

3 Economic and social status of target communities

3-1 Socio-economic status of the Settlement of Sita

3-1-1 Brief history and general economic and geographic characteristics

The first settlement appeared on the territory of the municipal formation in 1909 and was named Vesolyiy Kut. In 1930, construction of the settlement of Sita was launched, and the Sita rural council (territorial unit of the former USSR) was established and headed by a Chairman of the Executive Committee. In 1935, the Sitinskiy rural council was included in the structure of Lazo raion.

Currently, the Sita rural municipal formation (RMF) consists of the settlements of Sita, Tridtsat Chetvertiy Kilometr, Zmeyka, and Shapovalovka. In 1991, territorial limits on these settlements were approved by a decision of the former Executive Committee of the *raion* Council of People's Deputies. The limits stipulate a land plot with a total area of 3,381 ha, out of that 3,033 ha are in the boundaries of settlement, and the remaining 348 ha are hayfields. The settlement of Sita is the largest. Population figures for the entire Sita RMF totaled 2,240 persons by December 1, 2001; of the total, Sita has 2,150 people, the settlement of Tridtsat Chetvertiy Kilometr has sixty-five, the settlement of Zmeyka has fifteen, the village of Shapovalovka has ten.

The distance from Tridtsat Chetvertiy Kilometr to Sita is twelve km and from Zmeyka and Shapovalovka to Sita the distance is eighteen km. The distance from Sita to the *raion* center is forty km, and to Khabarovsk city – sixty-nine km.

3-1-2 Structure of administrative organs

In December 1998, the Sita Rural Council of Deputies issued the Charter of the Sita RMF in accordance with the federal law “On general principles for local self-government organization in the Russian Federation” (1995). The Charter was approved by the Legislative Duma of Khabarovskiy krai in April 2000. According to the Charter, organs of local self-government of municipal formations include:

- Elected representative body – Council of Deputies;
- Executive organ – rural administration;
- Elected official – Head of the Municipal Formation.

The Council of Deputies includes five deputies elected for 4-year terms, and the Head of Municipal Formation who is also elected for four years. The latter is a full-time job. The last elections of municipal formation heads took place in Lazo raion in December 2001.

According to the Charter, exclusive authority of the Council of Deputies is as follows:

1. Adoption of public rules on the following issues of local self-government:

- Adoption of RMF Charter and ensuring it is observed;
- Owning, use and disposal of RMF property;
- Formation, approval and execution of the RMF budget, establishment of local taxes and dues;
- Social and economic development of the RMF;
- Maintenance and use of the municipal housing fund;
- Support for the organization and maintenance of schools, preschools, rural hospitals;
- Maintaining public order;
- Control of land use on the territory of the RMF;
- Regulation of water bodies of local significance;
- Support for the organization and maintenance of *raion* energy, gas, heat, water supply, and sewage;
- Support for construction of *raion* roads and maintenance of roads of local significance;
- Organization of fuel supply for the population and municipal enterprises;
- Population supply with communication services, trade, public catering, everyday services;
- Provision of social support and employment assistance;
- Participation (control) in environment protection of the territory of RMF;
- Provision of fire safety on the territory of RMF;

2. Approval of the local budget and reporting on its implementation.
3. Approval of plans and programs of RMF development.
4. Introduction of draft laws to the Legislative Duma of Khabarovskiy krai.
5. Monitoring of rural administration activities.

The Council of Deputies is a legal entity. The Head of a municipal formation is the Chairman of the Council of deputies, the Head reports to the Council and to the general public. According to the Charter, the Head has the following duties:

- Executes direction of the municipal formation administration, he makes decisions and commands of administration;
- Represents organs of local self-government in matters relating to the general public, labor staff, *raion* organs of the local self-government and organs of the state authority of the *krai*
- Annually submits the budget and a report on its implementation for approval by the Council of Deputies;
- Commands finance in the course of local budget execution;
- Manages administrative activity on execution of individual warrants by state executive organs that are transferred to the Head by federal and *krai* laws.

In reality, rights and decrees of the local self-government territorial organs are declarative, because financing of local self-government organs is not secured by legislative deeds. In such situations RMF organs are unable to solve independently the goals set for them. In fact, deputies act as referees in settlements, receive complaints from the population, and direct them to the *raion* administration. The RMF Head acts as an arbitrator between the population and the *raion* administration: he informs *raion* authorities about the problems, which originate at the RMF, with the purpose of receiving monetary or material means from the *raion* budget to solve them. The RMF Head partially solves small organizational issues on a voluntary basis.

On the opinion of Sita RMF Head, a municipal formation can exist, at a minimum, on the level as a *raion*, which has for those purposes the financial means for regulating the economic and social situation on *raion* territory. A variant is possible, at which the settlements would have administrations, assigned by a *raion* Head. Herewith, right of citizens for execution of local self-government won't be violated, because the *raion* Head, who is regulating financial flows, remains an elected person.

3-1-3 Budget of the Rural Municipal Formation

The budget system of local self-government organs existing in Lazo raion do not presuppose the availability of individual budgets of the RMF. Financing the social needs of settlements and village residents comes directly from the *raion* budget and then to territorial organs of local self-government. Corresponding departments of the *raion* administration plan the expenses of individual sectors within social services for each RMF in the *raion*. The Head of the RMF submits to the *raion* an additional list of problems originating in the settlement life and requiring financial support.

Table 3.1 documents actual profits and expenses of Sita settlement in 2000. This calculation of profits and expenses is prepared by the financial department of the *raion* administration on the basis of data submitted by departments of the *raion* administration. In reality such a document as the budget of Sita RMF doesn't exist; it is compiled and approved by an organ of representative authorities and being compulsory for implementation, as is stated in the RMF Charter.

Table 3.1. The budget structure of the Sita rural municipal formation, 2000.

Budget item	Amount, thousand rubles
<i>Budget revenues</i>	
Receipts from local taxes	95.2
including:	
- property tax	11.1
- land taxation of individuals	0.6
- housing-communal services tax (payment for day-care heating and so on)	79.8
- government duty (at registration of various documents)	3.7
Non-tax revenues (payment for land lease by individuals)	2.4
Total internal revenues	97.6
Receipts from the financial department of the <i>raion</i> administration	627.4
<i>Total revenues</i>	<i>725.0</i>
<i>Budget expenditures</i>	
Administrators	194.8
including:	
- salary	169.7
- communal services	33.1
Education (day-care maintenance)	356.5
including:	
- salary	25.4
- children feeding	53.6
- communal services	48.5
Territory provision with all amenities	162.0
including:	
- road maintenance	132.3
- fixing fences, payment of 50 percent discount for fuel to a certain category of the population (war participants, disabled)	26.6
<i>Total expenditures</i>	<i>721.3</i>
<i>Budget balance</i>	<i>+ 3.7</i>

Source: Head of Sita RMF, 2001.

In accordance with clause 56 of the Khabarovskiy krai Budget Code (1999) revenues of local budgets could be transferred to the budgets of lower levels using rates determined by normative legal deeds of the local self-government organs. In fact the financial department of the *raion* administration calculates, based on the collected amount of local taxes in the *raion*, what portion of the tax revenues each RMF of the *raion* shall receive. Table 3.1 shows the amount of local taxes from the *raion* budget (property tax, land taxation of individuals, housing-communal tax), which was assigned by the *raion* administration as the share for the Sita RMF.

Expenditures are mainly connected with administrators' salaries, maintenance of day care, road maintenance in the settlement, and purchase of fuel for the privileged category of the population. As long as the RMF has no bank account of its own, payment for services is done so at the *raion* level. This means that the RMF Head has no financial opportunity to regulate the quality and terms of services allocation and works executed in the settlement.

The RMF Head has two insignificant sources of cash receipt: payment for land lease from entrepreneurs who have small kiosks in the settlement, and also payment for notary services, provided to the population by a

self-government organ (marriage registration, birth and death cases and so on). This money is used to assist the settlement population and infrastructure where necessary. Hence the budget of Sita RMF is 97 percent subsidized.

3-1-4 Social situation

By 2000, the population of Sita RMF had decreased by 31.2 percent when compared to 1990 (see Table 3.2)

Reasons for the sharp population decline could be regarded as follows:

- Economic – decrease in industrial production, absence of jobs;
- Housing-communal – dilapidated houses, lack of construction of new houses, lack of communal services in most of the houses, shortage of fuel for heating, limited opportunities to reach the *raion* center by municipal transport;
- Demographic – young people leave the settlement looking for a better life, the death rate exceeds birth rate.

Over last three years population numbers started to increase insignificantly due migration from Khabarovsk city. Mostly of these are unsuccessful families, who were in debt for their apartments in Khabarovsk and had to sell them and buy much cheaper houses in settlements. In most cases, these families are not adapted to live in rural areas and they live mostly below the poverty line.

In 1990, the numbers of those employed on the territory of Sita RMF totaled 1094; in 1995 the total was 646 and in 2001 the total was 633 or 42.1 percent less than in 1990. Share of employed population makes up 59.2 percent of ‘able-bodied’ population, and number of them totaled 1069 (without children and retired). One-third of those employed work in military bases or logging operations, both on the *raion* territory and outside its limits by rotation shifts. The rest work at enterprises and organizations in Sita. A small number work outside the *raion*.

The number of unemployed is 466; 86 of them, including 62 women, are currently registered at the employment center. The rest of the unemployed, disappointed at the prospects of finding a decent paying job, prefer make money by the harvest and trade of wild plants, making brooms, and other such endeavors.

Table 3.2. Structure and natural fluctuation of the population in Sita RMF, persons.

Indexes	1990	1995	2001
Population	3258	2396	2240
including:			
- adult population	2461	1830	1847
- children (0 to 14 years)	689	566	393
Structure:			
women	n/a	1191	1159
including:			
- 0 to 14 years	n/a	268	205
- 15 to 55 years	n/a	509	553
- 56 years-old and more	n/a	414	401
men	n/a	1205	1081
including:			
- 0 to 14 years	n/a	298	188
- 15 to 60 years	n/a	554	516
- 60 years-old and more	n/a	353	377
Birth rate	46	15	20
Death rate	42	52	63

Source: Head of Sita RMF, 2001.

Table 3.3. Number of people having special privileges in Sita RMF.

Category	Persons
Large families	44
Rehabilitated (victims of Stalin repressions)	113
Disabled	124
Widows of World War II servicemen	28
World War II veterans	27
Retired persons	257
<i>Total</i>	<i>593</i>

Source: Head of Sita RMF, 2001.

Number of pensioners on age makes up 749 persons. The average pensioner in Sita RMF received 980 rubles in 2001 and 693 rubles in 2000.

Significant portion of the population (593 persons, 26.5%) has various types of privileges (Table 3.3).

This category of the population gets social pensions, various monetary allowances, has privileges for purchasing fuel, medication, and payment for communal services. Funds to cover these expenses are allocated from krai and federal budgets. A children's allowance is paid for 270 children.

A telephone center and a post office are located on the territory of Sita settlement. The latter supplies people with mail, printed periodicals, pension checks, children's allowances and executes other social payments. The communication point services 150 private telephones and 35 telephones for various enterprises and organizations. The Tridtsat Chetvertiy Kilometr settlement and Shapovalovka village have no communication facilities and there is no way to call for ambulance or a fire brigade.

There is a middle school and a day-care center in Sita settlement. Number of school children totaled 265 in 2001, which is 117 children less than in 1990. Twenty-one teachers work at the school. The average salary of a teacher is 2,000 rubles per month. In 2001 only 30 kids went to day-care, while in 1990 150 did so. Numbers of the day-care personnel is 14, and the average monthly salary is 1,260 rubles.

The Sita settlement has a House of culture and a library. The number of books stock of the library totaled 18,055, number of registered readers – 900 persons.

There is also a district hospital in Sita, with 20 beds (some years ago there were 40); five of these beds are for children, fifteen are for therapeutic. There is a special ward with four beds for World War II veterans. The number of physicians, with average level medicinal and servicing personal make up 32 people, and the average salary is 1,000 rubles per month. In recent years, it has been the practice to admit about ten children from poor families, without revealed diseases, just with the purpose to nourish them. Above the hospital there are two drug stores in the settlement: municipal and a private one.

On the territory of Sita settlement there are located 10 boilers. Previously, when enterprises were operating, they maintained the boilers and the heating system was reasonable. Currently such a number of boilers are unnecessary. That is why local authorities had to accept all the boilers to municipal property. It is difficult to supply boilers with fuel, both from the financial and organizational point of view. However, reconstruction of the heating system and joining the boilers into a single system to optimize fuel consumption requires a large amount of capital investment, which is unavailable in the *raion* budget.

Fuel demand for population totals about 3,000 cu. m of timber. As wood harvesting is not carried out close to the Sita settlement, fuel wood is brought from the Sukpai settlement. The cost of shipping fuel wood on the railway from Sukpai settlement is about 500 rubles per cu. m; this makes fuel wood cost prohibitive for most of the population. This problem needs to be solved in some way. Organizations and enterprises try to supply fuel for their workers living in Sita settlement. For example, Oborskiy leskhoz supplies firewood not only for its own staff but also for retired former workers. The *raion* management of the housing-communal services supplies, when

possible, coal to the people working in the sphere of education, health care and culture in Sita. The Sita RMF administration supplies fuel wood for residents with special privileges.

There is a bus route between Sita and *raion* and *krai* centers. Twice a week the bus goes from Sita to Khabarovsk and back; some years ago there was a route from Sita to Pereyaslavka. Now it is possible to get to Pereyaslavka only by passing buses from Durmin and Mukhen. Quite often, specifically in the period of wild plant harvesting, the buses are crowded and do not stop in Sita. This causes communication problems for Sita residents trying to get to the *raion* center. It is impossible to restore the bus route from Sita to Pereyaslavka because of a shortage of buses. In the other settlements (Tridtsat Chetvertiy Kilometr, Zmeyka, and Shapovalovka) there is no regular transport service.

The Sita settlement population gets free water from public wells and water pumps. As a result there are no funds for their maintenance. Some water pumps are not operating, because electric pumps are not available. In those places, where residents have to struggle with fixing and maintenance of the wells, meeting sanitation norms is the last the requirement. The settlement administration provides possible monetary support in such cases. Many people have their own water pumps and are not willing to participate in maintenance of the public ones. The settlements of Tridtsat Chetvertiy Kilometr and Shapovalovka have one well each.

Electric energy supply is provided by the centralized system, "Khabenergo." Many families have not paid for their electricity for years. Electrical energy is practically being stolen. In wintertime the settlement Sita consumes as much electric energy as it did 15 years ago, when production was active and maintenance shops, sawmills and cranes were operating. This means that many residents heat their houses by electric appliances and do not pay for that use.

Social activity of the settlement residents is observed as establishment of various public, religious organizations and parties. A local organization, the "Church of Evangelist Christians-Baptists" has been active in Sita for a long time. Parishioners total 30 people. Their activities are favorable because they take care of the elders, involve young people, and teach good morals. The All-Russian Society of disabled people branch was officially opened in Sita; it has 108 members. A lower section of the Russian Federation Communist party is functioning in the settlement. Their activity has decreased recently and only arises when speeches are made at meetings.

Quite active in the public life of the settlement is the Council of Veterans. It regularly submits proposals to the Council of Deputies regarding planning of activities, applies to the *raion* administration with proposals, and works with the population.

3-1-5 Economic situation

The best years of the Sita RMF were when the forest industry was flourishing in the *raion*, when Oborskiy *lespromkhoz* administration was located in Sita settlement and 70 percent of the population worked for that *lespromkhoz*. The *lespromkhoz* went bankrupt and was completely liquidated in 1999 because of resource base exhaustion and of economic problems associated with the transition period.

The second core enterprise was the Oborskiy railway, which belonged to Dallesprom, and served the timber enterprises. Due to decreasing harvest volumes and the closure of timber harvesting enterprises, the railway enterprise also went bankrupt. Established in its place, the municipal railway enterprise (Oborskiy) now suffers great financial and technical difficulties. Its indebtedness to the Far Eastern railway totaled 1.9 million rubles. The deterioration rate of the railway track is 100 percent and reconstruction demands large investment. It is practically impossible to find such a large investor, because it is hardly possible to pay back the investments only by timber deliveries. There exists a feeble hope for development of the Mukhenskiy coal deposit. If it is developed, then possibly the Far Eastern railway will assist the Oborskiy railway branch. At the moment, the possibility that the railway "Oborskoe" enterprise will go bankrupt is very high.

Enterprises and organizations, located on the territory of Sita settlement are shown in Table 3.4. All of them are registered on the territory of Lazo *raion*.

Table 3.4. Enterprises and organizations, located in Sita settlement.

Enterprise	Type of activity	Number employed	Average wage, rubles/month
Municipal enterprise of the housing-communal service "Oborskiy"	Communal services	39	1572
Oborskiy leskhoz, including, Oborskoye lesnichestvo	Forest management	32	1960
Sita unit of the municipal enterprise "Raion electric lines"	Maintenance of electric lines	10	1800
Municipal enterprise "Obortorg"	Supply of foodstuffs to those in settlements along Oborskiy Railway	48	1700
Municipal railway enterprise "Oborskoe"	Maintenance of rail way movement on Oborskiy branch	68	1784
Production-construction cooperative "Progress"	Timber processing	30	1500
"Iskra"	Woodworking, is being liquidated at the moment	19 (guarding)	2500

Source: Head of Sita RMF, 2001.

The most stable enterprise is believed to be the production-constructional cooperative "Progress," which engages in timber harvesting and processing (mainly ash and oak). Logging operations are carried out on a leased plot in Khorskiy leskhoz. In Sita settlement there is an established branch of the processing enterprise with one sawmill on the basis of former maintenance-mechanical shop of Oborskiy lespromkhoz. Initially the branch was established as a joint venture with Chinese company "Dzyafen," using Chinese equipment and Chinese specialists. Currently it is the property of "Progress." Approximate volume of timber processing by the branch is 2,000 cu. m per year. Production is shipped mainly to China. A portion of the products goes to the local market, however demand is not stable.

In addition to enterprises and organizations, there are private entrepreneurs in Sita settlement, including five kiosk owners, one person who runs a drug store, and one runs a bakery. Entrepreneurs employ a total of six people, who have an average monthly salary of 1,500 rubles. In settlements of Tridtsat Chetvertiy Kilometr, Zmeyka and Shapovalovka there is no production or commercial activities.

Close to Sita there are two more organizations, which also provide jobs for the settlement's residents. The first is Sita road-constructional unit, maintaining the roads of federal significance. It employs 33 persons with an average monthly wage of 2,800 rubles. The other enterprise is named "Base 44 of the Far Eastern Railroad," it reports to the service of logistics provision of the Far Eastern railway and employs 16 people with an average wage of 3,300 rubles.

Thus, all the enterprises, organizations and private entrepreneurs provide jobs for 271 persons. In addition to providing jobs and land lease payments, the enterprises and organizations help the settlement life: they provide machinery and materials for the population and administration, provide financial support for organizing festivals. The "Progress" enterprise supplies firewood for residents who have special privileges.

3-1-6 Local consumption of forest resources

Beginning from 1997, Khabarovskiy krai "Decree on the order of small sales of standing timber," approved by the decision of the krai administration Head dated 13 August 1997 # 364, has become effective. According to the

decree, small sales of standing timber is allocated to the local population, day-care centers, schools, hospitals and other budget organizations for personal and public needs to meet local demands in timber for construction, maintenance and heating of living, production and business facilities.

The amount of timber consumed for municipal needs is insignificant; Oborskiy leskhoz allocated to Sita RMF 200 cu. m for these needs in 2000 and 800 cu. m in 2001. Mostly of this is for firewood harvested by the general public independently and issued in the *leskhoz* via the settlement administration orders for specific volumes of wood. In 2001, the population harvested 300 cu. m for firewood and 200 cu. m of industrial timber to maintain houses. A portion of the industrial timber was used for 90 posts to put up power lines in the settlements. But in most cases the industrial timber is not used for such purposes but is traded.

It is required to pay forest dues for the harvested wood, though in reduced amounts. Such forest dues in 2000 were 11.5 rubles per cu. m, and 16.3 rubles per cu. m in 2001. Sometimes people do not want to pay forest dues and illegally cut trees around the settlements.

The employment outlook for the forest sector is not that good from the point of view of the local population. There are two main ways for Sita residents to get jobs. First, to try to get a job in Oborskiy leskhoz, but the staff in this organization is stable and there are almost never openings. Second, to get a job in logging enterprises “Rimbunan Hijau” or “Ros-DV,” located in Sukpai settlement. However, many do not want to do this because of remoteness of jobs, shifting method of employment, and strict conditions of the labor contracts.

The participation of settlement population in forest guarding is minimal. Mainly residents of the settlement, who are staff of Oborskiy leskhoz or Oborskoe lesnichestvo do this work. It appears that because the forests are not included into the territory of the municipal formation, the residents are involved in guarding forests only in extreme situations. For example, staffs of enterprises and organizations become involved in forest fire control, when the fires threaten the settlements.

In terms of illegal logging operations, the population doesn't encourage them but tries not to notice, considering the difficult situation with firewood and low material level of those who illegally harvest firewood. Hence only official organs, i.e., the *lesnichestvo* with the involvement of police and the settlement administration, address this issue. The Oborskiy leskhoz together with the settlement administration try to educate the residents that destruction of the forests (whether it be fire or illegal logging), people would lose their livelihood.

3-2 Social-economic situation in Sukpai Municipal Formation

3-2- General economic-geographic characteristics and brief history

Sukpai settlement is located at the confluence of the Khor and Sukpai rivers in the northeast of Lazo raion. It is the final station of the Obor railway and is 172 km from the *raion* center. In addition, unpaved logging roads connect Sukpai with the western side of the *raion*. The total area of Sukpai RMF is 763 ha, including just 24 ha of ploughed fields or 0.01 ha. in per capita terms. The settlement is located at foothills of the Sikhote-Alin mountains, the soil and climatic conditions are not suitable for large-scale agriculture. Therefore, the traditional type of activity is logging and wood processing.

The history of Sukpai settlement is a history of a logging community located close to developed forest tracks. The ability of living of such settlement depends on the riches of forest resources base, the length of its development and situation of timber market.

The settlement consists of two parts – an old one situated on the right bank of the Khor river, and a newer one located on the left bank of Sukpai river. The old part of the settlement – “lower” settlement – originated in the early 1970s. During that period, rapid development of forest industry demanded the opening up of new territories. Late in the 1960s, the forest resources in Oborskiy leskhoz were practically exhausted, except for remote inaccessible areas. In 1972, Sukpaiskiy leskhoz was established and the office was built near the mouth of Sukpai river for convenience of remote forest plot management. The settlement of Sukpai was originated initially as a timber harvest unit of Oborskiy lespromkhoz. The settlement got its name in 1975 by the decision of the *raion*

Council of Workers' Deputies. In 1976, the territory of the Sukpai Rural Council was released from the structure of the Zolotnitskiy Rural Council.

From the very beginning great attention in the settlement was given to development of social infrastructure. In 1976, a school for 160 children, three day-care centers for 224 kids, and house of culture with a capacity for 100 people was opened. By 1981, an outpatients' department and a hospital, a library for 16,000 books, six shops and stores, and four canteens that could hold 304 people were opened. Houses were actively constructed, even though all of them were made of wood and have not convenient.

In 1978, the first timber area of Sukpaiskiy lespromkhoz was brought into operation. Volume of timber removal in 1978 totaled 109,000 cu. m. At the same time, 52 km of the Obor railway, the so-called "Zolotoiy-Sukpai" segment was put into service.

In 1987, the production corporation "Sukpai wood processing combine" was organized, within the structure of "Dallesprom," with the goal of harvesting and process timber jointly with the company "Cubales." The projected logging capacity of the combine was 600,000 cu. m, and total lumber production was 186,000 cu. m. At the same time, production of pulp-chips for the settlement's boiler was planned.

During that time, construction began on the "upper settlement" on the Sukpai river for workers of "Sukpai wood processing combine." Living houses with conveniences were built, and the total area of constructed houses made up 15 thousand m². School for 640 seats and a day-care for 110 kids were brought into service. By 1990, the population of Sukpai had grown to 3400.

However, production "activities of Sukpai wood processing combine" was complicated due remoteness of the forest harvesting sites from the Far Eastern railway spurs and the lack of good dirt roads. Because of the bankruptcy of the main client, Obor railway went into very complicated financial situation and unable to provide qualitative services to Sukpai wood processing combine. Under these circumstances, the joint venture was collapsed in 1990 and Cuban specialists left the territory of the USSR. Sukpaiskiy lespromkhoz was then merged with the Sukpai combine, which operated till 1994 when, after accumulating large debts, and was brought under the procedure of bankruptcy.

On the basis of its equipment, a new enterprise was established – joint stock company of open type "Sukpai forest house." However, it proved difficult to make a profitable operation without the resolution of the same problems, which constrained activities of previous enterprise (lack of good roads, irregular operation of Obor railway caused by bankruptcy), and "Sukpai forest house" also went bankrupt in 1997. From 1998 on, not a single large-scale enterprise operated on the territory of the Sukpai RMF.

Living arrangements, which had belonged to the Sukpaiskiy wood processing combine, were transferred to municipal ownership. For the maintenance of these arrangements, a municipal enterprise of housing-communal service was established in the settlement. People living in the settlement began leaving and by 1998 the population was half of what it was in 1990. Consequently, the number of children in day-care centers and schools also decreased, which resulted in closure of the day-care center, primary school, and other social services.

3-2-2 Structure of settlement management Organs

The Sukpai RMF includes only the Sukpai settlement territory. In accordance with the federal law "On general principals of local self-government in the Russian Federation" and Sukpai RMF Charter, organs of self-government include:

- Elective representatives – Council of Deputies;
- Executive organ – Rural Administration;
- Elective official person – Head of Municipal Formation.

The Sukpai Council of Deputies includes eight deputies, which are elected once in four years. The executive organ is Sukpai RFF Administration, which Head is also elected by the settlement population once in four years.

Organs of Sukpai RMF self-government have the same problems as the Sita RMF; rights and warrants of the territorial self-government organs secured in the Charter are declarative because of the absence of their financing.

3-2-3 Budget of the Rural Municipal Formation

Enterprises located on the RMF territory transfer taxes directly to the *raion* budget, hence the RMF revenue budget is formed by transfers from the *raion* budget (Table 3.5).

The main expenditures item in Sukpai RMF are expenditures for maintenance of schools and daycares.

The Head of RMF has two sources of receiving cash: payments for land lease by entrepreneurs having trading units in the settlement and also payment for notary services, provided to the population by organs of local self-government. This money is spent for help provides services to the residents.

Table 3.5. Budget structure of the Sukpai rural municipal formation, 2000.

Budget item	Amount, thousand rubles
<i>Budget revenues</i>	
Revenues from local taxes	23.8
including:	
- target charge for provision of all amenities	14.9
- personal property tax	3.6
- other revenues (collection for dwellings orders, governmental duty)	5.3
Non-tax revenues (collections from trading entities for land lease)	2.8
Receipts from the <i>raion</i> administration financial department	2600.0
<i>Total revenues</i>	2626.6
<i>Budget expenditures</i>	
Administration	266.4
including:	
- salary	213.3
- communal services	53.1
Education	2305.4
including :	
Day-care	580.7
including:	
- salary	341.1
- communal services	239.6
School maintenance	1711.5
including:	
- salary	1069.2
- communal services	629.2
- children summer holidays	13.1
Expenditures for social needs (fixing fences; 50 percent discount for fuel for those with special privileges)	46.0
Other expenditures	8.4
<i>Total expenditures</i>	2626.2
<i>Budget balance (+, -)</i>	+ 0.4

Source: Lazo raion administration.

3-2-4 Social situation

As mentioned above, the population of Sukpai settlement peaked in 1990 at 3,400. By the beginning of 2001, that figure had decreased to 1,520, which is lower even than in 1980 (see Table 3.6). The largest decreases of population were noted in 1991 and 1994, and from 1994 population decreases occurred each year.

Although the settlement's population has decreased each of the last seven years, the population's age structure has changed unequally (see Table 3.7). In 1995, population categories of "0–15 years," "able-bodied age," and "over able-bodied" made up 22 percent, 67 percent, and 11 percent respectively. In 2000, the respective figures were 20 percent, 72 percent, and 8 percent. This is due, in part to the new jobs created by the newly established enterprises "Rimbunan Hijau" and "RosDV" from 1998. This can be confirmed by looking at the employment dynamics of the population (see Table 3.8). Those employed in industry increased from 1995 as much as 26 times. Currently, these enterprises operating in the settlement hire qualified labor from as far away as the settlements of Khor and Mukhen.

Simultaneously with an increase in the number of those employed in material production, those employed in nonmaterial production decreased by 50 percent, specifically in education and housing-communal services. Despite the decline, the total numbers of employed in the settlement increased by 1.8 times.

Table 3.6. Population of Sukpai settlement, as of 1 January 2001.

Year	Number	Increase, decrease (+, -)
1980	1814	...
1985	2426	+ 612
1986	2624	+ 198
1987	2360	+ 6
1988	2961	+ 601
1989	2943	- 18
1990	3400	+ 457
1991	2960	- 440
1992	2624	- 336
1993	2779	+ 155
1994	2400	- 379
1995	2098	- 302
1997	1896	- 202
1998	1827	- 69
1999	1765	- 62
2000	1667	- 98
2001	1520	- 147

Source: Lazo raion administration.

Table 3.7. Age structure of Sukpai settlement, persons.

Indexes	1995	1996	1997	1998	1999	2000
Total population	2098	1823	1752	1667	1667	1520
including :						
- 0–15 years	461	451	449	401	381	308
- able-bodied age	1399	1114	1016	1062	1094	1088
- over able-bodied age	238	258	287	204	192	124

Source: Lazo raion administration.

Table 3.8. Employment in the settlement of Sukpai, persons.

Sectors and industry branches	1995	1996	1997	1998	1999	2000
Material production	219	224	320	430	215	853
including:						
- industry	28	28	98	232	127	725
- forestry	58	58	67	60	61	65
- transport and communication	8	8	8	7	7	9
- trade	58	66	81	71	10	40
- commercial activities	10	10	12	6	10	9
- other	57	54	54	54	-	-
Nonmaterial production	368	365	348	236	196	185
including :						
- housing-communal services	123	121	121	113	74	71
- healthcare	26	26	25	25	25	17
- education	194	194	189	86	83	83
- culture	5	5	4	3	3	3
- administration organs	8	8	9	9	11	11
- other branches	12	11				
<i>Total employed</i>	<i>587</i>	<i>589</i>	<i>668</i>	<i>666</i>	<i>411</i>	<i>1038</i>
Registered unemployed	94	87	95	61	32	11

Source: Lazo raion administration.

In opinion of the Head of the economic department of the *raion* administration, the data on registered unemployment in Sukpai settlement does not reflect the real state. Between 1990 and 1997, unemployment levels were much higher. Because the settlement is remote from the *raion* center and bus transport is unavailable, settlement residents were unable to register in the employment center. Moreover, the employment center was way behind in paying unemployment compensation. Hence, people saw no hope in receiving such compensation so they didn't register at the center as unemployed, especially as transportation expenses for the trip to Pereyaslavka were much higher than the compensation amount. The situation of paying compensation only returned to normal in 2000.

There are not a large number of indigenous people living in the settlement. As of 1999 there were 11 Udege, 4 Nanai and 4 Ulchi.

Currently a school for 640 students operates in the settlement, but only 294 attend the school. Two day-care centers operate, they could accept 160 children, but have 76 enrolled. Parents of 17 children receive allowance on payments for children visiting the day-care. The Sukpai settlement library remains, but is currently located not in a special construction but in the converted three-roomed apartment. House of culture is also located in a converted space.

Electric energy supply to the settlement is executed from a substation with voltage 110 kV, belonging to *raion* electric lines. Telephone and telegraph services are not available. The only type of communication is by radio via a Sukpaiskiy leskhov portable radio transmitter. Mail is delivered two times a week. Since 1990, passengers have not traveled on the railway and until recently regular passengers bus traffic was also not available. Currently it is planned to purchase a bus for passengers transportation with support of Malaysian company "Rimbunan Hijau."

Two-thousand cu. m of wood is allocated annually to the municipal enterprise of housing-communal service to help housing-communal and social-cultural services and to supply the population with firewood.

3-2-5 Economic situation

In 1997, the Khabarovskiy krai administration jointly with the Lazo raion administration announced an international competition for a forest plot in Sukpaiskiy leskhoz (Decree of the Head of Khabarovskiy krai administration dated 02 April 1997 # 1333 "On carrying out the international commercial competition for the right to lease the forest plot "Sikhote-Alinskiy"). Such a decision was reached because administration concluded that in the *raion* there was no sufficiently technically equipped enterprise able to harvest in remote and difficult to access sites.

The Malaysian firm "Rimbunan Hijau International" won the competition. The firm started preparatory activities in 1999 and in 2000 timber harvesting was already carried out. In total, the main assets put into operation total over 200 million rubles (Table 3.9).

At the same time new companies, "RosDV" and its affiliate company "Katen," appeared on the territory of the settlement. Both firms have started to mine gold and harvest timber, simultaneously (see Table 3.10). It has led to an increase of employment for the settlement. In addition, these two enterprises have employed people from other settlements of the *raion*. Both enterprises have received 49-year forest leases. The table provides the major indexes of the "RosDV" firm.

Table 3.9. Main indexes of the operations of "Rimbunan Hijau International."

Index	1999	2000
Industrial production, thousand rubles	6830	66480
Timber removal, thousand cu. m	16,8	111
Capital investments, thousand rubles	163182	7771
Production costs for production, thousand rubles	7726	68533
including wages (salaries), thousand rubles	2025	31750
Taxes and dues, thousand rubles:		
- calculated	2846	9656
- paid	2855	9656
Product trade, thousand rubles	6830	13764
Number employed, persons	158	320
Average wage (salary), rubles	5680	6220

Source : Lazo raion administration.

Table 3.10. Main Indexes of the activities of "RosDV."

Index	1999	2000
Industrial production, thousand rubles	99160	262970
Production, by product:		
- gold mining, kg	604.3	720.5
- timber harvest, thousand cu. m	28.5	47.3
- lumber, thousand cu. m	2.6	6.5
Capital investments, thousand cu. m	10967	2500
Retail turnover, thousand rubles	2507	6845
Production costs for production, thousand rubles	80927	212980
including wages (salaries), thousand rubles	22970	76315
Taxes and dues, thousand rubles:		
- calculated	9397	34776
- paid	9397	34776
Product trade, thousand rubles	18233	49900
Numbers of employed, persons	282	613
Average wage (salary), rubles	10567	9398

Source : Lazo raion administration.

In addition, on the territory of Sukpaiskiy leskhoz there works an enterprise of small business "Looch," which engage in tending felling operations. Forest plots are allocated to that enterprise on a privileged basis, based on agreement with administration of Sukpai settlement, for timber harvesting for maintenance of housing-communal services of the settlement.

Enterprises operating on the settlement territory help, as they are able, assist with the maintenance of the social infrastructure; they help sponsor the school and day-care center. "Rimbunan Hijau" and "RosDV" supply firewood to teachers and hospital works and to the portion of population, which has special privileges (war veterans and disabled people).

Private entrepreneurs engage in trade in Sukpai. Twenty-eight entrepreneurs are registered, and they are engaged in trade, delivery of goods, and provision of every-day services. There are no public catering companies in the settlement.

The main problem hindering development of Sukpai is the absence of reliable transportation infrastructure. The *raion* administration decided to revive the Obor railroad. However, for railway track reconstruction large investments are required, approximately 60 to 70 million rubles. Companies, using the railway, in principal have agreed to establish a holding company, but under the condition that the Far Eastern Railroad would participate. Otherwise, the destiny of the holding company would be doomed to fail, because as experience of the Obor railway enterprise has shown, dependence on operation of the road along the Far Eastern railway is extremely high. In 2001, because the supply of railway carriage was only 80 percent the plan of cargo transportation, cargo transportation volumes decrease comparative to 2000. It is impossible to resolve the problem of the Obor railroad at the *raion* level and the issue has not yet been resolved on the *krai* level.

3-3 Outline of Gvasyugi Village State

The watershed of Khor river was from time immemorial has been inhabited by the Udege peoples, who are part of the Tungus-Manchurian linguistic group. People from Manchuria began to expel the Udege from the prosperous hunting and fishing grounds of the lower part of Khor River late in the eighteenth century. In the second half of the nineteenth and early twentieth centuries pressure from migrants from western regions of Russia aggravated the situation. Therefore, by early in the twentieth century, the Udege had been driven back to the mouth of the Matai river (Larkin, 1958). The Udege were hunting-fishing people with mainly settled way of life, temporarily changing their locations depending on the season. Their housings were differentiated into two categories – winter and summer ones. Winter housings were established on the place of permanent camps closer to the main hunting grounds, and summer ones – on the sites of fish abundance, specifically salmon, which stocked for the whole year as dried fish meat.

Long ago, the Udege hunted mainly hoofed animals (elk, wild bore, red deer, roe deer, musk deer) and bears. These animals provided them not only with meat but also with materials for making clothes and footwear.

Hunting of particular fur-bearing animals is a phenomenon that appeared relatively late in their history. This was stimulated by demand for fur first in Chinese markets and then, from the late nineteenth and early twentieth century, in Russian markets. Mainly men and teenagers 12-years and older were engaged in hunting. The most important species hunted was sable. Hunting grounds were distributed between the hunters and these grounds were passed on to subsequent generations. Of no small importance was hunting red deer for their antlers and other parts to make Tibetan medicine. Harvesting of wild berries and nuts was exclusively for local consumption. The Udege also had developed domestic production: clothes from hoofed and fur-bearing animals, as well of fish skin (Arsenyev, 1926; Kimonko, 1950; Larkin, 1958).

By the time of Soviet Power establishment (1922), two Udege clans – Kyalundzuga and Kimonko-- were living in the watershed of Khor river. The Kyalundzuga lived in small camps and hunted mainly in the Katen and Kafen River watersheds, the Kimonko clans hunted in the watersheds of Sukpai and Chuken rivers. Certainly, both clans hunted along the Khor river.

In the second half of twentieth century, the Far Eastern branch of “Vsecokhotsouz” (All-Union Union of Hunters’ Cooperatives), as well as organized in 1927 “Integralsoyuz” (cooperative organization for supporting aboriginal at that time) commenced to carry out wide activities on cooperation of aboriginal populations of the Amur area. The first cooperative (*kolkhoz*) of the Udege was organized in 1932 in Dzhangho camp, not far from the present-day village of Gvasyugi. The next year, four more cooperatives were organized: Katenskaya, Chukenskaya, Nizhnebuchinskaya and Gvasyuginskaya. “Integralsouz” supported the Udege in running a multi-faceted economy. It provided hunters with food commodities, industrial and hunting goods, and purchased the pelts and meat of wild animals. Each autumn, “Integralsouz” concluded contracts with hunters according which it sold to hunters’ ammunition and foodstuff on credit and in March it made final settlement with them. “Integralsouz” also constructed houses and schools for the Udege. Unfortunately, this economy and culture development with “Integralsouz” did not last. In 1936, “Integralsouz” was abolished, which impacted the economic and cultural development of the indigenous peoples (Maslovskiy, 1999; Sukhomirov, 1959, 2000).

In 1935, all the Udege were gathered by force into one camp in Gvasyugi, which is located 141 km from the *raion* center of Pereyaslavka and 203 km away from Khabarovsk. One hunting-trading *kolkhoz* (collective farm) “Udarniy okhotnik” (the Best Hunter) was organized there. In 1933–1934, land in the Khor River watershed was attached to the *kolkhoz*. The concentration of the Udege into one settlement and the remoteness of the village from many hunting and fishing grounds led to food, transport, housing, and other problems.

According to T. Gladkikh (1992), in 1938, Udege men were put into prison in Khabarovsk. Only those who could work were taken, the others were left in the village. At the same time the authors of the first Udege spelling book, which was based on the Roman alphabet, were declared the enemies of the people and text-books were burnt. After that education was completely russified. The abrupt reorganization of the aboriginal people’ way of life and destruction of traditional economy started. With destruction of traditional economy there commenced collapse of the way of life, which was forming for ages – hunting and fishing patterns, crafts, folklore, tribal legal norms and then the language. Unified approach without consideration of original culture, traditions and way of living were brought to life.

One action destructive the social, economic, and cultural development of the Udege was the creation of boarding schools and isolation children from parents, which was carried out as material and cultural support to the Udege. Living permanently in boarding schools and not living in the same village, children ceased regular interaction with their parents, and became not accepting their culture, habits and traditions. Living in boarding schools with complete state support led to dependence of the younger generation, and led them unwillingness to work. Herewith, parents lost their responsibility of bringing up their children and feelings of the paternity. This deprived of the natural care about posterity, and led them unemployment and loss of self-worth. Unfortunately, this pattern is present in many generations of Udege today.

Hunting grounds totaling 1,990,000 ha, i.e., the entire middle and upper portions of the Khor river watershed, were transferred to the collective farm. These grounds were and to some degree remain one of the best in Khabarovskiy krai. About one third of the area is covered by Korean pine-broadleaved and Korean pine-spruce-fir forests with the best forage base and favorable protective conditions for most of the game animals. Sables, brown and Himalayan bears, squirrels, otters, minks, Siberian weasels, Alpine hares, and such hoofed animals as the red deer, moose, wild bore and musk deer are common for this area. The Amur tiger also lives in the area. Rivers are rich in fish, however fish resources have decreased sharply in recent decades, and salmon almost do not reach the place for spawning. In the 1990s, because of extermination of salmon in the Khor river, the Udege had to fish for salmon in Ulchskiy raion, where they are required to pay for natural resource use (Sukhomirov, 1960; Khomenko, 1999).

During almost 30 years period of its existence, the collective farm received over 50 percent of revenues from hunting business. Hunting business was the primary and the most prospective branch of the farm production, which was based both on natural conditions and historically shaped way of living of local population. In the

middle of the 1950s, the maximum revenue from this branch of the economy reached 210,000 rubles (see Table 3.11).

In spite of such significance of the hunting business, development of that economic sector was not planned on the state line; the *kolkhoz* was also not supported by the *raion* administration. Party organ protégés were assigned as *kolkhoz* chairmen but they didn't know nature use of *taiga*. The *kolkhoz* staff never included an expert of hunting business. And more than that, the *raion* authorities in many instances forced that the *kolkhoz* develop stockbreeding and cultivate potatoes and vegetables; these economic activities were alien to the Udege and that is why most of those efforts were fruitless.

Still until the middle of the 1950s the *kolkhoz* and its central farmstead in Gvasyugi village developed satisfactorily. The *kolkhoz* had 60 hunters, which were formally combined into four teams, but in reality, they hunted in pairs or threes. The hunting grounds formally were not attached to the hunters, but in fact, every hunter knew his plot and outsiders did not hunt on that site.

The *kolkhoz* annually concluded a direct contract with the *raion* purchasing office regarding sale of fells and meat of wild animals. A portion of the food for the hunters was delivered by the *kolkhoz* to remote areas by motorboat. The hunters' departure to the *taiga* was always delayed because harvesting of the *kolkhoz* vegetables and potatoes lasted until 5-10 October. And after that the farmers proceeded to fish salmon and the hunters appeared in the forest not earlier than 10–15 November, i.e., in the days, when they had to be actively hunting. Almost all the hunters lived in tents by three-person. In the fourth quarter of the year slightly more than half of the hunters were hunting. They covered 50–150 km deep into the hunting grounds. Late in December all the hunters left the *taiga* because they needed to take fells home and to provide some foods for themselves. The *kolkhoz* had no collector of fells on the staff. Later in January, the hunters returned to the *taiga*. Hunting fur-bearing animals was allowed in *raion* until to February 1; this meant that, when the hunters reached their hunting grounds, they had only fifteen or twenty days to hunt till the termination of the hunting season. As a result, out of the possible four months of autumn/winter hunting season, they were in the *taiga* an average of 80 days. And of this total, twenty to twenty-five days were spent reaching the hunting grounds and to move from one plot to another, and for hunting itself they could spend only fifty-five to sixty days.

In consequence, the hunting grounds were poorly utilized. Mainly sable and hoofed animals were hunted; whereas resources such as otter, mink, squirrel, Siberian weasel, hare and other species were insufficiently used. For example, during the hunting season of 1958-59 the *kolkhoz* yielded 426 sable fells and only 95 squirrel fells, and only 11 of otter, 39 of mink, 16 of Siberian weasel, 3 of raccoon, 2 of yellow throated marten, 1 of lynx and 1 of badger.

From the middle of 1950s, the number of hunters has already begun to decrease. In 1959, the population of Gvasyugi was 270, including 254 Udege who belonged to the collective farm, including 52 hunters. The age structure of the hunters also changed. In early 1950s, a young man of 15–16 years old already went to hunt, but in 1959, hunters younger than 30 years of age totaled only six, while those over 50 totaled 24.

In these years, the *kolkhoz* had its own power station, a truck, a tractor, a sawmill, a shop for manufacturing barrels, a fur farm, ten horses, a motor boat and other. The Gvasyugi village had a middle school, boarding school, a day care center, a day nursery, a medicinal unit, a meteorological station, a store, a bakery and a library. The village had radio and electricity, and own club with movies projector.

Table 3.11. Revenue of the collective farm "Udarniy okhotnik" from hunting business, thousand rubles.

Year	Furs	Hoofed animal meat	Red deer antlers	Total
1954	98.6	38.8	6.7	144.1
1955	170.4	36.5	3.0	209.9
1956	97.7	23.9	6.0	127.6
1957	94.8	5.0	3.0	102.8

Source: Sukhomirov, 2000.

In 1962, the Lazo state nature use management unit ('*gospromkhoz*') was organized, and its headquarters were in the village of Bichevaya. The "Udarniy okhotnik" *kolkhoz* was reorganized into the Gvasyugi branch of that *gospromkhoz*. The branch not only engaged in hunting but also in berry picking, harvesting of ferns, tapping birch trees for sap, and the harvest of other forest products. All the hunting grounds and main assets of the collective farm were transferred to the *gospromkhoz*. Most of the best hunting grounds of the former collective farm were taken by hunters of the *gospromkhoz* and a number of Udege hunters lost their hunting grounds. Rapid assimilation of aboriginal people commenced. By early 1988, the Gvasyugi population totaled 248, 172 of them were Udege including 85 of Russian-Udege origin (Simakov, 1988).

Some time later, the Udege were pushed from the north because of logging operations commencement in the watershed of the Sukpai River. In 1987, the Udege of Gvasyugi applied to the *krai* government authority organs protesting the establishment of the Sukpaiskiy timber industry complex but nobody listened to them. In 1989, the Udege sent telegrams to the Nationalities Council, to the USSR Presidium of the Supreme Council, and to the USSR Council of Ministries asking to transfer to Udege people for free and permanent use a portion of Sukpai river watershed and the watershed of Chuken river with the status of "biosphere territory with traditional nature use." That issue was never resolved but in 1992, the area was approved creation as a TTP.

By the 1990s, the number of professional Udege hunters decreased to 23. With the increase in volumes of animal meat purchased by the procurement units and with an increase in poaching both by outside hunters and staff from logging companies (logging was expanding there very quickly) the quantity of hoofed animals on the grounds of former collective farms significantly decreased. Wild boar populations decreased due to intensive harvesting of Korean pine. Previously, the Udege had no problem providing their families with meat of wild animals and fish, but by the 1990s, the problem became serious. According to acting legislation, it is permitted to aboriginal small nations of the North to hunt hoofed animals for subsistence year-round. But because of the small numbers of the hoofed animals, allocated limits for hunting are small and licenses are allocated as a rule to aged and disabled people (Dalin, 1992).

To carry out of the economic reform in 1990s, the state procurement unit rejected the Gvasyugi branch of Lazo state nature use management. Activities of the store and bakery were disturbed, the club and movies projector stopped functioning. Degradation of the village accelerated, social-economic state of the residents got worse.

It is acknowledged in governmental decrees that the economic basis of life-support system of the small nations of the North still remain traditional sector of economy. Therefore, it is required to ensure development of traditional branches and to preserve of natural-resources potential of the territory when development of these nations residence areas. However in fact, on the grounds of Udege people, logging operations are taken place for many years without consideration of their interests, and in recent years mining industry has sprung up.

In 1992, the Head of *Krai* Administration issued the decree "On securing of the territories of traditional nature use for small nations of the North in Lazo raion" #291 and it called for an 816,000 ha area. That decree was only a tribute to that time vogue and it didn't provide any additional rights to aboriginal people. In 1998, even a portion of the Chuken wildlife refuge ('*zakaznik*'), which was organized in 1997, was allocated for development of a marble quarry without agreement of either the local administration or with the small nations of the North association of Gvasyugi village (Dalin, 1998).

In 1992, a national nature use community, "Dzhanggo," was organized in Gvasyugi village as a partnership with limited responsibility, supported initially by all the working population of the village because it was supposed to engage in hunting and the harvest wild plants. Hunting grounds totaling an area of 1,200,000 ha were given to this community (Khomenko, 1996). On the territory attached to the community "Dzhanggo" there are three settlements (Gvasyugi, Srednekhorskiy and Sukpai) and their hunters hunt there. The Udege live mainly in Gvasyugi village, which has no telephone or radio communication with the other settlements and has no bus transportation.

In 1994–1995, the hunting grounds of the "Dzhanggo" community were examined by wildlife and hunting experts. The results were not comforting. The number of hoofed animals was low. Numbers of wild boar has

decreased steadily; this was previously the main source of meat for the Udege. There are lots of poachers among outside hunters. Illegal logging takes place on an enormous scale, which negatively impacts animal populations. Out of twenty-four of the main animals, one-third need special protection and hunting of the rest of the species requires strict regulation (Kirina, 1995).

In 1996 it was decided to establish ethnic-cultural center of Udege in Gvasyugi village. There were plans to exhibit the way of life of the clan-tribe community completely: the houses, the boats, sleds, hunting gear, racks for drying fish and meat, clothing, and so on. It was supposed to make a room with preserved manuscripts of the Udege writer Dzhansi Kimonko, tape-recordings of tales and memoirs of the past times of the taiga and ancient people. Those plans were not realized, but a monument of Dzhansi Kimonko built in the village.

The situation in Gvasyugi was worsened by the fact that dishonest people appeared to get head positions in community "Dzhango." The very first hunting season the hunters didn't get the complete settlement for delivered fells. The efforts were devoted to begin logging and timber processing, but everything was based on fraud. Quite often, due to lack of diesel fuel, there was no electricity and the residents were forced to use candles and kerosene lamps. During the five years of such economic managing even the remaining assets from the state nature use unit ('*gospromkhoz*') were stolen. Huge debts accumulated and the community went bankrupt (Khoroshilov, 2000).

Under these situations, in March 1998 the village assembly of Gvasyugi elected a new director, Zinaida Golikova, to head the community "Dzhango." She promised to the people good wages. However, by the end of the year it was obvious the director's words didn't correspond with her actions. The community has got low interest credits, but the money was wasted and the hunters received no money. The only valuable purchase during that time was a foreign car for the director. The Malaysian company "Rimbunan Hijau," carrying out logging operations in Sukpai, presented a timber processing machine, a "Woodmaizer," and a minibus as charitable support, with estimated value of U.S. \$50,000. The minibus was crashed quickly, and the timber processor with a capacity of producing 270 cu. m of lumber daily was not used for more than a year and then was stolen. Or more likely it was secretly sold. Thus, the hopes of the owners of dilapidated houses to get lumber and square timber for maintenance and hopes of all residents of the village to share income from deliveries of high quality lumber to Japanese market never came true. The community truck was confiscated due to tax debts by tax organs. The debts are about 1.5 million rubles. The roads are damaged by logging companies to such extent that it is even impossible to drive to the *raion* center. The shelves in the store are empty – only deliverers of vodka and frequent buyers of fells were brave to go on that 200-km-long damaged road.

"Dzhango" community was broken: Thirty-seven aboriginal people out of 90 switched to a new national-production community, "Buli," the director of which, Gennady Ukomenko, managed to interest with his program not only a portion of his fellow villagers but also the *raion* authorities. Soon two communities in Gvasyugi, "Udege" and "Ude," were established and both claimed the hunting grounds and licenses for logging.

Until recent times, both Udege clans – Kyalundzyuga and Kimonko – lived friendly according to their unwritten traditions. It was not the common practice to put food in a store. A hunter returning from the taiga with meat shared his wealth with all the relatives. From the taiga and the river, the Udege took as much meat and fish as they needed for life. Fraud and theft was alien to these people. Hostility and suspicion were brought to the village by non-residents, the inflow of which increased after establishment of the TTP. And currently, there is no longer agreement between the two clans and some elders strive for enrichment.

Management of the national-production communities was always done by non-Udege people. Of great attention of all the four communities was not the picking of wild growing plants, not bee-keeping and even not hunting and fishing, as was written in their Charters, but harvesting of hardwood species timber. Dishonest businessmen use the national-production communities as a camouflage to get access to TTP forests, which are rich in mature ash timber and prohibit common enterprise to use (Khoroshilov, 2000). As a result, the logging is done not by the Udege or permanent residents of those areas, but mainly by outside workers. Practically in 2000, only the community "Buli" provided permanent jobs to the residents, it paid taxes to *raion* and *krai* budgets and had no debts. In February of 2001, hunting grounds, totaling an area of 772,700 ha, were given to it. This is 2.6 times

smaller than area the collective farm “Udarniy okhotnik” had in the 1950s and 1.6 times smaller than what the “Dzhango” community had in 1993.

As a result of lack of proper legislation on aboriginal small nations of the North and organizing muddle in traditional nature use, over half of Udege families are considered low-income families. The Gvasyugi residents are struggling for survival, illness and death rates are very high. The village itself is in very neglected condition, the residents speak about hopelessness. There are almost no craftswomen on embroidery of national clothing and footwear, on dressing of fish skin. The native language is no longer used for communication, almost all the Udege completely switched to Russian language. These entire situations to great extent can be explained by the fact that Udege people have lost the environment, in which their ancestors lived and where they themselves were born.