

Russia's Industrial & Agricultural Development (1860-1905)

Russia in 1860

At just over 6.600 million square miles and spanning the continents of both Asia and Europe, Russia is the largest country in the world. In the 19th century, it had a much higher population than the rest of Europe, but lagged behind its European neighbors both economically and industrially. In 1860, what centers of industry existed were clustered around Moscow, St. Petersburg and other urban centers in Central and Western Russia. With the exception of low-grade pig iron, these industrial centers lacked heavy industry, like metal refining and industrial tools, focusing instead on things like textile manufacturing.

In the mid-19th century, the vast majority of the Russian population lived in rural agricultural communities. Most of Russian farmland was divided into large estates owned by the Russian nobility and worked by peasants and serfs. Although Russia was one of the world's largest wheat exporters during this period, farm workers still relied upon primitive tools and techniques. As a result, agricultural productivity in mid-19th-century Russia lagged behind other European countries.

While several factors affected the growth of agriculture and industry in the late 19th century, the most important was Czar Alexander II's freeing of the serfs in 1861. As a historical tradition and practice, serfdom tied the Russian peasantry to the land and their landlords. In contrast to the slaves in the American South, the Russian serfs were bonded to, rather than owned, by their masters. The elimination of this widespread practice irrevocably changed Russian society.

Industrialization of Russia

In freeing approximately 20 million serfs, Czar Alexander II hoped to create an enormous new work pool of mobile Russians. Rather than being tied to the land and more or less forced to farm the same plots each year, he expected the serfs to help industrialize Russia. To compete in the European and global market, Russia had to develop new industries and an internal transportation system. The country also needed an export surplus and a stabilized ruble, the Russian monetary unit, in order to borrow foreign capital.

While the mobility of the serfs did not live up to Czar Alexander II's expectations, Russian industry took off, especially in Moscow, St. Petersburg and areas now part of the Ukraine and Poland. Between 1860 and 1890, industrial use of coal grew by over 1,200%! By 1890, Russia had over 32,000 kilometers of railroads as industrialists hustled to connect their new factories to markets throughout the country. In stabilizing the ruble, the country was also able to borrow the money it needed to develop new industries and the Trans-Siberian Railroad, which provided Russia with access to the Pacific Ocean.

In spite of this rapid growth, Russia found itself outpaced by Great Britain, Germany, the United States and other nations that began industrializing far earlier. In the 1880s, Russian manufacturing required government subsidies and high tariffs before the country's industrial goods could compete in the global market.