

## MIGRATION ISSUES AND RUSSIA'S ECONOMIC INTEGRATION IN ASIA

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Russia's economic integration in Asia today, as in the past, has both opened the Russian Far East to new opportunities for development and made it more vulnerable to trans-border problems, such as migration flows. After examining the historical roots of Russia's experience with Asian migrants, this paper will explore the specific challenges posed to the Russian Far East by Chinese and Korean migrants and draw some conclusions about the relationship between migration and regional economic development.

### **The History of Chinese Economic Migrants in the Russian Far East**

Historically Chinese traders have played an important role in regional trade. By 1881 there were more than 15,000 of these merchants in the Priamur region and they comprised more than 13 percent of the population. Chinese traders shipped tea, flour, and soybeans to the Russian Far East, a key export destination for the Chinese Northeast. Every year, from 1911 to 1917, China exported twenty million pounds of soy and 37 million pounds of grains (more than 64% of total grain production) via Vladivostok.<sup>1</sup> Russia began shipping seaweed to China, a new export for the region. Once the trans-Siberian railroad became operational, Russians and Chinese cooperated in an unusual form of transit trade. Due to poor rail connections in China, products from southern China were shipped by sea to ports in the Russian Far East and then by rail to the Chinese border, from where they were exported to Northeastern China.<sup>2</sup>

Nevertheless, in the 19<sup>th</sup> century officials in Russia's eastern territories were ambivalent about the region's opening to foreign trade. Like today, these territories depended on foreign imports of food and consumer products due to the unfavorable climate and high cost of shipping these goods from European Russia. For example, in the late 19th century flour from Odessa cost four times the price of Chinese flour.<sup>3</sup> Yet Russian officials were concerned that the sparseness of the Russian population in the Far East and weak lines of communication would invite foreign control. Prior to the completion of the Trans-Siberian railroad, it could take almost an entire year to travel from Moscow to Vladivostok by land.

Russian concerns about the security of its Pacific borders served as a rationale for expansion into Chinese territory. Taking advantage of China's weakness after its defeat in the Opium Wars, Russia gained the Qing government's acquiescence to the Treaty of Aigun (1858), according to which the Russian empire extended its territory southward to the north bank of the Amur, all the way to the Sea of Japan. In exchange for Russian assistance in accomplishing a withdrawal of British and French forces from China, two years later the Chinese signed the Treaty of Beijing (1860), granting Russia control over the Primor'e territory, from the Ussuri River all the way to the Tumen River, thereby ending Chinese access to the Sea of Japan.<sup>4</sup> By allowing Manchu subjects residing north of the Amur and Ussuri Rivers to remain and providing for a free trade zone along the Amur,<sup>5</sup> these treaties codified the existence of a Chinese diaspora within the Russian

empire and opened up new possibilities for economic cooperation along the Sino-Russian border.

To forestall Russian expansion into Manchuria, the Chinese government had accelerated Han settlement there in the latter half of the 19th century.<sup>6</sup> St. Petersburg became concerned about the demographic imbalance along the Sino-Russian border. The 1897 census reported that there were 213,287 Russians living in Amur and Maritime regions. During that year, 43,000 Chinese and 26,000 Koreans resided in these regions and comprised 32 percent of the population.<sup>7</sup> Across the border there were 300 million Chinese, including 6 million in neighboring Manchuria.<sup>8</sup> The changing demographic picture in the Russian Far East, along with underlying fear that the Chinese would seek to regain their lost territories, were cause for concern in St. Petersburg, where officials held fast to their conception of Russia as a unitary state, rather than a multinational federation.<sup>9</sup> Despite such concerns, Chinese and Korean merchants and farmers continued to reside in the Russian Far East until Stalin's concern about the possibility of Russia's infiltration by Japanese spies led in 1937 to the expulsion from the Russian Far East of some 19,000 of 25,000 Chinese and the exile of 135,000 of 165,000 Koreans to Central Asia.<sup>10</sup>

### **Migration Issues in Russia's Contemporary Asia Policy**

As the Russian Far East was reopened to regional economic cooperation with Northeast Asian neighbors in the 1990s, the migration of Asian populations to these territories once again became an important concern for federal and regional officials. However integrating the Russian Far East into the Asian economy turned out to involve a delicate balancing act. While openness is necessary to encourage trans-border economic flows, the unintended consequences of these exchanges, such as increased migration, require greater regulation, which could stifle regional economic cooperation.

Since the mid-1990s, Chinese migration to the Russian Far East has become a controversial issue in center-regional relations in Russia and China alike, as well as in Sino-Russian bilateral and regional relations. Although the following section will focus on Chinese economic migrants as a key issue in Russia's Asia policy, difficulties with the resettlement of Koreans from Central Asia, the employment of North Korean contract workers, and the repatriation of North Korean refugees, also will be addressed.

### **Chinese Migrants**

Unlike their colleagues in Moscow, who have made the Sino-Russian partnership a priority, officials in the Russian Far East currently view China as Russia's main competitor in the short-term and as a potential threat in the long-term. These differences in views in Moscow and the Russian Far East stem from divergent priorities, assessments of the regional balance of power, and understanding of the costs and benefits of cooperation.

Officials in the Russian Far East believe that Russian and Chinese policymakers overstate the potential for economic cooperation in China. Although the Russian border regions showed initial enthusiasm for trade with China in 1992-93, this was more a reflection on the collapse of the Russian economy and the dependence of the Russian Far East on imported low-cost consumer goods and food products, which they were no longer able to purchase from European Russia at affordable prices.

Policymakers in Moscow and Beijing like to vaunt the economic complementarities underlying economic cooperation between their two countries. For officials in the Russian Far East, these are political anathema.<sup>11</sup> The Russian border regions have no interest in taking advantage of China's main asset—an unlimited supply of cheap labor—due to concerns about illegal migration and the dwindling Russian population in the Russian Far East. Politicians in the Russian Far East especially resent the role of their regions as resource suppliers to Asian states and hope to secure investment capital to develop processing industries. China, which has its own processing industries, has little interest in facilitating the growth of this sector in Russia. Moreover, China has invested very little in the Russian Far East, with the exception of short-term trade ventures and the service sector.

As the market in the Russian Far East has become more differentiated, consumers have expressed a preference for higher quality goods from South Korea, Japan, and the United States. Although the August 1998 Russian financial crisis raised the cost of imports from the latter and led Russian consumers to turn once again to more reasonably priced Chinese goods, nevertheless, officials in the Russian Far East continue to see their economic future as linked to their ability to expand economic relations with Japan, South Korea, and the United States—countries that have the investment capital that is desperately needed in the region.<sup>12</sup>

More than economic strategy is at stake in the divergent views of China in Moscow and the Russian Far East. Policymakers in Moscow and the Russian Far East have very different views of the regional balance of power. For politicians in Moscow, concerned about NATO expansion and American missile defense, the strategic partnership with China provides a respite against Western pressure. In the Russian Far East, on the other hand, China represents the main potential threat to regions weakened by economic decline and population outflow.

While policymakers in Moscow still focus on Russia's standing vis-à-vis the West, officials in the Russian Far East worry about the impact of a rising China. Although the rise of China often is overstated and the Chinese regions across the border actually share many of the same structural impediments to reform that are present in the Russian Far East, Russian regional leaders fear that their regions will be overshadowed by an increasingly prosperous and populous neighbor with unclear intentions.

For this reason, policymakers in Moscow and the Russian Far East perceive the consequences of cooperation with China completely differently. In Moscow, the Putin administration stresses the mutually beneficial political and economic results of partnership. If national policymakers emphasize the absolute gains of Sino-Russian cooperation, then regional leaders see only relative gains. From the regional perspective, China's gain inevitably will be Russia's loss.<sup>13</sup> Such logic has posed obstacles to regional cooperation projects such as the Tumen River Area Development Program, as regional officials have opposed any region-wide infrastructure projects with potential benefits for China. In their view, even if Russia also benefited, the incremental gains for China would offset any gain for the Russian Far East and put their region at a disadvantage in economic competition with an even stronger neighbor. Consequently, even though officials in the Russian Far East recognize the necessity of cooperating with China, they express a distinct preference for expanding cooperation with the United States, Japan, and the Koreans.

Recent public opinion polls in Moscow, Khabarovsk, and Vladivostok, show that center-regional differences over China policy are not just found among political elites but also among the general population. In Moscow individuals holding positive views of Chinese migrants (16%) outnumbered those with negative views (11%), while in Khabarovsk and Vladivostok the opposite results were found. The most pejorative assessments were found in Vladivostok, where 27.9 percent of respondents expressed negative or extremely negative views, compared to 11 percent of Muscovites or 21.3 percent of Khabarovsk residents.<sup>14</sup>

Table 1. Russian Views of Chinese Migrants in Russia  
% of respondents per city

How do you assess Chinese migrants to Russia	Moscow	Khabarovsk	Vladivostok
Positively	16.0	14.6	13.0
Normally, no change has resulted	39.0	28.3	23.1
They come because economic conditions are bad in China, but we'd be better off without them	20.0	15.1	14.9
Negatively	10.0	15.6	24.0
Extremely negatively	1.0	4.7	3.9
Indifferently	12.0	17.5	16.8
Hard to say	1.5	4.2	4.3
Refused to answer	0.5	0	0

Table 2. Russian Views of Consequences of Chinese Migration  
% of respondents per city

Consequences of Chinese migration to Russia	Moscow	Khabarovsk	Vladivostok
No negative consequences	38.5	19.3	21.1
Take Russian jobs, refuse to process raw materials	10.0	15.6	20.6
Inexperienced in trade, unreliable, trade in low quality goods	10.0	4.3	5.3
Present a security threat to Russia, engage in drug trafficking, organize criminal groups	0.5	10.9	3.9
Live better than we do, take earnings back to China, rent housing, act badly	21.5	56.1	60.1
Hard to say	24.0	11.8	10.1
Refused to answer	0	1.4	0.5

Similarly, Muscovites and residents of Vladivostok and Khabarovsk differed in their views of the consequences of Chinese migration to Russia.<sup>15</sup> Muscovites were twice as likely as respondents in Khabarovsk and Vladivostok to see no negative consequences of Chinese migration and least inclined to view Chinese migrants as a threat to Russian security. In Khabarovsk and Vladivostok, the majority of respondents expressing a negative view of Chinese migrants above all complained that they lived better than local residents (56.1% in Khabarovsk and 60.1% in Vladivostok, compared to 21.5% in Moscow). Khabarovsk respondents were most likely to report Chinese migrants as a threat to Russian security (10.9% compared to 3.9% in Vladivostok and 0.5% in Moscow), a testament to the unresolved border demarcation issue in the region.

### **Korean Migrants**

Despite the interest in the Russian Far East in attracting South Korean investment, residents have been wary of encouraging the resettlement of Koreans from Central Asia into the region and regional leaders such as Khabarovsk Krai Governor Viktor Ishaev have added Korean migration to the list of threats facing the Russian Far East.<sup>16</sup> As of 1991, some 15,000 Koreans lived in the Russian Far East and approximately 400,000 remained in Kazakhstan, Uzbekistan, Tajikistan, and other regions of Russia. In early 1993, the Russian parliament recognized the illegal nature of the repression of Russian Koreans in the Stalin era and affirmed their right to national development and equal opportunity in the exercise of their political freedoms. Their rehabilitation gave them the right, on an individual basis, to return to their former places of residence, a decision that evoked an immediately negative reaction in Primorskii Krai.

With the passage of the July 1, 1993 law on repressed peoples, Russian Koreans were entitled to some compensation, including discounted transportation and housing.<sup>17</sup> Since then a few thousand Koreans have moved back to the Russian Far East to work in agriculture, although most Koreans have preferred to remain in Central Asia. Despite concern in Primorskii Krai that a growing number of resident Koreans would demand autonomy, there has been no organized effort to achieve this.

To some extent illegal Chinese immigration and Korean migration are overlapping concerns. Some of the Chinese shuttle traders, accused of illegally setting up residence in the Russian border regions actually are ethnically Korean and come from the Yanbian autonomous prefecture in Jilin province. These Chinese citizens speak Korean and potentially could be integrated more easily into Korean communities in the Russian Far East. Even at the marketplaces in Vladivostok and Khabarovsk, smaller numbers of Chinese Koreans, specializing in sales of food products, stand apart from their more numerous Han compatriots, who sell consumer goods and mostly come from Heilongjiang province.

### **North Korean Contract Workers**

Khabarovskii Krai has been using North Korean labor in the timber industry as far back as 1967. Approximately 15,000 to 20,000 North Korean workers participate in these projects every year.<sup>18</sup> Beginning in the 1990s, North Korean farm workers were hired to work in the agricultural sector in Amur Oblast, Sakhalin Oblast, and Primorskii

Krai.<sup>19</sup> Concerned that farm labor would provide a pretext for illegal migration by Chinese farmers, regional officials prefer to hire North Korean workers, whose contracts are enforced more strictly.<sup>20</sup> Primorskii Krai officials had additional cause to be pleased with North Korean labor since some of the contract workers sent to the region reportedly worked for free, as partial repayment of North Korea's outstanding debt to Russia.<sup>21</sup>

As is the case with Russian-Chinese regional relations, Russia's regional relations with North Korea have added many problems to their bilateral agenda.<sup>22</sup> Many difficulties plague joint projects in the Russian Far East. Russian firms claim that North Korean partners frequently fail to pay for goods and services delivered. The press in Khabarovsk and Vladivostok often reports on North Korean involvement in counterfeiting and poaching. Because some of the North Koreans working on Russian contracts are not paid until they return home, they often undertake illegal second jobs. Local residents view their moonlighting positively when they work as private contractors, for example, and provide inexpensive, efficient assistance with home renovations. However, there also have been allegations of North Koreans participating in drug trafficking in Russia. At least 14 employees of the North Korean timber project in Khabarovsk, who turned out to be intelligence agents, were arrested for engaging in the heroin trade.<sup>23</sup>

The logging camps have been controversial on human rights grounds, as well. Especially in the first half of the 1990s, pro-Western officials in Moscow argued that the camps should be closed, but Khabarovsk authorities urged their continued operation, due to the importance of a steady supply of cheap labor for the beleaguered timber sector.<sup>24</sup> After reports of workers housed in prison-like conditions and deprived of their passports, the Russian-North Korean agreement governing the timber projects was renegotiated so as to provide local officials with greater oversight and a larger share of the harvest (61.5% instead of 43%).<sup>25</sup> Although there was some speculation in the Russian media following the August 2001 Russian-North Korean summit that Pyongyang was allowed to write off \$50 million of the debt by providing free labor to timber camps in the Russian Far East, the Russian Foreign Ministry denied the existence of any such formal arrangement.<sup>26</sup>

### **North Korean Refugees**

Despite growing cooperation between the Russian Far East and South Korea, differences surfaced over Russia's decision to return North Korean refugees who had fled via China to the Russian Far East. The South Korean government has criticized the Russian government's decision to return the refugees to China for repatriation in North Korea. Human rights groups also have condemned China's policy of returning the North Korean refugees.

### **Geo-Economic Aspects of Migration Issues**

Migration issues present important impediments to regional economic cooperation in Northeast Asia, especially by establishing barriers to the development of a labor market.<sup>27</sup> Resistance in the Russian Far East to large numbers of Chinese economic migrants and the resettlement of Koreans from Central Asia and negative experiences with North Korean contract workers will stymie regional economic development, given the growing labor shortage in the Russian Far East.

Yet it is exactly the underdevelopment of the regional economy, especially as experienced by certain groups, that creates hostility towards economic migrants. In his recent study, Gelbras found a significant correlation between respondents' standard of living and their assessments of Chinese migrants. Respondents who were better off were more likely to view Chinese migrants positively, while those with a lower than average standard of living assessed the Chinese more negatively.<sup>28</sup>

Table 3. Russian Views of Chinese Migration into Russia  
% of respondents in each income group

How do you feel about Chinese migration to Russia?	Higher than average standard of living	Average	Lower than Average	Low
Positively	47.4	17.4	9.8	7.5
Normally, nothing changed	31.6	32.6	28.4	20.0
Conditions are worse in China but we'd be better off without them	5.2	13.0	19.9	25.0
Negatively	0	14.3	19.9	25.0
Very negatively	10.5	3.4	2.1	2.5
Indifferently	0	16.8	15.2	15.0
Hard to say	5.3	2.5	4.7	5.0

Instead of focusing on the economic conditions that perpetuate underdevelopment in the Russian Far East, regional officials politicize migration issues, warning of a new "yellow peril."<sup>29</sup> While it is true that there is a significant demographic imbalance between the Russian Far East and northeast China, some degree of economic migration is important for the Russian border regions to attract investment. As Pavel Minakir noted, investment by Chinese firms in the region will require the relocation of staff to administer the ventures.<sup>30</sup> Indeed, examples of foreign investment elsewhere in Northeast Asia, for example Taiwanese investment in the Shanghai region, show that significant investment often leads to the development of expatriate communities, which support those new projects.

### Conclusions: Agenda for Future Research

My preliminary research on Asian migrants to the Russian Far East shows that center-regional differences over China policy are found among the population as well as among political elites. Hostility by regional officials and the public to the presence of Chinese migrants in Vladivostok and Khabarovsk has created new barriers to the

formation of labor market in Northeast Asia, which has had a detrimental impact on the economy of the Russian Far East.

Three broader questions need to be addressed to obtain a complete picture of the implications of migration issues for Russia's economic integration in Asia.

1. Context of public opinion polls about Russian views of Chinese migrants

Several Russian scholars have generated substantial data on Russian attitudes about Chinese migrants in Moscow and the Russian Far East. What remains unclear is whether Russian views of Chinese migrants are applicable to other Asian groups residing in Russia. For example, how do Russians in these territories assess Koreans? Research into this question will be important in ascertaining whether hostility to Chinese economic migrants stems from the specific regional balance of power with China or can be attributed to more general factors, such as the severing of the Russian Far East from the Asian economy during the Cold War era, or widespread unease with multi-ethnic communities.

2. Trans-Border Problems and Economic Integration

Trans-border problems, such as illegal migration and environmental degradation, are unintended consequences of processes of regionalism. Further research is needed to evaluate how regional officials in the Russian Far East balance their desire for greater economic integration in Northeast Asia with their apprehension over the consequences of reducing barriers to cooperation, for example by allowing greater human flows across the Sino-Russian border.

3. Constraints to the development of a labor market in Northeast Asia

Russian concerns about migrants are not unique in Northeast Asia, a region where closed immigration policies have tended to prevail. To put Russian policies toward migrants in perspective and assess their impact on the development of a labor market in Northeast Asia, some comparative work on policies in neighboring countries, such as China, South Korea, and Japan, would be helpful.

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## Notes

- <sup>1</sup> Go Yanchun, "Vzaimovyygodnye svyazi," *Rossiia i ATR*, No. 1 (1994), pp. 120-121.
- <sup>2</sup> Troitskaia, pp. 6-8.
- <sup>3</sup> N.A. Troitskaia, "Russkaia dal'nevostochnaia burzhuaziia i severo-vostochnyi Kitai. O vlianii prigranichnogo polozheniia na predprinimatel'skuiu deiatel'nost'," unpublished paper prepared for the conference on "Russia in Asia: Past and Present," Khabarovsk, August 26-28, 1995, p. 8.
- <sup>4</sup> John Stefan, *The Russian Far East: A History*, Stanford: Stanford University Press, 1994, pp. 48-49. S.C.M. Paine, *Imperial Rivals*, Armonk: M.E. Sharpe, 1996, pp. 69 and 89.
- <sup>5</sup> Paine, p. 89. The trade zone was confirmed by the Treaty of St. Petersburg (1881). (Paine, p. 162. Also see R.K.I. Quedstedt, *Sino-Russian Relations: A Short History*, Sydney: George Allen & Unwin, 1984, pp. 74-77.)
- <sup>6</sup> Paine, pp. 180-81.
- <sup>7</sup> Steven G. Marks, "Conquering the Great East," in Stephen Kotkin and David Wolff, eds., *Rediscovering Russia in Asia: Siberia and the Russian Far East*, Armonk: M.E. Sharpe, 1995, p. 27.
- <sup>8</sup> Paine, p. 196.
- <sup>9</sup> Marks, p. 24.
- <sup>10</sup> Stefan, *The Russian Far East*, pp. 212-213.
- <sup>11</sup> Nationalists and liberal democrats in Moscow share the concerns of officials in the Russian Far East about the potential threat from China. For a detailed exploration of the different views on China in the foreign policy elite in Moscow, see Elizabeth Wishnick, *Mending Fences: Moscow's China Policy from Brezhnev to Yeltsin*, Seattle: University of Washington Press, 2001, chapter 9.
- <sup>12</sup> Interviews with officials in Blagoveshchensk, Khabarovsk, Vladivostok, and Yuzhno-Sakhalinsk, October 1999.
- <sup>13</sup> Joseph Grieco has found that "relative disparities" in capabilities may lead a state to resist economic cooperation for fear of strengthening a stronger partner. See Grieco, "Systematic Variation in Regional Institutionalization in Western Europe, East Asia, and the Americas," in Edward W. Mansfield and Helen V. Milner eds., *The Political Economy of Regionalism*, New York: Columbia University Press, 1997, p. 176.
- <sup>14</sup> Vilya G. Gelbras, *Kitaiskaya real'nost' Rossii*, Moscow: Muravei, 2001, pp. 144-145.
- <sup>15</sup> Gelbras, pp. 147-8.
- <sup>16</sup> In July 1999, Governor Viktor Ishaev of Khabarovskii Krai warned then Prime Minister Sergei Stepashin of a "peaceful invasion" by Chinese and Koreans to the Russian Far East. Cited in Aleksandr Babakin and Aleksandr Shinkin, "Tridstat' shest' granits Rossii," *Rossiiskaia Gazeta*, July 10, 1999, p. 4.
- <sup>17</sup> Yonhap, July 6, 1993, in FBIS-SOV-93-128, July 7, 1993, p. 26.
- <sup>18</sup> Larisa Zabrovskaya, "The 1961 USSR-DPRK Treaty and Signing of a New Russia-North Korean Treaty," *Korea and World Affairs*, Fall 2000, p. 442.
- <sup>19</sup> Larisa Zabrovskaya, *Rossiia i KNDR*, Vladivostok: Izd. Dal'nevostochnogo Universiteta, 1998, p. 73.
- <sup>20</sup> Interviews in Blagoveshchensk and Khabarovsk, October 1999.
- <sup>21</sup> James Clay Moltz, "The Renewal of Russian-North Korean Relations," in James Clay Moltz and Alexandre Y. Mansourov, eds., *The North Korean Nuclear Program*, London: Routledge, 2000, p. 203.
- <sup>22</sup> On difficulties in Sino-Russian regional relations and their impact on the Sino-Russian bilateral relationship, see Wishnick, *Mending Fences*, chapter 9.

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<sup>23</sup> Boris Resnik, "The North Korean Heroin Trail," *Izvestia*, December 17, 1996, p. 5.

<sup>24</sup> Elizabeth Wishnick, "The Environment and Development in the Russian Far East," *Issues and Studies* (Taipei), Vol. 32, No. 2 (February 1996), p.110.

<sup>25</sup> Moltz, in Mansourov and Moltz eds., *op. cit.*, p. 203.

<sup>26</sup> Agence France-Presse, August 8, 2001.

<sup>27</sup> Wang Shengjin, "Study Report on Northeast Asian Labor Force Resources," Northeast Asian Studies Institute, Jilin University, October 2001, pp. 22-24.

<sup>28</sup> Gelbras, pp. 150-151.

<sup>29</sup>For example former Vladivostok mayor Tolstoshein wrote a forward to an historical compilation of materials on the "yellow peril," *Zheltaya Opasnost'*, Vladivostok: Voron, 1996.

<sup>30</sup> Pavel A. Minakir, "Chinese Immigration in the Russian Far East: Regional, National, and International Dimensions, <http://www.rand.org/publications/CF/CF130/CF130ch7.pdf>, p. 96.