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## MIGRATION

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## Analysis

# Immigration and Russian Migration Policy: Debating the Future

By Vladimir Mukomel, Center for Ethno-Political and Regional Studies, Moscow

**Summary**
While war refugees and returnees dominated immigration to Russia during the 1990s, in recent years, most immigrants are laborers who want to benefit from the Russian economic upturn. These immigrants face extremely poor working conditions and they are socially ostracized by the vast majority of the Russian population. At the same time, immigration could prove to be the solution to the country's demographic problems, countering the decline of its working population. So far, Russian migration policy has not formulated a convincing response to this dilemma.

### Introduction

The façade of heated political debates over perspectives for immigration and migration policy disguises a clash of views over the future of Russia. The advocates of immigration – liberals and pragmatists – have in mind the long-term economic, demographic, and political interests of the country. Since Russia's population shrinks by 700,000 people every year; immigration can play a vital role in balancing the shortfall of working-age Russians, maintaining the potential for economic development, supporting the stability of individual regions, and guaranteeing national security.

Their opponents, on the other hand – Communists and "national patriots" – refer to the social, religious, and ethnic consequences of immigration. Since they are attuned to socio-cultural aspects, their emphasis is on the challenges and threats posed by the current situation, and they advocate a hard-line migration policy. In the context of their isolationist stance, they support the notion of submission to an overarching "Russian" or "Orthodox Christian" culture.

Discussions on migration policy boil down to the following dilemma: Social stability can be secured for the immediate future at the price of increasing long-term social, economic, political, and demographic problems; or an attempt can be made to find solutions for long-term problems, at the risk of increasing social tensions in the near future.

### The Evolution of post-Soviet Russian immigration

Three waves of immigration can be discerned in post-Soviet Russia. The first, in the early 1990s, consisted of immigrants who had been forced to flee from war and conflict zones in the post-Soviet space, as well as returnees who had emigrated from Russia and were now in a hurry to leave the former Soviet republics. At the peak of this development (1992–1995), about one million immigrants returned to Russia annually from the CIS states and the Baltic republics. Most of the immigrants who resettled in Russia after the dissolution of the USSR arrived during this period (see Fig. 1 and Fig. 2, p 6). A significant proportion of these immigrants were given refugee or resettler status (the latter providing Russian citizenship).

In the second half of the 1990s, the number of immigrants gradually declined (see Fig. 1 on p. 6). The number of refugees dropped to almost zero. Among the immigrants of the second wave, the number of social and economic refugees increased.

The third wave of migration, which arrived in the first decade of the new millennium, can be divided into two sub-currents that were disparate in terms of size, direction, and composition: Immigrants who came to Russia for permanent residence, and migrant laborers who only intended to stay in Russia for a short period.

The number of new immigrants subsequently stabilized at the relatively low figure of 120,000 to 180,000 per year. The majority of these are ethnic Russians or so-called "Russian speakers," members of historic ethnic minorities within Russia. However, the number of immigrants from indigenous ethnic groups in the CIS countries is increasing. The majority of immigrants are returnees from Kazakhstan (31% of all immigrants in 2005) and the other Central Asian countries (32%).

On the other hand, the number of labor migrants with only temporary residence in Russia has markedly increased. Currently, there are approximately between 3 and 3.5 million labor migrants permanently available to the Russian labor market, with seasonal fluctuations ranging between 4 and 4.5 million in the spring and summer and 2 and 2.5 million in the winter. The majority of them are members of ethnic groups from the CIS countries; in Russia, migrants from the Central Asian states are particularly well represented, as are Azeris and Ukrainians. One in five

migrants comes from the Southeast Asian countries, China, or other countries in the "Far Abroad."

### Migrants' motives

The political causes that drove immigration in the previous decades have lost all practical significance in the new millennium. Economic motives have now become the dominating factors. Russia's dynamically growing economy makes it a popular place to work and live for many people in neighboring countries. The immigrants are ultimately motivated by Russia's relatively better social and economic situation and higher standard of living.

For labor migrants, the differences between average wages in their home countries and in Russia are especially persuasive. In 2005, for example, the wage level in Russia was 11 times higher than in Tajikistan and five times higher than in Kyrgyzstan and Uzbekistan. Another important factor is the high level of unemployment in most CIS states: In Armenia, there are more than 100 applicants for each job vacancy; in Georgia, more than 20; in Russia, however, there are less than three (Figure 3 on p. 7 gives an overview).

Russia offers many job opportunities, making it the central point of attraction for labor migrants from CIS states. Russia is also attractive to these migrants because they are already familiar with the Russian language and way of life. Furthermore, the common traditions and shared cultural heritage of the Soviet Union still have a lasting effect even 15 years after its collapse, frequently reinforced by family ties and regular communication.

### Legal status

Only officially recognized refugees (about 500 individuals) and individuals with temporary refugee status (about 1,000) enjoy clearly defined social and economic rights. Foreigners with a permanent residence permit (131,000) or a temporary permit (174,000) also technically have wide-ranging privileges, including nearly uninhibited access to the labor market. However, loopholes in the current legislation mean that in practice, many of these social rights are hard to enforce.

The majority of migrants in Russia are, however, largely disenfranchised. Up to 90 percent have no residence and/or work permits, due to fragmented legislation and a lack of clear procedures defining how to apply the law. All foreigners with temporary residence in Russia must have a work permit. However, a work permit is only issued for three months at a time; in order for it to be extended, foreigners must leave and re-enter the country. De facto, the social rights of these migrants are reduced to medical emergency care and their children's school education.

### Economic consequences

Russia has a high demand for labor. The traditional sources of new labor – women and the rural population – were exploited decades ago. The last resource, juveniles reaching working age, is also nearly depleted: Looking forward, the natural decline in the working-age population will outpace the number of young people joining the workforce. Until recently, the population of working age people had increased in spite of the shrinking overall population numbers, thanks to a favorable age structure. However, a natural decline of the working population by 17 to 19 million can be expected by the year 2026, which corresponds to about one quarter of the workforce currently employed in the Russian economy.

Already today, some sectors of the Russian economy rely to a large extent on migrant laborers, including construction, wholesale and retail trade, public and personal services, food service, and public transportation. Migrants are required for low-paid menial, heavy, and seasonal employment that the local population has no interest in.

Because they occupy jobs that are unpopular with the local population, migrants create competition for unskilled workers on the job market. This competition is enhanced by migrants' price-cutting: Since most of them are illegal immigrants, they settle for wages that are unacceptable for the local population. According to several studies, migrants work between 50 and 65 hours a week.

The arrival of unskilled foreign workers – 80 percent of migrants perform tasks that require no qualifications – is a disadvantage for the domestic unskilled workforce, but a boon to the rest of the Russian population, as it facilitates lower prices for goods and services and thus strengthens the competitiveness of the Russian economy.

In 2004, the total income of migrants was approximately US$9 billion. Of this, between US$3.5 and US$4 billion were transferred to the migrants' home countries, especially Azerbaijan and Ukraine (see Fig. 4 on p. 7). This year, due to higher labor costs and the surge of the ruble against the dollar, migrants' total income could increase to US$14 billion, and cash transfers to their home countries could reach US$6 billion.

The working conditions of a large majority of migrants are similar to forced labor. Lacking a work and/or residence permit for Russia, they are extremely dependent on their employer. The risks that migrants

incur in Russia are often unusually high because of collaboration between unscrupulous employers and the police and because of endemic corruption. Delayed or withheld wage payments, financial penalties, withholding of personal identification cards or personal valuables, and threats of being turned over to the authorities or deportation are everyday practices. In one survey, every migrant living in Moscow and Stavropol had experienced violence or coercion.

### Social ostracism of migrants: Consequences for Russian society

The absence of free access to the labor market, labor rights, social protection, and social dialog are part of the Russian reality that confronts the majority of the labor migrants, as well as a significant part of the immigrants.

The lack of dignified work, and the illegal nature of migrant employment, contribute significantly to their isolation from the host society. Another factor determining the social ostracism of migrants is the growing xenophobia which can be found in all parts of Russian society.

In Russia, where civic identity has been replaced by an ethnic one, the latter has become the defining marker for "self-other" relations. The exaggerated importance of ethnicity, which is seeping into all social relations, primarily affects the migrants. The fear of migrants is obviously based on an ethnic frame of reference.

According to a survey conducted by the Levada Center in July 2005, only 10 percent of respondents shared the view that "Russia needs migrants who come here permanently and acquire Russian citizenship," while 15 percent thought that "Russia needs migrants who only come here to earn money," and only 8 percent believed that "Russia needs both kinds of migrants." Of the respondents, 57 percent were in favor of barring people from the Caucasus (including Russian citizens living in the Northern Caucasus) from residence in their city or district, while 53 percent would support a similar ban for Central Asian migrants.

The Russian population takes a hard-line stance against the social integration of migrants. A large majority of Russian citizens would like to shut migrants out from the labor market and forbid them from purchasing property in Russia. The majority of respondents would not want to have migrants as relatives or neighbors (see Tables 2 & 3 and Fig. 5 on p. 8).

The fact that the majority of the population supports administrative and other measures to prevent the integration of foreigners creates a climate of discrimination in the labor and housing markets. Discrimination at the workplace takes the form of limited access to certain tasks and working areas, as well as discrepancies in pay and working conditions. In the housing market, discrimination is even more flagrant: Newspaper advertisements for residential space with the proviso "[Only] for rent to a Russian family" can be found in almost all regions (see Fig. 6 on p. 9).

Russian society is experiencing a social stratification of ethnic groups and an establishment of hierarchies that assigns a clearly specified social niche to migrants. Neither the majority of the population nor the traditional minorities in Russia look favorably upon attempts to leave this niche.

A social convention based on such stratification does not meet the long-term goals of sustainable development for Russian society. Such a convention, by tightly channeling social communications and relationships, only contributes to further social subdivisions with a corresponding increase of the social conflict potential, and thus undermines the emerging civil society.

The widespread discrimination against migrants and their illegal exploitation is closely linked to the way society ignores human rights violations, as well as to the erosion of social ethics and socially-accepted values.

### The erratic course of migration policy

In the 1990s, Russian migration policy focused on accepting and integrating refugees and returnees. During this time, the legal foundations for migration policy were laid, creating a basis that was subsequently applied in federal migration programs supported by fairly stable and transparent financing.

However, at the turn of the year 2001–2002, Russian migration policy was subjected to a fundamental revision: The struggle against illegal migration took center stage, and the government tried to link it to crime and terrorism.

The Federal Migration Service was reorganized, transferred to the Interior Ministry, and made directly subordinate to the president's office. The government's main concern now was to establish a vertical axis of power that would be able to duly receive the president's instructions, transmit them where necessary, and implement them. From 2002 on, migration policy became the president's prerogative.

At the same time, legislation on naturalization and the legal status of foreigners was tightened. The

cancellation of the federal migration programs meant that migration policy lacked transparency and accountability, while the "power vertical" deprived the regions of their authority in this area and centralized the decision-making process.

The results of the policies pursued during 2002–2004 are deplorable. The number of migrants with uncertain legal status has increased continuously. This policy has not only failed to meet expectations in the struggle against illegal migration, but has also given rise to new problems that have hampered the Russian economy.

Having failed conspicuously, this policy was once again reviewed in March 2005 when the Security Council, chaired by the president, decided to liberalize and realign the guidelines in order to make Russia attractive for migrants.

Currently, the basic tents of migration policy are being revised, and a draft law is in the works that would make it easier for foreigners to register for temporary residence and would facilitate migrants' access to the Russian labor market. A program is being developed to support the voluntary resettlement of Russia's traditional ethnic groups.

These measures would appear to be praiseworthy, but there is a catch: First of all, the draft legislation states that the primary intention is to attract skilled specialists from abroad – at a time when the Russian economy mainly requires unskilled labor as well as highly qualified experts. Secondly, the intention is to draw on ethnic Russians, even though the migration potential of this group is limited to 6–7 million people. Third, it is assumed that favorable conditions will be offered to these fellow Russians: Their relocations costs will be covered, jobs and infrastructure will be created, apartments will be built, etc. The cost of absorbing and integrating one million immigrants is approximately 170 billion rubles – funds that are equivalent to the amount earmarked for all federal programs annually.

In bringing about change in Russia's migration policy, one important factor is time: Because of the parliamentary elections at the end of 2007 and the presidential elections in early 2008, any change of course will have to be implemented quickly. The coming winter marks a "point of no return"; it will be dangerous to attempt such a policy shift at a later point, on the eve of elections.

### Remnants of the Soviet heritage

Contemporary Russian discourse emphasizes immigration's negative aspects while rarely mentioning its blessings. Conceptions of migration processes and their regulation, both in the government and among the broader population, are to a large extent rooted in the Soviet experience. Relations with migrants are shaped by the closed nature of Soviet society and by the fact that there has been no established tradition of immigration to Russia for the past 150 years.

A prominent legacy of the Soviet era is the faith in administrative measures (e.g. the *propiska*, a residence permit that is a holdover from the Soviet era) that may have been effective in a different time but are no longer useful today. Likewise, the belief that political and administrative considerations should take precedence over economic factors remains strong. The underestimation of new developments in the Russian economy, especially of the constantly increasing need for migrant labor, coincide with an over-reliance on the feasibility of regulating the flow of migrants. The main Soviet era legacy, though, may be the obvious lack of appreciation for the role that integration could play in ameliorating the negative consequences of ethno-social stratification and the exclusion of migrants.

*(Translated from German by Christopher Findlay)*

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## Tables and Diagrams

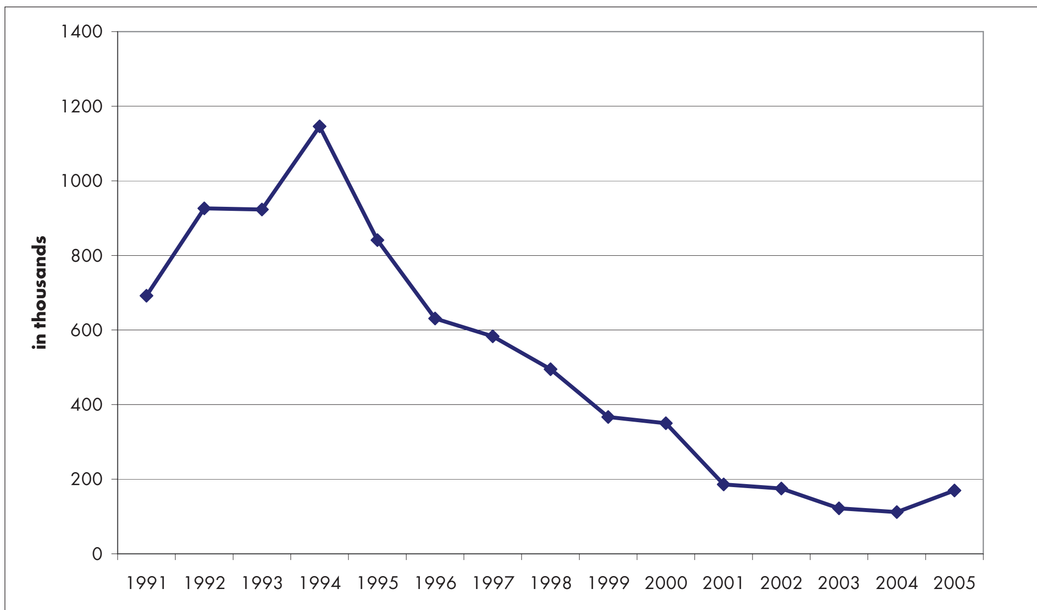
# Migration and Racism

### Table 1: Migration balance of Russia with the CIS and the Baltic countries 1991–2005 (in thousands)

| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Immigration | 692 | 926 | 923 | 1146 | 841 | 631 | 583 | 495 | 367 | 350 | 186 | 175 | 122 | 112 | 170 |
| Emigration | -587 | -570 | -369 | -232 | -229 | -191 | -150 | -133 | -130 | -83 | -62 | -52 | -47 | -38 | -37 |
| Migration balance | 105 | 356 | 554 | 914 | 612 | 440 | 433 | 362 | 237 | 267 | 124 | 123 | 75 | 73 | 133 |

*Source: Russian Federal State Statistics Service*

### Figure 1: Immigrants from CIS and Baltic countries 1991–2005




### Figure 2: Temporal dispersion of immigration from CIS and Baltic countries 1992–2005

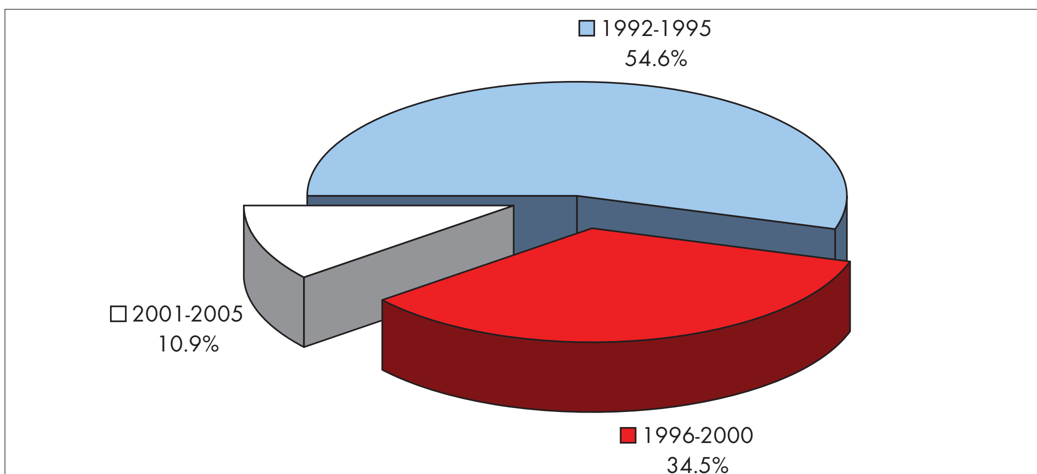
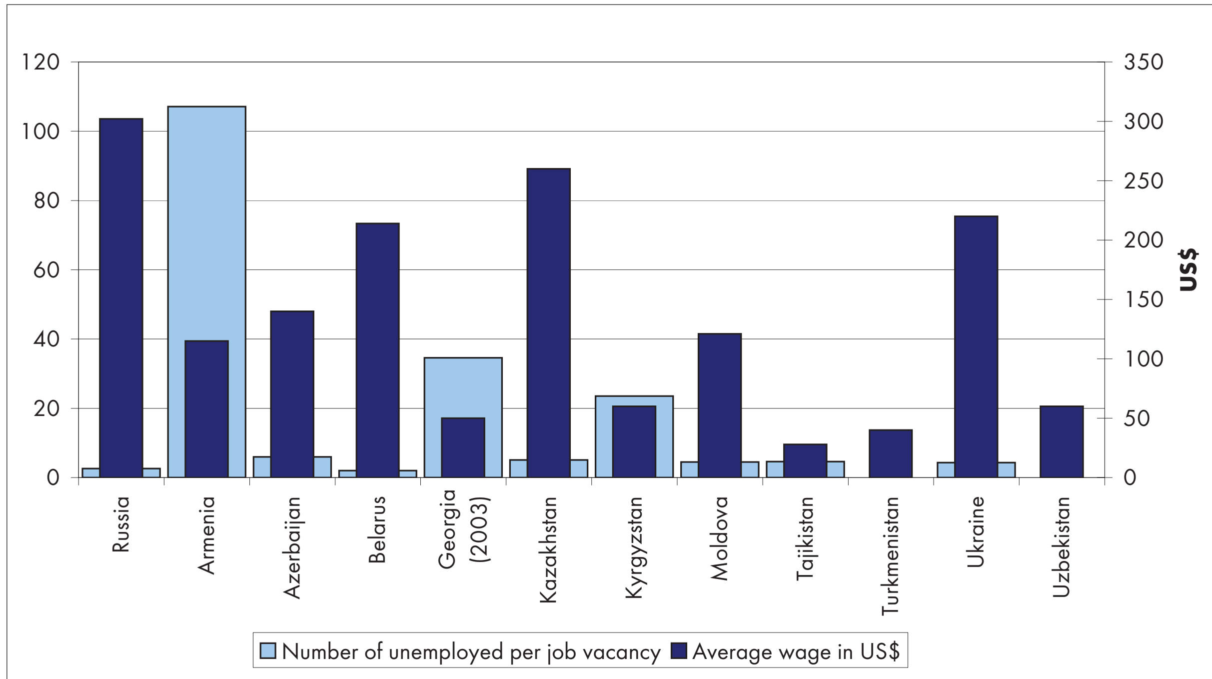


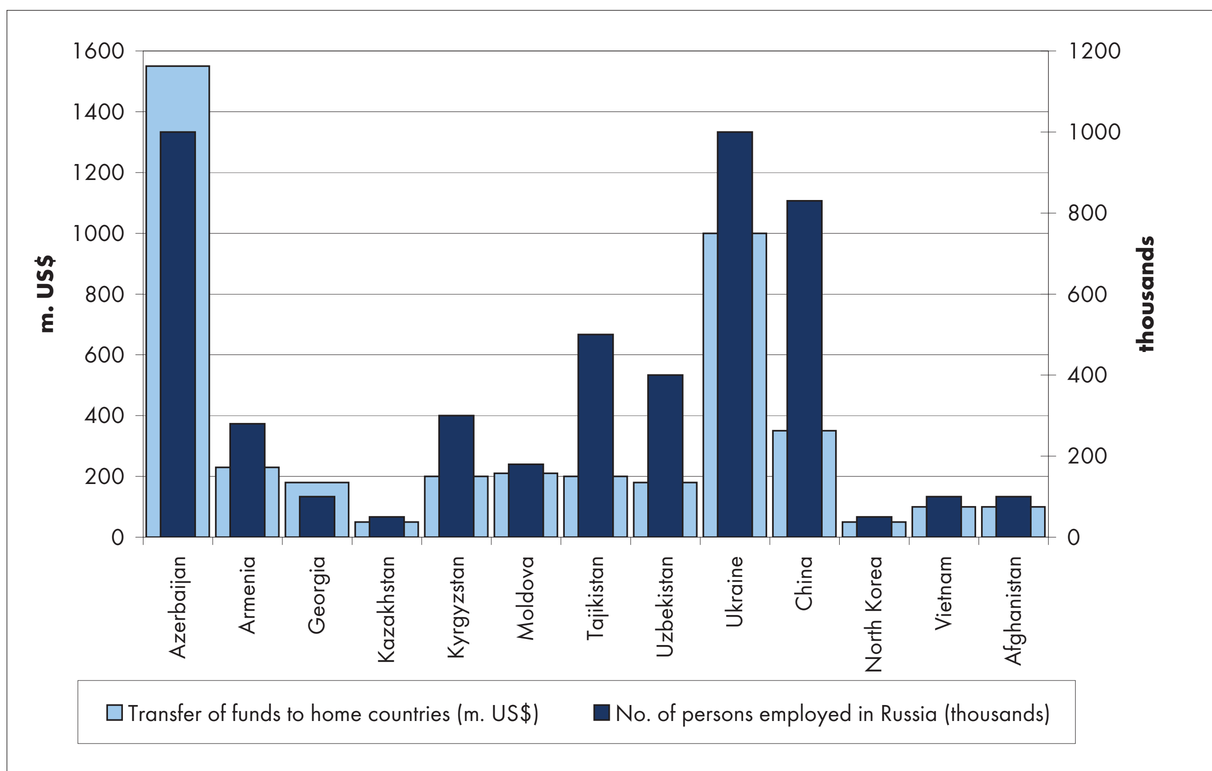
**Figure 3: Wage level and unemployment in the states of the CIS (2005)**




*Note: Unemployment figures for Georgia are the figures for 2003.*

*Source: Russian Federal State Statistics Service*

**Figure 4: Transfer of funds by migrant laborers to their home countries**




*Source: Estimates by experts, Center for Ethno-Political and Regional Studies*

**Table 2: What is your attitude to employment of migrants in …**

| | Positive | Indifferent | Negative | No answer |
|---|---|---|---|---|
| Law enforcement | 4.0% | 12.1% | 73.8% | 10.1% |
| Civil and municipal service | 4.6% | 15.6% | 69.2% | 10.6% |
| Public health service, education, social work | 7.2% | 19.4% | 62.3% | 11.1% |
| Private business (trade and services) | 8.9% | 26.8% | 52.8% | 11.1% |

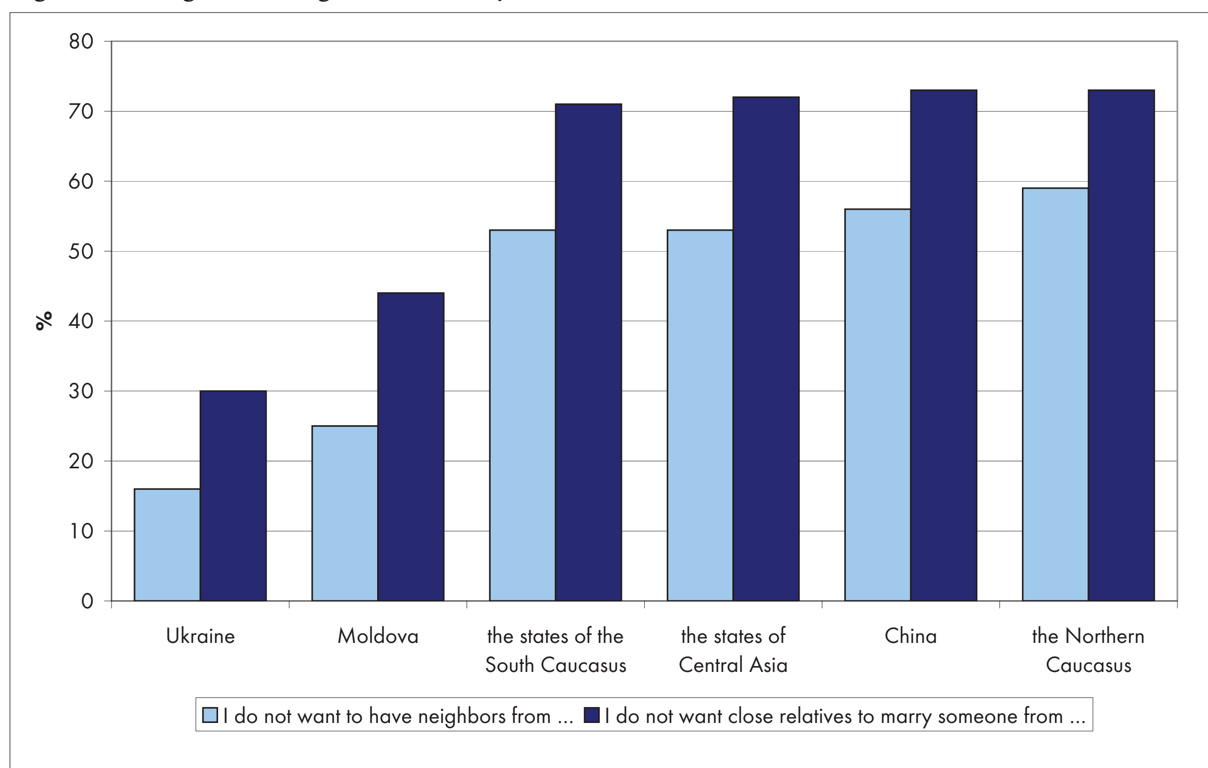
*Source: Levada Center, representative opinion poll, July 2005,* www.levada.ru

**Table 3: What is your attitude towards migrants acquiring property in the shape of …**

| | Positive | Indifferent | Negative | No answer |
|---|---|---|---|---|
| Apartments, houses | 5.8% | 24.9% | 57.8% | 11.4% |
| Land | 5.0% | 18.9% | 64.9% | 11.2% |
| Cafes, shops or other small enterprises | 5.1% | 18.5% | 64.3% | 12.1% |
| Large enterprises | 3.8% | 11.7% | 73.8% | 10.7% |

*Source: Levada Center, representative opinion poll, July 2005,* www.levada.ru

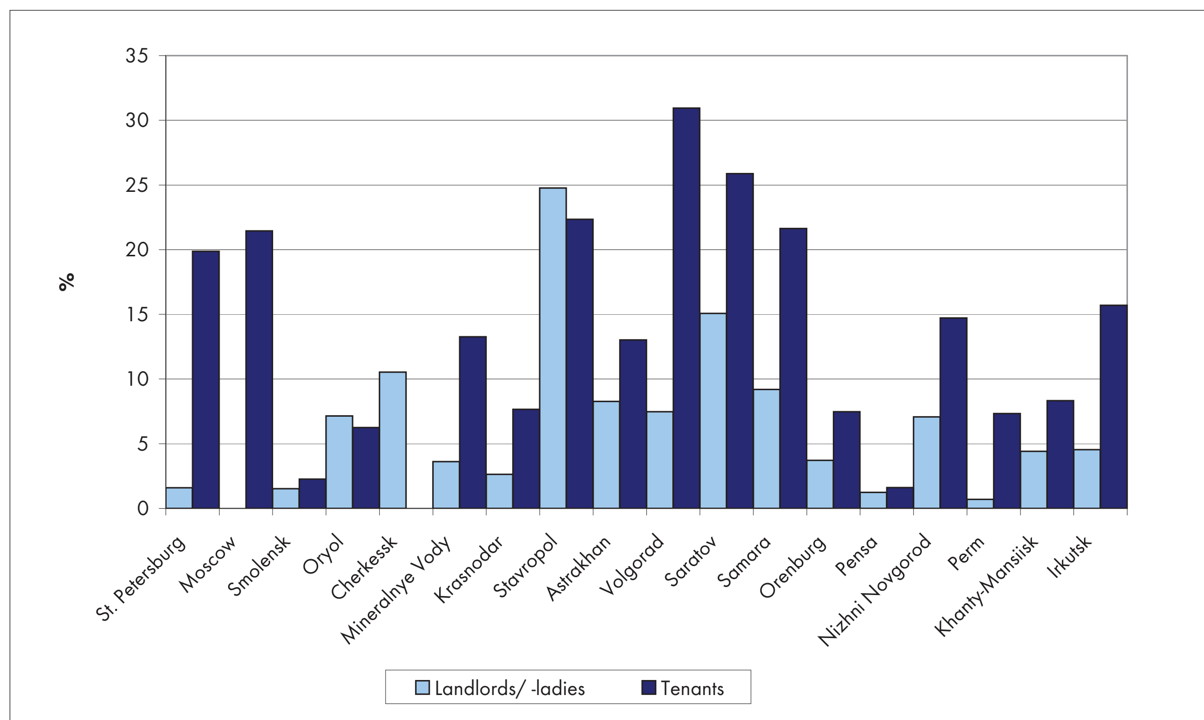
**Figure 5: Foreigners as neighbors or family members**




*Source: Levada Center, representative opinion poll, July 2005,* www.levada.ru

**Figure 6: Discrimination against foreigners on the housing market**

Proportion of landlords/-ladies and tenants including the proviso "Only for Russians" in their ads in free advertising leaflets in various Russian cities




*Source: Analysis of 11,100 rental offers and 9.400 rental searches in free advertising leaflets from 2002–2004.*

## Regional Report

# Ethnic Russians Flee the North Caucasus

Oleg Tsvetkov, Maikop


### Summary

Russians have been leaving the North Caucasus since before the collapse of the Soviet Union. At the same time, the local population has been expanding rapidly. The result is a growing divide between the North Caucasus and the rest of Russia, where anti-Caucasus sentiments are increasing. Kremlin policies, such as relying on the local elites, have not improved the situation.


### Russian Exodus from North Caucasus Republics

Ethnic Russians are leaving the North Caucasus. Their share in the overall composition of the population has declined dramatically. At the end of the 1959, Russians made up 38.8 percent of the population in the seven national republics of the North Caucasus. By the time of the 2002 census, this figure had dropped to 14.9 percent, a loss of nearly 62 percent. In absolute terms, the number of Russians living in the Caucasus dropped by 994,600 individuals. Overall, there are 6.6 million people living in the North Caucasus, representing more than 100 nationalities.

In conditions of deep economic crisis, corruption, intense inter-ethnic conflict, and high levels of crime, the main players in the North Caucasus republics are the ethnic clans and groups. The Russians have only a weak ability for ethnic mobilization, are losing the battles for influence and resources, and therefore are leaving their homes of many years.

### Growing Distance with Rest of Russia

With the departure of the Russians from the North Caucasus republics, the cultural distance

between the North Caucasus and the rest of Russia is growing. The two sides claim different historical, social, and cultural-religious identities. A "domestic abroad" has appeared inside of Russia, in some ways similar to the position of Kosovo inside of Serbia, though the North Caucasus does not seek full political independence.

The administrative borders with the "domestic abroad" are guarded not simply as state borders, but as borders with a probable enemy. In particular, this situation affects the borders of Dagestan, Chechnya, and Ingushetia with Stavropol and North Ossetia.

The Russian exodus from the North Caucasus republics comes when anti-Caucasus feelings in the rest of Russia are growing. Several famous Russian nationalists (Aleksandr Sevast'yanov and Eduard Limonov), as well as politicians in other camps, have called for expelling Chechnya, or at least part of it, from the country. Such feelings eventually could spread to a much wider array of Russian society and could be directed against the entire North Caucasus.

Thus, hypothetically, the threat to Russia's territorial unity comes not only from the North Caucasus separatists, but also from "simple" Russians unhappy about the need to provide financial subsidies to economically ineffective republics with restless and culturally distant populations.

### Central Authorities Powerless

The central authorities are not adopting serious measures to stop the processes of de-Russification. This inactivity comes in spite of the fact that President Vladimir Putin, judging by his speeches, understands that the exit of Russians from the Caucasus could have negative consequences. In a May 2006 meeting with Cossack atamans, Putin said that the ability of Russians and the Caucasus peoples to live together "made the North Caucasus a viable territory of the Russian Federation." The exit of the Russians "marks the violation of the culture" of neighborly relations in this territory.

Dmitry Kozak, Putin's presidential envoy to the Southern Federal District, which includes the North Caucasus, has not raised this issue publicly in a serious way. However, his predecessor Viktor Kazantsev was extremely active in these matters. For example, in January 2001 he held a meeting of his staff to discuss the problems of the Russian population and its exodus from the region. Local experts and religious figures participated in the meeting. The participants examined the political, legal, economic, informational-ideological reasons for Russians to depart. According to the press release following this gathering, the conversation focused on the inequality suffered by the Russians. This inequality appeared in numerous ways: "the understanding of the 'rights of the titular peoples,' the republics' heraldry, regional electoral laws, the language demands made of high-level officials, the practical aspects of privatization, access to higher education and professional advancement, and in the formation of national political stereotypes." Despite Kazantsev's efforts, the exodus of the Russians continued.

### As Russians Leave, Local Population Expands

The demographic statistics of the first post-Soviet decade tell a clear story: as the Russians leave the North Caucasus republics, local populations are expanding. According to official data, 343,000 Russians left the Caucasus republics during the 1990s. Migration accounted for 86 percent of this loss, while negative natural growth accounted for 14 percent. During this same period, the size of the native Caucasus nationalities in the North Caucasus republics grew by 403,000 individuals.

The share of Caucasus nationalities in the population of each of the Caucasus republics grew significantly during this time. At the beginning of 1999, it ranged from 92.9 percent in Ingushetia to 23 percent in Adygeya. The share of the Russians correspondingly dropped and by 1999, ranging from 1.1 percent of the population in Ingushetia to 66.4 percent in Adygeya (Russians make up a majority only in this republic). Overall, at the beginning of 1999, the Caucasus nationalities made up 70 percent of the population of the republics, and Russians represented less than 20 percent.

### Extreme Difficulties in Chechnya

The situation in Chechnya is particularly difficult. According to the 1989 census, there were 293,800 Russians in the then combined Checheno-Ingushetia region. According to the 2002 census, only 40,600 Russians remained in Chechnya and 5,600 in Ingushetia. Some experts believe that even these figures for Chechnya are exaggerated.

The outflow of Russians from Chechno-Ingushetia began during the years of the Soviet Union. Between 1979 and 1988, 70,000 people left, mainly Russians. When the post-Soviet Chechen wars started, many Russians were killed by the separatist fighters, other Russians died as a result of the Russian bombing. Russian refugees numbered in the hundreds of thousands.

There are no definitive figures on the number of deaths and refugees. One source, prepared by a group of Russian scientists headed by V. A. Tishkov, claims

that during the 1991–2 period, when Chechnya first declared its independence, more than 120,000 Russians fled into neighboring Ingushetia. Between 1991 and December 1994, when the first Chechen war started more than 200,000 Russians left Chechnya, according to the former Ministry for Nationalities Affairs and Regional Policy. Between 1991 and 1999, the ministry claims that more than 21,000 Russians were killed in Chechnya (not including Russians who died during military operations), more than 100,000 homes and apartments belonging to non-native peoples, including Ingush, were taken, and more than 46,000 people were coerced into slavery or used as forced laborers. Of course, many Chechens were killed during the fighting and the brutal policies of the Russian military contributed greatly to the overall level of violence.

According to the data of V. I. Mukomel', the well-known Russian sociologist, 35,700 people died in Chechnya between 1994 and 1996. Vitalii Belozerov, a well-known demographer in Russia's south, pointed out that "if the data are correct, most of the victims were in Grozny and thus most of them were Russians."

During his trips to Chechnya, President Putin did not feel it necessary to meet with Russian resident-activists there thinking bleakly about their future. However, in a June appearance on NTV's Realnaya politika, Gleb Pavlovskii, an adviser close to the presidential administration, argued that a policy of ethnic cleansing had been carried out in Chechnya. Pavlovskii said that "the Russians will return to their Caucasus homes." Chechen Prime Minister Ramzan Kadyrov has also called on Russians to return.

However, the humiliation of the Russians (with the de facto acquiescence of the central authorities) in Chechnya was so great, and the experiences that they lived through so terrible, that restoring their former numbers in the foreseeable future is not likely.

## Other Regions Also Face Difficulties

Ingushetia is another region where the authorities are trying to return some of the many Russians who fled. Thanks to special efforts they have managed to bring back about 400 individuals, a figure that was considered a great success and much celebrated in the press. However, the momentum from this "success" was spoiled by the June 2006 murder of Galina Gubina, the deputy mayor of Ingushetia's Sunzhensk Raion, who was in charge of efforts to return the Russians. Ingushetia is unlikely to be a major destination for Russians since they make up only 1.2 percent of the population, according to the 2002 census.

In Dagestan, Russians made up only 4.7 percent, according to the 2002 census, dropping from 9 percent in 1989. More than 20,000 Russians have left Karachayevo-Cherkessia in the last five years. Russians are no longer the largest ethnic group in the region, with their share dropping to 33.6 percent. Between 1989 and 2002, the number of Russians in North Ossetia and Kabardino-Balkaria dropped by 24,000 and 14,000 respectively. Even in Adygeya, the only North Caucasus republic where Russians make up an absolute majority, the population has been shrinking. During the last 10 years, it declined 10 percent. These trends are likely to continue for the near and medium term, according to various sociological polls and demographic prognoses.

## Many Problems Lead to Exodus

Among the reasons commonly listed for the Russian flight from the North Caucasus republics are the numerous conflicts in the region, the high level of corruption and crime, the exclusion of Russians by Caucasus clans from management, education, and business positions, the lack of employment opportunities, the poor ability of Russians to compete as an ethnic group against other groups, and the day-to-day prejudice of Caucasus peoples in relation to Russians. Many of these feelings were provoked by the historical wounds inflicted by the Caucasus War of 1817–1864, during which the Russian Empire colonized the region, and WWII, during which Stalin deported the Chechens, Ingush, and Karachayevtsi.

Many Russian scholars and politicians see part of the reason for the Russians' departure in the specific federal construction of Russia, which includes non-ethnic regions (oblasts and krais), and ethnic regions, such as the North Caucasus republics. In the ethnic republics, the status of the Russians will always be lower than the status of the titular peoples, a factor that will always push the Russians to leave.

Among the negative consequences of the Russians' departure is the North Caucasus's loss of highly-skilled workers, a reduction in local productivity, violation of the historical balance between various ethnic groups and the consequent growth of ethnic conflict, and the deterioration of social conditions spurred by the explosion of ethnic and Islamic traditionalism.

Recently, various domestic authors have pointed out that the Russian exodus is accompanied by the formation in the North Caucasus of a network-based, ethnically-fragmented and deeply corrupt society, only formally under the jurisdiction of the Kremlin. Real power in this social order is wielded by clans who hold office and parallel structures operating in conjunction

with the clan-based authorities. As an expert pointed out at a recent conference, "society in the Caucasus is breaking down into a conglomerate of local clans and associations of mafia structures, representing…the prototype of a 'people's mafia structure.' The regional, and to some degree federal, authorities are suffering from an unprecedented crisis of faith and are practically deprived of legitimacy in the eyes of the local population."

### Kremlin Hierarchy of Power Fails to Provide Answers

The situation in the Caucasus is the result of the failures and mistakes of the Russian authorities during Putin's efforts to "strengthen the vertical of authority," according to Sergei Markedonov, a well-known expert at the Institute for Political and Military Analysis. The Kremlin's proposed hierarchy can do nothing to counter the fact that the North Caucasus has slipped into a "gray zone," only tenuously under Kremlin control: "a vertically hierarchical state without horizontal connections is the absence of a state. In this situation, 'the absence of the state,' strengthened neither by the contributions of the elite or the growing well-being of the masses, cannot become a base for social stability. It is necessary to first restore confidence and social stratification – only then will it be possible to restore society's internal integration."

Markedonov and other authors also consider it a mistake that the Kremlin in its North Caucasus policy relies on the elite clans dominant in each of the republics rather than recruiting among the elite "modernized" Caucasus residents not attached to the mechanisms of ethno-clan solidarity and oriented toward individual (rather than ethnic group) responsibility and a democratic social order.

With the upcoming 2007 parliamentary and 2008 presidential elections, it would be a mistake to expect changes in the Kremlin's policy. So that the elections will take place as the Kremlin hopes they will, Putin needs the support of the North Caucasus elites and their administrative resources. Once again the Caucasus Russians are pawns which are easy to sacrifice in order to win the larger game.

The Russian exodus from the North Caucasus demonstrates not only the collapse of Moscow's national policy, but also shows its inability to integrate society around various national and realistic goals that are acceptable for the citizens. If the elite stops being interested in the survival of any of the peoples living in its own country (or one of its regions), and cannot ensure the unity of the peoples, then the integrity of that country is automatically under threat.

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### Number of Ethnic Russians in the North Caucasus Republics (2002 Census)

| Republic | Number of Russians | Entire Population |
|---|---|---|
| Kabardino-Balkaria | 226,620 | 901,494 |
| Karachayevo-Cherkessia | 147,878 | 439,470 |
| Adygeya | 288,280 | 447,109 |
| Dagestan | 120,875 | 2,576,531 |
| Ingushetia | 5,559 | 467,294 |
| North Ossetia-Alania | 164,734 | 710,275 |
| Chechnya | 40,645 | 1,103,686 |
| **Total** | **994,591** | **6,645,859** |

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Regional Report

# Authorities Hope Chinese Investment Will Bring Russians Back to Far East

By Oleg Ssylka, Vladivostok


## Summary
The Russian population in the Far East is continuing to shrink. While the local population often feels like they are being invaded by Chinese migrants, these perceptions have little basis in reality. During the last few years, the Russian Federal Security Service has cracked down on illegal immigrants and there are fewer border violations now than in the early 1990s. Instead, the Russian authorities are actively working to promote Chinese investment in the area. Additionally, the authorities hope to bring ethnic Russian migrants to the Far East from the former Soviet republics, but these programs have made little progress due to a lack of financing.


## Russians Flee the Far East

In 1991, 8.1 million people lived in the Far East. By 1999, that number had dropped to 7.3 million and now the figure is just over 6 million. In the Russian regions along the Chinese border (Primorsky Krai, Khabarovsk Krai, Amur Oblast, and the Jewish Autonomous Oblast), there are less than 5 million people. At the same time, the three Chinese north-eastern territories bordering on Russia (Jilin, Liaoning and Heilongjiang) have a combined total population of more than 100 million people. Generally, the population density on the Russia side of the border is 5 persons per square kilometer, while the figure is 12 times greater across the border in China.

The Russian exodus continues as the authorities have not been able to take any measures to improve the local standard of living: In 2005, the population of the Far Eastern Federal District shrunk by 40,000 people. At the same time, the planned program to bring voluntary Russian migrants to the Far East from the non-Russian former republics of the Soviet Union, which is supposed to start this fall, is likely to collapse since most of the regions do not have the funds to provide them with the promised aid. The federal government has placed all responsibilities for caring for the new migrants on local employers. No one has even discussed providing financial support from Russia's Stabilization Fund, which currently collects profits from Russian oil sales. Many local observers fear that the Chinese will eventually flood into the Far East to replace the departing Russians.

## Moscow Policy Responses

Stories about an anticipated flood of Chinese have been circulating since the end of the 1980s, when Soviet President Mikhail Gorbachev traveled to Beijing and opened a new stage in Russian-Chinese friendship. At that time visa procedures were simplified and the Chinese were invited to come to Russia to trade and vacation. In the late 1980s and early 1990s, Russia witnessed the most extensive inflow of Chinese into the country. No one kept exact figures at that time, but experts estimate that hundreds of thousands of Chinese entered the country then. Since the end of the 1990s, with much stricter entrance requirements, and particularly in the last three years, the number of Chinese coming to Russia as tourists and for a variety of other purposes has been declining. Simply staying in the country illegally or acquiring citizenship has become more difficult. However, in 2005, after President Vladimir Putin visited China, and announced that 2006 would be the year of Russia in China and 2007 the year of China in Russia, the situation began to change. Now Russia is actively seeking Chinese, but this time the emphasis is placed on investors and only partly on temporary workers.

Putin replaced his presidential envoy in the Far East, Konstantin Pulikovsky, with former Kazan Mayor Kamil Iskhakov in 2005 with Chinese policy in mind. Iskhakov's task is to attract investment to the Far East, while at the same time, using his knowledge of Eastern cultures, counter the growing Chinese pressure. In March 2006, Iskhakov told one interviewer that he planned to "return the Far East to Russia." To do that, the envoy believes that Russia cannot get by without a new program to settle migrants from the CIS to the Far East. At the same time, the envoy is not opposed to attracting Chinese to the region as agricultural and construction workers. When Iskhakov's critics accuse him of facilitating the Chinese expansion, he responds that the authorities are carefully monitoring all of the Chinese in the Far East. "We have exact figures on how many citizens of each country are working at each enterprise and in each sector of the economy, and we know where they live. Yes, there are many foreigners among us. But our district cannot exist without them. The local residents are continuing to flee to more prosperous Russian regions," the envoy recently announced in Khabarovsk.

## Chinese Invasion – Myth and Reality

Despite such official pronouncements, the local population believes that no one is monitoring the flows of Chinese into Russia's east. These opin-

ions are widespread because in Primorsky Krai cities like Vladivostok and Ussuriisk, the Chinese presence is particularly visible. The Chinese are not only trading in the market, but also own their own cafes, drive public buses, work as shoe repairmen, manage hotels, and run large companies involved in forestry and fishing. Some reports even suggest that the Chinese have their own casinos and underground banks in the region. Several neighborhoods in Ussuriisk are almost entirely populated with Chinese.

Fear of China remains strong among Russians. Residents of the Far East still remember the conflict over Damanskii Island in 1969. Then regular Chinese army units tried to capture this island in the Ussuri River, killing dozens of Russian border guards. Decades after this bloodletting, Russia quietly gave the island to China. In the fall of 2005, a Harbin chemical factory dumped tons of poison into the Sungari River and it eventually flowed in the Russian Amur River. The result was an ecological catastrophe. At the local level, these events have encouraged a strong lack of trust in the Chinese.

But the wide-spread popular perception that Chinese have gained a strong foothold in the region differs significantly from reality on the ground: According to experts, only 200 Chinese have officially married Russian women and remained to live in the country during the last 10 years. More recently, there have only been 3–4 marriages annually in the krai, usually in rural areas. There are even fewer mixed families in Khabarovsk and Amur regions. In the other parts of the Far East, there are only a handful of Chinese.

This year Russia imposed a quota of 329,300 foreigner workers who can enter the country. Moscow has the largest part of the quota, with 40,000, while Primoskii Krai is in second place with 15,000. In the Far East, Chinese workers make up the majority of the foreigners. There are about 32,000 Chinese guest workers in the Far East Federal District now, according to the regional economic journal Dal'nevostochnyi kapital. These people generally are former peasants who are extremely diligent in their labors. If one adds the approximately 150,000 Chinese tourists in the area and several hundred representatives of joint ventures, then the total is no more than 200,000. Most of these people are in Russia for no more than a few days. There is no basis to speak seriously about a Chinese threat.

Nevertheless, warnings about a Chinese invasion often appear in the press. For example, Natalya Rimashevskaya, director of the Russian Academy of Sciences' Institute of Social Economic Problems, has warned that the Chinese believe that they could settle 50–70 million of their citizens in Siberia and the Far East. Others claim that there could be as many as 8–10 million legal Chinese immigrants in Russia by 2010. Some articles cite Chinese web sites which allegedly discuss plans for occupying Russian territory. The Chinese Foreign Ministry occasionally responds to these claims, emphasizing that the Chinese government has no plans to capture Russian lands.

### A New Approach to China

In recent years, policy makers in both Moscow and Primorsky Krai have adopted a new view of China. This approach grew particularly strong after Russia and China resolved the last of their border disputes a few years ago. The last point of contention was an island on the Amur River, which was handed over to China. The gist of the new policy is that the Russian Far East needs investment and workers in order to lift its economy and, as Primorsky Krai Governor Sergei Darkin loves to repeat, "create a launch pad to move into the entire Asian Pacific Region."

How many workers are needed to raise the Far Eastern economy to the Russian average? Boris Tersky, the director of the Far Eastern Center for Strategic Projects, claims that 1.2 million men and women between the ages of 20 and 50 are needed at existing production sites. Envoy Iskhakov calls for 2.5 million. Both see Chinese workers as the engine to accelerate the development of the Far Eastern economy.

Employers currently benefit from hiring foreign workers. They can pay the Chinese workers half as much as the Russian average and still the salaries are attractive by Chinese standards. In the forestry sector, Chinese workers earn 5,000–6,000 rubles a month and can accumulate 50,000 rubles a year. With these funds they can build a house in China and pay for their children's education. The same money buys very little in Primorsky Krai.

A trend that has received little attention is that recently Chinese labor in the Far East has become more expensive. This summer during the preparations for the holiday marking the founding of Vladivostok, various unskilled workers and handymen were paid $6/hour. The Chinese, having trained the local residents not to notice them, are now working to increase their salaries. Nothing can be done to counter this trend because there is no one else to do the difficult, unskilled labor besides the Chinese. The local population feels that it is above doing such work.

At the beginning of the twentieth century, Chinese and Koreans living in Russia performed all the most difficult jobs. In Vladivostok at that time, they made up as much as 20 percent of the population and numbered in the several tens of thousands. In 1937 Stalin banished all migrants to Kazakhstan. After their departure, Primorsky Krai suffered from a shortage of fruits and vegetables.

### The Projects of Successful Chinese Migrants

What do the Chinese migrants who have managed to establish themselves in the region do today? The most successful have created fictitious joint Rus-

sian-Chinese enterprises. Russian citizens are simply listed in the formal documents, while Chinese buy up forestry products, fish, and wildlife from the taiga. The businessmen have managed to establish corrupt ties with the Russian authorities who ignore poaching and transporting contraband products. At the same time, the number of crimes committed against Chinese enterprises in the Far East is growing. Many temporary Chinese residents in the Far East are involved in selling cheap consumer goods, a very profitable enterprise. Many of these traders do not pay taxes since they are not registered as entrepreneurs.

Additionally, there is an increasing number of Chinese who rent abandoned agricultural land and grow vegetables there. According to the farmers themselves, the income from working in Russia is 5–10 times higher than it would be in China. Some observers say that they do not take good care of the land since they use a variety of pesticides and poisons in producing the vegetables eventually sold to Russians. Other Chinese are now seeking education in Russian universities. Currently there are several thousand Chinese students in Far Eastern institutions of higher education.

An entire army of Russian bureaucrats lives on the bribes that all these Chinese migrants offer. These officials take bribes to file forms for crossing the border, securing housing, and working in the markets.

## Times Are Changing

The situation is changing for the Chinese. Having become used to the corruption of Russian bureaucrats and police, the Chinese now are facing a new situation as the special services are stepping up their activities against Chinese citizens who violate Russian laws. Earlier Chinese poachers and illegal migrants were simply deported back to China. Now, more frequently they are put on trial. In September, four poachers on the Amur River were sentenced to terms of 8 months to 1.5 years. Since many Chinese harvest wildlife and fish near the border, the Federal Security Service has declared special zones along the border where foreigners are not allowed to go without special permission. This measure could significantly hinder the joint criminal business in Russia of many Chinese and Russians.

Having imposed greater control on the entry of foreigners into Russia, the authorities are now seeking to attract more Chinese capital. Vsevolod Ovchinnikov, a leading Russian scholar of China, told a roundtable discussion among experts whose comments were published in Rossiiskaya gazeta, that "I think that our most important task is to create attractive conditions for those who live and work in the Far East." He argued that the region cannot survive without Chinese labor and that Russia should seek a balance between Chinese state and private investment. "This will allow us to take the best position in the undoubtedly complex current and future relations with China." Russia's policy will most likely focus on bringing Chinese investment to the region to create jobs for Russian immigrants coming from the CIS.

The most interesting development is that the Chinese seem to have accepted the Russian rules of the game. The Chinese understand that Moscow is unhappy when it comes under migration pressure, even though the Kremlin does not say so directly. Therefore, the Chinese are increasing their investments in Sakhalin gas and oil projects, building houses in Birobidzhan, setting up factories in Blagoveshchensk, and creating joint trading zones on the border of Primorsky Krai. In Vladivostok, Chinese state and private companies are deliberately examining whether to build unprofitable city sewage treatment plants. In return, they are seeking plots of land where they can construct hotels. Despite all the problems, during the last two years, the level of trade and Chinese investment has increased in the Far East.

China has never hidden its plans to develop the country's north-eastern regions using resources from the Russian Far East. The Russian authorities are taking these plans into account. Therefore they are now building an oil pipeline from Eastern Siberia to the Pacific Ocean and hydroelectric stations: China is a potential customer for Russia's oil and electricity. On the other hand, with the increase in Chinese investment, the amount of uncontrolled Chinese migration to the region has dropped. The federal and regional authorities are happy about this situation. They hope to bring in migrants from the former Soviet Union.

Chinese tourists are still coming to Vladivostok and Khabarovsk, though the numbers have declined somewhat since the Chinese Communist Party has forbidden them from gambling in Russian casinos. For the tourists, the Far East is an attractive destination since it is the closest European territory to China, while offering an attractive natural environment. They do not want to live here, but are very happy to visit.

*Translation from the Russian and editing:*
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*Further Reading:*
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## About the Russian Analytical Digest

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### Research Centre for East European Studies [Forschungsstelle Osteuropa] at the University of Bremen

Founded in 1982 and led by Prof. Dr. Wolfgang Eichwede, the Research Centre for East European Studies (Forschungsstelle Osteuropa) at the University of Bremen is dedicated to socialist and post-socialist cultural and societal developments in the countries of Central and Eastern Europe.

The Research Centre possesses a unique collection of alternative culture and independent writings from the former socialist countries in its archive. In addition to extensive individual research on dissidence and society in socialist societies , in January 2007, a group of international research institutes will be assembled for a collaborative project on the theme "The other Eastern Europe – the 1960s to the 1980s, dissidence in politics and society, alternatives in culture. Contributions to comparative contemporary history" which will be funded by the Volkswagen Foundation.

In the area of post-socialist societies, extensive research projects have been conducted in recent years with emphasis on political decision-making processes, economic culture and identity formation. One of the core missions of the institute is the dissemination of academic knowledge to the interested public. This includes regular email service with more than 10,000 subscribers in politics, economics and the media.

With a collection of publications on Eastern Europe unique in Germany, the Research Centre is also a contact point for researchers as well as the interested public. The Research Centre has approximately 300 periodicals from Russia alone, which are available in the institute's library. News reports as well as academic literature is systematically processed and analyzed in data bases.

### The Center for Security Studies (CSS) at ETH Zurich

The Center for Security Studies (CSS) at the Swiss Federal Institute of Technology (ETH Zurich) is a Swiss academic center of competence that specializes in research, teaching, and information services in the fields of international and Swiss security studies. The CSS also acts as a consultant to various political bodies and the general public.

The CSS is engaged in research projects with a number of Swiss and international partners. The Center's research focus is on new risks, European and transatlantic security, strategy and doctrine, state failure and state building, and Swiss foreign and security policy.

In its teaching capacity, the CSS contributes to the ETH Zurich-based Bachelor of Arts (BA) degree course for prospective professional military officers in the Swiss army and the ETH and University of Zurich-based MA program in Comparative and International Studies (MACIS), offers and develops specialized courses and study programs to all ETH Zurich and University of Zurich students, and has the lead in the Executive Masters degree program in Security Policy and Crisis Management (MAS ETH SPCM), which is offered by ETH Zurich. The program is tailored to the needs of experienced senior executives and managers from the private and public sectors, the policy community, and the armed forces.

The CSS runs the International Relations and Security Network (ISN), and in cooperation with partner institutes manages the Comprehensive Risk Analysis and Management Network (CRN), the Parallel History Project on NATO and the Warsaw Pact (PHP), the Swiss Foreign and Security Policy Network (SSN), and the Russian and Eurasian Security (RES) Network.

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