegal Structures of Russia," *Sociological Research* 8 (1995): 94–8.

13 The work of M. Laguerre includes a great deal of evidence of the manifestation of informal practice in the life and activity of inhabitants of American cities. The American sociologist has succeeded in demonstrating the universal character of the connections between various types of "non-official" activity and the functioning of the informal economy [M. S. Laguerre, *The Informal City* (London: Macmillan Press, 1994)].

14 E. Cahn and J. Rowe describe the highly curious attempts of several American associations to revitalize non-monetary forms of economy. In spite of their apparent Utopianism, projects of this type perform a very important social task—they create lasting territorial associations, the members of which exchange mutual services (looking after the aged, carrying out minor repairs, education, etc.) without resorting to money as an equivalent of value [Edgar S. Cahn and Jonathan Rowe, *Time Dollars: The New Currency that Enables Americans to Turn their Hidden Resource—Time—into Personal Security and Community Renewal* (Emmaus: Rodale Press, 1992)].

hinders the creation of a modern market economy. Limited supply and demand prevent the market from expanding. A significant portion of the economy is outside the sphere of actual and potential taxation. A huge number of goods and services are displaced from present-day economic turnover because they are provided only by agents of the informal economy or are realized in the form of mutual assistance.

Thus an increasingly pressing task is the analysis of the functioning of urban households, of the activities of individuals directed toward obtaining unofficial income (hidden from taxation), and also of "self-provision" in food products, "self-servicing" and "mutual assistance" in Russian provincial cities.[16]

All this makes it possible for us to answer the question: How can we correlate the functioning of households in provincial cities with the appearance of market relations and changes in the system of state regulation of economic activity?

Before turning to my own analysis, I should like to mention one study of the shadow economy in Russia that has a direct bearing on our theme. True, under the heading "shadow economy" the researchers—based at Gosplan's Scientific Research Institute for Economics and Forecasting (NIEIP), virtually the only scientific research institute officially dealing with this theme in the USSR in 1980–90—examined "chiefly the production of goods and rendering of services to the population for payment not recorded in official statistical accounting. . .both permitted and prohibited by the law." Data from this work was subsequently published by the director of the section heading up the research, T. Karyagina.[17] But, after all, this is also a huge resource for the development of market relations in modern Russia.

"Even when it is prepared to pay significant amounts of money, the population is obliged to carry out many aspects of work by itself. Around 140 billion hours a year are spent on running the household economy, which is equivalent to the conventional employment in Russia of approximately 50–60 million average annual workers. In the household economy, in order to complete jobs which consumer service enterprises were called upon to execute on behalf of the population, the customers themselves perform services amounting in theory to an overall sum of twenty billion rubles," wrote Tatiana Karyagina in 1990.[18]

The quotation from the study defines most precisely the sphere in

15 The national literature includes an increasing numbers of works dedicated to other varieties of the "informal economy" in Russia: "criminal," "fictitious," "shadow," etc. (S. Glinkina, *The Shadow Economy in Modern Russia. Free Thought*, no. 3, 1995, p. 26–43; S. G. Kordonsky, "The Shadow Economy in a Shadow Society," *The Limits of Power*, no. 4, p. 102–33; L. M. Timofeev, "A New Theory of Socialism. A Model of Shadow Reality in Outline," *Moskovskie Novosti*, no. 49, 8–15 December 1996, p. 16). In the U.S. a significant contribution to the study of this theme has been made by G. Grossman, as well as by other scholars brought together through a joint project of the University of California at Berkeley and Duke University to study and publish materials related to the Soviet "second economy" (G. Grossman, *The Second Economy in the USSR and Eastern Europe: A Bibliography*, Berkeley-Duke Occasional Papers on the Second Economy in the USSR, Studies on the Soviet Second Economy, Paper No. 21, July 1990).

16 Various approaches to the analysis of the informal economy at the level of households are represented in foreign literature. Use of the methodology of analyzing "family strategies" has proved extremely fruitful. Family strategies in this case are understood to mean "principles inherent in families that guide members of the family toward the family's prosperity, survival or social mobility," B. Roberts, "Informal Economy and Family Strategy," *International Journal of Urban and Regional Research* 18, no. 1 (1994): 6–24.

17 T. I. Karyagina, "Analysis, Estimates, Forecasts: The Shadow Economy," *Ekonomika* (Moscow, 1991): 27–45.

18 Op. cit., p. 29.

which the forces of households are applied, since people independently fulfilled all those tasks they could not reveal in the sphere of official services—in the form of mutual assistance, string-pulling, self-servicing, etc. This is a peculiarity of the Russian economy in the realm of services to the population that will be discussed in more detail below.

### Regional Analysis of the Size of the Informal Economy

The majority of researchers who have attempted to estimate the size and development trends of the Russian informal economy have concentrated their attention on federal processes.[19] We believe it is very productive to base a case study on an individual Russian region. In this regard, by analyzing data contained in the report of the official statistical bodies, "On the Results of Socioeconomic Development of the Pskov Region for 1996," we are able to retrace a series of notable processes which graphically illustrate the essence of the theme.

A fairly reliable testimony to the growth in size of the "shadow economy" in the regions is the divergence between the monetary incomes and expenditure of the region's population. Thus, in 1996 the monetary incomes of the population amounted to 4,732.2 billion rubles. From this overall sum deductions were made for the following: purchase of goods and payment for services, 2,911.8 billion rubles (61.6 percent); payment of taxes and dues, 266.4 billion rubles (5.6 percent); accumulation of savings in deposits and securities, 176 billion rubles (4.2 percent). In all, 3,551.6 billion rubles or 75.1 percent of overall income.[20]

Added together, the expenditures listed above constitute less than incomes. The difference between incomes and expenditures is about one trillion, 200 billion rubles. This figure equates with the total amount of money issued by banks in the form of cash to enterprises for payment of wages and directly to the population, which subsequently "disappears" from the calculation. It compares with the expended part of the state budget of the Pskov region—1,284 billion for 1996.

Of course a certain amount of the money is taken out of the region by the population to pay for purchases and services outside the limits of the Pskov region, although an unspecified amount is also brought into the region by its inhabitants, as well as by visitors and tourists. Taking into account the significant number of tourists, including foreigners, these two figures could roughly balance.

Thus, an amount equal to almost 25 percent of the annual monetary incomes fixed by the state has disappeared. Part of this money is "stuffed into stockings," but the majority of it fuels unofficial economic turnover. Moreover, the discrepancy appeared not just in 1996, but also in preceding years.

Of the overall volume of monetary resources in 1995 the population expended the following: on the purchase of goods and payment for services—2,200.5 billion rubles (67

19 Probably the most authoritative research of this kind is the work of V. M. Rutgaizer, who has analyzed the basic approaches to estimating the volume of the "shadow economy" in Russia (Valery M. Rutgaizer, *The Shadow Economy in the USSR. 1. A Survey of Soviet Research. 2. Sizing up the Shadow Economy: Review and Analysis of Soviet Estimates*, Berkeley-Duke Occasional Papers on the Second Economy in the USSR, Studies on the Soviet Second Economy, Paper No. 34, February 1992).

20 The Pskov Regional Committee for State Statistics, "The Social and Economic Situation of the Pskov Region in 1996," *Pskovskaya Pravda*, 5 February 1997, p. 3.

percent); on the payment of taxes and dues—193.6 billion rubles (6 percent); on the accumulation of savings in deposits and securities—124.6 billion (4 percent); on the purchase of convertible currency—110.4 billion rubles (3 percent). In all, 2,629.1 billion rubles, or 80 percent. Thus, over the course of one year the proportion of expenditures concealed from state statistics by the population increased by almost 5 percent.[21]

The resources listed had the property accumulating from year to year. A part of these resources was "legalized" in the process of privatization, another part entered the official economy in the form of founding contributions to private enterprises. An essential part of the resources remains "frozen" in real estate that was built without the involvement of officially registered enterprises or under their cover. The lion's share of the resources, however, figures as working capital of "shuttle business" (small traders independently buying up goods in Moscow or abroad) and of the "black cash-desks" (money belonging to enterprises that is used by the directors for conducting unregistered operations and to pay for work carried out by people who have not been officially hired) of officially registered enterprises used for illegal business.

### Incomes

Consumer prices in Russia for the period from December 1991–December 1996 increased 1,700 times. According to data provided by authoritative Western analysts, 80 percent of Russians have no savings whatsoever.[22] For a large part of the population the natural way out of the situation that has arisen is to expand their activity through "self-provision" in terms of food products and "self-servicing" of households.

Some data show that in 1990 income from personal in-kind economy constituted 7.8 percent of all the income of families in the USSR. According to data obtained through the monitoring of economic and social changes in Russia that was carried out by the All Russian Center for Public Opinion Research (VTsIOM) in 1991, the monetary incomes of the population for this period were reduced by 30–40 percent; at the same time, the proportion of incomes from the in-kind economy were estimated to have increased to 25 percent.[23]

In 1996 and the beginning of 1997, the population increasingly began to experience the influence of delays in payment of wages and pensions. In January 1997 the overall amount of unpaid wages was around fifty trillion rubles (nine billion U.S. dollars). Over the course of 1996 this sum doubled.[24] The principal reason for delays in payment of wages to workers in state institutions was that there was a shortage of funds being received by state budgets at various levels. The wages of workers in joint-stock enterprises are unpaid as a result of delays in payment for the goods produced by their enterprises.

The reduction of the monetary incomes of a large part of the population has by no means activated their

21 The Pskov Regional Committee for State Statistics, "The Social and Economic Situation of the Pskov Region in 1995," *Pskovskaya Pravda*, 6 February 1996, p. 3.

22 *Russian Economic Trends*, no. 4 (London: Whurr Publishers, 1996).

23 T. I. Zaslavskaya, Analysis of the Results of Surveys. New Data on the Incomes of Russian Citizens. Indexes of Actual Incomes of the Population. *Economic and Social Changes: Monitoring Public Opinion*, 4, 1995, p. 11–13.

24 *The Economist*, 15 March 1997, p. 77.

economic behavior. A sociological study conducted by Kurgan sociologists through monitoring demonstrated that there has been an apparent reduction in Kurgan of the numbers of respondents willing to "change work" (from 10 percent to 8 percent) and to "work more" (from 16 percent to 10 percent) over the last three years. "The basic reaction of the population of the Russian provinces has proved to be not adaptation to the market economy, but flight from it, at times into pre-market structures," claim the authors of the study.[25]

Thus, instead of resulting in "rational," "modern" economic behavior, the difficulties of the economic situation have led Russian people to behave in traditional, stereotypical ways, based on their experience of survival during the war years and the Stalinist economy.

In 1994 VTsIOM was commissioned by the "New Russian Barometer" (NRB IV) to conduct a survey that involved personal interviews of 1,934 citizens chosen by random selection. In response to the question "Do you earn enough from your basic job to satisfy your needs," only one person out of eight responded positively. However, a further three-fourths of those questioned stated that they had managed to live the previous year, "without borrowing money and without spending [their] savings."[26]

This information enabled Richard Rose to draw the conclusion: "In the same way that investors contribute capital to various enterprises, Russian families combine various sources of incomes: official, social, and illegal."[27]

When respondents were asked to define the two sources of income that were most important for their family, "61 percent cited, in addition to wages, the social type, to be exact, the growing of agricultural produce. . .only 17 percent of Russian families live simultaneously on incomes from their principal work and work-on-the-side."[28]

The research studies we have cited highlight a key feature of the economy of Russian households which is included in the synthesis of all possible sources of income accessible to families. Application of this synthesis is based on the dominating view of the state as a source of misfortunes and disorders. Consequently, any "utilization" of this same state and its possibilities is admissible for the individual. Use of equipment, materials, gasoline, non-payment of taxes, free journeys—listing the phenomena alone would take a great deal of time.

A well-known postulate of socialist times, "everything around is the people's, everything around is mine," is interpreted by citizens to mean the same as "everything that is not mine or of those like me, is the state's, and that means ours in common." And since it is ours in common, there is no shame in making use of it. We too are able to exchange services or objects from the "common state table."

The fate of the communal, collective property of households in all parts of Russia is unenviable. Why is it so

25 Yulia Latynina, "'The Country Named a Province'" and Russian Reforms", *Segodnya*, 28 February 1996, p. 3.

26 Richard Rose, "Russia as a Society of Hourglasses: A Constitution without Citizens," *Constitutional Law: An East European Overview* 3, no. 12 (1995): 2–9.

27 Ibid.

28 Ukaz. Soch.

difficult for dacha, garden allotment, and housing cooperatives to function? Why is it so difficult for their members to organize the effective use of common property? At times it seems the answer to this question lies in the fact that for a long time such property had no place in the Soviet social environment. Two commonly accepted types of property under socialism were the private property of citizens—not greatly honored, but synonymously acknowledged by the state—and common state property, "eaten away" from inside by people who had realized the delights of the "administrative market's" possibilities. Despite the fact that other types of property also existed, the population did not consider them to be very significant. Such property was either identified with the state, or the state was its "patron." Thus it is not really possible to say that the property of creative unions and professional unions existed autonomously from the state.

"Common state" and "individual" property were therefore in direct opposition to one another. The ideological belittling of the role of private economy had as its consequence the "behind closed doors," "shadowy" nature of the latter. Simultaneously with this, the official economy functioned thanks to those same individuals who, step by step, privatized the socialist state.

The beginning of market reforms destroyed the uniformity of "those like me," creating individual conditions unknown under socialism. At the same time, as in the past there are no intermediate, collective types of ownership between the state and the individual. The absence of this distinctive compensator further aggravates relations between citizens and the state. Those functions which in developed countries are fulfilled by collectively-owned organizations, are in Russia even today the prerogative of the state. Despite the formal change in the state's role and the influence of new economic agents, of private and joint-stock property; in the eyes of citizens, officials of the state or the state itself are guilty of everything, from trash in the entrance to one's building to the absence of roads in the dacha cooperative.

For many years the country's statistics included in the income portion of the Russian family economy; officially earned wages, pensions, benefits, other state payments, the cost of services paid for out of public consumer funds (expenditure on public health, education, the maintenance of sanatoriums, etc.), income from personal secondary economies,[29] and "other" income. To gain a full picture of family budgets we need to add to these resources income received in monetary or another form from work carried out on the basis of "self-provision," "self-servicing," "mutual assistance," "string-pulling," income from criminal activity, etc. Naturally a large part of the income obtained from the latter groups does not easily lend itself to accounting.

Table 2 (on the following page) shows the "official picture" of income and expenditures of Russians according to data from the last statistical collection of the USSR.

According to this data, earned wages accounted for more than 80 percent of aggregate income. This income enabled families to function effectively only in a very truncated way,

29 Income characteristic primarily of rural families which have personal secondary holdings at their disposal.

**Table 2: Composition of Aggregate Income of Families of Workers and Service-Industry Personnel and its Use (in percentages)**

| | 1990 |
|---|---|
| Aggregate income | 100 |
| Including: | |
| Wages of family members | 80.2 |
| Pensions, stipends, benefits, subsidies toward tourists trips, pioneer camps, and for keeping children in pre-school establishments | 7.4 |
| Income from other sources | 9.3 |
| Income from personal secondary economy | 3.1 |
| Expenses of the family as percentages of aggregate income: | |
| On non-food items | 34.5 |
| Of which: | |
| On cultural and day-to-day services | 9.1 |
| Out of these, payment for apartments, communal services, and maintenance of own homes | 2.5 |
| Taxes, duties, payments | 9.7 |
| Other expenses | 4.7 |
| Family's accumulation (growth of cash, deposits in Savings Bank institutions, and others) as percentages of aggregate income | 8.8 |

Source: National Economy of the USSR in 1990, *Statistical Year-Book*, Finances and Statistics, Moscow, 1991.

pushing them in turn toward complication of an entire set of households and forcing them to combine various types of activity in order to guarantee relative sufficiency.

At the same time there is a real disparity between official income and the aggregate income of the family. We have already pointed to the huge volume of non-monetary income received by families in the process of "self-provision" and "self-servicing."

The high degree of socialization of national product under socialism led to the principal part of the country's income being concentrated in the hands of the state. Subsequently part of these resources became concentrated in public consumer funds: pension funds, trade unions' social insurance funds, and social development funds of state industrial enterprises. Thus, in 1980 "almost 40 kopecks out of each ruble were received by Soviet families from these funds."[30]

Not all families received an equal portion of these funds. At the same time the system itself included a whole series of peculiarities defining the economic behavior of families as a whole. State policy, which had established the procedure for use of public consumer funds, freed the family from the need to devote a significant part of aggregate income toward pensions, medical protection, or education. A significant portion of expenditure on operating the housing fund was also allocated centrally, without abstraction of additional resources from family budgets. In this way the state left its citizens with money for "pocket expenses," having formally guaranteed that they would be provided

30 Gur Ofer and Aaron Vinokur, "The Distributive Effects of the Social Consumption Fund in the Soviet Union," in: Gail Lapidus, Guy Swanson (eds), *State and Welfare: Contemporary Policy and Practice* (Berkeley, CA: University of California, 1988), 251–279, 251.

with housing, medical and educational services, and pensions from general state sources and funds.

At the beginning of the period of reform, therefore, family budgets were not calculated to cover the entirety of families' actual expenditures. The beginning of liberalization of the economy, the introduction of insured medicine, the increase in the volume of paid medical and educational services, and the beginning of the reform of housing and communal areas presented family budgets with difficult problems. This period marked the start of the highly painful process of reorganizing family budgets.

One of the obvious consequences of this process was the removal from the list of family expenditures of "beach vacations",[31] as well as many other trips in general (visits to children, parents, relatives, etc.), purchase of theater tickets, subscriptions to newspapers and magazines, etc. However, it was not only expenditures on "cultural items" that had to be given up.

Paradoxical as it may be, in the vegetable stores of small cities it is virtually impossible to find ordinary vegetables, fruits, and berries that have been grown in the surrounding villages. Their absence is due mainly to the low level of demand for such products. The selling price of these goods is not high. It is more profitable for large producers to sell their produce to middlemen, who take the vegetables to large cities and sell them there for significantly higher prices. The stores do not want to "mess about" selling the produce of small producers. The majority of the inhabitants of small and medium-sized cities grow vegetables at their own dachas and allotments, not relying on official producers and buying at the market only the bare minimum of goods of this type.

Today, therefore, those citizens who do not have a plot of land complain, quite reasonably, about the fact that their stores are selling expensive bananas, pineapples, and kiwis, while the more everyday items are now a rarity. At the same time, the former collective farm markets are playing an ever more active role in providing everyday products.[32] The old markets are today experiencing a "second birth." They are attracting new traders, with new types of goods and new consumers—not, for the most part, the prosperous population of the pre-perestroika era, but the "middle class" of provincial cities. A characteristic that unites these markets in all cities of the country is the fact that sellers and buyers pay for their purchases privately, in cash, without going through the official cash desk and therefore without declaring the value of sales.

The example of vegetable stores seems to me to force us to widen our understanding of the reasons behind the informal economy in the transitional period. The structure of aggregate incomes of families does not allow the population to form a stable demand for many goods and services. Those goods

31 One of the focus groups which the author led during the summer of 1996 in the towns and cities of the Pskov region revealed a curious conformity among people performing "brain work" (librarians, civil servants, teachers). In response to a question about what they like most in life nowadays, a significant part of those questioned voiced the opinion that "the happiness in life has disappeared." The majority of participants agreed with the words of one respondent— "previously we worked all year, happy in our dream that in the summer we would be able to travel somewhere—to Petersburg or to the Black Sea—and our wages allowed us to do this, whereas now both winter and summer we vegetate at home in this backwater, where there's nothing but joyless conversations."

32 Over the last three years eight new markets have opened in various parts of the city of Pskov.

which households are able to produce by themselves are displaced from the official circulation of goods into the sphere of the informal economy. These goods and services are no longer deficit, as they were under socialism, but remain, as in the past, in the shadow sphere, not in official circulation.

The output of a meat processing and packing factory cannot compete with that of market traders for a different reason—the high cost of the production itself and of the transactional expenses of a large industrial complex. However, this type of meat processing enterprise is also subject to fixed control on the part of official bodies, unlike the market trader.

The meat processing and packing factory experiences reduced demand for its products and is obliged to turn to the state budget for support to, "sell part of what it produces on the side," or be ruined. Competition with "pirate producers of goods," who do not pay taxes or who use legal "loopholes," is impossible even for some efficient enterprises to withstand.[33]

Without state support the sphere of everyday services "on paper" has practically disappeared in villages and small towns, which does not in any way signify the disappearance of constant demand or of the craftsmen offering these services. Families in these places have all now switched over completely to using the services of "acquaintance" TV repairmen, car mechanics, tailors, decorators, etc. With every year that passes there is an increase in the proportion of services offered to the population by individuals in the overall volume of everyday services. So, whereas in 1993 the proportion was 50 percent, according to official statistics, in 1995 it was 70 percent.

Inhabitants of the region turn to individuals chiefly for services such as the repair and sewing of clothing (42 percent of the overall volume of this type of service), making of knitted goods (42 percent), repair of everyday radio-electronics apparatus (76 percent), repair and technical servicing of vehicles (65 percent), and ritual services (69 percent).[34]

The appearance of a large number of individual craftsmen leads to a growth in the number of unregistered transactions. As a rule, this is mutually advantageous for the buyer and the seller, as it reduces the costs of transactions.

In the Pskov region the prices for everyday services increased 1,842 times between 1991 and 1996, whereas in the same period the average monthly wage increased just over 600 times.

The rampant growth of prices for individual types of everyday services has led to a deformation of the service industry's structure. In 1995, in the overall volume of everyday services rendered to the population there was an increase in the proportion of transport and shipping and ritual services, and simultaneously a reduction in the proportion of services of a personal character. Not all citizens can afford to own a truck or bury their own dead, so the proportion of these services is increasing.

33 In the case of the Pskov region this situation is extremely well illustrated by the huge volume of imports of live pigs from neighboring Belarus that have been sold at Pskov markets. The agricultural produce of Belarusian enterprises is subsidized from state budgets to a much greater extent than that of Pskov. Consequently, the sale of pigs also by private individuals brings them much greater profit than is gained by a meat packing plant dealing in "Pskov" meat.

34 Besides, only a small portion of the services rendered come to the attention of official statistical bodies.

An inquiry into household economies conducted by the regional authority for statistics in 1995 revealed that expenditure by the population on everyday services constituted 14 percent of consumer expenditure, which is 6 percent higher than the 1991 level, and 2 percent higher than the 1994 level.[35]

Thus, the proportion of overall expenditure that families allocate for everyday services is almost twice as much as it was before the liberalization of prices. Moreover, the volume of services offered on an official basis has itself been reduced in size by much more.

This imbalance is evidence of the structural reorganization not only of the sphere of everyday services (official and unofficial), which has witnessed an increase in the number of private entrepreneurs and a change in the proportions of various types of services, but also of the informal economy as a whole. Whereas before it was often possible for people to make personal use of state transportation, as well as of the transportation of enterprises available to workers free of charge, now people are obliged to use the services of specialized enterprises and of the owners of private vehicles. Former state enterprises are no longer capable of satisfying the requests of their workers. In other cases new proprietors have established stricter control over production. This is reflected in the increase in the proportion of family expenses assigned to everyday services.

"Under socialism the state's monopoly over the means of production forced workers to make use of state property in a fraudulent way. This was all but the principal resource of the informal economy. Now the means of production, raw materials and materials, which have become available to the workers, serve as the basis of their entrepreneurial activity. "Shadow economic practice" arises where there is an avoidance of registration and subsequent payment of taxes by citizens.[36]

Perhaps the most alarming consequence of the liberalization of the Russian economy in the social sphere is the virtual cessation of housing construction (which will be discussed in more detail later). People have found themselves faced with the problem of providing housing for their families themselves, because their official income is insufficient to allow them to buy housing at market prices.

One of the characteristics of the housing market that has taken shape in Russia is the huge gap between the need for housing and monetary demand for it. This gap is so great that "up to 80 percent of those questioned[37] do not see any possibility whatsoever of improving their living conditions. Even among those who intend to achieve this goal, more than 80 percent (more than 90 percent among the poor, but a good half even among the rich) were unable to point to a source of financing."[38]

It appears that in these circumstances the realistic source for people hoping to

35 S. Garkovskaya, "What Does Our Future Daily Life Have in Store for Us?" *Novosti Pskova*, 19 March 1996, p. 2.

36 However, the author is not so naïve as to be unaware of the huge number of cases of direct, unpunished criminal and semi-criminal practices of various scales perpetrated in connection with state property.

37 According to data from a study of the housing market in Russia that was financed by the World Bank in 1992–93.

38 O. Pchelintsev, "The Housing Situation and Prospects of Institutional Changes," *Questions of Economics* 10 (1994).

improve their housing conditions is income from the "shadow economy."

## Housing

What legacy did the Soviet Union leave its citizens in the sphere of housing? In this connection it will be appropriate to recall a few figures—see Table 3— cited in one of the last statistical collections of the USSR.

Thus, slightly over half of all Russian citizens were able to gain ownership of their apartments free of charge during the housing privatization process that began shortly after these statistics were compiled.

For several years the existing system redistributed taxes to pay for "pseudo-free" housing. In actuality income tax itself paid for a significant part of the cost of apartments.[39] Meanwhile the specific "housing model," with all its inadequacies, did make it possible after the war to restore housing that had been destroyed in cities and to move people out of temporary barracks.

In this case, "housing model" is understood to mean a "housing system" which is embodied in specific organizational forms and structures. In the majority of cases the organizational "casing" of a housing model depends on the national historical peculiarities of a state's development and can vary widely. Several models have been based on the socialist "housing system": 1918–20, the "housing redistribution" model; 1929–55, the "housing pyramid" model; and 1955–89, the "housing conveyor" model.[40]

Table 4—on the following page—from the Union Statistical Collection provides a good picture of the characteristics of the housing conveyor.

**Table 3: Structure of Housing Fund by Form of Ownership and Size of Overall Area of Accomodation (in percentages)**

| | 1988 |
|---|---|
| Housing fund—total | 100 |
| Including: | |
| State housing fund | 54.6 |
| Public housing fund | 2.3 |
| Housing construction cooperatives' fund | 3.7 |
| Housing owned personally by citizens | 39.4 |

Source: Social Development of the USSR. A Statistical Collection, State Statistical Committee of the USSR, 1990.

Thus in 1981–85—the period during which the "housing conveyor" flourished—for every one thousand inhabitants there were on average 150 apartments, 30 each year (35.5 million people out of a total population of 250 million received new housing). In the period 1985–88, there were 110 apartments per thousand inhabitants, 34 each year. According to data from research funded by the World Bank, in 1993 the same index fell to 6.4 apartments. A truncated form of the "housing conveyor" currently exists only in Moscow. In 1990 apartments were given to 13.6 percent of those on the waiting list (people who had waited to receive free municipal housing) in the capital; in 1992 the figure was down to 9.1 percent.[41]

Another feature of this model is that housing that became vacant was handed over to the organization which provided the new housing. Thus this housing, too, served the "conveyor."

It is appropriate at this point to recall that the majority of Russian

39 O. E. Bessonova, "The Mechanism for Housing Provision in the USSR," *Perestroika: Glasnost, Democracy, Socialism* (Moscow: Progress Publishers, 1989).

40 O. E. Bessonova, "Housing: The Market and Distribution. Novosibirsk," in *Nauka*, 1993.

41 T. Belkina, "The Housing Sector in Russia," *Questions of Economics* 10 (1994): 16.

**Table 4: Number of People Who Have Improved Their Housing Conditions (millions of people)**

| | 1981–1985 | 1986–1988 |
|---|---|---|
| Numbers of people who have received living space or built their own apartments | 50.0 | 33.4 |
| Including: | | |
| Those who have been given housing or who have built their own apartments in new buildings | 35.5 | 23.4 |
| Those who have been given or expanded their living space in older buildings | 14.5 | 10.0 |

Source: Social Development of the USSR, A USSR, A Statistical Collection, State Committee for Statistics of the USSR, 1990

citizens consider that they have received nothing from the privatization of enterprises.[42] The state's legacy in the form of housing transferred free-of-charge is the only thing that citizens have inherited from the bankrupt state. Moreover, everyone received something different. The favorite "children," Muscovites, could sell their three-room apartments, even those located in less prestigious parts of the city, for up to 100 thousand dollars. A comparable apartment in Pskov is worth at best twenty thousand dollars.

It is not very easy to keep this legacy, however. A comparison of indexes of the quality of Russia's housing fund with data published by the UN about cities in other parts of the world gives the following picture. "According to their level of qualitative indexes, the cities examined (Moscow, St. Petersburg, Barnaul, Rostov, Novgorod and several others from the same World Bank survey) should be included among those in which household incomes total an average of 6,000 dollars a year. This is more than five times greater than the average income of urban Russian families in 1993. Consequently, even if people currently have apartments, given the average level of people's incomes such housing is clearly not within their means."[43]

Large socialist cities and agglomerations which arose as a result of the development of production complexes in one or another part of the country, differ from similar urban settlements in other countries in one important respect: under overall deficit conditions, these agglomerated complexes were supplied with food products and goods on the basis of a special state policy.

Without artificial maintenance of the relative—by Western standards—sufficiency of foodstuffs in Moscow and St. Petersburg, these largest of cities would be unable to guarantee the functioning of defense factories and management and supervision bodies. What is more, budgetary indexes per inhabitant of these cities were more than twice the figure for the Union as a whole.[44]

In previous years, under socialism, even the average income of the majority of Muscovites enabled them to lead an urban way of life, without having to

42 According to data from monitoring of "The Course of Economic Reforms in the Pskov Region," which was carried out by the Sociological and Marketing Information Service (Pskov) in 1992–96, the percentage of inhabitants of the region who indicated that they had not received anything from privatization gradually increased and in 1996 reached 87 percent. Almost 10 percent of the remainder hesitated in their response.

43 T. Belkina, Ukaz. soch., p. 16.

grow their own food products. Food, albeit not a great variety of it, was always available in the stores. This was not true of provincial cities.

The structure of Moscow housing is also of a highly specific nature: 91.4 percent of workers' families live in apartment blocks. Only the inhabitants of a large city that was relatively well supplied with food products could permit themselves the luxury not to have (I emphasize "not to have") a personal plot of land (87.3 percent of the overall number of workers' families). The Muscovite way of life was therefore predominantly urban.[45]

The last population census—see Table 5—shows somewhat different data about the structure of the housing fund for Russia as a whole.

The table shows a significantly lower proportion of Russian citizens (66 percent) living in comfortable—by Russian standards—apartment blocks than in Moscow. Moreover, it is worth noting the number (almost 20 percent) of those who have lived and continue to live in private apartment blocks in cities.

They are undeservedly overlooked by researchers, who have concentrated on the modern industrial housing of city-dwellers, although in small and medium-sized cities private apartment blocks account for 40–50 percent of the overall housing fund.

On the whole, indexes relating to the urban housing fund's services and utilities show that apartments are by no means all well equipped with elementary everyday conveniences. (See Table 6, next page)

**Table 5: Distribution of Families According to the Types of Housing They Occupy (according to the Population Census of 1989) (in percentages)**

| In urban settlements: | |
|---|---|
| Total | 100 |
| Including those: | |
| In a separate apartment | 66.6 |
| In an individual house | 16.7 |
| In a common (communal) apartment | 6.3 |
| In part of an individual house | 3.1 |
| In a dormitory | 4.3 |
| In other living premises | 0.3 |
| Renting accommodations from individual citizens | 1.1 |

Source: National Economy of the USSR in 1990: A Statistical Yearbook, Finance and Statistics, Moscow, 1991.

Families living in premises equipped with central heating (including heating from computer-aided gas heaters and small boilers) totaled 85 percent; water supply, 84 percent; sewer system, 82 percent; hot water supply, 72 percent; baths and showers, 7 percent. The utilities listed above are characteristic of relatively comfortable, modern Russian housing and are provided by municipal or joint-stock enterprises. In private buildings, however, provision of such utilities is the responsibility of the inhabitants themselves.

Buildings without central heating and a main-line gas supply are heated by coal- and wood-burning stoves. Where there is no centralized water supply, householders dig wells for themselves. The absence of baths and showers is compensated for by "Russian

44 According to data from the research of C. Lewis and S. Sternheimer, in the mid-1970s there were 270 rubles in the municipal budget for each inhabitant of Moscow, whereas the per capita figure for the USSR as a whole was 120 rubles [Carol Lewis and Stephen Sternheimer, *Soviet Urban Management: With Comparisons to the United States*, (New York: Praeger Publishers, 1979), 93–94)].

45 V. D. Patrushev, *Changes in the Use of the Time Budget of Workers of Moscow for the Period 1923-1991*, Institute of Sociology, Moscow, 1994.

**Table 6: The Level of Equipment with Services and Utilities of the Urban Housing Fund of the Russian Federation (in percentages)**

| | 1995 |
|---|---|
| Water supply | 84 |
| Sewer system | 82 |
| Central heating | 85 |
| Gas | 67 |
| Hot water supply | 72 |
| Bathrooms | 77 |

Source: Russian Statistical Yearbook, State Statistical Committee of the Russian Federation, Moscow, 1996, p. 235.

bathhouses" constructed alongside buildings.

All such equipping with utilities and services requires additional expenditure on the part of households. It has proved and continues to prove no less expensive for city-dwellers to maintain their own housing than it is for inhabitants to maintain rented housing.

Moreover, those who build and maintain their own homes (*chastniki*) require wood for heating, planks for construction, coal, bricks, and cement. Materials which were once impossible to buy in the stores are now very expensive. Moreover, as in the past, it is difficult to find a way to transport such materials.

Virtually the entire economy related to exploitation and construction of private urban housing makes use of the services of agents of the informal economy, creating a breeding ground for the latter.

The comfort level of private housing varies, depending on the climatic zone in which the city is situated. Traditionally, housing is more comfortable and well-equipped in the south of Russia: in Krasnodar, Rostov, and Stravropol krais. In these areas it is considered prestigious to live in one's own house, and houses in the main cities are not a great deal inferior to state housing in the degree to which they are equipped with services and utilities. As a rule, the houses are surrounded by personal plots of land, which are also very important in providing for the well-being of inhabitants of the abundant south of Russia. However, private housing and personal plots achieved for these krais, in both former and present times, the questionable glory of places with a wide distribution of "shadow economy" households.

In the northwest of Russia and in the Urals, private housing is a great deal less convenient and less prestigious to live in due to climatic conditions, which is evidenced by the personal experience of the author.

In spite of the difficulties of life in such houses, *chastniki* have one unquestionable advantage over the inhabitants of multistory apartment blocks. Their household is in a single location, in which their house and a plot of land on which to grow fruit and vegetables are located, the latter being essential in order for city-dwellers to be self- sufficient in terms of food products. There is also room for a cellar, a fitted-out underground room in which to store harvested crops, and a garage in which to keep a car.

None of these possibilities exist for people who live in apartment buildings. However, they are in no less need of all the secondary elements of a household: plots of land, cellars, garages. These city-dwellers are not able to respond adequately to their urgent need for "aggregate housing," in which all the elements listed above would be territorially united.

For many years, state housing policy was directed toward the construction of inexpensive multiple-apartment housing. Nor was state policy as a whole favorable to the development of individual housing. Plots of land were very hard to obtain, construction was carried out without any material grants or loans from the state, the maintenance

of such housing was almost entirely "ceded" by the state to agents of the informal economy.

A firm contradiction arose between the objective requirements of households for "aggregate housing" and state policy, which was orientated on concentrated, standard housing construction of multistory buildings. In their turn, the requirements of households were formed by the general social and economic situation in the country and by a policy of excessive interference by the state in the economy of households. Families had insufficient disposable income to provide for their effective growth. Households were forced to resort to self-provision, self-servicing, and earning incomes from the shadow economy.

State policy, directed toward artificial support of an urbanized way of life for Russian citizens, operated, with great reservations, only in the largest agglomerations. In the majority of small and medium-sized Russian cities a specific model of urban "aggregate housing" took shape, of which personal housing was only a part, supplemented by out-of-town housing, plots of land for natural economy next to the house, a place for storing crops, a garage.

Elements of this housing are dispersed across the whole expanse of the city and suburban zone. Whereas land plots are a characteristic of the nearest suburbs, places for storing crops and garages occupy an ever larger part of urban spaces.

The state has practically divested itself of responsibility for the safety of property in such do-it-yourself structures.[46] The protection of cars and crops is the business of the owners themselves. Yet these places often contain all but half of the "family wealth"—cars, dachas, stored crops. One rarely sees garages lit by electricity, with convenient access roads and the police close to dacha zones. Without support from the state, overlooked by the municipal authorities, proprietors in these areas create multiple protection devices, locks, forms of collective security, etc.

Transportation plays a special role for this type of housing. Only with the help of a car can such aggregate housing function effectively. The car is a means for transporting tools, seeds and saplings, harvested crops, and people. Moreover, packaging for half-finished products is brought by car from garages to apartments and then back again. In this manner, half-finished products are conveyed from cellars attached to garages.

### Dachas

There are many myths and ambiguities associated with land plots in the suburbs of provincial cities and the dachas on them. Let us begin with some definitions. In the most general sense dachas are buildings in suburban towns that are used seasonally or all-year-round. This general appellation includes both the solid, pre-Revolutionary dachas of merchants and industrialists and the little "cardboard box" houses of contemporaries.

The dachas of writers in Peredelkino and of scholars in Repino for many years represented an ideal image for Russian citizens, accessible as they were only to selected intellectuals. However, we shall discuss dachas of another type, much more widespread in Russian towns.

According to official statistics there are three types of dachas: those with garden plots, those with dacha plots, and those without any plots of land. The authors of one of the accounts of the

46 The suburban region of Pskov is virtually the worst area in Pskov region in terms of crime. The main increase in the number of crimes is due to theft of citizens' personal property at dacha zones.

World Bank study, to which we have referred, write about the barely noticeable distinctions between the first two types of dachas.[47] There are distinctions, however. The first is of a specific regional character. In the Urals, out-of-town plots, with or without buildings, are called "gardens," in the northwest they are called "dachas."

The second difference relates to the not-so-distant Soviet nomenclatura past. Important party leaders, scholars, and specialists were granted state dachas by virtue of their office. Land and the buildings on it were the property of the state, for which these people paid a purely symbolic amount in rent. As a rule, however, the land around these buildings was not used for horticulture or growing vegetables and it was not covered by the rental agreement. Specifically a house outside of town, with no plot of land, is a "dacha" in the proper sense of the word.

People who succeeded in building an out-of-town "second home" for themselves did not possess the right of ownership to the land either. It was not rare to come across the owner of a house who did not own even a tiny plot of land. Thus the term "dacha" presupposes the dominance of the building itself, not the plot of land.

Much more widespread in Russia are garden plots allotted for the cultivation of fruits and vegetables. The first such "gardens" were called *michurinskie*. It was intended that city-dwellers should, following in the footsteps of the well-known selective breeder, become "enthusiastically" involved in the cultivation of fruits and vegetables that were not native to their region. Self-sufficiency in food products was not at all the main purpose of creating these gardens.[48]

Having made their mark close by or within the bounds of the city, these plots became highly desirable for city-dwellers from the early 1960s onwards. Almost immediately people began to buy and sell them, despite the fact that the land was the property of the state. In this case what was being sold was the buildings and planted crops, not the land itself. The increased value of land plots led to an increase in the value of city-dwellers' "aggregate housing." Maintenance of the household as a complex became a more difficult task. True, at the same time city-dwellers were gaining access to deficit food products that had not been freely available in stores.

One further type of land plot requires mention: the kitchen-garden (*ogorod*). The land for these was given out on a temporary basis and could be taken away at any time. As a rule, it was not permitted to erect buildings on these plots.

In the event that people building their own houses turned up and laid claim to a given piece of land, kitchen-garden plots were taken away without compensation of the resources invested in their cultivation.

At the end of the 1980s huge numbers of kitchen-garden plots were dotted around major cities. It was especially wild to see such "little kitchen-gardens" in the well-known suburb of St. Petersburg, Petrodvorets, on land directly abutting the preserve of the palaces and parks. Today many

47 R. Struyk and K. Angelica, "The Dacha Phenomenon," *Housing Studies* 11, no. 2 (April 1996): 233–251.

48 The author well remembers how the behavior of "gardeners" in those collectives changed over a period of several years. In the 1970s it was still possible to meet a large number of passionate selectors, who were occupied grafting trees and cultivating grapes in temperate latitudes. By the 1980s, however, such "unique objects" were becoming ever fewer, and garden plots were increasingly becoming a place for family-based agricultural production and self-sufficiency.

kitchen-garden lands are equal in status to garden plots.

In the 1980s it became very widespread and fashionable for inhabitants of large cities to acquire houses in Russian and Ukrainian villages. Muscovites and Petersburgers bought up whole settlements located hundreds of miles from the capital cities. Now trips to such places have become expensive, living there for the summer is no longer sufficiently comfortable to meet increased expectations, property is abandoned for the winter and exposed to destruction by vandalism, and the fashion is gradually dying out. The inhabitants of provincial cities and towns were not permitted such overindulgence. First of all, there were much closer plots of land available. Secondly, the "provincials" were much more concerned about the food they were growing, which was for them a primary source of subsistence. In small cities and towns, people were right next to "wild nature"—the longed-for dream of Muscovites and Petersburgers—so it was not so vital to "run away from the city."

Table 7 provides some data from official statistics about this process.

"As of 1 January 1988, 6.3 million families (about twenty million people) possessed, in addition to their permanent place of residence, small houses on garden plots, dachas, individual houses received through inheritance or as a gift, or acquired from among the number of vacant ones in rural locations. The overall area of these buildings amounted to more than 140 million square meters, or 21 square meters per family."[49]

In the six years that have passed since these statistics were compiled, there has been a material increase in the numbers of dachas, gardens, and vegetable plots.

Thus, according to data provided by the Chairman of the Public Council of Horticulturists, Market-Gardeners and Owners of Personal Secondary Holdings: "About thirty-eight million Russian households out of a total of fifty million have at their disposal a personal secondary holding or plot for the cultivation of food products. In 1996 these plots yielded 90 percent of the potatoes, 77 percent of other vegetables, 79 percent of fruits and berries, 51 percent of the meat, 31 percent of the eggs produced in Russia."[50] Many urban "agriculturists" strive to set up a little house, albeit the very tiniest, alongside their "plantations."

The numbers of inhabitants involved in cultivation of agricultural produce appear to vary from region to region in Russia. According to data from a population census conducted by the Sociological and Marketing Information

**Table 7: Out-of-Town Housing Used by the Population for Temporary Residence in 1987, by Union Republics (thousands)**

| | Total | Including: | | |
|---|---|---|---|---|
| | | Houses on garden plots | Dachas | Inhabited houses in rural areas |
| USSR | 6303 | 6188 | 103 | 12 |
| RSFSR | 4783 | 4721 | 55 | 7 |

Source: Social Development of the USSR, A Statistical Yearbook, Goskomstat USSR, 1990.

49 *Social Development of the USSR. A Statistical Collection*, Goskomstat USSR, 1990.

50 G. Shmelev, "The Best Way to Survive without Wages is to Occupy Oneself with One's Garden and Market Garden," *Izvestiya*, 6 March 1997, p. 2.

Service in July 1994, in the Russian city of Pskov, which is of average size in terms of population (210 thousand inhabitants), 67 percent of the population had personal land plots for growing vegetables and fruits, as well as garages, with places for storing crops and home-canned goods.

It should be pointed out that from the beginning of the 1990s all inhabitants who need plots of land in order to conduct personal secondary economies have received them.

During the Soviet era the process of dividing land into plots for the population was significantly restricted.[51] The capacity and height of buildings erected on suburban plots was strictly regulated. It was extremely hard to obtain land plots in general, and in convenient places only by paying bribes or through one's influence. Moreover, almost immediately after the land had been divided it was assigned to the owners under private property laws.

In the Pskov region, which had a population of 830 thousand people, almost 324 thousand citizens became owners of land plots. The population was granted over 125 thousand garden plots, a figure six times greater than at the beginning of reforms. More than 135 thousand families received land plots to be used for conducting their personal secondary economy. Fifty thousand plots were allocated for individual housing construction. Three thousand and fifty peasant households were created; 135 thousand former collective farm workers and state farm workers became owners of portions of land and received documents giving them the right of ownership to their land.[52]

Due to the land reform, 32 percent of beef cattle, 48 percent of dairy cows, 41 percent of pigs, and 99.6 percent of sheep and goats are concentrated in the hands of the inhabitants and farmers of the Pskov region. Virtually all the potatoes collected in 1996, amounting to 610 thousand metric tons (102 percent of the 1995 level), were grown by the population (94.2 percent) and individual farmers. Only 4 percent of the total volume of this food product, which is so important to Russian citizens, is produced by agricultural enterprises. Moreover, the Pskov region has traditionally specialized in growing potatoes and supplying them to St. Petersburg and regions of the Far North.

Thus the economy of personal households has become the dominant factor in a whole series of economic processes in the region. It would not be out of place to say that almost half of the gross product of the region is contributed by the share of agricultural production.

Table 8 on the following page shows the size, type of construction, and amenities of Russian dachas, according to data provided through research conducted by the World Bank.

The relatively high proportion of dachas supplied with gas, 57.1 percent, requires explanation. This probably refers not only, and not so much, to a centralized gas supply, but also to stoves with changeable gas cylinders.[53] The high percentage of dachas with running water also requires commentary. In this

51 As a result of this, enormous human potential was invested in raising ravines and draining swampy areas. Today along the banks of the Volga and the Kama one can meet specialists in terrace farming who learned this skill through their own "ravine gardening."

52 G. Ivanov, "Land is Good, But Good Land is Better Still," *Pskovskaya Pravda*, 7 September 1996, p. 2.

53 They can only be used for preparing food and the cylinders have to be changed regularly (approximately every two months). Low prices for natural gas have led to a significant increase in the volume of use of such equipment. At the same time, interruptions in the supplies of liquefied gas, difficulties with transportation and dispatch of cylinders have led to their use being ever more burdensome for consumers.

**Table 8: Size, Structure, Amenities, Methods of Construction, and Proportion of Dachas Adapted for All-Year-Round Residence**

| **Size** | |
|---|---|
| Size of dacha, $m^2$ | 32.7 |
| Size of land plot (in units of 100 sq. meters) | 9.0 |
| **Type of construction as a % of overall number** | |
| Brick or combined (brick and wood) | 24.1 |
| Wooden | 42.3 |
| Improvised materials | 33.5 |
| **Amenities, as a % of overall number** | |
| Electricity | 80.8 |
| Central/local heating | 5.6 |
| Stove | 52.6 |
| Gas | 57.1 |
| Plumbing | 67.9 |
| Sewer system | 5.5 |
| "Russian bath" (*banya*) | 17.3 |
| Telephone | 10.3 |
| Proximity to stores | 34.0 |

Source: Raymond J. Struyk and Karen Angelici, *The Russian Dacha Phenomenon*, p. 239.

situation the figure most likely includes not only running water in houses themselves, but also water available from taps located in adjoining dacha garden plots. On the basis of the remaining parameters, it can be seen that the level of amenities is not very high.

Of much greater importance to us, however, is the data about the methods of construction of these buildings. The fact is that inadequate incomes, together with the weakness of the infrastructure for providing the population with construction services have led to the widespread phenomenon of independent construction of dachas and small houses on garden plots. According to data provided by the authors of the World Bank study, the percentage of buildings constructed by individuals themselves (*samostroya*) in Barnaul and Novgorod is as high as 65 percent.[54] Overall, more than half of citizens independently built their own out-of-town housing (See Table 9 on the following page).

It should also be pointed out that there is a certain ambiguity in combining such different types of data in a single table. The fact that people inherit or acquire dachas by some other means does not in any way exclude the possibility that these dachas were built independently by their former owners. So we can make the bold assertion that the overwhelming majority of city-dwellers, albeit only once in their lives, have turned into builders, obliged to erect their own out-of-town housing.

Even when they do it themselves, house construction requires householders to turn to experienced specialists such as builders and carpenters, and these people have to be hired. Construction materials, decorating materials, delivery, unloading and loading—all this work is carried out without official accounting and is paid for in cash. Even when there is a contract with an official firm, its workers will find ways to receive remuneration, either in cash or in spirits.

Thus, the construction and maintenance of dachas is a prerogative of all the same agents of the informal economy.

Gardeners' associations were made note of for almost the first time in modern Russian history during the

54 Raymond J. Struyk and Karen Angelici, op. cit., p. 241.

**Table 9: How Did You Receive Your Dacha? (as a percentage of the number of households with dachas)**

| Responses | All Cities of the Sample % |
|---|---|
| Built it themselves | 46.1 |
| By themselves and with the help of laborers | 7.1 |
| Hired a construction team | 4.7 |
| Ordered the work from a firm | 2.1 |
| Bought | 18.8 |
| Inherited | 21.4 |

Source: Raymond J. Struyk and Karen Angelici, *The Russian Dacha Phenomenon*, p. 243.

Russian presidential election campaign in the summer of 1996. Boris Yeltsin promised to support gardeners, to earmark loans for them, as well as help to improve territories held by the associations. Following Yeltsin's lead, regional governors began to make similar promises. After the elections were over, the promises were all forgotten, and will most likely remain so until the next campaign.[55]

While they recognize the difficulties and effort involved, "20 percent of Russian families would like to buy or build dachas, while 26 percent [of those households which already have them] would like to reconstruct and improve them."[56] As in the past, therefore, dachas and garden plots are a desired element of the aggregate housing of Russian city-dwellers.

Despite the high demand for out-of-town dacha housing, there is little prospect of turning such buildings into permanent housing for city-dwellers. In the late 1980s, only 3.5 percent of out-of-town dwellings were suitable to be lived in all-year-round.[57] In the early 1990s, studies by the World Bank showed that this proportion had increased slightly, to 6.6 percent.[58]

Transforming already existing houses into permanent residences is no less expensive than building them "from scratch"—it involves setting up communications networks, reconstructing buildings, replanning existing tracts of garden, organizing the layout of roads, etc. It should also be remembered that the majority of tracts of land that are already under cultivation are by no means located in the best parts of the suburbs of provincial cities. All these considerations should be kept in mind when discussing the possibility of using these dwellings as a reserve for expansion of a city's housing fund.[59]

For many years, the recreational function of out-of-town plots owned by city-dwellers was regarded as primary. Despite the increasing—verging on dominant—significance of the "productive" factor, their function as a place of rest continues to be highly topical. I shall risk suggesting that many of these plots would readily be consigned to oblivion if Russian citizens had a choice as to where they spent their vacation, and if the family budget permitted it.

Blue- and white-collar workers used to spend and still do spend a large part

55 G. I. Shmelev, "Pre-Election Promises are Worth Nothing," *Nezavisimaya*, 15 May 1997, p. 4.

56 O. Pchelintsev, "The Housing Situation and Prospects of Institutional Changes," *Questions of Economics* 10 (1994).

57 *Social Development of the USSR. A Statistical Collection*, Goskomstat USSR, Moscow, 1990.

58 Raymond J. Struyk and Karen Angelici, op. cit., p. 247.

59 The detached houses of the "New Russians" are not covered under this rule. In the majority of cases they were already erected on a capital foundation with the necessary infrastructure. However, the percentage of such out-of-town housing in small and medium-sized cities is very small.

of their vacation time at home or at the homes of acquaintances, and not traveling. During the Soviet era only a quarter of the population could afford to visit health resorts, sanatoriums, and simply holiday spots.[60]

Despite the fact that the borders of Russia are now open, there are still only a few people who can permit themselves the "luxury" of traveling.[61] Even travel within the country itself is now accessible to only a small number of Russian citizens.

The dacha, garden, or market-garden plot is therefore becoming, for an ever larger number of city-dwellers, a place at which to spend Sundays and summers. At the same time it is turning into a still more important and inalienable element of the "aggregate housing" of city-dwellers.

The cultivation of food products by city-dwellers is a peculiarity of "stressful societies," in the words of Richard Rose. Introducing this definition into scientific circulation enables him to characterize the non-market production of food products in Russia and the countries of Eastern Europe. "People do not have a simple answer to the question of how immediately to provide their families with food products. They cannot get food in the stores—food shortages are a characteristic feature of the bureaucratic command economy. If people do not want to be left without food they are forced to start producing it themselves, within their households, and/or to become involved in barter relations. This practice results in blue- and white-collar workers needing to become landowners, which leads to the 'de-differentiation' of the forces of labor."[62]

To support his own words, Rose cites information on the activity of households in ten nations that was collected during a survey conducted using a questionnaire specially designed to study behavior in societies in transition from socialism to capitalism. The research was conducted by the Center for the Study of Public Policy (CSPP) at the University of Strathclyde, in cooperation with research institutes in Eastern Europe.

According to this study, more than 72 percent of Russian citizens grow food products. This figure is higher than in the other countries of Eastern Europe. The majority of these food products are intended exclusively for personal use, not for sale.

The study we have cited mentions two further important circumstances. "Whether or not it is acceptable for households to be involved in growing food products depends also on the admissibility for the average Russian city-dweller of spending from one to two hours traveling to his or her land plot and back again."[63]

Moreover, the study confirms our view that there are significant differences in the amount of time and energy expended on cultivation of food products by city-dwellers in various types of cities. The inhabitants of small cities spend almost twice as much time on this endeavor as do those of large cities.[64]

The study therefore totally confirms the steady trend we have noted toward

60 *The National Economy of the RSFSR in 1988. A Statistical Year-Book*, Goskomstat RSFSR, 1989.

61 In 1995, 2,555,000 Russian citizens spent time abroad as tourists. *Russian Statistical Year-Book. A Statistical Collection*, Goskomstat of Russia, (Moscow: Logos Publishers, 1996), p. 233.

62 Richard Rose and Evgeny Tikhomirov, "Who Grows Food in Russia and Eastern Europe?" *Post Soviet Geography* 34 (1993): 114.

63 Op. Cit., p. 118.

64 Ibid.

**Table 10: Involvement of the Population in the Production of Food Products (as a percentage of the total population)**

| Number of respondents | Bulgaria | Czechoslovakia | Poland | Russian cities |
|---|---|---|---|---|
| Grow food products* | 62 | 70 | 48 | 72 |

* Individuals who independently grow food products on their own land or with the help of friends and relatives

Source: Richard Rose and Evgeni Tikhomirov, "Who Grows Food in Russia and Eastern Europe?" *Post Soviet Geography* 34 (1993): 116.

**Table 11: Importance of Sale of Food Products Grown (as percentages of the overall number)***

| Involvement in sale of food products grown | Russian cities |
|---|---|
| Often | 1 |
| From time to time | 16 |
| No, only for personal needs | 83 |

* The percentage of those who called themselves producers of food products

Source: Richard Rose and Evgeny Tikhomirov, "Who Grows Food in Russia and Eastern Europe?"*Post Soviet Geography* 34 (1993): 125.

an increase in the numbers of land plots and "aggregate" dwellings, and in the numbers of households involved in "self-provision," depending on the size of the urban population.

Apart from the "de-differentiation" of the forces of labor which we have already mentioned, Richard Rose's numerous data also substantiates the localization of "de-modernization" in small and medium-sized cities, where the population is to a great extent involved in pre-market relations. The British sociologist rightly believes that this circumstance hinders the coming into being of market relations in Russia.

## Conclusion

Out-of-town housing, created in former years primarily through the use of materials and technology that belonged to the state, was not part of the public housing fund, but represented an inalienable component of the housing fund of individual families. Out-of-town plots, with or without dwelling places, fulfilled recreational and productive (cultivation of agricultural produce) functions for city-dwellers.

Accordingly, the buildings erected were not technically equipped for use as all-year-round places of residence. Neither today, nor in the foreseeable future can such housing become the main place of residence for city-dwellers. Most probably it will remain an element of the same over-expended "aggregate housing" discussed earlier.

Apart from the excessive outlays suffered by the state—direct theft or misappropriation, forced state subsidizing of housing construction, the need for the state or municipal authorities to invest in development of the swelling suburbs[65] at the same time as they are faced with increased expenditure on reconstruction and capital repair in the "inner city"—the state is faced also with indirect expenses. These include the low level of productivity of the employed population, growing social tension

65 The poor suburban areas themselves could hardly provide for the needs of city-dwellers.

arising from the shortage of housing for city-dwellers, and the ineffective use of urban land.

The dominant model of provincial living, arising as a result of protracted confrontation between households and the state, is in clear contradiction to the market development of the country. The practices of "self-provision" and "self-servicing" keep the level of households' "commodity satiation" at an extremely low level. Besides, the "consumer revolution" in modern Russia has already led to a shift from domestic televisions to imported ones and the appearance of video recorders, radio cassette recorders, and high-quality fitted kitchens.

The wretchedness of the official volume of demand for everyday consumer services is made especially palpable by the huge volume of resources surging through the riverbed of needs for quality and unavailable goods that was dried up by socialism. It seems, however, that precisely in this sphere a spurt in quality is occurring that will guarantee the irrevocability of the population's entry into new market relations.

One of the most important and realizable channels of entry into such relations is the growth in collective property of various associations of city-dwellers: dacha and gardening partnerships, garage cooperatives, residents' associations, etc.

People understand what is to their advantage best of all when they are able to experience it directly. For example, when the market value of their apartment increases as a result of their efforts to make the entrance to the building clean and safe, and maintain a beautiful lawn in front of it. Or when the road in the garage cooperative has been improved and the bridge over the river in the garden does not collapse every year, etc. Apart from anything else, all of these improvements have a real monetary equivalent.

Cooperatives bringing together individual gardeners may result in the real participation of "family economics" in market relations. One does not need to carry out specialized studies to become convinced that among amateur gardeners there are already some genuine professionals. Their plots stand out from their neighbors'. Such family garden plots can yield far more produce if their owners are competent in agricultural technology, know how to select seeds correctly, and are able to harvest and conserve their crops in good time. It is easier for families of gardeners to take an interest in this type of agricultural production on organized horticulture and "market-gardening" lands, than in compromised private farming.[66]

Of course this does not resolve the entire problem of how to supply the country with its own foodstuffs, but it is a real step on the path to increasing the degree of "commodity satiation" of households, involving them in the market economy, and guaranteeing the provision of inexpensive agricultural produce to nearby cities.

"Aggregate housing" itself, which was relatively easy to create under

66 According to the data of monitoring—"The Course of Economic Reforms in the Pskov Region"—conducted in 1992–96 by the Sociological and Marketing Information Service (Pskov), up to 15 percent (at its peak) of the urban population of the Pskov region wished to take up private farming at the beginning of the campaign for "farmerization" of the country. By 1996 this percentage had dropped significantly. It appears that, having seen the real difficulties, obstacles, and lack of support from the state, these city-dwellers gave up private farming. The hypothetical "second wave" of farmerization will therefore be much more difficult to sustain.

socialism through the use of free land, cheap (stolen) construction materials, "unofficially used" transport, and free labor, is reproduced in the current era of price liberalization at the expense of ever increasing costs. Moreover, in former years there were categories of the population which had no need to reproduce the dominant model. Today, low and unstable wages force many city-dwellers to forgo the purely urban way of life they would prefer to live. At the same time, however, it is much more difficult to create the secondary elements of aggregate housing in a post-socialist society.

Some categories of white-collar workers, as well as blue-collar workers who were highly paid under socialism, are especially sensitive to the difficulties of modern economic circumstances. They are no longer able to live on their salaries, but neither are they able to follow the lead of others and create for themselves a defensive position against the state in the form of "aggregate housing."

The civilization of the Russian provinces is thus prepared to assimilate into the new economic reality, having taken cover under the crude, but reliable, protection of the "in-kind economy." Inhabitants of small and medium-sized cities demonstrate their dissatisfaction only in polling booths, furtively throwing evidence of this dissatisfaction into the ballot-box. Only those city-dwellers who were in a more advantageous position in former times resort to active protest. Everyone else considers the state to be behaving as it usually does. However, both types are beginning to prefer the idea of a return to the illusory past.

All the aforesaid in no way signifies that all of provincial Russia opposes market reforms. It is more correct to say that the only people to come out against it are those who have not been able to see a personal advantage for themselves in the changes that have occurred. Consequently, the task of present-day reform is to search for places in which the population of provincial cities is able to find profit and privilege for itself. The distribution by the state of items which the population always regarded to be its property—apartments and land plots—does not in any way incline voters in provincial cities toward the side of the reformers. "It is no great service to assign to me something which in fact always belonged to me" (apartment, dacha, land plot)—is one of the characteristic features of the modern Russian mentality.

It would appear that an awareness of the quality of places in which the forces of reformers are being applied—in the process of developing "city-dwellers' aggregate housing" and "household economics" guaranteeing effective reproduction within families—is a real source for the extending of market reforms in Russia in the future.