INTRODUCTION
Reformation is one of the fundamental factors of social change. When the social relations, productive relations (including land and natural factors), machinery and human relations in the process of production find under satisfaction or the expectation of the level of production remain unstable, it is sometimes felt very essential to adopt and introduce reforms to bring about desired results. Reformation is also sometimes directed against the old system of any kind starting from religion to economy and agriculture.

Russia, after the fall of socialism i.e. ‘statism’, introduced agricultural reforms to build new relation patterns among the factors of production, to enhance productivity. It has been experienced that due to collective farming, the individual and human factors in the process of production lost its interest and initiative, which resulted in the collapse of statism. So, in order to re-stabilise the economy, Russian government embarked on a path of economic reforms in general and agricultural reforms in particular. Since the reforms basically aim at creating a market economy and the conditions for the subsequent development of market economic agents, the reforms is termed as market reforms. In broader prospective, Russia’s transition from a centrally planned bureaucratic command economy to a free market economy is also dubbed as market reforms.

Details of totalitarian domination in the former USSR, the five year period of anarchist “Perestroika” of its economy according to Mikhail Gorbachev’s methods, and the unsystematic and inconsistent reforms in agriculture, finance, infrastructure etc. at the fag end of the 1980s under the conditions of new liberal economic and political wind unfortunately did not lead to deep structural and quantitative changes in the socio-economic situation of the countryside in Russia.
The documents that articulate the tasks and goals of the market reform describe an orientation towards the formation of a mixed agrarian structure in Russia. The concrete task and goals of the reforms include - the development of market relations, transition to private land ownership, reorganisation of collective and state farms, creation of new support services for emerging peasant farms, development of wholesale and retail markets, rules governing contracts between buyers and sellers. Besides, land reforms and development of a land market, property rights, creation of genuine agricultural cooperatives, new trading arrangements, rural commodity markets, agricultural financial institutions are some important tasks of the ongoing market reforms.

The new agrarian reforms seek to improve the productivity and efficiency of the agricultural sector by reorganising and reorienting the existing collective-state farms into private farms and genuine cooperatives.

The ongoing market reform in Russia is an extension or continuation of the reforms that initiated by Gorbachev towards the end of 1980s. The need for Soviet agricultural restructuring was clearly stated by Gorbachev at the Plenary Session of the Communist Party of Soviet Union Central Committee on 15 March 1989. Gorbachev criticised the massive imports of food products, made necessary by lagging Soviet crop yields, labour and livestock productivity. He warned that food shortages were creating social tensions and discontent. Gorbachev blamed this sorry state of affairs on collectivisation: the abandonment of New Economic Policy (NEP) and its commodity-money relations, the belittling of market incentives for labour, and the application of command-administrative approaches to farming. Although he criticised Khrushchev’s reforms for some improvements, he pointed out that a shift of investments into the agricultural sector was not enough to
overcome the systemic constraints. The peasants, he continued, should be offered an opportunity to show independence, enterprise and initiative. He urged a break with the dogmatic views on socialist ownership installed with Stalin's collectivisation and proposed different forms of economic management comparable to those that existed during Lenin's NEP. He proposed broadening initiative beyond reorganizing collective farms and state farms into agricultural farms or agricultural cooperatives, agricultural combines and their sub-divisions, to include individual peasant family farming in the effort. The latter would be free to participate in collective, state and other larger enterprises through shares, joint stocks, and leases. Individual family farms were envisioned to play an important role in the reclamation of abandoned land and farmsteads, especially in the Russian non-chernozem zones.

Gorbachev recognized that such fundamental restructuring - returning managerial initiative to the tiller of the soil - would necessitate a new set of laws that would assure the farmers that they again would not be dispossessed. He also noted that this would necessitate, in turn, the elimination of the existing bureaucracy (both departmental and territorial) for the management of agriculture, and its replacement with a regulated market economy.

With the disintegration of Soviet Union in 1991 and the creation of a new Russia, the task and goals of agrarian reforms entered into another phase of market orientation. The earlier goal of transforming agriculture within the Communist regime to a regulated market economy was turned to a free market economy with the change of regime and the introduction of democracy.

At the end of the centrally planned economy in the late 1980s, the Soviet large-scale farming (collective and state farms) demonstrated growing inefficiency and
had burdened the national budget to a large extent, while food shortages extended from year to year. The numerous and forced attempts to restructure agrarian sector in the framework of socialist economy had failed, and the radical changes had become unavoidable.

Liberal reformers in the Russian Federation and their allies in the development bureaucracy believe that to transform Russian agriculture they need to do little more than assist in the breakup of the collective farms. These reformers believe that to make decollectivisation work, nothing more need to be done than divide land, livestock and farm equipment fairly among the collective farm members. Freed from the arbitrary dictates of collective farm managers, each now private farmer sloughs off his mask as a resentful collectivised peasant. Now he tills the land, with all the effort he can muster, as a productive yeoman.

The history of socialist agriculture in Russia is a history of reforms that proved to be unsuccessful or produced only partial results. Throughout the Soviet agrarian history, agriculture remained the most inefficient sector. The collectivisation of agriculture proved to be inefficient and inconsistent in producing desired result. The resources were always misallocated, misappropriated, mismanaged and underutilised, during the Soviet regime, thus proving bad for the economy and worst for the agriculture.

Attempts to improve the situation in the administrative command system by some shallow adjustments turned out futile in a longer-run. The underlying reason was that introduced social, economic innovation such as intra-farm cost benefit analysis, various types of contracts, intensive technologies etc. could not hit the pith of the problem. They could give only short-lived improvements and that only within specially chosen experimental farms artificially created and enjoying more
favourable than else where conditions. After each next campaign everything returned to its circuit. The socialist system repulsed the market elements alien to it. For the situation to be reversed, radical reforms were introduced to restore market economy in the framework of agrarian reforms.

The story of Russian agriculture since the collapse of the Soviet Union has been one of the sharp decline in production, share of GDP, labour productivity, capacity utilisation, food consumption and wages. The share of agriculture in Gross Domestic Product declined from 13.7 percent in 1991 to 6.5 percent in 1997. But at the same time, the share of employment in the agricultural sector increased from 13.2 percent to 15 percent over the same period. The investment in the agricultural sector also drastically declined from 17.8 percent in 1991 to only 3.3 percent of the total investments in Russia. The index number of agricultural production for all commodities declined from 138 in 1992 to 109 in 1997 (with the base year 1989-1991=100). The yields of various crops also declined over the transition, for example, the cereal production declined from 1.74 tons per hectare in 1992 to 1.32 tons per hectare in 1996 and the wheat production declined from 1.90 to 1.40 tons of hectare over the same period. Although these adverse trends have been seen in other sectors of the economy, they have lasted much longer in Russia. The most substantial impediment to the development of agricultural sector has been the absence of a sound macro-economic environment and institutional framework.

The reorganisation of collective and state farms had been practically completed by the beginning of 1994, when 95 percent of collective enterprises were re-registered. As a result of this reorganisation, 66 percent of collective agricultural enterprises changed their organisational-legal status, and 34 percent exercised their right to retain their parental form. After reorganisation, there appeared 0.3
thousand open-joint stock companies, 11.5 thousand partnerships (of all types), 1.9 thousand agricultural cooperatives, 0.4 thousand sideline farms of industrial and other institutions, 0.9 thousand associations of autonomous farms and 2.3 thousand other farms. 3.6 thousand state farms and 6.0 thousand collective farms retained their former status. By forms of ownership, agricultural enterprises were distributed in the following way: state ownership 26.6 percent, municipal ownership 1.5 percent, private ownership 66.8 percent and mixed ownership 5.1 percent.

The task of restructuring agriculture - from farm reorganisation to privatisation, from input supply to production, from processing to marketing and distribution - is a complex one. It calls for a careful approach which is sensitive not only to the new market condition but also to the needs and rights of farmers, absentee land owners, former land owners, and rural population.

If state farms and collective farms are privatised, how would the land be allotted, and to whom? Exposed for the first time to market conditions, can small farmers become competitive? Will land revert to the dispossessed former owners? What about absentee owners or those who have since died? Is not something due, as well to those workers who contributed many years of hard work to the farms? How would farm machinery, buildings and processing equipment be divided? If the parastatal (provided through the cooperative structure) service and marketing structures were dissolved, what would link farmer to their markets? Where and how would they obtain the inputs and services they needed for efficient farm production? These were some important questions needed careful attentions during the process of transition.
The radical reforms after 1991 placed great hopes on the dismantling of the large-scale collective and state farms and the emergence of a strata of peasant farms capable of providing marketable surplus to feed the towns. But this has not happened. The latest data show that the peasant farms are collapsing at an alarming rate and they have not provided a significant marketable surplus. The reason for the failure is, first of all, the private peasant farms are not the same as popular subsidiary farms. The subsidiary farm lived on the resources of the collective and state farms, where a symbiotic relationship between the collective-state farm and the subsidiary farms always exists. The subsidiary farms in isolation cannot produce what they are producing now. In fact the subsidiary farms in isolation from the collective-state farms are essentially the private peasant farms. The conditions now prevailing in Russia due to rapid economic reforms and shortages of basic inputs for individual production have restricted the private peasant farms to operate independently.

The infrastructure for the successful development of small farms is lacking in Russia. The roads (or the lack of them) to link the farms with the markets or storage facilities in the countryside or at the market depots on the towns, or the reluctance of the banks to provide credit to the emerging farmers are some of the basic hurdles. There exists lack of means of transport, deficits in supplies of seed, veterinary support services, expert advice etc. Apart from these, the allotment of the plots for this category of farm is a major hindrance for private farming. Most of these farms are allotted land in remote places where these farms suffer from all the above mentioned problems. The size of the farms is another important factor, which is limiting the peasants to take risk for private production. The average sizes of the farms throughout the decade of transition vary around 44 hectares. This is very less in comparison to the international average. Therefore, it is little surprising
that the most of the peasant farms engage in forms of subsistence farming and are not in a position to supply a surplus to market.

To dismantle the former collective and state farms, a decree was signed in April 1994, which permitted state and collective farms to auction land to their members and workers on the model of the experiments in Nizhny Novgorod, where the International Finance Corporation had conducted experiments during 1993 in the dismantling and sale of collective and state farm land. The personnel of such farms, having decided that they wish to dismantle their farms, would be issued with vouchers entitling them to a part of the land and machinery. Though this model was successful in the experimental farms in the Novgorod region, it failed to become a universal model for all the regions. The inherent problem was with the kind of support, financial and other special arrangements provided to the experimental farms could not be arranged for all other farms. That is why Nizhny Novgorod remained as a model, an official model but not a common path for the division and distribution of the collective-state farmland.

After a decade of the start of the present transition, the situation in the agrarian sector has not changed to the desired levels. The reorganisation of state and collective farms were almost complete in 1993-1994. About one third had opted to retain their former status, but nearly half had decided to transform themselves into new types of organisational arrangements, mostly joint-stock companies, limited liability partnerships and/or mixed partnerships. But unfortunately these new types of farms are nothing but the old farms presented in new guise.

The reason behind this cosmetic transformation of the former collective and state farms lies in the inherent problem of land reforms and property rights. The nationalisation of land since 1917 is still in effect. The laws and decrees regarding
the property rights, land reforms, privatisation of land and other important factors relating to the distribution of land to citizens has not become successful. The important thing determining the reorganisation and reorientation of farms to the market economic conditions lies with the creation of a viable land market, which has not yet been developed even after a decade of reforms.

Anyone who examines Russian agricultural reform has to wonder at the institutional resilience of collective farms. Indeed, kolkhozy (collective farms) and sovkhozy (state farms) of the Soviet times – awkwardly renamed joint-stock companies – continue to become the dominant form of farm organisation. Even after a period of a decade of reforms they were owned largely by their employees, their profitability and efficiency were decreasing. Yet the number of collective farms still stood at 27,000 in 1997, the same as in 1994. They produce half of the country’s agricultural output, own more than 80 percent of agricultural land, and refuse to disappear.

Since the adoption of the “Russian Federation Law on Autonomous Farms and Reorganisation of Collective and State Farms”, the Russian peasants had acquired a real possibility to become independent economic agents. The dynamics of the number of autonomous farms in Russia shows that at the beginning of the reforms the country did possess a social base for the development of private sector in the agrarian economy. After an initial slow start, with only 4433 farms by the beginning of 1991, the number of peasant farms in Russia increased rapidly to 49,000 by January 1992, 182,878 by January 1993, to 269,930 by January 1994 and 277300 by April 1994. But in 1994, the rates of their growth began to decrease and the process of their ruins and surrenders increased. Since 1997 the number of
surrenders had for the first time exceeded the number of newly created farms. In 2001, the number of privately run farms stands at 261 thousands.

Over a half of the autonomous farms had 20 hectares or less of cultivated land and a fifth of them 21-50 hectares a piece. The proportion of autonomous farms in the total agricultural output was steadily low and did not exceed 2-3 percent throughout the last decade. This shows the picture of the viability of the private peasant farms in the present conditions of Russia. The overall economic infrastructure and administration should be arranged in Russia to help create these farms to produce independently, efficiently and for the market, which it is presently lacking.

Another form of farm organisation is the creation of genuine cooperatives, based on voluntary participation and cooperation of the members. This kind of farm organisation would emerge from the ruins of the collective-state farms. But the already reorganised, reregistered farms as joint-stock companies or other forms of cooperative associations needs to be reorganised and reoriented according to the new market dynamism. In due course of time, these farm organisations would be transformed to genuine cooperatives.

The proposed study tries to conform to the following hypotheses:

- Agriculture needs to adapt to the principles of the new economic system in Russia, and to the new external parameters for the better management of the agricultural sector.

- Collective farms of different kind can work if it is organised according to the market reforms.
The success of reorganised collective farms demands competition and free market, which would create initiatives for sustained growth.

Privatisation of economic apparatus is a pre-requisite for the successful organisation of market driven agricultural units.

The methodology of the study is based on the historical and comparative dimensions within the analytical framework. The analysis and interpretation of statistical data from various primary and secondary sources remains the core of the study.

The present research work is an attempt to analyse the ongoing agrarian reforms in Russia and the overall transition from the command economy agriculture to market economy. Its over-all impact on creation of new agrarian institutions, new types of farm organisations, decollectivisation, land reforms, property rights and market reforms are discussed with great emphasis. Broadly the whole work has been divided into four main chapters.

The First Chapter analyses the historical background of the Russian agriculture. Since the present agrarian condition of Russia is more or less the perpetuation of the old system, it is very much important to analyse the various turning points of history, which shaped the present day Russian agriculture and the reforms. It briefly discusses the development of Russian agriculture between the emancipation of Serfdom in 1861 and the end of Soviet Union.

The Second Chapter, focuses on the entire reform period, analyses the various developments that have come about in reforms in various sectors during transition. It throws light on the various outcomes, present situation of various institutions of agrarian development, and also the results there in are broadly discussed.
The Third Chapter is an analytical one, which gives the broad outlook of farm reorganisation and reorientation, which is the thrust of the research work and discusses the land reforms and land market development with length and breadth. Property rights have also been emphasised, as it is an essential ingredient of privatisation.

The Fourth Chapter is a comparative one. It has attempted to find the various important developments in the former Soviet Union countries in comparison to Russia. Again, it has also attempted to find the landmarks in the agrarian developments in other transition countries selectively, both in Europe and Asia. In the comparison, the reforms in Poland, Hungary, former Czechoslovakia, East Germany, China and Vietnam have been highlighted. The various farm organisations in these countries with their problems and prospects have been singled out as guidelines for Russian transition.

The attempt to analyse briefly the agrarian transition in agriculture during the market reforms in Russia is a tedious process. This needs volumes to bring things to present the intertwined and interdependent factors in a systematic fashion. The present research work focuses broadly on the emergence of various categories of farm organisations with other related issues, which would make these new farms, work in the emergent market economic conditions in Russia.