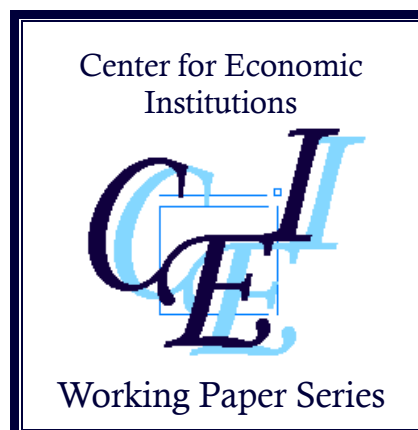


**Center for Economic Institutions**  
**Working Paper Series**

No. 2017-3

**“Post-Soviet Period Changes in Resource Utilization and Their Impact  
on Population Dynamics: Chukotka Autonomous Okrug”**

**Tamara Vitalyevna Litvinenko and Kazuhiro Kumo**  
August 2017



Institute of Economic Research  
Hitotsubashi University  
2-1 Naka, Kunitachi, Tokyo, 186-8603 JAPAN  
<http://cei.ier.hit-u.ac.jp/English/index.html>  
Tel:+81-42-580-8405/Fax:+81-42-580-8333

Post-Soviet Period Changes in Resource Utilization and Their  
Impact on Population Dynamics:  
Chukotka Autonomous Okrug

Tamara Vitalyevna Litvinenko  
Institute of Geography, Russian Academy of Sciences

Kazuhiro Kumo  
Institute of Economic Research, Hitotsubashi University, Japan

Abstract

This study examines changes that have occurred in the resource utilization sector and the impact of these changes on population dynamics in the Chukotka Autonomous Okrug during the post-Soviet period. This paper sheds light on the sorts of population-dynamics-related differences that have emerged in the region and how these differences relate to the use of natural resources and the ethnic composition of the population. Through this study, it was shown that changes have tended to be small in local areas where indigenous peoples who have engaged in traditional natural resource use for a large proportion of the population, while changes have been relatively large in areas where the proportion of non-indigenous people is high and the mining industry has developed.

KEY WORDS: Chukotka Autonomous Okrug, indigenous people, non-indigenous people, population dynamics, natural resource utilization, human settlements, intra-regional differences, non-renewable mineral resources, renewable natural resources

## 1. Introduction

The demographic economic systems in the North are in an extremely unstable situation. The reasons for this are the region's dependence on the extraction of mineral resources, the fact that most human settlements are company towns, and the extremely high mobility of northern labour forces [Heleniak, 1999; Motrich, 2006; Petrov, 2010]. On the other hand, some researchers believe that the presence of northern indigenous peoples who continue to utilize resources in traditional ways has maintained local stability [Mulvihill and Jacobs, 1991; Duerden, 1992; Khaknazarov, 2013]. Nevertheless, it is not yet fully clear what sort of characteristics make the local demo-economic systems and settlements in the North stable on the whole, and what kinds of factors have affected this stability. The question of what differences exist at the regional or intra-regional level in terms of instability/stability also remains unanswered. Societal changes in the post-Soviet period, which followed the collapse of the Soviet Union and has seen the implementation of market reforms, have resulted in clear and widening differences between regions in the North, within individual regions, and at the local level [Pilyasov, 1996]. Because the demo-economic system in the North is dependent on firms that utilize natural resources [Petrov, 2010], to understand the aforementioned issues, it is necessary to identify spatial regularities concerning the ways that resource utilization affects population. Furthermore, with regard to ethnic regions, it is also essential to clarify what sort of roles ethnic factors have played in this process of societal change.

## 2. Study subjects, methods, and data

This study covers the Chukotskii Autonomous Okrug (Chukotka). Chukotka is located in the far northeast of Eurasia, and juts out between the Pacific Ocean and the Arctic Sea. Around half of the Okrug is located north of the Arctic Circle, and the climate is harsh. Chukotka contains 10% of Russia's estimated gold reserves, 16% of its estimated tin reserves, and unique biological resources. It also Russia's most sparsely populated region. Besides non-indigenous people, most of whom are Russian, the region is also home to 16 indigenous small-numbered peoples of the North, who possess distinctive cultures and use the resources in a traditional way that has remained unchanged for centuries [www.chukotka.org, 2014].

The objectives of the study are to shed light on (1) the characteristics of changes

in population dynamics in the entire Chukotka region and at the intra-regional level that have occurred as a result of transformation of natural resource utilization in the post-Soviet period and due to the impact of existing objective and subjective factors, (2) the roles that ethnic factors have played in this process, and (3) conditions that have caused stability and instability of local socioeconomic systems and settlements.

Economists and economic geographers hailing from the Far East have conducted various studies. These include studies on the natural resource development process in north-eastern Russia during the 1990s reform period [Pilyasov, 1996], the development of the mineral resource industry in Chukotka [Lomakina, 2002; Minakir, 2006; Lomakina, 2009, etc.], and characteristics of the development of Chukotka from a sociodemographic perspective and compared with other Far Eastern regions [Zheleznov-Chukotskiy et al., 2005; Motrich, 2006; Sidorkina, 2014, etc.]. Despite the existence of such studies, Chukotka remains the Arctic region on which the least research has been conducted [Arctic Council, 2013]. This study, therefore, is to try to understand what sort of interrelationships exist between the transformation of nature resource utilization at different local areas and population dynamics. To this end, it is supposed to supplement previous research by classifying transformation in settlements from the impact of resource utilization and listing up criteria that constitute causes of stability and instability of local systems and human settlements. Preliminary survey results from the study have already been announced [Litvinenko and Murota, 2008; Litvinenko, 2013]. The task for this paper is to analyse the empirical data obtained in more detail and draw out general rules and scientific interpretations from the data.

Besides official statistics, this study also employs, as its data, documents in the possession of regional or local government bodies, archives from companies and others, and interviews carried out during on-site surveys of regional and local experts and corporate representatives. The authors carried out on-site surveys in August 2007 in the Iultinskiy district and in August 2007 and June 2016 in the town of Anadyr and Anadyrskiy district.

Our method to study the interrelationships between resource utilization and population dynamics at the intra-regional and local level consisted of several steps (stages):

- 1) Stage 1: Statistical survey. Included in this stage is the analysis of official statistics for the purpose of shedding light on the interrelationships between population dynamics at the regional, intra-regional, and local levels and ethnic composition (indigenous peoples as a percentage of the total population) during the post-Soviet period. At this stage, the post-Soviet time periods were

determined (economic-crisis period, economic-growth period, and period from 2009 until now), and the development of resource utilization sector was investigated statistically.

2) Stage 2: On-site survey of human settlements and dominant companies in corporate castle towns. The purpose of this survey was to shed light on the impact that changes in resource-utilizing enterprises have on population dynamics and residential dynamics. Another objective was to show that there are differences in impact depending on the form of resource utilization (whether based on traditional industries, which utilize renewable bioresources, or the mining sector, which uses exhaustible mineral resources) and ethnic composition (whether non-indigenous or indigenous peoples are dominant).

At this stage, we identify settlements that have been abandoned by surveying regional or local experts and comparing maps of settlements from the Soviet era with modern maps, shed light on the reasons that these settlements have been abandoned. Here, in addition to performing a questionnaire survey of the aforementioned regional and local experts and company representatives, we analysed the company materials to find out new temporary workers' settlements emerged in conjunction with the establishment of new resource-utilizing enterprises and labour migration during the post-Soviet period.

3) Stage 3: The survey data is processed and a generalization of the research findings from Stage 1 and Stage 2 is performed. Here we produced a map showing differences in population dynamics that occurred within the region. We also classified changes in human settlements during the post-Soviet period and produced lists concerning the following points: (1) settlement status, (2) characteristics of population dynamics including the population migration process, (3) ethnic composition, (4) interrelationship between resource utilization and employment. By generalizing the results of the investigations, we present criteria that constitute causes of stability and instability in local socioeconomic systems and human settlements.

### 3. Development of Chukotka during the Soviet era: overview

It was during the 1920s that a Soviet government and a Soviet-style management system was established in Chukotka. Later, the sedentary and nomadic economies practiced by the indigenous peoples were gradually combined into state-run

cooperatives, a process that was already completed by 1950 [Vasil'ev et al., 1996]. According to a population census carried out in 1939, 69% of the total populace were Chukchi, Evens, and Eskimo peoples (Figure 1).

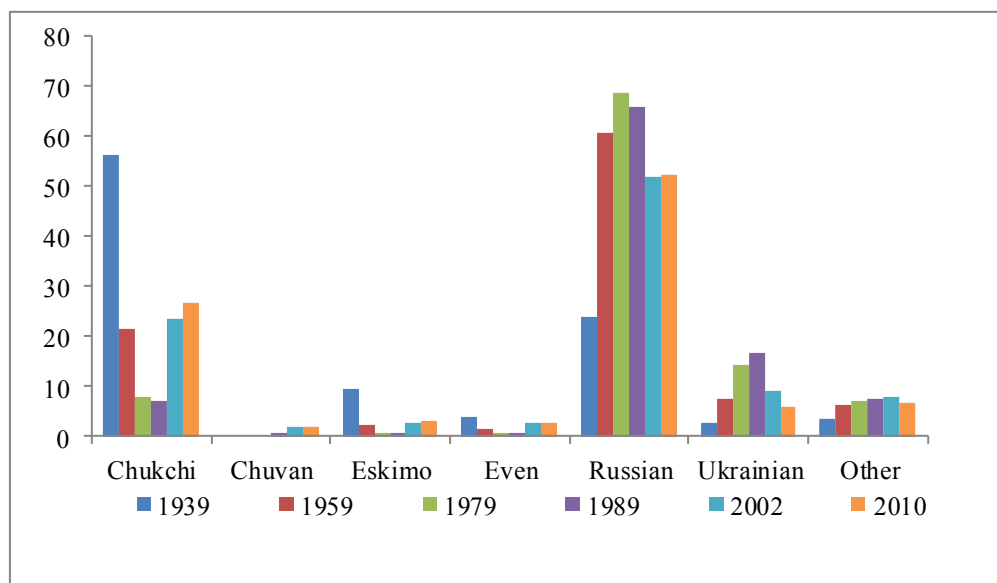


Figure 1 Ethnic composition of Chukotka: population census data for each year, %

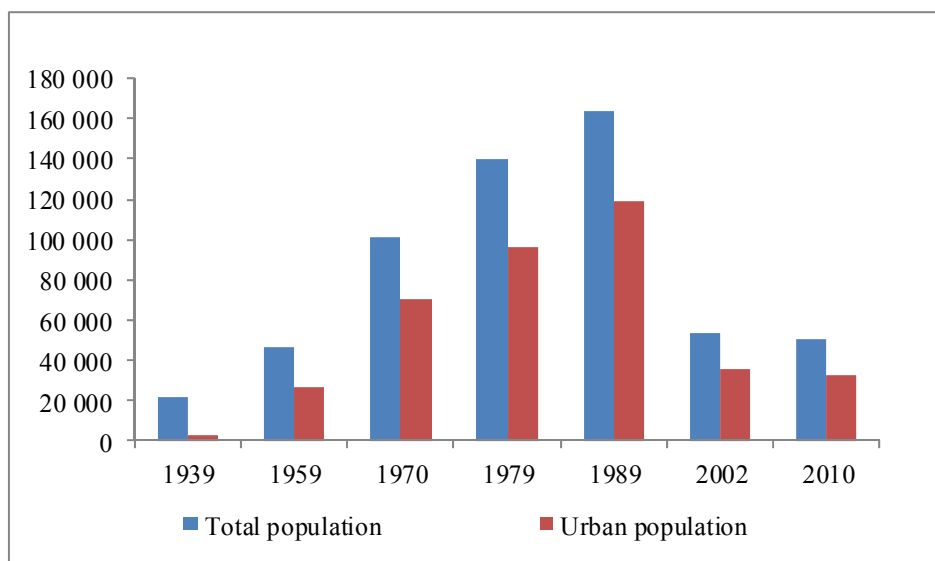
Between 1934 and 1937, vast deposits of tin were discovered on the Pevek Peninsula. Tin and tungsten deposits were also found in Iultin. Industry then began to be developed in Chukotka, with prisoners from the gulags constructed in Chukotka during the 1950s providing the main source of labour. During the Second World War, the region supplied metals and other resources to the military industry, and mining continued to be the region's main industry even after the war.

In 1958, the first gold was produced for industrial purposes, and a gold-mining industry began to be established. But it was not until the 1960s that the core components of industry, namely GOKs (mining and processing complexes), industrial firms, power stations, power transmission cables, and transportation infrastructure, were completed. After the gulags were dismantled and their inmates pardoned in 1953, physical measures to encourage people to work in various districts of the Far North were adopted as a means of attracting workers, particularly skilled ones. The construction of new human settlements and the growth of the urban population gave a huge boost to the development of the regional economy and resulted in an inflow of people (Figure 2). Widespread industrial development in Chukotka continued from the 1970s until the 1980s.

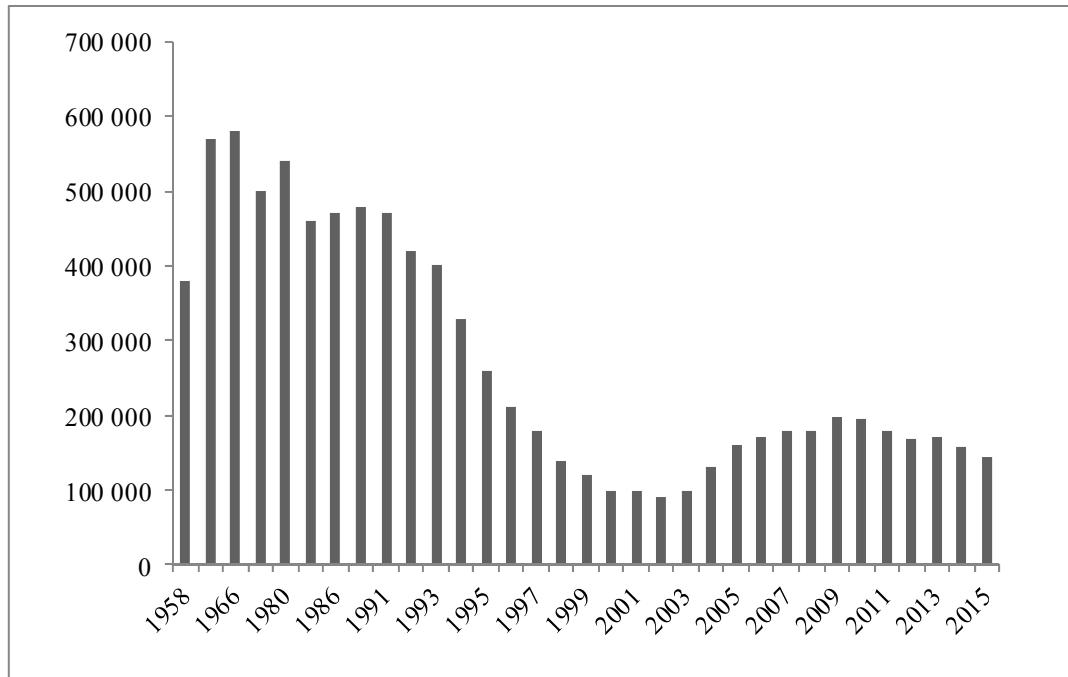
The period from the 1960s until the early 1970s marked the peak in the number of

domesticated reindeer (Figure 3). This was also a time during which the state was active in constructing housing for Chukchi, Eskimo, and Evens people after their setting [Vasil'ev et al., 1966].

During the Soviet era, the population of Chukotka, and the urban population, in particular, climbed as a result of both population inflow and natural increase (because the age structure of the population was relatively young, the rate of natural increase was higher than that of other regions), and reached a peak of 158,000 people in 1990 (Figure 5 later in this paper). With the influx of non-indigenous people, the ethnic composition the population changed. According to the 1979 population census, Russians as a proportion of the population had risen to 68% (the highest percentage in the history of Chukotka), while the 1989 census put the figure at 66%. At the same time, the increase in Russians coincided with a decline in the Chukchi and other indigenous peoples as a proportion of the population (Figure 1).



**Figure 2** Total population and urban population of Chukotka: population census data, people



**Figure 3** No. of domesticated reindeer in the Chukotka Autonomous Okrug: 1958–2015

Source: Prepared by the authors based on [Gray, 2000] and official statistics. Figures for 2013–2015 are based on official data from the Government of the Chukotka Autonomous Okrug.

#### 4. Natural resource utilization and population dynamics of the Chukotka Autonomous Okrug during the post-Soviet period

##### 4.1 The economic-crisis period: 1990–1998

The transition to a market economy proved to be a painful experience for Chukotka. This was because the situation in the region was wholly and directly dependent on the circumstances in Russia. The crisis that swept the region became even more severe as a result of a decline in output from major sectors such as gold and tin mining. As a consequence of the shift to market economics, these industries were no longer profitable, and as a result, operations at the GOKs in Pevek and Iultin, which had been the largest in Chukotka, were suspended during the 1990s, and more than half the gold mining companies shut down. During the period from 1990 to 1998, the decline in production in the region was much greater than the Russian average and other eastern regions (Eastern Siberia and the Far East) [Litvinenko, 2013], with power production and the



output of coal and gold mines plunging by over 50%.

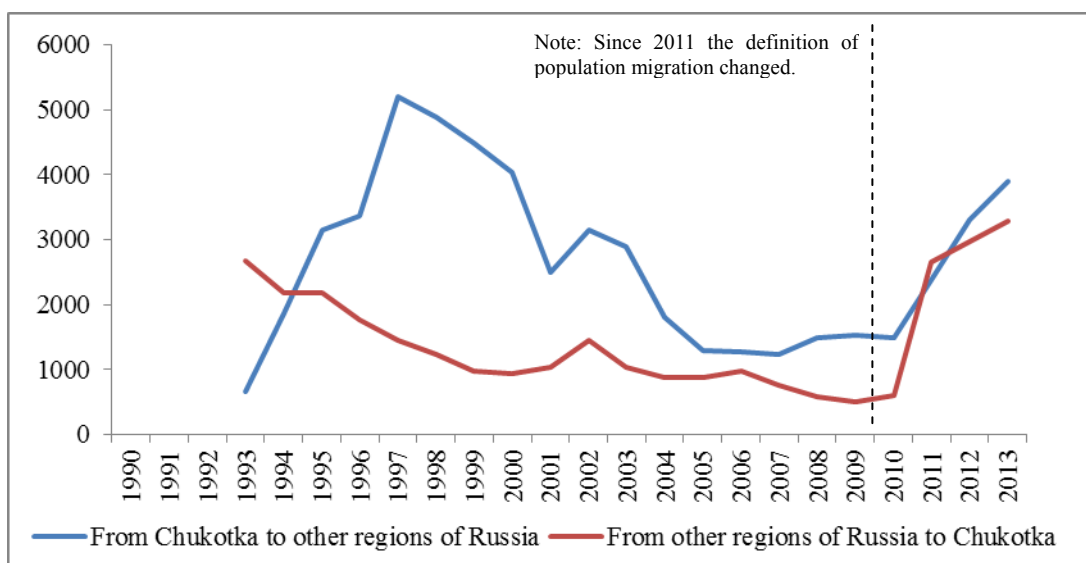
At the time of the economic crisis, traditional forms of economic activity also declined as they no longer benefitted from state support. Fishing hauls dropped by 80% (Table 1). To make matters worse, economic conditions in Russia as a whole were worse than ever [Litvinenko, 2013], and because support from regional government was unavailable, the decline in the number of domesticated reindeer was more marked in Chukotka than in any other region of Russia. By 2002, the number of domesticated reindeer had plummeted to less than a fifth of the figure in 1991 to just 90,000. The number of reindeer in Chukotka had never been as low as this during the entire post-war period (see Figure 3 earlier in this paper).

Table 1 Trend of natural resources production in the Chukotka Autonomous Okrug, 1990–2015

Year	Output						Change in output			Growth rate (%)		
	1990	1998	1999	2008	2009	2015	1990–1998	1999–2008	2009–2015	1990–1998	1999–2008	2009–2015
Power output, bn kw/h	1.2	0.6	0.6	0.5	0.5	0.6	–0.6	–0.1	0.1	–50	–17	20
Coal mined, 1,000t	1222	333	304	447	346	233	–889	–143	7	–73	47	–32.7
Natural gas extracted, million m <sup>3</sup>	0	0	0	26.3	25.0	25.4	0	26.30	0.40	0	26.3 times	1.60
Gold mined, 1,000t	17000	6000	4700	20100	31200	31999	–11000	15400	799	–65	4 times	2.6
Fish and other marine products caught, 1,000t	5.1	1	5.7	50.1	38.7	9.4	–4.1	44.4	–28.3	–80	8.8 times	–76
Marine mammals hunted, t	0	0	0	2265	1955	2060	0	2265	105	0	2265 times	5.3

Source: Prepared by the authors based on official statistics. 2015 figures and 1999–2015 data for catches of fish and marine mammals are based on information from the Chukotka Autonomous Okrug’s Department of Industrial and Agricultural Policy.

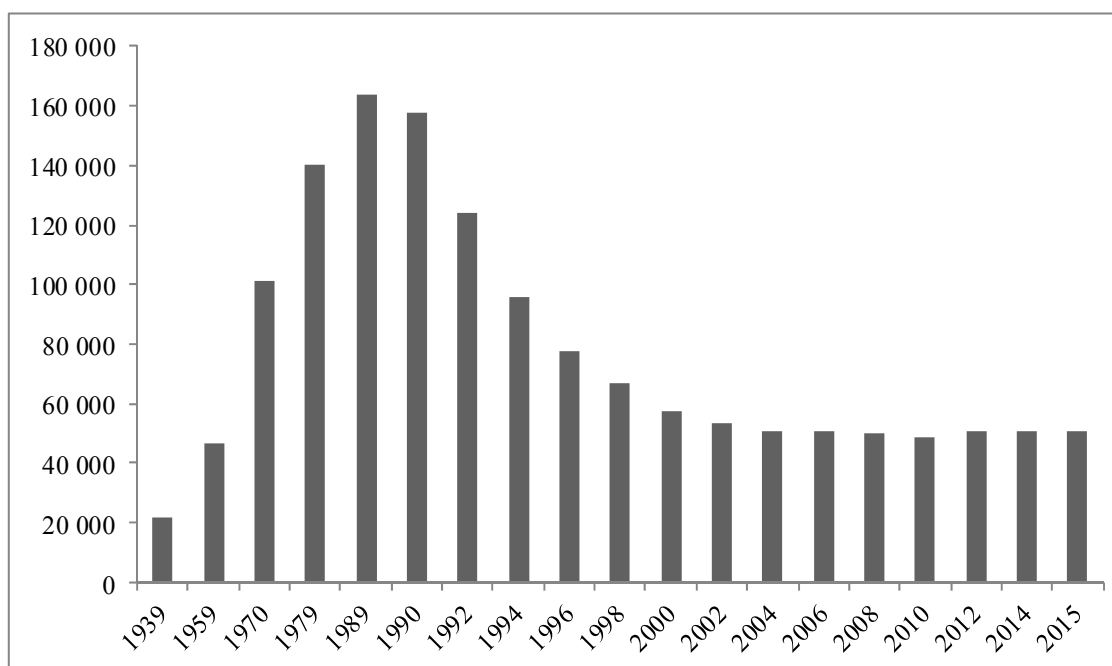
According to official statistics, by 2000 the average number of people working in the mineral resource mining sector had dropped to 11.5% of the figure in 1992. During the 1990s, the economic crisis rippled out the Chukotka Autonomous Okrug, and due to the absence of state support, non-indigenous people left in droves for European Russia and other parts of the CIS (Figure 4).



Note:

**Figure 4** Population migration to and from Chukotka Autonomous Okrug: post-Soviet period

Source: Internal data supplied by the Russian Federal State Statistics Service



**Figure 5** Population dynamics in the Chukotka Autonomous Okrug: 1939–2015

Source: Official statistics

This massive population outflow was the primary factor behind the fact that the

population of the Chukotka Autonomous Okrug declined by more than half between 1990 and 1998 (Figure 5). On the other hand, between the censuses of 1989 and 2002, the indigenous population increased by 5% to stand at 160,000 at the time of the 2002 census. While the proportion of non-indigenous people such as Russians, Ukrainians, and Tatars dropped, the proportion of Chukchi, Evens, and Eskimo peoples expanded [Motrich, 2006].

Here we present insights on the nature of the interrelationships between natural resource utilization, population dynamics, and human setting during the 1990s, when the economic crisis occurred. These insights were obtained from surveys conducted in Iultinskiy district.

During the Soviet era, the Iultin Mining and Processing Complex was a company that mined and refined tin and tungsten ore and dust in that district. In 1953, an urban-type settlement was established in Iultin, and in 1954 Iultinskiy district was organized within Chukotka. From 1991 onwards, market economic conditions saw profitability deteriorate and state support came to an end. For these reasons, the output of the complex dropped. This decline continued, and wages began to be paid late or not at all. As a result, the number of workers fell. The real incomes of residents dropped sharply, and this, coupled with the extremely harsh climate and the fact that the residents were non-indigenous people without strong ties to the region, meant that a population outflow was inevitable.

Table 2 Population of the Iultinskiy district, Chukotka Autonomous Okrug, 1990–2015

Year	Population, people						Change in number of people				Growth rate (%)			
	1990	1998	1999	2008	2009	2015	1990–1998	1999–2008	2009–2015	1990–2015	1990–1998	1999–2008	2009–2015	1990–2015
Total population	31661	8618	8619	6127	5775	5122	-23043	-2492	-653	-26539	-73	-29	-11	-83.8
Urban population	21212	4912	4931	3559	2841	3200	-16300	-1372	-359	-18012	-77	-28	12	-85
Iultin urban-type settlement	5125	0	0	0	0	0	-5125	–	–	-5125	-100	–	–	-100
Vostochnyy settlement	482	0	0	0	0	0	-234	–	–	-234	-100	–	–	-100
Svetlyy settlement	85	0	0	0	0	0	-85	–	–	-85	-100	–	–	-100
Amguema settlement	729	574	617	<sup>(1)</sup> 492	492	435	-112	-125	-57	-294	-15	-20	-12	-40
Egvekinot urban-type settlement	5321	2462	2348	2390	2346	3034	-2973	42	688	-2287	-56	1.8	29	-43

Note 1: Figures are for 2009

Source: Prepared by the authors based on official statistics and data from the Iultinskiy District Official Library Management Department

In 1994, the decision was made by Russian federal government to suspend the operations of the refinery, the Iultin Mine, and the Svetly Mine, and the government of the Chukotka Autonomous Okrug was obligated to cover the costs of moving the workers out. In 1995, it was also decided to abandon the Iultin urban-type settlement on

the grounds that the operations of the Iultin Mining and Processing Complex had been suspended and that it was therefore impossible for people to continue to live there. Furthermore, with the closure of the companies that relied on supplying services to the Iultin GOK, the settlements of Svetlyy, Tranzitnyy, Geologicheskiiy, and Vostochnyy were also liquidated (Table 2). The decisions described above were accompanied by the obligation to assist the residents of the settlements with relocating to other parts of Russia. In 1995, the Iultin urban-type settlement was officially abandoned, and in 1998 it was removed from the registry of residential areas. The situation at the Iultin GOK also affected the population of the district in which it was located. Because a large outflow of people occurred between 1990 and 1998, the total population dropped by 59% and the urban population fell by 61% (Table 2). The close interrelationship between the Iultin Mining and Processing Complex and the populations of the Iultin urban-type settlement and the Iultinskiy district can be clearly seen in the fact that the coefficient of correlation between the amount of tin and tungsten mined at the Iultin GOK and the population of Iultin and Iultinskiy district was 0.9 during the economic crisis of 1990–1997 (calculation using the data from the Archive Department, Iultinskiy District Administration).

#### 4.2 Economic-growth period: 1999–2008

During the economic growth period, output in Chukotka grew faster than the average for eastern Russia. Between 1999 and 2008, the amount of coal mined increased by 47% (the average rise for eastern Russia was just 3%). The amount of fish caught remained at the same level (but declined by 13% on average in eastern Russia) [Litvinenko, 2013]. From 2006 onwards, the extraction of natural gas commenced in order to meet local needs (Table 1). On the other hand, the situation with the amount of gold mined was different. Growth in the amount of gold mined in 1999–2006 was much slower than in the Far East and Russia as a whole [Litvinenko, 2013]. However, with the development of new gold deposits, between 2006 and 2008 the amount of gold mined more than doubled (Table 1). Furthermore, according to official statistics, the average number of workers in the mineral resource mining sector climbed by 12% between 2000 and 2006.

Subjective factors played a major role in the invigoration of economic activity, and the election of Roman Abramovich as governor of the Chukotka Autonomous Okrug was particularly significant in this respect. As a result of pseudo market measures (the registration in the Chukotka Autonomous Okrug of several companies that were close to Abramovich (and especially that of a Sibneft subsidiary), the revenues of the Okrug

increased dramatically. The Okrug's revenues also rose significantly as a result of the income tax paid personally by the governor (it has been reported that the addition of the governor's income tax to the regional coffers resulted in 5.5-times increase in the tax revenues received from residents in 2000 [Litvinenko, 2013]).

One example of efficient regional management based on the local natural resources was investment for the purpose of developing a fuel and energy complex made by the government of the Chukotka Autonomous Okrug in 2001–2003. The details of this investment are as follows: First, coal-mining companies were modernized and restructured. Next, a gas pipeline with a total length of 104.2 km was laid between Zapadno-Ozernogo gas field and a gas-turbine power plant in Anadyr. The construction of this pipeline enabled the gas field to be used to operate the power station [<http://www.chukotka.org>, 2014]. The construction of wind power stations can also be pointed to as an important component of the investment.

What proved to be effective market policies were, firstly, the development of gold ore deposits (which differed from the placer gold that was almost completely exhausted) based on the prediction that world gold prices would rise and that gold demand would increase in both domestic and foreign markets, and secondly, the luring of domestic and foreign companies to explore promising mining areas. The agreement to sell 75% of the Kupol gold mine to Canadian mining company Bema Gold that was concluded with the government of the Chukotka Autonomous Okrug in 2002 marked the first attempt to attract Western capital to the Okrug. After mining at Kupol commenced in 2008, the amount of gold and silver produced in the region increased substantially (Table 1).

Furthermore, from 2003 the number of domesticated reindeer began to rise (Figure 3). And as a result of the implementation of a region-specific program to stabilize and spur the development of reindeer husbandry, the number of domesticated reindeer increased by 82% between 1999 and 2008 (Figure 3).

Meanwhile, the increases in catches of fish and marine animals increased (Table 1) can be explained by the presence of state support from the federal and regional government for the traditional natural resource utilization sector. This support included the expansion of catch quotas and increases in maximum hauls of marine animals. In the Anadyrskiy district, two new state-run marine-product processing plants went into operation, and in the coastal ethnic settlements, cooperatives for the hunting of marine mammals were organized. Indigenous residents acquired the right to hunt marine mammals and catch fish without the need to apply for a license. According to official statistics, the annual average number of people engaged in fishing increased fivefold between 2000 and 2006. Even though the companies and cooperatives in the traditional

natural resource utilization sector cannot earn a profit from this industry, success was achieved in raising to 25% the proportion of food consumed that is produced in the region [www.rkopin-chukotka.ru, 2010].

At the beginning of the 2000s, pseudo-market, administrative, and state support for regions was extensive, and the role of markets themselves declined in importance. The main revenue source for the integrated finances of the Chukotka Autonomous Okrug was tax revenue from the governor himself and companies close to him that were registered there. From 2006, however, this situation began to change. The market mechanism began to function more effectively in the development of the region's economy, and the fiscal revenue of the Chukotka Autonomous Okrug started to be augmented by taxes collected in conjunction with new gold mining projects.

When Abramovich was governor, housing was refurbished or replaced, new housing was built, and public infrastructure was reconstructed. The external appearance of residential areas was also improved (Figure 6). In ethnic settlements, housing was completely rebuilt, and new public infrastructure buildings were constructed.



Figure 6 External appearance of urban streets in Anadyr. Everything has been repainted and roads have been improved. Taken by the authors.

Despite the success of the resource utilization sector, the population outflow continued (Figure 4), though at a far slower pace than had been the case in the 1990s. Between 1999 and 2008 the population of the Chukotka Autonomous Okrug dropped by 25%, but this was only half the rate of decline seen in 1990–1998 (Figure 5).

#### 4.3 From 2009 until now

From 2009 onwards, resource utilization developed in two directions. The first was the mining of mineral resources (particularly gold and silver) and the preparation of new

mineral resource deposits for development. The development of the largest gold deposits by attracting Russian and foreign capital (Dvoynoy, Kupol, Karal'veem, Mayskoe, and Valunistoe) constituted the basic policy for the economic development of the region at this time and remains so today. After 2011, gold prices in global markets declined, and economic growth in Russia slowed. In spite of this, the amount of gold mined in Chukotka remained stable (Table). Gold refineries were also constructed at the Kupol, Mayskoe, and Valunistoe mines.

As a result of the success of the development of the gold-mining sector, from 2010 onwards the Chukotka Autonomous Okrug stood in second or third place in Russia in terms of gold production. The number of indigenous and non-indigenous people of Chukotka working for gold-mining companies more than doubled between 2008 and 2013 [Rossiiskaya Arktika, 2016]. However, in contrast to the success of the gold-mining industry, the profitability of the Nagonaya mine deteriorated, and the mine was eventually closed in 2015. This caused a decline in the amount of coal mined (Table 1).

Aggressive preparations for the development of new natural-resource-producing areas were made. Among them, priority has been given to the development of the Beringovskiy coal field, which was in a favourable geographic situation as it was located near an unfrozen stretch of the Bering Sea coast. The resources from the Beringovskiy coal field are in demand on world markets and from Asia-Pacific countries. This is because the coal has high calorific value, the reserves are enormous, and most of it is coking coal.

Because of market conditions, there are also plans to resume the mining of tin and tungsten at the Pirkakayskoe deposits in the Chaunskiy district, which is Russia's largest (in 2008 a license to do so was obtained by Severnoe Olova, a publicly-traded company). According to materials from the government of Chukotka Autonomous Oblast, design work has already begun on a project to mine copper in the Bilibinskiy district in the Baimka zone (Peschanka copper field), with mining set to commence from 2025. From 2020, meanwhile, there are plans to develop the Klen and Kekura gold deposits in the Bilibinskiy district. It is expected that migrant workers from Chukotka, from other regions of Russia, and from other CIS states will provide the main workforce for the development of new mineral resource deposits and their future extraction.

The other developmental direction is based on the utilization of renewable natural resources to promote independent social, economic, and cultural development by indigenous peoples and support their traditional way of life, i.e. on the maintenance of the traditional natural resources sector. This has become a strategic policy of the

government of the Okrug. The reason is that this policy is vital to provide the foundation of a system for enabling indigenous people to become self-reliant, and has a big impact on regional food safety and security. The federal government and regional governments have adopted a policy of establishing conditions for achieving significant development of this sector regardless of its profitability. An example of state support is two regional programs with specific goals: a 2009–2012 program of state support for marine mammal hunting in the Chukotka Autonomous Okrug and a 2010–2012 program of state support for agriculture. These programs were funded by the federal government and regional governments. State funding for marine mammal hunting was provided through neighbouring-territorial cooperatives for indigenous minorities. According to data from the government of the Chukotka Autonomous Okrug, in 2015 there were eight marine-mammal-hunting cooperatives in 14 settlements in the Chukotsky, Providenskiy, and Iultinskiy districts. State support has served to increase marine mammal hunting (Table 1).

In contrast to the situation with marine mammal hunting, fish catches have dropped by 80% (Table 1). An interview conducted in June 2016 with the head of the Chukotka Autonomous Okrug's Department of Industrial and Agricultural Policy revealed that this was due to a decline in the number of coastal fishing companies from four to two and the fact that in 2008 all the companies that had been engaged in fishing were registered in special economic zones in other parts of the Far East.

State support for reindeer herding has been provided through publicly-run companies. The amount of state subsidies provided for reindeer herding that are paid out of the finances of the Autonomous Okrug increased until 2012 but declined after that [Rossiiskaya Arktika, 2016]. Despite the decision to provide state support, the number of domesticated reindeer has declined since 2006 (Figure 3). There are a number of reasons for this, including the scrapping of the grace period for slaughter and an increase in the amount of reindeer meat produced.

A regional program with specific long-term goals that runs from 2013 to 2020 and is aimed at developing agriculture and regulating the market for agricultural produce and food products in the Chukotka Autonomous Okrug has been adopted, and this indicates that the traditional resource utilization sector remains an important component of strategic policy for regional development.

The changes in the resource utilization sector that occurred during this period did not have a major impact on population dynamics. Migration within the region has mainly been from villages to the centre of districts or the centre of the Okrug. Population outflow to other regions (Figure 4) has been largely offset by natural increase, with the



total population only declining by a small margin (Figure 5).

5. Interrelationships between intra-regional differentiation in population dynamics and changes in human settlements and natural resource utilization and ethnic composition

#### 5.1 Differentiation in population dynamics

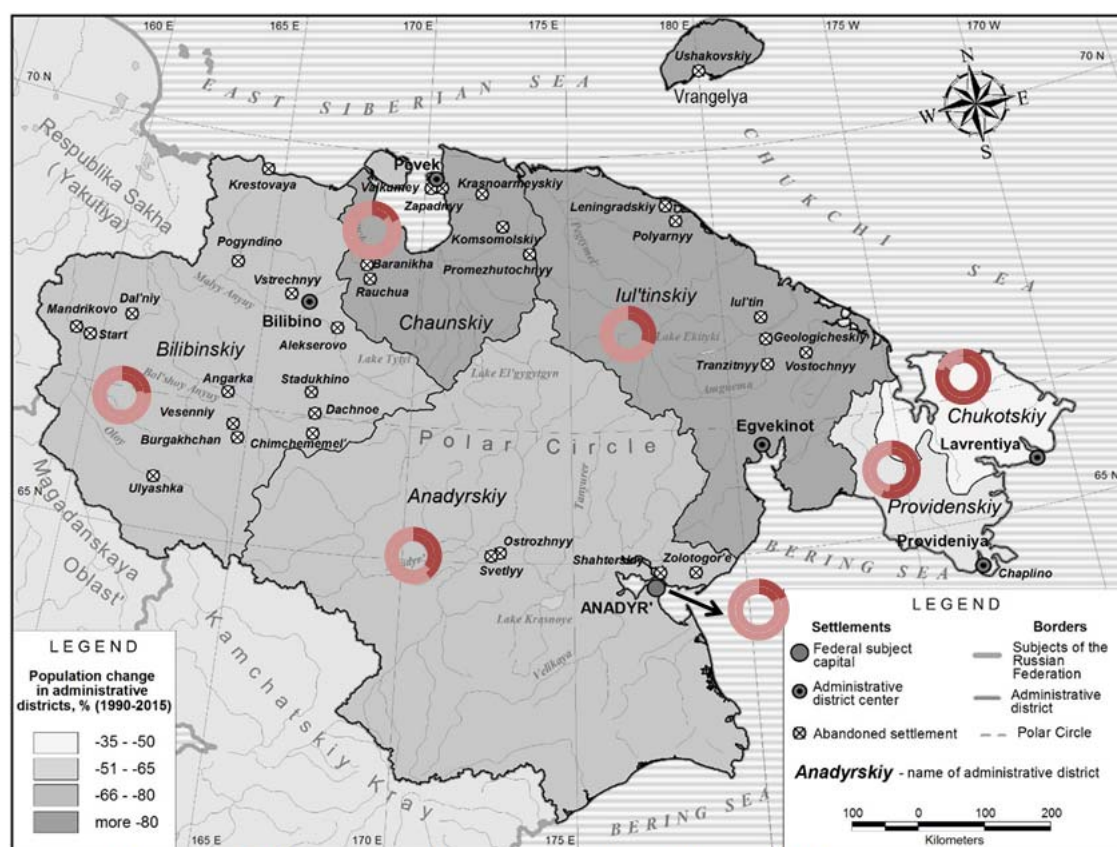
Changes in natural resource utilization and differences in ethnic composition that occurred during the post-Soviet period had an impact on population dynamics at the district level (Table 3 and Figure 7). Two districts, Chaunskiy in the north of the Chukotka Autonomous Okrug and Iultinskiy in the northeast, saw the maximum depopulation (80% or more). Most of the settlements in these districts came into existence during the 1950s and 1960s in conjunction with the development of the mining (gold and tin) industry. Most of the residents were Russian people. Indigenous peoples as a proportion of the population of the Chaunskiy district remains lower than in other districts to this day (Table 3, Figure 7). The indigenous population of the Iultinskiy district is just over 30% (Table 3). Companies such as the Pevek, Polyarnyy, and Iultin mining and processing complexes closed their doors in the 1990s, and because there were no other places to work, most of the settlements were abandoned between 1995 and 1998, with the remain residents moving out. In these districts, the population decline was the steepest between 1990 and 2002 (Chaunskiy: 77%, Iultinskiy: 79%). The population outflow continued between 2002 and 2015, and the populations of the districts kept falling, with that of Iultinskiy dropping by 22% and that of Chaunskiy declining by 17%. However, with the creation of new jobs in the energy, gold-mining, and construction sectors, the population became stable compared with the 1990s.

Table 3 Population and ethnic composition in the Chukotka Autonomous Okrug, 1990–2015

	Population (number of people)			Population change, %			Indigenous peoples as a proportion of the population, %	
	1990	2002	2015	1990–2002	2002–2015	1990–2015	2002	2010
Chukotka Autonomous Okrug	158056	53824	50759	-66	-5.7	-67.9	31.3	33.4
Anadyr town	17509	11038	14326	-37	29.8	-18.2	16.9	17.8
Anadyrskiy district	32609	11169	8788	-65.7	-21.3	-73.1	36.3	39.7
Bilibinskiy district	27956	8820	7825	-68.5	-11.3	-72	21.6	23.9
Iul'tinskiy district	31661	6634	5122	-79	-22.8	-83.8	30.8	31.2
Providenskiy district	10019	4660	3737	-53.5	-19.8	-62.7	52.2	56.2
Chaunskiy district	31348	6962	5774	-77.8	-17.1	-81.6	13.1	19.4
Chukotskiy district	6954	4541	4510	-34.7	-0.6	-35.1	82.6	80.4

Note: Calculated based on 2015 district borders.

Source: Based on official statistics. Figures for 2002 and 2010 are based on population census data.



Changes in indigenous peoples as a proportion of the population

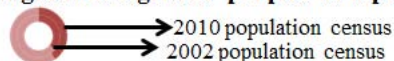


Figure 7 Intra-regional population dynamics and their link to ethnic breakdown of the population in the Chukotka Autonomous, 1990–2015

Districts comprising the group in which the population decline was precipitous at 72–73% were the Bilibinskiy and Anadyrskiy districts, which are located in the northwest, west, and south of the Okrug. In these districts, indigenous peoples account for 21–39% of the population (Table 3, Table 9). As a result of the outflow of non-indigenous people and the closure of the settlements for gold miners, the population of the Bilibinskiy and Anadyrskiy districts plunged by over 65% between 1990 and 2002. Although the population decline continued during the 2002–2015 period (Table 1), the rate of decline fell significantly, and the population stabilized. As was explained earlier, this was due to a drop in population outflow as a result of the development of new gold mines and the subsequent growth in industries supplying power, agricultural products, and food within the region.

In the Providenskiy district, the population decline during the post-Soviet period stayed relatively close to the average. Ten indigenous small-numbered peoples of the North reside in this district, and they form a relatively high proportion of the population, more than half, in fact (Table 3, Figure 7). One characteristic of the population in the district is that the decline in population has been caused by both population outflow and natural decrease (1990–2002: 53% fall, 2002–2015: 19% fall). Although there were no new spurs for economic growth, a large drop in population could be avoided thanks to the population trend among the indigenous peoples working in the traditional natural resource utilization sector.





The districts with the smallest population declines during the post-Soviet period were Anadyr town (37% fall) and the Chukotskiy district (34% fall). In the case of the Chukotskiy district, the fact that indigenous peoples dominate the ethnic structure can be regarded as an explanatory factor. The Chukotskiy district is home to Chukchi, Yukagir, Evens, and Itelmens peoples, and they are engaged in traditional natural resource management related to utilization of renewable biological resources. The indigenous population of this district is over 80% (Table 3). Furthermore, the district contains no settlements that have been closed and are no longer inhabited. In the case of Anadyr town, on the other hand, there is another factor behind the relatively small population decline (though the population actually increased by 29% between 2002 and 2015). This is that the town is the capital of the Chukotka Autonomous Okrug. Although the indigenous population of the town is not particularly high as a proportion of its total population, the outflow to other regions of Russia has been offset by an inflow from other parts of Chukotka. This influx has probably occurred because of the high likelihood of obtaining employment in the town and because the social infrastructure is of high quality.


## 5.2 Transformation of human settlements

Spatial transformation of natural resource use caused the differentiation of settlements. Currently, five types of transformation of human settlements can be observed in the studied region (Table 4). (1) The first type are ethnic rural settlements (villages) that emerged during the Soviet era as a result of the transition by indigenous peoples from pursuing a nomadic existence to living in a fixed location, and are still inhabited today. The population of these villages changed (declined) as a result of natural decrease, the outflow of minority non-indigenous peoples, and a small outflow of indigenous peoples (mainly young ones) to the centre of the district or Anadyr town. However, compared with settlements where most of the residents were Russian, the rate of decline was low, especially during the 1990s. As they had during the Soviet era, the residents of indigenous settlements mainly worked for companies utilizing renewable bioresources or self-employment utilizing these resources. Despite changes in the form of management of natural-resource-utilizing companies (in the Soviet era they were mainly *sovkhoz* (state-owned farms) whereas now most of them are publicly-run single farm enterprises or cooperatives), traditional resource utilization continues to play a central role in these local areas. Examples of such settlements in the Iultinskiy district are the indigenous settlements of Amguema, Vankarem, Nutepelmen, Konergino, and Uelkal. Indigenous residents typically comprised 74–96% of the residents of these settlements. For example, the population of Amguema village declined by 40% between 1990 and 2015, a rate of decline that was less than half that of the Iultinskiy district as a whole (Table 2).

Table 4 Types of post-Soviet transformation of human settlements in the Chukotka Autonomous Okrug

(Source: Prepared by the authors)

	Type of transformation	Status of settlement	Ethnic composition	Characteristics of population migration in the post-Soviet period	Population dynamics in the post-Soviet period	Relation to resource use through employment	Examples	Photographs
	Soviet-period settlements, inhabited largely by indigenous people, whose numbers have not changed very much	Villages	Mainly indigenous peoples	Some non-indigenous peoples left during the 1990s. Some indigenous peoples left for central settlement in the Okrug or district.	The population is declining, but the margin of decline is considerably small relative to residential areas with mainly Russian inhabitants	Mainly work for renewable-resource-utilizing companies (fishing, marine-mammal hunting, reindeer herding, etc.) or utilize these resources on a self-employed basis	Anguema village in the Iultinskiy district (photograph)	
I	Soviet-period settlements, considerably depopulated and mainly enjoying the status of a district or Okrug center, inhabited mostly by the Russians	Center of the Okrug or the centres of administrative districts	Mainly Russian people	Significant outflow to other parts of Russia and CIS states during the 1990s	Significant population decline	Mainly work for publicly-financed organisations or companies that utilize non-renewable mineral and energy resources to meet local needs	Anadyr town (photograph), Egvekinot urban-type settlement, central part of the Iultinskiy district	
II	Considerably depopulated settlements, with essentially Russian population, where there co-exist abandoned and preserved residential neighborhoods	Urban-type settlement with the status of the district center since 1992	Mainly Russian people	Significant outflow to other parts of Russia and CIS states during the 1990s	Significant population decline	During the Soviet era, companies that supplied the army. During the post-Soviet period, publicly-funded organizations, airport services, and lignite-mining company that meets local needs	Ugolnye Kopi urban-type settlement. There was once an army barracks here but it has been abandoned. (photograph)	
V	Abandoned settlements	Settlements, urban-type settlements	Used to be mainly Russian people	Significant outflow to other parts of Russia and CIS states during the 1990s	Significant population decline during the 1990s. Currently no permanent residents.	Before abandonment of the residential areas, the inhabitants worked mainly in the resource-extraction sector	Iultin urban-type settlement, Iultinskiy district (photograph)	

	Temporary workers' settlements established in the post-Soviet period (during natural-resource extraction)	None	Mainly Russian people	Temporary inflow of migrant workers from other parts of Russia and CIS states	No permanent residents	Working temporarily for mainly resource-extracting (chiefly gold and silver) companies	Temporary residential area for migrants established near the gold mine in the Valuninstoe deposit in the Anadyrskiy district (photograph)	
--	---	------	-----------------------	---	------------------------	--	---	---

(2) The second type is Soviet-period settlements, mainly enjoying the status of a district or Okrug center, inhabited mostly by the Russians. Their population has declined, but they have been maintained as residential areas. Because they have witnessed large population outflows, mainly by non-indigenous people, the population of such settlements declined during the 1990s. For example, the population of the Egvekinot urban-type settlement, which is the center of the Iultinskiy district, dropped by 56% between 1990 and 1998, yet a look at the entire post-Soviet period reveals that the total decline was only 43%, having been softened by a moderate recovery in population since 2000 (Table 2). What played an active role in maintaining the Egvekinot urban-type settlement and other district centers was the inflow of people from nearby villages, who were attracted by the possibility of securing jobs created by government-funded organizations. The population of Egvekinot stabilized as a consequence of employment by the sea port, construction, and the mining- and energy-resource-utilizing companies serving the local population.

(3) The third type are settlements inhabited by Russians where the population declined dramatically. These residential areas contain both abandoned and still active subdistricts. One example is the Ugolnye Kopi settlement, which includes a residential zone that has now been abandoned but that used to be home to military families and employees of companies providing services to the military. Because the army was disbanded in the 1990s, a large population outflow occurred, but from 1992 onwards it acquired the status as a centre for the Anadyrskiy district. Employment was provided by government-funded organizations, and the settlement managed to survive thanks to employment at the airport and employment by lignite-mining company.

(4) The fourth type are settlements that were once mainly inhabited by Russian and other non-indigenous people employed in the mineral-resource mining sector, but have been stripped of their status as towns and now have no residents. After the large companies closed down in the 1990s, the residents, who did not have strong ties to the region, moved away, mainly to central Russia, Russian Far East, or countries of the former Soviet Union, and these settlements were officially abandoned by the Russian government. During the process of conducting on-site surveys and performing investigations using the mapping method, it was found that 31 settlements had been liquidated during the post-Soviet period (Figure 7). These abandoned residential areas are most numerous in the Chaunskiy district and Bilibinskiy district, where there were numerous settlements that contained companies involved in the mining of tin and gold and that could be characterized as “corporate castle towns.” Examples of such settlements would be Iultin, Svetlyy, Tranzitnyy, Geologicheskyy, and Vostochnyy.

These settlements disappeared with the suspension of operations by the Iultin Mining and Processing Complex and related companies. Another example is Polyarnyy, which was abandoned following a 1995 decision by the Russian federal government that was made after the closure of the Polyarninskiy Mining and Processing Complex (Figure 7).

(5) The fifth type are temporary workers' settlements, which have been established during the post-Soviet period to house migrant labour (they are used during the extraction of mineral resources). Since 2006, such migrant workers' residences have been constructed in areas where new gold and silver mining projects are underway. An example of this type of temporary workers' settlement would be Kupol. Another would be the temporary-worker residence near the Valuninstoe gold mine in the Anadyrskiy district, where mining takes place all year round. This residential area provides comfortable permanent accommodation for up to 300 people. The number of temporary workers' settlements is on the rise as existing resource-utilization projects continue to be expanded and new ones are launched.

## 6. Summary of the discussion

The Chukotka Autonomous Okrug has followed a distinctive process of change during the post-Soviet period. In the 1990s large numbers of mining companies and human settlements were abandoned, and the region's economy suffered the most as a result of the largest population decline of any Russian region. However, it then became an attractive target for investment, with gold mining proving successful. The traditional economic activities of indigenous peoples also underwent development, and their residential areas were completely transformed. The harsh natural and climatic conditions, the remote location, the lack of transportation infrastructure, inadequate capital inflows, and weakness in terms of international economic cooperation meant that the profitability of nonferrous-metal and gold mining took a serious hit during the economic crisis of the 1990s. On the other hand, the administration of Roman Abramovich proved successful, and money flowed in for a decade. As a result, new projects to mine gold and silver and extract natural gas were launched, and creation of neighbouring- territorial cooperatives and the establishment of publicly-run agricultural companies in the traditional resource utilization sector can be identified as providing the sparks for growth.

The post-Soviet period can be summed up by observing the multidirectional changes that occurred in resource utilization at the intra-regional and local level. The mining of tin and the production of tungsten products ceased completely, coal-mine output shrank to less than a fifth, and power generation for the region halved compared to what it had



been initially. Despite the growth that occurred between 2003 and 2009, during the post-Soviet period as a whole, reindeer herding, which forms the basis of traditional natural resource utilization by the Chukchi people, has declined significantly, with the number of domesticated reindeer more than halving. On the other hand, fish catches and marine-mammal hunting have increased dramatically thanks to state support (Table 1). In 2002 wind power began supplying the local area for the first time, and in 2006 natural gas also started to be used. During the post-Soviet period new mines have been developed, which has increased the amount of gold and silver being extracted. As a result, precious-metal mining now accounts for around 80% of total mining output, and has established itself as a key industry for the regional economy. Between 1990 and 2015, the total population declined to a third of its former level (Table 3), while indigenous residents as a proportion of the population increased (Figure 1). Since 2002, however, there has hardly been any change in the population (Figure 5). The biggest reason for the population decline was changes in the situation with mining companies, and especially their closure during the economic and political crisis of the 1990s, which precipitated a large drop in incomes. State support was no longer on offer, and the chances of finding jobs were slim. This made living in this northern region incredibly difficult, and led to a large population outflow.

This study has explored the interrelationships between resource utilization and population dynamics at the local level throughout the post-Soviet period. The interrelationships between the two were particularly close during the 1990s. At this time, the close of large numbers of mining companies triggered a population outflow and a decline in the total population. In contrast, the period from 2002 has been marked by the success of the resource utilization sector, and this has played a key role in stabilizing the population of the Chukotka Autonomous Okrug.

Ethnic factors have played an extremely important role in the process of interaction between resource utilization and population. In every administrative district excluding okrug centre, population dynamics have been characterized by a strong correlation with indigenous peoples as a proportion of the population (at the time of the economic crisis this correlation was 0.9). The higher the proportion of indigenous peoples at the local area, the smaller the population decline has been during the post-Soviet period. The change has been smallest in local areas where indigenous peoples engaged in traditional resource utilization make up a large proportion of the population, while the rate of population decline has been highest in local areas where the mining industry is highly developed and non-indigenous people form a large proportion of the population.

During the post-Soviet period, changes in population dynamics have been akin to a mosaic, with some residential areas being completely abandoned and the exteriors of in

ethnic settlements, okrug and district centers being remodelled. Unlike other parts of eastern Russia, where ethnic Russians make up the overwhelming majority of residents, in the Chukotka Autonomous Okrug, differentiation in spatial changes between settlements with mainly indigenous residents (all of them have been maintained) and settlements with mainly Russian residents (most residential areas have either been abandoned or have been maintained but the population has fallen dramatically) were observed.

As a result of examining changes in population dynamics in the Chukotka Autonomous Okrug at the regional, intra-regional, and local levels that have occurred in conjunction with changes in resource utilization during the post-Soviet period, it was possible to confirm the conclusions of previous research that has indicated that the demo-economic systems in Arctic regions are unstable [Heleniak, 1999; Petrov, 2010]. Factors such as a settlement being dependent on a single company, settlement not having the status of a district or regional center, non-indigenous residents having weak ties to the region, and the employment in the non-renewable mineral resource utilization sector under the market economic system have resulted in population outflows and the abandonment of residential areas, and Chukotka's experience makes it clear that this results in the destabilization of the sociodemographic systems and human settlements in Arctic regions.

More stable are the local systems where the indigenous peoples working in the traditional renewable resource utilization sector make up an overwhelmingly large proportion of the population. The stability in the development of settlements for indigenous peoples who are engaged in traditional natural resource utilization can be explained by natural factors (the presence of renewable resources in tundra and taiga zones) and ethnocultural factors (ethnic composition and tendency for traditional natural resource utilization) within the region. On the other hand, the instability of the non-indigenous people residential areas can probably be explained not only by natural and ethnocultural factors but also by external factors (especially national-level political and economic factors as well as global economic factors such as demand for natural resources in world markets).

What has changed during the post-Soviet period is the geographical structure of the Chukotka economy and human setting. During the 1990s, residential areas disappeared along with the mining and processing complexes and the scattered infrastructure that accompanied them. From 2000, however, the development of new, non-labour-intensive mining technology can be seen to have led to the birth of new resource-utilizing companies. These companies were not reincarnations of the old ones. They were started from scratch. They also appeared in geographical locations away from existing

residential zones. Temporary settlements for the workers that were now needed were also constructed. Just as it always has, the geographical structure of the Chukotka economy and human setting is continuing to change, this time as a result of the influence of the new projects to extract mineral resources that are currently in progress.

### References

1. Arctic Climate Impact Assessment 2005. Published in the United States of America by Cambridge University Press, New York, 2005.
2. Arctic Council (2013). Arctic Resilience Interim Report 2013. Stockholm Environment Institute and Stockholm Resilience Centre, Stockholm.
3. Duerden F. A Critical Look at Sustainable Development in the Canadian North, ARCTIC, Vol. 45, No. 3 (September 1992) P. 219-225.
4. Gornaya ehnciklopediya. — M.: Sovetskaya enciklopediya, 1984—1991 . Pod redakciei E. A. Kozlovskogo. Tom 2. (in Russian).
5. Gray, P. A., Chukotka reindeer husbandry in the post-socialist transition, Polar Research, 19 (1), 2000, pp. 31-37.
6. Haknazarov S.H. Ustoichivoe razvitie malochislennyh narodov Severa: teoretiko-sociologicheskii analiz //Vestnik ugrovedeniya. 2013. № 4 (15). pp. 118-124. (in Russian).
7. Heleniak Timothy (1999) Out-Migration and Depopulation of the Russian North during the 1990s, Post-Soviet Geography and Economics, 40:3, 155-205.
8. Litvinenko T.V. Postsovetskaya transformaciya resursopol'zovaniya i ee vliyanie na dinamiku naseleniya v Chukotskom avtonomnom okruge // Izvestiya RAN. Ser. geogr. 2013. № 2. pp. 30-42. (in Russian).
9. Litvinenko Tamara, Takeshi Murota Social consequences of post-Soviet transformation of natural resources utilization in Chukotka Autonomous Okrug, Russia // Doshisha University Economic Review (Keizaigaku-Ronso). 2008. Vol. 60. No. 3. pp.83-101.

10. Lomakina N.V. Mineral'no-syr'evoi kompleks v ekonomike Dal'nego Vostoka. Vladivostok: Dal'nauka, 2002. 135 p. (in Russian).
11. Lomakina N.V. Mineral'no-syr'evoy kompleks Dal'nego Vostoka Rossii: potencial razvitiya. Habarovsk: RIOTIP, 2009.-240 p. (in Russian).
12. Minakir P.A. Ekonomika regionov. Dal'nii Vostok / Otv. red. A.G. Granberg. M.: ZAO «Izdatel'stvo Ekonomika», 2006. – 848 p. (in Russian).
13. Mulvihill, P.R., and Jacobs, P. (1991). Towards new south/north development strategies in Canada. *Alternatives* 10(2):34-39.
14. Motrich E.L. Naselenie Dal'nego Vostoka Rossii. Otv. red. P.A.Minakir. Rossiiskaya Akademiya nauk, Dal'nevostochnoe otdelenie, Institut ehkonomicheskikh issledovaniy. Vladivostok-Habarovsk: DVO RAN, 2006. 224p. (in Russian).
15. Oficial'nyi sait Chukotskogo avtonomnogo okruga.07.05.2014. URL: <http://www.chukotka.org> (in Russian).
16. Oficial'nyj sait gubernatora Chukotskogo avtonomnogo okruga Romana Kopina. Sobytiya. 05.02.2010 URL: <http://www.rkopin-chukotka.ru>
17. Petrov A. Post-staple bust: modeling economic effects of mine closures and post-mine demographic shifts in an arctic economy (Yukon), *Polar Geography*, Vol. 33, No. 1–2, March–June 2010, 39–61.
18. Pilyasov A.N. Zakonomernosti i osobennosti osvoeniya Severo-Vostoka Rossii (retrospektiva i prognoz). Magadan: SVKNII DVO RAN, 1996. 145p. (in Russian).
19. Rossiiskaya Arktika: korennyye narody i promyshlennoe osvoenie / Pod obshchei redakciei V. A. Tishkova. Institut etnologii i antropologii im. N. N. Mikluho-Maklaya RAN. — M.; SPb.: Nestor-Istoriya, 2016. — 272 p. (in Russian).
20. Sidorkina Z.I. Territorial'naya organizatsiya i social'naya samoorganizatsiya naseleniya v slabozaselennom regione. Vladivostok: Dal'nauka, 2014. 240 p. (in Russian).

21. Zheleznov-Chukotskii N.K., Sekretareva N. A., Astahova T. I., Zhukova, A. I., Tihomirov YU. B., Lozovskaya S. A. Prirodnye usloviya i resursy Chukotskogo poluostrova. - M.: GEOS, 2005. 503 p. (in Russian).

22. Vasil'ev V.I., Simchenko YU.B., Sokolova Z.P. Problemy rekonstrukcii byta malyh narodov Severa// Sovetskaya ehtnografiya. 1966. № 1. pp. 9-22. (in Russian).

Acknowledgements: This research was supported by the Grant-in-Aid for Scientific Research (A), Ministry of Education, Science and Culture in Japan (# 26245034), a grant-in-aid from Sumitomo Mitsui Banking Corporation Foundation for International Cooperation (2017), and the Joint Usage and Research Centre Program by the Institute of Economic Research, Hitotsubashi University (2017). The Russian Foundation financially supported the study for Basic Research, project 15-03-00740 a (T. V. Litvinenko).