

7. Chinese Immigration in the Russian Far East: Regional, National, and International Dimensions

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In 1993, the issue of Chinese migration in the Russian Far East exploded onto the Russian political agenda. Hyped by local political elites and the media in Primorsky and Khabarovsk provinces, this issue led to the escalation of tensions between Russia and China during 1994. This burgeoning conflict, in addition to its immediate dampening effects on economic performance in the Russian Far East, complicated Moscow's effort to reestablish central political control of the region. As a result, the issue of Chinese migration has had a significant effect on Moscow's regional, national, and international policies.

From the outset, the anti-Chinese campaign waged in the Russian Far East media forced the Russian leadership to confront a series of issues. First, it raised questions about the magnitude of illegal Chinese immigration and its impact on the escalation of criminal activity in the region. Second, it stimulated discussion of the roles played by Chinese entrepreneurs in the current process of socio-economic development in the Russian Far East. Third, the widespread "China bashing" prompted analysts to investigate the sources of anti-Chinese hysteria prevalent in Russia. Finally, the issue prodded scholars to reflect upon Russia's real interests in Northeast Asia, and the role that relations with China could play in realizing those interests. Together these issues have defined the importance of Chinese migration in the Far East for the course of Russia's political development in general.

There are several aspects to the problems posed by Chinese immigration in the Russian Far East. Not only does the process affect the situation in the specific region, but it carries broader implications for center-periphery relations in Russia. Similarly, Chinese immigration is one of the most complex global issue, and a potential source of Russian-Chinese conflict.

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Russia's expansion into the Far East precipitated Chinese immigration by default. By the end of the 19th century, roughly 500,000 Chinese lived in the Russian Far East, representing an important component of the regional labor force, especially in the agriculture, trade, and service sectors. The total population of the Russian Far East for that period did not exceed 1.5-2 million. Although the Russian scariest government closely monitored the situation and regulated migration processes, it did not impose unusually severe restrictions.

It was not until the construction of the East-China railroad that the co-habitation of Russian and Chinese populations in the Far East became a politically charged issue. At this time, a Russian colony was established in China's Northeast region that, for practical purposes, legitimized the Chinese presence in the Russian Far East. The formation of a similar Russian colony in Manchuria also became an important impetus for Chinese immigration into Russia, as this colony served as a cultural and economic lure for Chinese entrepreneurs.

Despite this brief interlude, the Chinese colony in the Far East was neither oppressed nor supported by the Russian government prior to the 1917 revolution. (The Governor of Amur and the officials in the Ministry of Foreign Affairs repeatedly addressed this topic from 1908 to 1916, pointing to a number of serious problems associated with the Chinese presence in Russia's sparsely populated Far East.) Following the revolution, the colony was ceded practical autonomy as a Soviet administrative district. At the same time, the influx of Chinese immigrants was effectively contained by tight border controls.

At the end of World War II, Chinese migration increased again due to the active formation of a satellite regime in China. This highly active migration was associated with intense training of Chinese experts and students on the territory of the Russian Far East. This migration was completely controlled by the Russian "center," as part of Moscow's political and economic offensive in East Asia. In fact, because Moscow's ideological manipulation of the Soviet and Chinese populations was so effective, there was tremendous local tolerance for Chinese immigration in the Far East.

During this period, a Chinese market for Far Eastern industry was beginning to take root. Efforts to build a market and industry in China diverted valuable resources and manpower from rebuilding the Russian economy and resolving internal problems of the Far East. Simultaneously, there was a growing technological and economic dependency of China on Soviet enterprises, especially in the machine-building sector of industry. By the end of the 1980s and during the 1990s, this dependency had almost completely dissipated.

The increasing acrimony in Sino-Soviet relations after 1956 generated hostility towards Chinese immigrants in the USSR, especially in the Far East. In particular, there was a sharp decline in the number of Chinese students and interns that immigrated to the region. The tension in the relationship in the 1960s—caused by the events at Damansky and the placement of China on the list of strategic military-political enemies of the USSR—effectively put a brake on Chinese immigration altogether. The Chinese minorities in Khabarovsk, Blagoveschensk, and Vladivostok, which by then had already been reduced to negligible levels, were simply evicted. Some were deported directly to China, while others were sent to unknown (at least to the locals) destinations, via the coercive methods perfected over many years by the totalitarian regime. It was no longer commonplace to see Chinese minorities conspicuously roaming the streets in these areas. Moreover, anti-Chinese propaganda was so intense that a definite “Chinese syndrome” materialized in a very short period that characterized the Chinese immigrants as aggressive and staunchly anti-Soviet.

In addition, Chinese minorities in the border regions of the Russian Far East were cut off from the Amur and the Ussuri rivers by barbed wire and fabricated barriers. The rivers were practically ceded to the Chinese, which angered the local Russian population in the Far East. As a result, an uncompromising regime was created along the Chinese border that generated virulent anti-Chinese propaganda. Such propaganda trumpeted the horrors of potential Chinese aggression—conjuring up threats of advancing Mongol hordes and the inevitable genocide of the Russian male population—and threw the local Russian population into a state of constant anxiety regarding the influx of Chinese into the region. For a long time thereafter, China became for the Russian Far Easterners a source of constant fear and the object of instinctive hatred, predicated on the firm belief that China was determined to annex the Primorsky Territory and the Trans-Amur region.

It was against this socio-psychological backdrop that the dramatic events in the economic sphere began to unfold, precipitating the resurgence of Chinese immigration and its attendant political problems.

The Economic Dimension of Immigration

The political and military rapprochement between the USSR and the Peoples Republic of China and the deepening commitment to economic reform in Russia reinvigorated Chinese immigration to the Far East. With economic ties becoming the linchpin in Sino-Soviet relations, previous Chinese migration patterns were quickly restored. This trend was cemented in 1991, as China’s economic reform

efforts began to outpace the Soviet transition, thus turning the Russian Far East into an increasingly attractive market for China's Northeastern provinces.

By 1991, the paths of Russian and Chinese economic development began to radically diverge. In Russia, the economic reform program had yielded rapidly declining demands for domestic industrial production and consumer goods. The Russian Far East, in particular, began to slide rapidly into a protracted socio-economic crisis. By 1985, for example, specialized sectors of the area's economy that previously produced more than 30 percent of the industrial production in the region were already on the decline. Traditionally abundant natural resource reserves were depleted. Investment levels in the early 1970s were too low to generate the material resources needed to sustain industrial production levels in the 1980s. The result was a decline in production levels within specialized industries that immediately affected the Far East's fiscal status.

Table 7.1
Production Dynamics By Industry Sector

Economic Sector	1985	1990	1991
Timber (mill.m3)	26.1	23.5	19.6
Wood Processing (mill.m3)	6.2	5.4	4.5
Fish Creel (million tons)	6.2	4.6	4.1
Food production in the fish industry	1,504.1	1,655.9	1562.0

SOURCE: *Russia's Far East: An Economic Review* (Khabarovsk, RIOT), 1995, pg. 63.

At the same time, China achieved significant success with economic reform, having experienced substantial growth rates in the emergence of private enterprises, manufacturing output, and production of consumer goods and foodstuffs. This strengthened Chinese export potential, as well as the demands for importing raw materials and machinery. As a result, the two economies began to complement each other in a fashion similar to the earlier stage of development in the 1950s and 1960s. This, in turn, created the basis for political accommodation between the two states that came to fruition during Gorbachev's visit to Beijing in 1989.

The advent of *perestroika* in 1985 brought new hopes for the Far East. In 1986, in a speech in Vladivostok, Gorbachev announced a change in Soviet security and foreign economic policies towards the Asian-Pacific region. In particular, he declared that the region had become a high priority for the Soviet Union, promising rapid and constructive development of political and economic ties with countries throughout the region, regardless of regime type. As a result, in

September 1987, the Central Committee of the Soviet Communist Party and the Council of Ministers of the USSR adopted the “Long-Term State Program of Economic and Social Development for the Far Eastern Economic Region and the Region East of Baikal to the Year 2000.”

This program, in addition to its implications for Soviet policy throughout the Asia-Pacific region, inaugurated a new phase in the development of the Russian Far East. It proposed that by the year 2000, the region would evolve into a self-sufficient economic hub, serving as the gateway for the region’s integration into the global economy. To realize this objective, the state planned to double the volume of capital investments in the region over the ensuing 15 years to an estimated 200 billion rubles, in 1987 prices. Moreover, the Far East development program was slated to be administered via Soviet central planning mechanisms. This included supervision by branch ministries that traditionally employed an extensive growth approach to the development of the local economy. Given the endemic deficiencies of this type of system, however, the program was doomed by resource constraints. There were already no possibilities for increasing the volume of investment. The last reserves were depleted by investments in the machine-building complex during the first years of *perestroika* in a failed attempt to bolster efficiency.

By 1988–1989, the constraints on the availability of resources and investments prevented the Soviet government from realizing the proposed targets for development in the Russian Far East. In 1986–1987, the region experienced a relatively high 4.4 percent rate of annual growth. In 1987, production efficiency declined precipitously from 2.9 percent in 1986 to 1.8 percent, with a continuous drop in annual capital investment. At the same time, the Far Eastern economy suffered from acute inflation, as labor productivity rates declined while rates of profit rose (by 7.0 percent in 1986, and by 5.6 percent in 1987) and wages increased (by 2.7 percent in 1986 and by 7.0 percent in 1987). Moreover, by 1988, the growth of industrial production declined, casting the Far Eastern economy into a prolonged crisis that affected practically every industrial sector and commercial sphere.

By 1990, the central government to all intents and purposes admitted its inability to fulfill its Far Eastern development obligations. Moscow defaulted on promised deliveries of foodstuffs, material resources, and consumer goods. In the retail trade sector, such shortages forced the depletion of local inventories.

At the precipice of economic crisis, regional authorities in the Far East undertook initiatives for accelerating economic reform throughout the territories. In May 1991, the Russian government held a joint session in Khabarovsk with the

Association of Councils of the People's Deputies of the Far Eastern Economic Region and the Region East of Baikal. The purpose of this conference was to discuss proposals submitted by the Far Eastern authorities for redressing the socio-economic crisis in the region. The fundamental concept was to implement economic reforms oriented towards creating an open, mixed economy in the territory of the Far East. An orientation toward international economic cooperation laid at the crux of this regional proposal.

While the concept of creating a regional free trade zone was approved by the Soviet government, implementation stalled and was overtaken by the embrace of radical reform throughout Russia in the wake of the failed August 1991 coup attempt. That the national reform agenda involved the decentralization of foreign trade was fortuitous for the Far East, creating new opportunities for reorienting the regional economy towards Asian Pacific markets. Throughout the Soviet period, the Russian Far East developed lucrative export markets, especially in the timber and fishing industries. When radical economic reform precipitated a decline in internal demand due to the financial crisis and industrial stagnation, foreign trade became an attractive stabilizer for the regional economy. Regional export industries, traditionally isolated from internal markets in Russia and the CIS, exploited established ties in the Pacific Rim to offset partial losses from the collapse in the domestic demand. Thus, despite the Far East's rather minor share in Russia's foreign trade balance, which varied from 2.7 percent to 3.4 percent during 1992–1994, the region assumed an increasingly important role in trade and economic relations with Asian-Pacific states, especially Japan, China, and the Republic of Korea.

Table 7.2

Far East Share of Russia's Foreign Trade, Percent by Country Export/Import/Turnover

Country	Export/Import/Turnover								
	1992			1993			1994		
	Export	Import	Turn-over	Export	Import	Turn-over	Export	Import	Turn-over
Japan	40.0	12.5	25.8	45.0	14.3	32.3	50.0	8.3	34.4
PRC	15.4	37.5	23.8	20.0	26.1	22.6	6.3	10.0	7.1
Republic of Korea	50.0	14.3	22.2	25.0	33.3	28.6	66.7	25.0	42.8

SOURCE: Calculation based upon data provided by the Far East Regional Statistical Department and by the Government of the Russian Federation's Center for Economic Research.

As is clearly seen from Table 7.2, South Korea and Japan constitute the most significant export markets for the Far East region. China, while traditionally the

principal exporter to the region, since 1991, has also become a significant market for Far Eastern products. The Far East's share of exports to China increased from 27.3 percent in 1992 to 33.6 percent in 1993. As a result, China had become the second largest importer for the Far East at the end of 1993, with every indication of providing the most attractive and extensive long-term opportunities for Russian exporters.

By 1994, however, the period of extensive growth in Russian-Chinese trade had dramatically ground to a halt. The share of Far Eastern exports to China dropped to 9.7 percent in 1994. This decline in exports to China—the main importer of the region's automobiles, fertilizers, and ferrous metals—was directly related to the shifts in the profile of Far Eastern exports that declined from 48.4 percent in 1993 to 14.6 percent in 1994. This was partially because Chinese goods had become less competitive compared to imports from other countries, and that the market was relatively saturated with Chinese goods. At the same time, however, the decline in Far Eastern imports from China was attributed to the disproportionately high import duties on certain goods, as well as to serious defects in infrastructure and organization of the bilateral trade in the Far East.

This trade shock occurred at a time when the Russian Far East economy had become increasingly dependent on trade with China to compensate for cumulative shortfalls in federal subsidies to the region. The border with China's Northeast provinces was practically open, facilitating a massive flow of foodstuffs and industrial goods into the region. The southern regions of Russia's Far East—the Primorsky and Khabarovsk territories, and especially the Amur Oblast—were in the throes of feverishly replacing centrally administered deliveries to China with local trade initiatives.

Two basic methods were adopted for satisfying Far Eastern consumer demands for Chinese imports. The first approach consisted of greater reliance on barter arrangements conducted by state enterprises and new trading companies. Barter deals were structured to trade natural resources (such as wood, fish, ferrous metals, coals, petroleum, cement) that were abundant in the Russian Far East for products from other Russian regions and the CIS (such as trucks, automobiles, non-organic fertilizers, ferrous metals, coal, petroleum, cotton, and fibers), which were then re-sold to China for consumer goods. The second approach involved promoting “shuttle trade” performed by individual Russian and Chinese citizens.

In 1992, cheap goods from China, even though they were of inferior quality, practically saved the Russian Far East's consumer market from collapsing. Chinese goods completely dominated the region's consumer market except in the

electronics and automobile sectors. At the time, quality was not yet a decisive factor in the consumption equation of the Russian consumer, who typically discriminated on the basis of price and was satisfied by the mere availability of traditionally scarce goods.

Accompanying the flow of Chinese goods to the Far Eastern market was a rush of Chinese investors. During 1992–1993, the Chinese were ahead of the Japanese and Koreans in the number of joint ventures formed with Russian firms. By the end of 1993, 42 percent of all joint ventures registered in the Far East involved Chinese capital investment, with the largest amounts flowing into the Amur *oblast* and the Primorsky territory. These investments, however, were primarily on “paper.” The majority of new enterprises registered with the expressed intention of liquidating their assets in the short-term. The cycle was simple and effective—a joint venture was registered in which the Chinese share of capital was paid in the form of commercial goods delivered from China. These goods crossed the border free from all customs duties, since they represented the Chinese’s portion of the authorized capital contribution. Upon selling the imported goods, the joint venture was liquidated with the proceeds transferred back to China. Bogus enterprises were also set up that permitted Chinese businessmen to circumvent Russian labor and residency restrictions on aliens.

By and large, the activation of foreign trade and the investment shelter it provided for the foreign entrepreneurs revitalized Chinese immigration into the Russian Far East, especially in the Primorsky and Khabarovsk territories and the Amur *oblast*. Immigration decisions were based on economic interests that tied the Chinese to the economic development of the Russian regions from which they had previously been expelled. In the process, China did not renounce territorial claims to the Far East region. As a result, the old political dispute resurfaced, but this time in the guise of creeping Chinese economic expansion in the Russian Far East.

Various Faces of Chinese Immigration

Since 1991, the Chinese have flocked to the Russian Far East under the guise of cultivating business ties. The first stage of such migration, 1991–1992, was marked by lax Russian immigration regulations and encouragement by the Chinese government. Some Chinese petitioned for residency permits and Russian citizenship on the basis of family ties. Moreover, a large flow of Chinese rushed into Khabarovsk, Vladivostok, and Blagoveschensk to study Russian in the specialized programs offered by colleges and universities in the Russian Far East.

By 1992, there was an active Chinese labor force in the Russian Far East. Chinese labor occupied a prominent position in Russian agriculture, which was no longer able to draft free labor from local urban centers to assist in the harvesting and processing of farm crops. The employment of Chinese workers began in 1990, but by 1992, the number almost trebled. Construction (especially interior finishing) remained the second most attractive sector for Chinese laborers, as economic reform had also deprived this industrial sector of a free indigenous labor force.

In addition, a significant number of Chinese immigrants used illegal channels to settle in the Russian Far East in order to conduct basic commercial activity. Coming to the Far East to sell small shipments of goods, they stayed on illegally, taking advantage of comparatively inexpensive housing accommodations and the prospects for high incomes. There were numerous cases of Chinese immigrants purchasing apartments, summer residences, and/or private homes on the black market as bases for conducting illegal commercial activity.

From the outset, this new wave of Chinese immigration became a controversial issue in popular and official circles in the Russian Far East. On the one hand, Chinese businessmen and their Russian counterparts were able to deliver food, consumer, and industrial goods that domestic markets could not provide. Chinese workers revived regional agricultural production and construction, which, by 1991, were already at an impasse because of the loss of “volunteer” labor from Russian cities. On the other hand, the influx of Chinese, which had a profound effect on large cities such as Vladivostok, Khabarovsk, Blagoveschensk, and even Yuzhno-Sakhalinsk, aroused nationalist anxieties. To many Russian Far Easterners, the “Chinese threat” was anything but abstract. Chinese immigrants and their obvious comparative economic advantages sowed fears of eventual Chinese political occupation of the region.

Adding to the tension, criminal activity in the region peaked in 1992, and was popularly attributed to the growing influx of Chinese. In fact, however, the Chinese turned out to be the victims of criminal racketeering, and not the source. Few Russians in the region were willing to appreciate this “nuance,” and public opinion overwhelmingly linked the rise in Chinese immigration to an increase in the crime rate. The festering anti-Chinese sentiments generated by these misperceptions were compounded by the obvious helplessness of Russian authorities to solve the problem of registering Chinese immigrants.

By the end of 1992, social and business circles in the Far East actively united in preparation for a new anti-Chinese campaign. Underlying this enthusiasm was a determination to remove troublesome competitors from the market. Russian

businessmen by that time, after gleaning insights from Chinese practices, felt able to fill any niche in the local market. As it turned out, however, the profit rates from selling Chinese consumer goods in the Far Eastern markets had been seriously exaggerated, and the probable losses from curbing trade operations with China were underestimated or simply ignored. Nevertheless, since 1993, a very militant anti-Chinese campaign has been underway to stop Chinese immigration and remove Chinese products from the Far Eastern markets.

The scale of Chinese immigration in the Russian Far East has been a contested issue. By different estimates, the number of Chinese immigrants in the Russian Far East in 1993 ranged from 200,000 to 2 million people. By 1993, however, the entire population of the three continental southern territories of the Far East, which were the focus of immigration, was only 4.8 million people. Furthermore, the entire population of the four major host regions—Vladivostok, Khabarovsk, Blagoveschensk and Nakhodka—consisted of approximately 1.8 million people. This alone suggests that the higher estimates are tremendously exaggerated.

The number of legally sanctioned long-term Chinese residents in the Russian Far East is quite small. The estimated number of legal contract workers is approximately 10,000–15,000 people. An additional 10,000–12,000 people have received permission to study in the region for up to one year. It is hard to believe that the number of illegal aliens far exceeded these numbers. At any rate, during the operations carried out by the militia and border patrol in the Primorsky and Khabarovsk territories and Amur *oblast*, no more than 5,000–6,000 illegal immigrants were deported from each of these territories. Thus, it is unlikely that in 1992–1993, the real number of immigrants exceeded 50,000–80,000 people.

The skillfully organized anti-Chinese campaign led to the tightening of border controls in January 1994, and sanctioned the creeping tide of Chinese discrimination in the Far East. These sentiments were subsequently fueled by increasingly difficult economic conditions in China, including the tightening of investment regulations, virtual prohibition of barter operations with China, and the imposition of strict requirements for transactions involving convertible currencies. In 1994, these factors combined to precipitate a radical reduction of foreign trade and investment opportunities with China (especially in case of the Amur *oblast*). As a result, the volume of foreign trade turnover fell by more than 30 percent as compared to 1993.

The results of this trade war were disastrous, especially for those Russian companies that hoped to squeeze Chinese competition out of the Far East market. Such efforts boomeranged, resulting in the loss of valuable export markets in China. The Far East consumer market very quickly felt the reduction of trading

activity with China, registering a decline in inventories for inexpensive mass-produced goods. Consumer market prices accordingly increased, as rather inexpensive Chinese goods were quickly replaced in the market with more expensive (although better quality) South Korean and American goods.

In addition, the Russian Far East began to lose important prospects for foreign investment in major infrastructure renewal projects. For example, the project aimed at creating a Russian-Chinese special economic zone in the Blagoveschensk-Haihe region was put on indefinite hold. China also realigned itself with North Korea to stymie the development of the Tumangan transit project in the Primorsky territory. While this was welcomed by South Korea, it threatened to isolate the Russian Far East from the international cargo transit network developing between Europe and the Asian-Pacific region.

For many of the key manufacturing sectors in the Russian Far East (machine-building, building materials, metallurgy) this trade shock raised the gloomy prospects for losing potential markets in China. At risk was the opportunity to participate directly in the reconstruction program for Chinese heavy industry which had been built in the 1950s and 1960s with the assistance of the Soviet Union, including many Far Eastern enterprises.

As a result, Russia's heavy-handed policy towards China in the Far East region produced enormous costs. Not only were these acts counterproductive, they were completely unnecessary. The Chinese government, for the most part, was not opposed to the tightening of Russian immigration controls for the sake of establishing order in the border territories. In 1992–1993, Beijing offered to take joint action in this regard. The problem, however, was Russian regional political leaders who preferred to bolster their legitimacy by resorting to force for “the protection of national interests in the region.”

By the end of 1994, it had become obvious that the Far East had paid too stiff a price for severely regulating immigration. Already by the end of 1994, regional leaders in the Far East started to take steps to stabilize the situation with China. At the beginning of 1995, the administration of the Primorsky Territory signed an economic agreement with the Tsilin province, concerning joint participation in the Tumangan project. Authorities in Khabarovsk and the Amur *oblast* restored and deepened contacts with the Heiluntzyan and Shenjan provinces.

In 1995, foreign trade between the territories of the Russian Far East and China was partially restored, as general foreign trade turnover increased by more than by 30 percent. The previous year of destructive activity, however, had taken its toll, and led to important structural changes in Far Eastern markets. In particular, American and South Korean businesses exploited the vacancy left by

Chinese businesses to carve out strong niches in local consumer markets. Moreover, the regional power structures became increasingly oriented toward these countries, despite official rhetoric directed at promoting contacts along the Pacific Rim. These changes in the geographic composition of foreign trade increased the prices of imported consumer products and decreased the Russian Far East's competitiveness in regional trading markets, since China remained the only real alternative regional market for Russian goods.

Despite these problems, some argue that there were lasting benefits of reorienting trade away from China and toward America and South Korea. It is argued that these latter countries were in a better position to provide real capital investment in Russian regional projects. In reality, however, the inflow of foreign investment is not contingent upon any particular level of mutual trade. Much more important is the general investment climate throughout Russia. Given this caveat, because of the uncertainty in the investment climate throughout Russia, the Far East was doomed from the start in its attempts to solicit large-scale American and Korean investment. While the Russian Far East tried to pave the way for Japan, the United States, and South Korea to invest in regional markets by actively buying their goods, these countries invested their resources in China where the investment climate has been more favorable and a legitimate system of guarantees for foreign capital was in place.

The problem of attracting Chinese investment in the Russian Far East, both now and in the future, is more closely tied to Russian immigration policies than is understood by officials at the regional level. Since China's foreign investment resources are limited, it is possible to expect only investments in small businesses. But, due to the prevailing laws that govern small business activity, the effective utilization of the invested capital can be provided only by the personal control of its use. Hence, if the region wants to receive real capital investments from the Chinese, it must inevitably accept Chinese immigration.

The continuous and escalating hostility that the Russian Far Easterners harbored toward Chinese immigrants proved to be a serious test for Russian-Chinese relations in general. The agreement that Gorbachev signed providing for the demarcation of the Russian-Chinese border in the Far East (considered as one of the crowning achievements of normalized relations) was significantly jeopardized. Regional leaders, spurred on by popular anxiety that they themselves provoked and manipulated, adopted a hard-line stance regarding a number of protocols concerning the demarcation of the border, especially in the Primorsky and Khabarovsk territories and the Jewish autonomous *oblast*. Local authorities, with the support of their constituencies, began to assert autonomy vis-à-vis a center that was widely perceived to be overly concessionary in

relations with the Chinese. This regional assertiveness significantly complicated the inter-state dialogue, and the negative strategic fallout was contained only after persistent actions by Russian federal authorities to reassure the Chinese that authority still rested with Moscow.

Conclusion

In conclusion, this analysis reveals a number of important findings that bear directly on the link between Chinese immigration and Russian regional assertiveness. First, it suggests that assertions about the dangerous scope of Chinese immigration and real threats to the national sovereignty of the Russian Far East are not empirically grounded. Second, the report reveals that the anxiety surrounding the issue of Chinese immigration was created by Russia's loss of control over the immigration process that occurred in 1992. Third, there is strong evidence to support the contention that Russian discrimination against Chinese immigrants in the Far East complicated overall socio-economic conditions in and prospects for the region, and that unilateral protectionist attempts at revitalizing Far Eastern industrial competitiveness threatened the loss of the vital Chinese market. Fourth, the "Chinese card" that was played by the regional leaders to consolidate their authority severely complicated Russia's capacity to advance its geopolitical interests in relations with China. Fifth, artificial restrictions on the Chinese presence in the Russian Far East market resulted in a shift in the structure of foreign trade flows, thus narrowing opportunities for the region to enter the global economy and realize the developmental benefits of free trade.

Finally, this analysis suggests that Russia consciously withdrew from any constructive dialogue with China at a regional level due to distorted perspectives on Chinese immigration and its implications for China's expansion in the Far East. China's role in the Russian Far East's international economic and diplomatic relations in the Asian-Pacific region, especially Northeast Asia, has, ironically, expanded as a result of these misguided policies. As a consequence, Russia, in general, and the Russian Far East, in particular, have become further isolated from the most important geopolitical and economic region of the world.