

NBER WORKING PAPER SERIES

RUSSIAN INEQUALITY ON THE EVE OF REVOLUTION

Steven Nafziger  
Peter H. Lindert

Working Paper 18383  
<http://www.nber.org/papers/w18383>

NATIONAL BUREAU OF ECONOMIC RESEARCH  
1050 Massachusetts Avenue  
Cambridge, MA 02138  
September 2012

This paper presents results from an open-source research project. Given the uncertainties of any inferences from still fragmentary historical data, we invite others to add additional data, procedural revisions, and alternative interpretations. As much as possible, the data are being posted on <http://gpih.ucdavis.edu> (click on European Russia, either on the world map, on the Europe map, or in the data list folder – as revisions come in, we are updating these files). This study forms part of a larger project on long-run Russian inequality, with contributions from Tracy Dennison, Igor Fedukin, Peter H. Lindert, Andrei Markevich, and Steven Nafziger. We thank the US National Science Foundation for support under grant 0922531, and acknowledge the helpful comments of participants in the March 2011 conference on “Quantifying Long-run Economic Development” at The University of Warwick in Venice, and at the World Economic History Congress in Stellenbosch, July 2012. Aaron Seong, Stefan Ward-Wheten, and Nikolas Zolas provided excellent research assistance. The views expressed herein are those of the authors and do not necessarily reflect the views of the National Bureau of Economic Research.

NBER working papers are circulated for discussion and comment purposes. They have not been peer-reviewed or been subject to the review by the NBER Board of Directors that accompanies official NBER publications.

© 2012 by Steven Nafziger and Peter H. Lindert. All rights reserved. Short sections of text, not to exceed two paragraphs, may be quoted without explicit permission provided that full credit, including © notice, is given to the source.

Russian Inequality on the Eve of Revolution  
Steven Nafziger and Peter H. Lindert  
NBER Working Paper No. 18383  
September 2012  
JEL No. N30,N33,O15

### **ABSTRACT**

Just how unequal were the incomes of different classes of Russians on the eve of Revolution, relative to other countries, to Russia's earlier history, and to Russia's income distribution today? Careful weighing of an eclectic data set provides provisional answers. We provide detailed income estimates for economic and social classes in each of the 50 provinces of European Russia. In 1904, on the eve of military defeat and the 1905 Revolution, Russian income inequality was middling by the standards of that era, and less severe than inequality has become today in such countries as China, the United States, and Russia itself. We also note how the interplay of some distinctive fiscal and relative-price features of Imperial Russia might have shaped the now-revealed level of inequality.

Steven Nafziger  
Department of Economics, Williams College  
Shapiro Hall, 24 Hopkins Hall Dr.  
Williamstown, MA 01267  
steven.nafziger@williams.edu

Peter H. Lindert  
Department of Economics  
University of California, Davis  
Davis, CA 95616  
and NBER  
phlindert@ucdavis.edu

## I. ISSUES AND OVERVIEW

For all the debate over class differentiation in Russia before the world's first successful Marxist Revolution, scholars have still not been able to develop a clear picture of the country's overall inequality. This has not been due to a lack of attempts. A number of writers and researchers, especially those motivated by Marxist notions of class differentiation, have endeavored to describe how income and wealth were allocated in Tsarist society.<sup>1</sup> For some, the old feudal distribution of wealth and power was under pressure from the emergence of an urban working class, the decline of the landed gentry, and the rise of middle-class professions. Perhaps even more prominently, Vladimir Lenin (1974) argued that the Russian peasantry – comprising roughly 85 percent of the population – experienced growing polarization into wealthy and powerful *kulaki* elite and a large, poor landless proletariat. He based this conclusion on an analysis of the distribution of livestock and land holdings among rural households, which he derived from survey data collected by local government bodies in the last 19<sup>th</sup> century. To Lenin and subsequent authors, the perception that there was growing rural and national inequality could be directly linked to the revolutions of 1905 and 1917.

Lenin's and other proto-Marxist studies were the starting points for Soviet and Western scholarship that drew on such simple measures of asset ownership to document inequality through the lens of "class differentiation." However, indicators such as the number of horses, the amount of land, or the number of wage earners cover only a subset of all assets, are only indirect measures of income, often relate to a just a part of the population, and were typically drawn from a limited geographic area. Therefore, studies that relied on such measures did not necessarily approximate the true distribution of income or wealth in the Tsarist Russia. As a result, although Paul Gregory (1982), Peter Gatrell (1986), and others have identified a fairly high rate of economic growth in the last decades of the Tsarist regime, we know very little about how such gains were distributed among the population. The lack of a clear depiction of the level of Russian inequality not only limits our understanding of the roots of the 1905 and 1917 revolutions, but it also impairs our accounting of the evolution of the Russian economy over the period.

---

<sup>1</sup> We discuss many of these in Section III below.

The explosion of recent empirical work on long-run economic growth in peripheral areas, such as Latin America, Africa, and East Asia, has mostly bypassed Russia.<sup>2</sup> Although recent work on living standards by Boris Mironov (2010) and others has brought to bear new data on heights, wages, and consumption patterns in the 19<sup>th</sup> and early 20<sup>th</sup> centuries, many of these studies are often limited in focus or suffer from methodological concerns (Dennison and Nafziger, forthcoming). To better understand Russia's economic record during the Great Divergence, we need to expand our aggregate empirical picture beyond that provided by Paul Gregory's (1982) national income series for the period 1885 to 1913.<sup>3</sup>

This paper seeks to help fill this gap by drawing on newly compiled provincial data on high income earners (those earning more than 1000 rubles), wages in a variety of occupations, and both communal and private land holdings for a small window around the year 1904. We use this information to derive estimates of income inequality in the late-Tsarist period at the provincial level and for European Russia as a whole. Our findings – which we subject to a variety of robustness exercises – suggest that just prior to the revolutions of the early 20<sup>th</sup> century, Russia was not exceptionally unequal, either in comparison to contemporary societies or when stacked up against estimates for the post-Soviet period. At the same time, inequality was higher in the capital city provinces, the Baltics, and the Black sea region – i.e. some of the more dynamic and urban parts of the Empire. As the revolutions of 1905 and 1917 were urban in origin, this would suggest some support for economic factors as underlying causes. However, our picture is just a snapshot. Additional research on the dynamics of inequality is necessary before more definitive accounts of the role played by economic processes in the two revolutionary surges can be drawn.

## **II. Russian Growth and Development from Emancipation to Revolution**

At the time of serf emancipation in 1861, Russia had just lost the expensive Crimean War, the economy was among the least developed in Europe, and the country was facing

---

<sup>2</sup> See Mironov (2010) on Imperial Russia, Arroyo Abad (2009) on Latin America, Fenske (2012) and Nunn (2008) on Africa, and Allen *et al.* (2011) on East Asia.

<sup>3</sup> Gregory (1982, 146), himself, notes the lack of adequate research on inequality in Tsarist Russia.

a complicated and uncertain rural reform process. Current best estimates suggest that per capita income in Imperial Russia was around 70 constant 1913 rubles in 1861, rising to approximately 120 by World War I. The 1861 level was less than  $\frac{1}{4}$  the per capita incomes of the United Kingdom and the United States and less than  $\frac{1}{2}$  of France's or Germany's. By 1913, despite Russia's modest growth in income per capita, these international ratios had worsened: Russian per capita income was less than 20% of the UK's, just over 10% of the US's, and between 30 and 40% of France's and Germany's levels (Gregory, 1982, 155-7).

As Allen (2004) notes, much of Imperial Russia's agricultural growth was of the extensive type, as production shifted into Ukrainian and southern provinces where agro-climatic conditions were more favorable. The expansion of the railroad network into these and peripheral regions deepened domestic grain market integration and linked Russian producers to international markets (Metzger, 1974). The flipside was that agriculture experienced relative decline in the central and northern provinces of the Russian heartland.<sup>4</sup> These areas – especially in provinces around Moscow and St. Petersburg – had long possessed significant handicraft, proto-industrial, and factory-based sectors, and these activities only increased in relative importance in the last decades of the Imperial period. Therefore, by the early 20<sup>th</sup> century, European Russia exhibited significant regional differences in economic activity, differences that may have contributed towards the overall level of income inequality.

In the classic formulation of Gerschenkron (1965), the institutional structure of the Russian peasant commune limited agricultural productivity, intersectoral labor mobility, and, ultimately, economic growth. In addition, property and indirect consumption taxes were seen as siphoning resources away from the peasantry to support the state-sponsored industrial effort centered the larger cities (Robinson, 1972 [1932]; Von Laue, 1969). At the same time, radical thinkers such as Lenin (see below) and non-radical policymakers perceived a growing gulf between a disaffected rural poor, on the one hand, and a modernizing landowner class and growing urban bourgeoisie, on the other. These factors were viewed as fueling an “agrarian crisis” (a phrase evoked by both

---

<sup>4</sup> Some northern and central districts did experience growth in specialized agricultural production, such as dairying or truck farming.

contemporaries and subsequent generations of scholars) and fostering rural unrest in the Revolution of 1905.<sup>5</sup>

While the dislocations created by the processes of regional specialization, industrialization, and migration / urbanization provided the social context in which the first Russian Revolution occurred, direct evidence on a relationship between economic conditions and unrest is lacking. Indeed, although conditions of economic “crisis” have been blamed for growing political radicalization, rural unrest, and labor strife, the pace of agricultural and industrial growth (and the relatively limited tax burdens) suggests that living conditions were broadly improving in the 1890s and 1900s. Scholars of the Revolution of 1905 have generally concluded that the government and military failures surrounding the Russo-Japanese War and the Bloody Sunday massacre of January 1905 were the more proximate causes of the social unrest that gripped the country (e.g. Ascher, 1988).

What is missing from the literature on this period is a sense of the distributive consequences of the structural changes the Russian economy was experiencing. Lenin and other observers concluded that rural “differentiation” and urban “proletarianization” were unleashing social unrest across Russia by the 1890s, but, as we discuss below, their evidence was limited in critical ways. Therefore, a clearer understanding of the level and regional variation in Russian inequality just prior to 1905 may shed light on whether economic conditions helped fuel the Revolution.

Our calculations of income inequality draw on new estimates of the distribution of agricultural property (including communal holdings) and incomes for 1905, just before the reforms took hold. Although we do not connect these findings directly to the impact of the Stolypin reforms in this paper, our new facts provide insights into the initial conditions that may inform future analyses.

By providing quantitative evidence on the nature of inequality in early 20<sup>th</sup> century Russia, our study may also speak to the forces behind the Revolution of 1917. Although the downfall of the monarchy and the Bolshevik seizure of power are rarely

---

<sup>5</sup> The crisis view was given particular voice in the district and provincial meetings of the Special Conference on the Needs of Agriculture in 1902-4. Delegates to these meetings typically viewed Russian, and especially peasant, agriculture as facing the institutional and fiscal constraints that Gerschenkron, Robinson, Von Laue, and others later focused on (Macey, 1987).

interpreted as specific reactions to long-run structural conditions in the Russian economy (except, perhaps, through possible roots of military collapse during World War I), our evidence suggests that the unrest in the capital provinces may have had roots in the relatively high levels of inequality they exhibited. On the other hand, if the unrest of 1905 was unrelated to inequality, then, as is consistent with the thrust of the historical literature, the broader swell of events in 1917 were likely driven by other forces as well.

### III. PRE-REVOLUTIONARY INEQUALITY: SOURCES AND INTERPRETATIONS

As typically measured, inequality in Tsarist Russia has received remarkably little attention.<sup>6</sup> This has mainly been due to data constraints. No representative income or wealth surveys were undertaken across different sectors at any point in time. Even more critically, the measurement of inequality has often been subject to ideological influences. Leninist views of Russian economic development asserted that the countryside *had to* experience class differentiation and rural proletarianization on the country's way to revolution. Contemporary populist writers also saw variation in rural household wealth and incomes, although they credited this to geographic and life cycle factors, rather than Marxist historical forces. In both cases – and among later scholars – the actual measurement of inequality or differentiation took the form of livestock, land, or other asset distributions across exclusively peasant households, often only in small geographic areas.<sup>7</sup>

While observers in the immediate post-emancipation decades claimed that there was a growing gap between an impoverished peasantry and the urban classes in cities such as Moscow, St. Petersburg, and Odessa, their empirical base was generally limited to comparing mean values of a small set of indirect welfare indicators, such as taxes per capita (e.g. Ianson, 1881). Moreover, they tended to focus on perceived differences between legally defined social classes, such as peasantry, nobility, and townspeople, rather than actual income or wealth inequality. These social classes, or *soslovia*, were

---

<sup>6</sup> Indeed, a full-text search for the terms “income” or “wealth,” “inequality” or “unequal,” and “Russia” or “Soviet” in the database Historical Abstracts turned up practically no relevant entries and exactly none that pertained directly to the late-Tsarist period. On inequality in the Soviet Union, see Bergson (1984).

<sup>7</sup> Harrison (1977) and Merl (1990) provide excellent accounts of these methods and of how later scholars continued to draw on populist and Leninist models in documenting peasant differentiation.

defined at birth (although one could change one's class at a cost) and came with specific civil and legal rights that were often associated with differences in wealth or income-generating opportunities. While we do rely, in part, on social class to define different income groups within late-Tsarist society, in practice, such class-based distinctions were increasingly problematic over time. When it comes to defining inequality, the steady growth in the number of peasants engaged in non-agricultural activities, and the slow decline of the nobility as the dominant holders of landed wealth led to the blurring of class distinctions.

After 1861, academics and policymakers were increasingly aware of their limited knowledge of the countryside, and of economic conditions in the Empire more broadly. This led the Central Statistical Committee of the Ministry of the Interior and other ministerial bodies to engage in more statistical research projects, an effort that culminated in the first national census in 1897. This census not only documented the ethnic, religious, and geographic diversity of the Empire, but it also collected detailed data on the occupational structure of the population. This census and other similarly impressive statistical research efforts after 1900 (such as the 1905 Land Statistics) provide some of the necessary building blocks for estimating the level of inequality in European Russia around the turn of the century. But few scholars have endeavoured to evaluate just how unequal Russia was by 1900, and those that did so have generally relied on approaches that do not translate into modern estimates.

Most central government research efforts focused on aggregate levels of information, either at the province or the district levels. In contrast, a new institution of local self-government – the *zemstvo* – frequently engaged in village or household-level data collection efforts (Nafziger, 2011). Founded in the wake of serf emancipation, these bodies were responsible for monitoring the taxable resources under their jurisdiction. In doing so, they often collected information on household incomes, asset holdings, and the distribution of land. In analyzing and presenting their findings, *zemstvo* statisticians frequently classified the peasant population according to the size of landholding, the number of livestock, or the number of adult workers in the household. But, as noted, their research tended to be limited to individual districts or provinces. Little was done to make



more comparative inroads towards the study of inequality outside of the peasantry or across *zemstva*.<sup>8</sup>

Two literatures emerged at the end of the 19<sup>th</sup> century that indirectly spoke to the nature of inequality in late Tsarist society. The first was the rise of a school of populist peasant studies that utilized and then extended *zemstvo* research by undertaking detailed budget studies of “representative” peasant households. Arising first in the province of Voronezh under the leadership of Feodor Scherbina in the 1880s (e.g. Scherbina, 1897), this movement later came to be associated with the work of Alexander Chaianov, especially his influential *The Theory of the Peasant Economy* (1986). According to this line of scholarship, inequality of rural households was driven more by life-cycle events such as aging or household divisions than by broader social forces.

The focus on analyzing household budget data and *zemstvo* classifications of rural households also played a key part in Leninist/Soviet interpretations of peasant *differentiation*, or *rassloenie* (or “polarization” – see Field, 1989). Beginning with Vladimir Lenin’s massive volume *The Development of Capitalism in Russia*, such writers expended considerable effort on slicing and dicing the pre-revolution peasantry according to the asset categories laid out in these data. The ideological motivation behind many of these efforts was to link changes in the Russian countryside to social class divisions that were supposed to accompany the transition from feudalism to capitalism under the Marxist model of development. Rich peasants with slightly larger communal allotments or a few more horses became rural bourgeoisie (or *kulaki* – whose property could be expropriated), while poor peasants were increasingly landless and “proletariatized.” Lenin dedicated much of his volume to laying out these processes as he interpreted them in a variety of *zemstvo* data, while later Soviet scholars focussed on documenting such changes in particular localities, types of agricultural production, or certain time periods (pushing the origins of peasant differentiation back to the pre-1861 period).<sup>9</sup>

---

<sup>8</sup> Almost every *zemstvo* study decomposes households in these ways – Field (1989) reports examples drawn from Poltava province that use land or livestock as the indicator of wealth. For summary statistics from the original data, see Svavitskaia and Svavitskii, eds. (1926).

<sup>9</sup> Research projects in the 1920s and 1930s tried to pin down the processes of social stratification among the peasantry by following a given stratum – defined by land or livestock holdings – over time in a particular area. In a sense, these dynamic household censuses were attempts to bring Chaianov’s insights into a Marxist framework. Prominent Soviet scholars of rural stratification include A. M. Anfimov (e.g. 1984) and Ivan Koval’chenko (e.g. 1967), who continued Leninist research into rural Russia by

Field's (1989) fascinating analysis of turn-of-the-century wealth polarization among the peasants of agricultural Poltava and other provinces builds on this Marxist scholarship by estimating Gini coefficients (and their change over time) for different agricultural assets.<sup>10</sup> We present a number of these in Table 1 to illustrate the types of assets and range of geographies covered in *zemstvo*-based studies. As Lenin noted, agricultural assets were held relatively unequally, even among the supposedly homogenous peasantry. These numbers also suggested to observers that "differentiation" was growing over time. Field frames his findings in quasi-Marxist terms, emphasizing the emergence of "rural capitalism" among the peasant population by 1900. However, he also acknowledges that such *zemstvo* data make it difficult to accurately estimate true income or wealth inequality, because the asset categories, definitions of a household, and types of peasant economic activity changed over time and across surveys.<sup>11</sup>

*[Insert Table 1 about here]*

Overall, populist and Marxist analyses of peasant stratification provide some evidence of an increasing amount of wealth or occupational heterogeneity within the rural population in the late Tsarist period. But they typically relied on partial measures of only a few assets, were geographically limited, and did not tackle overall income inequality in any broader sense. As such, they cannot really shed light on the "big" questions that lies behind much of Russian economic history in the late Tsarist period. For instance, such studies do a poor job of placing what is happening in rural Russia in the context of contemporaneous urban and industrial developments. Given their ideological persuasion, Soviet scholars did pay close attention to who was in or out of the "worker" (*rabochie*) class and often included large numbers of the "rural proletariat" in such calculations (e.g. Rashin, 1958). As emphasized by numerous scholars from Tugan-Baranovsky (1970)

---

incorporating a much wider set of evidence from archival materials and other quantitative sources and expanding the analysis to consider changes within the landed nobility.

<sup>10</sup> Chapter 2 of Lenin (1974) – and subsequent Soviet works – provides a series of tables that classify peasant households into strata depending on land, livestock ownership, and some limited budgetary information for a small number of districts for which he had access to *zemstvo* surveys. In some cases, Lenin just took the classifications from the underlying *zemstvo* statistics, while in others he derived the grouping himself. Field (1989) uses similar data, but takes the existing *zemstvo* categorizations and derives Gini coefficients.

<sup>11</sup> In a more recent work, Johnson (1997) analyses income stratification by household size, as reported in a 1909 budget survey from Kostroma province. He emphasizes the existence of Chaianovian life-cycle differences in household wealth and inequality.

onward (including the census takers of 1897), the Russian peasantry was becoming increasingly involved in migratory, proto-industrial, or industrial occupations in cities or quasi-urban areas, but they were often doing so while continuing to work in agricultural production. This led to rather convoluted categorizations by Soviet authors as they tried to explain the forces behind the primarily urban Revolution of 1917. Moreover, the failures of this methodology also point to the importance of moving beyond asset- and class-based analyses towards other methods of calculating *total* income inequality.<sup>12</sup>

It is worth touching on two other areas of scholarship that relate to our method of calculating income inequality. The first is the growing literature on living standards in Tsarist Russia. Soviet scholars such as Kirianov (1979) tended to focus on *either* rural or urban (i.e. “worker”) living standards by considering work conditions, diets, and some very limited information on wages and salaries. These studies were written through a Marxist filter and, therefore, did not pay much attention to the income generated from asset ownership.<sup>13</sup> As we have noted, Soviet work on rural living standards tended to report simple Leninist measures of peasant differentiation. In his recent impressive study of living standards from Peter the Great to the Revolution, Mironov (2010) essentially sets aside direct calculations of incomes (and their distribution) in favor of an anthropometric approach. His reliance on military and factory data on adult heights opens an important area of research into Russian living standards, especially in rural areas and over time, but it does not directly measure economic inequality. Moreover, the non-anthropometric data presented in his book and associated articles frequently relate to Moscow or Petersburg and not necessarily to the rest of the Empire or even the European provinces. In view of this, Dennison and Nafziger (forthcoming), in their case study of two districts in the Central Industrial Region, argue that it is essential to take a more local – and hence, often rural – approach towards studying living standards in order to adequately understand the evident geographic heterogeneity across the Empire. We are

---

<sup>12</sup> Indeed, Lenin’s tactical adoption of a “vanguard party” model for the Bolsheviks was partly based on the peasant basis of much of the urban population.

<sup>13</sup> By adopting a “labor theory of value,” these and other Marxist studies certainly missed a key part of income inequality, especially when it came to land. Moreover, this theoretical perspective might explain why there is a surprisingly small amount of business or estate-level histories that employ modern accounting ideas to assign “corporate” incomes to individual owners.

sensitive to the need to take both sectoral and geographic variation into account when calculating inequality.

Finally, the various studies of living standards, peasant stratification, the emergence of a working class, and household budgets have tended to be micro in their use of evidence. We argue elsewhere that micro studies of living standards are especially valuable for understanding the nature of heterogeneity in Russian living standards (*ibid.*). However, evaluating the level of inequality in a particular society requires taking a more aggregate approach, whether geographic or otherwise. Gregory's (1982) important revision of Russian national income – which documents a relatively high growth rate from the 1880s to 1913 – provides a baseline measure of the size of the economic “pie” that was divided among agents in the economy. In building up his accounts, Gregory draws almost exclusively on Empire or European Russia-wide aggregate data series on final expenditures on goods and services, with only limited acknowledgement of variation in consumption among different groups in society.<sup>14</sup> Using a source on potential taxable incomes that we employ below, Gregory estimates that the top one percent of earners received about 15 percent of national income around 1904 (Table 1).

Our take-away message from this summary of the literature on inequality in pre-Soviet Russia is relatively simple – there has been little comprehensive work done to this point. After the Revolution, more extensive data on earnings do enable broader measures of the distribution of incomes, including 90 / 10 percentile ratios and Gini coefficients for the entire USSR (Table 1). Populist and Leninist estimates of pre-1917 inequality focussed on relatively small parts of total income and did so for small geographic areas. Assignment to income strata was generally done by asset ownership, although returns from owning these assets did not really enter into early calculations.<sup>15</sup> In what follows, we rely on a variety of sources and a new methodology that allow us to estimate overall

---

<sup>14</sup> In a related work, Gregory (1980) estimates peasant grain consumption but does not look into the consumption of foodstuffs of urban or non-peasant populations. Early Soviet studies of national income prior to 1913 – particularly Prokopovich's (1918) estimates for 1900 and 1913 – did emphasize some geographic differences. Markevich and Harrison's (2011) recent study of revolutionary era growth accepts Gregory's pre-1913 estimates, while arguing for a sharper decline to 1917.

<sup>15</sup> That communal allotment land (*nadel'naia zemlia*) comprised the bulk of property held by most peasants has led many scholars to assume more homogeneity among peasant households than was true in practice. Soviet class-based analyses did not necessarily employ this simplification, but many did tend to assume that the possession of little property was equivalent to poverty, without acknowledging the possibility of occupational specialization across households.

inequality around 1904 in a way that is comparable to methods used for a number of other societies at different points in time.

#### IV. PUTTING HOUSEHOLDS INTO SOCIO-ECONOMIC GROUPS

##### **A. Choosing Households as the Population Unit**

To determine just how unequally incomes are distributed among humans, we must first clarify what human units we have in mind. This paper will focus on the household as the relevant population unit for income distribution. We do so for two reasons, one theoretical and one practical.

The theoretical argument for focusing on households was emphasized by Simon Kuznets in his work in the 1960s and 1970s. Kuznets warned repeatedly that studies of inequality fail to define the unit of population clearly.<sup>16</sup> The usual candidates are:

- inequality of total income among households
- inequality of income per household member (or per adult male equivalent)
- inequality of individual incomes per economically active person (e.g. taxpayer, or member of the labor force)

Kuznets emphasized the superiority of the household focus on theoretical grounds. Caring about economic inequality means caring about how unequally people consume resources over their lives. Even if data constraints force us to study annual inequality rather than life-cycle inequality, Kuznets pleaded for measuring annual household income per consumer in the household. The basic reason is that households do share their resources. The income numerator must capture the incomes of all economically active household members, and the population denominator should capture the number of adult-equivalent consumers. He warned against measuring inequality among individual earners.

For the purpose of mapping Russian inequality, Kuznets's theoretical argument is reinforced by practical empirical considerations. We must focus on households (*dvory* or *khoziaistva*) as income recipient units in order to conform to the prevailing practices of

---

<sup>16</sup> See especially Kuznets (1976).

those who generated our data.<sup>17</sup> Our Imperial Russian sources also favored studying the household as a unit, especially for the peasantry. So did those who investigated the income structure of other countries in centuries past, since they too confronted the simple fact that taxable property, such as real estate, is used by all household members, even if only one is the owner and taxpayer. Their thirst for measuring nations' potential for paying taxes and supplying soldiers has proven enormously helpful to social science historians.

### **B. Estates and Sectors**

Imperial Russian laws and social inquiries helpfully classified households into groupings useful for our pursuit of income differences. First, across the four centuries leading up to the 1917 Revolution, Imperial officials defined classes in a way that differentiated them relatively clearly by legally distinct social estates (*soslovia*), which tended to correspond to income level, with modifications for urban/rural residence. This makes it easier for our data to divide national income along the same class lines that others have considered important. True, the classes overlapped in their income distributions to some extent, but there is considerable evidence that the social tables based on socio-occupational classes come close to being size distributions of income.<sup>18</sup>

*[Insert Table 2 about here]*

Boris Mironov has already reaped the rich harvest of data on membership in estate classes since 1678. Some of his findings are summarized in Table 2. Despite signs of urbanization and churning at the top, with the replacement of old aristocracies with new, changes were slow. The shares of the aristocracy that contemporaries chose to define by landed titles were not high, hovering at less than two percent of the population of recognized households. That was perhaps comparable with the early modern share in France and England. *Ancien regime* France in 1780 had a similar share of its population distinguished by nobility or clergy: 1.93 percent. For England and Wales, the share

---

<sup>17</sup> Both *khoziaistvo* and *dvor* are terms used to refer to households in our time period. The latter is slightly more specific (typically referring to a farm household) than the former. Our analysis does not depend on the term employed.

<sup>18</sup> Milanovic, Lindert, and Williamson (2011) note how historical tables of class average incomes seem to approximate size distributions in many countries. Wirtschafter (1997) provides a valuable discussion of *sosloviia*, including how their characteristics overlapped by the end of the 19<sup>th</sup> century.

distinguished by landowner status was similar, but a bit higher: 2.11 percent around the year 1290, 3.15 percent in 1688, and 3.47 percent in 1801-03.<sup>19</sup> While these are only rough counts, it is noteworthy that a far more rural Russia had such a small share of its population in the landed elite.<sup>20</sup> Also noteworthy is the thinness of Russia's government bureaucracy. In 1750, for example, Russia had only one official per 10,000 of population, similar to China's thin bureaucracy of one official per 11,350 in the same year. By contrast, in sixteenth-century England each official covered only 4,000 persons on the average, and in France under Louis XIV each corresponded to only 7,700 of population.<sup>21</sup> Overall, Russia's top social ranks looked thin, in relative terms.

To this relatively stable and skewed social structure we can add household counts by economic sector for 1897 and for the statistical updates that followed. It will be easier to attach data on human earnings to different shares of the population if we know which sector the household head worked in, since wage and other data are often specific to an output sector, as well as to an occupation. Table 3 defines the main output sectors, starting with the 1897 census estimates and inflating the counts to 1904 using population data from the 1904 statistical year book. Combining the occupational-sectoral (*zanyatie*) household counts with the social estate (*soslovie*) household counts (all by province in European Russia) sharpens our view of the income distribution further. Knowing the sector helps, for example, to identify the greater earnings of peasants working in industry or local government than those in agriculture or domestic service. Knowing the estate helps, for example, to delineate those in "industry and commerce" who were peasants from those in "industry and commerce" who were of the merchant estate. Appendix A describes our assumptions about which estates tended to combine with which output sectors, with further separation by rural versus urban residence. In the end we are able to delineate 2,300 income-earning groups (23 estate-sector combinations *times* 50 provinces *times* urban versus rural), even before later stratifying by income level on the basis of additional data.

---

<sup>19</sup> See Morrisson and Snyder (2000) on France in 1780, Campbell (2007) on England 1290, and Lindert and Williamson (1982) on England 1688-1803. We should note one dip in the English landed share: Joseph Massie's table for England and Wales in 1759 had only 1.2% in the titled landowning classes.

<sup>20</sup> From Peter the Great until the end of the regime, Imperial Russia was also distinguished by its Table of Ranks, which translated civil and military service into noble status. Above a certain rank, nobility was hereditary, as suggested in Table 2.

<sup>21</sup> See Pintner (1980) and Sng (2011).

*[Insert Table 3 about here]*

In output sectors as in social classes, Russia's distribution of households was quite skewed, with rural agriculture dominating the entire population. By itself, the dominance of agriculture and the peasantry might have obscured our view of differences in income. Fortunately, however, we can turn to sources that documented high-income earners by sector and social class, the inequalities of agricultural landownership, and detailed decompositions of peasant incomes. For our study, as for most other quantitative studies dealing with the pre-Revolutionary period, data constraints limit our measures to the 50 provinces of European Russia, omitting Finland, Poland, Transcaucasia, Central Asia, and Siberia.

## V. FOLLOWING THE INCOME CLUES FOR 1890s-1905

### **A. Incomes from Landownership**

Our best opportunity to take a snapshot of the Russian income structure comes from around the turn of the twentieth century, especially from a combination of large data sets stretching from 1897 to 1905. To work these data sets into a single estimate for “1904”, we start with the generous dataset on land ownership as of 1905, courtesy of the same census bureaucracy that gave us Imperial Russia's superb 1897 population counts.<sup>22</sup> The 1905 survey measured landownership by the size of area owned, by county and province, and by type of owner. The type-of-owner detail is also rich - as it needs to be, given the complexity of Russian land institutions. The data delineate individual household owners by six social estate classes – aristocracy, clergy, merchants and esteemed (*kuptsy i pochetnye*) citizens, townsmen and women (*meshchane*), peasants, and miscellaneous estates including foreign individuals. There are separate returns for different types of collective landownership, including peasants' shared (*nadel'nye*)

---

<sup>22</sup> The “land” surveyed in 1905 appears to exclude urban real estate as strictly defined, or so we gather from the juxtaposition of the two kinds of assets (urban and rural real estate) documented in Russia, Ministerstvo (1906). This exclusion might not be evident from the 1905 land survey by itself, since it included both the “urban” and “rural” divisions of each province in some categories. Yet, as other scholars have noted, the officially urban parts of each province contained agricultural lands. We collected our data from the fifty provincial-level volumes of Russia, Tsentral'nyi (1906).



allotments growing out of the 1861 emancipation, state lands, clergy lands, and other categories.

The rich detail of the 1905 land survey is subject to two drawbacks for our purposes, drawbacks that we can partly offset with other data. First, the survey consolidated the different holdings of each individual landowner only within each district, without connecting the properties of the same landowner in different districts (or provinces). Fortunately, the data impose enough information to demonstrate that the merging of individual landed properties across provinces cannot have affected income inequality very much.<sup>23</sup>

A second drawback of the impressive 1905 land survey is that it presents data only on the land areas owned, and not their annual rental value. Fortunately, the Finance Ministry's 1906 study *Opyt' priblizitel'no ischislenia narodnovo dokhoda po raslichnym evo istochnikam i po razmeram v Rossii* [hereafter *Opyt'*] presents alternative average rentals in rubles per *desiatina* (approximately 2.7 acres) per year for each province. We use their average rental rate, which assumes a six-percent return on purchase value and that all lands in each province had the same value. We thus capture only the differences in value per *desiatina* across provinces, not those within provinces.

[Insert Table 4 about here]

The distribution of private landownership, as shown in Table 4, departs from any simple separation of landed from landless social estates. Only one-third of the nobility (*dворянство*) consisted of landowners, and over a fifth of all merchants and esteemed citizens owned land outside the cities. Of course, of those closest to the land, the peasantry, fewer than four percent of household heads had individual privately owned land. This distribution of rural private landownership, by itself, makes Russia look very unequal in international perspective. Table 4's data show that only 4.7 percent of households owned private land other than the plots under urban buildings. This ownership share is smaller than that of other data-supplying countries in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries, with the possible exception of Mexico.<sup>24</sup>

[Insert Figure 1 about here]

---

<sup>23</sup> See Appendix D.

<sup>24</sup> For the other countries, see Lindert (1987, p. 39, Table 1).

This high level of landed inequality – and its limited geographic variation – is indicated in Panel A of Figure 1.<sup>25</sup> Not only is the overall Gini coefficient of purely individual holdings high (0.88), but the range is rather narrow across provinces: aside from Archangel’ province’s Gini of 0.05 (due to the small number of only peasant owners), the next highest coefficient was 0.55 in the Don Cossack Lands, and the remainder were above 0.63. This level of land inequality is lower if we add peasants’ communal land holdings per household (Panel B of Figure 1), but the overall Gini remains high at 0.60.<sup>26</sup> Yet, as we shall see, Russia’s high land inequality does not translate into internationally extreme levels of total income inequality.

### **B. Peasant Incomes**

We are fortunate that pre-Revolutionary officials and scholars took seriously the task of learning not only the averages, but also the distribution, of peasant incomes. As noted above, the *zemstva* succeeded in surveying the rough structure of peasant income and wealth for several provinces between the 1880s and the early 1900s. To more fully document the income distribution of the roughly 80 percent of the population who were peasants, we make use of these survey results, supplemented by parts of the 1905 land returns (as outlined above) and by independent data on local wage rates.

The heterogeneity of our source materials calls for some elaborate procedures to differentiate – in a non-Marxist sense – the peasantry within one province, and then extrapolate across provinces. These procedures are spelled out in Appendix B on Stratifying the Peasantry, with detailed calculations in the internet files cited there. Here we simply note the general procedural steps. The starting point is the large survey of peasant household strata in Voronezh in 1897, which we extrapolated to 1904 ruble values using the general trend in nominal incomes. Our extrapolation from Voronezh to other provinces then used relative wage rates in agriculture and industry, plus those detailed 1905 landownership returns for the small share of (private) landowning peasants. The resulting estimates, aggregated to the level of European Russia, appear in Table 5.

*[Insert Table 5 about here]*

---

<sup>25</sup> Appendix C provides a map denoting the provinces of European Russia.

<sup>26</sup> Particularly high levels of land inequality are evident in St. Petersburg, right-bank Ukraine, the Urals, and the southern New Russian provinces.

A feature of Russia's peasantry that stands in contrast to most other countries' agricultural or rural households before 1914 is that most of the Russian peasantry were "tenant" farm operators and their dependents. Fewer than five percent of peasant households were laborers who lacked their own farm, just as fewer than five percent owned land *only* individually. What we call "tenants" were those peasants who received agricultural income primarily from production on their share of communal holdings.<sup>27</sup> This broad group was also fairly compressed in its income levels, with the top 5 percent (the "top farmer operators, not private owners" in Table 5) having only a bit more than triple the average incomes among the bottom quarter ("lower farm operators"). Part of the reason, of course, is that their collectively owned lands, whose value has been included in these measures, are believed to have been shared fairly evenly (e. g. Robinson, 1972 [1932]).<sup>28</sup> Thus far we have two opposing tendencies (suggested by comparing panels A and B of Figure 1): highly unequal ownership of land among individuals, and relatively equal incomes within the peasantry. To complete the picture of overall inequality, we need to add other types of income, and then to work out the implications of the gaps between the estate classes' average incomes.

### **C. Top Incomes (The *Opyt'* Study)**

Using the census as a springboard the Ministry of Finance launched a detailed inquiry into the structure of top incomes, in order to estimate how much tax revenue the state could raise, and from whom. One fruit of this endeavor was the Ministry's detailed estimates of high incomes over the period 1900-1904 – *Opyt'* (Russia, Ministerstvo, 1906). Apparently targeting only the top of society for potential income taxation, the Ministry's estimates covered those annual incomes exceeding 1,000 rubles. The total household count came to only 2.0 percent of all households. A follow-up study in 1910 gave further elaboration of the forecasted possible revenues. Yet in the end, the project

---

<sup>27</sup> This is slightly non-standard nomenclature, but we feel that it reflects the way collective ownership and obligations functioned in practice.

<sup>28</sup> As noted by Chaianov (1986), the size of Russian peasant communal allotments was often closely linked to the amount of household labor, and so land inequality within the commune was related to the distribution of household size. The 1905 data on allotment land does not provide within-commune information, but the aggregate distributions we derive across communes closely resemble the variation reported in *zemstvo* studies such as Scherbina (1900). Also see Svavitskaia and Svavitskii, eds. (1926) for other land distributions from *zemstvo* research.

for a comprehensive income tax was blocked and remained unimplemented before the 1917 Revolution.<sup>29</sup>

To exploit this unique data source, we must immediately confront a large problem shared by all the income data from Imperial Russia: total incomes were never measured by official fiscal authorities, unlike those micro-level (*zemstvo* and Ministerial) surveys of worker and peasant households. What the *Opyt*' data sets offer are only counts of specific kinds of income, and the numbers of people receiving any one of them. Some data sets in the source offer the distribution of land area or land value, with no attention to other incomes; others are confined to urban real estate rents; other data sets offer wage and servant income in narrow formal sectors; others cover just industrial or commercial profits; and so forth. The same problem often arises in other countries, e.g. in the separate-schedule income tax data of Victorian Britain, or in early America, where the data on property incomes are completely divorced from the data on a household's own human earnings.

*[Insert Table 6 about here]*

The size of this top group and its different sources of income are summarized in Table 6. Such high incomes were especially concentrated in land ownership and commercial enterprises, but they were also evident in state service and from returns to financial investments. To understand the distribution of incomes at the very top, we utilize the fact that *Opyt*' breaks down these high-income categories into six different ranges, from the 1,000-2,000 range up to incomes above 50,000 rubles. Also useful are the breakdowns of all real estate and profits by individual province. Again, the original data treat each income source as separate, although it is very likely the case that the highest earning households received more than 1,000 rubles from multiple sources. The details in *Opyt*' illuminate the top of the income structure, once we have made plausible assumptions about how the different sources of income were combined into the same households.

## VI. RUSSIAN INCOME INEQUALITY c. 1904: RESULTS

---

<sup>29</sup> The fiscal fight over tax reform after 1905 is summarized by Gorlin (1977).

We combine information on the number of households by class and sector, the distribution of land, the sources of peasant incomes, wage data, and top incomes from the *Opyt'* study to map out the distribution of incomes in European Russia around 1904. The underlying sources provide these data at the provincial level, and we take advantage of this to construct geographically disaggregate estimates. Our procedure in constructing measures of income inequality follows that of Milanovic, Lindert, and Williamson (2011). In short, we estimate mean incomes accruing to each class/sector “cell,” order the cells, and aggregate up to define the relevant income shares or Gini coefficients (this is done at the provincial level and for all of European Russia). Below, we focus on our intermediate, “preferred” inequality estimates, which assume that each household in a cell has the same mean income.<sup>30</sup> Additional details of these and the alternative estimates are spelled out in the Russia files of <http://gpih.ucdavis.edu/>.

*[Insert Figure 2 about here]*

Figure 2 reports one intermediate result of this exercise: the estimates of mean incomes across all types of households in each province.<sup>31</sup> The highest incomes are evident in the Baltic and northwestern provinces (including Petersburg, at 1317 rubles), Moscow (1147 rubles), and the Black Sea provinces (Kherson, with Odessa, at 829). The Eastern provinces had lower incomes, as did a number of central agricultural provinces. These estimates are consistent with existing studies of Russian living standards (i.e. Mironov, 2010), especially those that emphasize the heterogeneity of economic development by the early 20<sup>th</sup> century (Dennison and Nafziger, forthcoming; Wheatcroft, 1991). The overall mean income of 612.5 rubles is very close to Gregory’s (1982) aggregate per capita income of 100 rubles, with average household size hovering around six individuals.

*[Insert Table 7 about here]*

We present our preferred estimates of household income inequality in 1904 in Table 7. Our estimate of the top income 1 percent income share (13.5 percent of total income) happens to be close to Gregory’s calculation using the *Opyt'* data for inequality

---

<sup>30</sup> Our preferred estimates also make particular assumptions about the aggregation of incomes from particular sectors / activities for each social class.

<sup>31</sup> The underlying numbers are available in the 1904 inequality file at <http://gpih.ucdavis.edu/>.

within the elite (see Table 1).<sup>32</sup> The top 20 percent of households received slightly less than 50 percent of total income, and median incomes were 2/3 of the mean level. Based on over 2300 class/sector/location cells, we estimate the overall Gini coefficient to be approximately 0.36.

*[Insert Figure 3 about here]*

Figure 3 reports the geographic heterogeneity underlying this preferred estimate. These data rely on the identical methods for calculating Gini coefficients as we employ in the aggregate in Table 7 but are here executed separately using each province's data from the various sources described in Section V. In general, the mean income levels reported in Figure 2 were positively correlated with the level of inequality (coefficient of 0.75). The two capital provinces saw high levels of inequality, as Moscow and Petersburg were the only two provinces with Ginis above 0.5. Other provinces with relatively high inequality included the Baltics, southern Ukrainian and Black Sea provinces, and Orenburg in the Urals. The lowest levels of income inequality were generally found in the northern provinces and the upper Volga region.

We place these findings on the Russian income distribution in 1904 into context in the next section. In the meanwhile, it is important to acknowledge several mechanical ways that these “preferred” estimates may under or over-estimate the true level of inequality. For example, the available land statistics treat owners in each district as distinct, although we know that the largest landowners in Russia held numerous properties scattered across provinces. As shown in Appendix D, however, it turns out that the available data have imposed enough constraints so that their failure to merge properties across provinces could not have underestimated inequality much.

Another possible bias may arise from our assumption about the distribution of incomes within the class / sector cells. In our preferred estimates, all of the households in a cell are assigned a mean income, and, by default, we do not assume that incomes overlap across groups. Recent work by Modalsli (2011) suggests that this simplifying assumption may lead to limited underestimates of inequality when within-group

---

<sup>32</sup> When we aggregate over all households, we come to a total income for the fifty provinces of European Russia of 11.2 billion rubles. We feel that this is comparable to Gregory's (1982) estimate of roughly 16.2 billion for the entire Empire within the much larger USSR borders (therefore, excluding Poland and Finland).

dispersion takes particular forms. Our alternative estimates (available at <http://gpih.ucdavis.edu>) do relax this assumption in several ways; also see the discussion of similar issues in Milanovic *et al.* (2011).

Finally, a last possible source of bias may arise from how we aggregate incomes from other sectors to households whose primary earnings are located in one particular sector. Although peasant, noble, and other types of households tended to cluster in one sector, these households also earned income from other sources. We feel that our preferred estimates (in Appendix A) make a number of reasonable assumptions regarding this aggregation, especially for the peasantry and other lower income groups, and we do relax several of these in our alternative estimates. However, from the information reported in Russia, Ministerstvo (1906), we know little about the extent to which high earning households were high earners in several different sectors. Such a scenario is plausible, and since we cannot formulate a clear correction for this issue, we may be slightly underestimating overall inequality as a result.

Overall, we are aware that our estimates of Russian income inequality in the early 20<sup>th</sup> century contain several unavoidable imperfections – the ones mentioned here and possible others. The effects of several of these are explicitly explored in our robustness work, which is available online.

## VII. RUSSIAN INEQUALITY IN COMPARATIVE PERSPECTIVE

In the degree of its household income inequality in the early twentieth century, Russia was not alone. So says Table 8's comparisons of two kinds of summary measures of inequality: the shares of all incomes received by the top ranks, and the Gini coefficient. Even though one might have expected that a country on the eve of a large Revolution and, subsequently, the first Communist Revolution would have provoked its fate with some of the world's widest gaps in income, Table 8 offers no confirmation of this hunch. The clearest contrast consists of a set of experiences where inequality was more severe than it was in Imperial Russia. One such bastion of inequality was Victorian England, as represented by Baxter's estimates for 1867 (two others were Peru and South

Africa, as Table 8 suggests). The gaps were wider in England, both between top incomes and middle incomes and between middle incomes and the bottom.

*[Insert Table 8 about here]*

The other intriguing comparison is with inequality in Russia today. Some very rough conclusions are possible, once one considers two data limitations. The first limitation is that the comparison may be affected by changes in geography: relative to our pre-revolutionary European Russia estimate, today's Russian Federation has lost the provinces that have become Belarus, Ukraine, and Moldova, but now includes the Siberian and northern Caucasian parts of the Federation. The other is that the post-Soviet measures of income distribution tell inconsistent stories because of changing definitions of income and population.<sup>33</sup> The most comparable with our estimates for Imperial Russia are the 1995-1998 measures of the distribution of households' gross (pre-tax and pre-transfer) money income by Goskomstat, the predecessor of today's RosStat. Taking the estimates at face value, gross income inequality was already a bit higher in 1997 than in 1904. We suspect that these numbers understate the rise in inequality in the Yeltsin decade by under-reporting top incomes.<sup>34</sup>

Clues about movements in Russia's gross income inequality since the mid-1990s can be gathered from other series, ones that are less directly comparable with our 1904 measure. These other measures suggest a rise in inequality to around the year 2000, followed by equalization since then, not only in Russia but also in Ukraine and Moldova. In Belarus, inequality had already peaked back in 1993, and has drifted down since

<sup>33</sup> As the cited numbers in Table 1 suggest, estimates of the distribution of earnings or income showed fluctuating but generally declining levels of inequality over the Soviet period.

<sup>34</sup> We suspect this in part because the 1995-1998 estimates implausibly imply a higher middle-class share at the expense of the top 20% and the bottom 40%, relative to Imperial Russia, as shown by these income shares:

| Income share of          | Eur. Russia | Russian Federation |             |             |             |
|--------------------------|-------------|--------------------|-------------|-------------|-------------|
|                          | <u>1904</u> | <u>1995</u>        | <u>1996</u> | <u>1997</u> | <u>1998</u> |
| top 20% of households    | 47.7        | 47.1               | 45.1        | 46.3        | 47.0        |
| 41-79%                   | 31.0        | 37.4               | 38.0        | 36.7        | 36.0        |
| bottom 40% of households | 21.3        | 15.5               | 16.9        | 17.0        | 17.0        |
| Gini coefficient         | 0.362       | 0.412              | 0.385       | 0.393       | 0.398       |

These figures from 1995-1998 are from the Deininger-Squire WIID 2c dataset available at [http://www.wider.unu.edu/research/Database/en\\_GB/wiid/](http://www.wider.unu.edu/research/Database/en_GB/wiid/). Our Table 4 cites the 1997 Gini to avoid overstating the contrast with 1904, and to avoid highlighting data from the crisis year 1998.



then.<sup>35</sup> Combining Table 8's direct comparison of 1904 and 1997 with the post-Soviet movements in other series suggests this tentative conclusion: Relative to European Imperial Russia before the Revolutions, the income distribution in the Russian Federation started out less unequal, then became more unequal by the mid-1990s, reached one of the highest levels of inequality in all of post-1861 Russian history sometime around the year 2000, and has then become no more unequal than European Russian incomes were around 1904.<sup>36</sup>

The other settings of extremely wide inequality, in which Gini coefficients often exceed 0.42, consist of countries in the late twentieth and early twenty-first centuries. Among the many countries where incomes are clearly more unequal today than they were at the sunset of Imperial Russia are today's Brazil, China, the United States – and probably Russia itself. All four of these countries have experienced a long-run rise in inequality, the United States across the nineteenth and twentieth centuries and the other three during the twentieth. Yet for many other countries, such as Britain and Sweden, the gaps are now narrower – households are more equal – than they were in the nineteenth century and early twentieth.<sup>37</sup> This contrast in long-run movements is a puzzle worth pondering anew.

Such conventional comparisons of inequalities in nominal income need to be enriched in at least two dimensions, namely the redistributive role of the state in inequality, and the subtlety that class-specific differences in the cost of living might make something called relative “real inequality” quite different from the usual comparison of nominal inequalities like those in Tables 7 and 8. In both of these two dimensions, we see signs that a fuller comparison of Russia with countries to the West may reveal some intriguing twists.

---

<sup>35</sup> See the downloadable estimates from several sources in [http://www.wider.unu.edu/research/Database/en\\_GB/wiid/](http://www.wider.unu.edu/research/Database/en_GB/wiid/) and the 1989-2009 annual TransmonEE measures in <http://www.transmonee.org/>.

<sup>36</sup> We cannot say much about pre-1904 inequality at this point, although it is certainly possible that the trend was downward following emancipation. We hope to investigate this earlier period in future work. Furthermore, the contrast between pre-revolutionary and post-Soviet inequalities may have looked quite different, however, if we were to consider the inequality of *disposable* income, after taking account of taxes and transfer payments. See below for tentative thoughts in this direction. The interaction between fiscal policies and inequality of disposable income will be considered in future research.

<sup>37</sup> By 1904 the share of income received by the top one percent of U.S. households was probably already down as low as it was in Russia, as was the top one-percent share in Germany (Atkinson, Piketty, and Saez 2011, Figure 7B).

The possible redistribution from poor to rich, alias “fiscal regressivity,” lurks in the background here. It is hidden by the fact that for Russia, as for other countries, the data offer more information on “pre-fisc” income inequality than on the “post-fisc” distribution after taxes and transfers. Relative to other European countries, Russia showed more signs of fiscal regressivity in declining to redistribute from rich to poor. One sign of regressivity in the government’s policies is the fact that the net rental values on state and church lands could have been worth as much as 8.1 percent of national income.<sup>38</sup> If one views these as incomes that an elite withheld from the people who worked those lands, then top-income shares should be raised by this amount. Another sign of regressivity was that failure to pass an income tax when other governments were doing so in the early twentieth century. This was compounded by the central government’s growing reliance on revenues from the indirect taxation of basic consumption goods, especially alcohol.<sup>39</sup> Regressive policies were also evident in the central government’s unwillingness to spend on mass education, leaving primary school finance at the mercy of political debate within *zemstva* and other impoverished local governments.<sup>40</sup>

The other intriguing extension of the international inequality comparisons relates to subtleties about class-specific differences in the typical “cost of living” bundle of goods and services. Since different income classes consume different bundles of goods and services, it could matter a great deal if basic staples such as grains were cheaper relative to luxury goods in one country than in another, as Hoffman *et al.* (2002) have pointed out. Indeed, Imperial Russia stood out as a cheap-grain country, raising the possibility that the gaps in class-specific purchasing power were narrower than the usual comparisons of nominal income inequality imply (although possibly offset by various forms of consumption taxation). That does indeed appear to have been the case. As Boris Mironov has pointed out, anthropometric indicators and income clues suggest that the

---

<sup>38</sup> This applies the rental rates of Table 4 to the landholdings of the state and Church in 1905, as documented in Russia, Tsentral’nyi (1905).

<sup>39</sup> For discussions of the shift from direct towards indirect taxation by the central government, see Gorlin (1977) and Kotsonis (2004). Although the *zemstvo* did rely on local property taxation for revenues, rates were relatively high on peasant land compared to non-peasant property (Nafziger, 2011).

<sup>40</sup> See the discussions of early 20<sup>th</sup> century local school progress in Russia and other impoverished settings in Chaudhary *et al.* (2011).

lower ranks of the peasantry enjoyed living standards far enough above subsistence to fuel the well-documented rapid rate of natural increase.<sup>41</sup>

## VIII. CONCLUSION

The intermediate level of inequality, and the slight skewness that left the middle-income ranks closer to the bottom than to the top, might be viewed as the net result of two fundamental influences on Russian economic fortunes prior to the Revolutions. The fundamental egalitarian force was geographic: Russia has always stood out as abundant in productive land and staple grains. The land/labor logic that other scholars have used to link the Black Death to the freedom and wellbeing of the English yeoman should theoretically have compressed the income structure – and probably continued to do so, other things equal, even on the eve of Revolution. Although the peasantry was not the homogenous group that is often assumed – a fact that Lenin and his followers identified in their limited ways – the predominance of communal property among such a large part of the population likely held down property inequality. Yet the country's pre-Revolutionary history was also dominated by the inegalitarian force of the state. Imperial autocracy dependent on elites for its power continued to be reflected in the income inequality among estates and classes. Even if extraordinary political inequality did not manage to create extraordinary inequality by global standards, it did leave those signs of regressive redistribution we have already noted. Furthermore, income inequality in contemporary Russia likely exceeds the pre-Revolutionary level, and the fiscal structure is perhaps equally skewed towards politically connected elite at the expense of those lower on the income distribution (Gelbach, 2008). Can any historical lessons be drawn for Russia's future?

The limited, albeit geographically varied, inequality we find is consistent with economic growth and a positive trend in living standards, especially in rural areas. Even if peasants were increasingly "differentiated," rising agricultural productivity and growing opportunities for non-agricultural earnings were likely improving conditions at the lower end of the income distribution. Moreover, the fact that inequality appears to

---

<sup>41</sup> See Mironov (2010, 655-659). On similar points, see Hoch (1994) and Simms (1977).

have been particularly concentrated in the booming capital cities hints at a possible tenuous link to the Revolutions of 1905 and 1917, which both began in these urban settings. The limited, snapshot nature of our analysis requires extreme caution in making general or ahistorical conclusions, but the political protests accompanying the 2011-2012 Russian elections do suggest that the evident positive improvements in Russian living conditions since the 1990s may not preclude growing (urban) unease at the level of income inequality.

The research task that now dominates our agenda is how the level of economic inequality reached in the early twentieth century came about over the course of earlier Russian history. Was it always that way? Or did the classes' relative fortunes change across the post-Emancipation era, say from 1877 to 1913, and across the Emancipation Era between the relatively well-documented benchmark years 1858 and 1877? What earlier movements were likely? Boris Mironov and others have led the way with important new work on real wages and other indicators of living standards, but significant empirical materials remain relatively untapped throughout the post-Petrine era. The task is not an easy one for the pre-Emancipation era, mainly because it is hard to capture the income effects of the ownership of serfs.<sup>42</sup> Further archival and original source research will hopefully allow us to make progress in identifying the dynamics of Russian income inequality, both before and after 1904.

---

<sup>42</sup> Again see Mironov (2000, 2005, 2010, and his data series at <http://gpih.ucdavis.edu>). For the seventeenth century, see the materials collected in Richard Hellie's vast data set on the same web site. The issues regarding the incomes extracted by serfs are well framed and illuminated by Dennison (2006).

---

## REFERENCES

- Allen, Robert C. 2003. *Farm to Factory: A Reinterpretation of the Soviet Industrial Revolution*. Princeton, NJ: Princeton University Press.
- Allen, Robert C., Jean-Pascal Bassino, Debin Ma, Christine Moll-Murata, and Jan Luiten van Zanden. 2011. "Wages, Prices, and Living Standards in China, 1739-1925: in comparison with Europe, Japan, and India" *Economic History Review* 64.1: 8-38.
- Anfimov, A. M. 1984. *Ekonomicheskoe polozhenie i klassovaia bor'ba krest'ian Evropeiskoi Rossii v 1881-1904 gg.* Moscow, Nauka.
- Alvaredo, Facundo and Anthony B. Atkinson. 2010. "Colonial Rule, Apartheid and Natural Resources: Top Incomes in South Africa 1903-2005". OxCarre Research Paper No. 46.
- Arroyo Abad, A. L. 2009. "Inequality in Republican Latin America: Assessing the Effects of Factor Endowments and Trade," Global Prices and Income History Group Working Paper No. 12.
- Ascher, Abraham. 1988. *The Revolution of 1905: Russia in Disarray*. Stanford, CA: Stanford University Press.
- Atkinson, Anthony B., Thomas Piketty, and Emmanuel Saez. 2011. "Top Incomes in the Long Run of History". *Journal of Economic Literature* 49.1: 3-71.
- Bergson, Abram. 1984. "Income Inequality under Soviet Socialism," *Journal of Economic Literature* 22.3: 1052-1099.
- Bergson, Abram. 1944. *The Structure of Soviet Wages*. Cambridge, MA: Harvard University Press.
- Campbell, Bruce. 2007. "Benchmarking medieval economic development: England, Wales, Scotland and Ireland c. 1290," *Economic History Review*, 60: 1-50
- Chaudhary, Latika, Aldo Musacchio, Steven Nafziger, and Se Yan. 2012. "Big BRICs, Weak Foundations: The Beginnings of Public Elementary Education in Brazil, Russia, India, and China," *Explorations in Economic History* 49.2: 221-240
- Chaianov, Alexander. 1986. *The Theory of the Peasant Economy*. Edited by David Thorner, Basile Kerblay and R.E.F. Smith. Madison, WI: The University of Wisconsin Press.
- Dennison, Tracy. 2006. "Did Serfdom Matter? Russian Rural Society, 1750-1860". *Historical Research*, 79.203: 74-89.
- Dennison, Tracy, and Steven Nafziger. (forthcoming) "Micro-Perspectives on Russian Living Standards." *Journal of Interdisciplinary History*.
- Field, Daniel. 1989. "The Polarization of Peasant Households in Prerevolutionary Russia: Zemstvo Censuses and Problem of Measurement," *Research in Economic History* Supplement 5: 477-505.
- Fenske, James. 2012. "Land Abundance and Economic Institutions: Egba Land and Slavery, 1830-1914." *Economic History Review* 65.2: 527-555.
- Gatrell, Peter. *The Tsarist Economy: 1850-1917*. London: Batsford, 1986.
- Gorlin, Robert H. 1977. "Problems of Tax Reform in Imperial Russia." *Journal of Modern History* 49: 246-265.
- Goodwin, Barry K., and Thomas Grennes. 1998. "Tsarist Russia and the World Wheat Market." *Explorations in Economic History* 35: 405-430.

- Gregory, Paul R. 1980. "Grain Marketings and Peasant Consumption, Russia, 1885-1913." *Explorations in Economic History* 17.2: 135-164.
- Gregory, Paul R. 1982. *Russian National Income, 1885-1913*. Cambridge: Cambridge University Press.
- Harrison, Mark. 1977. "Resource Allocation and Agrarian Class Formation: The Problem of Social Mobility among Russian Peasant Households, 1880-1930," *The Journal of Peasant Studies* 4: 127-161.
- Hellie, Richard. 1999. *The Economy and Material Culture of Russia 1600-1725*. Chicago: University of Chicago Press.
- Hoch, Steven. 1994. "On Good Numbers and Bad: Malthus, Population Trends and Peasant Standard of Living in Late Imperial Russia," *Slavic Review* 53.1: 41-75.
- Hoffman, Philip T., David Jacks, Patricia Levin, and Peter H. Lindert. 2002. "Real Inequality in Western Europe since 1500," *Journal of Economic History* 62.2: 322-355.
- Ianson, Iu. 1881. *Opyt statisticheskago izsledovaniia o krest'ianskikh nadelakh i platezhakh*. St. Petersburg: M. Stasiulevich.
- Johnson, Robert E. 1997. "Family Life-Cycles and Economic Stratification: A Case-Study in Rural Russia," *Journal of Social History* 30.3: 705-731.
- Kotsonis, Yanni. 2004. "'Face to Face': The State, the Individual, and the Citizen in Russian Taxation, 1863-1917," *Slavic Review* 63.2: 221-46.
- Koval'chenko, Ivan D. 1967. *Russkoe krepostnoe krestianstvo v pervoi polovine XIX veka*. Moscow.
- Kuznets, Simon. 1976. "Demographic Aspects of the Size Distribution of Income: An Exploratory Essay," *Economic Development and Cultural Change* 25: 1-94.
- Lenin, Vladimir I. 1974. *The Development of Capitalism in Russia*. Moscow: Progress Publishers.
- Lindert, Peter H. 1987. "Who Owned Victorian England? The Debate over Landed Wealth and Inequality," *Agricultural History* 61.4: 25-51.
- Lindert, Peter H. and Jeffrey G. Williamson. 1982. "Revising England's Social Tables, 1688-1812," *Explorations in Economic History* 19.4: 385-408.
- Markevich, Andrei, and Mark Harrison. 2011. "Great War, Civil War, and Recovery: Russia's National Income, 1913-1928," *Journal of Economic History* 71, no. 3: 672-703.
- McAuley, Alastair. 1979. *Economic Welfare in the Soviet Union*. Madison, WI: University of Wisconsin Press.
- Merl, Stephan. 1990. "Socio-Economic Differentiation of the Peasantry." In R. W. Davies (ed.), *From Tsarism to the New Economic Policy*. Ithaca, NY: Cornell University Press.
- Milanovic, Branko, Peter H. Lindert, and Jeffrey G. Williamson. 2011. "Pre-Industrial Inequality," *Economic Journal* 121: 255-272.
- Minarik, L. P. 1971. *Ekonomicheskaiia kharakteristika krupneishikh zemel'nykh sobstvennikov Rossii kontsa XIX - nachala XX v. Zemlevladienie, zemlepol'zovanie, sistema khoziaistva*. Moscow: n. p.
- Mironov, Boris N. 2005. "The Burden of Grandeur: Physical and Economic Well-Being of the Russian Population in the Eighteenth Century." In Robert C. Allen, Tommy

- Bengtsson, and Martin Dribe (eds.), *Living Standards in the Past: New Perspectives on Well-Being in Asia and Europe*. Oxford: Oxford University Press.
- Mironov, Boris N., with Ben Eklof. 2000. *A Social History of Imperial Russia, 1700-1917*. Two vols. Boulder: Westview Press.
- Mironov, Boris N. 2010. *Blagosostoyanie naselenia i revoliutsii v imperskoi Rossii*. Moskva: Novyi khronograf.
- Modalsli, Jørgen. 2011. "Inequality and Growth in the Very Long Run: Inferring Inequality from Data on Social Groups," Working paper, University of Oslo.
- Morrisson, Christian and Wayne Snyder. 2000. "The Income Inequality of France in Historical Perspective," *European Review of Economic History* 4: 59-83.
- Nafziger, Steven. 2010. "Peasant Communes and Factor Markets in Late Nineteenth-Century Russia," *Explorations in Economic History* 47.4: 381-402.
- Nafziger, Steven. 2011. "Did Ivan's Vote Matter? The Political Economy of Local Democracy in Tsarist Russia," *European Review of Economic History* 15: 393-441.
- Nunn, Nathan. 2008. "The Long Term Effects of Africa's Slave Trades," *Quarterly Journal of Economics* 123.1: 139-176.
- Pintner, Walter M. 1980. "The Evolution of Civil Officialdom, 1755-1855." In W. M. Pintner and D. K. Rowney (Eds.), *Russian Officialdom: The Bureaucratization of Russian Society from the Seventeenth to the Twentieth Century*. Chapel Hill: University of North Carolina Press.
- Prokopovich, Sergei. 1918. *Opyt Izucheniia narodnogo dokhoda 50 gub. Evropeiskoi Rossii*. Moscow.
- Rashin, A.G. 1958. *Formirovanie rabocheho klassa Rossii*. Moscow.
- Robinson, Geroid. 1972 [1932]. *Rural Russia under the Old Regime*. Berkeley, CA: University of California Press.
- Russia, Departament okladnykh sborov, Ministervo Finantsov. 1903. *Materialy vysochaishe uchrezhdennoi 16 noiabria 1901 g. kommissii po izsledovaniiu voprosa o dvizhenii s 1861 g. po 1900 g. blagosostoianiia sel'skago naseleniia srednezemledel'cheskikh gubernii, sravnitel'no s drugimi mestnostiami Evropeiskoi Rossii*. 3 vols. St. Petersburg, Russia: P.P. Soikin.
- Russia, Ministerstvo Finantsov. 1906. *Opyt' priblizitel'no ischislenia narodnogo dokhoda po raslichnym evo istochnikam I po razmeram v Rossii*. St. Petersburg, Russia: P.P. Soikin.
- Russia, Ministerstvo Finantsov. 1910. *Podokhodnyi nalog: Ozhidaemoe chislo platel'shchikov, ikh dokhod i summa naloga, po isledovaniu proisvedennomu podatnymi inspektorami i kazennymi palatami v 1909-10 g.* St. Petersburg, Russia: N. Ia. Stoikov.
- Russia, Tsentral'nyi statisticheskii komitet, Ministerstvo vnutrennykh del. 1906. *Statistika zemliavladeniia 1905 g.* multiple vols. St. Petersburg, Russia.
- Russia. Tsentral'nyi statisticheskii komitet, Ministerstvo vnutrennykh del. 1905. *Ezhegodnik Rossii 1904 g.* St. Petersburg, Russia.
- Shcherbina, F. A. 1900. *Krest'ianskie biudzhety*. Voronezh, Russia: Imperatorskoe vol'noe ekonomicheskoe obshchestvo.
- Shcherbina, F. A. 1897. "Krest'ianskie biudzhety i zavisimost' ikh ot urozhaev i tsen na khleba". In A.I. Chuprov and A.S. Posnikov (eds.), *Vliianie urozhaev i khlebnnykh*

- tSEN na nekotoryia storony Russkago narodnago khoziaistva*. St. Petersburg, Russia: V. Kirshbaum.
- Simms, James Y. Jr. 1977. "The Crisis in Russian Agriculture at the End of the Nineteenth Century: A Different View," *Slavic Review* 36.3: 377-98.
- Sng, Tuan-Hwee. 2011. "Size and Dynastic Decline: The Principal-Agent Problem in Late Imperial China 1700-1850." Paper presented at the All-UC APEBH conference, Berkeley, February.
- Svavitskaia, Z. M., and N. A. Svavitskii, eds. 1926. *Zemskie podvornye perepisi: 1880-1913*. Moscow: n. p.
- Troinitskii, N.A., ed. 1905. Multiple vols. *Pervaia vseobshchaia perepis' naseleniia Rossiiskoi imperii, 1897 g.* Multiple vols. St. Petersburg, Russia: Central Statistical Committee, Ministry of the Interior (TsSK, MVD).
- Tugan-Baranovsky, M.I. 1970. *The Russian Factory in the 19th Century*. Translated by Arthur Levin and Claora Levin. 3 ed. Homewood, IL: Richard T. Irwin.
- Wheatcroft, Stephen G. 1991. "Crises and the Condition of the Peasantry in Late Imperial Russia." In Esther Kingston-Mann and Timothy Mixter (eds.), *Peasant Economy, Culture, and Politics of European Russia, 1800-1921*. Princeton, NJ: Princeton University Press, 1991.
- Wirtschafter, Elise. 1997. *Social Identity in Imperial Russia*. DeKalb, IL: Northern Illinois University Press.



**Table 1: Previous Partial Estimates of Russian / Soviet Income or Wealth Distributions, 1880 - 1981**

| Year | Type of Inequality | Inequality of What?                      | Inequality Where?              | Measure | Source                                    |
|------|--------------------|--|--------------------------------|---------|---|
| 894  | Gini               | Horse ownership, peasant households      | Orel d., Orel province         | 0.497   | Field (1989), from <i>zemstvo</i> studies |
| 897  | Gini               | Horse ownership, peasant households      | Murom d., Vladimir province    | 0.572   | Field (1989), from <i>zemstvo</i> studies |
| 900  | Gini               | Horse ownership, peasant households      | Zadonsk d., Voronezh province  | 0.473   | Field (1989), from <i>zemstvo</i> studies |
| 900  | Gini               | Arable land holdings, peasant households | Poltava province               | 0.608   | Field (1989), from <i>zemstvo</i> studies |
| 888  | Gini               | Arable land holdings, peasant households | Konstantinograd d., Poltava p. | 0.484   | Field (1989), from <i>zemstvo</i> studies |
| 900  | Gini               | Arable land holdings, peasant households | Konstantinograd d., Poltava p. | 0.576   | Field (1989), from <i>zemstvo</i> studies |
| 910  | Gini               | Arable land holdings, peasant households | Konstantinograd d., Poltava p. | 0.606   | Field (1989), from <i>zemstvo</i> studies |
| 888  | Gini               | Draft animals, peasant households        | Konstantinograd d., Poltava p. | 0.434   | Field (1989), from <i>zemstvo</i> studies |
| 900  | Gini               | Draft animals, peasant households        | Konstantinograd d., Poltava p. | 0.467   | Field (1989), from <i>zemstvo</i> studies |
| 910  | Gini               | Draft animals, peasant households        | Konstantinograd d., Poltava p. | 0.39    | Field (1989), from <i>zemstvo</i> studies |
| 967  | Gini               | Incomes, non-farm households, pre-tax    | USSR                           | 0.229   | McAuley (1979)                            |
| 905  | Top income         | Income share of top 1% of households     | Russian Empire                 | 0.15    | Gregory (1982)                            |
| 914  | P90 / P10          | Wages, industrial sectors                | USSR                           | 5.55    | Bergson (1944)                            |
| 928  | P90 / P10          | Wages, industrial sectors                | USSR                           | 3.49    | Bergson (1944)                            |
| 946  | P90 / P10          | Wage and salary earnings, all sectors    | USSR                           | 7.24    | Bergson (1984, from Soviet source)        |
| 956  | P90 / P10          | Wage and salary earnings, all sectors    | USSR                           | 4.44    | Bergson (1984, from Soviet source)        |
| 961  | P90 / P10          | Wage and salary earnings, all sectors    | USSR                           | 4       | Bergson (1984, from Soviet source)        |
| 981  | P90 / P10          | Wage and salary earnings, all sectors    | USSR                           | 3       | Bergson (1984, from Soviet source)        |

Note: These measures represent a select sample of inequality indicators collected from the English-language secondary literature.

**Table 2: Social Structure of Household Heads in European Russia, 1858-1913**

| Estate (Thousands of Households)        | 1858   | 1870   | 1897   | 1913    |
|---|--------|--------|--------|---------|
| Nobility                                | 889    | 861    | 1,373  | 1,936   |
| Hereditary                              | 612    | 544    | 886    | 1,249   |
| Non-hereditary                          | 277    | 317    | 487    | 687     |
| Clergy (Christian)                      | 567    | 609    | 501    | 697     |
| Military                                | 3,767  | 3,981  |        |         |
| Army                                    | 927    | 704    | 1,095  | 1,320   |
| Honored, titled                         | 21     |        | 308    | 611     |
| Merchants                               | 400    |        | 240    |         |
| Urban                                   | 4,300  | 6,091  | 10,493 | 22,716  |
| Peasantry                               | 49,000 | 53,600 | 80,100 | 103,300 |
| <i>Raznochintsy</i> (“different ranks”) | 730    | 383    | 738    | 258     |
| Total households                        | 59,300 | 65,500 | 93,200 | 128,900 |
| <u>% Shares of Total Households</u>     |        |        |        |         |
| Nobility                                | 1.6    | 1.4    | 1.5    | 1.5     |
| Clergy (Christian)                      | 1.0    | 1.0    | 0.5    | 0.5     |
| Army                                    | 1.6    | 1.1    | 1.2    | 1.0     |
| Urban                                   | 7.6    | 9.8    | 11.1   | 17.4    |
| Peasantry                               | 86.9   | 86.1   | 84.9   | 79.3    |
| Other                                   | 1.3    | 0.6    | 0.8    | 0.2     |
| Totals                                  | 100.0  | 100.0  | 100.0  | 100.0   |

Note: These data are compiled in Mironov (2000, 254) and revised in Mironov (2011, 645). The number of households in 1913 is reconstructed from church administrative data (1895-1914) and the agricultural census of 1916. The totals for other years are from population censuses. The number of “Honored, Titled” households in 1870 are unavailable, while the number in 1913 includes merchants. Data on the full number of military households are incomplete for 1897 and 1913.

**Table 3: Household Heads by Economic Sector in European Russia, c. 1904**

|   | Thousands of Households |          |          | %     |
|---|-------------------------|----------|----------|-------|
|   | Urban                   | Rural    | Total    |       |
| Agriculture ( <i>sel'skoe khoziaistvo</i> ) | 198.9                   | 13,522.5 | 13,721.4 | 75.0  |
| Mining                                      | 4.5                     | 75.6     | 80.1     | 0.4   |
| Manufacturing                               | 572.9                   | 868.5    | 1,441.4  | 7.9   |
| Construction                                | 97.8                    | 184.6    | 282.4    | 1.5   |
| Trade, transport, communications            | 504.6                   | 492.1    | 996.8    | 5.5   |
| Administration (government)                 | 81.0                    | 57.7     | 138.7    | 0.8   |
| Clergy                                      | 30.9                    | 95.1     | 126.0    | 0.7   |
| Free professions                            | 67.5                    | 54.8     | 122.3    | 0.7   |
| Private service, servants &c                | 321.2                   | 453.1    | 774.3    | 4.2   |
| Other                                       | 318.1                   | 283.5    | 601.6    | 3.3   |
| Total households                            | 2,197.3                 | 16,087.6 | 18,284.9 | 100.0 |

Note: These data are from Troinitskii, ed. (1905, vol. 8) and Russia, Tsentral'nyi (1905).

**Table 4: Land Rental Incomes of Individual Owners in European Russia, c. 1904**

| Estate         | Households<br>(1000s) | Owners<br>(1000s) | Percent<br>owning | Land rents<br>(1000s r.) | Percentages of all<br>owners | Percentages of all<br>rents | Rent per<br>owner |
|----------------|-----------------------|-------------------|-------------------|--------------------------|------------------------------|-----------------------------|-------------------|
| Nobility       | 264.8                 | 87.9              | 33.2              | 247,679                  | 11.2                         | 60.8                        | 2,817             |
| Clergy         | 98.7                  | 8.5               | 8.6               | 3,999                    | 1.1                          | 1.0                         | 473               |
| Merchants &c   | 106.0                 | 22.5              | 21.2              | 58,616                   | 2.9                          | 14.4                        | 2,609             |
| Townsppeople   | 1,950.4               | 84.9              | 4.4               | 42,463                   | 10.8                         | 10.4                        | 500               |
| Peasants       | 15,435.2              | 622.2             | 4.0               | 42,634                   | 69.2                         | 10.5                        | 78                |
| Misc., foreign | 429.8                 | 37.6              | 8.7               | 11,775                   | 4.8                          | 2.9                         | 313               |
| Total          | 18,284.9              | 863.5             | 4.7               | 615,316.6                | 100.0                        | 100.0                       | 519               |

Note: The figures exclude urban realty. In addition to their individual private holdings, these same estates held some land as shares in collective property holdings (property owned by collective or partnership entities), amounting to about 12.3 percent of all private land area. Most of this was held by the peasantry. The vast majority of the peasantry also held shares of communal allotment land (*nadel'nye zemli*), generating an estimated 447,858,172 rubles in rental incomes, excluded from this table. Merchants &c = merchants and esteemed citizens (*kuptsy i pochetnye*). The sources of these data are the owners and land areas from the 1905 land census (Russia, Tsentral'nyi, 1906); and rent information from Russia, Ministerstvo (1906). For the derivation of these estimates, see the file "Ownership of rural lands 1904 (Nafziger-Lindert)" at <http://gpih.ucdavis.edu>, under Russia in the main data list.

**Table 5: Estimated Peasant Household Incomes in European Russia, c. 1904**

|  | Households<br>(1000s) | Total Incomes<br>(1000 r) | Income per<br>Household |
|--|-----------------------|---------------------------|-------------------------|
| <i>Households with Shares of Communal or Other Collective Holdings</i> |                       |                           |                         |
| Poor farmless laborers (land = 0)                                      | 687.9                 | 152,096                   | 221                     |
| Lower farm operators   | 3,770.8               | 1,199,049                 | 318                     |
| Middle farm operators  | 7,117.8               | 2,894,742                 | 407                     |
| Upper farm operators   | 2,569.3               | 1,442,951                 | 562                     |
| Top farmers, not private owners  | 737.8                 | 712,283                   | 965                     |
| <i>Households with Privately Owned Property</i>                        |                       |                           |                         |
| 0 <1k  | 543.2                 | 591,033                   | 1,088                   |
| 1k-2k  | 4.6                   | 11,186                    | 2,413                   |
| 2k-5k  | 2.6                   | 10,840                    | 4,135                   |
| 5k-10k   | 0.7                   | 6,017                     | 8,087                   |
| 10k-20k  | 0.3                   | 4,053                     | 14,794                  |
| 20k-50k  | 0.1                   | 2,445                     | 29,939                  |
| 50k-up   | 0.008                 | 897                       | 116,456                 |
| Totals   | 15,435.3              | 7,027,591                 | 455                     |

Notes: “Poor farmless peasant laborers” is our estimate of households residing in communal villages but without a share of allotment land. The 622.2 thousand individual peasant land owners of Table 4 included 551.7 thousand private land owners described here and the 70.5 thousand non-communal but collective land properties noted in Table 4. The source for the 1897 population and household counts by sector is Troinitskii, N.A., ed. (1905, vol. 8), with population adjustments according to growth rates calculated with the aid of Russia, Tsentral’nyi (1905, 40-53). Underlying data on wage incomes in the 1890s are from *zemstvo* budget studies reported in Russia, Departament (1903, 199 and 234-237). *Zemstvo* studies tended to average incomes per peasant household for particular areas. Such studies yielded usable average household incomes for six provinces from the 1890s and start of the twentieth century. See that Appendix B, plus the derivations in the Excel File “Peasant incomes 1904 23mar12.xlsx” at <http://gpih.ucdavis.edu>, under the Russia files.

**Table 6: *Opyt'* Estimates of Households with Incomes > 1000 Rubles, c. 1904**

|   | Totals for households with incomes<br>above 1,000 rubles in the given category |                                 |                         |     |
|---|--|---------------------------------|-------------------------|-----|
|   | Number of<br>households  | Total income<br>(rubles, 1000s) | Income per<br>household |     |
| Land rents                                  | 52,764   | 318,442                         | 6,035                   | (a) |
| Urban real estate                           | 46,143   | 214,270                         | 4,644                   | (b) |
| Commercial-industrial enterprise<br>profits | 67,170   | 531,335                         | 7,910                   | (a) |
| From financial investments                  | 55,235   | 239,066                         | 4,328                   | (c) |
| State service salaries (1905)               | 91,204   | 180,745                         | 1,982                   | (c) |
| Urban government                            | 4,521  | 8,113                           | 1,795                   | (c) |
| <i>Zemstvo</i> officials                    | 7,830  | 12,576                          | 1,606                   | (c) |
| Personal productive enterprises             | 30,144   | 86,994                          | 2,886                   | (c) |
| “Professions”                               |  |                                 |                         |     |
| Doctors                                     | 8,237  | 30,954                          | 3,758                   | (c) |
| Lawyers                                     | 4,705  | 17,564                          | 3,733                   | (c) |
| Notaries                                    | 1,267  | 3,850                           | 3,039                   | (c) |
| Writers                                     | 435  | 1,769                           | 4,066                   | (c) |
| Totals [see notes]                          | 369,655  | 1,645,680                       | 4,452                   |     |

Note: These data were derived from Russia, Ministerstvo (1906). Each row's counts of persons and incomes refer only to its type of income source. As noted in the text, the officials were unable to combine the different types of incomes for any given household. The comments refer to: (a) = 50 provinces of European Russia, (b) = 49 provinces = European Russia minus Arkhangel'sk, and (c) = unclear geographic coverage, probably the 50 European provinces plus the returns from a few reporting provinces in the North Caucasuses and Transcaucasia, but excluding Finland, Poland, Central Asia and Siberia. Russia, Ministerstvo (1906), itself, summarized the overall returns at the broader (c) geographic basis. The totals reported in its Table XXIII were thus larger: 404,703 households, with incomes totalling 1,723,779,477 rubles. For details, see the file “High incomes c1904, from the *Opyt'* (1906) study (Nafziger-Lindert),” under Russia in the main data list at <http://gpih.ucdavis.edu>.

**Table 7: Preferred Income Inequality Estimates for European Russia, c. 1904**

|                          | Income Shares<br>(% of total income) | Mean Incomes<br>(rubles) |
|--------------------------|--------------------------------------|--------------------------|
| Top 1 % of households    | 13.5                                 | 8,241.7                  |
| Top 5 % of households    | 22.7                                 | 2,785.4                  |
| Top 10 % of households   | 31.9                                 | 1,953.7                  |
| Top 20 % of households   | 47.7                                 | 1,461.8                  |
| Next 40 % of households  | 31.0                                 | 473.8                    |
| Bottom 40% of households | 21.3                                 | 326.2                    |
| Gini coefficient         | 0.362                                |                          |
|                          | Overall Mean                         | 612.5                    |
|                          | Overall Median                       | 408.5                    |

Note: These numbers reflect our preferred estimate as described in the text. Data and further details may be found in the 1904 inequality file at <http://gpih.ucdavis.edu>.

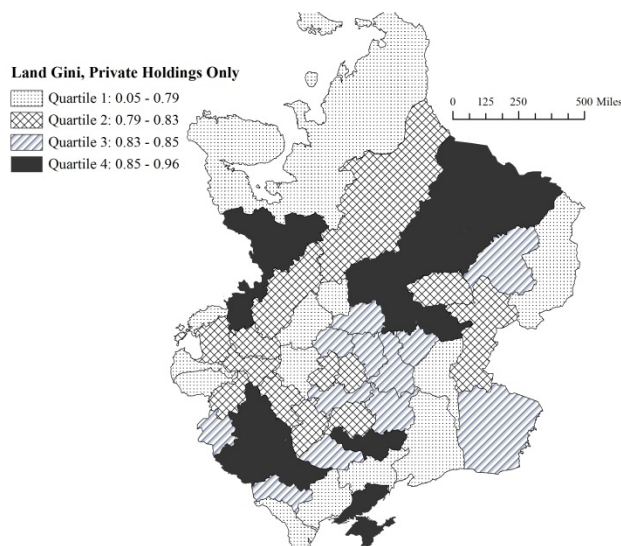
**Table 8: Income Inequality in Imperial Russia and Select Other Settings**

|  | Percent of all<br>income received by |         | Gini<br>coefficients |
|--|--------------------------------------|---------|----------------------|
|  | Top 1%                               | Top 5 % |                      |
| European Russia 1904                   | 13.5                                 | 22.7    | 0.362                |
| <i>European and Offshoot Societies</i> |                                      |         |                      |
| England-Wales 1867                     | 28.6                                 | 41.2    | 0.490                |
| Sweden 1903                            | 27.0                                 | 35.3    |                      |
| Finland 1922                           | 14.9                                 | 32.0    |                      |
| USA 1917                               | 17.6                                 | 30.3    |                      |
| <i>Non-Western Societies</i>           |                                      |         |                      |
| Japan 1907                             | 18.3                                 | 32.3    |                      |
| China 1880s                            | 19.7                                 |         | 0.239                |
| Brazil 1872                            | 11.2                                 |         | 0.387                |
| Peru 1876                              | 20.8                                 |         | 0.413                |
| South Africa 1914                      | 20.5                                 |         |                      |
| <i>Colonial settings</i>               |                                      |         |                      |
| Maghreb 1880                           |                                      |         | 0.570                |
| Kenya 1914                             |                                      |         | 0.331                |
| Kenya 1927                             |                                      |         | 0.416                |
| India 1922                             | 12.7                                 |         |                      |
| Java 1880                              |                                      |         | 0.389                |
| Java 1924                              | 14.4                                 |         | 0.318                |
| <i>More recently</i>                   |                                      |         |                      |
| Russia 1997                            |                                      |         | 0.393                |
| USA 2003                               | 14.9                                 | 29.9    | 0.464                |
| China 2003                             |                                      |         | 0.449                |
| Brazil 2001                            |                                      |         | 0.612                |

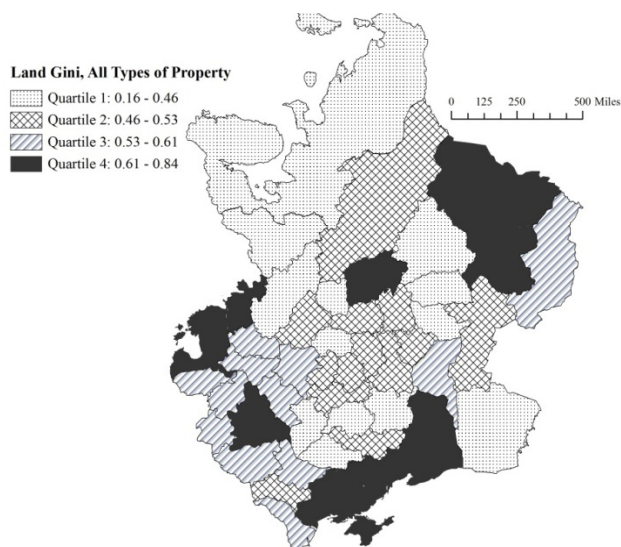
Note: The Russian estimates are the preferred estimates from Table 7. The main tertiary sources are Atkinson, Piketty, and Saez (2011); Milanovic, Lindert, and Williamson (2011); files available at the Global Price and Income History Group (<http://gpih.ucdavis.edu>, “early income distributions”); and the World Bank’s Deininger-Squire inequality database at [http://www.wider.unu.edu/research/Database/en\\_GB/wiid/](http://www.wider.unu.edu/research/Database/en_GB/wiid/).

**Figure 1: The Geography of Landholding Inequality, c. 1905**

Panel A.



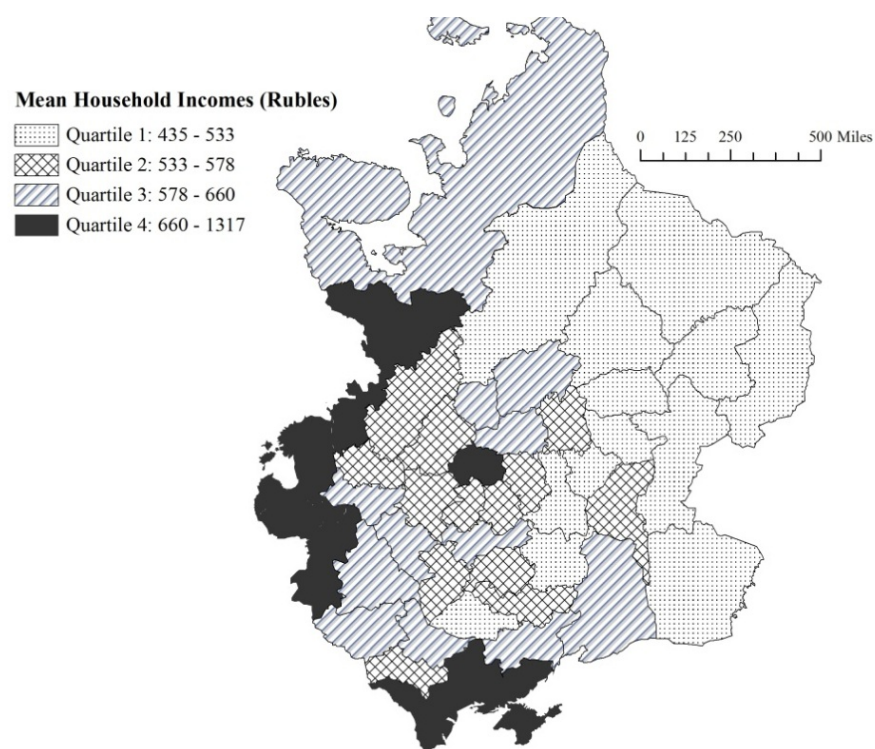
Panel B.



Note: The underlying land data are taken from Russia, Tsentral'nyi (1906). Panel A indicates inequality across only private holdings. In Panel B, the Gini are calculated across all types of land holdings, including peasant shares of communal land. "Ownership" in both measures is limited to the district – i.e. estates that spill across more than one district would be counted as separate properties for these province-level calculations.

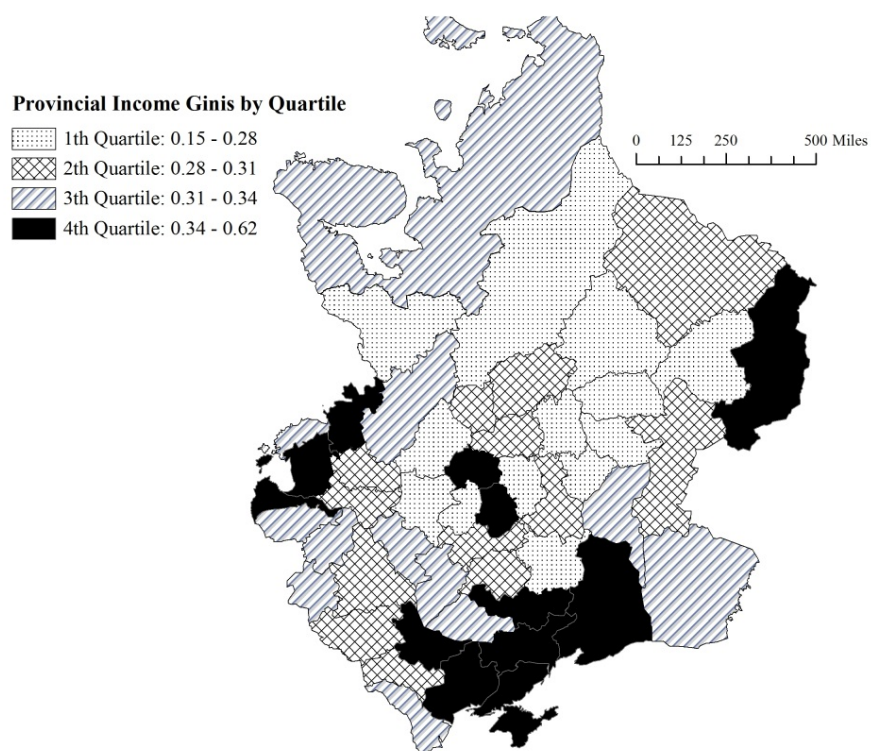


**Figure 2: The Geography of Household Income Levels, c. 1904**



Note: For sources and the methodology behind the income calculations, see the text.

**Figure 3: The Geography of Income Inequality, c. 1904**



Note: The underlying sources and methodology for calculating income inequality are discussed in the text.

## Appendix A: Assumed Combinations of Estates and Sectors

As noted in the text, the available clues can be combined more efficiently if we recognize that the output sectors (agriculture, mining, domestic service, government, etc.) yielding average wage or salary data tend to be interplay with a household's estate (*soslovie*) status, which shapes household non-human wealth. The likely combinations also differed between cities and the countryside.

This appendix lays out the assumptions we have made about these estate-sector combinations, so that other scholars can judge whether or not our assumptions need to be changed for a more accurate view of Imperial Russia's levels and distributions of income. We give a few illustrative assumptions here, and relegate the fuller details to the Excel file "Households by estate (*soslovie*), sector (*zanyatie*), and province 1904 (Nafziger-Lindert)" in <http://gpih.ucdavis.edu>, under Russia in the main data list.

Table A.1 lays out the results of our assumptions, aggregated up to the 50-province level. Our accounting system proceeded through the output (economic) sectors, beginning with agriculture, and ending with industry-commerce as a residual. For each output sector in turn, we made our best guesses about the social estates whose households were employed in it. The residual numbers of households in each estate were then carried over to the next estate, where further assumptions were made, and so forth. What follow are a few of the main assumptions about the estate members that each sector employed.

**Agriculture.** It is not hard to figure out which estates responded that their professional was agricultural (in the 1897 census). They were overwhelmingly peasants, with some nobility and miscellaneous (e.g. military) estates sprinkled on the side.

Luckily, the sum of households in these three estate groups exceeds the number of agricultural households by a margin that might not be bad for deriving a residual share of these estates that were devoted to the non-agricultural labor force. Granted, the allocation of time is not the same as the allocation of persons' responses to the "what do you do" question. But the shares should be similar. Assume that the shares of persons in these estates not declaring themselves as agriculturalists equal the respective shares of these estates' labor spent outside of agriculture.

**Clergy.** The census gives more clergy as an occupation than it gives clergy as a social estate. This is presumably because the occupational-sector question on the census allowed the non-Russian-orthodox more leeway to declare clergy as their profession than did the question on estate.

**Free professions.** These were presumably divided among households in many different social estates. We were guided by the inter-province correlations between estates percentage shares or all estates with free-profession shares of total household employment.

**Government.** The Russia, Ministerstvo Finantsov (1906) study offered a breakdown of the higher-paid strata of government between state, municipal-provincial, and *zemstvo* administrators.

**Table A.1: Assumed Household Numbers by Output Sector and Social Estate, c. 1904**

| Output sector<br>( <i>zanyatie</i> ) | Social estate<br>( <i>soslovie</i> ) | Numbers of households |            |            |
|--------------------------------------|--------------------------------------|-----------------------|------------|------------|
|                                      |                                      | Urban                 | Rural      | Total      |
| Agriculture                          | Peasants                             | 192,451               | 13,070,931 | 13,263,381 |
| ( " )                                | Nobility                             | 2,541                 | 112,721    | 115,261    |
| ( " )                                | Misc estates                         | 1,663                 | 330,235    | 331,899    |
| ( " )                                | Meshchane                            | 2,267                 | 8,604      | 10,871     |
| Servants                             | Peasants                             | 300,077               | 399,159    | 699,236    |
| ( " )                                | Misc estates                         | 9,642                 | 1,992      | 11,633     |
| ( " )                                | Meshchane                            | 11,473                | 51,957     | 63,430     |
| Clergy zanyatie                      | Clergy                               | 24,965                | 72,432     | 97,397     |
| ( " )                                | Misc estates                         | 5,033                 | 5,331      | 10,364     |
| ( " )                                | Meshchane                            | 881                   | 17,325     | 18,205     |
| Free professions                     | Nobility                             | 46,039                | 8,005      | 54,044     |
| ( " )                                | Merchants                            | 0                     | 13,240     | 13,240     |
| ( " )                                | Meshchane                            | 21,429                | 33,581     | 55,010     |
| Government admin.                    | Nobility                             | 11,325                | 582        | 11,907     |
| ( " )                                | Merchants                            | 9,232                 | 5,317      | 14,549     |
| ( " )                                | Peasants                             | 24,221                | 20,087     | 44,308     |
| ( " )                                | Meshchane                            | 36,179                | 31,758     | 67,937     |
| Industry & commerce                  | Nobility                             | 80,889                | 2,717      | 83,605     |
| ( " )                                | Clergy                               | 1,023                 | 258        | 1,281      |
| ( " )                                | Merchants                            | 54,183                | 23,981     | 78,164     |
| ( " )                                | Meshchane                            | 909,016               | 825,911    | 1,734,926  |
| ( " )                                | Peasants                             | 403,940               | 1,024,381  | 1,428,321  |
| ( " )                                | Misc estates                         | 46,228                | 29,711     | 75,939     |
|                                      | Totals                               | 2,194,696             | 16,090,213 | 18,284,909 |

Note: The main sources of these data are from the 1897 census as published in Troinitskii, ed. (1905), inflated to 1904 by population growth rates in from Russia, Tsentral'nyi (1905). For details of the assumptions and estimates, see the file "Households by estate and sector 1904" in <http://gpih.ucdavis.edu>, under Russia in the main data list.

## Appendix B: Stratifying Peasant Incomes

Gregory's (1982) estimate of 15 percent of national income owned by the top one percent of households (Table 1) relies on the data on high earners collected in Russia, Ministerstvo (1906). A key contribution of our paper is to go beyond that source to include the vast majority of households making less than 1000 rubles in 1904. Since these were primarily peasants (roughly 85 percent of all households), constructing a plausible estimate of Russian inequality requires grappling with the distribution of incomes within this social estate. The result of this exercise is reported in Table 5 above.

Peasant households derived most of their income from land, which, by 1904, they accessed via their membership in rural societies (*sel'skie obshchestva* – with the associated “allotment land”) or through private ownership (either individually or as members of quasi-corporate bodies). At the same time, peasants households also earned income from a variety of other sources, especially in the Central Industrial Region surrounding Moscow and St. Petersburg. We rely on a variety of *zemstvo* budget surveys (especially Shcherbina, 1900; on Voronezh province) to document the contributions of these other types of earnings to overall household incomes by the type and amount of landownership. We vary the relative size of these contributions across provinces based on provincial level industrial and agricultural wage data. Based on their primary source of income, these peasant households can be allocated to different sectors as in Table A.1 (the sum of peasant households in this table equals the sum in Table 5).

To arrive at the distribution of peasant households in Table 5, we first draw on our decomposition of *private* land ownership by social class (summarized in Table 4), complemented by high agricultural earnings assigned to peasantry from Russia, Ministerstvo (1906), to allocate non-communal peasant households to different income strata. For households who receive land through their communal memberships, we take into account the provincial-level variation in the size of these allotments (and their rental values) in assigning households to different strata in the upper part of Table 5. This assumes that land was allocated equally within a given commune. Chaianov (1986) and others have argued that Russian peasants communal allotment holdings were closely related to household size and structure – i.e. absolute equalization across households was rarely observed. Although this would suggest some additional within-commune inequality, our estimates of the distribution of allotment land across households closely resemble available (micro) *zemstvo* accounts. The amount of allotment and non-allotment land held by peasant households is taken from Russia, Tsentral'nyi (1906). Finally, based on *zemstvo* data, we assume that 4.5 percent of peasant households were landless.

A complete accounting of all the assumptions underlying the distribution of incomes among the peasantry may be found in the file “Peasant Incomes 1904” at <http://gpih.ucdavis.edu>. This file contains citations to the relevant sources on wage data, earnings by sector, and land holdings.

## Appendix C: The Geography of Our Inequality Estimates

Our estimates draw on sources that are only available for European Russia, excluding Finland and the Polish provinces. In 1904, this included the 50 provinces noted in Figure C.1. By the 20<sup>th</sup> century, the Russian Empire also included Transcaucasia, Central Asia, and Siberia. These regions had little in the way of large-scale industry (other than oil in Baku), although a relatively small number of local and Russian elites did possess large land and resource holdings (mines in Georgia; cotton fields in Bukhara and Samarkand; etc.). It is unlikely that including these regions, with their relatively poor empirical evidence, would affect our aggregate estimates.

**Figure C.1: The Provinces of European Russia**



## Appendix D: Constraining the Importance of Across-Province Land Ownership for Income Inequality

This appendix addresses the danger that the available data may have understated income inequality by counting as separate landowners the separately recorded properties of one landowner in different provinces. Minarik (1971) and other scholars utilizing the 1905 land data have voiced this concern.<sup>43</sup>

To address this possibility, one should begin by making an assumption about how people answered the 1905 land census question about how much land they owned privately. Did they respond by stating the land area only of the one property on which they resided, or by stating the area they owned within their *uezd* or *gubernia*, or by stating the area they owned throughout European Russia (or even the whole Empire)? Our tentative assumption is that they answered by giving their holdings at the province (*gubernia*) level. That is, we assume that the data collectors managed to consolidate most of each owner's (non-urban-realty) land values *within* the same province into a single land total for him. We need to worry only about inter-province mergers.

One might easily imagine that adding multi-province lands at the top of the distribution might widen the inequality of income a great deal. Yet on close inspection, the 1905 land census data place severe limits on how much greater the land inequality could have been for the 50-province distribution of income as a whole. Here are some constraining facts about the data:

(a.) The amount of land rental income is already fixed by the data sources, so that giving more land to somebody at the top must take the same amount of land income from others who are already landowners.

(b.) We already know how many properties there were in each **rental value range** (e.g. those over 50,000 rubles, or 20,000-50,000, and so on down to landless), and their total value. So consolidating them across classes means that every ruble we give to a smaller number of owners has to be taken from other owners we have been putting in the same ownership value range. In the over-50,000 range, giving extra lands from other provinces to one owner reduces the other over-50,000 owners' properties down toward 50,000 rubles each near the top of the income spectrum. While such a merger will definitely raise inequality at the top, it does so only among rich landowners who are within the top 0.0036 percent of the overall distribution.

---

<sup>43</sup> Relying on an incredible amount of archival research, Minarik (1971) documented the 102 families that owned more than 50,000 *desiatina* of land *in total* in the period 1890-1904. These households included 96 from the noble estate, 3 merchant families, 2 mining magnates, and one urban citizen. The 102 families owned more than 650 separate properties scattered across all 50 provinces of European Russia. Collectively, these households, which constituted less than 0.1% of noble estate households in 1897, owned 16.2 million *desiatiny*, or about  $\frac{1}{4}$  of land owned privately by the noble and merchant estates together. While these data would suggest some significant concentration of land at the high end of the property distribution, taking such cross-province holdings into account in our inequality estimates, as we note below, would likely have little effect on overall inequality.

(c.) Further, for each province and each value range, we know the social estate of the owner. A merger of reported nobility-owned properties can only give extra land to nobility at the expense of other top-land-owning nobility in other provinces. For properties of nobles in the over-50,000-ruble range, concentrating lands from different provinces into the hands of a few super-wealthy nobles, and driving other nobles' landownership down toward 50,000 rubles would raise income inequality only among the top 0.0030 percent of households.

(d.) Within each rental value range (again, over 50,000 rubles, or 20,000-50,000, and so on down to landless), the fewest number of landowners there could be for European Russia is the number of reported owners in the province having the largest number of separately identified landowning households in that rental value range and that social estate. The numbers of such **minimum landowners** (maximum separate owners in a single province, for this value range and social estate = minimum possible number of true owners for all 50 provinces) are as follows:

| Rental<br><u>value range</u> | Numbers of<br>minimum<br><u>landowners</u> | Hypothetically<br>based in which<br><u>province?</u> | Merging how<br>many total<br><u>properties?</u> |
|------------------------------|--|--|---|
| 50k-up                       | 51   | Kherson  | 545   |
| 20k-50k                      | 116  | Podol'sk   | 1,411   |
| 10k-20k                      | 222  | Podol'sk   | 2,560   |
| 5k-10k                       | 316  | Podol'sk   | 4,978   |
| 2k-5k                        | 545  | Tula   | 11,283  |
| 1k-2k                        | 1,383                                      | Donskogo B. oblast'                                  | 12,011  |
| under 1K, >0                 | 3,911                                      | Minsk  | 49,086  |

Consider this exercise, one implausibly overstating the inequality effect of an imagined merger of lands across provinces. Support that, as much as possible, all rental properties owned by nobles in the over-50,000-ruble class in each province were merged into the hands of a single owner. Now the number of owners in any given class cannot be reduced to zero, since we know there are at least as many owners in any province as the data report. So for the over-50,000-ruble range there must have been at least as many as 51 owners of those 545 total properties, given that a maximum of 51 separate owners were recorded for a single province, here Kherson. Giving as much of European Russia's properties worth over 50,000 rubles to one great owner must still leave at least 50,000 rubles of rental value for each of the others. Thus the hypothetically richest noble landowner would have had 60.1 million rubles of land rents each year. If we did the same for each other rental-value class, we would again create outstandingly rich individuals receiving amounts of rents ranging from 15.3 million rubles (merging properties in the 1,000-2,000-ruble range) up to that value of 60.1million rubles. Such sizes of top estates are implausible, given the work of Minarik (1971) and others.

Such a hypothetical merger of properties, however, would only redistribute 9.4 million rubles, or 0.084 percent of the 11,199 million rubles of national household income. It would raise the gini coefficient only negligibly, from 0.362 to 0.363.



Furthermore, these hypothetical top rental estates of up to 60.1 million for the most landed individual, would greatly exceed the total all-Russia incomes recorded in the literature for any extended family. For example, scholars have estimated, or implied, incomes of

1,302,000 for Prince Iusupov 1900, at 6% income return;  
 1,244,013 for Abamalek-Lazarev family 1904;  
 1,050,000 for Bobrinskii, Graf, 1897, at 6% income return;  
 954,000 for Orlov-Davydov, 1900, at 6% income return;  
 730,588 for the average of 102 top owners (Minarik 1971);  
 695,568 for Meklenburg-Stremlitskii, and  
 350,000 for N.D. Anushkin.

Thus even this clearly implausible extreme redistribution among landowners of the same social estates would have had only negligible impact on overall income inequality.