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## The Russian Far East and the Social Sciences

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## 1 What is so interesting about the Russian Far East?

Western social scientists have been paying attention to the Russian Far East way out of proportion to its economic and political significance. A search of the Princeton University library catalog specifying the keywords “Russian Far East” brings up 11 English-language books on this region’s current economy, business, and politics published after 1991. By contrast, searches specifying the keywords “Urals”, “East Siberia”, and “West Siberia” yield at most one such book per region.<sup>1</sup> A search with keywords “North Caucasus” brings up three books. Yet these regions all have larger populations than the Far East (Table 1). West Siberia, with its oil and gas, is the engine of the Russian economy. Much of what is written about the Far Eastern economy concerns its international connections, yet the three regions immediately to the west of it had greater exports, and West Siberia attracted greater foreign investment in the 1990s. The politics of North Caucasus, with two wars, several smaller conflagrations, and explosive ethnic relations in Krasnodar and Stavropol’, are much more dramatic than those of the Far East.

Russian writers have also been paying disproportionate attention to the Far East, and their motive for that is no mystery. They note that this vast region has a small and declining population, a stagnant economy, and borders on the world’s most populous country, one which is land-hungry and has a dynamic economy. Such a situation does not appear to be a long-run equilibrium. If history is any guide, the latter society is likely to expand into the near-empty land of its neighbor. Russian social scientists and journalists argue about the urgency of this threat and the various ways of counteracting it (see references in Kontorovich, 2000, pp. 365-66).

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<sup>1</sup> A search of the Harvard University library catalog gave the same results. I use “regions” to denote Russia’s 11 *ekonomicheskije raiony*. The word “provinces”, as used here, denotes *oblasti* and other “subjects of the federation”.

I suggest that this is also the reason for the outpouring of Western studies of the Far East. Governments and foundations, guided by the same historical intuition as the Russians, see the sharp imbalance of population along the border between two of the world's largest countries as a potential source of instability, to use the polite language of the day. They fund research projects and conferences which lead to the books mentioned at the outset. What needs to be explained is why these books do not so much as mention the possibility of a territorial re-division, the very subject that, if I am correct, inspired their commissioning.<sup>2</sup>

Social scientists writing about the Far East do what their craft demands. Because of their training and incentives in academia, their success is measured by the application of the latest tool (model) of their trade to whatever problem attracts funding. The tool may be the right one for the problem at hand, or the right one for some other problem, or just a useless fad.<sup>3</sup> Thus, studying economic growth used to mean estimating the parameters of production function (still a recognized tool today) and now means using cross-country regressions (the latest tool).

Books on the Far East analyze the prospects for economic development, chronicle thievery by local politicians, discuss the region's economic integration into Pacific Basin markets, and describe relations among the neighboring governments. A populous society's takeover of adjacent sparsely populated land does not correspond to anything that modern social scientists know how to study. It is hard to think of a recognized (let alone fashionable) social science model that would produce such an outcome. The conquest by China ("inter-state conflict") does not seem to be in the cards, as relations between the two governments have been improving since the late

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<sup>2</sup> There may be a systematic pattern of funding entities being interested in the national security dimension of an issue, and grant recipients responding with research on something else. Western governments funded research on the Soviet economy in order to gauge Soviet military capability, a subject barely mentioned in the work of academic Sovietologists (Kontorovich, 2002). US government financing of Middle Eastern and Islamic studies in the 1990s elicited much academic work on civil society and nothing on terrorism (Kramer, 2002).

<sup>3</sup> Developing a new tool is a rare occurrence and can be safely ignored here.

1980s and military tension along the border is gone. “State failure”, with Chinese simply pouring through an unguarded border and establishing settlements, was mulled for a while, but proved to be unfounded.<sup>4</sup>

In section 3, I outline how the usual “big fish eats little fish” story may happen in the Far East. This is the question that is genuinely interesting about the region, and it should be addressed whether there is a current model for handling it or not. This does not mean that Russia will inevitably lose the Far East. But whoever wants to argue that it will not is bound to explain why the empirical regularity of the past will not be observed this time. I provide a few possible reasons for that in Section 3.

## 2 How it can happen

With the Russian government determined not to lose its Far East and the Chinese government showing no intention of grabbing it, the region can still eventually change hands as an unintended consequence of the interaction of many self-interested actors.<sup>5</sup> There have been signs of increased official and expert toleration for Chinese immigration, coupled with an illusion that this can be managed to great precision. Economic gains from using Chinese labor, when appropriate, will provide strong motivation for Russian actors to promote and defend immigration. If these factors lead to the emergence of a large Chinese population in the Far East, the political dynamics there may change, as well.

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<sup>4</sup> There was an even more short-lived talk of Far Eastern separatism in the early 1990s.

<sup>5</sup> Surges in immigrant populations in the US and Western Europe in recent decades came about as unanticipated consequences of the seemingly small changes in immigration regime (Graham, 2002, pp.).

## **2.1 Public justification of Chinese immigration**

Throughout the 1990s, the publicly expressed Russian attitudes towards Chinese immigration to the Far East were almost uniformly negative (Kontorovich, 2000, fn. 1). Cautious recognition of the benefits of such migration was rare (e.g, Portiakov, 1997, p. 191). A near-unanimous negative attitude, coupled with (or translated into) effective border control, made significant immigration unlikely.

In the last couple of years, the balance of published opinion has changed.<sup>6</sup> Social scientists, journalists, and politicians speak of the prospect of Chinese immigration as natural (“our empty land – their abundant workforce”) and inevitable. This unstoppable process can be harnessed to Russia’s benefit, helping to exploit (*osvoit’*) tremendous resources east of the Urals which otherwise would remain untouched. Chinese migration may become the main factor of the economic revival in eastern Russia (Nazarov, 2002). Most prominent in this line of argument is the report on the future of Siberia and the Far East commissioned by the rather nationalist, great-power-minded Council on Foreign and Defense Policy (Sovet, 2001). This report was widely reviewed in the media (Aleksandrov (2001), Korol’kov (2001), Piontkovskii (2001)). K. Pulikovskii, the president’s representative in the Far East, favors the use of foreign labor in the region’s economy (Verba, 2002). A memorandum prepared under the direction of the chairman of the Federation Council’s Committee on Northern territories is summarized by Ogorodnikova (2002) as stating, “Chinese influx may be very profitable for Russia. And it is inevitable anyway.” Quotations from Russian social scientists to the same effect can be found in Mikhailovskii (2001), Rostovskii (2001), Stoliarenko (2002), and Verlin (2002, p. 69).

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<sup>6</sup> This change may be related to the realization that Russian resettlement of the Far East is impossible. The calls for policies to encourage Slavic migration eastward, previously common in the literature (Kontorovich, 2000, p. 365), seem to have disappeared.

The pronouncements on the benefits/inevitability of Chinese immigration are qualified by the acknowledgment that it also carries political risks. The enlightened policy, instead of trying to block migration, would try to control and regulate it so as to check the risks while allowing the country to reap the benefits. A new law on migration, currently in the works, is offered as such a safeguard (Verba (2002), Ogorodnikov (2002)). The government's ability to devise and successfully carry out a policy that will neutralize the risks of Chinese immigration without destroying its benefits is not being discussed.

## **2.2 *Economic interests***

The economy of the Far East has been in worse shape than that of other Russian regions as a result of overdevelopment under central planning (Kontorovich, 2001, pp. 391-3). One route towards a better economic future is a radical restructuring of the Far Eastern economy and downsizing of its population, a process already underway. This will result in a less diversified economy than that of 1990, with a significantly smaller workforce but higher wages. An alternative road to economic prosperity is allowing significant Chinese immigration, as I have argued in an unpublished report (Kontorovich, 1999, p. 150), and as many Russians have lately come to realize (see the previous section).

How can more foreigners help the economy of a region which natives are trying to leave and where unemployment is high? The situation is similar to the influx of immigrants into American cities in the 1980s and 1990s. They moved into areas that had high unemployment and had been losing population for several decades, yet their arrival boosted economic activity there (Foreman, 1997, and various writings by Joel Kotkin). Chinese immigrants will bring with them

a set of skills and attitudes different from that possessed by the locals. Coming from a significantly poorer country, they are willing to work for less than Russians.<sup>7</sup>

The Far East has suffered from labor shortages during both the Soviet growth and the post-Soviet contraction. According to data from the Russian Federal Employment Service, the Far East's Maritime and Khabarovsk provinces have some of the most acute labor shortages in the country, as do the most prosperous provinces - Tiumen', Moscow City, Moscow Province, and St. Petersburg (Krasinets, 1997, pp. 156-157). Military draftees play an important role in building electric traction facilities for the Transbaikal railroad (Pakulin, 1993), as well as the Chita-Khabarovsk-Nakhodka highway ("Ot Chity ...", 1996). The latter project is now built by Belorussian and Ukrainian guest workers (Verba, 2002). Construction and agricultural labor is being brought in from China, while logging operations import North Korean workers.

Unemployed Russians do not take up farming or building in the Far East because they have the wrong skills for these jobs, are demoralized, or live too far from the jobs. Unfilled positions are concentrated in jobs involving hard physical labor, while the unemployed come disproportionately from white-collar occupations (Kazakov, 1997, p. 112; Krasinets, 1997, p. 162).<sup>8</sup>

The evolution of the Far Eastern economy will stress the sectors that have the most trouble hiring Russians and hence will need imported labor. The need for restructuring means that much of the inherited capital stock is now useless. Growth will be based on the construction of new capital stock, in new places, for new uses. This creates a need for labor in construction. The economic specialization of the region has been shifting towards extractive sectors such as log-

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<sup>7</sup> A purchasing power parity comparison puts Russia's per capita GDP at 40% above that of China in 1996 (CIA, 1997).

<sup>8</sup> This phenomenon is not restricted to the Far East. In Russia, the number of guest workers, though small, increased through the 1990s, at the same time as unemployment among Russians has been increasing. The number of legal 'labor migrants' increased from 100,000 in the early 1990s to 281,000 in 1995 and 223,000 in the first half of 1996. The true number, including illegals, is significantly larger (Krasinets, 1997, p. 124)..

ging, fishing, and mining (Kontorovich, 2001, pp. 396-404). Jobs in these sectors are physically demanding, exposed to the elements, and dangerous.

The arrival of Chinese workers will create jobs where now there are none. Russian authors contrast the high work ethic of Chinese workers, accustomed to meticulous, repetitive operations, with the lack of responsibility and diligence in the lower strata of Russian workers (Kostinskii & Zimin, 1995, p. 23). A survey found both employers using Chinese guest workers and immigration officials almost unanimous of the opinion that the Chinese are both more productive and more disciplined than Russian workers (Krasinets, 1997, p. 161).<sup>9</sup>

If allowed to farm in the Far East, the Chinese will supply agricultural products that now are grown at greater expense or have to be imported. Lowering the price of food would shrink the compensating differential that now has to be paid to keep workers in the region.

While Russians prefer to speak of Chinese labor import, most of the Chinese currently in Russia are small traders. An expansion of Chinese businesses will make at least as big an economic impact as labor import (and will likely go hand in hand with it). It has been demonstrated that the Chinese diaspora increases trade between the countries of its residence through the use of ethnic networks (Rauch & Trindade, 1999). If they settle in the Far East, Chinese merchants will boost the region's trade with China and with South East Asian countries.

A larger population will also create denser settlement and a better prospect for locating manufacturing in the region.

This section describes social surplus that may be produced by a broad use of Chinese labor in the Russian Far East. Much of this surplus can be privately appropriated, i.e., there is money to be made by bringing in and employing Chinese workers. The main beneficiaries will be employers and politicians who will find a new source of tax revenue and bribes. The fact that

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<sup>9</sup> See also Andreeva (2002) on the comparative productivity of Chinese and Russian agricultural workers.

they are presiding over poor and shrinking populations may make them all the hungrier for such gains. Consumers will benefit, too.

### **2.3 *Political consequences***

Since there will be money to be made in importing labor, private interests will lobby hard to increase their worker quotas. Rotating teams of workers creates problems with training and skills, so a special legal status will be created for the workers staying on for years. Chinese mining and logging villages will arise. The authorities of depressed towns will welcome Chinese merchants bringing tax revenue or jobs. As a member of the Council of Europe, Russia will be pressured to forego brutal police methods for control of immigration, to respect the immigrants' human rights by allowing their families to join them, and to provide education and social services in Chinese. The end result will be the creation of a sizable permanent Chinese population.

Once established in the region, the Chinese will prosper and multiply. The American model of the Chinese acculturating and becoming model citizens may not work in a Russia that is unsure of itself and experiences post-imperial trauma syndrome. Chinese settlers will use their wealth and numbers to gain influence and lobby their interests both on the provincial and federal level (Makienko, 1998). Politicians will start courting their vote by offering amnesty to illegal arrivals and simplifying immigration procedures, thus adding further to the size of the immigrant population. Once a sizable unassimilated Chinese minority is established in the Far East, one can think of any number of destabilizing political developments. Some of these developments may invite interference by the Chinese government into Russian internal affairs.

This result, which most Russians do not want and for which their government does not plan, will emerge through a series of small compromises, procrastination, passing the buck, incompetence, corruption, and temporary measures which remain forever.

### 3 Why it may not happen

Historic patterns of relations between adjacent societies may not apply to the Russian Far East now, either because of the region's special characteristics or because the world has changed.

Thus, it may be argued that the era when one society would overrun another is over. The old games of expansion, annexation, conquest, irredentism, and subversion are not worth playing in the modern world. Instead, societies engage in peaceful, mutually advantageous cooperation. Paraphrasing Shimon Peres, we are facing the "New Far East".

In one important respect, this is true - nuclear arms did change international relations. Russian scholars and officials occasionally express belief in the persistence of the officially renounced Chinese territorial designs on the Far East (e.g., the chairman of the migration committee of the Federation Council in Nazarov (2002)). Western Sinologists do not appear to share this belief. Be that as it may, as long as Russia has strategic nuclear weapons and a government that would use them, an outright forcible annexation is ruled out.<sup>10</sup> If the current shift towards the more favorable view of Chinese immigration is reversed, or is not translated into practice, Russian territorial integrity may be preserved thanks to the Soviet era border, passport regime, and nuclear deterrence.

Even if the relaxed view of Chinese immigration prevails, it may have no effect on the possession of the Far East. A more populous society expands into neighboring territory only if it is attractive. Most of the Far East is very unattractive for living, which is why Russians did not settle it to begin with (Kontorovich, 2000, p. 370). The southern rim of the region, where the population is concentrated, is economically depressed relative to the rest of the country. Chinese migrants seeking to earn a living prefer destination countries and regions with higher wages and

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<sup>10</sup> Makienko (1998) argues Russia can only contain China militarily with strategic nuclear weapons.

abundant employment opportunities, other things being equal. This means that Russia is far from being the most preferred destination, and its eastern part is the least attractive of all. The only thing favoring the southern part of the Far East as a destination for Chinese migration is its proximity. But immigrants entering through the Far East may end up west of the Urals.

On the other hand, the number of immigrants necessary to create a political problem in the sparsely populated area is small when compared to the number of redundant workers in China, said to be in the hundreds of millions (?).<sup>11</sup> Even a small fraction of this number can create difficulty if settled in the four southern provinces of the Far East with their less than 5 mill. population.

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<sup>11</sup> I owe this point to G. Rozman.

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**Table 1. Russian regions compared**

	Area, thous. km <sup>2</sup>	Population, thousand, 1/1/2000	Foreign investment, 1995-99, mill. \$US Current prices	Export, non-CIS, 1999, mill. \$US
Northern	1,466.3	5,668	943	3,314
North Western	196.5	7,898	2,801	3,406
Central	483.0	29,361	25,873	21,790
Volga Viatka	265.4	8,292	604	930
Central Black Earth	167.7	7,781	443	1,314
Volga	536.4	16,805	2,648	4,061
North Caucasus	355.1	17,677	1,240	1,183
Urals	824.0	20,321	1,581	8,051
West Siberia	2,427.2	15,040	3,719	10,591
East Siberia	4,122.8	8,973	933	5,600
Far East	6,215.9	7,160	2,689	2,285
Kaliningrad province	15.1	949	107	276
<i>Russia</i>	<i>17,075.4</i>	<i>145,925</i>	<i>43,581</i>	<i>62,800</i>

Source: RSIe-2000, pp. 26-7, 54-8, 554-5, 578-9.