As we have already had occasion to observe, the reign of Peter the Great marked an important divide in the economic and social development of Russia as well as in the political history of the country. One of the most significant and least explained changes occurred in the nature of the population. Throughout the eighteenth century and the early nineteenth, Russia was viewed as an economically backward country. In fact, some parts of the eighteenth century, Russian industry, at least in some branches, was ahead not only of all the other Continental countries but of England as well. This was particularly true of the metal industries. In the middle of the eighteenth century Russia was the world's largest producer of both iron and copper, and it was not until the 1770's in the case of copper and the very end of the century in the case of iron, that English production became equal to that of Russia.

Serfdom in its fullness lasted longer in Russia than in Western countries because its economic disadvantages did not earlier outweigh its advantages; because the increase of population did not cause sufficient acute land shortage among the peasantry until the first half of the nineteenth century; because the middle classes were weak in comparison with the serf-owners; because humanitarian and other ideas of the value of the individual spirit were little developed; because the reaction against the ideas of the French Revolution strengthened the ris inerar inert in as long-established institution; lastly, because serfdom was not merely the economic basis of the serf-owner but also a main basis of the Russian state in its immense task of somehow governing so many raw millions.

It is significant that none of the contemporary western European authors who have written on Russian economics in the late eighteenth century and the early nineteenth speaks of Russia as an economically backward country. In fact, during some part of the eighteenth century, Russian industry, at least in some branches, was ahead not only of all the other Continental countries but of England as well. This was particularly true of the metal industries. In the middle of the eighteenth century Russia was the world's largest producer of both iron and copper, and it was not until the 1770's in the case of copper, and the very end of the century in the case of iron, that English production became equal to that of Russia.

The Economic and Social Development of Russia in the Eighteenth Century

Agriculture and other occupations

Differentiation accompanied expansion. The fertile, mostly "black-earth" agricultural areas of the south became more and more distinct from the more barren regions of the center and north. The system of barshchina, that is, of labor for one's master, prevailed in the south, that of obrok, or payments to the landlord in kind or money, in the north. On the rich black
earth of the south the serfs tilled their masters' fields as well as their own plots, and they also performed other tasks for the master such as cutting firewood or mowing hay. In addition to the increase in grain and other agricultural products, cattle-raising developed on a large scale. The landlords generally sold the products of their economy on the domestic market, but toward the end of the century export increased.

In the provinces of the center and north, where the earth was not so fertile, the obrok, or quitrent, practice grew. There only modest harvests of rye and other grains suitable to the rigorous climate could be obtained from the soil, so that the peasant population had to find different means to support itself and to discharge its obligations to the landlord and the state. Special crafts developed in various localities. In some places peasants produced iron implements, such as locks, knives, and forks; in others they made wooden utensils, spoons, cups, plates, toys, and the like, or leather goods. Where no such subsidiary local occupations emerged, many peasants left their homes periodically, especially for the winter, to find work elsewhere. Often groups of peasants sought employment together in associations known as areli — singular arel — and became carpenters, house-painters, or construction workers. Others earned money in industrial production, transportation, or petty trade. These varied earnings, together with their meager agriculture, made it possible for a large number of peasants to pay their quitrent to the landlord, meet their obligations, and support themselves and their families — although at a very low standard of living. It has been estimated that about one quarter of the peasant population of the less fertile provinces left their villages for winter employment elsewhere.

The great extent and the continuing expansion of agriculture in Russia did not mean that it was modern in technique or very productive. Russian agriculture remained rather primitive, and, because of the backward technique of cultivation, even excellent land gave relatively low yields. Serfdom contributed heavily to the inefficient use of labor and to rural overpopulation. In agriculture Westernization came very slowly indeed. By the end of the century, in spite of the efforts of the Free Economic Society established in 1765 and a few other groups as well as certain individuals, no substantial modernization had occurred. As Marxist historians have repeatedly emphasized, serfdom with its abundant unskilled labor still could effectively satisfy the needs of the rather sluggish and parochial Russian rural economy in the eighteenth century.

Industry and Labor Force

In a sense, the Russians during that period made greater advances in industry. The number of factories grew from 200 or 250 at the time of

Peter the Great's death in 1,200 by the end of the century, to cite one opinion, or possibly even over 3,000, if the smallest manufacturing establishments are included. The total number of workers rose to a considerable figure which has been variously estimated between 100,000 and 225,000. Many factories employed hundreds of hands, with the highest known number in the neighborhood of 3,500. The vitally important mining and metal industries developed so spectacularly as to give Russia a leading position in Europe in this type of production. The Ural area produced at that time some 90 per cent of Russian copper and some 65 per cent of the pig iron. Lesser centers of metal industry existed in Olonets, which is in the north near the Finnish border, and in Tula, south of Moscow. The textile industry flourished in and around Moscow and in some neighboring provinces and, to a lesser extent, in the St. Petersburg area. A number of other industries also developed in eighteenth-century Russia.

However, in the context of Russian society, the acquisition of a suitable labor force often created special problems; Russian manufacturing establishments reflected and in turn affected the social structure of the empire. Thus, in addition to owning and operating some factories outright, the state established in areas of scarce labor supply numerous "possessional factories," which were operated by merchants and to which state peasants were attached as "possessional workers." They were, in fact, industrial serfs, but they belonged to a factory, not to an individual. These possessional factories acquired special prominence in heavy industry. Some landlords, in their turn, set up manorial factories, especially for light industry, where they utilized the bonded labor of their serfs. Nevertheless, free labor also played an increasingly important role in the industrial development of Russia in the eighteenth century. Even when it represented, as it often did, the labor of someone else's serfs out to earn their quitrent, it led to new, more "capitalistic," relationships in the factories. Soviet studies, for example those of Khromov and Poliansky, in contrast to some earlier Marxist works, such as Lisichenko's well-known writings, have emphasized the large scope and vital importance of this free labor and of so-called "merchant" or "capitalist" enterprises based on that labor. For instance, in the middle of the century merchants owned some 70 per cent of textile factories in Russia as well as virtually the entire industry of the Moscow and St. Petersburg regions.

In addition to government managers, merchants, and gentry entrepreneurs, businessmen of a different background, including peasants and even serfs, made their appearance. In a number of instances, peasant crafts were gradually industrialized and some former serfs became factory owners, as, for example, in the case of the textile industry in and around
Ivanovo-Voznesensk in central European Russia. Indeed, if we are to follow Poliansky's statistics, peasant participation in industry grew very rapidly and became widespread in the last quarter of the century.

In eighteenth-century Russia the state engaged directly in industrial development but also encouraged private enterprise. This encouragement was plainly evident in such measures as the abolition of various restrictions on entering business — notably making it possible for the gentry to take part in every phase of economic life — and the protective tariffs of 1782 and 1793.

Trade

Trade also grew in eighteenth-century Russia. Domestic commerce was stimulated by the repeal of internal tariffs that culminated in Empress Elizabeth's legislation in 1753, by the building of new canals following the example of Peter the Great, by territorial acquisitions, and especially by the quickened tempo and increasing diversity of economic life. In particular, the fertile south sent its agricultural surplus to the center and the north in exchange for products of industries and crafts, while the countryside as a whole supplied the cities and towns with grain and other foods and raw materials. Moscow was the most important center of internal commerce as well as the main distribution and transit point for foreign trade. Other important domestic markets included St. Petersburg, Riga, Archangel, towns in the heart of the grain-producing area such as Penza, Tambov, and Kaluga, and Volga ports like Jaroslavl, Nizhnii Novgorod, Kazan, and Saratov. In distant Siberia, Tobolsk, Tomsk, and Irkutsk developed as significant commercial as well as administrative centers. Many large fairs and uncounted small ones assisted the trade cycle. The best known among them included the celebrated fair next to the Monastery of St. Macarius on the Volga in the province of Nizhnii Novgorod, the fair near the southern steppe town of Kursk, and the Iribit fair in the Ural area.

Foreign trade developed rapidly, especially in the second half of the century. The annual trade value of both exports and imports more than tripled in the course of Catherine the Great's reign, an impressive achievement even after we make a certain discount for inflation. After the Russian victory in the Great Northern War, the Baltic ports such as St. Petersburg, Riga, and Livonia became the main avenue of trade with Russia, and they maintained this dominant position into the nineteenth century. Russia exported to other European countries timber, hemp, flax, tallow, and some other raw materials, together with iron products and certain textiles, notably canvas for sails. Also, the century saw the beginning of the grain trade which was later to acquire great prominence. This trade became possible on a large scale after Catherine the Great's acquisition of southern Russia and the development of Russian agriculture there as well as the construction of the Black Sea ports, notably Odessa which was won from the Turks in 1792 and transformed into a port in 1794. Russian imports consisted of wine, fruits, coffee, sugar, and fine cloth, as well as manufactured goods. Throughout the eighteenth century exports greatly exceeded imports in value. Great Britain remained the best Russian customer, accounting for
something like half of Russia's total European trade. The Russians continued to be passive in their commercial relations with the West; foreign businessmen who came to St. Petersburg and other centers in the empire handled the transactions and carried Russian products away in foreign ships, especially British and Dutch. Russia also engaged in commerce with Central Asia, the Middle East, and even India and China, channeling goods through the St. Macarius Fair, Moscow, Astrakhan, and certain other locations. A considerable colony of merchants from India lived in Astrakhan in the eighteenth century.

The Peasants, the Gentry, and Other Classes

Eighteenth-century Russia was overwhelmingly rural. In 1724, 97 per cent of its population lived in the countryside and 3 per cent in towns; by 1796 the figures had shifted slightly to 95.9 per cent as against 4.1 per cent. The great bulk of the people were, of course, peasants. They fell into two categories, roughly equal in size, serfs and state peasants. Toward the end of the century the serfs constituted 53.1 per cent of the total peasant population. As outlined in earlier chapters, the position of the serfs deteriorated from the reign of Peter the Great to those of Paul and Alexander I and reached its nadir around 1800. Increasing economic exploitation of the serfs accompanied their virtually complete dependence on the will of their masters, without even the right to petition for redress. It has been estimated that the obrok increased two and a half times in money value between 1760 and 1800, while the barshchina grew from three to four and in some cases even five or more days a week. It was this striking expansion of the barshchina that Emperor Paul tried to stem with his ineffectual law of 1797. Perhaps the most unfortunate were the numerous household serfs who had no land to till, but acted instead as domestic servants or in some other capacity within the manorial household. This segment of the population expanded as landlords acquired new tastes and developed a more elaborate style of life. Indeed, some household serfs became painters, poets, or musicians, and a few even received education abroad. But, as can be readily imagined, it was especially the household serfs who were kept under the constant and complete control of their masters, and their condition could barely be distinguished from slavery. State peasants fared better than serfs, although their obligations, too, increased in the course of the century. At best, as in the case of certain areas in the north, they maintained a reasonable degree of autonomy and prosperity. At worst, as exemplified by possessional workers, their lot could not be envied even by the serfs. On the whole the misery of the Russian countryside provides ample explanation for the Pugachev rebellion and for repeated lesser insurrections which occurred throughout the century.

By contrast, the eighteenth century, especially the second half during the reign of Catherine the Great, has been considered the golden age of Russian gentry. Constituting a little over one per cent of the population, this class certainly dominated the life of the country. With the lessening and finally the abolition of their service obligations, the landlords took a greater interest in their estates, and some of them also pursued other lines of economic activity, such as manufacturing. The State Lending Bank, established by Catherine the Great in 1786, had as its main task the support of gentry landholding. Moreover, it was the gentry more than any other social group that experienced Westernization most fully and developed the first modern Russian culture. And, of course, the gentry continued to surround the throne, to supply officers for the army, and to fill administrative posts.

While the gentry prospered, the position of the clergy and their dependents declined. This stark group of Russians, about one per cent of the total — it should be remembered that Orthodox priests marry and raise families — suffered from the anti-ecclesiastical spirit of the age and especially from the secularization of Church lands in 1764. In return for vast Church holdings populated by serfs, the Church received an annual subsidy of 450,000 rubles, representing about one-third of the revenues from the land and utterly insufficient to support the clergy. With time and inflation the value of the subsidy dropped. Never rich, the Russian priests became poorer and more insecure financially after 1764. They had to depend almost entirely on fees and donations from their usually impoverished parishioners. In the country especially the style of life of the priests and their families differed little from that of peasants. In post-Petrine Russia, in contrast to some other European states, the clergy had little wealth or prestige. Largely neglected by historians, the Russian clerical estate has recently received some valuable attention from Freeze and a few other scholars.

Most of the peasants, the gentry, and the clergy lived in rural areas. The bulk of the town inhabitants were divided into three legal categories: merchants, artisans, and workers. These classes were growing: for instance, peasants who established themselves as manufacturers or otherwise successfully entered business became merchants. Nevertheless, none of these classes was numerous or prominent in eighteenth-century Russia. As usual, it was the government that tried to stimulate initiative, public spirit, and a degree of participation in local affairs among the townsfolk by such means as the creation of guilds and the charter of 1785 granting urban self-government. As usual, too, these efforts failed.
Finance. Concluding Remarks

The fiscal policies of the state deserve notice. The successors of Peter the Great, not unlike the reformer himself, ruled in a situation of continuous financial crisis. The state revenue rose from 8.5 million rubles in 1724 to 19.4 million in 1764 and over 40 million in 1794. But expenses tended to grow still more rapidly, amounting to 49.1 million in the last year mentioned. Of that sum, 46 per cent went to the army and the navy, 20 per cent to the state economy, 12 per cent for administration and justice, and 9 per cent to maintain the imperial court. A new item also appeared in the reign of Catherine the Great: this was the state debt, which accounted for 4.5 per cent of the total state expenses in 1794. To make up the difference between revenue and expenses, the government borrowed at home and, beginning in 1769, borrowed abroad too, mainly in Holland. The government also issued paper money on a large scale, especially after the outbreak of the Second Turkish War. By the end of Catherine the Great's reign a paper ruble was worth only 68 per cent of its metallic counterpart. Taxes remained heavy and oppressive.

In effect, the rulers of imperial Russia, perhaps even more than the Muscovite tsars who preceded them, insisted on living beyond their means and thus strained the national economy to the limit. Although a poor, backward, overwhelmingly agricultural, and illiterate country, Russia had a large and glorious army, a complex bureaucracy, and one of the most splendid courts in Europe. With the coming of Westernization, the tragic, and as it turned out fatal, gulf between the small enlightened and privileged segment at the top and the masses at the bottom became wider than ever. We shall consider this again when we deal with Russian culture in the eighteenth century and, indeed, throughout our discussion of imperial Russian history.

RUSSIAN CULTURE IN THE EIGHTEENTH CENTURY

The new culture born as a result of the Petrine revolution constituted in the beginning nothing but a heterogeneous collection of imported articles; but the new elite assimilated them so rapidly that by the end of the eighteenth century there already existed a Russian culture, more homogeneous and more stable than the old one. That culture was Russian in the strictest sense of the word, expressing emotional states and creating values that were properly Russian, and if the people no more than half understood it, this was not sufficiently national, but because the people were not yet a nation.

A mixture of tongues.
The language of France with that of Nizhni Novgorod.

The eighteenth century constitutes a distinct period in the history of Russian culture. On one hand it marked a decisive break with the Muscovite past; although, as we know, that break had been foreshadowed and assisted by certain influences and trends. Peter the Great's violent activity was perhaps most revolutionary in the domain of culture. All of a sudden, skipping entire epochs of scholasticism, Renaissance, and Reformation, Russia moved from a parochial, ecclesiastical, quasi-medieval civilization to the Age of Reason. On the other hand, Russian culture of the eighteenth century also differed significantly from the culture of the following periods. From the beginning of Peter the Great's reforms to the death of Catherine the Great, the Russians applied themselves to the huge and fundamental task of learning from the West. They still had much to learn after 1800, of course; nonetheless, by that time they had acquired and developed a comprehensive and well-integrated modern culture of their own, which later on attracted attention and adaptation abroad. The eighteenth century in Russia then was an age of apprenticeship and imitation par excellence. It has been said that Peter the Great, during the first decades of the century, borrowed Western technology, that Empress Elizabeth, in the middle of the period, shifted the main interest to Western fashions and manners, and that Catherine the Great, in the course of the last third of the century, brought Western ideas into Russia. Although much too simple, this scheme has some truth. It gives an indication of