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RIGHT SIDE STEERING GOES THE WRONG WAY FOR FAR EAST FISHERMEN;
THE MAFIA AND CORRUPTION PERMEATE GOVERNMENT, INDUSTRY

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Petropavlovsk-Kamchatsky
Russia

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Dear Peter,

Russians love to drive. They probably love to drive even more than Americans do. Cars in Russia are scarcer than in the United States, and so are more ardently sought after, and more treasured once acquired; in Russia, a car represents wealth, prestige, and liberty. It doesn't matter what kind of car you have; a jeep-like Neva, a boxy Lada, a sporty Zhiguli or Moskvich, a tiny, putt-putt Zaparozhets, or a heavy, black Volga (the choice of apparatchiks everywhere); a private automobile marks you as a person of status and substance. When you drive your own car in Russia, you have arrived.

Naturally, the best car to have in modern Russia, and the conferring the most status to its owner, is an imported car. In European Russia, Volvos, BMWs, and Mercedes-Benz are the big status symbols. The Russian Far East, though, is a long, long way from European Russia. Domestic automobiles, which are manufactured in Europe, must be brought to the Russian Far East by train, meaning they compete with other goods for space on the Trans-Siberian Railway. This drives the cost of new, domestic automobiles up into the stratosphere; a freshly-minted Zhiguli, for example, costs as much as 5 million rubles in Petropavlovsk-Kamchatsky, or 10,000 dollars at the current rate of exchange, far beyond the purchasing power of the average Russian.

Rather than pay exorbitant prices for domestic automobiles, Russians in the Far East import cars from Japan and Korea. The Asian imports (in Russian, 'deshyevki', or cheapies) have only one advantage over domestic automobiles--they are 6 or 7 times cheaper. Over the past three years, more than a half-million used Nissans, Toyotas, and Subarus have flooded into the Russian Far East and Siberia. 100,000 of these came with right-side steering wheels. In the Kamchatka Region, there are 42 037

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Since 1925 the Institute of Current World Affairs (the Crane-Rogers Foundation) has provided long-term fellowships to enable outstanding young adults to live outside the United States and write about international areas and issues. Endowed by the late Charles R. Crane, the Institute is also supported by contributions from like-minded individuals and foundations.

registered foreign cars, 13 226 of which have right-side steering.

The Russian government maintains that the cheap imports with right-side steering are dangerous and wants to ban them. By a February 1, 1993 Presidential Decree, the registration of vehicles with right-handed steering will be prohibited as of June 1, 1993. Automobiles with right-side steering will be completely banned from Russian roads, effective January 1, 1995.

The Presidential Decree (which was pushed through the Russian Parliament by Russian Federation Council of Ministers Chairman Viktor Chernomyrdan) has created a bigger uproar in the Russian Far East than any legislation issued by the Russian government in the past year. Outraged Russian Far East fishermen and sailors have declared 'pre-strike condition', and threaten to go on strike if the Decree is not rescinded. (Don't Buy Foreign Cars, 'Rybak Kamchatki', February 5, 1993)

To understand why the Decree so upsets Far East Russians, consider what a typical fisherman from Petropavlovsk-Kamchatsky has to go through to buy a used car in Japan. To pay for the car, the fisherman must first earn \$400 in hard currency. If the fisherman earns \$6/day in hard currency while at sea, he can save this amount in a year or two, in the unlikely event that he doesn't support a family, or use the hard currency to buy anything else. The fisherman must arrange to get work on a vessel calling on a Japanese port, no small feat given the heavy competition for places on vessels calling on foreign ports. The fisherman no doubt will have to do favors, or pay some easy money, to the enterprise's administrators in charge of assigning 'worker's cadres', to get his place on the vessel.

Once in the Japanese port, the fisherman must find a car, inspect it, buy it, and arrange to load it onto his vessel. Upon returning home to Petropavlovsk-Kamchatsky, the fisherman must pay off-loading fees, customs fees, import duties. "All told, bringing a 'deshyevka' into Petropavlovsk-Kamchatsky costs a sailor about \$1000", said one Petropavlovsk-Kamchatsky Honda Civic owner.

At the docks, the fisherman may be met by a leather-jacketed welcoming committee from the local Mafia, who like to gather in force when a vessel bearing imported vehicles comes to port. The Mafia may simply expropriate the fisherman's newly-acquired vehicle, or demand a hefty contribution to their Social Fund in exchange for safe passage. If the fisherman was smart, he got together with the rest of the crew and asked for militia (in Russian, 'militia', or police) protection ahead of time. Sometimes the militia refuses to get involved, so crews hire local bands of self-proclaimed Cossacks to protect them and

their property. Only after running this formidable course of legal, semi-legal, and illegal obstacles can our fisherman drive off, carefree in his 'deshyevka'.

Russian Far East fishermen go to sea for a chance to earn a decent living. Fishermen sacrifice a large portion of their lives to get a shot at the few things that make up the Russian dream of a good life--a private apartment, a car, and a dacha--and get ahead in a world with scant comforts. The Presidential Decree places even these modest aspirations in peril. A car in the Russian Far East is a chance for something better. The Russian government has just told 100,000 car owners they can kiss their chance goodbye.

No wonder Russian Far East fishermen have their dander up. Reports one Petropavlosk-Kamchatsky newspaper, "Probably, Viktor Chernomyrdan and the Ministry of Foreign Affairs aren't aware that sailors and fishermen announced their willingness to strike when (Russian Far East) ports were taken over by the Mafia, which stole automobiles from their lawful owners. That was a year and a half ago, but with the help of OMON and emergency police measures, a semblance of order was restored. Now, there is a far more serious cause for civil disobedience..."

The article continues, "Viktor Semenov, an electrician with the Far East Shipping Company, said that he 'spent seventeen years hunched over, working for a mere pittance.' He lived with his family in a barracks, with no hope of ever getting an apartment. But when the chance to import Japanese automobiles for sale came up, the family got on its feet, and managed to buy a cooperative apartment. And this is the way it is for everyone who works at sea. There are hundreds of similar stories. And that is why the Russian government should not underestimate the determination of Far Easterners to take drastic measures." (The Ban on Right-Hand Steering Threatens a Social Explosion, 'Vesti', February 13, 1993)

Undoubtedly, some sort of control should be exercised over Russia's highly dangerous roads; but the right-sided 'deshyevki' are a mere symptom of a far worse disease, and banishing them cures little. Poor infrastructure is one problem. Petropavlovsk-Kamchatsky's roads in the winter are a mad racecourse of potholes, abrupt curbs, snowbanks, and malevolent, rutted, two-foot high, black blobs of ice known as 'goli lyod'--bare ice. Ninety percent of the city's traffic moves with exhaust-scented abandon along a single, overburdened arterial route.

The other problem is Russian drivers. Safe, courteous driving is a muddy abstraction in the average Russian mind; like the free-market economy or the constitutional separation of powers, the notion of responsible, careful driving is some sort of

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Platonic form, existing only in ideals, with no practical use in Russian life. I've heard the story a million times. "I was in America", says the Russian fisherman behind the wheel of his 'deshyevka'. "How wonderfully clean and orderly their roads are! Everyone is so cultured and polite." Then he stomps on the gas and roars through an intersection at top speed, scattering frightened little old ladies like pigeons in all directions. Pedestrians do not have any rights at all; the local press is full of stories of people being injured, maimed, and killed on the city's streets. There were 666 accidents on Petropavlovsk-Kamchatsky's roads last year, 167 (about one-quarter) involving right-side 'deshyevki'.

Mind-boggling things happen on Russian roads, like in the following story: "Recently, a unique record was set by a new owner of a foreign car. He had just left the port terminal near the Tin Can Factory, where he had picked up his 'little darling', when he discovered an unpleasant surprise. The automatic transmission didn't work. So for the remainder of his kilometers-long, twisty road home, the unfortunate driver was forced to go in reverse (note: the route described is about 8 kilometers long, heavily trafficked, and crosses a high pass). Along the Embankment (a downtown street) the automobile crabbing along the barracks drew the interest of the Government Automobile Inspectorate (who did not stop it!); it has not been established where the automobile finished its journey." (Crabbing Forward, 'Kamchatski Komsomolets, February 12, 1993)

In the end, the unfortunate Decree will likely be overturned; Chernomyrdan is already apologizing to Russian Far East governors for his "hasty decision". At best, then, the Yeltsin Administration has succeeded in stirring up anti-government sentiments and losing yet more credibility in the Russian Far East, while earning itself nothing more than hard feelings and scepticism among citizens fed up with a leadership that seems incapable of doing anything to make life better. Said one local automobile owner, "Chernomyrdan's nothing more than a mindless Party hack who thinks he can legislate the same way he did under Brezhnev--'Nelzya'! (in Russian, 'it's prohibited')--and that's the end of it. But people here won't put up with these silly rules anymore."

Post-Communist Russia is sharply divided between the rich and the poor, and the gulf between them widens more obviously every day. The directors of Petropavlovsk-Kamchatsky's big fishing enterprises flaunt their wealth by driving flashy new Japanese four wheel drive vehicles or big Buicks and Fords around town, in jarring contrast with the dark masses of the 'narod' (in Russian, 'the people', a term similar to 'Volk' in German) clustered at bus stops. Economic 'shock therapy', which has wiped out the life savings of many Kamchatkans and driven them to despair, suits these latter-day industrial monopolists just

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fine.

A vast complex of illegal and quasi-legal structures has grown up around the buying and selling of 'deshyevki'. Even local politicians suspect that the Decree reflects (in the words of the Chairman of the Kamchatka Region Soviet of People's Deputies P.G. Premyak), "A stand off (in Russian, 'razborka'; in this context, meaning a settling of spheres of influence) between the Moscow and Far East mafias", and accused Chernomyrdin of colluding with the Moscow Mafia for control over the Russian Far East automobile market; Premyak, however, said that the Kamchatka Region Soviet of People's Deputies would challenge the Decree on the grounds that it violates Russian Federation anti-monopoly and private property laws. (comments from Kamchatka Television broadcast, February 18, 1993; and from Where Are We Going?, 'Vesti, February 17, 1993)

While it is impossible to prove or disprove Chairman Premyak's accusation, the fantastic rumors point to a much larger issue. Crime and corruption are problems that won't go away in modern Russia. In Petropavlovsk-Kamchatsky alone, there are 'national' Azerbaidjani, Armenian, Georgian, Central Asian, Korean, Chechen, and Russian underground 'mafias', as well as 'special-interest' groups (including government and industrial enterprises, also widely referred to locally as 'mafia'), all wildly competing for influence, access to foreign goods, and hard currency. Newly-opened borders now give these 'mafias' a distinctly international flavor.

For example, the pursuit of used cars has brought crime from the Russian Far East to Japanese ports. One newspaper reports, "On the 16th of September, two members of the Russian vessel 'Golitsino' (port of registration, Nakhodka) in the port of Otaru...The arrested sailors were charged with exchanging 2 'Nagan' revolvers and 27 rounds of ammunition for two used automobiles worth 200,000 yen...Hokkaido authorities are deeply disturbed by numerous incidents committed by the crews of Russian boats calling on Hokkaido's ports. In the past year, besides the aforementioned importation of weapons and narcotics, there have been officially established incidents of the illegal importation of marine products (tinned crab and caviar) and furs, which are essentially used to pay for locally-produced goods, most commonly used automobiles."

The article continues, "But it looks like (the allegations and official Japanese protests of criminal activity) will only shut up the captains who are hiding the dirty dealings of their subordinates. By the way, their silence here is completely understandable: nobody reads Japanese newspapers at the shipping agencies of fishing enterprises, and it's easy to temporarily transfer a mate who's been fined onto shore under cover of some convenient excuse. And if you report an incident, you'll get

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sent to work on coastal service, or maybe even lose your captain's license. To make the picture complete, add in the threat that the 'tough guys' who insinuate their own people onto 'hard currency trips' will meet the captains on shore..." (How Boimurad Hid a Smith and Wesson in His Cabin, 'Vostok Rossi, #3, 77, January, 1993)

On Kamchatka, officials have declared war on crime and corruption for 1993. Lawmakers at a Special Session of the Petropavlovsk-Kamchatsky City Council accepted a "Program for the Intensification of the War on Crime" on January 26, 1993. The Program allocates 200 million rubles to the local militia to fight crime in Petropavlovsk-Kamchatsky, which soared to an average of 600 reported crimes per month in 1992. Funds will be used to found a Special Militia Patrol Squad, purchase 7 new Zhiguli automobiles, dictophones, a computer, and other crime-fighting technology. The City Council plans on deputizing fifty local Cossacks under the leadership of Hetman N. Blyankin for part-time patrol work. (200 Million Rubles for an All-Out War on Crime, 'Kamchatsky Komsomolets', February 12, 1993)

Kamchatka's crime wave is direct function of the peninsula's economic woes and the catastrophic decline of local industry; the present hard times savaging Kamchatka's fishing industry present by far the biggest danger to the peninsula's citizenry. On the eve of the Tenth Session of the Kamchatka Region Congress of People's Deputies, a local newspaper reported, "In 1992, overall industrial production in the (Kamchatka) region fell by 35 percent...production of fish products fell by 39 percent...The total catch between January and December 1992 fell by 19.2 percent..."

"The region's leading industrial branch, fishing, is in a critical situation. The decline in production is due to difficulties on the fishing grounds (the presence of a large number of foreign vessels), the disruption of the salmon fishing season due to a poor prognosis, fleet delays due to fuel shortages, the poor technical level of the fleets gear, and the old, exhausted equipment in the fish-processing factories, demanding huge capital outlays; and finally, poor worker productivity."

"In addition, the decline in production is due to the collapse of the long-established, highly-centralized systems of material and technical supply...the demand for pre-payment, the imperfect tax system, and runaway price increases put the fishing industry in a very difficult position." The document (rather optimistically) forecasts a 111.7 percent growth rate for the fishing industry for 1993, while predicting that overall, regional industries will experience a 28.7 drop in production from 1992 levels. Predictions aside, for January, 1993, total reported production in the Kamchatka fishing industry--catching,

processing, and packaging--fell by approximately 20 percent. (Excerpts from the 1993 Social-Economic Prognosis for Kamchatka, 'Vesti', February 6, 1993; and The Decline Continues, 'Vesti', February 18, 1993)

Kamchatka offers very little to attract the outside world besides its fishery and other natural resources. Fishery resource distribution means the difference between life and death for Kamchatka's fishing enterprises, and access to them (with a nod to the fabled method of Western-style interest-group advocacy) has become the subject of intense 'lobbying' for quotas by local fishing magnates to the Kamchatka Regional Administration. Unlike representatives in the Soviet of People's Deputies, the members of the Kamchatka Regional Administration are not elected officials; they are appointed in Moscow, do not answer to any constituency, and may be removed only by Presidential order. On the local level, this means the Kamchatka Regional Administration keeps its own consul while deciding fishery quota distribution for enterprises, and consequently wields baronial powers.

Resource distribution was a topic of intense discussion at the Tenth Session of the Kamchatka Region Congress of People's Deputies. Reports on local source, "Answering allegations that perhaps the (Kamchatka) Administration is unnecessarily favorably disposed to certain commercial structures when distributing fishery resources to them for trade with foreign partners, (Kamchatka Region) Govenor (Vladimir A. Biryukov) replied, that the organization of similar trade-production enterprises (in Russian, 'torgovo-proizvodstvenniye predpriyatiye') will continue."

"'There's protectionism, and it will continue', said Mr. Biryukov. 'We will ensure (in Russian, 'obespechivat') catch limits and foreign export licenses in the first instance for enterprises that conclude contracts with us for the delivery of food-products."

"The condition: no less than 20 percent of the hard currency received for fish must return to the (Kamchatka) region in the form of food products. 'The food situation is becoming especially critical here', said the Govenor." (Remarks from the Session of the Regional Soviet, 'Vesti', February 16, 1993)

Protectionism sounds like a noble sentiment coming from the leading politicians of this remote, beleaguered corner of Russia; and certainly locals can use the 20 percent of Kamchatka's earnings from its fishery--exports for 1992 were 79 million dollars--to put more, high-quality food on the table. For average citizens, though, protectionism means nothing so high-minded. They remember where their political leaders have come from (almost exclusively from the old, nomenclatura network), and

look on promises with great scepticism.

Deputy Yu. Demenyanenko remarked during the Session proceedings, "Everyone really wanted to believe that the new, democratically-elected officials in Russia would be able to reign in directors and bureaucrats, who are going too far...I have come to the conclusion, that these expectations are vain. Independence for enterprises, which we achieved with so much effort, and the right to conduct foreign trade, has turned into frenzied, uncontrolled activity by the managers, who received their posts thanks to their privileged positions...The utter lack of self-restraint, the total absence of control over (foreign commercial) activity has brought forth insatiable greed and thirst for profit at the expense of the government and worker's collectives." (I Have Reached the Conclusion That These Expectations Are In Vain, 'Rybak Kamchatki', February 19, 1993)

In a society so obviously divided into rich and poor castes, it's all too easy to see who is living well and who is not; the worst thing about reforms, remarked one friend of mine, is that monopolists make their own rules, without fear of any competition. Call it "free-market monopolism." Locals call it 'mafia'.

Pious sentiments about promoting small business growth aside--and they were in abundance at the Tenth Congress of the Kamchatka Regional Soviet of People's Deputies--few seriously propose establishing new economic structures to counterbalance the old one. There's just too much money at stake. Writes one local commentator, "(Corruption) hits government service workers most of all, among whom over fifty percent simultaneously engage in business in one form or another..."(The Mafia, Far East Style, 'Vesti', February 16, 1993)

The most dangerous profession in Petropavlovsk-Kamchatsky is kiosk owner. In the fall, there was a spectacular 'rub-out' at a kiosk in the center of town that left two dead. Kiosks--which sell a depressingly monotonous assortment of Snickers Bars, imported Chinese goods, cigarettes, and homemade, domestic, and imported liquors--regularly get held up, burned down, and closed by various 'mafia' groups fighting for influence. At night, the kiosks, weakly lit by bare electric bulbs and candles, and manned by sad-eyed, chain-smoking, 'salespeople', mock the idea that 'market reforms' can save Russia; they look more like evidence that 'democratic' Russia is foundering aimlessly. It is especially sad to think that people fight, and sometimes even die, to sell a few measly candy bars and bottles of booze; even worse, when the government says it supports small business, this is what most citizens think it has in mind.

Peter H. Christiansen

