

CHANGES IN THE RURAL LIFE IN BELGOROD REGION IN 2000-2013: CONSEQUENCES OF ECONOMIC TRANSFORMATIONS

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ABSTRACT

In the present paper, we analyse the key consequences of economic transformations in the rural territories in Belgorod region (Russia) which took place in the beginning of the XXIst century. We focus on the complex study of the changes in the rural life and on the way they are perceived by the local population. The paper is based on the results of the two studies conducted in 15 villages of Belgorod region utilising the same methodology. We reveal both positive and negative consequences of the economic transformations for the life of the rural population. The activities of large vertically integrated agricultural enterprises, so called "agroholdings" (launched in the last 10-12 years), contributed to the rapid growth of economic well-being but also caused several serious problems. The local population perceives agroholdings as aggressive intruders reconstructing traditional way of rural life by transforming local enterprises and enhancing unemployment and social inequality. Agroholdings are also seen as major obstacles for successful development of private farming in the region.

Introduction

Interest on the development of rural communities in the context of economic transformations is growing rapidly in international literature (Isserman, et al. 2009). Processes taking place in the rural territories in Ukraine, Kazakhstan, and Russia have special

importance. These countries have high potential for increasing food production globally (Visser & Spoor 2011) as they occupy large areas of farmland, which are not fully incorporated in agricultural production. The capability of rural communities in these countries to engage in efficient economic

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activities is the important premise for the successful development of agriculture not only in these regions but also in the global scale.

Current debates about the major strategies for rural economic transformations (Crowe 2006) generally focus on the two paradigms: "modernisation paradigm" (promotion of large enterprises with external investment) and "new development paradigm" (stimulation of entrepreneurship and innovative economic activities of local population) (Van der Ploeg et al. 2000). "Modernisation" model usually implies the development of large vertically integrated agricultural enterprises, often called "agroholdings" (Visser & Spoor 2011) while stimulation of the private farming is the core of the "new development model" (Efendiev & Sorokin 2013; Crowe 2006). The choice of the dominant direction in the rural transformations in transitional countries largely determines not only the economic results of agriculture but also the whole way of life in the villages. In the present paper we focus on the changes in the rural life in Belgorod region in 2000-2013 seen as the consequences of serious transformations which took place in economic development of the region in the last 10-15 years.

Russian Village: From the Crisis to the Formation of the New Rural Economy

Russian village is experiencing rapid social and economic changes in the last decades (Visser, et al. 2012). The transformational period in the rural Russia (lasting approximately since 1990 until nowadays) may be divided into two stages. During the first stage (1990-2000), the system

of agricultural production based on the collectively owned enterprises (called "kolkhoz" and "sovkhoz" and operated in the soviet times) gradually vanished (Pouskus, 2009). In the second stage (lasting since 2000), the active formation of the new shape of Russian rural economy has started.

In the 1990s, rural territories in Russia were in deep crisis. Its most significant manifestation was the sharp decrease in the economic well-being of the rural population (Visser & Spoor 2011: 309). Various forms of social deviations flourished: mainly, theft and alcoholism (Efendiev & Sorokin, 2013). International literature offers numerous studies of economic decline in the Russian villages of the 1990s and its consequences (Ioffe et al. 2006). In the central and south Russian regions (having more favourable climate conditions for agriculture), natural consumption based on private subsidiary plots rapidly increased which largely helped local population to survive. However, this did not result in quick formation of professional private farming. On the contrary, paternalistic expectations were dominating in Russian villages in the 1990s, which put under serious question the perspectives for the development of agricultural entrepreneurship (Ioffe, et al. 2004).

The majority of agricultural organisations were unprofitable in the 1990s (Buzdalov 2000). Governmental policy in regards to rural social and economic development, in fact, was weak and inconsistent (Visser, et al. 2012). Agriculture was not attractive for investors as farmland was largely underestimated in comparison with other natural resources in Russia (Visser & Spoor 2011: 301).

However, in the 2000s situation started changing as Russian economy began growing and attention of international and domestic investors to the farmland increased (Visser & Spoor 2011). The second stage of transitional period has started: new organisational settings began to recreate economic landscape in Russian village. The most serious attention of Russian and international business was attracted by the rural territories located in the most fertile farmland, so called "chernozem" ("Black Earth", located, mostly, to the south of Moscow region). Government searched for the ways to increase production while private investors were looking for profitable agricultural assets at the former soviet enterprises ruined by the crisis of the 1990s (Visser, et al. 2012).

Two main strategies for the rural economic transformations in Russia were outlined in the 2000s in line with the two internationally discussed models for rural economic development highlighted above (Van der Ploeg, et al. 2000). The first strategy implied disaggregation of the former collectively owned farms and further development of private farming. The second strategy, on the contrary, suggested integration of existing agricultural enterprises (former collective farms) into large "agofirms" and "agroholdings" (Uyzun et al. 2012).

In Belgorod region, local administration concentrated efforts, primarily, on the second strategy: stimulating the development of large agroholdings. This experience is regarded as rather successful in official documents of the Russian government (National report 2013). However, despite the significant growth in

volume of agricultural production (largely noted in the official statistics (ibid.: 53-55)), there are continuous debates regarding the economic efficiency of agroholdings (Visser & Spoor 2011: 316). First of all, agroholdings received large credits from the government and it is unclear when these credits would be returned (National report, 2013: 101). Secondly, several studies demonstrated that the performance of farm enterprises within agroholdings was lagging behind those outside such structures (Visser & Spoor 2011: 316).

The formation of large group of professional farmers (meant to become the "masters of the land" (Wegren 2008: 121)) was the second direction of agrarian reform in Russia. What are the results so far? Wegren (2011a) observes "emerging success" of private farming in Russia: according to his findings, today farmers feel better, than ever (2011a: 234). However, in his other work (2011b), Wegren argues that, in general, Russian rural population did not take the full opportunities (offered in the 1990s) to launch private farming.

Nefedova (2013: 48) claims that due to the bureaucratic obstacles, developing of private farming in rural Russia goes very slowly. Vast majority of peasants who received a land or property share because of the soviet agricultural enterprises' restructuring in the 1990s did not engage in private farming. Sutherland (2010) demonstrated that motivation of contemporary Russian farmers is largely compelled, as they usually are not interested in further investments in their business. One of the key findings of Sutherland was that Russian farmers do not plan their farm

to be inherited by their children. This is a very important difference from what is typical for business strategies of farmers in developed countries (Sutherland 2010).

The problem of finding the right strategic direction for further economic and social transformations of Russian rural territories remains highly relevant in the context of continuous efforts to increase the volume of agricultural production in Russia (National report, 2013: 4-18). In our view, the two dominant directions of rural development (based on agrohholdings and private farming, respectively) should not be discussed separately. Possibly, the most important question addresses the perspectives for finding a balance between the two strategies in social and economic development of Russian village.

Belgorod region brightly illustrates various consequences of rural policy aimed at active formation and stimulation of agrohholdings with the secondary role of private farming. How had this strategy affected well-being of local population? How do private farmers feel themselves in these circumstances? What changes took place in the social attitudes of the people and cultural characteristics of the rural life? In the present paper, we will try to find answers for these and other questions basing on the two research projects conducted in Belgorod region in the 2000 and the 2013, respectively.

Belgorod Region in the 2000: The Empirical Research

Problems of social and economic development of Russian rural territories have been in the focus of our research interests for

more than a decade. In the year 2000, large empirical research in Belgorod region was conducted (Efendiev, Bolotina, 2002). The project implied two surveys based on the two independent and non-intersecting samples along with a series of deep semi-structured interviews with rural dwellers. The "Households survey" initially covered approximately 500 households from five villages (in each household from one to four interviews were conducted depending on its size). This was the entire sample of the households in the selected villages. In each household at least one working age respondent responded to the questions about the household in the form of face-to-face interview (usually one household comprised a single family). We received full information about 453 households. The "Rural population survey" utilised the random sample of 1000 working-age respondents from 10 different villages for the face-to-face interviews. The number of respondents who properly completed interviews in this survey was 860. We aimed at complex analysis of rural life in Belgorod region with special attention to social, psychological and economical dimensions.

In the preparation of both surveys, local experts (representatives of municipal administration and management of local agricultural enterprises) assisted in providing the necessary information about the demographical characteristics of the villages under study.

One of the most significant findings of that study deals with the material well-being of rural population. More than 10 per cent of rural families lived in complete poverty: they

often suffered from hunger and could not afford themselves enough food (Efendiev & Bolotina 2002: 94). It is striking evidence of economic crisis since Belgorod region's fertile lands used to provide steady food supply not only for the local population but also for other Russian territories. It is also remarkable that about 60 per cent of the households in the 2000 reported that they did not have enough money for the new clothes (Efendiev & Bolotina 2002: 94).

The second important finding of the study of the 2000 relates to the social organisation of rural community and, first of all, to the social attitudes towards economic activities. Motivation for achievement was found to be very weak as patriarchal attitudes were dominating. Rural population generally demonstrated little enthusiasm in engaging in the new economic activities (for example, in becoming an entrepreneur or in finding a new job). The majority of the villagers (over 60 per cent) passively expected that "something or somebody" would change their lives for the better. Another group humbly accepted the attained level of well-being and did not expect it to improve (16 per cent of working age respondents) (Efendiev, Bolotina, 2002: 100-101).

In the 2000, the majority of rural population tended to cope with economic crisis by reducing consumption instead of engaging in the new economic activities. Respondents used to sell products from their subsidiary plots (for example, milk, meat, and vegetables), but they did not wish to become professional farmers. Entrepreneurship was such a rare and weak form of economic activity

that it can be said that it practically did not exist at that time.

To sum up, the crisis of rural social organisation made itself evident in the 2000, first of all, in the lack of striving for better life and unwillingness to make efforts to achieve higher level of well-being. Other negative aspects of social life in the villages under study included: dominance of ascription-based institutional practices and standards, neglect of formal laws, deficit of responsibility and tendency towards fatalistic worldview (ibid: 122).

Changes in the Rural Life in Belgorod Region in the 2000-2013: Methodology of the Research of the 2013

As we noted previously, in the 2000s new rural economy began to shape in Russian rural territories (and in Belgorod region in particular). In order to analyse changes in the rural life in Belgorod region, we conducted new empirical research 13 years after the first study basing on the same methodology and on the same 15 villages.

The research of the 2013 combined both qualitative and quantitative methods. Like in 2000, two extensive quantitative studies were conducted. The first sample initially embraced 500 households in five villages (villages Kamyshevatoe, Chesnochnoe (Alexeevsky district of Belgorod region), Maslovka (Roven'kovsry district), Bol'shoe (Krasnenskyi district), Arnautovo (Krasnogvardeiskyi district)). Like in the study of the 2000, this survey covered all the households in the selected villages. The total number of households about which we

received necessary information in the face-to-face interviews was 495. The second sample comprised randomly selected 1000 rural dwellers of working age in the different 10 rural settlements (villages Metreno-Gezovo, Muhouderovka, Bublikovo, Zhukovo, Bozhkovo (Alexeevsky district of Belgorod region), Valuichik, Nikitovka, Livenka (Krasnogvardeiskiy district), Belui Kolodez' (Veideleevskiy district), Kamyzino (Krasnenskiy district)). The interviews were fully accomplished with 953 respondents. The two samples were independent and non-intersecting. Copying the methodology of the study of the 2000, the first sample was oriented on the analysis of the well-being of rural households while the second sample focused on the social attitudes, values and typical standards of behaviour. Unfortunately, due to anonymous character of the surveys we could not identify in the study of the 2013 the respondents who comprised the sample in the 2000. However, by utilising the same villages and the same methodology in the 2000 and the 2013, we guarantee general comparability of the two data sets.

Qualitative research was also conducted. It took place in October 2013 (after quantitative surveys) on the base of semi-structured in-depth interviews in the following villages: Muhouderovka, Matreno-Gezovo, Chesnochnoe, Kamyshevatoe (Alexeevsky district of Belgorod region), Kamysino (Krasnenskiy district), Maslovka (Roven'kovskiy district). We selected respondents using the convenient sampling in these randomly picked villages (all villages were involved in the previous quantitative research). The respondents were rural dwellers accessible and

agreed to participate in the study. It has to be noted that the sample for the in-depth interviews is not representative for the region and for the concrete villages as the only condition, which we applied in the respondents' selection was that they should be above 18 years old. The aim of the in-depth interviews was to obtain additional information about the rural dwellers' comprehension of the changes in the rural life in the last 10-15 years. We obtained 30 interviews: eight interviewees were professional private farmers; four interviewees were senior women retired from agricultural enterprises not more than two years ago; 16 interviewees were employed at the local enterprises (most often in agroholdings) and two respondents were unemployed at the time when the study was conducted. The majority of the respondents of the in-depth interviews were older than 40 years, which means that they remember well the changes in the rural life of the last 13 years.

Previously we noted that during 2000-2013 years, serious transformations took place in Belgorod region: agroholdings began expanding rapidly integrating local collective farms in the large-scale business structures. Belgorod region was the leader in agroholdings' development, especially in meat production (National report, 2013: 53-55). In addition, several attempts for developing of small private entrepreneurship took place in the region. Programmes were initiated offering loans to farmers (for example, the programme "Family farmers of Belogorya" launched in 2007) but, as official statistics suggest (National report, 2013), their scale and role in reshaping the rural economy of the region were rather small.

Below we present the key findings reflecting the major changes, which took place in the life of selected villages of Belgorod region in the 2000-2013. At first, we focus on the positive aspects of these transformations. Then we analyse several problems resulted from agrarian policy in the region aimed at stimulation of agrohholdings with the secondary role of private farming.

Positive Changes in the Rural Life in Belgorod Region in the 2000-2013

Improved economic well-being: Undoubtedly, the main positive result of the transformations taken place in Belgorod region in the last years is the sharp increase in the level of material well-being of local population. The evidence is given in Table 1: the comparison between the data of 2000 and 2013 in regards of material conditions and goods available in rural households.

Table 1 : Material Well-being of Rural Households in 2000 and 2013 (in %), ("Households" Sample)

	Percentage of households having material conditions/goods in 2000 (N = 453)		Percentage of households having material conditions/goods in 2013 (N = 495)	
	Total sample	Sample without pensioners' households (N = 284)	Total sample	Sample without pensioners' households (N = 299)
Water supply in the house	26	40	80	86
Gas supply in the house	91	94	98	98
Central heating	53	66	68	69
Toilet in the house	14	23	52	64
Bathroom or shower in the house	24	36	61	72
Refrigerator	79	85	97	98
Set of furniture	38,6	43	78	83
Colourful television	50	68	96	91
Tractor or combine	3,4	5	11,6	15
Car	27,8	43	58	73
Second car	-	-	4,2	-
Truck	-	-	3,6	-

We clearly observe sharp increase in regards to practically all the aspects of material well-being for both, the whole sample of households and the sub-sample (excluding the pensioners' households – these are households without adult members of working age). Respondents' self-assessments confirm this rapid transformation (Table 2).

Table 2 : Self-assessments of the Level of Material Well-being by Rural Households in 2000 and 2013 (in %) ("Households" Sample)

	2000 (N = 453)		2013 (N = 495)	
	The whole sample	Sample without pensioners' households (N = 284)	The whole sample	Sample without pensioners' households (N = 299)
We live extremely poor, not always have enough food	11,2	7,7	2	1,6
We are short of money: we usually have enough money to buy food, but we cannot afford new clothes or something else	59,2	49,8	18,4	10,5
We live quite all right, we have everything necessary (food, clothes),but we can hardly afford ourselves any big purchase (like a car)	27,8	40,5	72,3	76,6
We live quite well: don't have problems with food, clothes or furniture which we like. We can acquire things of long-term usage (like a car, new electronic devices and so on)	0,8	1,4	7,4	11,2

Statements presented in Table 2 combine, on the one hand, subjective self-assessments and, on the other hand, objective characteristics of well-being (for example, purchasing of a car). These results demonstrate sharp increase in living conditions of rural population.

In-depth interviews confirm these observations. Respondents usually assessed their own economic position as moderate: M., 55-60, private farmer, Chesnochnoe village: "We are neither rich, nor poor. I can't say that we are really poor...". M., 50-55, unemployed, Matreno-Gezovo village: "Well, I have no reason to be

annoyed with life. Our life isn't worse than it used to be, all in all. <...> any normal non-drinking person can afford not something luxurious, of course, but to buy meat, for instance". The rapid increase in material well-being of local population clearly indicates a positive change in the situation in the 2013 in relation to the picture that we saw in the 2000. Thus, the ideas about the widespread poverty in Russian villages that are quite popular in the current literature (Nefedova 2013: 33) may not have sufficient grounds, at least, in regards to Belgorod region.

Increase in Individual Responsibility : The second key positive transformation in the rural life of Belgorod region deals with the social

attitudes towards economic activity and responsibility. Most remarkably, rural population has become more oriented on achievement and economic success. The idea of a "self-made" man has gained popularity. Patriarchal worldview and laziness which are largely discussed in literature as typical for Russian village (Nefedova 2013: 43) appeared to be less widespread in the 2013 comparing with the results of the 2000.

In the Table 3 changes in the respondents' attitudes towards economic activities may be observed. Respondents were asked to mark their attitudes on the continuums between several pairs of antagonistic statements from "1" to "5".

Table 3 : Changes in Respondents' Attitudes Towards Economic Activities (in %) ("Rural Population" Sample)

"Completely agree" (1)	Mean in 2000 (N = 860)	Mean in 2013 (N = 953)	"Completely agree" (5)
Well-being of a person depends, first of all, on how our village and our country, in general, develop. In fact, you cannot do much for your well-being basing only on your own efforts.	2,24	2,62	Even though our life is not easy, in the end it depends upon the individual: whether he (she) could make his (her) living well or not and what had he (she) achieved.
A person must live like everybody else and follow certain rules. You should not stand out.	3,33	2,95	A person should not be afraid of standing out, of going against what is usual for everybody else
My personality is determined by the circumstances of our life	2,77	3,21	My personality is determined by my own choice

The two samples (of the 2000 and of the 2013) demonstrate statistically significant differences in respondents' responses to each of these pairs of statements (t-criteria and Levene's Test (,000)). As we can see, serious changes in the attitudes towards economic

behaviour and individual responsibility has taken place in the last 13 years. These findings are confirmed by the respondents' responses to the question about their feelings about possible success of their neighbour (Table 4).

Table 4 : Respondents' Attitudes Towards Possible Success of Their Neighbour in 2000 and 2013 (in %), ("Rural Population" Sample)

	"How would you feel if one of your neighbours becomes much more successful and rich in comparison with others?"	
	2000 (N = 860)	2013 (N = 953)
I would respect him (her) for this success	27,3	45,5
I would try to learn from him (her) and to repeat this success	36,8	29
I would feel indifferently	21,8	22,2
I would not trust him (her): how did he (she) do that?	11,4	3
Negatively: you should not stand out	2,7	0,3

The difference between the results of the two samples is statistically significant (Chi square criteria) (,000). In-depth interviews offered additional confirmation. Personal efforts are usually perceived as the most significant factor of individual success. M., 45-50, employed in the agroholding, Muhouderovka village: "It is possible to make your living well in the village, if you are smart or you have such a creative approach, then you can really do a lot"; M., 45-50, employed in the agroholding, Maslovka village: "People survive not thanks to the government but thanks to their brains, resourcefulness. They have to be busy as bees".

The other side of many narratives reported in the interviews is passivity, which is usually perceived as an important factor of personal failure: F., 60-65, retired, Muhouderovka village: "Well here's our neighbour Borunchic, succumbed to alcohol. Anyway, why not? He is not capable of anything else. He expects that somebody will give him a job..."; F., 30-35, employed in the service sector, Kamysino village: "If you have a family, it means responsibility, you need to feed your children, to buy them clothes. Well, some food comes from the subsidiary plot, but nevertheless we have to buy a lot, like bread, household

detergents, and also children would like to eat some fruit and chocolates. Children's clothes and shoes are so expensive. Seems that you have everything, but, anyway, you are short of money. It also depends on personality. When somebody faces difficulties, he may just give up and drink, and that is all. But somebody else may try to do something".

Had this transformation of traditional social organisation into more individualistic and achievement oriented forms (connected with personal responsibility) been taken into full account when planning the development of rural territories in Belgorod region? This question should be addressed in further studies. We assume that increased individual responsibility is a positive change for rural economy of Belgorod region no less than noticeable growth in living conditions.

At the same time, the results of our study do not give grounds for complete optimism. Along with significant achievements, substantial problems were also revealed.

New Problems in the Rural Life in Belgorod Region as Consequences of Economic Transformations

Agroholdings as Aggressive Intruders : Despite their crucial role in economic growth of Belgorod region, agroholdings are generally perceived negatively by the local population. The first evidence was obtained in the "Rural population" survey. When the respondents were asked about their attitude towards agroholdings (the question based on standard Likert scale from "1" to "5"), only 14 per cent reported that they have "full trust" to agroholdings. Our in-depth interviews

suggested explanation for this. M., 45-50, employed in the agroholding, Maslovka village: "What came out of"..."(local agroholding – A.E. et. al.)? Well, nothing good in particular. The beginning was good, but the end was bad... Nothing was left finally. They were supposed to support collective farms, but it turned out that collective farms were completely ruined". As we can see, agroholdings are seen as a cause of economic difficulties for the local farms, former soviet "Kolkhozes" and "Sovkhozes", which now are replaced by modern large enterprises.

Given the limited number of job places at the newly established agroholdings, it is reasonable to expect that those who did not manage to employ there would demonstrate certain dislike for these organisations. However, the most surprising thing is that negative assessment of agroholdings is typical even for those rural residents who work there. Employees of agroholdings reported in the interviews that they were not satisfied with the following:

- Limited opportunities for career growth and increase of income, high competition for a limited number of vacancies, which allows management of an enterprise to dismiss employees without any difficulties: M., 45-50, employed in the agroholding, Kamysino village: "You don't like something? Good-bye," — they breathe down your neck: today one is gone, tomorrow another".
- Unfair income distribution: M., 40-45, employed in the agroholding, Maslovka village: "I'm a mechanic by education,

when I first came to the collective farm, my salary was 140 rubles per month. Machine operators who worked in the field earned about 300-400 rubles; it was a good salary then. I received extra salary at the end of the year and if I had a good team and we obtained positive results, then I would have the 13th, 15th salary, I could get up to 1000-800-700 rubles in the end. However, if I had something not done by the end of the year I would get just 140 rubles. Now, on the contrary, at contemporary agroholding a specialist, veterinarian, receives salary of 120 000 or 80 000 rubles (approximately 3000 dollars at the time the research was conducted – A.E. et. al.) - they have good cars and so on... And the simple pig-tender there has a salary of 9 000 only. I wonder, is it fair? Who raises this entire plant, who really works there?"

The local population accuses management of agroholdings of the insufficient social responsibility. Agroholdings are perceived as intruders who came to extract everything they can out of the fertile land and local people, to use them and then to "throw them away" without hesitation: M., 45-50, employed in the agroholding, Muhouderovka village: "Nothing is built here. Here's the plant, so go ask the owner of that sugar company if he has any future. Yes, he has! Abroad! He's got pretty much realty abroad. Nothing is built in Russia, everything's temporary here. Grab your share and go abroad. Here you'll never know what tomorrow would bring, so there's no point in making investments."

Although working at agroholdings allows employees to meet their material needs to some extent, there is a certain "ceiling" that limits career development and salary growth, respectively. Villagers perceive their own position in relations with employer as powerless. Basing on the results of the interviews we suggest that agroholdings do not pay necessary attention to the needs and demands of ordinary employees and local community, which causes negative attitudes towards these enterprises in spite of their possible economic efficiency. Therefore, agroholdings have brought to Belgorod village not only efficient agricultural production but also serious social tension. This tension is largely related to difficulties with employment and career perspectives of ordinary employees. Further development of agroholdings may be constrained by insufficient consideration of these issues.

Difficulties in the development of private farming are, possibly, the most important problems, associated with the activities of agroholdings. More detailed consideration of these difficulties is given in the next sub-section.

Difficulties in Private Farming Development: 67 per cent of the respondents of "Rural population" survey "fully trust" or "rather trust" small and medium farmers (esteems "5" and "4" on Likert scale from "1" to "5"). Our interviews also showed certain respect for private farmers: F., 50-55, employed in the agroholding, Kamyshevatoe village: "They are, of course, nice fellows. Guys work a lot, do their best." Moreover, the success of private farming is often believed to be the key for the prosperous

future of the whole village, whereas the absence of entrepreneurs is considered as a factor leading local agriculture to decay: M., 55-60, private farmer, Muhouderovka village: "We didn't have entrepreneurs in the 1990s. But collective farms were destroyed and finally you could go your own way." An agricultural entrepreneur is generally seen as a skillful and determined master, who will not allow his farm to be ruined.

This general positive attitude towards private farming surprisingly combines with paradoxically low popularity of this occupation. Results of the survey show that farming is largely unattractive for the contemporary villagers. Only 16 per cent among those who would like to find a new job or change the current one (22 per cent of the working age respondents), expressed intention to become private farmers. Moreover, several times those who identified themselves as "farmers" said they were going to cut down their business: M., 40-45, private farmer, Matreno-Gezovo village: "I already cut down everything. Earlier, for instance, I had 1,5 hectares of watermelons, but the next year, I think, I'll plant about 10 acres at most. It is not enough to cover the increasing costs." Practically, no private entrepreneur reported about his (her) plans to expand agricultural business further.

Amongst the most significant factors that reduce attractiveness of private farming for the local population, the following aspects were mentioned:

- Increasingly high taxes; (M., 55-60, employed in the agroholding, Kamyshevatoe village: "There are not many farmers left, they always complain

about high taxes ..."; M., 45-50, private farmer, Muhouderovka village: "It seems that soon there will be taxes on everything, just like under Stalin there was the special tax "on trees". In Stalin' times, there was a tax on the trees growing in the village, so all the trees were cut down and there were no gardens left. Well, we pay all the taxes, although they could exempt agriculture at least from some of them"; M., 40-45, private farmer, Kamysino village: "Now the taxes have increased even more. Previously we had to pay 18 000 rubles, now we pay 40 000. And these 40 000 rubles are not enough, you should also pay to Russian Pension Fund, to different services, and so on. Overall you have to pay about 70 000-80 000 annually on this stuff. In fact, in order to pay these 70-80 000 rubles, I need to earn at least 120 000 before tax".

- High and heterogeneous risks; M., 40-45, private farmer, Matreno-Gezovo village: "It's like a roulette, but usually there's only one "zero" in roulette, whereas we have only zeroes, with only one winning number". Due to the bureaucratic obstacles, market unpredictability and other factors, farming is perceived as a heroic activity, which demands extraordinary personal virtues;
- Unfriendly credit policy in the region; ?, 55-60, employee of local agroholding, Chesnochnoe village: "They take huge and expensive loans and then, for example, there are heavy rains like this year, and they don't know how to pay

- this loans back. They say, there was a farmer in some place who took many loans and had no money to pay them back, so he hanged himself ...";
- Low purchase prices on private farming' production; F., 35-40, private farmer, Kamysino village: "Purchase prices are so low, for milk and meat they are more or less okay, but vegetables, sunflower seeds are incredibly cheap. It means that you worked the whole summer, harvested crops, rented a car, and after that you are left without profit, just debts".
- Quantitative survey confirms these results. Only 29 per cent of the respondents of working age agreed that farming is more or less "profitable" business in the current conditions (Table 5).

Table 5 : Respondents' Opinions about Different Aspects of Private Farming in the Current Conditions (%), N = 953 ("Rural Population" Sample)

	Disagree (1)	2	3	4	Agree (5)	Difficult to answer	Average
Today, it is profitable to engage in private farming	22,6	14,8	19,0	12,4	16,8	14,6	2,8
Today farmers can sell their products comfortably	30,1	20,4	16,2	11,0	2,2	20,2	2,2
Today farming is connected with too many risks	5,4	5,8	16,0	21,4	44,5	7,0	4
Farmer is a person with entrepreneurial spirit	4,6	6,8	10,8	18,2	53,9	5,8	4,2

Farmers believe agroholdings to be their direct competitors. Even more than that, agroholdings are perceived as dangerous enemies that are hard to confront: M., 45-50, private farmer, Kamyshevatoe village: "Previously around half of the pork in the region was from private farmers, whereas nobody bought their pork. Now they have all the sales. However, it's the market, I think. The same thing happened with grain: why would we cultivate it? Now there are companies

having their own seeds and fertilisers, also they've got land and forest here, on a lease for 49 years. Soon farmers will be disposed completely".

Danger of competition with large agricultural enterprises comes naturally, as agroholdings, in villagers' opinion, completely define "rules of the game". M., 45-50, private farmer, Kamyshevatoe village: "Well, yes, "thanks" to "...." (local agroholding – A.E. et. al.)

we had to start private farming earlier. But if we had normal conditions, I would have taken my tractor or car from collective farm where I worked <...>. But I could not take anything from there. I'm not grateful to "... " (local agroholding – A.E. et. al.). All of this I earned myself actually... This is life. Now in the village there are less people left, the school is closed, what positive dynamics we are talking about?"

Therefore, despite the growth in material well-being, local population in Belgorod region express strong negative attitudes towards agrohholdings believing them to be enemies of private farming and aggressive intruders in the rural life.

Local Population's Worldview in the Context of Economic Transformations

In the present paper we analysed key consequences of the radical transformation of rural economy in Belgorod region in 2000-2013. We highlighted and examined both, positive and negative aspects. What is the overall trend of the transformations of the last 15 years in terms of the changes in the life of rural population? To come closer to the integral evaluation of the current situation it is essential to understand how rural dwellers perceive their own future?

In-depth interviews showed that both entrepreneurs and employees of agrohholdings usually see perspectives for economic development negatively. M., 55-60, private farmer, Chesnochnoe village: "I don't know, maybe there will be no capitalism in our country at all, maybe everything will be like in the old days?". "It becomes worse and worse. It is completely impossible to predict what would happen next?". F., 55-60, retired, Matreno-Gezovo village: "There is nothing to hope for".

Indeed, our research revealed a somewhat paradoxical fact: the rapid growth of economic well-being did not bring optimistic worldview to Belgorod villages. International literature gives evidences that subjective well-being may depend little on such objective indicators as, for example, salary (Kahneman & Krueger 2006). However, we suggest that there are aspects not relating solely to material well-being of rural population, which make our respondents feel insecure about their future.

In the Table 6 we analyse respondents' responses to the question: "How do you feel about the future?" in the years 2000 and 2013 (basing on "Rural population" samples).

Table 6 : Respondents' Responses to the Question: "How Do You Feel about the Future?" (in %)

	2000 (N = 860)	2013 (N = 953)
With hope and optimism	40,3	39,2
Calmly, but without much hope	22,5	29
With anxiety and uncertainty	31,2	26,1
With fear and despair	4,8	3
Indifferently	1,2	2,8

It is important to note that the proportion of respondents having negative (pessimistic) feelings ("anxiety and uncertainty" and "fear and despair") in the 2000 is close to that in the 2013 (35 and 29 per cent, respectively). Pessimism remains quiet widespread despite the rapid changes in economic well-being of local population in the last 13 years. In the year 2000, many employed rural dwellers did not receive salary for years; their living conditions were much worse than comparing to the 2013 (Tables 1 and 2). And still in the two samples, the percentage of respondents feeling optimistically ("hope and optimism") is approximately the same: about 40 per cent. Is it inadequacy of perceptions of reality by the respondents? How can we explain this surprising sustainability of people's worldview disregarding radical changes in economic conditions?

Our research suggests that relatively high level of material well-being, attained in Belgorod region, guaranteed physical survival for the rural population made people more sensitive to the other sides of their life. Most

important is that problems of upward social mobility, perspectives for career progression and entrepreneurship have become major concerns of Belgorod villages. Possibly, now rural population is ready to gradually become the real "masters of the land", but it is hardly possible without governmental support. At the same time, current rural policy in Belgorod region continues focusing solely on the economic results of agrohholdings disregarding the changes in social organisation in the villages. In our view, this is the key reason for dissatisfaction of local population with many aspects of their life and, especially, with their perspectives for the future.

Conclusion

In the present study we aimed to analyse the key consequences of rural transformations in Belgorod region from the 2000 until the 2013 connected with rapid development of large vertically integrated agrohholdings. Comparing the data of the year 2013 with the results of the previous research conducted in the same 15 villages of Belgorod

region in the 2000 using the same methodology, we found the striking evidences of the rapid growth in economic well-being of local population. Also, significant changes took place in the social attitudes towards economic activities: the level of individual responsibility has increased significantly which may be seen as a good premise for future development of private entrepreneurship in the region.

Our study has also shown that the activities of agrohholdings (launched in the last 10-12 years) brought to Belgorod villages not only economic growth but also several serious problems. The local population perceives agrohholdings as aggressive intruders reconstructing traditional way of rural life by transforming local enterprises and enhancing unemployment and social inequality.

Remarkably, private farming has gained certain respect in the last 13 years but it remains unattractive for local population (even for those looking for a new job) due to problems with increasingly high taxes, unfriendly credit policy, difficulties with selling their products, etc. Interestingly, the local population believes agrohholdings to be major obstacles for successful development of private farming in the region.

Therefore, it is plausible to suggest that the current strategy for rural economic growth in Belgorod region is seriously limited in regards to several important aspects of rural development. First of all, special additional efforts must be undertaken to support private farming in the region and to improve opportunities for upward social mobility in the rural territories.

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