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Paul Richardson

**VLADIVOSTOK 2012: BORDERS, BORDERLANDS, AND DUAL-DEPENDENCY IN THE RUSSIAN FAR EAST**

**Introduction**

This chapter examines how borders and borderlands are being reconfigured and reframed in the Russian Far East (RFE), with a particular focus on the Far Eastern city of Vladivostok. This region provides a fascinating case study through which to observe how ‘boundaries materialize, rematerialize, and dematerialize in different ways, in different contexts, at different scales, and at different times.’¹ The paper attempts to demonstrate how borderlands serve simultaneously as locales of intense meaning and significance for politics, identity, society, and business; at the same time as existing in a state of constant flux, possessed with multiple meanings, which have the potential to undergo sudden and sometimes unpredictable discursive shifts.

Such an understanding of borders follows recent geographic narratives on territorial boundaries.² A prevailing feature to come from this scholarship is an understanding that ‘individual state borders are deeply characterized by contextual features and societal power relations and their meanings change in the course of time along with broader, typically state-related societal relations and conditions…’³ This chapter explores state-society relations in the context of national development strategies promoted by Moscow in the Russian Far East. It discusses how this region is being reconfigured by processes of de-territorialisation – a broad conceptual term which captures the material and discursive disappearance of the border in a globalising world; and re-territorialisation – a counter-trend where new types of

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³ Paasi, "A Border Theory: an unattainable dream or a realistic aim for border scholars," 27.
borders and borderland spaces are proliferating.\(^4\) As Anssi Paasi has noted, both de- and re-territorialisation ‘occur in various institutional practices and discourses and display economic, cultural and political power relations. Since both processes are taking place continually, they are overlapping and intermittent, and they inevitably result in differentiation of the already complex spatialities of borders.\(^5\)

One of the tasks of this paper is to highlight these complexities and, in particular, to reveal how borderlands are a nexus where domestic economic imperatives and national politics intersect with local border-cultures. It acknowledges that borders and borderlands are represented in a myriad of different ways, in different places, at different scales. As Chris Rumford has noted, ‘[p]eople can construct the scale of the border for themselves; as a “local” phenomenon, a nation-state “edge,” or as a transnational staging post: the border can be reconfigured as a portal.’\(^6\) This chapter seeks to engage with different constructions and imaginings of Russia’s Far Eastern borderlands both in the ‘centre’ and at the ‘periphery,’ while highlighting precisely how ‘borders are open to contestation at the level of state and in everyday life.’\(^7\) It is argued here that examining various representations of borderlands, and associated processes of re-territorialisation and de-territorialisation, can tell us much about strategies of national development and elite-led visions of national identity, while at the same time demonstrating how they are contested and fragmented at every spatial scale. In such a context, borders are ‘no longer seen only as lines on a map but as spaces in their own right (as in the idea of “borderlands”) and as processes.’\(^8\)

These borderland spaces can also perform the role of a kind of stage, ‘where identity is dramatised, broadcast, shared and reproduced…often mapping out identities which are situated in wider symbolic, imagined geographies of which the

\(^4\) See: ibid., 18.
\(^5\) Ibid., 18
\(^7\) Ibid., 61.
\(^8\) Ibid., 67.
particular stage may be part.⁹ Against the background of a renewed state-led interest and commitment of resources to developing Russia’s Far East, this chapter turns attention to how such border sites can become highly charged political stages on which national and regional elites perform their own specific narratives of identity and national destiny. Focussing in particular on the 2012 Asia-Pacific Economic Cooperation (APEC) Summit, held in Vladivostok last year, the chapter outlines how this event marked a performance of national identity where the state leadership - through their construction of this stage, and their rhetorical pronouncements and actions on it - sought to decisively declare that Russia is a renewed, economic, and geopolitical power, which strives to be politically engaged, and economically integrated into the Asia-Pacific region. However, as we will see, it is on this very same borderland, where these images are reinterpreted, refracted, and distorted at the local level, turning their originally intended meanings and symbols into something very different.

The changing nature of Vladivostok and Russia’s Far Eastern borderlands

Vladivostok is a port city located in the Russian Far East, a little over 50 km from the Chinese border and is also the closest Russian city¹⁰ to the markets, conurbations, and industrial centres of Japan and South Korea. Since Vladivostok’s foundation in 1860, the city has gone through alternating periods of relative freedom in cross-border trade and migration flows, in contrast with tightly restricted external links and rigorous state controls on border crossings. The former is perhaps best represented by the period from Vladivostok’s founding until the consolidation of Soviet power in the 1920s, and again in the late 1980s and the early period of post-

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⁹ Emphasis in original: Tim Edensor, *National Identity, Popular Culture and Everyday Life* (Oxford: Berg, 2002), 69-70. Although Edensor is not talking specifically about borders they could certainly be defined as the symbolic sites that he regards as stages.

¹⁰ I.e. over 500,000 inhabitants.
Soviet Russia. The latter would be from the 1930s until the Soviet collapse, when Vladivostok was a closed city to foreigners.\(^{11}\)

However, even during the Soviet period, Vladivostok was briefly used as a stage for attempts to reform and re-orientate the state. In 1959, then Soviet leader, Nikita Khrushchev, visited the city after his first official visit to the United States. Khrushchev, evidently impressed by his time on America’s West Coast, called for the residents of Vladivostok, to turn the city into ‘our own San Francisco.’\(^{12}\) His pronouncement, made at a local shipbuilding plant, was soon followed by a massive construction effort aimed at transforming the city into a ‘Greater Vladivostok.’\(^{13}\)

A proliferation of low-quality apartments, as well as a funicular, were the major achievements of Khrushchev’s enthusiasm. However, as the base of the Pacific Fleet, the city remained a closed military port and it was not until the mid-1980s that Vladivostok again commanded such attention from the Soviet leadership. In July 1986, Mikhail Gorbachev, used the occasion of a visit to Vladivostok to proclaim in a famous speech a new era of Soviet engagement with the Asia-Pacific region. He stressed that the Cold War was ending and that the Soviet government would seek to open up the region and develop it as part of a broader Asia-Pacific economy.\(^{14}\) His intention was to transform Vladivostok from an outpost of Soviet military power into a city that symbolised his newly introduced processes of glasnost and perestroika.

However, the opening of Vladivostok was ultimately only realized with the dramatic and sudden implosion of Soviet power in 1991. The Soviet state’s collapse, and the associated withdrawal of central state authority and support, had the result of exacerbating acute social and economic problems in the RFE.\(^{15}\) Features of this period were the decline of state-backed industries and services; a reduced military capability; unemployment; the removal of barriers over the movement of goods and


\(^{13}\) Ibid.


\(^{15}\) Ibid, 193.
people; the weakening of state and law-enforcement institutions; uncontrolled exploitation of the region’s natural resources; worsening corruption; and the increasing influence of criminal elements on business and politics.\(^{16}\) It is therefore hardly surprising that between 1991 and 2012, the RFE lost about one fifth of its population as birth rates collapsed and out-migration increased as people left to escape from deteriorating economic conditions and dire employment prospects.\(^{17}\)

If, in the 1990s, the RFE was characterized by neglect and disconnection with Moscow, then the coming to power of Vladimir Putin in 2000 was to signal a renewed engagement with the region. From the start of the new millennium, the central government began to reassert its influence, most dramatically and immediately with the removal of the outspoken and controversial Primorskii Governor, Evgenii Nazdratenko, in early 2001.\(^{18}\) By the end of Putin’s first Presidency a massive federal development programme for the RFE and Siberia had also been announced with huge state funding allocated through to 2013.\(^{19}\) The culmination of this trend came with the announcement by Putin in September 2007, at the APEC leaders’ meeting in Sydney, that Vladivostok would host the 2012 APEC Summit.

Putin’s announcement committed Russia to hosting a major international summit in a city with basically non-existent infrastructure for such a purpose at the time. Justifying the decision to bring APEC to Vladivostok, Putin and other members of the leadership emphasised that it was aimed at giving impetus to the RFE and showcasing it to the international community.\(^{20}\) Among Russia’s declared priorities for the summit and beyond were further liberalisation of trade and investment in the Asia-Pacific; deeper economic integration into this region; efforts to encourage

\(^{16}\) Ibid, 194.


‘innovative growth;’ and the improvement of transport and logistics. It was equally a chance for a symbolic demonstration to a domestic audience, especially to the residents of the RFE, that the Russian state now had a renewed desire to develop the region and to provide the necessary services and infrastructure for its citizens. Perhaps most significantly, it also demonstrated that the state now had the resources to make good on its promises and in total $21 billion was spent on making Vladivostok capable of hosting this summit.

Projects included the construction of a large, state-of-the-art university campus, three massive bridges (one of which is the longest cable-stayed bridge in the world), two luxury hotels, 150 km of new roads, the reconstruction and enlargement of Vladivostok airport with a second runway, and a rail link to the airport. A theatre and opera house were also planned to open in time for the summit, however, the project was beset by delays and budgetary overruns, and is now expected to open a year late in September 2013 at a cost of more than four billion roubles.

Additional projects approved by the government, included an automobile assembly plant in Vladivostok and two big shipyards to be built in the south of Primorye.

In the run-up to the summit, the political leadership expended great efforts on highlighting not only how hosting APEC would enhance Russia’s prestige and...
change the country’s relationship with the Asia-Pacific but also the transformative impact it would have on the lives of Russian Far Easterners. While still President, Dmitrii Medvedev made a number of high-profile visits to the city in order to supervise construction and ensure timely progress was being made. In 2011, he outlined his belief that ‘what we are creating will stand, I hope, for decades and centuries to come.’\textsuperscript{28} In summer 2012, at the opening of one of the bridges, Medvedev was at pains to emphasise that: ‘Everything that we've done in the past few years is, of course, linked to the summit…But it's not for the summit – it’s for you, for all who live here.’\textsuperscript{29} Similarly, Putin, President at the time of the summit, declared on the eve of its opening that: ‘When I invited our counterparts, five years ago, to meet for this forum…my rationale was to acknowledge the importance of this area for Russia.’\textsuperscript{30}

Through APEC 2012, Medvedev and Putin actively endorsed and promoted a domestic development strategy, which at the same time tied their own political legacy to the success or failure of developing the RFE. Indeed, now that APEC is over this legacy is at stake. This was reaffirmed at a meeting of the Presidium of the Russian State Council in November 2012, when Putin declared that ‘the development of such large territories [as Siberia and the RFE] requires long-term strategic and sustained activity. All of these approaches should be reflected in the state programme of socio-economic development of the Far East and the Baikal region, and it should be budgeted up to 2025.’\textsuperscript{31} Perhaps unsurprisingly, many at the local level endorse such a scale of continued federal investment in the region. For example, in January 2013 the APEC conference site hosted the 21\textsuperscript{st} session of the Asia-Pacific Parliamentary Forum (APPF), a gathering of the leaders of legislative bodies of the Asia-Pacific region. Explaining what this meant to the city and the region, Chairman of the

\textsuperscript{28} Paul Richardson, "Russia in the Asia-Pacific: Between Integration and Geopolitics " Asia Pacific Bulletin 150 (2012).
Legislative Assembly of Primorskii Krai, and member of the ruling *Edinaia Rossiia* party, Viktor Gorchakov, declared that:

>This shows a consistent Eastern policy of our state...after the APEC summit, it is the second confident step of our country on the path of integration into the Asia Pacific region. And the fact that this is happening on our...territory, confirms the serious intentions of the Russian leadership to support and develop our Far East, our native Primorye\(^{32}\)

As such pronouncements suggest, Vladivostok has indeed been transformed and modernised by hosting APEC 2012. The successful completion of the summit was a moment of huge significance for the city and the RFE in general. However, it also raised some critical questions about Russia’s development strategy in the region and a number of commentators have noted how the current approach almost entirely relies on vast state resources, which have bound the region to the fickle budgetary conditions of the Russian state.\(^{33}\) Questions remain over to what degree the region will be burdened with the long-term upkeep of these projects? What is the sustainability and prospects for future funding of such costly programmes, in Vladivostok or elsewhere? And, do such projects merely encourage corruption and dampen the competitiveness of Russian business in the region?

These and other key questions have a serious potential to undermine the Putin / Medvedev legacy and their visions of national identity and national development trajectories. They highlight many of the contradictions and challenges facing the current Russian state-system, as well as revealing the inequalities in the relationship between centre and periphery. With the continuation of a massive state-led development programme for Siberia and the Far East until 2025, the destiny of the leadership has been tied to the destiny of the borderlands of the RFE for the long-term. However, with so much at stake, there comes an associated risk that the Russian leadership will find itself as much connected to the successes of high-profile, state-led programmes, as with their failures.

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\(^{33}\) Lukin, "The Russian Far East: developmental and geopolitical challenges."
What is APEC to Us?

The early achievements of APEC 2012 have as yet not matched the soaring rhetoric of certain members of the national and regional political elite. In 2012, the economic growth of Primorye was a mere 5.1 per cent, which, although higher than Russia’s average rate of 3.4 per cent, was hardly impressive given the financial resources lavished on the territory over the preceding years. Demographic indicators are also not particularly encouraging as Primorye’s population continues to shrink, not only as a result of mortality exceeding birth rate, but also due to the continued outward migration of residents who are leaving the RFE for European Russia and other countries. In 2012 alone, 25,000 people left Primorye, most of them being highly educated and of working age. An article in the main business magazine of the Russian Far East, Dal’nevostochnii Kapital (and citing official figures from Primorskstat) reported that in what should have been ‘the year of hope,’ out-migration from the region in 2012 increased by as much as 22 per cent.

There has also been little immediate evidence of significant increases in private investment in the RFE after APEC, either from Russian or foreign sources. Accounting for this, an end of year editorial in Vladivostok’s leading newspaper, Zolotoi Rog, gloomily reported that:

[T]here remain all the acute problems [for business], which existed before the summit. The region did not become one iota more attractive for investors…It is painfully difficult to start a business, to obtain land for construction…We don’t even talk anymore about bribes, kickbacks, and corporate raiders, as they are chronic and incurable problems.
The same editorial lamented that: ‘[The majority of] questions in our country are as always to be resolved exclusively in the capital. It is difficult to find a similar country where the central government so totally interferes in the affairs of almost every village or even individual companies.’\(^{40}\) There is a sense that, despite the successful completion of APEC, the most pressing problems of the region have not been solved and Moscow may be part of the problem. Alexander Latkin, Director of International Business and Economics at the Vladivostok State University of Economics and Services, has suggested that local concerns and interests have been largely disregarded in the re-making of Vladivostok:

Such massive spending is not justified, and the projects themselves are not entirely in agreement with public opinion…As a result, we have received unnecessary buildings, which cost the budget tens of billions of rubles…So with the facilities of the summit, there has been made a grand entrance, the gloss has been put on, but in essence everything remains the same. It is naive to suggest that the citizens do not understand this.\(^{41}\)

Therefore, away from the official discourses of national development and integration in the Asia-Pacific, it appears that there is a prevailing cynicism at the regional level towards the leadership’s disregard for local concerns, and the apparent lack of direction in government decision-making. Iurii Avdeev, Director of the Asia-Pacific Institute of Migration Processes, went as far in an interview with Zolotoi Rog to declare that:

We have no strategic line of development, our leaders have no idea what they want here…Look at the statements our leaders made at the summit, everyone is talking about various things, - it is chaos, where nothing is clear. Today Moscow says “let's do projects.”…[But]… Which projects is the government going to support today, and which in the future, in 10 years?\(^{42}\)

The frustration over a lack of coordination has been compounded by anger at the reported scale of corruption surrounding the APEC projects. In November 2012, the regional business paper, Konkurent, reported that the Interior Ministry had

\(^{40}\) Ibid.


announced the theft of 93 million rubles of the budget allocated for the insurance of construction of the Far Eastern Federal University.\textsuperscript{43} Arrested under suspicion of involvement in the theft was Roman Panov, Prime Minister of Perm Territory (and the former Deputy Russian Regional Development Minister), while the Interior Ministry also stated that a number of other high-level officials were involved in the case, including Oleg Bukalov, Head of the Far Eastern Directorate of the Ministry of Regional Development.\textsuperscript{44} It was also reported that the Account Chamber of the Russian Federation could pursue further proceedings against the administration of the Regional Development Ministry and noted that the current claims are: ‘mainly related to the poor quality of technical expertise, resulting in the collapse of two new sections of road, [and] flooding at the airport.’\textsuperscript{45}

Other allegations of corruption and embezzlement included the theft of 96 million roubles worth of metal from the bridge projects,\textsuperscript{46} while \textit{RIA Novosti} reported that the final audit of the use of funds allocated to the APEC Forum, presented to the State Duma in January 2013, had identified 8.1 billion rubles of ‘financial irregularities.’\textsuperscript{47} This is a staggering sum of unaccounted resources and has contributed to a widely held perception of mismanagement and misappropriation surrounding APEC 2012. This has had a devastating impact on investor confidence and Andrew Vernikov, Deputy Director General for Investment Analysis at \textit{Zurich Capital Management}, has highlighted how these factors have undermined the results of the summit:

The economic impact of the APEC summit will be small, because it took place at a very unfortunate time for the global economy. Scandals have also come to light: the road collapse, the failure to construct in time the Opera and Ballet Theatre, searches and arrests at

\textsuperscript{45} Ivanova, "Imidzh kraya isporchen okonchatel'no."
the Directorate of Public Procurement facilities for the APEC summit. The image of the region has been spoiled completely.\textsuperscript{48}

There is also the long-term financial burden to the city and regional administration of maintaining the APEC projects. According to \textit{Konkurent} (citing ‘a well informed source in the regional administration’), the up-keep of these structures will cost in the order of about 600 million rubles annually from the regional budget.\textsuperscript{49} In the run-up to the summit one report suggested that the bridges alone would likely ‘eat’ in the order of 1.5 billion rubles per year.\textsuperscript{50} It appears that there is still much uncertainty about what the annual bill will actually be to the regional authorities and according to Pavel Ashikhmin, a Deputy in the Legislative Assembly of Primorskii Krai:

\begin{quote}
The Regional Administration has, to date, not given us detailed calculations on what makes up this 600 million rubles…So we cannot say, if this amount is adequate or not. However, we believe that the cost of maintenance of the summit will be larger…We have a lot of social facilities, which would be far more useful to direct resources towards than spend each year 200 million rubles for the maintenance of the [new] theatre\textsuperscript{51}
\end{quote}

This has led to a situation where Primorye is facing a sharp budget deficit. At the end of 2012 it was reported that the Vladivostok Duma had adopted the 2013 budget, which anticipated the revenue of the city treasury would be reduced by 37 per cent.\textsuperscript{52} This decline resulted in part from the expected decrease in intergovernmental transfers and the ending of the federal programme for the ‘Development of Vladivostok as a Centre for International Cooperation in the Asia-Pacific Region,’ through which the funding for the APEC summit was allocated.\textsuperscript{53}

Therefore, in the aftermath of APEC, the region has found itself trapped in a state of what could be termed \textit{dual dependency}. On the one hand it is dependent for its development on integrating with its economically dynamic neighbours in the Asia-

\textsuperscript{48} Ivanova, "Imidzh kraia isporchen okonchatel'no."
\textsuperscript{50} Ibid.
\textsuperscript{51} Ibid.
\textsuperscript{53} Ibid.
Pacific region; and on the other it is tethered to Moscow and a reliance on the largesse of its federal development programmes. As noted by Vladimir Isakov, Chairman of the Committee for the Budget, Tax, and Finance of the Parliament of Vladivostok:

In my view, only through the principle of co-financing can be solved the mega-tasks [in the region] such as road-building and housing. The local budget cannot on its own bear these huge costs and amount of work… Municipalities which succeed in attracting an influx of supplementary revenues from higher [federal] budgets will find it many times easier to deal with local issues. Therefore it is necessary to negotiate, it is necessary to concede.54

However, this acknowledgment that the region must somehow ‘concede’ to the centre demonstrates that one of the tacit agreements of the federal programmes is that Moscow brings with it control over how and where the money is spent. A corollary of this is that it exacerbates a sense of resentment at the local-level that Moscow does not take into account or understand the region’s interests. These debates in Russia’s Far Eastern borderlands over APEC 2012 also suggest that Moscow’s state-led development of the RFE, and the associated dependency of the region on the centre, is in certain ways detrimental for creating appropriate conditions for attracting foreign investment. As one administrator of a regional district summarised in an anonymous interview with Konkurent: ‘To beg for money out of [the regional and federal] budgets has become easier and more profitable than to stimulate the growth of the economy on the ground.’55

Conclusion

Over the last few years, massive federal resources have been committed to a state-led reconfiguration of Russia’s Far Eastern borderlands. Through federal largesse, the RFE has been assigned a special role as a portal and platform for promoting Russia’s political engagement and integration with the economic

54 Ibid.
55 The administrator was speaking under the condition of anonymity to: Ivanova, "Imidzh kraia isporchen okonchatel'no."
dynamism of the Asia-Pacific region. This has led to the Far Eastern borderlands being reimagined in the national consciousness in a profoundly different way from both Soviet times, and the neglect and disinterest which characterised the early post-Soviet period. However, instead of enhancing the region’s competitiveness and connectivity within, and beyond Russian national space, there has emerged in these borderlands a counter-trend, where a double dependency (a reliance on Moscow’s subsidies; together with the opportunities presented by the proximity of Asian markets and their advanced economies and technologies) has come to define state-societal relations, and serves to underscore the disconnection and dislocation of the centre from its Far Eastern periphery.

While state-funded development has had some undeniably positive effects on Vladivostok and the wider RFE, it is at the same time highlighting the problems of centralised decision-making, ineffective bureaucracy, and corruption, which have in turn rendered visible the fraught relationship between centre and periphery. Today the region finds its development potential dependent on the whims of Moscow’s politicians and the state’s uncertain budgetary condition, as much as on cross-border trade and investment with its neighbours in the Asia-Pacific. These two forms of development dependency are not always mutually compatible and while the current, state-led approach has provided infrastructural improvements, it has also burdened the region with a culture of reliance on federal hand-outs to the detriment of promoting conditions for competitive business and the creation of an attractive foreign-investment climate.

With the announcement of the 2012 APEC summit, Vladivostok was turned into a key stage on to which the state-elite have attempted to present a vision of Russia as an economic and geopolitical power in the Asia-Pacific. However, as this chapter has demonstrated, borderlands and their inhabitants are not blank canvasses onto which this elite can smoothly inscribe their visions of national identity and trajectories of national development. The intended message of APEC 2012 - as a symbol of the achievements and capabilities of the Russian state under Putin’s leadership - has at the same time become associated with its failures in the form of
corruption and the inefficiencies of hyper-centralised government. It is in Russia’s Far Eastern borderlands that Moscow’s ambitious visions for the region begin to look less like a freshly painted canvas and more like an aged oil painting, where the vividness of the originally intended colours are diminished, distorted, and inflected by the multitude of cracks and fissures which represent the realities, challenges, and alternatives presented by life on the periphery.\footnote{For a fascinating discussion of this process in an earlier era in the Russian Far East, see: Mark Bassin, \textit{Imperial Visions: Nationalist Imagination and Geographical Expansion in the Russian Far East, 1840-1865} (Cambridge: Cambridge University Press, 1999).}