

## ЛЮДИ СЕВЕРА И ГОСУДАРСТВО

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### ON THE CONTINUED INVOLVEMENT OF THE STATE IN THE SOCIO-ECONOMIC VIABILITY OF THE POST-SOVIET KOLYMA, RUSSIAN FAR NORTH. Part 2

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Nothing happens until  
something moves.

*Albert Einstein*

**Abstract.** In the 20th and 21st centuries the northern development project of the Russian Northeast was, and still is, a state bounded high modernist project. Clear aims of northern development and targeted use of certain tools, such as designing programmes to increase, or more recently, to reduce the population by relocating a ‘surplus’ population point at the social engineering character of these initiatives, then and now. Yet neither the Russian government nor the World Bank, both assisting northern residents to move out of the North, fully achieved their goal: people who were meant to relocate resisted such plans and stayed in the region using survival strategies that helped them to take advantage of the state’s assistance to meet their own goals. The central argument of this paper is that life goes on, including the life of the state, that changes and develops too, despite the drastic outward appearance of the state’s withdrawal and population out-migration.

**Keywords:** migration, state, Russian Arctic, grey economy, sustainable development, social engineering projects

***Local government: keeping the North afloat and negotiating.*** In the past 20 years, local administrations were able to just barely maintain the region. For the regional and municipal levels, the North is not some distant land, a subject of the governing by people who rarely set foot on the northern soil. The stand of the local government from the inception of the region had been to make the Northeast not only a useful part of the whole, but a home for local residents. More so than ever this struggle marks the relationship between the two arms of the state. This struggle has deep historical roots. The separation within the ‘single’ Soviet state was expressed in the delineation between center and periphery. These differentiations brought about relationships that were far from unified and singular except for one element, that is, the attitude towards

the North as an auxiliary territory serving to fulfil the economic needs of the country and not necessarily its own. These schisms have been running through the centre-periphery relationship in Soviet, and now the post-Soviet period. According to some Russian historians, the Russian Far North was a resource-based internal colony (Zelyak 2004; Shirokov 2006) with unequal power relations. In the “single” Soviet state the Magadan Region produced gold to pay for various state projects, while the state invested funds to create a resource extraction industry, transportation and energy infrastructures and demographic policies to attract a labour force. Local authorities were left to negotiate particulars of the social and local industry development. *Dal'stoi* had received tax breaks, and so did *Dal'stoi's* successor, the Magadan Regional administration. As Grebenyuk had shown, these tax breaks allowed boosting local industries; the production of local goods had gone up from 36 mln Roubles to 103 mln Roubles (x3,5 times) in just three years after the Region had been created. Even at that time, lots of problems in local development were due to the power struggle between the former *Dal'stoi* management, the local Party and Soviet administrators, and the central government (2007: 104). The three major elements characteristic of the centre-periphery relationship were that (1) most of the investments came from the central government; (2) the revenue from selling locally produced gold was also controlled by the central government, which in turn spent only a fraction of the funds on developing the region; 3) the local administration had very limited resources, while all strategic issues were decided in Moscow. Moreover, these strategic decisions were admittedly made by people who had very vague ideas about the North (Ibid.: 104). The decisions necessary for the benefit of the region were very difficult to put through to the central government (Ibid.: 205). Despite many changes, all three elements are still present in the management of the post-Soviet Magadan Region. Thus in the mid-1990s, the Federal Government collected 38 trln roubles from northern territories, which received only 1,5 trln in return (Kotlyakov, Agranat 1999), which points to a still colonial attitude towards the North in centre-periphery relationships. The federal control over many decisive issues pertaining to the Magadan Region is considerable.

Some negotiations were productive. Since 1999, Magadan regional administration has been vocal in the hotly debated issue of whether individuals, not only organisations, should be able to mine gold. The local administration's calls to legalise<sup>1</sup> what is locally known as ‘*vol'niy prinos*’, or gold mining by individuals, had been supported by some members of Federation Council and amendments to the existing laws “O Nedrah” [‘Regarding mineral resources’] and “O dragotsennykh metallakh i dragotsennykh kamnyakh” [‘Regarding precious metals and precious stones’] was suggested. A similar initiative in 2003 was turned down by the Federation Council. Finally, in January 2011 the first draft of this law was passed by the State Duma in its first reading and further drafts were awaiting review, but as of 2018 it still exists as a draft. We shall

come back to this. Also, there was a dialogue between the national and regional government regarding inter-budget transfers to equalise territorial fairness and budget federalism, aimed at such distribution of funds that would allow each territory to use money made locally for its own development, a problem with deep Soviet roots, as we described earlier. Increased expenditures of the Far North territories for fuel supplies, execution of northern state social guarantees (i.e., paid airfare to the *materik* and paid vacations), state subsidies for local population utility bills, a very low local industrial output, coupled with the consequences of poorly developed transportation networks, compels the state and businesses to rely heavily on imported merchandise, increasing the costs. The regional administration put forth suggestions as how to change these imbalances, only to be ignored by the federal administration. Finally, a meeting of the State Council in Khabarovsk in November 2011 set out to address such imbalances, while recognising that problems specific to the Far North, such as cold climate, isolation and poorly developed infrastructures, cannot be ignored. Just the opposite was put forth by the World Bank that called for ending preferential treatment of the North and removing all privileges. As President Medvedev had admitted, “Magadan is a very complicated territory... If we do not support it, then unfortunately, the socio-economic conditions will continue disintegrating resulting in further outmigration”<sup>2</sup>.

These are key decisions where the local government was able to exert its influence at the national level over the years. In the 1990s, which some people call “ruinous”, and in the 2000s, while the federal centre acted undecided regarding the meaning and place of the North in the overall economy, the local administration dealt with severe crises along with the people who for one reason or another still remained in the region. Thus the former Governor Tsvetkov (murdered 18 October 2002) managed to build a gold-processing factory near Magadan. The long-term building construction of Ust’Srednekan Hydroelectric Station continues employing 1,500 local people. The Special Economic Zone (SEZ, 1999–2014) instituted to boost the local economy, has a downside to it: to receive tax breaks, many companies operating in the region (i.e., gold-mining ‘SusumanZoloto’ in Susuman) are registered in SEZ Magadan, where they pay taxes, and not to their local budgets, although large businesses contribute to local needs in the way of charitable donations. Most former tax-paying enterprises have closed down while new enterprises are registered in Magadan’s Special Economic Zone. Some enterprises are not profitable. According to a member of Susuman *raion* administration,

*The Arkagala Hydroelectric Station works at only 10% of its capacity. Sovkhoz ‘Energetic’ in our Kolyma environment is a utopia as it is too expensive to maintain. Utility companies, although they are commercial, are working at a loss since many people cannot afford paying their utility bills, yet companies need to buy coal, equipment, and pipes. Transportation companies are also working at a loss. So what comprises the local budget? Nothing to speak of.*

However small local communities have growing needs and municipal administrators petition to the regional one to give money for certain projects, be it a physical fitness centre, or repairing local non-federal roads. With the massive closures of local enterprises two important issues arose: (1) The income flow into local budgets decreased considerably and municipal budgets became dependant on regional subsidies in the same way the regional budget is dependent on federal money; (2) There is a question who is going to maintain and pay for a community's water, heat, electricity and upkeep of apartment buildings. In the environment of severe winters, this is no insignificant matter. Municipalities are starved of funds but local people having lived in their respective communities for many years, consider it their home and many refuse to relocate, often going for years without jobs. This means they cannot pay their utility bills, without which (privatised) utilities companies cannot pay salaries to their workers and ensure quality services.

***Local administrations: wearing two hats [between statist thinking and humanity?].*** Looking at territory as a contested space and place where local subjectivities with their loyalty, commitments and attachments to local life are "at odds with the needs of the nation-state for regulated public life" (Appadurai 2003: 338), we see that a local administration is right at the heart of the northern dilemma: so far the state was interested in a purposeful use of labour resources and aims at creating temporary sedentarisation and not a permanent population. For individuals who comprise this 'population' it is difficult to tear him / herself away from friends, relatives, colleagues and the place that became home, and start moving away in their mature age. These people are precisely what the state considers to be ballast. The social engineering project of planned depopulation was doomed to be incomplete from the beginning. This is how it played out locally.

Statist thinking on the part of local and regional governments comes in where economic interests intersect with the wishes of people to stay in places they lived most of their lives. In the words of a member of the regional administration, resident of Magadan:

*We are in the middle of the process of a more adequate distribution of the population throughout the region. When a community closes down, it is a tragedy. But the economics... We have Kholodniy, a small town only 14 km from Susuman but they have the town infrastructure in place. What for? Isn't it easier to close it down and relocate them to Susuman, from which to bus them to their work in Kholodniy? In Ust'-Srednekan we have only three houses left, people refuse to move, they say, this is our Malaya Rodina (Local Motherland) but they also don't pay for utilities! It is easy to be a patriot when you are not responsible for anything. Well, good, pay your bills and love your Motherland as much as you want but that is not how they see it. We are so used to the state providing everything for us, we still expect services but nobody wants to count money and look at the situation objectively!*

Indeed, the reliance on the state by population is still considerable. The federal relocation programme aimed at reducing the population according to the state's needs: if it is not possible to provide for people locally, they should be moved out. Magadan regional and municipal budgets also allocate some money to relocate people within the region. However, many people consider it is not worth it: a few families from soon to be closed Yanskiy said they were offered accommodation in nearby Arman', another coastal community barely surviving, and Yanskiy residents turned it down saying why bother making such a useless exchange? They asked for accommodation in Magadan, but there is an apparent shortage of such accommodations and their local administration, in turn, refused. So these families stayed where they were, without any state infrastructure in place. The number of available accommodations in some communities did not increase, as was hoped, but only shrank with outmigration: whole apartment buildings with lots of good flats remain abandoned because local budgets cannot afford providing heat, water and electricity to an apartment block where only a few flats are occupied. Hence a young teacher, a single mother with a young child still lives in a three-room flat with her parents in the center of Susuman. The municipal administration offered her a flat in Berelekh, a Susuman satellite community, which is already mostly abandoned. Closure of the communities, or taking apartment buildings off their books, is a load off local budgets ('optimisation of population distribution'), but the end of unhurried individual decision-making for individuals. The years of ambivalence regarding where they would go after their northern period comes to an end, if ever (according to the model described above), ended up with having to make a decision on the spot and not on their own terms and time, as before: to move where they did not want to move, or to stay but without much infrastructure in place.

The unforeseen consequences of the state resettlement project made relocation programmes only partially successful. They did manage to relocate those people whose circumstances matched the state's plans; after all, nearly 60% of population has left, with assistance or on their own. Yet when it comes to the main aim of such programmes of re-structuring and 'optimisation', one of the pitfalls has been an artificially created shortage of labour. Hence a member of the Susuman raion administration recalled:

*When we asked people about their plans for (World Bank relocation programme) relocation, 80% of people indicated they wanted to leave. But when their queue was up, 40% found 101 reasons why they wouldn't move. We did not foresee that together with retired people, the working age population will move out as well. Losing so many specialists is a collateral effect (pobochnyy effect). Also it turned out that these programmes have been a relocation assistance programme. Except for the initial stage, participating in relocation required spending one's own savings and not many people could do that.*

There have been an (undetermined) number of people who used the opportunity to be relocated to the *materik* but then sold their flats and bought good flats in Magadan, while continuing to live in their respective communities. Hence the aims of the relocation policy to lessen the burden on the infrastructure in some cases were in vain.

Also, there are a few categories of people who decided to live against the 'northern model' rather than to go along with it. These are retired people who spent most of their lives in the North, low income people, Kolyma natives in the second and third generation, and those who do not plan to return to their place of 'origin'<sup>3</sup>, but where else to go they do not know. As has been shown elsewhere, such people vacillate for years trying to make a decision as to their plans regarding staying in the Northeast or going to the *materik*. Yet place polygamy, living in two places (Kolyma and elsewhere) is a practical impossibility for the majority, owing to the great distances between the centre and the Kolyma, undeveloped transportation infrastructure, high airfare and the low income of many who live here, precluding easy travel outside the region. Hence people have to choose – to stay or to go (Khlinovskaya Rockhill 2010).

Municipal governments in places other than Magadan often operate on a small scale that makes it difficult to sufficiently distance oneself and operate wearing only one hat, so to speak, that of a state official. Some municipalities are very small, like Kholodnyi with only about 1,300 persons. Not only everybody knows each other but the disintegration of former channels of vertical mobility allowed people to become a part of the local administration, where earlier they would not even have considered it a possibility. Personal connections and the possibility of hiring people by referrals, along with many vacancies due to outmigration – all of this allows some to find what they are looking for, which is employment, steady income with benefits and stability.

At times local state agents' concern for the wellbeing of those they know comes into direct conflict with the intentions of relocation policies, which stipulated that the 'surplus' population, and especially pensioners should be relocated to lessen the burden on infrastructure. We asked Anna, the Head of Administration of Kholodnyi about relocation programmes by the Federal government and the World Bank. She said, "It worked for some. We had 60 families being relocated to Central Russia. Without this assistance programme, none of them would have been able to move out. But there are old people who are either single or have no one left to look after them. Where would they go? Who would help them? Who needs them there? At least here we know them all, we can drop in and find out what they need, to talk, to support them. We are sort of their family".

Often their initiatives to make a community survive and work are underpinned by their personal feelings of attachment to their northern home. Anna maintains,

*I don't want to go to the materik because I don't know it. I know life in the Magadan Region, life according to our, northern rules. To help a drunk out so he would not freeze to death on the street, to know who lives in the same apartment building with you, to feel the elbow of your relatives, your neighbours, your colleagues. We don't live separately from each other here. Yes, I know that Magadan has changed lately, many people moved in from the tras-sa. I suppose we have the same here, people moving in from smaller communities. Yet still we are the northerners, we understand each other. Some decided to go to the materik, I suppose, they think they can start their business there, but it may not happen. Here we have stability now, a life that is set in its ways. Maybe there are 15–20% of those who are capable to dropping everything and going somewhere looking for a better life. But we live in Russia! We have constant cataclysms but we want stability. We are going to stay here. We have families here, our friends, our jobs, and our conditions are not the worst in Russia. That is why not everyone would leave. To improve our lives – yes, sure.*

An oft-repeated sentiment one can hear from middle-age people is that they don't want to start life anew: “Gde rodilsya, tam i sgodilsya<sup>4</sup>, they say. They work towards reaching a level of professionalism and have a job that would reflect it. They doubt they could assume the same status elsewhere: “All the places are taken by the locals. Nobody will let us in”, said one of the ‘stayers’.

The population of the region was drastically reduced and so was the number of communities. But in the 2000s the economy of the region started growing, mostly due to the increasing price of precious metals. Communities that survived developed some enterprises, whether state or private that employed local people. Anna indicated, “We now have a queue for the kindergarten, and many vacancies in our schools and hospital. We are trying to attract people from the *materik*. We are prepared to give them jobs, flats and pay their moving expenses and one-time relocation payment. Not too many people are knocking on our door though” (Photo 3).



Photo 3. A kindergarten in Sinegorye. August 2010. ©Andrei Osipov

**Local people: northern home.** There is no significant inflow of people to the region but there is also much that holds the remaining local residents in place. Although the state occupies key positions in the viability of the region, the void left by the absence of the state allows individual enterprises to take place. The official numbers of people employed and unemployed do not add up, spoiling the logic of the state project of populating this area by the number of people that would ‘adequately’ correspond to the industrial base and infrastructures of the region. As Zausaev et al. have demonstrated, the economic restructuring created a new labour market segment, the ‘self-employment’ (*samozanyatost*) and ‘hidden employment’ (*skrytaya zanyatost*) that is not subject to the Russian statistics but serve as a hidden labour reserve (2010: 51). In 2008 in the Magadan Region some 6,1% of labour market was involved in ‘the income-generating activities unaccounted for’ (down from 16,3% in 1999), making this area more viable than what could be deduced from official accounts. The ‘grey’ economy has been widening its scale ever since<sup>5</sup>.

As has been shown elsewhere (Heleniak, Holzlehner, Khlinovskaya Rockhill 2010; Khlinovskaya Rockhill 2010; Stammeler, Khlinovskaya Rockhill 2010), the private sector is now involved in a wide variety of marketing activities throughout the region. Retail shops are run privately and support accompanying networks involved in buying goods and services from both inside and outside the region. Private transportation companies operate regional inter-city commuting services, as well as cargo delivery to regional communities. Private vegetable plots and greenhouses grow local produce, albeit more expensive than imported produce. The selling of traditional food supplements such as berries, and mushrooms is sometimes done by poorer individuals to supplement their low income, and although usually pricey, those who can afford to buy don’t have to engage in what for some is a time consuming and tedious activity. In many abandoned and half-abandoned communities we have met people who live a subsistence lifestyle, refusing to accept options offered by local administrations regarding relocation, thus engaging in hunting and fishing, growing their own vegetables, and collecting berries and mushrooms in order to survive. In these communities there is often no state infrastructure left, such as schools, polyclinics, a hospital, police, or fire departments. There is no running water or electricity, except by hooking a wire to the main electric cable running along the *trassa*. Given the previous concept of development based on growth and expansion, local residents consider such a lifestyle to be a regress.

The efforts of local residents to start their business are often undermined by local taxation. We talked to Polina, a shop keeper from Bol’shevik, a town built around a mine. When the state mining operation closed, the town was subject to closure with relocation possible within the Magadan Region, so people were moved to Susuman, Berelekh and Magadan. However, the



queue was prioritised: first pensioners 60 years old and older, then, when the school closed down, families with children, and state employees. Some have left for the *materik* using the World Bank relocation assistance programme. The mining was continued by an *artel'* – a private co-operative gold-mining association, with *artel'*s employees residing in three houses vacated by former residents. There are 30 people having *propiska* (police housing registration) there, still hoping to use relocation assistance when and if it becomes available, but together with the *artel'* employees, some 160 people live there. It just happened that Polina and her family, her husband and son, did not qualify for any assistance at the *right time*. When they became eligible, the sum was so small that it was not worth it. They joined the queue for the Federal subsidy, but this queue is so long they have no hope. She moved to Bol'shevik from Gor'kiy (western part of Russia) in 1980. After she was laid off during the mine's closure, she started drawing her pension, 7,600 roubles a month. Her son used assistance relocation of 100,000 roubles and bought himself a flat in Magadan for 200,000 roubles. Her husband who worked in the Susuman gold-enrichment factory<sup>6</sup>, had a heart attack, but because Susuman Hospital no longer had emergency specialists, he died. She opened a shop, but the taxes were too high for her:

*I have to bring merchandise from Magadan, so I have to add to the price transportation costs, 15% and another 15%. I have to pay to the raion administration 100,000 for rent (hers was a tiny shop), land and electricity. I don't have much business as the artel' has its own shop. So I have to close my shop and just stay at home. I don't want to live with my son in his flat, he is married with three children. My sister lives in the materik but I better stay here: my husband is buried in Magadan and my son lives here, where shall I go without them? I don't see them often: a taxi to Susuman costs 1,500 r (5,000 r round trip to Magadan), once I could not get a ride to Susuman for 2,5 months. I have not left this place since 2000, we could only afford going on vacations when SUGOK paid our way. Everybody here wants to leave. Some asked to be relocated to Susuman but they are given flats in Berelekh, which is going to be closed down. They refused.*

Polina chose to work legally or she could retire and start drawing pension. There are, however, many other ways of generating income. Here I shall describe how the illegal gold mining (along with harvesting of other natural resources, such as poaching fish or trapping animals), provides income that allows people to stay put.

The gold-mining industry is, and has been for years, a source of enrichment not only for the state but for individuals as well. The formerly state owned and operated regional mining industry is now private. That means that the state owns the mineral resources but gives the right to mine them to private companies, which then become the owners of the gold. They range from multinational corporations to private Russian companies operating mil-

lion-dollar mining technology, as well as smaller operations by an *artel'* staffed by Russian and Ukrainian seasonal workers (Photo 4).



Photo 4. A member of gold-mining artel' 'Diana'. 2008. © Andrei Osipov

There is gold produced legally but there is also a vast illegal gold business based on stolen and illegally mined gold. Gold operations are strictly enforced by state regulations: mining is licensed and the selling of gold must be done to licensed banks. The so-called *vol'niy prinos*, or unmediated individual mining, is still unlawful<sup>7</sup> and perpetrators, unlicensed individuals

called *staratel'*, are punished according to article 191 of the Criminal Code of the RF with sentences up to 7 years in prison. Despite the law, many men mine gold individually. Whether stolen or illegally mined, this gold must be sold for profit. There are known *perekupshchiki* – people who buy illegal gold at a lower than official price and then re-sell it. Part of this gold stays in the region, such as when some heads of an *artel'* buy it and pass it as their own, which they then move further in the line of production: first to the gold-processing factory and then selling it to a bank. Some gold is transported to the *materik*, sometimes on a person, sometimes by carloads<sup>8</sup>. This gold may then go on to illegal jewellery businesses or, as many of point out, to fund the Northern Caucasus war zones. Although there are *perekupshchiki* among local residents of various nationalities, many are so-called 'Ingush-Gold' or *IngushZoloto*<sup>9</sup>.

Ingush are an ethnic group from the Northern Caucasus. During Stalin's period, many of them were sent to the labour camps in the Kolyma. Since then a steady stream of Ingush people have come to Magadan and they are most often associated with the illegal gold business<sup>10</sup>. Their families often join them as soon as Ingush men settle. We were on our way to Susuman asking the driver about this peculiar *IngushZoloto* and, knowing that their work is unlawful, wondering how easily we can find them. Arriving in Susuman the first thing we saw was a car parked in the town centre with a group of 5 or 7 Northern Caucasus-looking men standing around it, talking. Is it...? – we asked the driver. "Yes, that's them". No hiding. No secrets.

They are public knowledge for local people and for law enforcement. *IngushZoloto* people, it is alleged, buy gold and either sell it locally or move it out of the region. There is an implicit resentment of Ingush people locally. A school administrator told me that as soon as she sees an Ingush woman walking to her door she knows what it is going to be about: this woman is most probably pregnant, would ask for a simple job and in a few months start drawing on maternity state benefits; as soon as her child will be old enough for her to go back to work, she would leave. This happened time and again and, she thinks, it is a way to sponge the system. Ingush people are also not given the same opportunities to work in and around gold-mining operations. In Kholodniy, an Ingush man, Mikhail, having mistaken us for journalists, complained excitedly about discrimination against his people. He and his family (wife and three children) moved here in 1998. He tried to run a shop but due to competition, had to close it. *Artels* do not hire them and they are not given *oprobshchiki* licences. There are 17 families here in Kholodniy, he said. Three or four men work in a local Emergency Response Agency. The rest are unemployed. He admitted that they participate in the buying and selling of gold but dismissed it as insignificant: "We don't make that much. Everything goes to the gold-processing factory anyway. It is not true that gold that we get goes to sup-

port the Chechen war. We need jobs, but nobody gives us any. As Russian citizens, we should have the same rights”.

Individual *starateli* mine gold with a geology pick, shovel and a wooden gold pan, a hard physical work and a dangerous one as there were cases of murders of *starateli*. They then try to sell it to *IngushZoloto*, or other *perekupshchiki*, that would pay a fraction of the cost of the gold but it is still income for families. We talked to a number of men who treat it as a matter of fact. The physically hard job of gold mining is the way to supplement their meagre pensions or unemployment benefits. Yet let the appearance of individual poverty not fool you: before we left Magadan in December 2009, we saw a TV news piece dedicated to a police sting operation catching a person suspected in illegal gold operations. They showed an extremely poor-looking man in a wooden shack somewhere in a half-abandoned community, who from a pile of dirty rugs produced a plastic kefir bottle with nearly one kilo of gold in it. The value of the content of that bottle was nearing 1 million Roubles. In October 2017 FSB confiscated 16 kilograms of illegally mined gold, worth 38 million Roubles) from members of what they called organized criminal gang (<https://www.5-tv.ru/news/161566/>), while in November 2018, FSB had detained a person with carrying 3,5 kilograms of gold, worth 7 million Roubles, in his car (<https://iz.ru/807699/2018-11-02/zoloto-na-7-mln-rublei-nashli-v-avtomobile-v-magadane>). “We all mine gold one way or another”, said Dmitri, a 25-year old accomplished geologist working for an *artel*, “go to Orotukan (a town created around a gold-enrichment factory in Soviet times) and every child knows what (manual) gold-mining tools look like”. Small-size *artels* use old commercially made Soviet sluice boxes; many people here use hand-made table top mini-sluice boxes that use rubber door mats as a way to catch gold dust and small pieces. “Doormats are in big demand, sometimes you put out one in front of your door, the next day it is gone”. We have heard that police are implied in many illegal operations. When asked why there are no gangster-style gold wars in Magadan, an old time Magadan resident said, “[W]hat for? If you want to get rid of your competitor, all you have to do is to quietly inform police about someone possessing gold who should not have it. Sometimes when they arrest such a person, they go directly for a pocket where the gold is being held”. Allegedly police would arrest someone when and if they have their own reason, such as fulfilling a monthly plan of catching such criminals. In fact, the biggest opposition to the new law that would legalise *vol'niy prinos* is expected from the police force: “When we prepared our first draft of the law, he says, “Four generals did everything they could to stop it. They would be losing a whole police department of investigation of illegal gold operations as well as income for police officers (*krysha*) who are paid off by both illegal and honest businesses to ensure their business activities go smoothly”.

Opinions regarding legalising *vol'niy prinos* are divided. The first group considers that it would bring many gold mining operations from the illegal

and grey areas into the legal domain and the state would benefit from taxing such work. This group is comprised of individual gold-miners but also of local administration that think that this law would create jobs to families who otherwise depend on the state for unemployment benefits or risk their lives and freedom by engaging in illegal business. The second group, including police and other state officials are convinced that on the contrary, this law would open the door to even more criminal activities than now.

The aim of this description is to illustrate two points: (1) that the state maintains a strict control over gold-mining operations but state agents' interests differ on the issue of legalising individual gold mining with multiple, both state and personal, interests implied in each stand, and (2) gold production, both legal and illegal, feeds many families locally allowing them to remain in the region.

Together with registered self-employment, the employment in the state sector in communities that lack any other jobs, and 'hidden' income-generating activities, allow those who decided to stay to sustain themselves while contributing to the regional vitality.

### Conclusion

In this paper we aimed to illustrate that the value of the Russian Far North was and still is, in its rich mineral resources, but this is a land distant from the centre and expensive to maintain, and this triad constitutes the basis of many problems in sustainable development of the region.

Looking at projects of northern development one could certainly see attempts at achieving what Law called 'pure' plan, an imposition of a single (economic) order. Indeed, government officials do not see the North being populated somehow by anyone who wants to move there for however long they wish. The model of northern living was wrapped around giving to the North the best working years of one's life and then moving back to the *materrik* upon retirement. In post-Soviet times the statist vision tried to match the existing infrastructure to the number of people it can support and remove the 'surplus' population. The way to achieve this goal is to retain the working population and resettle non-productive members, who happen to be retired, handicapped, unemployed, etc. Moving people to the North (in Soviet times) and from the North (presently) either by force, by using various incentives or simply compelling them to move away by disconnecting heat, electricity and social services, is to fit the state's vision of how it wants the North to be. The Federal Government's attempts at lessening the 'human burden' on communal infrastructures often met with unorganised individual, but in the end, collective resistance when people circumvent the laws and rules and return to their place of residence in the North, making state efforts futile. Neither did the World Bank reach the desired number of people it planned to assist in

moving out and evaluated its own project as only partially successful as 68% of projected migration had been realised in Susuman *raion* (ICR 2010: 12; PAD 2010). Economic rationality seems to be the leading mode of social ordering in this state project and much that falls outside it was in fact unforeseen and therefore non-calculable. Many of people's actions cannot be predicted or codified, which is what is assumed in such projects planned from 'above'. As Scott maintains, "Designed or planned social order is necessarily schematic; it always ignores essential features of any real, functioning social order" (1998: 6), which ultimately leads to a project's failure because it misses the "indispensable role of practical knowledge, informal processes and improvisation in the face of unpredictability" (Ibid.). The residents' feelings of attachment to place, their careful calculations as to the most beneficial options that do not fit into a government's pre-set temporal frame, strong ties with relatives and friends, value of stability, opportunity for professional self-realisation and value attached to professional prestige related to one's age and professional experience – these are some of the factors counteracting the economic rationality, but are difficult to foresee while developing a social engineering project.

Resistance to new migration policy that implicitly attempts to deprive people of their new northern home is one of the consequences of the state initiative of developing the North. Moving between the *materik* and the Kolyma was much easier in Soviet times and likened northern inhabitants to other instances of human mobility elsewhere in the world, down to the feeling of belonging to two places at once. However, it would be easy to fall into a trap of presuming that transnational migration or, as in our case, similar movements within one country but to distant and previously uninhabited regions, are free, easy and without limitations. Inda and Rosaldo talk about materiality of the global. They maintain that material infrastructure, such as governmental strategies and policies, highways, airplane routes and communication technologies may enable, but also restrict movement (2008: 30). This is precisely the case with Kolyma residents not being able to easily maintain two (or more) homelands. Here, we see limits to Beck's concept of place polygamy. Our data show that place polygamy, even if existing as a concept belonging to the world of imagination, cannot be easily *practiced* by the Kolyma residents. Geographical distance and material constraints, such as available infrastructures and very limited financial means, make place polygamy an unaffordable luxury.

Keeping these concepts in mind, the purpose of this paper is to illustrate three points. The state project of regional development and population maintenance has consequences: (1) state projects and accompanying state policies are partially successful as they reach many of their goals set out in the beginning. Gold was produced, the region had become inhabited, and lately many people have left the region to be settled elsewhere. The state as a

multiple actor still maintains its presence and controls key positions in the North.

(2) At the same time, such projects as a bounded object aimed at producing a particular social order, as it was and continues to be, are bound to be incomplete. People with their collective agency put forth tangible resistance without being organised or making a collective effort. The partial failure of the project is the unintended consequences of the project's success: people grow roots and resist the next state project.

Thus the consequences of certain projects, such as those locating populations in certain areas, both enable and disable the original vision – to *aim* to produce a specific social order – is bound to fall short. There is plenty of ordering activity going on, and it may be successful in places, but it does not necessarily all fit together on the ground, indeed probably should not do so.

(3) But multiple attachments are conditional: not in imagination but in practice they are difficult to maintain when dealing with such distances (people cannot afford multiple attachments). This only reinforces the resistance, as people in this area cannot easily move back and forth between 'homes': they have to choose and many choose their northern 'home'. Multiplicity has its scale: what is multiple from the bird's eye view of state operations, does not translate into any practical multiplicity of residence to the individual resident in the Russian Far North.

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### Footnotes

<sup>1</sup> Vol'niy prinos existed in the Soviet Union up to 1954, and then briefly in the 1990s.

<sup>2</sup> Cited in interview with A. Aleksandrov, Head of the Magadan Regional Duma, 17.11.2011. URL: <http://www.kolyma.ru/index.php?newsid=20778>

<sup>3</sup> There are many explanations for this choice. Among some of the reasons are the following. Some people had moved a number of times before they came to the North and their place of birth had become a distant foreign land long ago. Others consider their chances of getting a job or having networks of family and friends back 'home' and decide that those places are as depressive as their northern home is and it is not worthwhile bothering with the move. Many people, having come from Ukraine and Belorussia, do not want to deal with complicated inter-country relations when comes to Ukraine's regulations regarding paying Russian (increased) pensions to former northerners, as well as language and citizenship considerations.

<sup>4</sup> One is useful where one was born.

<sup>5</sup> Until 29 November 2018 when President Putin signed a new law that makes it mandatory for self-employed people to pay 4% tax if offering services to people, and 6% tax if working with organisations.

<sup>6</sup> SUGOK, or Susumanskiy Gorno-Obogatitel'niy Kombinat.

<sup>7</sup> Although *vol'niy prinos* is prohibited by law, there is a way to do it still. People called '*oprobshchiki*' take samples of soil to determine the amount of gold in the alluvial deposits.

They work under contract with an *artel* or a large company like SusumanZoloto, and could always retain gold they found.

<sup>8</sup> A TV programme showed how some 80 kilos of gold were found in a car ready to leave the region. The gold was confiscated, people imprisoned.

<sup>9</sup> The folk name “*IngushZoloto*” takes after the way organisations were named in Soviet times, which is to string together key words conveying the meaning of what the work of an organisation was focusing on. Thus, *SeveroVostokZoloto* (NorthEastGold) was the main Magadan headquarter organisation for mining operations in the Magadan Region. The currently operating *SusumanZoloto* (SusumanGold) is a privately owned organisation, an heir to Soviet state mining operations in Susuman. Hence *IngushZoloto* is understood as Ingush people involved in illegal gold dealings, except it is a not an organisation but private Ingush people.

<sup>10</sup> To be sure, there are Ingush people who work regular jobs such as drivers or accountants in the hospital, and there are local ones that were born there.

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## **ОБ УЧАСТИИ ГОСУДАРСТВА В СОЦИАЛЬНО-ЭКОНОМИЧЕСКОМ РАЗВИТИИ ПОСТСОВЕТСКОЙ КОЛЫМЫ. Часть 2**

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**Аннотация.** В XX и XXI вв. развитие северных территорий Российской Федерации было и остается государственным проектом высокого модернизма. На то, что проект является примером социальной инженерии, указывают и поставленные перед проектом четкие цели, и использование определенных инструментов для их достижения, например создание и финансирование программ либо увеличения (в советское время), либо постсоветского сокращения северной популяции пришлового населения за счет переселения «лишних» людей. Однако ни российскому правительству, ни Всемирному банку не удалось полностью достичь своей цели: сопротивление населения, подлежащего переселению, выразилось в отказе следовать планам правительства, выработке собственных стратегий выживания в регионе и использовании предоставленных людям возможностей для достижения не государственных, а собственных целей. Жизнь региона продолжается как за счет активности его жителей, так и жизни самого государства, которое, несмотря на кажущийся постсоветский «уход» с северных территорий, выраженный в покинутых поселках, брошенных производствах, разрушенной инфраструктуре и оттоке населения в 1990-х и 2000-х гг., тем не менее, сохраняет свое присутствие, продолжает работать, видоизменяться и развиваться.

**Ключевые слова:** миграция, государство, Российский Север, серая экономика, устойчивое развитие, проект социальной инженерии