

# 'We Feed the Nation': Benefits and Challenges of Simultaneous Use of Resident and Long-distance Commuting Labour in Russia's Northern Hydrocarbon Industry

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## Abstract

*Today, the contemporary oil and gas industry in the Russian "Far North" is staffed by a mixture of a local resident workforce and long-distance commute labour. This arrangement furthers the federal geostrategic and demographic aim to keep the sub-arctic north populated, and satisfies the demand of companies to have access to a diverse and qualified labour pool. The exemplars used are the mono-industrial towns Noy Urengoy and the shift-labour camp Yamburg, which draw on the paradigm changes of northern demographic policies and labour force allocation strategies in the Soviet Union and the Russian Federation. The rich hydrocarbon deposits have created interdependency between the Russian Far North and the other regions of the Federation, not only in terms of fiscal equalisation schemes, but also because they are connected by the people who commute for work and who then invest the revenues gained from this work in the north of the country back in their home regions.*

## Introduction

In Russia, long-distance commute labour (LDC) is increasingly becoming a means of meeting the need for skilled labour in emerging and expanding industries, including petrochemicals. This is the result of changes in northern development policy that have prevented the development of new mono-industrial towns and restricted the growth of existing urban agglomerations. This process was initiated in the mid-1980s when, at the Yamburg gas field, an LDC camp with the capacity for hosting 9,000 workers was founded, instead of a new permanent settlement (Andreev *et al.*; 2009, p. 8). This has resulted in the extraction of crude oil and natural gas becoming more cost-efficient since maintaining a fully fledged urban infrastructure is not necessary. Based on a model of the Soviet national economy, Bogudinova (1985, p. 18) determined that there were cost savings of 21% when LDC was used and workers' families remained in south-west Siberian urban agglomerations instead of governments enlarging or building new towns in the circumpolar north. Substantially

higher cost efficiency in production of petrochemicals as well as for the national budget are the core arguments for increasing LDC by economists such as Borisov (2004) and Hill & Gaddy (2003). However, concrete numbers for contemporary cost efficiency are not available (Khaytun, 2011).

According to Martynov and Moskalenko (2008), over one million people in the Russian hydrocarbon industries are involved in LDC; approximately 30% are female employees. However, no exact numbers of the long-distance commuting workforce in the Russian oil and gas industry are available. The lack of statistical data has been noted in expert interviews and is supported by Spies (2009a). Responsibility for labour force management has been handed over from central planning to individual companies who are not obliged to provide numbers to public bodies which handle such statistics. The number of LDC personnel is steadily growing (Spies, 2009b) as available company statistics show (Martynov & Moskalenko, 2008). According to Khaytun (2011) and Martynov (2011), the state's arctic development strategies do apparently not include labour policy issues.

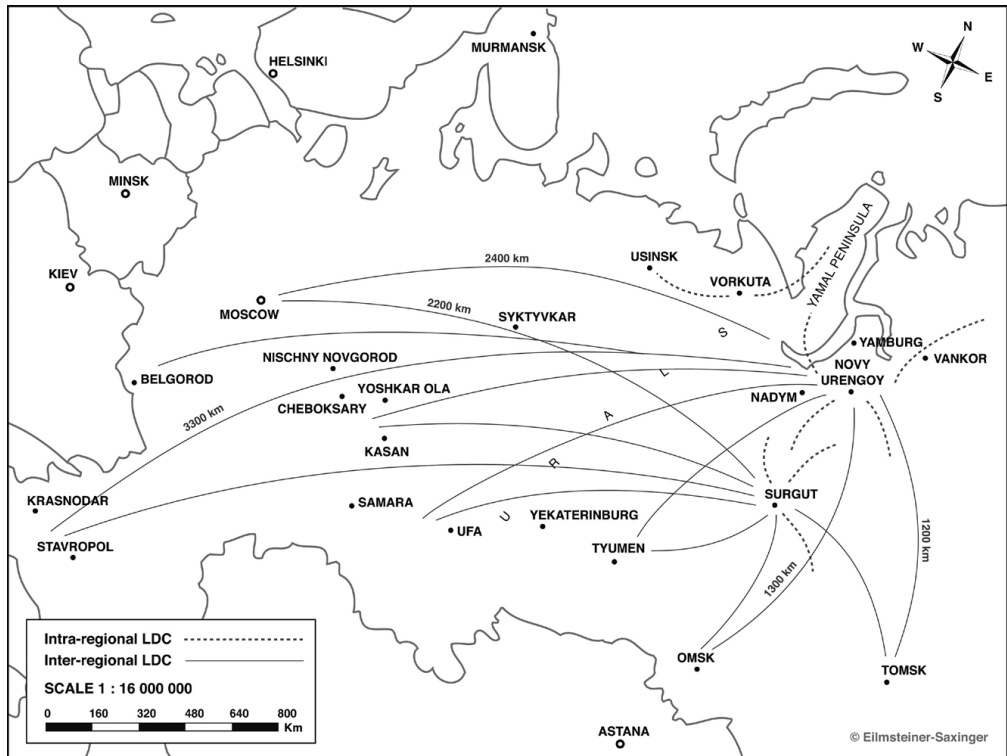
"Vakhtovy metod", as LDC is called in Russian, comprises two systems: intra-regional commuting within the north, and inter-regional commute work that covers the whole set of sending workers to regions outside the north. LDC is generally defined as "living and working in two (or more) different places where a daily return from work is not possible". This implies regular journeying back and forth, alternating a set time of intense shift work with a set recreation period between shifts (Storey 2001; Spies, 2009a). Shift rosters vary across companies and depend on factors such as travel time and distance, the type of transport, the requirements of operation procedure and the workers' professions. Therefore, besides the common roster of 30 days on and 30 days off (30/30), LDC may also work 45/30, 60/30, 7/7 or 14/7 rosters.

In the case of the northern hydrocarbon industries, the inter-regional LDC travel over distances of up to several thousand kilometres from southern and central Russian regions as well as from central Siberia to the Far North and the Far East, such as to Sakhalin Island. Intra-regional LDC are permanent residents of mono-industrial towns situated near the oil and gas fields. For these workers, commute times can last up to a whole day and they cover up to several hundred kilometres. If inter-regional LDC cannot be directly transported to the remote camps from their home regions, they travel by aeroplane or train to the pick-up points in the north (such as Novy Urengoy) where they are then transported together with intra-regional LDC to work sites by bus, helicopter or other special vehicles.

Research into the present-day interplay between LDC and the viability of northern mono-industrial towns and regions is so far incomplete. This paper outlines the nexus of the contemporary co-occurrence of the mobile and resident workforce in the Russian Far North (Stammler-Gossmann, 2007; Heleniak, 2009) under the conditions of a liberalised market economy and the parallel increasing geo-political relevance of the sub-polar regions to the Russian Federation. Furthermore, it shows the relevance of income from LDC in the Russian Far North for the socioeconomic development in disadvantaged regions in central and southern Russia.

The paper draws on two examples of natural gas-related settlements in north-west Siberia. The first is Novy Urengoy, the contemporary centre of Russian natural gas extraction and the point of origin of the gas pipeline corridor to Europe and central Russia, known fondly by its inhabitants as the Russian "gas capital". The town was gradually built up at the Urengoy Oil and Gas Condensate Field during the 1970s, gaining city status in 1980 and boasting today more than 100,000 inhabitants. The second example is Yamburg, the Soviet Union's first large-scale LDC camp, which was founded in the mid 1980s, equipped with airport and railway. It houses 6,000 to 9,000 rotational workers.

**Figure 1: Schematic Travel-routes of LDC in Russia**



Both are located in the Yamal-Nenets Autonomous District (YANAO) where Russia's largest gas-deposits are located (Stern, 2005; Andreev, 2009, p. 8). Novy Urengoy is an exemplary "new town" model (Storey, 2010) which, until the 1980s established the paradigm for allocating a large workforce in remote, non-urbanised and/or geographically and climatically hard to access regions of the Soviet Union. Yamburg indicates a decisive U-turn in Soviet planning of infrastructure for the development of new crude oil and gas as well as gas condensate deposits (Pashin, 2004; Aleshkevich, 2010), representing, in the terminology of Storey (2010), a "no town" model. Both places are interlinked since Novy Urengoy is home to the headquarters of Gazprom Dobycha Yamburg, the enterprise which operates the camp. The city supplies the intra-regional LDC workforce to Gazprom and the numerous

other shareholder and private corporate companies that work at the Yamburg field. Novy Urengoy is a distribution hub for inter-regional LDC labour.

This paper comprises six sections. Following this introduction, it touches on the economical and political relevance of the Far North (henceforth, "north"), with its massive hydrocarbon resources, to the Russian Federation. Thereafter follows an introduction to the development of the deposits and the region. Section four focuses on policies for reshaping the western Siberian energy complex with the intention of meeting the requirements of market economy conditions which arose after the dissolution of the Soviet Union. Section five outlines Novy Urengoy's relevance as an LDC distribution hub for inter-regional LDC workers from all over Russia and new realities faced by the inhabitants of these northern towns due to the gradual disappearance of vestigial privileges (legacies from the Soviet era) and a newly liberalised labour market. The final section discusses the motivations of inter-regional LDC for working in the north as well as the socio-economic relevance of the higher income available in the north for the central and southern regions.

## **Methodology**

The following findings are based on anthropological methods such as participant observation, in-depth interviews with workers and families, and expert interviews with researchers, politicians, administration and company representatives. I spent 11 months in total doing field research in the Volga Federal District, in the Yamal-Nenets Autonomous Okrug (YANAO) and the Khanty-Mansi Autonomous Okrug–Yugra (KMAO). The multi-sited setting of studying home and work regions in the north and south has been literally connected with the mobile method of travelling on commuter trains back and forth. I travelled several times with workers on commuter trains on routes of over 2,000 kilometres or three to five days each way. Since research on Russian LDC is scarce and such research methods have so far not been employed, this paper is of an exploratory nature which aims to provide insight into macro-level conditions on the basis of qualitative micro-level data contextualised with scientific literature, media analysis and statistical data.

## **Global and Domestic Relevance of the Far North**

In 2009 the Russian Federation was the world's largest oil and gas producer and it was the largest gas exporter and the second largest oil exporter after Saudi Arabia (EIA, 2010). In the Soviet Union the extensive exploitation of the mineral resources in the north has been crucial for the industrialisation of the country and crucial also, in ideological terms, for remaining self-sufficient and independent from Western economies (Hill and Gaddy, 2003; Nuykina, 2011). During Vladimir Putin's presidency the resource-rich territories in sub-arctic and arctic Russia regained great strategic attention: firstly, from a national economic point of view; secondly, from the perspective of the country's geo-political power as well as in the context of the claims of the Arctic coastal states on off-shore resources (Rautio & Tykkyläinen, 2008; Wilson Rowe, 2009; Moe & Kryukov, 2010). This intersection of economics and geo-politics involves two main issues that are currently at the core of discussions on the

development of the north: the labour force allocations for the resource bases and the demographic structure. The change of Russia's northern development policy involves resettlement programs of unemployable persons to more temperate zones on the Russian mainland and consequently, the downsizing of so-called non-prospective communities (Füllsack, 2005; Heleniak, 2010; Nuykina, 2011) which were shaped by unviable economic sectors such as coal mining. So-called prospective communities, such as Novy Urengoy or Nadym, an example of a smaller mono-industrial gas-town (population: 46,000 [Rosstat, 2004]) in YANAO, are connected to viable sectors and are aiming at stabilisation, i.e. prevention from further growth (Nuykin, 2010; Pisarenko, 2010). This is in keeping with the current federal demographic political position. A depopulated north is considered to constitute a threat to Russia's geopolitical position (Dugin, 2000). This demographic engineering has also brought about a substantial increase in LDC shift personnel (Füllsack, 2005; Blakkisrud & Honneland, 2006; Spies, 2009a).

### **The Development of the North-west Siberian Oil and Gas Region**

Since the Soviet Union era, labour force allocation in remote and climatically harsh northern regions has been a major issue in the creation of a successful energy sector. The development of the hydrocarbon industry in north-west Siberia started in the 1960s with the foundation of numerous new urban settlements for workers and their families around the large crude oil deposits in KMAO. To date, KMAO (population: 1.4 million, area: 534,800 km<sup>2</sup>) has the highest number of urban mono-industrial agglomerations among all the zones classified as Russian Far North. Nizhnevartovsk and Surgut (populations: 240,000 and 290,000) are the largest towns and there are 14 smaller ones consisting of twenty to sixty thousand people (Byudzhet.ru, 2009). The exploitation of the natural gas deposits at YANAO (population: 507,000; area: 750,300 km<sup>2</sup>) started in the 1970s. The city network has been designed to be substantially smaller than that of KMAO and comprises Noyabrsk and Novy Urengoy, both with over 100,000 inhabitants as well as six more towns consisting of 20,000 to 35,000 people (Rosstat, 2004).

The distances from the urban places of residence to the hydrocarbon fields in YANAO have become so great that daily return is not possible. Moreover, to date many new fields at a substantially greater distance from the towns have been opened up to exploitation and operation. Therefore, intra-regional LDC existed in YANAO from the very beginning of hydrocarbon exploitation, which means that in towns like Novy Urengoy, LDC is regarded as a normal part of life and is not generally considered to be awkward (Focus Group Pravda Severa, 2010). Operating costs for a town under the conditions in the Russian Far North are three to four times higher than in climatically more favourable regions of central Russia, when the same fully fledged infrastructure (including transport links, healthcare, cultural and educational infrastructure, childcare etc.) is provided (Martynov & Moskalenko, 2008; Andreev *et al.*, 2009, p. 104).

Although the main thrust of Soviet planning policy was aimed at increasing population growth via the establishment of new settlements in the North, some

experts voiced concerns regarding the efficiency of, and benefits derived from, the northern extractive industry (Bogudinova, 1985). Their voices have slowly come to the attention of decision makers (Khaytun, 2010). Instead of "new towns", so-called "no town" models (Storey, 2010) were brought forward and they promoted intensive recruitment of specialists and workers from distant regions of the Soviet Union through the utilisation of inter-regional LDC (Gareev, 2009; Khaytun, 2010). Discussions regarding the large-scale employment of a mobile workforce have provoked unease among Communist Party leaders, not only in terms of population stability in the north but also in terms of potential lack of control over the population. Nevertheless, advanced-stage plans for the new permanent settlement in Yamburg were scrapped and instead the Soviet Union's largest commuter camp was established (Pashin, 2004; Marinenko, 2010). The success of this paradigm shift must also be viewed in the light of the imminent plans for Perestroika.

### **Post-Soviet Policies for Reshaping the Far North**

After the dissolution of the Soviet Union in 1991, the restructuring of the hydrocarbon industry under the conditions of a liberalised market economy was initiated. A new socio-economic geography also emerged as a result of President Yeltsin's wide-ranging regionalisation policy (Füllsack, 2005). On the one hand, this left substantial room for the newly established regional state bodies to implement decentralised restructuring strategies. On the other, it brought about a large-scale absence of federal finances for regional and local budgets. In particular, the new municipalities had to take over what previously had been the duty of "city forming enterprises"; i.e. the particular industrial unit that was the basis of a "mono-industrial town".

Privatisation has brought about the outsourcing and sell-off of so-called non-profile branches of city forming enterprises such as communal services, construction units, food and commodity production and stores, which is an on-going, long-term process. The privatisation of the oil industry was characterised by its compartmental nature, since this was the state of the sector in the Soviet Union, even though it was under the roof of one ministry. It had numerous private and semi-private enterprises that largely scattered the oil sector of the Western Siberian Energy Complex (Moe & Kryukov, 2010).

However, the gas sector remained, to a large extent, in the hands of state-loyal and state-owned companies such as Gazprom which has to date a de facto monopoly over extraction and gas transport (Stern, 2005; Moe & Kryukov, 2010). Many mono-industrial regions all over the north faced large-scale out-migration during the 1990s and severe, lasting economic struggles such as can be seen in the coal-mining town Vorkuta or the gold-mining region of Magadan District (Khlinovskaya-Rockhill, 2009; Heleniak, 2010; Nuykina, 2011).

In contrast, mono-industrial towns shaped by oil or gas extraction maintained a comparably stable socio-economic viability. Under these conditions, the gas town Novy Urengoy was in a relatively good position in the early days of the Russian

Federation. However, even Novy Urengoy was faced with vacillating political opinions on whether to substantially downsize the northern cities and subsequently transform them into settlements designed to meet the needs of a high proportion of LDC (Focus Group Pravda Severa, 2010; Nuykin, 2010). This was the approach put forward by proponents of a neoliberal restructuring policy (Hill & Gaddy, 2003). This policy was criticised due to the belief that it would turn the north into purely a place for the extraction of natural resources, at the risk of its disintegration from the rest of Russia, both socio-economically and culturally (Melnikova, 2006).

Large-scale employment of LDC was the subject of prevailing discourse from the mid 1990s onwards, when local budgets were in dire straits and the improvement in efficiency of mineral resource extraction was regarded as essential due to low oil prices at that time. Production costs of natural gas and crude oil in the Russian north, under the conditions of the prevailing framework of Soviet command economy, have been high in comparison to those in other regions that supplied the world market with oil and gas.

Shrinking the north was a leading policy during Yeltsin's presidency. Resettlement programs such as the large-scale Northern Restructuring Project funded by the World Bank, and the numerous contemporary programs for resettlement (Heleniak, 2010; Nuykina, 2011) have their roots in these policies.

The discourse on substantial downsizing northern towns on the part of 1990s federal politicians provoked substantial unease amongst the population as well as regional and local politicians. In Novy Urengoy, such discussions arose during the 1990s and again in the early 2000s. However, these top-down ideas were met with strong resistance from regional and local administrations. People have developed strong social and emotional attachment to places that are perceived as having been built up "by their own hands" just two or three decades earlier. These places have become "home" for the first-comers and their offspring (Bolotova & Stammler, 2010; Stammler, 2010). In the case of Novy Urengoy, the local branches of Gazprom, Urengoy Gazdobycha and Yamburg Gazdobycha (in 2008 renamed Gazprom Dobycha Urengoy and Gazprom Dobycha Yamburg, respectively) became partners in the regions' and municipalities' efforts to develop a viable town with socio-economic prospects (Nuykin, 2010).

Commitment for keeping the north populated came when Vladimir Putin took over the presidency in 2000. This gained momentum in particular at the Presidium of the State Council of the Russian Federation held in the regional capital Salekhard in 2004, when Putin met with company representatives, regional and local politicians and administration. Today, there are agreements between regions, municipality and key companies (as in the case of Novy Urengoy or its neighbouring town Nadym), which comprise a commitment on the part of the city-forming companies to show preference towards the local workforce when two candidates have equal qualifications and experience (Kramar, 2010; Nuykin, 2010; Zacharov, 2010). However, on the basis of available data this cannot be generalised for other northern resource-rich regions.

## Living, Working and Travelling in Novy Urengoy

Today, the northern oil and gas industry is staffed by both a local resident workforce with a substantial number of intra-regional LDC, and by inter-regional commuting workers. Additional to traditional fields such as Yamburg and Tazovsky, Novy Urengoy provides the workforce for new deposits ranging over a wide area including the Yamal Peninsula or the Krasnojarsky Kray. Novy Urengoy is one of YANAO's main distribution hubs for LDC. The city has a favourable location on the north-west Siberian transport network with an airport, railroad and the Novy Urengoy–Surgut highway connecting the region to the Russian mainland as well as to central Siberia. In addition to resource extraction, Novy Urengoy is aiming to diversify its economy and runs programs to develop other innovative fields of technology and economy (Nuykin, 2010). The city seems to have the potential to develop new target groups, such as the inter-regional LDC, for small and medium-size enterprises in the service sector. A substantial number stay in the city on the way to and back from work sites for one or more days and are willing to spend a substantial amount of their disposable income on entertainment, recreation and gifts for families back home. Interestingly, so far they are neither being targeted by advertisers nor present in the public discourse of economic diversification (Eilmsteiner-Saxinger, 2010b). As municipal representatives stated, this group of people is currently not (yet) considered to be a relevant economic factor. The reason for neglect of inter-regional LDC in public and political discourse might be founded in prevailing reservations towards incoming LDC due to perceived competition among local workers. However, this is only speculation on the part of the author on the basis of unofficial discussions.

No exact numbers of how many inter-regional LDC pass through Novy Urengoy are available. The municipality does not commission any statistical assessments (Zychova, 2010), nor are companies obliged to provide numbers of their inter- or intra-regional LDC to city administrations (Miroshnichenko, 2010). Since this basic data does not exist, making an accurate estimate of the positive and negative impacts of inter-regional LDC passing through the town is problematic.

Ongoing outsourcing of non-profile units from state enterprises adversely affects the whole region and therefore both the resident as well as the intra-regional LDC of Novy Urengoy. This process also directly influences working conditions. Novy Urengoy, for example, was hit just two years ago by the privatisation of a road constructing unit of a former state enterprise. Several thousand people have been affected, either directly as workers or indirectly as family members. People were made redundant or offered new employment under current labour market conditions. This brought about a substantial loss of income as well as new arrangements of corporate pensions and corporate health care. Older employees who were just a few years off retirement outlined the set of problems: the golden handshakes offered were not sufficient to relocate to southern regions of Russia or to bridge the gap between being hired again.

Far-reaching social transfers and benefits as a Soviet legacy are today primarily provided only by large corporations, particularly those with a large number of state shares. In general, efforts at cost reduction have provoked differences even among



workers in the same company and in the same professions. Interview partners who started their working lives during the Soviet period reported that many had successfully transferred benefits to the new contracts after restructure or privatisation – unlike those who had only joined the same companies in the last two decades.

Wages in these regions have traditionally been weighted to compensate for the area's inhospitable climate and high cost of living (Wengle & Rasell, 2008). The reform of the social welfare system during Putin's presidency meant that in-kind benefits were reduced, abandoned or monetised (Wengle & Rasell, 2008). Furthermore, prices for communal services as well as gas prices for households have gradually increased in the last few years. These substantial changes in the last few decades have brought about a vast increase in complaints among residents of the north.

### **The Relevance of LDC for Other Russian Regions**

To a great extent, companies (a large number of which are subcontractors commissioned on the basis of tenders by the large corporate companies) are today employing inter-regional LDC (Martynov & Moskalenko, 2008). There are various reasons, including the availability of highly qualified labour from a wide pool of workers from all over Russia. One key argument is cost efficiency from avoiding certain "northern benefits" (NB). These additional payments are compensation for working under harsh climatic conditions and based on variable coefficients according to employment length in the north. In contrast to resident LDC, who receive NB during the period between shifts, inter-regional LDC are entitled to NB only during the actual stay in the north (Borisov, 2004; Kozlinskaya, 2009).

Furthermore, inter-regional blue collar LDC workers are more likely to be satisfied with lower salaries and challenging working conditions. This finding is based on numerous interviews by the author with inter-regional LDC who clearly state that their alternative would be remaining without a job in the home region. The reason for committing to deteriorating conditions is primarily the fact that income average at the home regions in central Russia is likely to be minimum three times lower than in the north. However, the purchasing power of inter-regional LDC is higher than in comparison to intra-regional LDC employees who indeed earn more but face significantly higher prices for everyday commodities in the north. Many LDC-sending regions such as the Volga Federal District still struggle with severe socio-economic problems, low salaries and high unemployment rates. Data from the Federal State Statistic Service (Rosstat, 2010, p. 163) support the statements above (numbers as of 2009; currency-conversion as of May 2011): average income in KMAO and YANAO: €958 and €1,160 compared to €349 the Volga Federal District; average consumer expenditures in KMAO and YANAO: €478 and €518 compared to €248 in the Volga Federal District.

LDC became an important factor in the local and regional economy in LDC home regions. For example, compared to people earning their living locally, LDC households have discretionary surplus of income to spend on real estate, tourism and

university education for children. Higher vertical social mobility and prestige was observed by the author among LDC households in sending regions.

Being constantly absent from and then present at home for rather long periods is not necessarily perceived negatively by workers in terms of individual or the family's quality of life. Although this lifestyle differs from the mainstream, it has become the norm for many workers and their families as well as for the sending communities in the last few decades (Eilmsteiner-Saxinger, 2010a). This view is supported by studies in other regions (Heiler *et al.*, 2000). The so-called "fly-over effect" (Storey, 2001) of salaries, which is usually problematic in other peripheral regions of the world, appears, in the case of Russia, to be beneficial and necessary for the socio-economic regional integration of the country.

## **Working Conditions**

As in other northern Russian regions of resource extraction, also in YANAO, the fragmented nature of large enterprises and medium-sized subcontracting companies is characterised by variable and increasingly degraded working conditions. This is illustrated by the following examples. Aleksey (anonymous) has commuted for the last 15 years to Yamburg. His income is nine times higher than that of the average at home. The employer pays for the flights. The journey takes him a day. In contrast, Yuri (anonymous) from Belgorod works for a privatised subsidiary of a former state company. For eleven years prior to privatisation, he commuted by aeroplane at the company's expense. Since privatisation he has to cover travel expenses himself. Therefore he travels by train: the journey takes about three days one way, but the price is only a fraction of the cost of a plane ticket. Despite all the hardship and degradation of his working conditions, he remains a commuter. In the end, he and his colleagues had no choice; they could either leave the company or agree to the debased working conditions. "Others are already waiting for your job," he stated (Eilmsteiner-Saxinger, 2010a). Labour conditions also vary throughout the companies in terms of security and safety standards as well as accommodation and provision of food and other services in the LDC camps.

The widespread sub-contracting system and subsequent fragmentation of the labour market has also frequently led to the bypassing of labour rights. Still, the municipalities have institutions to control the fulfilment of the legal requirements and sanitary standards in the LDC camps (Miroshnichenko, 2010). The state monopolist Gazprom has a foremost position in steering the extensive use of the LDC system. Gazprom Dobycha Yamburg, employing more than 10,000 LDC, has developed a comprehensive handbook for a standardised LDC management system (Andreev *et al.*, 2009). This system is based on long-term research in the company. Methodologies for studying the effects of LDC in social, health, psychological and economic terms have been tested over the decades and methods for adaptation and recruitment of staff developed (Ananenkov, 2005). Efforts are underway to introduce these LDC management standards into the Russian labour code in the years to come (Kramar, 2010).

## Conclusion

This research has shown that having both a mobile and resident workforce in the Russian Far North benefits all stakeholders. Keeping this in mind, crucial problems of northern resident workforce as well as of the inter-regional LDC must be addressed.

First, ongoing restructuring of the industry under liberalised market conditions leads to a scattered landscape of employers as part of a large subcontracting system. Companies involved on lower scales of the subcontracting system may easily bypass labour laws and collective contracts. So far, this problem is known by officials but controls are not yet sufficient. This brings about dissatisfaction among workers.

Second, due to high unemployment in central and southern Russian regions and substantially higher income than at home, inter-regional LDC more likely agree on salaries lower than the northern average as well as to challenging working conditions. This in turn provokes unease among northern workers who experience competition on the labour market and fear being replaced over the long run by inter-regional LDC. The latter is more imagined than real. Large employers committed to northern administrations hiring local labour in the given equal qualification with inter-regional LDC. Keeping dynamics in the petroleum market and rapid changes in the industry in mind, a long-term prognosis on cooperation between industry and regional bodies cannot be made.

Nevertheless, the simultaneous use of resident and inter-regional LDC labour appears to be beneficial for all involved stakeholders as well as for the national inter-regional distribution of gains from the resource rich north – aside from fiscal equalisation schemes.

First, the Russian state aims to keep the north long-term populated for geo-political reasons. This goal appears to be realistic on the long run in the northern crude oil and natural gas extracting and producing towns. Second, these towns play an essential role for companies in providing highly qualified and experienced labour. Furthermore, the communities are adequately adapted to the circumpolar climate as well as to the mobile lifestyle of intra-regional LDC. Therefore, in the beginning of the 21st century "gas towns" such as Novy Urengoy or Nadym are considered as socio-economically viable and can stabilise in size.

Third, northern towns used as distribution hubs for inter-regional LDC benefit from local spending during days of stop-over on the way to and back from extraction sites. Fourth, households of inter-regional LDC benefit from high labour demand of industries in the circumpolar north. Fifth, this provides to the socio-economically disadvantaged central and southern regions of Russia an indispensable opportunity for development through investment of salaries from LDC into services, consumer goods and real estate. Furthermore, job opportunities in the north relieve the strained labour market in central and southern home regions of inter-regional LDC.

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## Expert interviews

- Focus group Pravda Severa: Interview in Novy Urengoy with editorial staff of the weekly newspaper Pravda Severa by the author in October 2010
- Gareev, E.: Professor and dean of the Humanitarian Faculty at the Ufa State Petroleum University; interview in Ufa by the author in November 2009

- Khaytun, A.: Professor at the Centre for energy policy with the Institute of Europe at the Russian Academy of Sciences; interview in Moscow by the author together with E. Aleshkevich\* in September 2010 (\*colleague in the research project Lives on the Move, University of Vienna).
- Khaytun, A.: Professor at the Centre for energy policy with the Institute of Europe at the Russian Academy of Sciences; interview in Moscow by E. Nuykina\* in May 2011 (\*colleague in the research project Lives on the Move, University of Vienna).
- Kramar, V.: Deputy director general for personnel and social development, OOO Gasprom Dobycha Yamburg; interview in Novy Urengoy by the author together with E. Aleshkevich in October 2010.
- Marinenko, E.: curator with the Historical Museum OOO Gasprom Dobycha Yamburg; interview in Yamburg by the author in October 2010
- Martynov, V. Rector of the Gubkin Russian State University of Oil and Gas, Moscow; interview in Moscow by E. Nuykina\* in May 2011 (\*in the framework of the research project Lives on the Move, University of Vienna).
- Miroshnichenko, E.: Head of the department for labour issues of the city administration of Novy Urengoy; interview in Novy Urengoy by the author in October 2010.
- Nuykin, V.: Vice mayor of the city of Novy Urengoy for innovation and development; interview in Novy Urengoy by the author together with E. Aleshkevich in October 2010.
- Pisarenko, A.: Head of the department for social development, OOO Gazprom Dobycha Nadym; interview in Nadym by the author together with E. Aleshkevich in October 2010.
- Zychova, V.: Head of the department for economics and investment policy of the city administration of Novy Urengoy; interview in Novy Urengoy by the author in October 2010.
- Zacharov, L. Head of the Nadym District; interview in Nadym by the author together with E. Aleshkevich in October 2010.