How extractive was Russian Serfdom?
Income inequality in Moscow Province in the early 19th century

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ABSTRACT

We measure pre- and post-tax income inequality in Moscow Province in 1811. We collect new data on incomes for almost 7,387 asset-holding households, including all registered aristocrats and merchants. We estimate the average incomes of 21 additional social groups using financial records from government and private businesses. Combining this data, we construct a social table and measure top-tier income concentration, Gini coefficient, and the Extraction Ratio. Our findings reveal that serfdom resulted in high inequality and extraction levels as well as low social mobility despite low levels of enforcement by the state. We compare our results with those for 1904 and find that, in spite of emancipation, inequality remained high during the 19th century. Those findings are emblematic of deep historical roots and the persistence of high inequality levels in Russia.

Modern-day Russia is one of the world's most unequal societies dominated by a narrow economic and political elite. This article traced back high levels of inequality and income concentration by the elite to the beginning of the 19th century. The existing evidence begins to form a picture of the persistence of high inequality levels in Russian society with the equality under communism in the 20th century being the exception to the persistently-high disparity levels. The high levels of inequality and surplus extraction in the early 19th century were associated with the institution of serfdom. We demonstrated that serfdom generated vast incomes for the elite and that opportunities for economic advancement in the country were restricted, with only 36 former serfs managing to reach the top-tier income group. Put differently, while serfs were 56 percent of the total population, they accounted only for 0.003 percent of the elite. While agriculture in Russia in the early 19th century remained relatively unproductive, by Western European standards, it was by far the largest sector of the economy due to the underdevelopment of services and industry. However, due to the high extraction levels in agriculture, despite the sector's low productivity, serfdom was not only the most common source of income among the elite but also accounted for a high percentage of the national income. Industry remained too underdeveloped to form an alternative base for elite incomes. Moreover, while *barshchina* and *obrok* were the main serf duties, most landlords levied additional fees and fines for, for example, passports, marriage licenses, household separation, transfer of lands, and military exemptions that were most likely not included in their income declarations. This suggests that the extractive effects of serfdom were even more

significant. Those findings and discussions inspire further important questions regarding the persistence of serfdom and high inequality and extraction levels.

One of the intriguing questions raised by our research is how it was possible to maintain such a high level of extraction and economic immobility without rebellion and with a low level of state enforcement. This becomes particularly important when considering that the economy was generally poor and the territory huge. While mass protests against serfdom were not common, there were instances of both active and passive forms of rebellion. Active protests by the serfs often occurred during changes in ownership, typically when a landowner passed away, but they were sporadic and ineffective. The extreme forms of resistance involved the assassination of landowners. For instance, during Catherine the Great's rule from 1762 to 1796, Moscow Province saw the murder of 30 landowners, along with five attempted assassinations. Moreover, from 1835 to 1854, incomplete data from the Ministry of Internal Affairs indicates that on top of 62 failed assassination attempts, 131 landowners and 21 estate managers were killed (Lutchitski and Milukov 1895). If the discontent was present, why did not it transform into an active rebellion?

This issue becomes particularly perplexing when considering the limited enforcement mechanisms in Russian society. One key indicator of enforcement is the measurement of the state capacity, often represented by the number of state officials per 1,000 people. According to Stephen Velychenko (2001), in 1795, the ratio of state clerks to the civilian population in Russia (1:1,357) was 25 percent lower than that in European countries (Austria, Britain, and Prussia, 1:1,833). Moreover, as demonstrated by Elena Korchmina (2017), Russian officials were spread over a much larger Russian territory, which made them struggle with tax collection.

Ivan Lutchitski and Pavel Milukov (1895) present a possible explanation of serf obedience despite limited enforcement. According to the authors, serfs regarded landowners as servants of the emperor, whom they respected. According to this perspective, the serfs viewed their subordination as a distinct form of compensation provided by the czar in exchange for the nobility's service. Specifically, in the absence of the effective state bureaucracy, the aristocrats collected high rents from the serfs in exchange for providing public goods (e.g., Hoch 1986). For example, because Russian agriculture faced extreme climatic conditions resulting in frequent bad harvests, landowners were expected to step in to provide a minimum subsistence level and seeds for the next harvest.

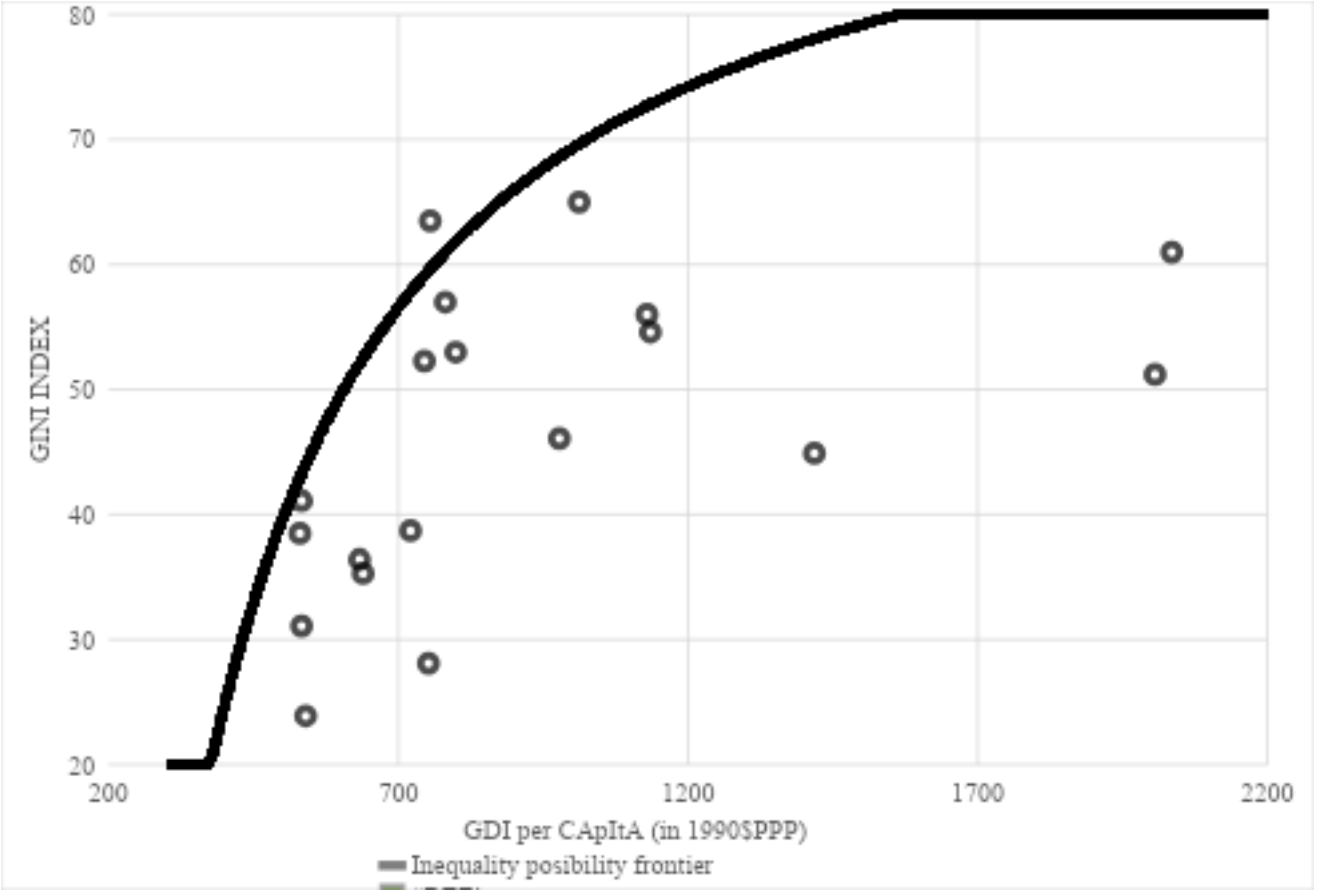
Another possible explanation for the lack of serf disobedience is the absence of enforcement from the central state. Recent research indicates that basic administrative operations such as defining and protecting property rights, collecting taxes, enforcing contracts, regulating access to communal resources, and handling complaints for abuses of power were not clearly defined or consistently applied. This created a murky environment in

the rural economy where rules were ambiguous and inconsistently enforced (Dennison, 2023). In this ambiguous zone, power was shifted away from institutional structures to local figures of power, regardless of their status. This allowed powerful serfs to exploit others, as Tracy Dennison (2023) and Andrey Gornostaev (2021) have demonstrated. Consequently, equilibrium was maintained at a local level where the so-called "serf Gods", i.e., serfs with a high degree of influence, preserved the status quo, often supporting high inequality.

Moreover, if there was no widespread serf rebellion and the elites profited from serfdom, why was there emancipation? According to Hoch (1986), the serf population declined in the first half of the 19th century, which contributed to its demise. Conversely, scholars starting with Lenin have argued that serfdom was abolished due to the declining profitability of the already meager agriculture in an attempt to increase yields (Lenin Complete volume vol. 20 p. 173). At the same time, Igor Khristofov (2002) showed how the nobility resisted the abolition of serfdom. Lastly, Khristoforov (2011) claims that emancipation was initiated by the elites, particularly by Emperor Alexander II and his supporters to modernize the country. Our research contributes to this open debate by emphasizing just how much the elite profited from serfdom. More research is needed to explain the dynamics of continuity and change of this extractive institution.

Lastly, why did the inequality levels remain high even after emancipation? In this article, we tentatively linked the persistently high inequality levels in the 19th century despite emancipation to low levels of economic growth, as well as the land reform that effectively forced former serfs to remain in the agricultural sector to pay back the loans incurred by their village communes to buy the land from their former aristocratic landlords. This is parallel to the emancipation experiences from other countries that did not translate into the empowerment of the underprivileged group. For example, the first unsuccessful attempt to end serfdom in Poland in the late 18th century envisioned that former serfs would "*lose their shackles together with their boots*" by gaining legal autonomy but also losing the right to use the land, thus transforming them into landless wage workers. This is also broadly similar to the emancipation of slaves in many Western societies that compensated the former slave owners for their loss but often put former slaves in a continued economic dependency on their former owners as so-called "wage slaves" with limited economic agency. In the present-day United States of America, the legacy of slavery continues to have a profound impact on the distribution of economic assets (O'Connell 2012). Similarly, Buggle and Nafziger (2021) identified that the legacy of serfdom continues to have a negative impact on developmental outcomes. Our research invites a further study into the exact mechanisms via which the legacy of serfdom persisted even after its emancipation including a range of societal, political, cultural, and economic factors.

Figure: Scatter-plotted income and inequality levels in a range of preindustrial societies.



Source: Our estimations, Milanovic et al. 2011 and Malinowski and Van Zanden 2017.
Key words: Inequality, Pre-Industrial Russia, Serfdom