

# THE DEVELOPMENT OF AGRICULTURE PRODUCTION COOPERATIVES IN RUSSIA

by

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## Abstract

After the break-up of the Soviet Union, many collective farms (*kolkhozes* and *sovkhozes*) were transformed into agricultural production cooperatives. Two decades later, most of these production cooperatives are still in operation. Although they face problems as regards wage levels, profitability, and productivity, they are strong in many regions of Russia and within many branches of agriculture. The continued existence of such agricultural production cooperatives puzzles many Western economists. This paper attempts to provide an explanation in terms of the history of Russian cooperatives in the agricultural sector and of the institutional conditions prevailing during the establishment of the current generation of agricultural production cooperatives.

**Keywords:** Russia, agriculture, production cooperative, kolkhoz, collective farm