Chinese Traders in Primorsky Krai in 2007

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Abstract

This paper examines the controversial issue of Chinese migrants in the Russian Far East, especially the effects that Russian migration regime changes, particularly the restriction and ban of foreigners from the retailing market since 2007, have had upon Chinese petty traders in the Russian Far East. Based on published media articles, internet sources and personal conversations with Chinese traders, this paper provides a sketch of the traders’ lives in Primorsky Krai.

Keywords: Russian migration policy, Migration from China to Russia, Chinese traders in the Russian Far East

Introduction

Since the collapse of the Soviet Union, Russian authorities have struggled with the issue of migrants. Most of these migrants are from member countries of the Commonwealth of Independent States (CIS). The Federal Migration Service (FMS) has stated that over 20 million people come to Russia every year, half of whom are illegal migrants. However, the FMS failed to mention that Russia’s complicated, time-consuming and unreasonable administrative procedures for legal migration contribute to the large scale of illegal labor migration. In effect, migrants are essential to solve the problem of a native labor shortage. The majority of them work in the construction industry or retail industry, doing jobs that the Russians have shunned. Mainly Muslim migrants from former Soviet republics such as Azerbaijan, Tajikistan and Uzbekistan run market stalls, work in restaurants and sell beer and cigarettes from street kiosks.

In the Russian Far East (RFE), the majority of migrants are from China, North Korea, Vietnam and Central Asian countries. Like migrants in other regions of Russia, they are primarily engaged in the construction, retail and agriculture and forest industries.

Russian government policies related to migration and employment for migrants have changed

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1 This article uses “migrant” in the widest sense to include individuals who have established or plan to establish a long-term or permanent residence in a foreign country, and those who establish temporary residence there but plan to return to their home country after a certain period of time and who are short-term visitors as tourists or for business, educational or other purposes.

2 According to the World Bank, of the more than 425,000 immigrants to Russia in 2000-2003, 75 percent came from the countries of the CIS. Mansoor and Quillin 2007, p.35

3 “Russia loses over $9 bln/yr from illegal immigration-govt,” RIA Novosti, November 3, 2006, http://en.rian.ru/russia/20061103/55351198.html (accessed January 23, 2008). However, the World Bank estimates that in 2000, the total number of migrants in Russia was 13,259,000, with some 1.5 million of these (11.31% of the total migrants) irregular. (Mansoor and Quillin 2007, p.45)
frequently in recent years and are generally complex. It is not within the scope of this paper to fully analyze the history or recent developments in Russian migration policies. Discussion in this paper will be limited to those policies most directly relevant to the lives and activities of Chinese traders in the RFE. Among those policies, Governmental decree No. 683 of November 15, 2006 is of particular importance. It restricts foreigners from retail sales of alcohol and pharmaceuticals as of January 15, 2007; in addition, from January 15 to April 1, 2007 foreigners could only constitute 40 percent of market workers, and as of April 1, 2007 foreigners are banned from working as sellers in market stalls and kiosks. Hereinafter, this decree is referred to as “The Ban”.

Although The Ban applies to all foreigners in Russia, since the majority of Chinese citizens in Russia are engaged in the retail market their interests will be most directly affected.

In this paper, I briefly outline the main features of the Russian migration regime. Then I focus on the controversial issue of Chinese migrants in the RFE, and especially the effects that migration policy changes, particularly The Ban, have had upon Chinese petty traders in the RFE. Based on published media articles, internet sources and personal conversations with the Chinese traders, I try to present a clear picture of the traders’ lives in the RFE.

1. The Russian migration regime

The Russian migration regime went through several major changes in recent years. From the beginning of the migration legislation, foreigners coming to Russia have been divided into two categories—foreigners from the CIS and foreigners from the other countries—and they are treated under different visa, working permit and residence regimes. Until 2001, all other former citizens of the Soviet Union and citizens of the CIS, could travel freely to Russia and live in Russia legally without Russian citizenship or residency permits. However, foreigners from other countries were required to get a visa and were not to overstay the maximum length of temporary residency which is 90 days.

The laws were drastically changed in 2002 when Russia introduced two new laws, the Law on Citizenship of the Russian Federation, and the Law on the Legal Status of Foreign Citizens in the Russian Federation (hereinafter, “Federal Law, 2002”). In addition, Mandate of the Government of the Russian Federation, November 1, 2002 No. 790 “On the quota on the issue of temporary residence permits to foreign citizens and individuals without citizenship” and respective decrees for the following years also came into effect. All of these became central pillars of the migration regime.

According to Federal Law, 2002, foreign nationals were divided into three categories: (1)

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4 “Russian government decree of November 15, 2006, on the establishment of a quota of foreign workers allowed to be involved in retail sales in the territory of the Russian Federation in 2007 (No. 683, Moscow),” Rossiiskaya Gazeta, November 16, 2006.

5 For several reasons, the author cannot report the names of the Chinese traders or details of the interviews. However, all of the facts cited in this article that are derived from interviews are conscientiously reported without distortion.
temporary visitors, (2) temporary residents, and (3) permanent residents. The law also introduced the migration card\textsuperscript{6}, which all foreigners entering Russia had to fill out and carry with them for the duration of their stay.

(1) Temporary visitors: people in this category could stay only up to the deadline of their visas. Foreigners entitled to visa-free entry could stay in Russia for a maximum of 90 days without obtaining a permanent or temporary residency permit unless he or she had a job contract, in which case up to one year was allowed.

(2) Temporary residents: from 2003, the Government of the Russian Federation has established quotas for the number of permits issued to foreign citizens and stateless persons for temporary residence in Russia and quotas on invitations to work in Russia. The 2002 Federal Law provides for a quota regarding authorizations for a temporary stay of up to 3 years.

(3) Permanent residents: a permanently residing foreign citizen is a person who has obtained a residence permit in Russia. After obtaining a Temporary residence permit and residing on its basis for no less than a year, a foreign citizen may apply for a residence permit. A residence permit is issued to a foreigner for 5 years and can be extended for another 5 years. A residence permit enables a foreign citizen to work in Russia without a work permit and to travel in and out of Russia without a visa.

Also in 2002, a new Code of Administrative Offenses increased the punishments for violation of the laws of residency or working illegally to include the possibility of expulsion, in addition to a fine\textsuperscript{7}.

In July 2006 Parliament passed further amendments to the Federal Law, 2002 and a new Law on Recording the Migration of Foreign Nationals and Stateless Persons, which took effect on January 15, 2007. The laws primarily affect the legal status of migrants from the CIS entering Russia under the visa-free regime. Some of the main improvements include a simplified procedure for obtaining a temporary residence permit as well as the option for an individual to obtain a work permit directly from the migration authorities before finding work (previously, a worker obtained a work permit only through his or her employer). For foreigners from other countries, no changes have been made. Meanwhile, the law also empowers the government to issue quotas for foreign employment for certain categories of individuals, for certain economic sectors, or in certain regions of Russia\textsuperscript{8}. In November 2006, the government established quotas for foreign workers for 2007. Russian government decree No. 682 allowed for six million work permits to be issued to labor migrants from the CIS countries who are not subject to visa requirements and Russian government decree no. 665 allowed for 308,842 work permits for foreign workers from all other

\textsuperscript{6} The migration card contains personal information and proves legal entry into Russia. After Federal Law, 2002, all foreigners could obtain residency registration only if they were in possession of a migration card, as residency registration is affixed on the migration card.

\textsuperscript{7} Code of Administrative Offences of the Russian Federation, No. 195-FZ of December 30, 2001, with Amendments and Additions, art. 18, parts 8 and 10. Prior to the introduction of this law, administrative expulsion was possible, but rarely used.

\textsuperscript{8} Federal Law on the Legal Status of Foreign Citizens in Russia, July 25, 2002, N115-F3, with all additions and amendments.
A consequence of the changes was that the federal government facilitated labor migrant influx from CIS countries; however, it tightened the controls regarding the flows of migrants from other foreign countries.

On November 5, 2006, President Putin signed amendments to the Code of Administrative Offences which provide for harsher penalties for foreigners who violate immigration regulations or the rules of entry and stay in the Russian Federation as well as for workers and employers who violate the rules regulating the employment of foreign nationals.

Another blow was soon dealt to the petty merchants from foreign countries. As mentioned, The Ban was announced. The Ban, though, did not apply to foreigners working as supervisors, renters, wholesalers, haulers, and cleaners in the retail markets or to those working in stores, cafes, restaurants, or bars.

One reason for the restriction, according to a Russian authority, is that it is part of an effort to protect the ethnic Russian way of life. A senior immigration service official, Vyacheslav Postavnin, said it is to stop foreigners concentrating in any one region or area, and to protect the “native population” from criminal groups “with an ethnic flavor”. In addition, Russian Prime Minister Mikhail Fradkov affirmed that “improving cleanliness and conditions for Russian retailers were the main considerations”. The law is also intended to open the way for Russian agricultural producers and vendors to participate in markets, as President Putin emphasized that “it is not a sector of the economy where we have a shortage of workers”. In sum, the aim of the law is to create jobs for Russians in the markets, which have been controlled mostly by migrants from the Caucasus republics, leading to xenophobic sentiments in society.

The Ban was initially in place through to the end of 2007, when the government could extend, change, or cancel the restrictions. However, President Putin indicated that “he saw no reason why The Ban could not continue after the end of 2007”. It remains unknown what will happen next.

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9 “Russian government decree of November 15, 2006 no. 682, Moscow, on the establishment of quotas for work permits for foreign workers, not required to hold a visa to enter the Russian Federation, for 2007”, “Russian government decree of November 11, 2006, no. 665, Moscow, on the establishment of quotas for issuing invitations to foreigners to enter the Russian Federation for employment in 2007,” Rossiiskaya Gazeta, November 16, 2006.

10 Fines for migrants are from 2,000 to 5,000 rubles (approximately from US$78 to $196); fines for employers are from 40,000 to 50,000 rubles (approximately from US$1,570 to $1,963); and fines for companies are from 400,000 to 500,000 rubles (approximately from US$15,707 to $19,634). Any person, government official or legal entity providing accommodation to a migrant who is not in full compliance with the laws is also subject to heavy fines. Code of Administrative Offences of the Russian Federation, No. 195-FZ of December 30, 2001, with Amendments and Additions, articles 18.8, 18.9, and 18.10.


happen from 2008 onward.

To bridge the labor gap following the restriction, the FMS is ready to repatriate Russians living in former Soviet republics as part of a federal program. The program is expected to come into effect in 2008 with the aim of alleviating labor shortages in certain regions - primarily the border regions of Primorsky and the Khabarovsk Territory in the RFE and some areas in European Russia\textsuperscript{15}. The decline of the Russian population as a whole and of the RFE in particular is causing increased concern for the Russian people. In the RFE, with regard to the danger of a possible large-scale inflow from neighboring China, Chinese migrants are perceived as a threat.

2. Chinese migration in the RFE

Cross-border migration from China to Russia, especially migration into the RFE from the three adjoining Chinese provinces of Heilongjiang, Jilin and Liaoning has been a \textit{cause celebre} since the 1990s and is one of the most acute issues affecting contemporary Russian-Chinese relations.

Since 1991, Chinese people have gone to the RFE to work and do business. The first stage of this migration, 1991-1992, was marked by lax Russian immigration regulations and encouragement by the Chinese government. The Chinese government hoped to profit from its abundant labor force and started to export labor abroad like some Southeast Asian countries have done. The Chinese authorities and companies sought to use Chinese labor to supplement Russian workers in exchange for both wages and resources such as crops, timber etc. that could be brought back to China.

The employment of Chinese workers began in 1990, and by 1992 the number was increasing rapidly. Chinese labor occupied a prominent position in Russian agriculture, construction and forest industries (Minakir 1996, p.93).

Before long, a problem developed. A significant number of Chinese migrants used legal or illegal channels to settle in the RFE so that they could engage in commercial activity. For example, some Chinese used legal tourist visas to enter Russia and then stayed on illegally to sell small shipments of goods. Those Chinese businessmen were able to deliver food as well as consumer, and industrial goods that Russian domestic markets could not provide and the Chinese workers revived regional agricultural production and construction. However, the influx of Chinese aroused nationalist anxieties. Chinese migrants and their obvious comparative economic advantages sowed fears of eventual Chinese political occupation of the region.

In 1993, the issue of Chinese migration in the RFE became part of the Russian political agenda. The Russian press often cited the purported “Chinese invasion” in articles about migration—millions of Chinese workers/would-be settlers flooding into the RFE and potentially fanning out across Russia (based on the perceived population imbalance of China relative to Russia).

The anti-Chinese campaign has claimed that massive Chinese immigration to Russia was tacitly organized by the Chinese government, although several scholars have pointed out that assertions about the dangerous scope of Chinese immigration and threats to the national sovereignty of the RFE are not empirically grounded. The 2002 All-Russian population census registered only about 35,000 Chinese living in Russia. According to FMS, only 94,064 Chinese were registered as labor migrants in 2004, and these were concentrated in Moscow and the southern region of the RFE. However, experts have estimated the number of Chinese working in Russia to be between 200,000-350,000 people, or about 3% of the total Chinese labor abroad (Hill 2004, p.3).

Portyakov, deputy director of the Institute for Far Eastern Studies of the Russian Academy of Sciences (RAS), wrote that “in the RFE, in 2003, approximately 50,000 foreigners were officially recruited as workers, in 2004, it is 40,000. Traditionally, approximately two-thirds of them are Chinese citizens. In 2004-2005, 15,000 foreigners received work permits every year in Primorsky Krai” (Portyakov 2006, p.52). However, according to Victor Larin, director of Institute of History, Archeology, and Ethnography of the Peoples of the Far East, Far Eastern Branch of the RAS, the total number of Chinese in the RFE is from 25,000 to 30,000 (Larin 2006, p.70). Vilya Gelbras, professor at the Institute for the Countries of Asia and Africa attached to Moscow State University, proved by rather complicated calculations that in Khabarovsk, Vladivostok, and Ussuirisk, “it is unlikely that the number of Chinese exceeds 10,000” (Gelbras 2002a, p.105). According to news report, at the end of 2006, 210,000 Chinese were formally registered in Russia, and 62% of them were in the commercial industry (roughly 130,200 people)16. Needless to say, all of these figures have to be approached with caution. There are large discrepancies between actual immigrants who take Russian citizenship, permanent residents, and illegal migrant workers.

The Chinese in Russia can be divided into several categories such as tourist, student, contract laborer, company expatriate, and Chinese embassy official. Most of them are transitional. Contract laborers generally return to China after their contract comes to an end. The number of such workers has been decreasing in recent years and is controlled by the Russian government.

While the Chinese “peaceful infiltration” is a hot issue on the Russian side, few Chinese scholars have examined this issue17, and most Chinese publications and the mass media are keen to deny the existence of any Chinese migration problem. One reason for this difference in perception is the great difference between the two sides’ definitions of “migrant”. The Chinese insist that, in the strict sense of the word, “migrant” means a person who migrates across a border with the aim of long-term or permanent settlement in the destination country. According to this definition, the Chinese government and academic institutions have insisted that the actual number of Chinese migrants in Russia is very small and there has never been a massive wave of Chinese migrants to Russia. From 1992 to 2006, according to the Russian Yearbooks, only 17,000 Chinese citizens

17 See the list given by Portyakov (Portyakov 2006, pp.48-49)
were granted permanent residence in Russia. During the same period, 10,300 Russian citizens were granted permanent residence in China. The migration between the two countries is a two-way street and the “peaceful infiltration” of the Chinese into Russia is not convincing. Cheng Yijun, director of the Institute of Russian, East European and Central Asian Studies of Chinese Academy of Social Sciences, admitted that the number of Chinese in Russia could be more than 17,000 if illegal migrants are included, though, and he explained that most of the illegal migrants are short-term traders. His claim is consistent with the survey conducted by Gelbras (see Table 1). Thus, the majority of the Chinese in the RFE are only short-term residents.

| Table 1. Length of Chinese Respondents' Stay in Russia (Share of respondents, %) |
|----------------------------------|----------------|----------------|----------------|
|                                  | Khabarovsk 1999 | Khabarovsk 2001 | Khabarovsk 2002 |
|                                  | Khabarovsk 1999 | Khabarovsk 2001 | Khabarovsk 2002 |
| Less than 1 year                 | 24.6           | 17.6           | 51.4           |
| 1-4 years                        | 21.2           | 45.6           | 37.9           |
| Over 4 years                     | 15.1           | 10.3           | 10.7           |
| No answer                        | 39.1           | 26.5           | 16.3           |

(Source: Gelbras 2002b, p.142)

Alongside the Chinese demographic expansion theory, there is a small amount of literature on the threat of Chinese traders. For example, citing the economic success of overseas Chinese in Southeast Asia, who “comprising 10% of the population of Southeast Asia, account for 86% of the region’s multi-millionaires”, Livishin contended that the Russian authority should “take a carefully, developed, institutionalized migration policy that provides measures for security and increased state control over the situation might be able to minimize the possible risks involved” (Livinshin 2006, pp.9-10). Being a member of the Russian Federal Presidential Administration, Livishin’s warning might have influenced the Russian migration policy. However, by leaving out the specific political and economic context of the successes of overseas Chinese in Southeast Asia, Livishin created a “Chinese existence = Chinese economic dominance” connection which is extremely simplistic. The Chinese in the Americas, in Europe and in Australia are not as notably successful as the Chinese in Southeast Asia. Nevertheless, this perceived threat also causes alarm.


3.1 How numerous are they?

18 “Zhong guo zhuang jia fan bo zhong guo ren da liang yi min e lu si de shuo fa (Chinese expert refuted the argument that the Chinese are migrating to Russia in great numbers)”, RIA Novosti, April 11, 2007. (http://rusnews.cn/ezhongguanxi/ezhong_wenjiao/20070411/41747297.html)
19 For the different fates of the Chinese diaporas, see Hong Liu (2006).
Since the early 1990s, Chinese markets have appeared in most of Primorsky Krai’s cities. They sell fresh fruit and vegetables, clothes and other consumer goods. However, there is no reliable data on the numbers of Chinese traders participating in these markets. Larin estimated that among the 25,000 Chinese living in the RFE, the number of contract laborers is between 10,000 and 12,000, and the number of Chinese traders is between 10,000 and 15,000 (Larin 2006, p.70).

Nina Positinenko20, director of the Trade and Civil Rights Protection Bureau in the Ussuriisk City Hall, told a reporter from RIA Novosti that according to official statistics there were 1,000 Chinese traders in the retailing business in Ussuriisk. Among these, 777 Chinese have since ended their working contracts, and 180 Chinese went back to China within a week of The Ban being announced.

According to the estimate of the chief of the Primorsky Krai Migration Service, Sergei Pushkarev, the overall number of Chinese nationals in Primorsky Krai – including guest workers, traders, tourists, businessmen and traders entering as tourists, smugglers, poachers, students, and racketeers – was about 35,000 on any given day in 200021.

The actual number of Chinese traders in the RFE appears to be stable. Andrei Zabiyako, a professor and director of the Religious Studies Department in the Amur State University in Blagoveshchensk, said that “the number of Chinese in any given place within the Russian Federation corresponds to the number that makes economic sense to the Chinese themselves.” And “the Chinese migrants are interested in sustaining this figure at a viable level, because competition between them is severe as it is. They are forced to vie for trading space, scarce resources, and finite demand on the part of the Russian consumer” (Abelsky 2006).

3.2 Why did they come to the RFE?

Initially, I planned to interview Chinese traders in the marketplace in Ussuriisk22, but soon found this exceedingly difficult because of the Chinese traders’ reluctance to answer some questions23. Possibly, concern about their own illegal (or semi-legal) status prevented them from wanting to talk too much, and perhaps they felt threatened by the local Mafia as well as the Chinese Mafia (as will later be explained in greater detail).

The conventional Russian view is that Chinese migrants are being pushed out of their homes by economic necessity, population pressure, high unemployment rates and lack of local

20 “Zhong guo shang ren che li hou bin hai bian ji chang kong kong dang dang (After the departure of the Chinese traders, the markets in Primorsky Krai are empty)”, RIA Novosti April 9, 2007. (http://rusnews.cn/eguoxinwen/eluosi_shehui/20070409/41745729.html)
22 Ussuriisk is only 54 kilometers from Dongning, a Chinese border city, and by highway it is 111 kilometers from Vladivostok.
23 When I visited the market, a Russian security guard working for the market administration always stood by my side. I assume the Chinese traders thought that I was on the “Russian side” and did not trust me.
opportunities to earn a living. In fact, this is not the case. North East China is far less populated than the east coast of China. While it is true that North East China suffers from high levels of unemployment, when we take into consideration the relatively small number of Chinese traders in the RFE, this “push-out” theory is not convincing. Furthermore, according to Motrich’s research, only 10 percent of the Chinese interviewed in Primorsky Krai were unemployed at home. In Khabarovsk, 45.7 percent of interviewed Chinese said that they had a permanent job at home; 5.7% had temporary jobs, and 8.6% were unemployed or had one-time jobs (Motrich 2003, p.212). The main motivation for coming to Russia for the vast majority surveyed was to search for business and income opportunities. In my own conversations with Chinese traders in Ussuriisk and Vladivostok in 2007, most of them told me in Chinese that they came to “seek a livelihood”, a euphemism for “making money”.

In brief, the Chinese traders are “pulled” to the RFE by the possibility of profits. As observed by Andrei Zabiyako, “Chinese entrepreneurs and traders react to a particular state of economic affairs, and they are interested in capitalizing on the opportunities that exist in Russia” (Abelsky 2006).

When asked about their plans after The Ban, most said they will go back to China as soon as they have made enough money and they will leave if it becomes more difficult for them to do business in Russia. Many Chinese traders have already left.

Inside the Balyaeva market in Vladivostok, I saw that many stalls were closed, some with “for rent” or “for sale” notices written in Chinese. I was told that most of the Chinese traders were gone. I noticed that some of the traders still working there had changed the names of the stall ownership to their Russian business partner’s names. Some have hired Russians to sell the goods while they sit and watch as a supervisor or sort out the goods as a porter as the law permits. The salary for a Russian salesperson is 15,000 rubles per month (approximately 4,500 yuan or 600 US dollars).24 Chinese small-scale traders who could not afford to hire a Russian salesperson have generally had to leave.

To work legally in Russia, Chinese traders have to go through many procedures. Specialized firms sell tourist packages and offer to make the arrangements to get a legal work permit. The fee to get a business visa or a tourist visa is about 3,000 yuan (about 400 US dollars). The cost to get a work permit used to be about 10,000 to 12,000 yuan (about 1,300 to 1,600 US dollars), but the price has risen to 30,000 yuan (4,000 US dollars). However, even for those willing to pay this price, work permits are not available because there is no remaining quota room; work permit quotas were sharply reduced in 2007, with the quota for Primorsky Krai falling to 6,000 from 15,000 in 2006. Thus, workers have had to return to China to renew their visas and then come to Russia again25.

Obtaining a work visa is therefore extremely complicated, expensive, and time-consuming.

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24 Interviews in the Balyaeva market and Sportivnaya market in Vladivostok, September 4, 2007. The exchange rates for the relevant currencies in this paper in 2007 were: 1 US dollar = 25.5 ruble, 1 US dollar = 7.5 yuan, 1 yuan = 3.33 ruble.
To work legally, one has to apply one year in advance. Even where quota room exists, application of the quota is subject to corruption on a large scale at every level of the application process (Hill 2004, p.13).

4. Human relationships and the Chinese traders

4.1 Relations with Russian authorities

While local authorities’ attitudes to Chinese traders vary, local governments often welcome Chinese traders because they pay taxes, contribute to the local budget and provide consumer goods to the local people.

The Chinese traders’ contribution to local budgets can be significant. For example, in Ussuriisk, the second largest city in Primorsky Krai, where the Chinese trade center had become one of three major contributors to the city budget – along with a sugar refinery and Ussuri Balsam (herb vodka) factory (Alexseev 2004, p.339), the Chinese traders were welcome. After The Ban, according to Positinenko, “only 100 Russians registered with the labor bureau as unemployed and willing to be trained as traders; however, in the short term they can not fill the vacancy that the Chinese have left.”

The most positive aspect of Chinese migration, Gelbras wrote, is that it aids in “supplying the Russian market (particularly in the Far Eastern and partially in Siberian markets) with consumer goods and food. Local population and authorities should be grateful to Chinese and Russian ‘shuttle’ traders who supplied them with food and clothes in the hungry early 1990s” (Gelbras 2002b, p.146).

Negative aspects of Chinese migration, such as “inhibition of Russian producers” and “Russia’s domestic production” have also been pointed out (Gelbras 2002b, p.146). After the Russian economy struggled through chaotic conditions after the breakup of the Soviet Union and the Russian financial crisis in 1998, revenue from oil exports began to pour in the first years of the 21st century. The Russian market was flooded with goods for all tastes, and the Russian authorities no longer saw a need to create advantageous conditions for foreign traders bringing goods into the country. The policy priorities changed sharply: the Russian government started to show interests in protecting the interests of domestic light industry and agriculture, providing jobs for its own citizens. In light of this, it began to pass laws and regulations aimed at bringing order to the labor market and defining the legal status of foreigners. Either directly or indirectly, all of these steps primarily hurt the interests of foreign traders, including the small-scale Chinese traders.

In general, the relations between Chinese traders and law enforcement agencies are quite

26 For the detailed process, see Horie 2008
27 “Zhong guo shang ren che li hou bin hai bian jiang shi chang kong dang dang” (After the departure of the Chinese traders, the markets in Primorsky Krai are empty), RIA Novosti April 9, 2007. (http://rusnews.cn/eguoxinwen/eluosihui/20070409/41745729.html)
Chinese Traders in Primorsky Krai in 2007

unpleasant. Some traders are good income sources for corrupt officials. Ostrovsky wrote that “It is well known that Russian police regularly hassle Chinese traders in Vladivostok even if their documents are in order, but quickly settle for bribes and presents” (Ostrovsky 2006). When I asked several traders whether this was true, they answered “yes”. To avoid legal problems, they choose to bribe the policemen, typically with a bribe of 300 to 500 rubles (12 to 20 US dollars). I then asked whether they pay for “protection”, and to whom and how much. Again, the answer was “yes”. Normally they pay protection fees (usually about 300 rubles per month) to the market owners (Russian citizens), so that the police will not come to the market to harass them or they will be notified of a pending police visit beforehand by the market owners so they can shut down their stalls and go home\(^28\). Clearly, they believe it makes more economic sense to pay the protection fee than bribe the policemen.

In the markets in Ussuriisk, policemen, officials from the immigration service and officials from the tax bureau come to check everyday. One trader told me that “They came to take some people [Chinese traders] away, and then they released them after we paid the fine”; the amount was 5,000 rubles (about 200 US dollars)\(^29\).

One Chinese trader told me that Russian gangs once attacked an apartment where the Chinese were living. The Chinese called the police, but the police arrived very late, after all the damage had been done and the gangs had left\(^30\). While the facts concerning this alleged attack cannot be verified, it sounds plausible given the anti-Chinese sentiments that seem to exist among the police and the inefficiency and corruption of the police system.

4. 2 Relations with market owners

The Chinese traders rent land or stalls from market owners who are invariably Russian citizens. Thus, the Chinese traders are clients of the Russian businessmen, and in some ways they have formed a symbiotic relationship. The Russian market owners have provided a good business environment for the traders. For example, the hotel inside the Ussuriisk market seems to be a home away from home for the Chinese traders – nearly all the rooms in the hotel are occupied by Chinese traders. Notices providing information regarding visas, work permits and other matters that are posted in the market and hotel are usually written in both Russian and Chinese.

The atmosphere in the market differs considerably between Vladivostok and Ussuriisk. The market in Ussuriisk is strictly regulated and in good order. It is a gated compound, with the administration office of the market owner at the entrance gate. Banking services, restaurant meals and hotel accommodation are all available there, and security guards patrol regularly to ensure safety. I assume that security is emphasized because Ussuriisk is a border city\(^31\).

\(^{28}\) Interview in the Balyaeva market and Sportivnaya market in Vladivostok, September 4, 2007

\(^{29}\) Interview in the Ussuriisk market, September 6, 2007

\(^{30}\) Interview in the Ussuriisk market, September 6, 2007

\(^{31}\) Ussuriisk is located near the Chinese border and has strong economic ties with Chinese cities across the border
In Vladivostok, the atmosphere in the market is much more laissez faire. In a small market called the “Trade Center To Svetlanskoj” near the Arsenyev city museum, most of the traders are Korean Chinese, who appear to have formed a group among themselves. Han Chinese traders also work there. The manager of the market himself is from Yanbian Korean Autonomous Prefecture of Jilin Province, where nearly 2 million ethnic Koreans live. He rented the market from the Russian landowner, and is in charge of the market management and collection of the monthly rents (22.5 dollars for one square meter per month).

4.3 Local people's attitudes

The local people's attitudes to the Chinese traders vary considerably depending on their relationship with the Chinese and their perceptions of the relative gains for themselves and for the Chinese.

In the markets, vendors of different nationalities engage in different business. The Chinese traders generally sell groceries, fresh fruit and vegetables, clothes and general merchandise, while vendors from Central Asia sell dry fruits, and Russian vendors sell bread, meat, fish, etc. There is little competition between different ethnic groups in the same market. When I asked about relationships with the local Russian vendors in the markets, many Chinese traders answered that, “We just work next to each other and there has been no particular tension; they are good neighbors.” My own observations in several markets are consistent with this.

Some Russians are hired by Chinese merchants to bring goods back to Russia from China, and they are paid around 500 rubles (20 US dollars) for one round-trip\(^{32}\). They are called *pomogaika* or “little helper”. China’s immigration control is much looser than Russia’s, so Russians can easily cross the river to buy goods in the special economic zones on the Chinese side. A *pomogaika* goes to China, all expenses paid, and brings back the 35 kg of goods that is allowed duty free. Some Russians, barely able to live on the mean monthly salary of 3,000 rubles (118 US dollars), are delighted to do this to earn extra money (Iwashita 2002, p.14).

The Chinese traders play an important role in filling niches in the consumer market in the RFE. The importance of this has grown with the decline of domestic production of consumer goods, and it keeps prices lower than they would otherwise be. According to Yevgenii Plaksen, a researcher of Institute of History, Archeology, and Ethnography of the Peoples of the Far East, Far Eastern Branch of the RAS, who conducts opinion surveys at these markets and regularly shops there, prices are on average one-third to one-half lower than those in most shops and department stores in Primor’e’s cities\(^{33}\). For people living on a pension, where the mean pension income is about 1,500 to 3,000 rubles (56 to 118 US dollars) per month, one cannot deny the importance of cheap Chinese goods.

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\(^{32}\) According to Horie (2005), for one trip, the pay is about 400 rubles.

However, a survey conducted by Alexseev in 2000 suggested that Primorsky residents saw migrant trade activities as benefiting the Chinese more than the Russians. Since most migrants have been engaged in trade or business, these responses indicated that Chinese migration was associated with increasing deprivation of Russians relative to the Chinese. In other words, although most Russian respondents felt that interactions with China did improve the lives of a sizeable proportion of the local population, many more local residents were yet to benefit (Alexseev 2004, p343).

After The Ban, some people complained that markets were close to empty because many Russians were reluctant to do the menial work of vendors, creating a shortage for products and driving prices up. Some residents in Primorsky wrote to the President to complain about the disappearance of Chinese traders. One petition stated that “we should not drive the Chinese away. To tell the truth, it is them who provide us with food and clothing. Our merchants can not replace them right now”. This was in sharp contrast with the contents of former petitions complaining about the Chinese expansion, particularly in the market business sector.4

In sum, the entrepreneurial, hardworking Chinese, who had previously been valued and admitted, were often quickly transformed in the eyes of the local people into “exploiters”. They were regarded with fear and resentment. Such fear and resentment, often fuelled by envy of Chinese successes, have come to the surface as indicated by attacks on Chinese traders by skinheads and other Russians.

4.4 Relations with Chinese authorities

The Chinese traders, whose numbers are relatively small, have been marginalized by the Chinese authorities. Given the priority of maintaining a good relationship with Russia and the sensitivity of the migration issue, the Chinese authorities have shown a reserved attitude regarding The Ban.

An official from the Foreign Affairs Ministry of China told a reporter from RIA Novosti, that “the Chinese government respects the laws enacted by the Russian government to regulate the markets”. However, he emphasized that “the Chinese government also hopes that the Russian government respects the history of Russian-Chinese people trade and its long-term development trend. And from the point of mutual benefits, all the problems should be solved through consultation. By doing so, the two countries will be able to put this trade on the right track”.

Accusations that the Chinese government is orchestrating a quiet Chinese population expansion are numerous but they are not well-founded. First, as explained earlier, while China has

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44 “Bin hai bian jiang ju min bu man zhong guo shang ren bei gan zou (Habitants in Primorsky showed discontent upon seeing the Chinese traders driven away) ” RIA Novosti, April 4, 2007. (http://rusnews.cn/eguoxinwen/eluosi shehui/20070404/41743522.html)

45 “Jin 10 wan zhong guo ren ke neng jiang cong e yuan dong che hui zhong guo” (Nearly 100 thousand Chinese might go back to China from the Russian Far East), RIA Novosti, April 5, 2007. (http://rusnews.cn/eguoxinwen/eluosi shehui/20070405/41743968.html)
an able and active labor force that suffers from considerable unemployment, and the Chinese government is seeking to export labor, the government still lacks a working law on the regulation of an organized labor supply for foreign states. There are no state-coordinated mechanisms for organizing the labor supply, such as an authorized state body to coordinate overseas employment, procurement of overseas labor contracts, or related bilateral agreements with other countries\textsuperscript{36}. There is also no law nor mechanism to effectively protect the rights and interests of labor migrants.

Second, the Chinese government is enthusiastic about creating a strategic cooperative relationship with Russia. Taking to heart the Russian fear of a population imbalance and territorial claims, the Chinese leaders are doing their best to minimize the impact of illegal immigration and are cooperating with the Russian government to control tourism-related business activities. The July 16, 2001 Sino-Russian Treaty of Friendship, Good-Neighborliness and Cooperation commits both parties to creating an atmosphere of trust and cooperation in the border regions (article 2) and cooperation in combating illegal immigration (article 20)\textsuperscript{37}. A joint declaration signed by Vladimir Putin and his Chinese counterpart, Hu Jintao, on May 27, 2003 expresses deep concerns towards the uncontrolled movement of Chinese people into Russia.

The Federal Border Control Agency and the Far Eastern Regional Administration have expanded collaboration with the border guard of Heilongjiang Province to prevent illegal border crossings. Nine fundamental documents on mutual cooperation and coordination have been signed and coordinated border control activities are done regularly. The Russian Far Eastern Border Guard Command views the Chinese migration situation as stable and does not expect it to hurt Russo-Chinese relations (Zotov 2001). The number of Chinese who have entered Russia illegally or have overstayed their visas is very small (Gelbras 2002b, p.141).

In my conversations with Chinese traders, some traders expressed a hope that the Chinese government would stand up to protect their vulnerable position. Some were very confused by The Ban, and seemed to have little access to relevant information. This hope is unlikely to be realized, though, since the Chinese government is cooperating with the Russian government to control tourism-related business activities\textsuperscript{38}.

Having no support from their own government, and no reasonable prospect of the Chinese authorities protecting their interests, Chinese traders are clearly in a delicate situation. Under these circumstances, Chinese small-scale traders might be expected to cooperate to defend their interests, but the relationships among the Chinese are not always as friendly as we might expect.

\textsuperscript{36} For the details, see Xiang Biao (2003)
\textsuperscript{37} Text of the Sino-Russian Treaty, Xinhua News Agency, July 17, 2001
\textsuperscript{38} In Vladivostok, there are the Consulate-General of Japan and the Consulate-General of Korea, but there is only a small branch office of the Consulate-General of China in Khabarovsky. The branch office was opened in 2005, and is open for business only 3 days a week.
4.5 Relations among the Chinese

While Chinese small-scale traders are often entirely dependent upon the help of relatives, friends, or other Chinese in times of difficulty, they are also sometimes victims of their compatriots.

Primorsky Krai has no “Chinatown” and Chinese community organizations are very small and have only limited influence on the Chinese citizens there. A few voluntary associations have been founded, such as the Overseas Chinese Association (Hua qiao lian he hui) in Vladivostok and the Russian-Chinese Commercial and Industrial Association, with the aim of promoting business as well as communication and cooperation with their Russian counterparts. However, Larin found that these associations’ activities were not well known even among Chinese students at the Far East University (Larin 2006, pp.75-76).

Informal networks tend to form according to the different dialects and geographical origins. Interestingly, Korean Chinese people from Heilongjiang and Jilin provinces have a strong presence in Primorsky Krai. As mentioned, in the Trade Center To Svetlanskij market, most of the traders are Korean Chinese and even the manager of the market is from Yanbian.

In recent years, reports linking the Chinese with criminal activities have become more common. Lintner reported that some Chinese traders chose—or were forced—to work for ethnic Chinese groups linked to the Triad Society (one Chinese organized crime group) because of local racial prejudice and the threat of deportation. Local sources in Vladivostok assert that every stall owner in the city's Chinese market has to pay protection money to gangs. Gangs also arrange for bribes to be paid to local officials to ensure that vendors without visas, of which there are many, are not sent home (Lintner 2003).

According to reports, the last few years have seen a new phenomenon: more and more Chinese are joining Russian organized crime groups, to whom they tip off about the movements of Chinese traders. As a result, at least one Chinese trader is robbed every month (Ovchinsky 2007, p.93).

According to Vladivostok police statistics, in the year of 2002 177 crimes were committed by foreigners, with more than 130 of them committed by Chinese. In addition, most of these crimes were committed against Chinese. However, the statistics indicate only the tip of the iceberg, according to Larin, because most Chinese victims report crimes to the police only as a last resort (Larin 2006, p.72).

In short, Chinese traders have to be very careful even among their own compatriots, even while relying on some of them to survive in an unfriendly environment.

Concluding Remarks

By combining information from interviews, anecdotal reports and casual conversations from the markets in Primorsky Krai with the findings of published research, we have obtained an
important understanding of the circumstances under which Chinese traders live and work in this region. Though our findings are not necessarily representative of all Chinese traders in the RFE, we can draw an outline of their lives and living conditions in Primorsky Krai.

Chinese traders cross the border for economic reasons; specifically, to make money quickly. In contrast to the conventional Russian view that they have been pushed out of China by population pressure and high unemployment, they are actually “pulled” into the RFE by the opportunity to make good profits by filling niches in consumer markets.

The Chinese traders tolerate precarious living conditions. They have to withstand police raids and corruption, the potential larceny of their Chinese “brothers”, and the fear of being attacked by Russian skinheads. Sometimes they have to resort to illegal measures, such as bribing the police, to avoid trouble. Under these circumstances, most Chinese traders do not plan to settle permanently and leave by choice after a few years. During their sojourn in the RFE, they have to repeatedly cross the border for business purposes and to renew visas.

Yet we should be careful not to overstate the degree of public hostility to Chinese migration in Primorsky Krai. Many people admit they gain from the activities of Chinese traders. The backlash against migration, though, is part of a wider movement consisting of groups of people who feel that governing elites do not properly represent their interests, and, even worse, that corrupt officials conspire with Chinese traders to enrich themselves, making these people feel relatively deprived.

The Russian government is trying to encourage the return of overseas Russians to help offset the demographic decline in the RFE. At the time of writing, The Ban is still in place, but will it create jobs for the Russian people? How will it otherwise affect the lives of people? And will it help to increase domestic production? The answers to these questions are not yet apparent.

The movements of Chinese traders, representing a potentially widespread migration from North East China to the RFE, have important implications for both countries and deserve further study. Serious research into this issue has not yet been done from the Chinese side. At present, only a few articles on this issue have been published, and most of these only denounce the Russian “Chinese expansion” or criticize the Russian reluctance to consider labor cooperation. To alleviate the Russian people’s fear of a Chinese influx, even though it appears to lack any foundation, official statistics from China should be published to reveal how many Chinese are actually living in Russia and soothe Russian suspicions.

What will become of the Chinese traders? This research suggests two possibilities: first, a worsening political-economic environment will force them to return to China; second, by becoming indispensable to Russia’s development, they will succeed like the Chinese in various parts of Southeast Asia and become a permanent presence. The outcome will primarily depend on Russian migration policy. If Russia continues to misinterpret the main threat from China as being a demographic or economic “invasion” to its East Siberian and Far Eastern regions and takes measures to control the movement of goods and traders, the Chinese traders might be forced to leave. However, this could also inflict costs on Russia and probably make it more difficult to develop the RFE and integrate it into the East Asian regional economy.
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Received 18 February 2008; accepted 12 May 2008