

Chinese Labor in Transbaikalia

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Abstract. The unfavorable demographic situation in the region calls for an influx of labor migrants, which is an important factor of economic life. The drawing of foreign labor force contributes to the development of the local economy. Meanwhile, the presence of Chinese migrants in the region is insignificant so far, does not pose a threat to employment of the local people, and is not the cause of social problems.

Keywords: *Transbaikalia, migration, workforce, demography, Chinese.*

The border position of the territory, the presence of the railroad line to China built in tsarist time, which is still the main transport corridor for Russian-Chinese trade, the opening of the international automobile check point in Zabaikalsk (the biggest on the Asian borders of Russia), as well as good-neighborly relations with the adjacent districts of China for the past two decades have turned Transbaikalia into a big channel of Chinese migration to Russia.

Table 1

Entry of foreigners via check points of Transbaikalia in 2004-2008¹

Years	2004	2005	2006	2007	2008
Foreigners, total	250,129 (+12.9%)	275,904 (+10.3%)	207,804 (-24.7%)	238,565 (+14.8%)	251,915 (+5.6%)
Chinese	96.9%	96.9%	No data	98.0%	97.0%

Taking into account the data of migration registration of foreign citizens, it should be noted that the greater part of the Chinese migration flow through Transbaikalia is either transit to other regions of the country, or has a pendulum character, when Chinese return to their Motherland within a period which does not require migration registration. The number of Chinese citizens registered in the territory during the period between 2003 and 2008 increased by 3.3 times,

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whereas the similar index for CIS citizens increased by 2.3 times; the number of registered Chinese citizens grew 1.4 times more rapidly than that of citizens of other states.

Table 2

**Foreign citizens registered as migrants in Transbaikalia and
taken off registration list in view of their departure from Russia**

	On migration list				Off migration list
	PRC	CIS	Others	Total	
2008	54,976	18,265	2,398	75,639	53,676
2007	40,782	17,896	2,255	60,933	33,147
2005	29,645	9,090	1,324	40,059	
2003	16,472	7,977	1,050	25,499	

These migration processes develop against the backdrop of the extremely unfavorable demographic situation in the territory:

Table 3

Certain data about demographic situation and labor market in Transbaikalia²

Years	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Entire population, 000	1,265.9	1,178.8	1,165.4	1,152.6	1,143.9	1,135.7	1,128.2	1,122.1	1,118.9	1,117.0
Natural growth, loss(-), persons	-3,372	-3,201	-3,367	-3,653	-3,826	-3,740	-4,194	-1,820	466	1,720
Migration growth, loss(-), persons	-6,148	-6,305	-6,121	-6,533	-4,998	-4,474	-3,289	-4,314	-3,639	-3,621
Average annual number of those engaged in economy, 000	439.2	449.7	459.8	469.4	470.4	471.4	481.8	483.3	490.1	493.5
Number of unemployed by ILO method, 000	114.7	76.7	81.9	62.7	78.9	64.2	60.4	46.2	54.3	82.1
Number of unemployed registered by state employment office, 000	12.7	10.2	30.8	24.6	19.2	14.9	12.8	16.2	15.1	18.2

During the period between 2000 and 2008 the population of the Transbaikalia Territory dwindled by 61.8 thousand, on average by 18.8 persons a day,

due to high mortality rate and the unending outflow of the local population to the country's regions with a more favorable socio-economic situation. Undoubtedly, the migration process would have been different, if the region was on an economic upgrade. The recent natural growth of the population due to the generations of the 1980s entering the reproductive age, but not exceeding migration loss, will cease in the coming years, and the depopulation rate will grow.

Transbaikalia is inferior to most regions of the country in the quality of life and the living standards, and does not have prospects for the extended reproduction of its demographic potential. The general crisis situation of Russia is very grave there, especially concerning the genetic fund. The region experiences a big decrease of the population.³

The role of the local population of Transbaikalia in the country's economic life constantly diminishes. The dynamics of the per capita GDP shows that in 2000 an average local resident produced 64 percent of the production volume of an average resident of Russia, whereas in 2007 this figure dropped to 50.8 percent.

Table 4

Per capita GDP, rubles

Years	2000	2003	2004	2005	2006	2007
Russian Federation	49,835	91,607	118,537	151,106	188,813	232,990
Transbaikalia	25,320	46,286	53,748	61,527	80,639	101,052
% of local index as against average Russian	64.0	61.8	54.9	48.8	51.1	50.8

It's not surprising that in a relatively favorable year 2008, 223.1 thousand inhabitants of Transbaikalia had an income below the minimum subsistence level.

Table 5

Number of population in Transbaikalia with money incomes below minimum subsistence level

Years	2000	2001	2002	2003	2004	2005	2006	2007	2008
000 people	799.2	651.9	519.8	372.6	328.9	297.5	268.6	268.8	223.1
% of total number of population	67.0	55.3	44.6	32.3	28.8	26.2	23.8	23.9	19.9
Same on average for Russia	29.0			20.3	17.6	17.7	15.2	13.3	13.5

(True, the share of the poor diminishes, but the lag in the GDP production grows. Hence, there are doubts as to correctness of the calculations of the local department on labor and social problems).

In these conditions an average man in Transbaikalia will most probably end his life before reaching the pension age. The difference in longevity, on average, between Russia and Transbaikalia is about five years.

Table 6

Expected longevity of men

Years	2000	2001	2002	2003	2004	2005	2006	2007
Transbaikalia	56.7	53.9	54.9	54.0	53.2	52.9	55.3	56.7
Average for Russia	59.0	58.9	58.7	58.6	58.9	58.9	60.4	61.4
Difference	2.3	5.0	3.8	4.6	5.7	6.0	5.1	4.7

There are other negative aspects. For instance, there are 2.6 times more suicides in Transbaikalia than on average in Russia. The number of murders in the region is three times greater than on average in the country.

Table 7

Death rate per 100,000 population

Years		2000	2002	2003	2004	2005	2006	2007	2008
Murders	Transbaikalia	53.1	74.5	64.1	63.8	64.5	54.0	49.1	52.8
	Average for Russia	28	31	29	27	25	20	18	17
	Correlation	1.9	2.4	2.2	2.4	2.6	2.7	2.7	3.1
Suicides	Transbaikalia	81.7	92.8	77.3	77.0	72.2	70.6	80.0	70.0
	Average for Russia	39	38	36	34	32	30	29	27
	Correlation	2.1	2.4	2.1	2.3	2.3	2.4	2.8	2.6

This explains the migration loss amounting to several thousand persons a year. Eastern Siberia is no longer attractive for Chinese migrants inasmuch as it does not give them hope for improving their life. This is also true of Russians living there who leave the region for the same reason. All who can afford to move to “warmer” regions are younger and better educated and skilled. Those who remain are inferior in many respects.

The population of Transbaikalia lags behind the average Russian level of socio-economic development, quality of life, education, health protection, and

other boons of civilization. They are virtually “second-rate citizens” in their country, and this is why they do everything possible to leave the region.

At the same time a great many indigenous people of Transbaikalia spend their vacations, undergo medical treatment and study in neighboring China, being unable to have similar services in their own country. For example, in 2008 the number of Russian citizens going to China via the check points in Transbaikalia reached more than one million, having exceeded many times the similar figure of Chinese citizens entering Russia. Visiting neighboring Manchuria, Transbaikalian people can see with their own eyes the results of the PRC policy in restoring and developing the old industrial bases of Chinese North-East and West, and compare the economic efficiency of the Chinese authorities with that of their own federal center.

At the same time official statistics shows a stable growth of those engaged in the economy—in the past decade the figure grew from 439.2 to 493.5 thousand people, by 54.3 thousand, or 12.4%. Official unemployment decreased from 30.8 to 12.8 thousand in 2001-2005, and showed an unstable upward trend up to 18.2 thousand in 2006-2008.

The preservation of the definite level of unemployment among the local population shows not so much a sufficient number of gainfully employed people in the region as the problem of the mobility of the local workforce. Residents of rural districts with decaying agriculture, having no opportunity to move to relatively well-off Chita due to the fact that their entire income will be spent on housing rent, are forced to stay put and live by their meager natural economy and chance incomes. The presence or absence of foreign laborers does not influence this process. It is low mobility (derivative of poverty) that makes the local labor market ineffective.

At the same time, a shortage of workforce in such branches as construction in Transbaikalia has become a major factor retarding its development. It gradually becomes a characteristic feature of Russian Transbaikalia and the economic necessity demands to draw workforce from China.

Table 8

**Number of labor migrants legally working
in the region**

Years	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total, including	1,444	2,124	3,381	4,783	7,233	9,821	14,463	19,830	31,323	33,681
CIS	266	1,823	854	1,291	1,634	2,128	2,705	3,618	8,340	6,065
Far abroad (PRC)	1,178	301	2,527	3,492	5,599	7,693	11,758	16,216	22,983	27,616
Share of Chinese in economically active population, %	0.27	0.00	0.55	0.74	1.19	1.63	2.44	3.36	4.69	5.60

According to the data of the Federal Migration Service, work is the predominant aim of migrants staying temporarily in Transbaikalia. During the preceding period the share of those who came to work constantly increased, and in 2008 reached its peak—61.8 percent. In the period between 2005 and 2008 the share of official migrants grew by 2.4 times: from 25.7 to 61.8 percent.

Table 9

**Distribution of temporary migrants
by aims of their stay (%)**

Years	Work	Business & humanitarian	Private	Tourism	Study
2008	61.8	14.5	18.4	3.8	1.2
2007	54.0	17.3	20.5	7.2	0.1
2005	25.7	24.1	26.3	23.5	0.4

As can be seen from Table 8, the number of Chinese labor migrants in Transbaikalia was constantly growing during the 10-year period from 1999 to 2008. This figure was the biggest in 2008—27,616, having increased by 23 times as against 1999.

Despite the impressive growth rates, taking into account the total number of the economically active population in the region, it becomes clear that at present the share of foreign workforce is small. Apart from individual objects and branches—construction and forestry—its contribution to the economy of the territory remains negligible.

Comparing the dynamics of the drawing of Chinese workforce to the economy of the territory with the statistics of unemployment, one cannot confirm the contention of professor V.G. Gelbras that the use of Chinese labor leads to an increase of jobs for the local population. At the same time it should be noted that the use of Chinese workforce definitely does not cause unemployment.

Table 10

Data on commissioning of housing and export of timber

Years	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Commissioning of housing, 000 sq.m	72.7	74.8	92.6	81.4	101.8	147.1	131.1	179.0	232.7	258.6
Export of timber, 000 cu.m	522.0	532.7	489.2	535.6	621.7	789.2	863.8	948.3	1,181.9	735.3

It is the drawing of foreign workforce that is an important prerequisite for and the index of a certain exhilaration, which began prior to the present crisis.

During the 1999-2008 period the commissioning of housing grew by 3.6 times, export of timber increased by 2.7 times in 2007 as against 1999 (prior to the introduction of prohibitive duty on round timber).

Chinese labor was mainly used in non-mechanized branches: tree felling, masonry and certain finishing work in construction. In the pre-crisis period building contractors were in a hurry to use “hot” investments. At the same time Chinese demand for timber had a favorable effect on the timber industry.

Table 11

Distribution of foreign workers by branches of economy (%)

Years	2001	2004	2005	2006	2007	2008
Construction	41.4	45.8	51.6	46.0	57.7	68.7
Forestry	24.9	31.7	23.8	21.6	17.1	10.8
Wholesale & retail trade	4.6	10.7	8.2	20.0	18.4	7.2
Mining of minerals	17.9	5.9	6.6	no data	1.8	2.1
Agriculture	2.9	2.9	3.4	2.4	1.1	2.1

As we see, the share of foreign workers engaged in construction was growing stably from 2001 to 2008: from 41.4 to 68.7 percent, that is, by 1.7 times. At the same time the share of foreign workers engaged in the timber industry constantly dwindles since 2004, and from 2006 to 2008 it decreased from 21.6 to 10.8 percent (almost twice). This was connected with the policy of the federal center to reduce the export of round timber and introduce high export duties on this commodity.

The share of foreigners engaged in trade grew until 2006, when it reached its maximum of 20.0 percent, having exceeded the share of those working in forestry. In subsequent years, in connection with certain restrictions on the participation of foreigners in trade introduced by the federal government, this index has gone down, although in 2008 it exceeded the proportion of those engaged in mining minerals and agriculture more than three times.

Evidently, in connection with the financial-economic crisis we shall see a sharp reduction of construction work, the export of timber, and, accordingly, the drawing of Chinese labor to these branches.

Chinese migrants work at construction sites and in wood-cutting areas in big teams, forming isolated ethnic enclaves. All problems with employers are resolved by few engineering and technical managers of the Chinese contractor company. Contacts of common Chinese workers with the local population are confined to buying cigarettes and food in small kiosks.

There is no trace of any socialization because it is absolutely unnecessary. When a Chinese worker, alone or in a small group, goes to town, he becomes an

“easy prey” for local militia. And there can be no talk of any serious conflicts between Chinese labor migrants and local people for the past two decades.

Numerous teams of Chinese building workers consist of men who spend short vacations with their families in China, and for the greater part of the year go away to work on contract. The Chinese contractor who hires them determines where they should work. He can send them this year to Mongolia, and next year it can be China’s province on the east coast. According to the data of the Federal Migration Service of the Russian Federation, 80 percent of 53,676 foreigners taken off the registration list in Transbaikalia Territory in 2008 left Russia due to termination of their work permit or the end of construction season.

This is why Chinese migrants have no grounds for searching opportunities to stay in Russia. Accordingly, they don’t have to know the language, culture and history of the country they live in the given period. It’s enough to know simple rules of social behavior, which do not differ much in Russia and China.

Thus, Chinese migrants do not demonstrate any desire to stay on Russian territory for longer time. They feel strangers here and do not wish to remain after the termination of their contract. (In general, the Siberian people, who continue to believe that their severe land enhances the wealth of Russia, can hardly realize that Chinese people live in warmer and more fertile regions of Asia and are not anxious to move to and settle in cold and severe northern lands).

If the entry of labor migrants to Russia (either with or without visa) is regarded as the official criterion of agreeing (or disagreeing) with their arrival, then a law-abiding skilled Chinese worker faces more difficulties in coming to and staying in Russia than an unskilled citizen of CIS with past criminal record. It is indicative that although Chinese labor migrants are under stricter control of the local authorities and migration services, they cause less trouble to them than their counterparts from the CIS countries.

Table 12

**Number of foreign citizens brought
to administrative responsibility**

Years	2003		2006	2007		2008	
	Total	Per migrant	Total	Total	Per migrant	Total	Per migrant
Total, including	977	0.038	5,828	4,839	0.079	5,869	0.078
PRC	632	0.038	2,705	2,695	0.066	3,165	0.058
CIS	165	0.021	2,978	1,855	0.104	1,838	0.101
Others	88	0.084	145	288	0.128	866	0.361

Taking into account the above data, one cannot but admit that despite the rapid increase in the number of foreign migrants, the number of violations of law

remains stable, that is, the law enforcement agencies properly control the situation. (Doubtless, criminal relations do exist among Chinese labor migrants, but they rarely go beyond the bounds of their closed ethnic community, and can seldom be noticed and registered by the Russian law enforcement agencies).

It should be said that red tape and many-stage character of issuing permits and registering labor migrants from the PRC (quota/license/invitation/visa/permit) make the migration process extremely inflexible. This does not give Transbaikalian entrepreneurs, especially with small businesses, an opportunity to fire a lazy or sick Chinese worker, because a long and expensive procedure to get him on the job will have to be repeated with regard to his substitute. All the more so since drawing even a small number of Chinese workers (10-15 people) to a joiner's shop, or just one chef to a restaurant in a far-off region will have to be licensed and registered precisely at the Moscow end of the vertical of power.

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In our time there is no ground to talk of any Chinese demographic expansion or a mass influx of Chinese to Transbaikalia. Chinese migrants make their contribution to the economic development of the region and thus strengthen its security. In view of the subsequent inevitable drop of birth rate, the able-bodied population will inevitably dwindle. Additional workforce will be needed for the economic growth of the region. And it can come only from China. It is hardly likely that the regional economy will begin to develop further due to the technical progress and innovation activity of Transbaikalian Territory itself, but not due to the labor resources of the PRC.

NOTES:

1. Here and further: *Sbornik Ministerstva mezhdunarodnogo sotrudnichestva, vneshneekonomicheskikh svyazey i turizma Zabaykal'skogo kraya* [Collection of the Ministry of International Cooperation, Foreign Economic Ties and Tourism of Transbaikal Territory] for corresponding year.
 2. Here and further: *Statisticheskyy sbornik Zabaykal'skogo kraya* [Statistical Collection of Transbaikal Territory], Chita, 2009.
 3. V.M. Bulayev, A.N. Novikov, *Geograficheskoye polozheniye kak predmet issledovaniya konkretnoy territorii* [Geographical Situation as a Subject of Studying Concrete Territory], Ulan Ude, 2002, p. 65.
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