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THEORETICAL PERSPECTIVE:  
INCREASING MATERIAL WELL-  
BEING, GROWING  
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In the present paper we analyze transformations in the life of rural population in the Belgorod region, Russia, in the period 2000-2013 in the context of active development of large vertically integrated enterprises – agroholdings. These transformations are seen through the prism of “modernization” concept: agroholdings promote advanced agricultural technologies, professional management and modern organization of labor and thus may be considered as an important factor stimulating rural modernization in Belgorod region. The traditional understanding of “modernization” in sociology implies a progressive transition from a “pre-modern” or “traditional” to a “modern” society which means changes in many areas such as: occupational structure (including the development of entrepreneurship), material well-being (growth of living condition resulting from efficient economy), and increase in rationality and individualism. However, literature shows that the adaptation to modernization processes might be painful for the local communities and for the society in general. Hence, reflecting on both, modernization theoretical framework and literature on Russian rural development, in our analysis of transformations in Belgorod region we focus on the following aspects: firstly, material well-being and living conditions of rural population; secondly, individualism and attitudes towards achievement and economic success; thirdly, the attractiveness of private farming. Finally, we look at the general perception by the rural population of their future (from the point of view of optimism/pessimism). The research is based on the two empirical studies, conducted in the years 2000 and 2013 which utilized similar methodology in the similar 15 villages of the Belgorod region. Possibly, the most interesting empirical finding is that despite rapid growth of material well-being of the rural population, the pessimistic expectations are no less widespread in 2013 than in 2000. This illustrates the complex nature of the transformations of the rural life in Belgorod region.

**JEL Classification:** Z10; Z13; O18.

**Key words:** rural Russia, Belgorod region, well-being of rural population, attitudes, social and economic transformations, modernization, agroholdings.

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## Introduction

Interest to the development of rural communities in the context of economic transformations is growing rapidly in international literature (Isserman et al. 2009). Transformations in the rural territories in transitional countries of Eurasia have special importance: Ukraine, Kazakhstan, and Russia have high potential for increasing food production in the global scale (Visser & Spoor 2011) because they occupy large areas of farmland which are not yet incorporated in the agricultural production based on modern technologies.

There are two major strategies for rural economic transformations that are largely discussed in literature (Crowe 2006): modernization model (promotion of large enterprises with external investment) and self-development model (stimulation of entrepreneurship and innovative economic activities of local population) (Van der Ploeg et al. 2000). “Modernization model” (closely related to the classical “modernization” concept in sociology) implies promotion of large vertically integrated agricultural enterprises, often called “agroholdings” (Visser & Spoor 2011) while stimulation of private farming is the core of the “self-development model” (Efendiev & Sorokin 2013; Crowe 2006). The choice of the dominant direction in agricultural development in transitional countries largely determines not only economic results of the region but also the social and cultural landscape of the rural territories.

Belgorod region (located to the south-west from Moscow, near the border with Ukraine) is the example of agricultural development basing on modernization model. In the 2000s the regional government undertook serious efforts to create large agroholdings in the rural territories using both credits from the federal center and investment from the Russian and foreign private organizations (Visser et al., 2012). Belgorod region is remarkable for its agricultural development: according to the official statistics, in the last years it has become one of the leaders of Russian agriculture, especially in meat production; in 2012 Belgorod region produced more than 1300,000 tons of livestock and poultry in live weight while in the 2007 only 530,000 tons were produced (the increase is more than 150%) (National report:209).

The transformations in Belgorod region are approached in the present paper through the prism of classical sociological concept “modernization” (Eisenstadt, 1968). Agroholdings promote advanced agricultural technologies, professional management and modern organization of labor and thus may be considered as an important factor stimulating rural modernization in Belgorod region. The traditional understanding of “modernization” in sociology implies a progressive transition from

a “pre-modern” or “traditional” to a “modern” society which means changes in many areas such as occupational structure (including the development of entrepreneurship), material well-being (growth of living condition resulting from efficient economy), and increase in rationality and individualism. (Bernshtein, 1971, Inglehart et al., 2005, etc.). Literature also shows that the adaptation to modernization processes might be painful for local communities and for society in general (Gavrov, 2004). A number of studies might be found applying the “modernization” concept for sociological understanding of the rural communities (Lin, 2013, Tolentino, 2000, Goodwin-Hawkins, 2014).

The main goal of the current research is to find what changes (considered from the theoretical perspective of modernization theories) had taken place in the rural life in Belgorod region in the context of large scale transformations of agricultural production? We are focusing on the several aspects, reflecting both, existing concerns in literature about rural development in Russia and general theoretical assumptions driven by modernization conceptual perspective.

1) **Material well-being and living conditions of the rural population.** The major objective for the formation of large agrohholdings was to enhance agricultural production in the region and, according to official reports, this task has been accomplished. However, despite official information about the growth of salaries in rural enterprises throughout 2000-s (“Russian regions”, 2013), it has been argued in literature that, in general, poverty is still quiet widespread in the Russian villages (see, for example, Nefedova, 2013: 33). According to the general modernization theoretical framework, growing rationality contributes to efficient economy which leads to improving living conditions (Inglehart, 1997). This assumption has been empirically tested and confirmed many times (Inkeles, 1993) though there are several evidences of the worsening of people’ living conditions during the modernization (see, for example, Drukker and Tassenaaar, 1997). Therefore, in the current study it is important to find out, if local rural population in Belgorod region had experienced positive changes in material well-being during the period of the active development of agrohholdings in 2000-2013?

2) **Individualism and attitudes towards achievement and economic success.** Traditionally one of the major explanations of the difficulties in the development of Russian rural economy pointed to the lack of achievement-oriented social and cultural norms, practices and values among the rural population (Nefedova, 2013: 39). The newly emerged agrohholdings are regarded in literature as promoters of efficient organization of labor (Visser & Spoor 2011). Had there occurred any change in the field of individualism and personal responsibility in this context? International

experience may be suggestive in this regard. For example, the recent study in China illustrates that the substantial shift from collectivistic to individualistic orientations is possible within less than two decades in transition society (Steele & Lynch, 2013). According to both: classics (Max Weber, Talcott Parsons and others) and contemporary scholars, the transformations in the field of values and culture are important elements of transition to modern society (see Meyer, 2010, Inglehart, 1997). Here we face the theoretically and practically important contradiction between, on the one hand, ideas about the passivity, collectivism and little individual responsibility as inseparable features of Russian village, and, on the other hand, the assumptions concerning the changes in values and other cultural characteristics as necessary element of modernization. Therefore, another goal of our empirical study is to reveal, what changes had taken place in rural Belgorod region in the field of individualism and attitudes towards achievement and economic success?

**3) Attractiveness of professional private farming for the rural population.** Along with active formation of agroholdings private farming has been important concern of agrarian reforms in Russia (Uyzun et al. 2012). Even though in Belgorod region the major support of the government was oriented on agroholdings, professional private farming also was given substantial attention: special programs providing farmers with loans were launched in the 2000s (for example, the program “Family farms of Belgor’ie” was launched in 2007). Successful development of private farming in this fertile region in the last decade could be naturally expected as the formation of agroholdings was connected with mass layoffs which were necessary for creating efficient agricultural production based on modern technologies (Visser & Spoor 2011). The literature gives evidences that in the 2000 private farming (professional agricultural entrepreneurship) practically did not exist (Efendiev, Bolotina 2002). Now it is important to find out how attractive has it become for the rural population? Which difficulties (if there are any) are most important in this regard? Do they relate to traditional collectivistic and patriarchal orientations of local population or do they have different nature? Basic theoretical assumptions coming from modernization theories also provide grounds to expect increase in entrepreneurial activity: growing rationality stimulates people to engage in new and innovative economic activities, including entrepreneurship.

**4) Finally, we are interested in the general perceptions by the rural population of their future** (from the point of view of optimism/pessimism). Literature on modernization suggests that transformation to modern society may be painful for the members of this society not only because of increasing uncertainty and growing competition but also due to the general shift in the way people

see the world and themselves (Inkeles, 1993). This is especially important for transformations in the rural territories (Hayami, 1996, Davey et al., 2009). Do rural dwellers feel secure and safe in the context of recent transformations? Or are they scared and anxious? This question is very important, in our view, for the general assessment of the drastic transformations in the life of local rural communities in transition societies. On the one hand, it would be reasonable to expect substantial growth in optimism in the context of sustainable economic development of the agriculture in the Belgorod region in the last decade. On the other hand, empirical evidences from such countries as Bangladesh (Camfield et al. 2009) and Japan (Kuroki, 2013) point to the complex relations between, on the one side, economic and, on the other side, social and cultural aspects of human well-being: it could be suggested that increase in objective parameters and living conditions may not necessarily lead to higher levels of happiness in transition societies.

The listed above questions deal with the limited area of issues relating to the transformations in the rural life of Belgorod region in the last years seen through the prism of “modernization” concept and relating theoretical assumptions. We believe that our findings will be helpful for better theoretical and practical understanding of the key directions of these transformations and their most important outcomes.

## **1. Russian village in 1990-s-2000-s: from the crisis to the formation of the new rural economy**

For the better comprehension of the empirical results of our study it is helpful, first of all, to obtain the general understanding of the major trends in the development of Russian rural territories in the 1990-s and 2000-s.

### ***1.1. The crisis of the 1990s***

Russian village has been experiencing rapid social and economic changes in the last decades (Visser et al. 2012). The transformational period (lasting approximately since 1990 until nowadays) may be divided in two stages. During the first decade (1990-2000) the system of collective agricultural production based on the, so called, “kolkhoz” and “sovkhoz” enterprises (operated in the soviet times) gradually vanished (Pouskus, 2009). In the second stage (since 2000) the formation of the new shape of Russian rural economy has started.

In the 1990s gradual degradation of Russian village took place. Its most important manifestation was the sharp decrease in economic well-being of rural population (Visser & Spoor

2011: 309). Various forms of social deviations also flourished: mainly, theft and alcoholism (Efendiev, Bolotina 2002). International literature offers numerous studies on social and economic crisis in Russian village of the 1990s (see, for example, Ioffe et al. 2006). In the central and south Russian regions (especially in those with the favorable climate and the most fertile lands (like Belgorod region)) natural consumption based on private subsidiary plots rapidly increased which largely helped local population to survive (Wegren 2008). However, this did not result in quick formation of professional private farming. On the contrary, literature shows that paternalistic moods and little economic initiative were typical of Russian villages in the 1990s which put under serious question perspectives for the development of agricultural entrepreneurship (Sutherland 2010, Ioffe et al. 2004).

The majority of agricultural organizations were also unprofitable in the 1990s (Buzdalov 2000). Governmental policy in regards of rural development, in fact, was weak and inconsistent (Visser et al. 2012). Agriculture was not attractive for investment as farmland was largely underestimated in comparison with other natural resources like oil and gas (Visser & Spoor 2011: 301). International literature provide bright illustrations of agricultural land abandonment (Ioffe and Nefedova, 2004), economic depression (Dershem et al. 1996) and social marginalization in Russian villages in the end of the XX century (Ioffe et al. 2006, O'Brien and Patsiorkovski 2006).

### ***1.2. The formation of the new rural economy in the 2000s***

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

Two main strategies for rural economic transformations in Russia in 2000s might be outlined. The first strategy implied disaggregation of the former collective farms and further development of private farming. The second strategy, on the contrary, suggested integration of existing agricultural enterprises into large "agrofirms" or "agroholdings" (Uyzun et al. 2012).

In Belgorod region local administration concentrated attention, primarily, on stimulating the development of large agroholdings. This experience is regarded in Russian official documents as rather successful (National report 2013). However, despite the significant growth in volume of agricultural production (largely noted in official statistics (National report 2013: 53-55)), there are continuous debates regarding the economic efficiency of agroholdings (Visser & Spoor 2011: 316). First of all, agroholdings received large credits from the government and it is unclear when these credits would be returned (National report, 2013: 101). Remarkably, despite the dominating opinion in Russian policy-making and financial circles about the economic rationale for developing, first of all, agroholdings (with only secondary role of private farming), international literature suggests that private farming may have significant advantages in terms of economic efficiency (Hayami, 1996).

Formation of professional farming was the second direction of agrarian reform in Russia (even though it took place in the shadow of the active growth of agroholdings in the 2000s). There is little agreement in literature concerning its results so far. Wegren (2011a) observes "emerging success" of private farming in Russia: farmers are shown to feel better, than ever (2011a: 234). However, in his other work (2011b) Wegren argues that, in general, Russian rural population did not take the opportunities to launch private farming.

Nefedova (2013: 48) claims that due to bureaucratic obstacles developing of private farming in rural Russia goes very slowly. Vast majority of peasants who received a land or property share as a result of soviet agricultural enterprises' restructuring in the 1990s did not engage in private farming. Sutherland (2010) demonstrated that motivation of contemporary Russian farmers is largely compelled as they usually are not interested in further investments in their business. One of the key findings of Sutherland was that Russian farmers are usually not planning their farms to be inherited by their children. This is a very important difference from what is typical for private farming in developed countries.

The problem of finding the right strategic direction for further economic and social transformations of Russian village remains highly relevant (National report, 2013: 4-18). Belgorod region brightly illustrates various social, economic and cultural changes connected with the rural policy aimed at formation and stimulation of agroholdings with the secondary role of private farming. In the present paper we are focusing on the limited number of the relating questions (see introduction). We will try to find answers for these questions basing on the two empirical research projects conducted in Belgorod region the 2000 and the 2013 respectively. We would like to stress



that are not aiming to reveal direct *causal* relations between the formation of agrohholdings and the findings which we discover in regard of the changes in the selected areas of the rural life in the Belgorod region in 2000-2013. However, we believe that the fact that these changes took place *in the context* of such processes is rather suggestive and contributing to better understanding of the social and economic transformations in the rural Russia (and Belgorod region in particular) in the beginning of the XXI century. Therefore, the present empirical study has primarily descriptive nature. There are two reasons making such approach (grounded on descriptive rather than explanatory logic) relevant for our study. First, in general, descriptive studies are essential part of contemporary international sociological practice. As prominent British sociologist Mike Savage argues, “The practice of description is fundamental to the generation of ‘useful’ knowledge” (Savage, 2009: 155). Hence, the potential of descriptive analysis to contribute to theory building (or, at least, to formulation of the theoretical hypotheses) is beyond questions. Secondly, dealing with a unique empirical data relating to special or rare social phenomena it may appear that “what is more important is to associate actions with other actions, leading to a concertina-like process of ever more elaborate description” (Savage, 2009: 155). In our view, the current research is a sort of study that utilizes a rather specific empirical material. We use the data about the fifteen villages in Belgorod region in the context rapid agrohholdings’ development. The important feature of the study is that the data is available for two different stages: before the formation of agrohholdings (data obtained in 2000) and after they had begun operating (material collected in 2013).

Further we will, first, briefly describe the methodology of the research and main results of the study of 2000. After that we will compare our findings of 2000 and 2013 in more detail in terms of, first, current literature about transformations in rural Russia and, second, theoretical ideas suggested by modernization concept.

## **2. Changes in the rural life in Belgorod region in 2000-2013: methodology of the research**

In the year 2000 our first large empirical research was conducted in Belgorod region (Efendiev, Bolotina 2002). The main part of the project consisted of the two surveys (based on the two independent and nonintersecting samples).

The first sample (relating to the so called “households survey”) embraced 500 households in 5 villages (villages Kamyshevatoe, Chesnochnoe (Alexeevsky district of Belgorod region), Maslovka (Roven’kovsry district), Bol’shoe (Krasnenskyi district), Arnautovo (Krasnogvardeiskyi

district)). The second sample (relating to the so called “rural population survey”) consisted of 1000 rural dwellers of working–age in the different 10 rural settlements (villages Metreno-Gezovo, Muhouderovka, Bublikovo, Zhukovo, Bozhkovo (Alexeevsky district of Belgorod region), Valuichik, Nikitovka, Livenka (Krasnogvardeiskiy district), Belui Kolodez’ (Veideleevskiy district), Kamyzino (Krasnenskiy district)).

The research was aimed at the complex analysis of rural life in Belgorod region. One of the most significant findings of that study deals with material well-being of rural population. More than 10 per cents of rural families lived in complete poverty: they could not even afford themselves enough food (Efendiev & Bolotina 2002: 94). It is striking evidence of economic crisis since Belgorod region’s fertile lands used to provide food supply not only for the local population but also for other Russian territories. It is also remarkable that about 60 per cents of the households in the 2000 reported that they did not have enough money for the new clothes (Efendiev & Bolotina 2002: 94).

The second important finding of the 2000 relates to the social attitudes in the field of responsibility and individualism. Motivation for achievement was found to be very weak. Rural population generally demonstrated little enthusiasm in engaging in new economic activities which would help to increase material well-being (for example, to become entrepreneur or to find a new (or second) job) (Efendiev, Bolotina, 2002: 100-101).

The majority of rural population tended to cope with situation by reducing consumption instead of engaging in new economic activities. Respondents used to sell products from their subsidiary plots (mostly, milk, meat, and vegetables) but they did not wish to become professional farmers, to rely totally on this source of income only (Efendiev, Bolotina, 2002). To sum up, in the year 2000 rural settlements in the Belgorod region were in crisis.

In general, the results of the study in 2000 demonstrate rural communities in the selected villages of Belgorod region in the condition which is very far from modernized rural society (in terms of occupational structure, living conditions, value orientations, etc.).

In order to analyze changes in the rural life in Belgorod region in the beginning of the XXI century we conducted new empirical research 13 years after the first study basing on the same methodology and on the same 15 villages.

The research of 2013 combined both qualitative and quantitative methods. Like in 2000, two extensive quantitative studies were conducted. The two samples were independent and

nonintersecting. As in 2000, the first sample was oriented on analysis of well-being of rural households while the second sample focused on values and typical standards of behavior. Unfortunately, due to anonymous character of the surveys we could not identify in the study of the 2013 the individual respondents who comprised the sample in 2000. However, by studying the same villages in the 2000 and the 2013 we guarantee general comparability of the two data sets.

Qualitative research was also conducted. It took place in October 2013 (after quantitative surveys) on the base of semi-structured interviews in the following villages: Muhouderovka, Matreno-Gezovo, Chesnochnoe, Kamyshevatoe (Alexeevsky district of Belgorod region), Kamysino (Krasnenskyi district), Maslovka (Roven'kovsry district). Respondents were selected using convenient sampling. We obtained 30 interviews: eight interviewees were professional private farmers; four interviewees were female pensioners retired not more than 2 years ago; and 18 interviewees were working-age people.

As we have noted above, during 2000-2013 years serious social and economic transformations took place in the region: agrohholdings began expanding rapidly. Belgorod region became the leader among other Russian territories, especially in meat production (National report, 2013: 53-55). Several attempts for developing of rural entrepreneurship also took place in the region: special programs were initiated offering loans to farmers (for example, the program "Family farmers of Belogorya" launched in 2007) but they had secondary role in reshaping rural economy of the region.

Below we present empirical results describing the processes in the selected areas of life in the several villages of Belgorod region in 2000-2013. The transformations under study are investigated through the prism of sociological "modernization" concept: agrohholdings promote advanced agricultural technologies, professional management and modern organization of labor and thus may be considered as an important factor stimulating rural modernization. We focus on the following aspects: 1) changes in material well-being; 2) changes in social attitudes towards economic success and individualism; 3) the attractiveness and difficulties of private farming in the perception of the rural population; 4) rural population's general comprehension of their future (from the point of view of optimism\pessimism). We would like to remind, that the aim of this research is not to find the direct *causal* relations between the transformations in agricultural production (first of all, development of agrohholdings) and the changes in the selected areas of the rural life in the

Belgorod region in 2000-2013. The activity of agrohholdings is rather seen as an important characteristic of the context in which these changes took place.

### 3. Material well-being and living conditions of the rural population

Undoubtedly, the main positive change of the last 13 years is the sharp increase in the level of material well-being of local population. The evidence is given in the table 1: the comparison between the data of 2000 and 2013 in regards of material conditions and goods available in rural households in the 5 villages (villages Kamyshevatoe, Chesnochnoe (Alexeevsky district of Belgorod region), Maslovka (Roven'kovsry district), Bol'shoe (Krasnenskiy district), Arnautovo (Krasnogvardeiskiy district)) (further referred to as the "Households" sample).

**Tab. 1. Material well-being of rural households in 2000 and 2013 (in %), ("Households" sample)**

	<i>Percentage of households having material conditions/goods in 2000 (N = 453)</i>		<i>Percentage of households having material conditions/goods in 2013 (N = 495)</i>	
Material conditions and goods	<i>Total sample</i>	<i>Sample excluding pensioners' households (N = 284)</i>	<i>Total sample</i>	<i>Sample excluding pensioners' households (N = 299)</i>
Water supply in the house	26	40	80	86
Gas supply in the house	91	94	98	98
Central heating	53	66	68	69
Toilet in the house	14	23	52	64
Bathroom or shower in the house	24	36	61	72
Refrigerator	79	85	97	98
<b>Tab. 1. (continuation)</b>				
	<i>Percentage of households having material conditions/goods in 2000 (N = 453)</i>		<i>Percentage of households having material conditions/goods in 2013 (N = 495)</i>	
Material conditions and goods	<i>Total sample</i>	<i>Sample excluding pensioners' households (N = 284)</i>	<i>Total sample</i>	<i>Sample excluding pensioners' households (N = 299)</i>
Set of furniture	38,6	43	78	83
Colorful television	50	68	96	91
Tractor or combine	3,4	5	11,6	15
Car	27,8	43	58	73

Second car	-	-	4,2	-
Truck	-	-	3,6	-

We clearly observe sharp increase in regards of practically all the aspects of material well-being for both: the total sample of households and the sub-sample (excluding the households not having adult members of working age). This rapid transformation is confirmed by the respondents' self-assessments (see table 2).

**Tab. 2. Self-assessment of the level of material well-being by rural households in 2000 and 2013 (in %) (“Households”sample)**

<i>Self-assessments</i>	<i>2000 (N = 453)</i>		<i>2013 (N = 495)</i>	
	<i>Total sample</i>	<i>Sample excluding pensioners' households (N = 284)</i>	<i>Total sample</i>	<i>Sample excluding pensioners' households (N = 299)</i>
We live extremely poor, not always have enough food	11,2%	7,7	2	1,6%
We are short of money which is usually enough to buy food but we cannot afford new clothes or something else	59,2%	49,8	18,4	10,5%
We live quite all right, we have everything necessary but we can hardly afford ourselves any big purchase (like a car)	27,8%	40,5	72,3	76,6%
We live quite well: don't have problems with food, clothes or furniture which we like. We can acquire things of long term usage (like a car, a set of furniture, new electronic devices and so on)	0,8%	1,4	7,4	11,2%

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

In-depth interviews, conducted in October 2013, confirm these observations. Respondents most often assessed their own economic status as moderate: ‘*we are neither rich, nor poor. I can't say that we are really poor...*’ (male (M.), aged 55-60, self-employed); ‘*Well, any normal non-drinking person can afford not something luxurious, of course, but to buy meat, for instance* (M., 50-55, unemployed). Practically, none of the respondents reported to be poor in the in-depth interviews. The rapid increase in material well-being of local population clearly indicates a positive change in the situation in the 2013 in comparison with the picture that we saw in the 2000.

It is important to note, that official data on economic well-being of Belgorod region' population confirms sharp decrease in poverty. According to the official source, the percentage of rural population having income lower than the so called «subsistence level» (the minimum wages necessary to escape poverty) has decreased from more than 30% in 2000 to about 6% in 2012(“Russian regions”, 2013). Thus, we obtain empirical confirmation for the positive changes in population well-being in line with the assumptions driven by “modernization” concept. On the other hand, we find that the ideas about the extensive poverty of Russian rural territories that are quite widespread in the current literature (Nefedova 2013: 33) may not have sufficient grounds, at least, in regards of contemporary Belgorod region.

#### 4. Individualism and attitudes towards achievement and economic success

The second important transformation in the rural life in Belgorod region deals with individualism and the social attitudes towards economic success. Generally speaking, rural population has become more individualistic and more oriented on achievement. The idea of a “self-made” man has gained popularity. Patriarchal worldview and economic passivity which are largely discussed in literature as typical for Russian village (Nefedova 2013: 43) appeared to be significantly less widespread in the 2013 comparing with the results of the 2000.

In the table 3 the changes in the rural dwellers' attitudes towards individualism and economic success may be observed. Respondents were asked to mark their attitudes on the continuums between several pairs of antagonistic statements from “1” to “5”.

**Tab. 3. Changes in attitudes towards individualism and economic success (in %) (“Rural population” sample)**

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

should not stand out.			against what is usual for everybody else
My personality is determined by the circumstances of our life	2,77	3,21	My personality is determined by my own choice

The samples of the 2000 and of the 2013 demonstrate statistically significant differences in respondents' responses to each of these pairs of statements (t-criteria and Levene's Test (,000)). These results are confirmed by the respondents' responses to the question about their feelings concerning hypothetical economic success of their neighbor (see table 4).

**Tab. 4. Respondents' attitudes towards hypothetical economic success of their neighbor in 2000 and 2013 (in %), ("Rural population" sample)**

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

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

The other side of many narratives reported in the interviews is passivity which is usually perceived as a factor contributing to the personal failure: F., 30-35, *'If you have a family, it means responsibility, you need to feed your children, to buy them clothes. It also depends on personality.'*

*When somebody faces difficulties, he may just give up and drink, and that's all. But somebody else may try to do something'.*

As we can see, serious transformations had taken place in the field of individualism and attitudes towards achievement and economic success in the villages under study, which confirms the ideas relating to cultural aspects of modernization (Inglehart, 1997). The important question is: should this transformation in social orientations be taken into account when planning the further development of rural economy in Belgorod region? In our view, this concern should be addressed to the regional government. We assume that increased individual responsibility is a no less noticeable change in the rural life than significant growth in living conditions.

At the same time, the results of our study do not give grounds for complete optimism. Along with positive changes substantial problems were also revealed in the contemporary rural life in Belgorod region.

## **5. Attractiveness of professional private farming for the rural population**

As far as our findings suggest, difficulties in the development of private farming are, possibly, the most important problem of contemporary rural life in Belgorod region. These difficulties may be expected given that the major support in the region is targeted at the development of large agroholdings and not at the private farming. However, surprising is that according to our findings, usual arguments about social and cultural obstacles preventing Russian rural population to engage in private farming seem to be not adequate any more for Belgorod region.

As we can draw from the table 5, 67 per cents of the respondents "completely trust" or "rather trust" private farmers (answers "5" and "4" on Likert scale from "1" to "5") (see table 5). At the same time, only 14% of the respondents have complete trust for the local agroholdings.

**Tab. 5. Distribution of responses to the question "How much do you trust these organizations and people?" (in %) ("Households survey", 2013, N = 495)**

	Absolutely no trust (1)	2	3	4	Absolutely trust (5)	Mean
Local administration (administration of the rural settlement)	5,9	4,7	31,5	39,3	18,6	3,6
Agroholdings on which people	4,8	8,7	27,5	44,9	14,1	3,6



from your village work						
Private farmers who hire other rural dwellers to work on their farms	4,3	13,4	26,7	31,0	24,5	3,6
Private farmers who work on their farms with their family members only	3,3	7,8	22	39,9	27	3,8

Our interviews confirmed the existence of certain respect for private farmers: F., 50-55. *'They are, of course, nice fellows. Guys work a lot, do their best.'* Moreover, the success of private farming is often believed to be the key for the prosperous future of the whole village, whereas the absence of entrepreneurs is considered as a factor leading local agriculture to decay: M., 55-60 *'We didn't have entrepreneurs in the 1990s. But collective farms were destroyed and, so, you could go your own way.'* An agricultural entrepreneur is seen as a skillful and determined master, who will not allow his farm to be ruined.

This general positive attitude towards farming is surprisingly combined with paradoxically low popularity of this occupation. Results of the survey show that farming is largely unattractive for the contemporary villagers. Only 3,5 % among those who would like to find a new job or change the current one (22 % of the working age respondents), expressed intention to become private farmers (see table 6).

**Tab. 6. Distribution of the responses to the question «Which occupation would you prefer?» among those respondents who reported the intention to change the current job or find a new one (22% of the “Rural population” sample, N = 210)**

Percentage	Responses
3,5%	«To become a private farmer»
96,5%	Other responses (including other types of entrepreneurship)
100%	All

Amongst the most significant factors that reduce attractiveness of private farming the following were mentioned during the in-depth interviews with the respondents who had personal experience of professional private farming (8 respondents):

- Increasingly high taxes (M., 55-60 *'there are not many farmers left, they always complain about high taxes ...'*; M., 45-50: *'It seems that soon there will be taxes on everything. Well, we pay all the taxes, although they could exempt agriculture at least from some of them'*; M., 40-45 *'Now the taxes have increased even more.'*);

- Unfriendly credit policy in the region (M., 55-60 *"Farmers take huge and expensive loans and then, for example, there are heavy rains like this year, and they don't know how to pay this loans back. They say, there was a farmer in some place who took many loans and had no money to pay them back, so he hanged himself ..."*);

- Low purchase prices on private farming' production (F., 35-40 *'Purchase prices are so low, for milk and meat they are more or less okay, but vegetables, sunflower seeds are incredibly cheap. It means that you worked the whole summer, harvested crops, rented a car, and after that you are left without profit, you have debts only'*).

Generally speaking, farming is perceived as a form of activity full of high and heterogeneous risks (M., 40-45, agricultural entrepreneur: *"It's like roulette, but usually there's only one "zero" in roulette, whereas we have only zeroes, with only one winning number"*). Due to bureaucratic obstacles, market unpredictability and other factors farming is perceived as a heroic activity which demands extraordinary personal virtues;

Quantitative survey on the general sample of rural population of working age from 10 settlements confirms these results. Only 29% of respondents agreed that farming is more or less "profitable" business in the current conditions - see table 7.

**Tab. 7. Respondents' opinions about different aspects of private farming (%), N = 953 ("Rural population" sample)**

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

Interestingly, rural dwellers often believe agroholdings to be direct competitors for farmers. Agroholdings are even perceived as dangerous power that is hard to confront: M., 45-50 *“Previously around half of the pork in the region was from private farmers, whereas nobody bought their (agroholdings – A.E. et al.) pork. Now they have all the sales. Soon farmers will be disposed completely”*.

As we can see, despite the growth in material well-being, local population in Belgorod region often express negative attitudes towards agroholdings believing them to be major obstacles for private farming development and aggressive intruders in the local rural economy. From the theoretical point of view, here we observe the complicated character and the complex nature of transformations in rural Belgorod region. The changes in the cultural field resulted in growing respect towards entrepreneurship and, particularly, private farming. However, it is found that the institutional conditions of rural economy in selected villages of Belgorod region are not yet sufficient for the successful formation of the professional layer of private farmers. It can be questioned in further research, if the process of new occupational structure formation is simply not completed, or if there are serious intentionally created barriers for private farming development?

## **7. General perceptions by the rural population of their future**

In the present paper we analyze several aspects of the rural life of Belgorod region in the 2000-2013 through the prism of the radical transformation of agricultural production in the 2000s. We presented empirical evidences of significant changes which took place through these years in such fields as material well-being and social attitudes towards individualism and economic success. We also analyzed how rural population perceives private farming and whether this occupation is attractive or not and why?

In our view, for the evaluation of the transformations in the selected areas of rural life it is also important to find out how optimistically (or pessimistically) does rural population see the future now, in 2013, and compare it with the results obtained in the 2000. As noted previously, the adaptation to modernization processes might be painful for the local communities and for the society in general (Gavrov, 2004).

In the table 6 the distribution of the respondents' responses to the question: “How do you feel about the future?” is presented for the samples of 2000 and 2013 (basing on “Rural population” surveys).

**Tab. 8. Respondents' responses to the question: «How do you feel about the future?» (in %)**

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

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

Our research revealed a somewhat surprising fact: the rapid growth of economic well-being did not bring optimistic worldview to Belgorod villages. However, it is not that paradoxical as it may seem at the first glance. International literature gives evidences that subjective well-being may depend little on such objective indicators as, for example, salary (Kahneman & Krueger 2006). In literature there are numerous evidences of the complex relations between objective and subjective aspects of human well-being. For example, Frey and Stutzer basing on extensive empirical work argue that “rising income increase personal happiness only minimally”, while “institutions that facilitate more individual involvement in politics (such as referendums) have a substantial effect” (Frey, Stutzer 2010). Camfield et al. in their study of Bangladesh came to the conclusion that in this country (one of the poorest countries in the world) “people report levels of happiness that are higher than those found in many other countries” (Camfield et al. 2009). Reflecting on his empirical findings, M. Kuroki considers the negative association between subjective well-being and the objective “Happiness Ranking” in Japan to be “paradoxical” (Kuroki 2013).

Thus, our empirical results in Belgorod region contribute to those from other localities which altogether, we believe, lead to a better understanding of the influence of the social and cultural context on the way people comprehend their economic life.

Our research suggests that relatively high level of material well-being, attained in Belgorod region, guaranteed physical survival of rural population and, therefore, made people more attentive to other sides of their life. Most important is that due to growing individualism and achievement-orientations such issues as upward social mobility, career progression and entrepreneurship have become major concerns of contemporary Belgorod village. It is possible that now rural population is ready to gradually become the real “masters of the land” but it is very difficult without targeted governmental support. At the same time, current rural policy in Belgorod region continues focusing solely on economic results of agrohholdings disregarding, generally, the changes in social organization of the village. In our view, this maybe the key reason for dissatisfaction of local population with their perspectives for the future.

It has been argued in literature that modernization sometimes is connected with negative changes in field of both objective (Drukker and Tassenaaar, 1997) and subjective (Davey, et al., 2009) indicators of human well-being. From this point of view, our empirical findings confirm the necessity for careful consideration of the pitfalls relating to modernization.

## **Conclusion**

In the present research we aimed to study changes in the rural life in Belgorod region in 2000-2013 which took place in the context of major transformations in the organization of agricultural production. Large vertically integrated agrohholdings were established and the former enterprises were restructured. This led to the rapid growth of agricultural production and increasing economic efficiency in the macro level which is largely acknowledged in official documents (National report, 2013). However the transformations taking place in the life of the rural population have been given less attention so far. The formation of agrohholdings in Belgorod region largely fits to the “modernization model” for rural development, and, hence, we utilized the sociological “modernization” concept as the general theoretical framework for analysis of the changes in the rural life in the selected villages. In line with both, existing concerns in literature about rural development in Russia and general theoretical assumptions driven by modernization conceptual

perspective, the following questions were outlined: is the economic growth on the macro level complimented by the growth in the living conditions of the rural households? Had in this context occurred any change in the level of individualism and attitudes towards economic success? How the newly emerged private farming is perceived by rural population today? Has it become attractive?

Comparing the data of the year 2013 with the results of the previous research conducted in the same fifteen villages of Belgorod region in the 2000 (utilizing the same methodology) we found the striking evidences of the rapid growth in economic well-being of local population. Also significant changes took place in the field of cultural characteristics: the level of individual responsibility has increased significantly which may be seen as a good premise for future development of private farming in the region.

However, our findings suggest that not only positive changes took place in the region. Even though private farming has gained certain respect in the last 13 years (in the 2000 it practically did not exist (Efendiev, Bolotina 2002)), it remains unattractive for the local population due to problems with increasingly high taxes, unfriendly credit policy and difficulties with selling products to purchasing organizations.

Interestingly, agroholdings are often perceived by the rural population as major obstacles for successful development of private farming in the region. Of course, additional empirical research is needed to reveal the real obstacles for private farming development in Belgorod region. For example, it is not clear, if private farmers may be considered as potential market competitors for the agroholdings?

However, it may be suggested that the problem of interrelations between agroholdings and local communities was underestimated and has to be tackled in the nearest future. Another important empirical finding of the research is the paradoxically persisting largely pessimistic worldview of about 30% of adult population. Both samples (of 2000 and 2013) showed rather similar results in regards of the question “How do you feel about the future?”: 35 and 29 per cents respectively demonstrated negative attitudes (“anxiety and uncertainty” or “fear and despair”). In our view, this may be interpreted through the prism of difficulties experienced by the local population in their entrepreneurial activity (first of all, farming). Selling milk, meat and vegetables from the subsidiary plots have traditionally been important source of material well-being for the rural population in Belgorod (Efendiev, Bolotina 2002) and other regions (Wegren 2008). This gives grounds for

positive expectations about the perspectives of private farming. However, unfortunately, our results demonstrate that private farming is experiencing serious difficulties.

The present study has descriptive logic. It was not aimed at finding the direct *causal* relations between the development of agrohholdings and the changes in the selected areas of the rural life in the Belgorod region in 2000-2013. The activity of agrohholdings is rather seen as an important characteristic of the *context* in which these changes took place. Of course, there could be other explanations to the persisting high level of pessimism but it seems most likely that agrohholdings had contributed to this significantly as only 14% of our respondents have complete trust to these organizations. Therefore, our study points to the problem of elaborating a more balanced strategy for rural development in Belgorod region.

In general, our empirical findings suggest that the transformation in the rural territories of Belgorod region fits well into the modernization theoretical framework. Most interestingly, the rapid positive changes in economic well-being are accompanied by shift towards individualism along with relatively high level of pessimism.

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