Economic Change and the Fisheries of Russia

Clinton E. Atkinson
Fisheries Consultant
Seattle, Washington, USA

Abstract. This is a brief review of the development of the Russian fisheries during the twentieth century from a fresh water fishery to a marine fishery and the effect of the change in economic systems upon its fisheries. Of particular interest are the similarities of change following the October revolution in 1917 and again with the resignation of Gorbachev in 1991. The shortage of money, inflation and other currency problems, an uncertain legal system and crime, and the general failure of production all seem to be characteristic of these periods of readjustment. Fisheries reflect this change and in both cases, the following catch dropped by about 70 percent in 1919 and by 60 percent in 1994 below their previous highs. This paper highlights some of the events of these two periods.

For centuries, the Russian people depended upon agriculture products for their food. Their fisheries were mainly restricted to rivers, lakes and estuaries, and the Caspian, Black and Azov Seas. This pattern was repeated in the Pacific area where the early settlers depended upon salmon, herring and sturgeon that were common in the rivers and along the shores of the Far East. During this period, the Russian total catch increased from 330,000 mt in 1869 to 1,050,000 mt in 1913, about 84% of which were from the inland waters.

It was the Japanese that developed the marine fisheries of the Russian Far East, beginning in the mid-1880’s and magnified by concessions gained in 1905 from the Russo-Japanese war. Article IX ceded to Japan the southern part of the Island of Sakhalin (with its adjacent waters) and Article XI gave Japanese subjects fishery rights along the coasts of the Japan, Okhotsk and Bering Seas. This led to the establishment of an International Fishery Commission in 1907, under which Japan developed an extensive salmon fishery in the Far East (with a peak of 11.7 million fish in 1939).

In Russia, the defeat suffered in the Russo-Japanese war crystallized growing unrest. There were the political struggle between the various factions and the growing pressures of World War I. However, it was the economic conditions that dealt the final blow - the conscription of farmers and fishermen for the army and the diversion of supplies. The result was a critical shortage of food and the resulting “food” riots of 1917.

Under mounting pressure, the czar finally issued his October Manifesto granting freedom of conscience, speech, assembly and association, and the formation of a popularly elected Duma. The concession came too late and only strengthened the opposition, the abdication of the czar and the Soviet as the sole power.

The next four years were chaotic and characterized by the disassembling of previous political, legal and economic systems (i.e., extreme inflation, abolition of banks, lack of money for wages and other necessities, payment of workers in kind or scrip, etc.). As noted by Sysoev (1970), “Civil War and foreign intervention caused incalculable damage to the fishing industry”. By 1919 the Russian catch had dropped to only 170,000 mt.

The civil unrest and transition had little immediate effect on the fisheries of the Far East. It was beyond the area of initial conflict and centers of population and was not completely under Soviet control until 1923. Further, during the 21 years (1908-28), Japan had dominated the fishery with salmon making up 80 to 90 percent of the landings. Instead of the decline seen in the catches of Western Russia, the catch generally increased from 73 million salmon in 1913 to 116 million in 1922.

On May 31, 1921, Lenin signed the decree “Fishing Industry and the Fisheries”, establishing the basic organization of fisheries in the Soviet Government. Lenin’s decree abolished the state monopoly on most of the fishing grounds and there was no restriction on where a fisherman fished or to whom he sold his fish.

Under the New Economic Policy, the Soviet Government also encouraged investment of private, mostly foreign, capital in the fishing industry of the Far East, not only for the foreign market and exchange but for the commercial and technical know-how as well. Then, as the fisheries became established, the Government gradually converted the companies to entirely state-owned operations.

Soviet authors consider 1925 to be the end of the reorganization of the fisheries and would be true for establishment of the basic organization. However, it took another five years or more before the new organization really took effect. For example, the cooperatives were
established in 1923 but it was not until 1928 that the All-
Union Association was formed and the cooperatives
became fully operational. The Central Research Institute
of Fisheries and Oceanography became the All-Union
Research Institute of Fishery Research and Oceanography
(VNIRO), as it is known today, in 1933.

The Pacific research station was originally established as
the Pacific Fishery Research Station (TONS) in 1925.
Then in the next three years, it was converted to the
Pacific Fishery Research Institute (TIRH) and then to the
Pacific Research Institute of Fisheries and Oceanography
(TINRO), with no further change until the early 1990’s.
The Government began its first serious management of
the Pacific fisheries by first refusing to renew the
International Fisheries Convention with Japan which
expired in 1928. Japan was forced to abandon many of the
shore stations but it had little effect on the catch; they
simply began fishing for salmon beyond the 12-mile
territorial waters. This was the beginning of the Japanese
high seas gill net fisheries for salmon and crab and the
Japanese catch of Russian-bound salmon quickly rose to
1.1 million fish in 1931 and to 11.5 million fish by 1935.

The USSR fishery continued to grow, especially after the
entry into the distant water fisheries in 1959. In 1989 the
USSR catch of 11.3 million mt exceeded the catches of
both Japan and China to become the leading fishing
nation of the world but the three countries all had catches
greater than 10 million mt between 1988 and 1990.

It is interesting that the problems associated with the
return to a democratic system of government in the
1990’s were very similar to those experienced earlier in the
shift from a democratic to a communist form of
government.

There was growing political unrest in the USSR for at
least 30 years (i.e., since the resignation of Krushchev in
1964), probably earlier. For most Soviet citizens, the
Brezhnev period was not too bad. Their living standards
were generally better, churches were less persecuted, and
natural scientists had greater intellectual freedom. One
analyst notes that “it was politically the most tranquil of
all periods of Soviet history”. There was little attempt to
resolve the real problems: The increasing technological
gap with western nations, the East-West deadlock, the
stagnation of economic growth, a shortage of food,
loss of life savings by the elderly, inability of government
to pay its employees, and more.

Brezhnev was followed by Andropov and Chernenko,
both were old men in poor health and did little to solve
the basic problems. They were opposed to even the
mention of the word “reform”. The three Soviet General
Secretaries (Brezhnev, Andropov and Chernenko) all died
within a period of three years. Chernenko’s death on
March 10, 1985 was the beginning of the end of the
traditional Soviet government.

Gorbachev was the man of the hour. He was comparatively young (54) and an excellent student. His
ideas and program were a decided break from the old
Stalin generated policies and described in one reference as
“an ambitious program of reforms which changed the
class character of the Soviet political system and left Russia a
freer country than it had ever been”. It was the end of the
Cold War with the Western World. However, in all of
this, there was little attempt to reform the economic
system and there was the nuclear disaster of Chernobyl.
No one dreamed that it would also mark the end of the
USSR.

The first indication of trouble began in the last two years of
Gorbachev’s period of reform. It was during this period
that Gorbachev received growing opposition to his reform
– an effort to return to Communism, failure of the
Commonwealth of Independent States (CIS), strikes and
even an attempted coup. On December 3, Russia
recognized Ukrainian independence followed later by the
three Baltic republics and Georgia. By mid-December,
Gorbachev recognized that it was impossible to maintain
some kind of union between the various states and he
signed a decree transferring his authority as President and
Commander in Chief of the armed forces to Boris Yeltsin.
The following day, the USSR Supreme Soviet abolished
itself and declared that ‘the Soviet Union no longer
exists’.

Words are not adequate to describe the extent of the chaos
when the government collapsed. Here was a country of
some 11 independent states, originally a little larger than
Canada, the United States and Mexico combined,
suddenly without direction, without infrastructure and
without government. Of course, there were emergency
measures but always the question of authority remained.

Slowly, in each of the following years, improvement has
been made towards attaining an orderly and efficient
government and a sound economic system, but still far
from that goal. The economy has gone through periods of
extreme inflation, scarcities of fuel and other necessities,
loss of life savings by the elderly, inability of government
and many companies to pay their employees, and more.
All of this gave rise to every facet of crime, from petty
theft to super mafia-type gangs and to “under the table”
payment to government officials for fish quotas or other
favors. Foreigners were especially vulnerable because of
the demand for “hard” currency. All of this is so similar
to conditions after the October Revolution in 1917!

In spite of the increasing problems in the political scene,
the catch of fish by the USSR had continued to climb –
7.2 million mt in 1970, 10.0 million mt in 1975, 9.5 million mt in 1980, 10.5 million mt in 1985 and a peak of 11.5 million mt in 1988. Then in 1990 the total catch declined slightly to 10.5 million mt in 1989 and then to 10.1 million mt in 1990. The total catches of all the former USSR states continued to decline from the peak of 11.5 million mt in 1988 to a low of 4.6 mt in 1994.

No doubt, the failure of the fishery was due to the uncertain political and economic conditions but we must remember that the fishing fleet and the fisheries were on borrowed time. The vessels were getting old, there was increasing difficulty in replacing worn out parts and equipment and a general lack of maintenance. When visited in 1990, the shipyards were full of old, inoperable fishing vessels and we received repeated requests for parts, equipment. In addition there were growing restrictions on available fishing areas from the adoption of 200-mile economic zones by the coastal nations in the late 1970's plus some depletion in the available stocks of fish.

The first recognition of fisheries by the Yeltsin Government was on May 5th, 1991 when the Russian Federation declared ownership and control over all natural resources and their economic zones. Fisheries were downgraded from a Ministry to a Committee and the staff reduced to about 10 percent of its former size. Research, for example, which is so important to managing the fishery resources and determining quotas was basically dependent upon the industry for support. However, the industry had little to provide and there were times when the staff only received a monthly check three or four times during the year. Since 1998, the Pacific Institute of Fisheries and Oceanography (TINRO) has been promised but not received a regular appropriation from the government.

The fishing industry was completely privatized by 1994. The only vestiges of the former State operated companies (rybproms) were found in Sovrybfлот (lit. trans. Soviet Fishing Fleet) in Moscow and Dal’ryba (Far East Fisheries). These were formerly the “operating” units of the Ministry of Fisheries, being responsible for fisheries and production, marketing and export of products and the negotiation of contracts and quotas with foreign governments and companies. They now operate like any private company.

At first, the Russian government encouraged the formation of joint ventures with foreign companies with mixed success, again similar to the early years of the USSR. The more common method has been annual contracts for quota between Russian and foreign companies. These quotas have been generally successful but depend upon a surplus fish for quota. As the Russian fishing strength is gradually restored, surplus fish for quota becomes less and less available.

Present management of the fishing industry in the Far East is built around the annual allocation of quotas to individual companies and groups. TINRO determines the size of the resources and submits the recommended catch quota, the companies or groups request quota, received and prioritized by the local government. A Regional Council divides the available quota between the various applicants and submits their recommendations to the Fishery Committee in Moscow for final adjustment and approval. Except for the allocation of quota, the organization of fishery management in Russia is very similar to that for the United States.

Reference: