



## Journal Issue

### **The Russian Far East**

**Author(s):**

Kalachinsky, Andrei; Liou, Shiau-shyang

**Publication Date:**

2018-12-21

**Permanent Link:**

<https://doi.org/10.3929/ethz-b-000311962> →

**Rights / License:**

[In Copyright - Non-Commercial Use Permitted](#) →

This page was generated automatically upon download from the [ETH Zurich Research Collection](#). For more information please consult the [Terms of use](#).



## THE RUSSIAN FAR EAST

### ■ ANALYSIS

Primorsky Krai: A Luxurious Façade for a Disintegrating Building or  
Why This Far East Region Failed to Elect Putin's Designate 2

By Andrei Kalachinsky

(Vladivostok State University of Economics and Service)

### ■ ANALYSIS

Chinese Immigration to the Russian Far East 6

By Shiau-shyang Liou

(Institute for National Defense and Security Research (INDSR), Taiwan (R.O.C.))

### ■ MAPS

Administrative Subdivisions of the Russian Federation 2018 11

## Primorsky Krai: A Luxurious Façade for a Disintegrating Building or Why This Far East Region Failed to Elect Putin's Designate

By Andrei Kalachinsky (Vladivostok State University of Economics and Service)

DOI: <10.3929/ethz-b-000311962>

### Abstract

Voters in Primorsky Krai (also known as Primor'e) refused to elect the Kremlin's candidate in September gubernatorial elections. When it became clear that the Communist opponent had won, the results were cancelled and new elections were called. The Kremlin appointed a new acting governor, Oleg Kozhemyako, who sought to secure popular support by extracting extensive new federal funding for the region. After the winner of the first election was prevented from running again, Kozhemyako was able to beat out a weak field of contenders to decisively win the repeat elections.

### Failed Gubernatorial Elections

In September 2018 Andrey Tarasenko, nominated by the Kremlin and backed by the United Russia ruling party, effectively lost the gubernatorial election to Communist Party candidate Andrei Ishchenko. But the results of the election were declared invalid due to numerous electoral law violations. The Communists argued that false data had been entered into the automated vote counting system. Their opponents submitted more than 100 complaints to the electoral commission claiming that "Ishchenko's team bought off the voters."

An enormous scandal burst out. Ishchenko argued that he had received a majority of the votes and declared himself the "people's governor." Communist Party leader Gennady Zyuganov came to his defense. Central Electoral Commission Chair Ella Pamfilova, with tears in her eyes, declared that she was shocked by the numerous violations. She promised to investigate "regardless of who organized the falsifications." Of course, everyone understood that Tarasenko's team and the Primorsky Krai authorities bore responsibility for the irregularities.

The ballots entered into the system showed that with 95 percent of the vote counted Tarasenko had lost to Ishchenko by 7 percent. At 3:00 in the morning, everyone congratulated Ishchenko with his victory. But the celebrations were premature. After counting the last 5 percent, Tarasenko won by 1 percent.

For such a mathematical miracle to take place, the last ballots had to be recounted. I don't know how to describe the feelings of the many people who followed these elections both as supporters and opponents of the candidates. They were not only outraged, they were furious. These feelings arose not simply because the authorities stole victory from one candidate and gave it to another. But because for the first time in twenty years citizens suddenly believed that their votes decided something, but the authorities then crushed these hopes...

### Repeat Elections Set for December 16

How could the voters turn on the federal authorities in a region where the federal government spent more than \$10 billion to prepare for the APEC summit in 2012, building bridges, roads, opera theaters, and a new airport with federal money. How could this happen in a region whose capital, Vladivostok, Putin visits more frequently than any other city in the country after St. Petersburg and Sochi.

Putin personally appointed Tarasenko as governor a year before the elections. Immediately before the polls opened, Putin publicly supported him. But this did not help. The residents of Primorsky Krai rejected the latest Kremlin designate and demonstrated that they were unsatisfied with the situation in the kraï and the country.

Tarasenko's loss in the election severely damaged the reputation of the federal government and Putin personally. Along with the Primorsky elections, voting took place in 20 Russian regions, but only in this Far Eastern region did the authorities meet with such sharp opposition from the voters. Citizens did not hide that they were not voting for Ishchenko, who had been nominated as a fake rival to oppose the heavily favored incumbent, but against the worsening social situation in the kraï. They particularly opposed the pension age increase announced in July, the Kremlin's personnel policy, fuel price increases, the falling value of the ruble against the background of rising oil prices, most of which is exported and sold abroad, the growing cost of visiting China, the shame of Petrov and Boshirov accused of the failed Skripal assassination attempt, holes in the international space station, which leaked oxygen and deflated people's faith Russia's space program, one of the last things in which people still had pride, and even the schism with the Constantinople Patriarch over Ukraine. All of this returned people to the shameful and embarrassing days of Yeltsin's rule, which seemingly had been forgotten.

## The Kremlin Chooses a New Candidate

When it became clear that Tarasenko had no chance of winning the repeat elections, he was fired and on 27 September Putin appointed acting Governor Oleg Kozhemyako. Kozhemyako had recently been elected governor of Sakhalin Island, but personally appealed to the president for a chance to lead his native Primor'e.

During the two months following his appointment, Kozhemyako was unbelievably active. He pushed through the krai parliament a law supporting the “children of war,” which provided some benefits to thousands of old people. Residents of the region born between 1925 and 1945, about 100,000 people, receive 50 percent compensation for their housing and municipal services, full compensation for surcharges on remodeling, discounts on the transportation tax, and 1,000 ruble supplements to their pensions twice a year (the Communists had requested that these additional payments occur monthly).

Kozhemyako also introduced a bill restoring the right of Primorsky Krai cities to elect their mayors directly, rather than through the city council. The bewildered Communists complained that they had earlier proposed a similar bill. But what is important is not who proposed it, but who was able to push it through.

The new acting governor recklessly and in Stalinist style accused numerous bureaucrats in the krai administration of incompetence and fired them. After meeting the new governor, Vladivostok Mayor Vitaly Verkeenko, an apolitical businessman who had led the city since December 2017, resigned.

Kozhemyako publicly accused the previous administration of covering up the krai's problems and even dared to criticize the Kremlin, though carefully. He declared that “only from Moscow does the Primor'e budget, where there is no deficit, look good, while in reality the krai desperately needs additional financial support.

Kozhemyako's bold rhetoric naturally upset the federal authorities, who had not heard similar criticism from the governors for a long time. But there was nothing they could do in response. Prime Minister Dmitry Medvedev met with the new leader several times and supported almost all of his requests, which already seemed to resemble demands.

## Russia's Budget Federalism

The main problem in Russia's budget policy is that the higher-standing units take almost all the money from those below. The federal government sits at the top, in the best position, the regions are somewhere in the middle, while the municipal governments live at the mercy of those above. The biggest enterprises register in

Moscow, where they pay most of their taxes. The regions mainly retain control only over the personal income tax (NDFL). This tax provides the regional governments much more money than the municipal governments. The city of Vladivostok only retains 15 percent of the personal income tax, while 85 percent goes into the krai budget, from which the city is supposed to scratch out the funds that it needs to develop. These unjust budget relations always provoke conflicts between the Vladivostok mayor and the krai governor.

An analogous situation obtains in relations between Primorsky Krai and the federal government. Revenue for the krai, where two million people live, is about 95 billion rubles. The federal government is extremely stingy in providing additional financing for “joint programs.” But if the governor is persistent in squeezing out money from the federal government, he gains a reputation as someone who cannot develop the regional economy by attracting investment. Then he lands on the list of ineffective leaders. This was the fate of Governor Vladimir Miklushevsky, who led Primor'e from 2012 to 2017. He effectively banned his subordinates from applying for additional financing from the federal budget for targeted programs.

According to the former speaker of the krai legislative assembly Viktor Gorchakov, under Miklyushevsky the krai departments received from the executive branch accounting statements that differed from the numbers in independent analyses. As a result, during these five years, the krai social sphere did not develop. However, in public the krai developed the myth that “Primor'e is the center of cooperation among Asian-Pacific countries.”

But the region did not have the money to carry out these hosting functions. Almost all international events took place on the campus of the Far Eastern Federal University. The two Hyatt hotels, which were supposed to house the important guests, were not built in time.

Kozhemyako discovered to his surprise that the Miklushevsky administration purposefully did not participate in federal programs. He said:

*So that Moscow knows what is needed in the region, it is necessary to request something from it. Or at least identify the problem. They need to declare: “We lack sporting facilities—fields, gyms, pools, courts. We don't have normal clinics, out-patient facilities, or any effort to modernize our hospitals. All the schools have to work on two shifts to accommodate the demand, especially in the cities. There are no nursery schools. These things were not discussed on the federal level. Instead, we hid everything. The appearance was that we had enough money in the budget and effective management. ‘Everything is*

*going great.' The problems just got worse and worse and worse. The result was an explosion.*

Primor'e's decline is most visible in the social sphere. There is little new housing construction in the krai because the process of distributing land for construction and the approval of new buildings is deeply bureaucratized and enmeshed in a network of corrupt intermediaries. The result is that prices for apartments in Vladivostok are similar to prices in Moscow.

Primorsky Krai is the most densely populated region of the Far East. However, it suffers from low pay in the education and health care spheres (\$300–\$400 a month for nurses and teachers and \$500–\$800 a month for doctors), leading to a chronic shortage of specialists. There are only 22,000 teachers for the 26,000 positions. The situation is worse in healthcare and some hospitals need to fill as many as half of their personnel slots.

Not one school in the krai made it onto the list of the top 500 schools in Russia. Twenty percent of school children—37,000 students—study during the second shift of the school day. 36,000 children lack the chance to attend kindergarten. Half of the schools need to be renovated while the other half should be rebuilt entirely. For 8 years, the amount spent on meals during school did not change from 21 rubles (about 40 cents), though recently the sum was doubled.

During the Soviet era, the authorities built many rivers and thousands of bridges. Nearly half of these now need to be replaced or renovated, but the krai only has the resources on its own to fix 10–12 a year. Each year strong rains wash away several bridges and several inhabited areas become isolated. The new road between Nakhodka and Vladivostok, the two major cities of the krai, stretches for 150 km and has been under construction for five years and it will take another five years to finish it, while in neighboring China it only takes 3–4 years to complete similar projects. Likewise, electricity has not been brought to several villages in the northern part of the krai, where they rely on diesel generators which drives up the price.

### Securing New Funds

As the new leader of the krai, Kozhemyako has managed to secure funding from the federal budget for the construction of 16 new dams for 12 towns.

But Kozhemyako is not only demanding money from the federal budget, he has also launched an attack on big business. The Primorsky Krai ports export almost 30 percent of all Russian coal, but the region receives little in the form of tax revenues from this trade. At a meeting with the Nakhodka shipping companies, the governor offered them the kind of deal that left them in a stupor and incapable of protesting.

According to the acting governor, it is necessary to introduce a new ecological tax of 10–15 rubles for each ton of coal transited through Primorsky Krai ports. This money should go to the local municipalities which frequently suffer from coal dust clouds caused by the transfer of the fuel from train cars to the ships. The new leader banned the use of vehicles to transport the coal as a way of avoiding the tax. None of the coal port representatives commented on this proposal.

Before dealing with the coal shippers, Kozhemyako pressured Russia's largest association of fishermen (<http://varpe.org>) to "find the opportunity to deliver fish to Primor'e for prices that were significantly lower than the export price."

Kozhemyako's declaration about fish and coal are not simply campaign promises. They are an effort by a representative of the krai to force big business to pay taxes where it works and not where it is registered.

"Pay more!" "Pay at a higher rate than the usual local charges!" Overall, Kozhemyako is issuing revolutionary statements. He has become tired of comparisons between Vladivostok and Hong Kong and Singapore. Those cities are able to earn and keep a significant amount of money from their profitable geographical location. Their income includes port fees, customs duties, and other income. In Russia, all these funds flow into the federal budget.

It is possible to calculate how much an ecological tax on coal transport will give Primorsky Krai. Each year all the ports of the krai transship about 50 million tons of coal. With 15 rubles per ton, local budgets will see an influx of 750 million rubles. The budget of Nakhodka is about 3 billion rubles a year. The budget of Pos'eta is about 150 million rubles. If the Pos'eta port receives 15 rubles for each ton shipped, the village will gain an additional 90 million rubles, which comprises more than half of its budget. The village will become one of best funded in the krai!

Maybe 15 rubles a ton is too little? How much do the stevedores charge to move the coal? About 650 rubles a ton. In comparison to this sum, 15 extra rubles is small change. The ecological tax should be about 65 rubles a ton. How else can we compensate the local residents for the coal dust in their area?

In fact, in the next few years the ecological problems caused by the coal dust will not improve significantly. "Closed transshipment" of the coals remains an unattainable dream. It does not exist anywhere in the world for large coal terminals. Part of the problem is the danger—coal dust in small spaces can ignite spontaneously.

Kozhemyako has made the first step toward decisively increasing the krai budget.

## Repeat Elections

Four candidates ultimately competed in the repeat governors' elections on December 16. Despite Kozhemyako's efforts, many still had a negative opinion of him, considering him a creature of the Kremlin. Negative feelings also arise from the fact that no one has been punished for the disruption of the September elections. If the authorities are not going to take these popular opinions into account, many think that they should just appoint the governors themselves. The leader in the September elections, Andrei Ishchenko, was blocked from registering as a candidate in these elections on the grounds that he allegedly did not collect the necessary number of signatures from citizens and municipal leaders in his support.

Ultimately, Kozhemyako was able to score a decisive victory, taking about 62 percent of the vote. The next closest competitor was Andrei Andreichenko of the Liberal Democratic Party (LDPR) in second place

with 25 percent. Turnout was about 40 percent, up from about 30 percent in September. As in the past, the Kremlin only allowed the voters to have a say in tightly controlled conditions.

Nevertheless, the victory was expensive for the Kremlin. First, it spent an enormous amount on the campaign, with even the national media supporting Kozhemyako. Second, it had to set aside considerable sums to pay for Kozhemyako's promises to build new dams, bridges, and roads and to buy new medical equipment and increase the salaries of doctors and teachers. Finally, the federal government will have to pay for moving the capital of the Far East Federal District from Khabarovsk to Vladivostok, end the new requirement for adding the Russian GLONASS positioning system to all imported cars (unpopular because it effectively raised the price for most cars in the region), and put up with the new governor's criticism of federal policy. The victory came at such a high price it could be called "Pyrrhic."

### *About the Author*

Andrey Kalachinsky is a professor in the Higher School of Television, Vladivostok State University of Economics and Service.

**Table 1: Primorsky Krai Gubernatorial Election Results 2018**

Candidate	1 <sup>st</sup> round (09 September)	2 <sup>nd</sup> round (annulled) (16 September)	Repeated election (16 December)
Andrey Tarasenko (United Russia)	46.6%	49.6%	--
Oleg Kozhemyako (United Russia)	--	--	61.9%
Andrey Ishchenko (Communist Party)	24.6%	48.1%	--
Yulia Tolmacheva (Party of Pensioners)	10.8%	--	--
Andrey Andreychenko (Liberal Democratic Party)	9.3%	--	25.2%
Alexey Kozitsky (Just Russia)	4.8%	--	--
Alexey Timchenko (Party of Growth)	--	--	5.2%
Rosa Chemeris (For Women)	--	--	3.8%
invalid	3.9%	2.4%	4.0%
<i>Voter turnout</i>	30.2%	35.4%	46.4%

Source: Electoral Commission of Primorsky Krai, [http://www.primorsk.vybory.izbirkom.ru/region/region/primorsk?action=show&root=1&tvd=22520001430255&vrn=22520001430251&region=25&global=&sub\\_region=0&prver=0&pronetvd=null&vibid=22520001430255&type=234](http://www.primorsk.vybory.izbirkom.ru/region/region/primorsk?action=show&root=1&tvd=22520001430255&vrn=22520001430251&region=25&global=&sub_region=0&prver=0&pronetvd=null&vibid=22520001430255&type=234), [http://www.primorsk.vybory.izbirkom.ru/region/region/primorsk?action=show&root=1&tvd=22520001508606&vrn=22520001508349&region=25&global=&sub\\_region=0&prver=0&pronetvd=null&vibid=22520001508606&type=234](http://www.primorsk.vybory.izbirkom.ru/region/region/primorsk?action=show&root=1&tvd=22520001508606&vrn=22520001508349&region=25&global=&sub_region=0&prver=0&pronetvd=null&vibid=22520001508606&type=234), [http://www.primorsk.vybory.izbirkom.ru/region/region/primorsk?action=show&root=1&tvd=22520001560603&vrn=22520001559940&region=25&global=&sub\\_region=0&prver=0&pronetvd=null&vibid=22520001560603&type=234](http://www.primorsk.vybory.izbirkom.ru/region/region/primorsk?action=show&root=1&tvd=22520001560603&vrn=22520001559940&region=25&global=&sub_region=0&prver=0&pronetvd=null&vibid=22520001560603&type=234)

## Chinese Immigration to the Russian Far East

By Shiau-shyang Liou (Institute for National Defense and Security Research (INDSR), Taiwan (R.O.C.))

DOI: <10.3929/ethz-b-000311962>

### Abstract

Importing immigrant labor from neighboring China is the simplest and most effective way to resolve the labor shortage in the Russian Far East. Indeed, against the background of the Ukraine crisis and its “Turn to the East,” Russia has relaxed its restrictions on Chinese immigration. At the same time, however, the number of Chinese immigrant workers in Russia may actually decrease in forthcoming years, due to the increase in per capita income in China and the looming labor shortages in China due to its aging population.

According to official statistics, the population of the Russian Far East decreased by 1.75 million between 1990 and 2010. A natural population decrease and significant emigration have led to this sharp population decline. It is estimated that, by 2020, the Russian labor force will have been reduced by 3 million, and the Russian Far East will face the same predicament. The Concept for the State Migration Policy of the Russian Federation through to 2025 points out that an increase in immigration has offset more than half of the natural population decrease over the past 20 years. However, emigration from Russia continues. Therefore, an inflow of immigrants is clearly the only source of additional supply to address the labor shortage.

Attracting immigrants from neighboring China represents the simplest and most effective way to resolve the labor shortage in the Russian Far East, but it is a solution that is not easily accepted by local Russians. Although Sino–Russo relations are currently at an unprecedented high, the myth about a creeping “sinicization” of the Russian Far East persists. Another feasible potential source of immigrant labor is from Central Asia. However, the local population opposes the import of Central Asian immigrants even more than do to the Chinese. Against this background, this article asks how should the Russian Far East resolve its urgent labor shortage problem? Does Chinese immigration represent a threat or an opportunity to the Russian Far East?

### Demographic Crisis in the Russian Far East

The Russian Far East is not only Russia’s window towards the Asia-Pacific region, but also possesses abundant natural resources. Therefore, Russia is eager to promote its economic growth by developing its Far Eastern Federal District. However, the outflow of the population from the region has always been the major challenge to its development. It not only causes labor shortages, but it also leads to depressed domestic demand and even hinders local economic development.

After the dissolution of the Soviet Union, many professionals with specialized skills emigrated from the Russian Far East. Furthermore, the Russian Far East region struggles not only to develop an innovative economy, but also to attract foreign professional experts. At the same time, the Russian Far East lacks a sufficient grassroots labor force and has been relying on Chinese immigration for a long time. Since the beginning of the 21<sup>st</sup> century, the scale of international migration in the Russian Far East has decreased significantly. The sources of immigration have also changed since 2010, with unidirectional immigration flows from the countries of the Commonwealth of Independent States (CIS) increasing in relative terms. In addition to Chinese immigrants, there are many immigrants from Uzbekistan, Tajikistan, Kyrgyzstan, Armenia, Ukraine and Azerbaijan. However, on average, these immigrants have lower educational levels than the local residents, and most are engaged in the construction, service and trade industries. Some specific sectors are monopolized by immigrant workers from certain countries. For example, public transportation is almost completely staffed by immigrant workers from CIS countries. Local Russians cannot compete with the former, even if they have relevant professional skills. Despite the increase in the number of immigrants, they still make up only a small proportion of the overall population. Moreover, most immigrant workers in the Russian Far East do not speak Russian well, and nearly 70% of them cannot communicate with local people at all. This is a major problem for local migration management.

The predicament of the Russian Far East is related to its harsh climatic conditions and relative remoteness. The relatively low degree of economic development worsens the problem of population outflows. As of 2017, Magadanskaya Oblast, Amurskaya Oblast, Kamchatsky Krai, Evreyskaya Avtonomnaya Oblast, and Chukotsky Avtonomny Okrug were the five federal subjects with the most serious population outflows. Although the economic conditions and social environment of Primorsky

Krai is superior to the other federal subjects in the Russian Far East, in recent years there has also been a trend of population decline, especially an outflow of the Slavic and Tartar populations. At the same time, the number of immigrants in Primorsky Krai has gradually increased. Among them, the Korean population, which was forcibly moved from the Russian Far East to Central Asia during the Soviet Union, has begun to return in large numbers to the region, as a result of changes to Russian immigration policy. Due to the repressive nature of North Korea, there are also quite a few immigrants from North Korea. They are the cheapest labor force in the Russian Far East and largely work in the construction industry.

Owing to the lack of a comprehensive immigration policy, the number of illegal immigrants in Russia increased significantly during the 1990s. Since 1994, the Russian Far East has begun to expel illegal immigrants. Illegal immigrants are able to fill the local labor shortage over time, but they also form an underground economy, which is not conducive to local economic development. This is also why the Russian population does not like immigrants. The Russian authorities impose a strict quota system on labor immigration for the sake of management convenience. However, due to the limitations set by these quotas, a large number of foreigners wishing to work in Russia can only enter Russia illegally and become illegal immigrant workers. Despite some increase in legal immigrants after 2007, the relevant authorities continue to impose a quota system on labor immigration.

Moscow has encouraged immigrants to move to the Russian Far East, but foreign immigrants that want to go to the Russian Far East are rare. Some laborers in other federal subjects prefer to be unemployed, rather than travel to the remote areas of the Russian Far East. Moscow has even promoted the “Far Eastern hectare” program to encourage immigration, but according to a survey conducted by the Russian Public Opinion Research Center (VTsIOM) in November 2016, only 14% of Russians and 27% of Far Eastern residents would even consider applying for a hectare of land in the Russian Far East under this program. There seems to be no effective way of resolving the demographic crisis and issues of labor shortage in the Russian Far East in the near term.

### **Impacts of Chinese Immigration on the Russian Far East**

In terms of geoeconomics, China’s abundant labor force can make up for the labor shortage in the Russian Far East, but Chinese immigrant workers have long been unpopular with the Russian population.

The number of Chinese immigrants in Russia has not been accurately calculated. In addition to the practical difficulties of conducting such a survey, the problem is also related to the differences in the statistical methods used by the relevant authorities. Existing statistics do not show the scale, type and flow of Chinese immigrants in Russia. Chinese immigrants have a dominant position in the Russian Far East, but the scale of immigration from China is not comparable to that from Central Asia and Ukraine to Russia in general. However, due to the historical legacy of the relationship between Russia and China and concerns about Chinese immigrants overstaying their welcome, the number of Chinese immigrants has always been exaggerated. Thus, Russians in the Russian Far East have mistakenly assumed that they will be inundated by a “yellow wave” of Chinese immigration, and that Chinese enclaves will spring up throughout the region. This perspective stems from the historical background in which a considerable proportion of the Russian Far East was Chinese territory until the Qing Dynasty was forced to cede it to Russia. In this context, the increase in Chinese immigrants leads many Russians to suspect that China will seek the return of what it sees as its historical territory.

Moreover, Russians in the Russian Far East also believe that Chinese immigrants are taking their work. This is only partially correct. In the 1990s, due to the huge gap between the salaries of Russians and Chinese immigrants, such a situation did indeed exist. However, the opposite trend is evident in recent years. In border trade areas, the Chinese business owners even hire local Russian residents to comply with the Russian government’s laws.

In June 2006, Russian President Vladimir Putin approved the “State Program to Assist Voluntary Resettlement of Compatriots Living Abroad”, aimed at attracting Russian-speaking residents in the former Soviet Republics to resettle in Russia. The three Far Eastern federal subjects: Primorsky Krai, Khabarovsk Krai and Amurskaya Oblast are the main areas in which such immigrants would be located. The main purpose of the policy is to resolve the demographic crisis and the Chinese immigration problem; moreover, the policy seeks to utilize immigrants from CIS countries to counteract the number of Chinese immigrants. However, the subsequent developments suggest that this program has failed. To protect the rights of Russians, the Government of the Russian Federation issued a decree in November 2006 prohibiting foreigners from engaging in retail trade in markets. About 100,000 Chinese merchants were forced to leave Russia, and the Russian Far East suffered from a more serious impact. This is because illegal immigrant workers have



been making up for deficiencies in the local economy, and the forced evictions of illegal immigrant workers are, therefore, harmful to the local economy, to at least some extent.

In addition to the commercial sector, Chinese immigrant workers are indispensable for the construction and agriculture sectors in the Russian Far East. For example, Chinese Hua-fu Construction Company has great influence in the local area and contributes a lot to the local economy. Primorsky Krai has signed an agreement with Heilongjiang Province to protect the rights of Chinese immigrant workers, who engage in farming in Russia. Although Chinese immigrant workers contribute to the local economy in these sectors, they are still seen as having a negative impact on the local society, because Russians are unable to compete with them in the labor market.

The environmental pollution caused by Chinese immigrant workers is another issue. In Amurskaya Oblast and Evreyskaya Avtonomnaya Oblast, the problem of agricultural land pollution is quite serious. In September 2012, the authorities in Amurskaya Oblast decided to prevent the employment of Chinese immigrant workers agricultural jobs, due to their excessive use of agricultural chemicals. In 2013, several federal subjects in the Russian Far East declined to offer Chinese immigrant workers any allotments within their foreign quotas, and instead favored immigrants from North Koreans and CIS countries. Moreover, illegal logging in the Russian Far East increased by 70%, from 2012 to 2017, with most of this timber shipped to China.

### **The Ukraine Crisis Brings about a Turning Point**

Although still unpopular, the Ukraine crisis in 2014 brought about a turning point in the opportunities for Chinese immigrant labor in the Russian Far East. The Western economic sanctions imposed on Russia led not only to an economic crisis, but also to a sharp drop in immigration from CIS countries. In spite of the economic problems in Russia, there are many jobs in the Russian Far East for which it is impossible to attract local residents, due to their low salaries. Hence, Russia has accelerated its turn to the East and especially to China. Russia hopes to expand its economic cooperation with China and encourage China to participate in the development of the Russian Far East. This will undoubtedly generate demand for a larger Chinese labor force, and Moscow will also correspondingly relax restrictions on the import of Chinese workers. There is, thus, a new opportunity for greater Russo–Chinese labor cooperation.

For a long time, the federal subjects of the Russian Far East have managed Chinese immigrant workers via restrictive measures. The relevant authorities implemented quotas on the numbers of Chinese migrant workers. The number of licenses that were issued for Chinese workers each year did not meet the demand of businesses. However, this situation changed after the establishment of the Advanced Special Economic Zone (ASEZ).

In July 2015, the Ministry for Development of the Russian Far East approved the establishment of the ASEZ and the Freeport of Vladivostok. The establishment of the ASEZ is a major breakthrough, because the importing of foreign labor and professionals in these zones is not subject to the quota restrictions. Moreover, vocational training and in-service training can also be carried out by enterprises within the ASEZ.

At present, China is actively promoting its “Belt and Road Initiative,” which includes the integration of Northeast China and the Russian Far East under the framework of the “China–Mongolia–Russia Economic Corridor” as one of its priorities. In September 2018, Chinese President Xi Jinping, speaking at the Eastern Economic Forum, pointed out that China is already the largest trade partner for and investor in the Russian Far East, and he announced the establishment of the Sino–Russian Regional Cooperation Development Investment Fund, with a first phase of 10 billion RMB and a total of 100 billion RMB. With this investment of Chinese capital, there may be more Chinese immigrant workers coming to the Russian Far East in the future. Although they are more likely to be specialists, rather than low-skilled workers. What remains to be seen, however, is whether these Chinese immigrant workers have the same impact of crowding out Russians from such job opportunities?

### **Is Chinese Immigration Still Seen as a Threat?**

The “Russia’s Turn to the East” initiative was launched in 2008. Russia intends to strengthen its political and economic relations with the East, and not only with China and South Korea. The survey conducted by VCIOM in October 2015 pointed out that many Russians see the relationship between Russia and the East as driven by their common political and economic interests, such as the struggle with USA and Western economic sanctions, rather than geocultural factors. Furthermore, the survey also showed that less than half (47%) saw immigrants in the Russian Far East and Siberia as a threat. In other words, the Asian threat is gradually becoming something referred to in the past tense.

VTsIOM's long-term follow-up survey between 2005 and 2017 also shows the significant impact that the Ukraine crisis has had on Russian public opinion since 2014. The percentage of respondents who agreed with the statement "China is an economic and political rival and competitor" dropped significantly from 24% in 2009 to 8% in 2014. Moreover, the percentage of respondents who agreed with the statement "China is a strategic and economic partner" rose from 41% in 2009 to 49% in 2014.

Another useful source for understanding perceptions of China and Chinese immigrants in the Russian Far East comes from the survey conducted by the Institute of History, Archaeology and Ethnography of the Peoples of the Far East (IHAE) at the Far Eastern Branch of the Russian Academy of Sciences (FEB RAS) in four regions of the Russian Far East: Primorsky Krai, Kamchatsky Krai, Magadanskaya Oblast and Sakhalinskaya Oblast in spring and summer 2017. In the survey, Viktor Larin and Liliia Larina highlight that while the percentage of respondents who rated China as "good and very good" was 64% and as "satisfactory" was 26%, the United States was rated as "bad" by 61%. People of different classes have different perceptions toward China and the Chinese in different regions of the Russian Far East. Generally speaking, developed regions hold a more positive evaluation of China, than underdeveloped regions, with the fear of China in developed regions lower than in underdeveloped regions. The federal subjects adjacent to China are best positioned to realize the benefits of economic cooperation with China than others, and they tend to support Chinese investment in their regions. The residents of Primorsky Krai regard China as their first priority for economic cooperation, but Kamchatsky Krai, Magadanskaya Oblast and Sakhalinskaya Oblast prioritize cooperation with Siberia, other federal subjects of the Russian Far East and Japan. The respondents have confidence in the positive development of Russo–Chinese relations. 68% consider the prospects for the relationship as "good" or "very good". They hope China invests in their regions and that tolerance for Chinese immigrant workers also increases, because most Chinese immigrant workers do not stay in Russia for a long time. Although the percentage of respondents who think that "immigration from neighboring countries is a threat" has gradually declined since 2010 (51% in 2010, 49% in 2013, 31% in 2016, 24% in 2017), there remains a significant group of people who regard China as a threat.

On the whole, Russians do not easily accept immigrants. Perhaps, as Aleksandr Larin suggests, Russians accept Chinese immigrants as short-term workers for economic activities, but they do not want them to set-

tle in Russia in the long-term. Such a tendency is even stronger in the Russian Far East.

### Possible Variables

The relaxation of the restrictions on Chinese immigration by the Russian authorities is obviously an expedient measure. In the long run, however, the new immigration regulations may not be conducive to attracting Chinese immigrant workers to the Russian Far East. For example, since 2015, immigrants must pass a comprehensive exam, testing their knowledge of Russian language, history, and relevant laws, before they can apply for the necessary permits and documents.

To a certain extent, the reason why the Russian Far East lacks a sufficient labor force is because many of the available jobs are underpaid, and Russians are themselves not willing to do them. Therefore, Chinese immigrant workers have filled this low-paid labor gap. In recent years, however, per capita income in China has increased substantially, and the willingness of Chinese workers to seek work in Russia has gradually decreased. Moreover, the Russian economy has been in decline since the Ukraine crisis, and, as a result, job opportunities in Russia are not as attractive as they were before. Today, the Chinese migrant workers that are willing to go to the Russian Far East are likely to be those who are less competitive in the labor market of their hometown. Although the examination to qualify for work permits is easier than the other kinds of immigration tests, it may still be a major hindrance to these low-skilled immigrant workers. Previously, China had asked Russia to abolish the Russian language test for Chinese immigrant workers, but this request was refused.

Furthermore, China's population is aging fast, and China will itself soon face labor shortages. This is why the Chinese authorities abolished the one-child policy. With China facing labor shortages and rising wages, the number of Chinese workers seeking work in Russia may well decrease.

At present, the Russian attitude about Chinese immigration can be described as one of "limited tolerance." Most people recognize the economic benefits that Chinese immigrants bring, but they are also cautious about demographic issues and the consequences of the Chinese immigrants' economic activities. Although current attitudes towards China and the Chinese immigrant workers are more positive than a decade ago, this change actually stems from the impact of Western economic sanctions in response to the Ukraine crisis. It is not due to an improved mutual understanding from long-term social interaction between the Russian population and Chinese immigrant workers. Once the West is no longer economically sanctioning Russia, the neg-

ative impacts that Chinese immigrant workers have on the Russian Far East may once again be magnified by the local population.

### Conclusion

Chinese immigrant workers and economic assistance from China are indispensable to the Russian Far East's development. Chinese immigration to the Russian Far East was once regarded as being another "Yellow Peril" by many Russians, who believed that China intended to peacefully reclaim the territory ceded to Russia during the Qing Dynasty. However, this myth has never come true. Instead, Chinese immigrant workers have proven a timely source of labor to fill local shortages in the Russian Far East. Nonetheless, to at least some extent, Chinese immigration also creates challenges in the region. The number of Chinese workers seeking to come to the region has caused chaos for the local authorities in their

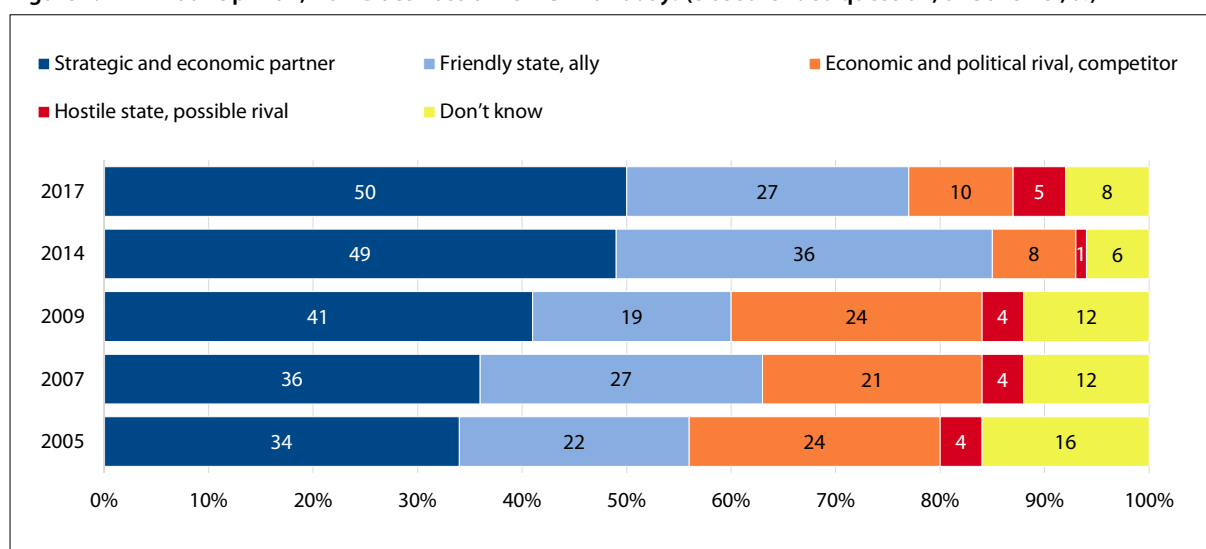
efforts to manage migration. While it has also led to the growth of the underground economy. On the whole, however, Chinese immigration represents an opportunity, rather than a threat to the Russian Far East. Currently, most Russians consider that the pros of Chinese immigration outweigh the cons.

Due to the Ukraine crisis and its "Turn to the East," Russia has relaxed the restrictions on Chinese immigration. At the same time, the number of Chinese immigrant workers in Russia may actually decrease in forthcoming years, because of the increase in per capita income in China and the looming labor shortages in China due to its aging population. Moreover, the language threshold test will negatively impact on the willingness of Chinese immigrant workers to seek work in Russia. All of these factors may come together to adversely affect the extent of Chinese immigration to the Russian Far East in the years ahead.

### About the Author

Shiau-shyang Liou is Assistant Research Fellow, Division of Non-traditional Security and Military Missions at the Institute for National Defense and Security Research (INDSR), Taiwan (R.O.C.); and Adjunct Assistant Professor, Department of Diplomacy at National Chengchi University, Taiwan (R.O.C.). His research focuses on Non-traditional Security Studies, Russian foreign policy, Russia & CIS Studies, China's "Belt and Road Initiative," and Migration Research.

**Figure 1: In Your Opinion, How Does Russia View China Today? (closed-ended question, one answer, %)**



Source: representative opinion polls by VTsIOM, 2005 to 28–29 January 2017, <https://wciom.com/index.php?id=61&uid=1357>

MAPS

## Administrative Subdivisions of the Russian Federation 2018



- |                                   |   |   |                                      |
|-----------------------------------|---|---|--------------------------------------|
| 1. <i>Murmansk region</i>         | 23. <i>Kursk region</i>                     | 45. <i>Chuvash Republic</i>               | 65. <i>Altai krai</i>                |
| 2. <i>Republic of Karelia</i>     | 24. <i>Belgorod region</i>                  | 46. <i>Republic of Mari El</i>            | 66. <i>Kemerovo region</i>           |
| 3. <i>Leningrad region</i>        | 25. <i>Lipetsk region</i>                   | 47. <i>Kirov region</i>                   | 67. <i>Republic of Khakassia</i>     |
| 4. <i>Pskov region</i>            | 26. <i>Tambov region</i>                    | 48. <i>Udmurt Republic</i>                | 68. <i>Altai Republic</i>            |
| 5. <i>Novgorod region</i>         | 27. <i>Voronezh region</i>                  | 49. <i>Perm krai</i>                      | 69. <i>Tyva Republic</i>             |
| 6. <i>Vologda region</i>          | 28. <i>Volgograd region</i>                 | 50. <i>Republic of Tatarstan</i>          | 70. <i>Irkutsk region</i>            |
| 7. <i>Arkhangelsk</i>             | 29. <i>Rostov region</i>                    | 51. <i>Republic of Bashkortostan</i>      | 71. <b>Republic of Buryatia</b>      |
| 8. <i>Nenets Autonomous Okrug</i> | 30. <i>Krasnodar krai</i>                   | 52. <i>Ulyanovsk region</i>               | 72. <b>Zabaikalsky krai</b>          |
| 9. <i>Komi Republic</i>           | 31. <i>Republic of Adygea</i>               | 53. <i>Samara region</i>                  | 73. <b>Primorsky krai</b>            |
| 10. <i>Kaliningrad region</i>     | 32. <i>Stavropol krai</i>                   | 54. <i>Orenburg region</i>                | 74. <b>Jewish Autonomous region</b>  |
| 11. <i>Tver region</i>            | 33. <i>Karachay-Cherkess Republic</i>       | 55. <i>Chelyabinsk region</i>             | 75. <b>Khabarovsk krai</b>           |
| 12. <i>Smolensk region</i>        | 34. <i>Kabardino-Balkar Republic</i>        | 56. <i>Kurgan region</i>                  | 76. <b>Amur region</b>               |
| 13. <i>Moscow region</i>          | 35. <i>Republic of North Ossetia-Alania</i> | 57. <i>Tyumen region</i>                  | 77. <b>Sakha (Yakutia) Republic</b>  |
| 14. <i>Yaroslavl region</i>       | 36. <i>Ingush Republic</i>                  | 58. <i>Sverdlovsk region</i>              | 78. <b>Magadan region</b>            |
| 15. <i>Kostroma region</i>        | 37. <i>Chechen Republic</i>                 | 59. <i>Khanty-Mansi Autonomous Okrug</i>  | 79. <b>Chukotka Autonomous Okrug</b> |
| 16. <i>Ivanovo region</i>         | 38. <i>Republic of Dagestan</i>             | 60. <i>Yamalo-Nenets Autonomous Okrug</i> | 80. <b>Kamchatka krai</b>            |
| 17. <i>Vladimir region</i>        | 39. <i>Kalmyk Republic</i>                  | 61. <i>Krasnoyarsk krai</i>               | 81. <b>Sakhalin region</b>           |
| 18. <i>Ryazan region</i>          | 40. <i>Astrakhan region</i>                 | 62. <i>Tomsk region</i>                   | 82. <i>St. Petersburg</i>            |
| 19. <i>Tula region</i>            | 41. <i>Saratov region</i>                   | 63. <i>Omsk region</i>                    | 83. <i>Moscow</i>                    |
| 20. <i>Kaluga region</i>          | 42. <i>Penza region</i>                     | 64. <i>Novosibirsk region</i>             | 84. <i>Republic of Crimea*</i>       |
| 21. <i>Bryansk region</i>         | 43. <i>Republic of Mordovia</i>             |   | 85. <i>Sevastopol*</i>               |
| 22. <i>Oryol region</i>           | 44. <i>Nizhny Novgorod region</i>           |   |                                      |

\* Annexed Ukrainian territory; annexation not recognized by international community

Regions constituting the Far Eastern Federal District are highlighted in bold type.

**ABOUT THE RUSSIAN ANALYTICAL DIGEST**

Editors: Stephen Aris, Matthias Neumann, Robert Ortung, Jeronim Perović, Heiko Pleines, Hans-Henning Schröder, Aglaya Snetkov

The Russian Analytical Digest is a bi-weekly internet publication jointly produced by the Research Centre for East European Studies [Forschungsstelle Osteuropa] at the University of Bremen (<[www.forschungsstelle.uni-bremen.de](http://www.forschungsstelle.uni-bremen.de)>), the Center for Security Studies (CSS) at the Swiss Federal Institute of Technology Zurich (ETH Zurich), the Resource Security Institute, the Center for Eastern European Studies at the University of Zurich (<<http://www.cees.uzh.ch>>), the Institute for European, Russian and Eurasian Studies at The George Washington University, and the German Association for East European Studies (DGO). The Digest draws on contributions to the German-language *Russland-Analysen* (<[www.laender-analysen.de/russland](http://www.laender-analysen.de/russland)>), and the CSS analytical network on Russia and Eurasia (<[www.css.ethz.ch/en/publications/rad.html](http://www.css.ethz.ch/en/publications/rad.html)>). The Russian Analytical Digest covers political, economic, and social developments in Russia and its regions, and looks at Russia's role in international relations.

To subscribe or unsubscribe to the Russian Analytical Digest, please visit our web page at <<http://www.css.ethz.ch/en/publications/rad.html>>

**Research Centre for East European Studies at the University of Bremen**

Founded in 1982, the Research Centre for East European Studies (Forschungsstelle Osteuropa) at the University of Bremen is dedicated to the interdisciplinary analysis of socialist and post-socialist developments in the countries of Central and Eastern Europe. The major focus is on the role of dissent, opposition and civil society in their historic, political, sociological and cultural dimensions.

With a unique archive on dissident culture under socialism and with an extensive collection of publications on Central and Eastern Europe, the Research Centre regularly hosts visiting scholars from all over the world.

One of the core missions of the institute is the dissemination of academic knowledge to the interested public. This includes regular e-mail newsletters covering current developments in Central and Eastern Europe.

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

The Center for Security Studies (CSS) at ETH Zurich is a center of competence for Swiss and international security policy. It offers security policy expertise in research, teaching, and consultancy. The CSS promotes understanding of security policy challenges as a contribution to a more peaceful world. Its work is independent, practice-relevant, and based on a sound academic footing.

The CSS combines research and policy consultancy and, as such, functions as a bridge between academia and practice. It trains highly qualified junior researchers and serves as a point of contact and information for the interested public.

**The Institute for European, Russian and Eurasian Studies, The Elliott School of International Affairs, The George Washington University**

The Institute for European, Russian and Eurasian Studies is home to a Master's program in European and Eurasian Studies, faculty members from political science, history, economics, sociology, anthropology, language and literature, and other fields, visiting scholars from around the world, research associates, graduate student fellows, and a rich assortment of brown bag lunches, seminars, public lectures, and conferences.

**The Center for Eastern European Studies (CEES) at the University of Zurich**

The Center for Eastern European Studies (CEES) at the University of Zurich is a center of excellence for Russian, Eastern European and Eurasian studies. It offers expertise in research, teaching and consultancy. The CEES is the University's hub for interdisciplinary and contemporary studies of a vast region, comprising the former socialist states of Eastern Europe and the countries of the post-Soviet space. As an independent academic institution, the CEES provides expertise for decision makers in politics and in the field of the economy. It serves as a link between academia and practitioners and as a point of contact and reference for the media and the wider public.

**Resource Security Institute**

The Resource Security Institute (RSI) is a non-profit organization devoted to improving understanding about global energy security, particularly as it relates to Eurasia. We do this through collaborating on the publication of electronic newsletters, articles, books and public presentations.

All opinions expressed in the Russian Analytical Digest are exclusively those of the authors.

Reprint possible with permission by the editors.

Editors: Stephen Aris, Matthias Neumann, Robert Ortung, Jeronim Perović, Heiko Pleines, Hans-Henning Schröder, Aglaya Snetkov

Layout: Cengiz Kibaroglu, Matthias Neumann, Michael Clemens

ISSN 1863-0421 © 2018 by Forschungsstelle Osteuropa an der Universität Bremen, Bremen and Center for Security Studies, Zürich

Research Centre for East European Studies at the University of Bremen • Country Analytical Digests • Klagenfurter Str. 8 • 28359 Bremen • Germany

Phone: +49 421-218-69600 • Telefax: +49 421-218-69607 • e-mail: [laender-analysen@uni-bremen.de](mailto:laender-analysen@uni-bremen.de) • Internet: <[www.css.ethz.ch/en/publications/rad.html](http://www.css.ethz.ch/en/publications/rad.html)>