

Environmental Consciousness in Sakhalin: Background and Views on the Sakhalin Offshore Oil-Gas Development

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Introduction¹

The dissolution of the Soviet Union and the demise of the Communist dictatorship quickly raised hopes for the development of a democracy in new Russia. However, the ensuing chaos in the country has raised doubts about the prospects for a society based on the Western notions of law and justice. Lawlessness is said to be as much an enduring characteristic of Russian society as obedience and submission to authority. The Russian people are said to exhibit the contradictory tendencies toward deference to authority and resistance to authority. According to Vasilii Kliuchevskii, “arbitrariness of thought corresponds to arbitrariness of authority.”² “The thinking man who confronts a problem which does not fit his customary outlook employs Russian common sense and says, ‘I am above logic’ and refuses to recognize the problem or resolve the conflict.”³

It is universally held that a democracy requires the presence of civil society in which citizens recognize and exercise their rights and discharge their responsibilities as members of a community. It is increasingly maintained that civic consciousness today includes recognition of the impact that citizens’ activities have on their environment and on that of others. There is evidence that Russian citizens’ environmental consciousness has been growing since the beginning of perestroika. Unfortunately, however, there is also evi-

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2 Vasilii Kliuchevskii, *Aphorisms: Historical Portraits, Sketches*, Moscow: Mysl, 1993, pp. 25-26; quoted in Anna Vassilieva and Nikolai Sokov, *Influence of Culture on Russian Negotiating Style*, U.S. Institute of Peace-supported study, Monterey Institute of International Studies, Monterey, California 1999, chapter 2.

3 Vassilieva and Sokov, chapter 2.

dence that commitment to the solution of ecological problems has waned since the early 1990s, both at the political level and at the grassroots level, as the nation has plunged into a prolonged economic crisis and most Russians are more preoccupied with their everyday concerns than with ecological issues.⁴ One would suspect this image of ecologically passage people also applies to Sakhalin, where economic difficulties are just as serious, if not more serious, as in the rest of the country.

Do citizens of Sakhalin exhibit the traditional characteristics noted above? Do they see the ongoing development of oil and gas resources off their island as a development largely beyond their control, as a product of some arbitrary decisions by their authorities, and as a project that brings to them more harm than good? Alternatively, will the development projects promote the formation of values and institutions that meet the standards of contemporary civil society? Above all, what role do the citizens of Sakhalin see themselves playing in this process? The present study is our first step toward answering these questions.

Will the energy development now underway in Sakhalin bring about the material prosperity the region's citizens have been promised since the beginning of the radical economic reforms in 1992? Will it further exacerbate the problems of environmental deterioration and social dislocation that they are currently experiencing? Will the economic benefits be shared fairly and equitably among the citizens, or will most of the profits go to small circles of politicians, bureaucrats, and businessmen? Will Sakhalin become merely a supplier of raw materials for the more advanced capitalist neighbors? Will the oil and gas development projects promote or weaken citizens' confidence in their leaders' ability to navigate the island's future in the ocean of globalizing capitalist economy in the twenty-first century? However we measure the success of energy development, there is no question that the ongoing oil and gas projects in Sakhalin will have a profound impact on the lives of the Sakhalin citizens, economically, environmentally, socially, and perhaps even politically.

Our ultimate goal is to contribute to the formulation of recommendations for enhancing the positive impact of the development projects on the lives of Sakhalin citizens. We need to examine closely the results of our study and to offer explanations for our findings. Even though our immediate concern relates to ongoing developments in Sakhalin, our responsibility as social scientists goes beyond describing such developments and their immediate impact. We need to bring a fuller understanding of Russian society into the discourse on the contemporary economic life of Sakhalin citizens. We will do so on the basis of our understanding both of the contemporary context in which Sakhalin citizens find themselves and of the historically rooted cul-

4 See, for example, Miwa Ito, "Roshia no ecology gyosei to kyokuto," *Roshia Kenkyu*, No. 24 (April 1997), pp. 60-77.

tural norms and orientations that shape the value orientations and behavioral patterns of contemporary Russians. We believe it is essential that we go back in Russian history and identify certain patterns of behavior and attitude among the Russians. This need arises from the fact that so much change has taken place in the political, social, economic, and cultural spheres of life in Russia generally and in the Russian Far East particularly. We need to separate sources of change from sources of continuity in the contemporary Russian society.

In the following pages, we will first provide a brief background to the Sakhalin oil and gas projects. Secondly, we will introduce the preliminary results of our survey conducted in September-December 1998 to identify the perceptions and attitudes of Sakhalin citizens toward those projects. We will then provide a summary of findings and conclude with some explanations for the most important of the findings and some additional thoughts.

It should be stressed that we are in early stages of our study and the findings we report in this paper are preliminary. We are sharing our findings at this point to stimulate discussion about this neglected issue and to receive feedback from our colleagues. We also believe that some of our findings are potentially quite important and that they require further study.

The Sakhalin Oil and Gas Projects

Energy and fuel production served as the backbone of the Soviet economy and its importance has increased during the years of Russia's transition to a market economy. In 1997, for example, the industry provided 68 percent of all federal budget revenues. In Russia today, oil and gas account for about 45 percent of tax revenues, 25 percent of the GDP, and 10 percent of employment.⁵

The economy of Sakhalin Island, as elsewhere in post-Soviet Russia, has suffered steady declines since 1991. Population fell by 12 percent from a high of 719,000 in 1991 to 634,000 in 1998.⁶ Most of the loss in population is due to economic hardships in Sakhalin and it is expected that many more people will leave the island if they find employment opportunities elsewhere. Under these circumstances, the revitalization of traditional resource industries, including energy production, has become a very important goal of the regional government. Energy development occupies an important place in the economy of this Far Eastern island, with coal, oil, and gas together repre-

5 Vladimir Ivanov, "Prospects for Russia's Energy Diplomacy in Northeast Asia," *Global Economic Review* (Seoul, Korea), Summer 1999 (forthcoming).

6 *Regiony Rossii; Informatsionno-statisticheskii sbornik*, vol. 1, Moscow: Goskomstat Rossii, 1997, p. 280; cited in Judith Thornton, "Sakhalin Energy Projects: Their Governance and Prospects," paper presented at the annual conference of Asian Studies on the Pacific Coast, San Diego, California, June 17-20, 1999, p. 2.

senting 24.9 percent of industrial output.⁷

It is against this background that both the Russian government and the Sakhalin Oblast administration are promoting the development of oil and gas reserves in Sakhalin. As a U.S. analyst of the Far Eastern economic scene observes, while Western investment is fleeing from Russia, the energy sector of Sakhalin has managed to attract major international investment.⁸

In 1995 the Russian Ministry of Foreign Affairs and the Japanese joint stock company SODECO (Sakhalin Oil Development Corporation) concluded an agreement to develop oil and gas on the continental shelf off Sakhalin Island in the project known as Sakhalin-1. The origin of the project goes back to 1972, when the Soviet Union proposed to Japan that they jointly explore for oil and gas on the continental shelf off this remote island. The exploration began in 1975 and led to the confirmation in 1978 of the resources of the two fields, Chaivo and Odoptu, but the declining world oil prices suspended the project until it was resumed in 1991. That year SODECO teamed up with Exxon Neftegas and won the international tender for Sakhalin-1 but lost the rights to develop Lunscoe and Piltun-Astokhscoe oil and gas fields, the project known as Sakhalin-2. The two companies agreed that each side would cover 30 percent of the estimated cost of the project. The project expanded with the addition of the Arkutun-Dagi oil and gas field in 1993. In 1995 two Russian companies Rosneft-Sakhalinmorneftegas (SMNG) and SMNG-shelf joined the consortium, agreeing to assume 17 percent and 23 percent of the total cost, respectively.

The exploration for oil and gas in Sakhalin-2 began in 1984. In 1986, Mitsui and McDermott formed a consortium, each side assuming 25 percent of the project cost. In 1991, Marathon Oil joined the consortium with a 37.5 percent share of the cost. In 1992, when the group acquired the rights to develop the fields, two more companies joined the project: Mitsubishi with a 12.5 percent share of the cost and Royal Dutch Shell at 25 percent. In April 1994, Sakhalin Energy Investment Company was formed to operate the project and to enter into a production sharing agreement with the Russian government.⁹ Officially, the project's implementation commenced in April 1996. By that time McDermott had left the consortium. In 1998 a giant sea rig was installed in the Piltun-Astokhscoe field and the first oil is expected in 1999.

In June 1994 the Russian side - the federal government and administration of Sakhalin Oblast - and the operating company signed a production sharing agreement for Sakhalin-2. A production sharing agreement was signed for Sakhalin-1 a year later. In January 1996 the Russian Federation enacted law on production-sharing to attract investment and advanced technology for oil and gas development. The Sakhalin production-sharing agreements stipulate that Russia must delegate the right to develop the offshore resources to

7 *Regiony Rossii; Informatsionno-statisticheskii sbornik*, vol. 2, Moscow: Goskomstat Rossii, 1997, pp. 194-195; cited in Thornton, "Sakhalin Energy Projects," p. 2.

8 Thornton, "Sakhalin Energy Projects," p. 3.

9 Sakhalin Energy is composed of Marathon, Mitsui, Mitsubishi, and Shell.

the investors that will undertake both the financial and technical implementation of the projects. Profits will be used first to recover the cost of the investment and royalty payments (6-8 percent of the cost of the product), and only after that initial stage will a "profit sharing" mechanism kick in.

Under the agreement on Sakhalin-1, the Russian side will receive 15 percent of the profits if the internal rate of return is lower than 16.5 percent, but if it is higher the Russian share will increase to 54 percent, with the remaining 46 percent going to the investors. If this is the case, the total share of the Russian side in profits can be as high as 72 percent, including the share of the two Russian companies participating in the consortium. In the production sharing agreement for Sakhalin-2, the Russian share will be 70 percent if the internal rate of return is higher than 24 percent. If it is within the 17.5-24.0 percent range, the profits will be split evenly, but with a level of return lower than 17.5 percent, the share of the foreign investors in the profits will be 90 percent.¹⁰

The Sakhalin-2 and Sakhalin-2 contracts (as well as the contract for Sakhalin-3; see below) also provide for bonus payments for the Federation government upon initial signing and the start of production. Each consortium contributes to the Sakhalin Development Fund after a commercial discovery is announced and annually for five years after that. The Federation Treaty and Federation Law on Sub-Soil Resources specify a division of the royalties for extraction of hydrocarbons, which gives the Federation government 40 percent, Sakhalin Oblast 30 percent, and local government 30 percent. There is contradicting information that suggests the Sakhalin Oblast administration will receive only a modest share in the bonus payments, royalty oil, profit taxes, and "profit oil" (the production share designated after recovery of certain costs). From Sakhalin-2, the regional administration expects to receive an average of only \$20 million per year from 2000 to 2010.¹¹

The Sakhalin-1 and Sakhalin-2 projects represent a very important effort by Russia to cooperate with the international community in developing energy for domestic use and for export. With its own investment capital

10 Vladimir I. Ivanov, "Prospects for Russia's 'Energy Diplomacy' in Northeast Asia," paper presented at the conference on "A Vision for Northeast Asia: International Cooperation for Regional Security and Prosperity," organized by the Center for East Asian Studies, Monterey Institute of International Studies, Monterey, California, February 12-14, 1999, p. 23, note 25. See also, Tadashi Sugimoto and Kazuto Furuta, "Sakhalin Oil and Gas and Japan," in Vladimir I. Ivanov and Karla S. Smith, eds., *Japan and Russia in Northeast Asia: Partners in the 21st Century*, Westport, Connecticut: Praeger, 1999, pp. 259-267.

11 Thornton, "Sakhalin Energy Projects," pp. 11-12. The contradictory information was contained in Sakhalin Regional Administration, "Sakhalin Island Infrastructure Development Plan" prepared by Northern Economics, Anchorage, Alaska, 1998, pp. 3-9; cited in Thornton, p. 12.

dwindling and technology increasingly outdated, Russia desperately needs international participation in these projects.

The total investment in Sakhalin-1 and Sakhalin-2 is estimated to reach \$15 billion and \$10 billion, respectively, by 1999.¹² The two projects will produce an estimated 279 million tons of oil, 1,230 billion cubic meters of natural gas, and 82 million tons of condensed gas.¹³ The first oil is expected in 1999 from Sakhalin-2, and in late 2000 from Sakhalin-1, with commercial gas extraction to follow in 2002. A Sakhalin-3 project has also been proposed. The participants will include Exxon, Mobil,¹⁴ Texaco, and Rosneft-SMNG. The project consists of four main fields including the East Odoptu, Aiashskoe, Veninskoe, and Kirinskoe fields.¹⁵ Total reserves of oil and gas condensate are estimated at about 133 million tons and natural gas reserves over 500 billion cubic meters. The agreement on Sakhalin-3 allows six years for exploration and 19 years for exploitation. The implementation of the project will begin in 2000, pending the Russian Duma's approval of a list of individual production sharing agreements. The project is very large, with geological exploration alone requiring an estimated \$500 million. There are other pending projects: Sakhalin-4 and Sakhalin-5, which will involve Arco, British Petroleum, and Rosneft-SMNG.

These projects represent a major environmental risk. The sea area of Sakhalin-1 and Sakhalin-2 is frozen six months out of the year and there is drifting ice for another three months. The transportation of oil and gas also entails environmental risks. Two pipelines will be used to transport oil and gas to the south of Sakhalin Island, where the first Russian LNG plant is slated for construction. Exxon and SODECO have proposed to transport the recovered oil through 625 kilometer-long pipeline to an oil terminal to be built on the eastern coast of Sakhalin

12 Ivanov, "Prospects for Russia's 'Energy Diplomacy'," p. 11.

13 The estimated reserves of Sakhalin-1 and Sakhalin-2 are shown in the table below.

Sakhalin-1 and Sakhalin-2 Estimated Reserves

	Oil (million tons)	Gas (billion cubic meters)	Condensed gas (million tons)
Sakhalin-1	181	663	40
Odoptu	42	198	11
Arktun-Dagi	113	292	16
Chaivo	26	173	13
Sakhalin-2	98	567	42
Piltun-Astokhscoe	90	183	10
Lunskoe	8	384	32

Source: "Development of the Far Eastern Fuel and Energy Complex Development: Sakhalin-1 and Sakhalin-2 Projects Implementation," OAO Rosneft-Sakhalin Morneftegas, May 1997, p. 3.

14 In December 1998 Mobil Oil was absorbed by Exxon for about \$80 billion. (David Ignatius, "Corporate Suicide: Mobil's Only Option," *The Japan Times*, January 14, 1999, p. 18; Bruce Gilley, "Wake-Up Call," *The Far Eastern Economic Review*, December 17, 1998, p. 56.)

15 Mobil-Texaco would develop the Kirinskii field, Exxon the East Odoptu and Ayashky fields.

Island. The Sakhalin Oblast administration wants the oil to be transported to the south of Sakhalin through a pipeline that it assumes can be used for both Sakhalin-1 and Sakhalin-2. The great differences in temperature from north to south may cause clogging. The southern half of the island is quite narrow and pipelines may disrupt the north-south migration pattern of reindeer.¹⁶ There are also feasibility studies underway for an under-water pipeline to Japan and a gas pipeline to the Russian mainland and North and South Korea.¹⁷ These alternatives, too, raise serious environmental concerns.

The Public Opinion Survey

In the latter half of August 1998, we visited Yuzhno-Sakhalinsk and established a contact with several researchers and environmental activists. We also interviewed school teachers, university professors, university students, journalists, business people, and Oblast administration representatives. Among others, we met with researchers of the Sociological Research Laboratory of Sakhalin State University and members of the Environmental Watch of Sakhalin (an NGO with affiliation with the Pacific Environment and Resources Center in Oakland, California). We informed them of our desire to conduct a small survey to get a sense of the range of views among the citizenry about the anticipated impact of the offshore gas and oil development in Sakhalin. We wanted to get at the views of people who we assumed had some knowledge of at least Sakhalin 1 and Sakhalin 2. They agreed to cooperate on this research project. We asked them to secure about the same number of respondents in each of the following categories: NGOs, the mass media, elementary and secondary school teachers, the business community, the Sakhalin Oblast дума and administration, the Yuzhno-Sakhalinsk city administration, university professors and students, and scientists.

In September-December representatives of the Sociological Research Laboratory and the Environmental Watch of Sakhalin distributed a questionnaire survey we developed to 120 individuals in Yuzhno-Sakhalinsk. We received 111 completed surveys. We entered 110 of them into a database using the Excel spreadsheet program.

Profile of Respondents

We will first present the profile of our respondents in terms of their profession/occupation, level of education, and age.

Table 1 shows the breakdown of the 110 respondents by profession. As we will note later, occupation is one of the factors that differentiate our respondents' attitude toward the Sakhalin oil and gas projects.

The highest level of education our respondents have received is shown in table 2. About 76 percent of them have received higher education, about 11 percent are currently receiving higher education, about 8 percent have

16 These concerns were expressed by representatives of Environmental Watch of Sakhalin interviewed on August 24, 1998.

17 Thornton, "Sakhalin Energy Projects," p. 7.

received technical secondary education, and another 4 percent have received secondary education. One respondent has received only high school education. Unfortunately, given the small size of our sample and the disproportionate number of respondents with the same level of education, this factor cannot be meaningfully related to our subjects' responses to our survey.

Table 1. Respondents by Profession

Profession	# of respondents	%
NGO	9	8.2
(of which environmental NGO)	(3)	(2.7)
Mass media	9	8.1
Teacher	14	12.7
Business	11	10.0
Oblast дума/administration	11	10.0
City administration	11	10.0
University student	14	12.7
University professor	11	10.0
Scientist	20	18.2
Total	110	99.9*

* The total does not equal 100% due to rounding error.

Table 2. Respondents by Education Level

Education	# of respondents	%
Higher education	84	76.4
Incomplete higher education	12	10.9
Technical secondary education	9	8.2
Secondary education	4	3.6
High school	1	0.9
Total	110	100.0

Table 3 shows the age distribution of our respondents. Two of them are under the age of 20, 36 (33 percent) are in their 20s, 19 (18 percent) in their 30s, 30 (28 percent) in their 40s, 16 (15 percent) in their 50s, and five (5 percent) in their 60s. Age is another factor of some importance, as we will note later.

Table 3. Respondents by Age

Age	# of respondents	%
up to 19	2	1.9
20-29	36	33.3
30-39	19	17.6
40-49	30	27.8
50-59	16	14.8
60-69	5	4.6
Total	108*	100.0

* Two respondents did not indicate their age.

Impact Of Sakhalin Oil/Gas Development

We are interested in the views of Yuzhno-Sakhalinsk citizens on what they expect to gain or lose as a result of the offshore oil and gas development.

Impact of Sakhalin Citizens

We asked, “What benefits do you foresee for the citizens of Sakhalin from the ongoing development of offshore oil and gas reserves?” As table 4 shows, 71 respondents (about 65 percent) expect positive benefits for Sakhalin citizens, but a significant number of people (33, or 30 percent) anticipate no benefits.

Table 4. Benefits for Sakhalin Citizens

Benefits for citizens	# of respondents	%
Yes	71	64.5
No	33	30.0
NA*	6	5.5
Total	110	100.0

* Includes “no answer,” “don’t know.”

Table 5 shows the range of benefits our respondents expect from the oil and gas development projects, ranked from the most frequently mentioned to the least. Employment opportunities were cited by 42 (59 percent) out of the 71 respondents that expect positive benefits for Sakhalin citizens. Other frequently cited benefits are increased and cheaper gas energy for home and industrial use (18 respondents–25 percent), regional economic development (16–23 percent), improved living standards (14–20 percent), better infrastructure (14–20 percent), increased tax revenues and budget for the regional government (12–17 percent), and more investment (8–11 percent).

Table 5. Type of Expected Benefits for Citizens

Type of benefits for citizens	# of respondents	%*
Employment opportunities	42	59.2
Gas energy (power, heat, etc.)	18	25.4
Economic development in region	16	22.5
Improved living standards	14	19.7
Improved infrastructure	14	19.7
Increased tax revenue and budget	12	16.9
Increased investment	8	11.3
Introduction of new technologies	3	4.2
More income for oil/gas employees	3	4.2
Cleaner energy and better air quality	3	4.2
Relative freedom from Moscow	2	2.8
International contacts	2	2.8
Expanded educational opportunities	2	2.8
Other**	1 each	1.4 each

* Out of the 71 respondents who believe there will be benefits.

** Includes tourism, skills improvement, technical assistance, business profit, new businesses, salary payment, funding for social programs.

As table 6 indicates, 89 respondents (81 percent) anticipate some negative effects for Sakhalin citizens. In contrast, only 12 respondents (11 percent) expect no negative impact from the Sakhalin oil and gas projects. We can conclude that negative expectations exceed favorable expectations.

Table 6. Negative Effects on Sakhalin Citizens

Negative effects on citizens	# of respondents	%
Yes	89	80.9
No	12	10.9
NA*	9	8.2
Total	110	100.0

* Includes "no answer," "don't know."

What type of negative impact are the respondents expecting? Table 7 shows the distribution of answers to this question. Seventy-seven (about 87 percent) out of the 89 respondents who expect negative impact cite environmental problems and associated health problems. The next most frequently cited adverse effect is the depletion or misuse of natural resources (almost 17 percent), followed by economic problems (6 percent), and crime and other social problems (6 percent). Among the economic problems that five respondents expect are the exploitation of cheap local labor and dependence of the region's economy on foreigners. One respondent wrote, "If the work is poorly organized, the profits received from gas and oil development will land in the pockets of the authorities." This is a sentiment that we frequently encountered during our interviews of environmental NGO members and elementary school teachers in Yuzhno-Sakhalinsk in August 1998.

Table 7. Type of Negative Effects on Citizens

Type of negative effects on citizens	# of respondents	%*
Environmental, health problems	77	86.5
Resource depletion	15	16.9
Economic problems, e.g., population decline, dependence	5	5.6
Social problems, e.g., crime, income gap	4	4.5
Business problems	1	1.1

* Some respondents gave multiple answers. The percentage is based on the total number of respondents (89) who anticipate negative effects.

The breakdown of favorable and unfavorable expectations by profession is shown in Table 8. Sakhalin Oblast дума members and administration officials stand out in our sample as the most optimistic group. Ten out of eleven of them anticipate positive impact and five expect negative consequences. Although five of them expect some adverse impact, three of them foresee no such problem. In contrast, university students, university professors, and scientists are fairly evenly split within their respective group as far as expectations of favorable benefits are concerned. They are almost unanimous in anticipating adverse effects on Sakhalin citizens. Teachers' expecta-

tions are quite mixed. On the one hand, eleven out of 14 teachers expect favorable impact; on the other hand, twelve teachers anticipate adverse effects. City officials also show mixed attitudes, with eight of them expecting benefits but ten of them expecting negative effects on the citizenry. The most skeptical are the students, with all 14 of them anticipating negative effects and seven of them expecting no benefits, as compared to seven students who expect some benefits. There is also ample skepticism among the media people in our sample. All eight NGO members in our sample expect negative consequences.

Table 8. Expectations of Impact on Citizens by Profession

Profession	# of respondents	Benefits to citizens		Negative effects on citizens	
		Yes	No	Yes	No
NGO	8	5	3	8	0
Media	10	7	3	9	1
Teacher	14	11	3	12	0
Business	11	7	4	8	1
Oblast	11	10	0	5	3
City	11	8	2	10	0
Student	14	7	7	14	0
Professor	11	5	4	10	1
Scientist	20	10	9	17	4
Total*	110	70	35	93	10

* The totals do not match because “no answer” and “don’t know” are excluded.

We are also interested in age as a factor. Table 9 shows the breakdown by age regarding the expectations of impact on the citizens of Sakhalin. Although ambivalence is apparent among most groups, skepticism seems the strongest among the youngest groups.

Table 9. Expectations of Impact on Citizens by Age

Age	# of respondents	Benefits to citizens		Negative effects on citizens	
		Yes	No	Yes	No
19-24	21	11	7	19	0
25-29	17	10	6	16	1
30-34	10	9	1	9	1
35-39	8	4	3	4	2
40-44	19	12	7	16	0
45-49	11	8	2	9	1
50-54	13	10	3	10	2
55-64	9	6	1	4	3
Total*	108	70	30	87	10

* The totals do not match because some respondents did not answer either or both of the questions regarding expected impact on citizens.

Do men and women share similar expectations? As Table 10 shows, of

the 52 male respondents who answered our questions about the impact on Sakhalin citizens, 36 (about 69 percent) expect positive benefits, as compared with 12 (23 percent) who have no favorable expectations. In contrast, 34 (about 60 percent) expect favorable impacts but 21 (37 percent) expect no positive benefits. As far as expectations of negative consequences are concerned, about 78 percent of men and about 82 percent of women believe there will be adverse effects, while about 13 percent of men and about 5 percent of women anticipate no negative impacts on the citizens of Sakhalin. These numbers indicate that women appear somewhat more pessimistic than men. We will discuss this at some length later.

Table 10. Expectations of Impact on Citizens by Gender

Gender	# of respondents	Benefits to citizens		Negative effects on citizens	
		Yes	No	Yes	No
Male	52	36	12	41	7
Female	57	34	21	47	3
Total*	109**	70	33	88	10

* The totals do not match because some respondents did not answer either or both of the questions regarding the impact on citizens.

** One respondent's gender is unknown.

Impact on Self

From questions about the impact generally on the citizens of Sakhalin, we now turn to questions regarding expectations of impact specifically on the respondents themselves. We asked, "What benefits if any do you foresee for yourself as an individual citizen of Sakhalin?" As table 11 shows, people who expect no benefits for themselves outnumber those who do by 64 (49 percent) to 43 (39 percent). It is interesting that 71 people anticipate benefits for Sakhalin citizens in general but a substantially smaller number of people (43) expect benefits for themselves. That is, 28 respondents (25 percent) anticipate positive benefits for others but not for themselves.

Table 11. Expectations of Benefits for Self

Benefits for self	# of respondents	%
Yes	43	39.1
No	54	49.1
NA*	13	11.8
Total	110	100.0

* Includes "no answer," "don't know."

Table 12 shows the types of benefits that respondents expect for themselves. As expected, economic benefits dominate the list. Of the 43 respondents who anticipate some benefits for themselves, 12 (about 28 percent) expect expanded job opportunities and 11 (about 26 percent) look to improved

living standards for themselves. Another nine respondents (21 percent) expect the supply of natural gas to their homes to expand. Power outage, due to energy shortage, is a chronic problem in Sakhalin as it is in many other parts of the Russian Far East. The Sakhalin projects, therefore, are seen as offering a very important solution to this problem.

Table 12. Type of Expected Benefits for Self

Type of benefits for self	# of respondents	%*
Employment opportunities	12	27.9
Improved living standards	11	25.6
Natural gas for home use	9	20.9
Better salaries	7	16.3
Better economy	4	9.3
Better air quality	4	9.3
Better roads	3	7.0
Financial stability	2	4.7
Improved health	2	4.7
Other**	1 each	2.3 each

* Out of the 43 respondents who expect benefits for themselves.

** Other benefits include: better information, new technologies, international communication, professional growth, better education, better health care, cheaper transportation, cheaper petro-chemicals, practical experience in environmental protection, and better resource management.

As Table 13 shows, almost one-half of our respondents expect some adverse consequences for themselves. They outnumber those who anticipate no negative consequences by 52 (about 47 percent) to 39 (about 36 percent).

Table 13. Expectations of Negative Effects on Self

Negative effects on self	# of respondents	%
Yes	52	47.3
No	39	35.5
NA*	19	17.3
Total	110	100.1**

* Includes "no answer," "don't know."

** The total does not equal 100% due to rounding error.

Environmental concerns are paramount among our respondents. A university student expressed the sentiment well when she wrote, "I am concerned about the fact that wildlife will be slowly dying. There will be dead fish all over our shores if oil film covers sea surface. I cannot be indifferent when nature in our area is being killed." Another respondent, a 50-year old land surveyor lamented, "I foresee negative effects not only for me personally but also for my children and grandchildren. I've lived in Sakhalin since 1950, and I've seen with my own eyes what communists have done to it, because I have walked across my island from north to south. I do not want it to be ruined completely."

As Table 14 shows, 31 respondents (almost 60 percent) expect environmental pollution to result from the Sakhalin oil and gas projects. Seven respondents (about 14 percent) expect health problems due to air and water pollution and contaminated food. Six respondents (about 12 percent) are concerned their access to traditional, natural food sources, including fish, will be reduced. Another five respondents (about 10 percent) fear a loss of work due to the destruction of fishing industry. Given the importance of fishing both as a source of food and a source of income for many Sakhalin citizens, these fears are quite understandable.¹⁸

The breakdown of expectations by profession is shown in Table 15. Expectations of benefits are rather mixed for all groups. The only exception are the Oblast personnel, of whom eight are expecting to benefit personally and three are anticipating no benefits for themselves. Only two out of the 11 business people expect the oil and gas projects to benefit them. Students are again the most skeptical, only three of them expecting some benefits for themselves and nine anticipating no benefits. On the negative side of the impact, expectations are mixed among the media people, students, and scientists. Expectations of adverse consequences are more prominent among NGO members, teachers, and professors. Again Oblast дума members and administration officials are the most optimistic. Only a few city administration officials anticipate negative effects.

Table 14. Type of Negative Effects on Self

Type of negative effects on self*	# of respondents	%**
Environmental pollution	31	59.6
Health problems	7	13.7
Reduced access to natural food sources	6	11.5
Loss of work due to destruction of fishing	5	9.6
Price increases	3	5.8
Lower standard of living	1	1.9
Loss of work	1	1.9

* Some respondents gave multiple answers.

** Out of the 52 respondents who expect negative effects on themselves.

Table 15. Expectations of Impact on Self by Profession

Profession	# of respondent	Benefits to self		Negative impact on self	
		Yes	No	Yes	No
NGO	8	4	4	6	0
Media	10	4	5	4	4
Teacher	14	6	8	10	2
Business	11	2	6	3	5
Oblast	11	8	3	3	6
City	11	4	5	3	8
Student	14	3	9	6	5
Professor	11	4	5	9	2
Scientist	20	8	11	11	7
Total*	110	43	56	55	39

* The totals do not match because "no answer" and "don't know" are excluded.

18 The fishery industry is the largest producer and employer in Sakhalin and accounts for 39.6 percent of industrial output and 25 percent of employment.

are the most skeptical. Thirteen out of the 21 people who are 24 years old or younger expect no benefits for themselves and 11 in this group anticipate negative effects on themselves. Ten out of the 17 people between the ages of 25 and 29 expect no benefits for themselves, while five of them fear they will be negatively impacted. If we divide our sample into two groups, between those younger than 40 and those over 40, 32 out of the 56 in the first group (about 57 percent) expect no personal benefits, whereas 20 out of the 52 respondents in the older group (about 38 percent) share the same pessimistic view.

Another interesting finding is that people in their 30s are evenly split between those in the first half of the 30s and those in the latter half. Most in the first group are expecting benefits for themselves, while most in the second group are not.

Table 16. Expectations of Impact on Self by Age

Age	# of respondents	Benefits to self		Negative impact on self	
		Yes	No	Yes	No
19-24	21	5	13	11	8
25-29	17	6	10	5	6
30-34	10	7	3	6	3
35-39	8	1	6	4	3
40-44	19	6	9	11	5
45-49	11	4	5	5	5
50-54	13	9	4	5	6
55-64	9	5	2	6	3
Total*	108	43	52	53	39

* The totals do not match because “no answer” and “don’t know” are excluded.

Table 17 shows that men appear to be somewhat more optimistic than women. The male respondents are equally split between those who expect favorable benefits for themselves and those who do not, but the female respondents who expect no personal benefits outnumber those who do by 51 percent to 35 percent. About 46 percent of men and about 51 percent of women expect negative consequences for themselves, while 37 percent of men and 32 percent of women expect no such effects.

Table 17. Expectations of Impact on Self by Gender

Gender	# of respondents	Benefits to self		Negative effects on self	
		Yes	No	Yes	No
Male	52	22	22	24	19
Female	57	20	29	29	18
Total*	109	42	51	53	37

* The totals do not match because some respondents did not answer either or both of the questions about the expected impact on themselves.

Impact on Sakhalin's International Relations

To obtain the respondents' views of the expected impact of the oil and gas development projects on Sakhalin's place in the international community, we asked, "What benefits if any do you foresee for Sakhalin's relationship with the international community?" The answers we obtained indicate ambivalence among our respondents. On the one hand, most of our respondents believe the development will bring Sakhalin closer to the rest of the world, but, on the other hand, somewhat fewer but still a majority of the respondents are concerned there will be negative consequences.

Table 18 shows that 74 respondents (about 67 percent) have favorable expectations and 17 people (about 16 percent) foresee trouble. However, about one-third of those with positive expectations either condition their views on certain things happening or base their expectations on hopes and wishes rather than on definite facts. For example, a biologist wrote, "I hope we will learn to work without leaving consequences to our descendants" (emphasis added). A city assembly member wrote, "I think it [a benefit] is possible, provided we have wise leadership and investments" (emphasis added).

Table 18. Expectations of Benefits for International Ties

Benefits for international ties	# of respondents	%
Yes	74	67.3
No	17	15.5
NA*	19	17.3
Total	110	100.1**

* Includes "no answer, "don't know."

** The total does not equal 100% due to rounding error.

Table 19. Type of Benefits for International Ties

Type of benefits for international ties	# of respondents	%*
Economic development	11	14.9
Investment	10	13.5
New technologies	9	12.2
Integration with world economy	6	8.1
Infrastructure improvement	5	6.8
Expanded trade	5	6.8
Scientific information	4	5.4
Tourism	3	4.1
Mutual understanding	3	4.1
Improved standard of living	3	4.1
Improved environmental protection	3	4.1
Exchange of practical experience	3	4.1
Employment opportunities	2	2.7
Closer ties with Asia-Pacific	2	2.7
Free-market experience	2	2.7
Cultural exchange	2	2.7
Other**	1 each	1.4 each

* Out of the 74 respondents who expect benefits.

** Includes: democracy, cultural exchange, new equipment, better telecommunication, financial stability, population growth, better transportation, profits for companies, income for individuals, integration into global value system, spiritual development, etc.

Among the benefits frequently mentioned by the 74 respondents with

favorable expectations are: economic development (cited by 11 respondents), expanded investment (10), introduction of new technologies (9), integration into the world economy (6), infrastructure improvement (5), expanded trade (5), and improvement of scientific information (4). (Table 19)

As noted above, there are also many concerns about adverse consequences for the island's relationship with the international community. Indeed, 59 respondents (54 percent) expect the oil and gas development projects will have some negative impacts. One respondent, an environmental specialist, expressed fear that the people of Sakhalin would be exploited by outsiders - a fear that is shared by many others, as we will note later in this paper. She wrote, "All this story of Sakhalin's relationship with the international community reminds me of Columbus' exploration of America. We, like native Americans, are offered glass necklaces in exchange for gold." Twenty-four respondents (22 percent) anticipate no negative consequences. As many as 27 respondents (25 percent) are not sure if there will be any negative consequences for the island's place in the international community. (Table 20)

Table 20. Expectations of Negative International Effects

Negative international effects	# of respondents	%
Yes	59	53.6
No	24	21.8
NA*	27	24.5
Total	110	99.9**

* Includes "no answer," "don't know."

** The total does not equal 100% due to rounding error.

What type of adverse consequences do Sakhalin citizens expect? Fifty-four out of the 59 respondents who anticipate negative impacts answered this question. The undesirable expectations they cite include: economic/business exploitation by foreigners (about 28 percent), depletion of natural resources (24 percent), social problems, including moral decay and income disparity (19 percent), environmental impact (17 percent), and political problems including corruption (13 percent). (Table 21) There is wide-spread fear that Sakhalin will be a target of exploitation by foreigners, that the valuable resources of the island would be developed primarily for the benefit of foreign markets. One respondent, a preschool teacher, expressed hopelessness bordering on despair: "We are slaves, third-class citizens, have to agree to any work conditions because of unemployment, lack of money, hopelessness, etc." Another respondent, a land surveyor wrote, "Sakhalin will lose in the psychological respect. Because of the financial difficulties in the country we have to practically give away our own resources and suffer being ordered around without being able to say anything." He continued, "Yankees treat Russians as second-class citizens, they discriminate against them by paying

them lower wages. Russian officials try to please foreigners by giving them tax breaks or allowing them not to pay any local taxes.”

Table 21. Type of Expected Negative Impact

Type of negative impact	# of respondents	%*
Economic/business exploitation	15	27.8
Resource depletion	13	24.1
Social problems	10	18.5
Environmental pollution	9	16.7
Political problems	7	13.0
Total	54	100.0**

* Out of the 54 respondents who answered this question.

** The total does not equal 100% due to rounding errors.

The breakdown by profession is shown in Table 22. All groups except students clearly expect the oil and gas projects will contribute to the improvement of Sakhalin’s international relations. Skepticism among students is evident here. They are divided between those who expect favorable impact (8 out of 14) and those who fear negative consequences for the island’s international position (5). When it comes to expectations of negative impact, however, nine students anticipate adverse consequences. Undesirable effects are also feared by most NGO members, media people, teachers, and university professors. Business people are evenly split. The scientific community is divided. City officials are the only group in which those who expect no negative impact outnumber those who do (by six to four).

Table 22. Expectations of International Impact by Profession

Profession	# of respondents	International benefits		Negative international impact	
		Yes	No	Yes	No
NGO	8	6	0	6	1
Media	10	6	2	6	0
Teacher	14	6	2	7	2
Business	11	8	0	4	4
Oblast	11	9	0	6	3
City	11	10	0	4	6
Student	14	8	5	9	0
Professor	11	8	2	8	2
Scientist	20	14	4	11	7
Total*	110	75	15	61	25

* The totals do not match because “no answer” and “don’t know” are excluded.

When we break down the respondents by age, we notice that the generally favorable view of the Sakhalin projects’ impact on the island’s international relations is shared by all groups except the youngest two groups. Among all the other age groups, 53 respondents anticipate favorable impacts, as compared with only five who foresee no positive international impact for Sakhalin.

On the negative side of expectations, younger groups are more pessimistic than older groups. Those under 25 are quite skeptical, with 12 of them anticipating adverse international consequences, as compared with only two who foresee no undesirable effects. Older groups are divided. (Table 23)

Table 23. Expectations of International Impact by Age

Age	# of respondents	International benefits		Negative international impact	
		Yes	No	Yes	No
19-24	21	11	7	12	2
25-29	17	9	4	8	4
30-34	10	10	0	7	2
35-39	8	3	0	5	2
40-44	19	14	3	8	4
45-49	11	10	0	6	4
50-54	13	8	2	7	4
55-64	9	8	0	5	3
Total*	108	73	16	58	25

* The totals do not match because “no answer” and “don’t know” are excluded.

The breakdown of answers by gender reveals that women are more pessimistic than men about the impact of the Sakhalin projects on the island’s international position. Table 24 shows that almost 80 percent of the male respondents expect the Sakhalin projects will improve Sakhalin’s international status but a substantially smaller proportion of female subjects (58 percent) have similar expectations. Almost 20 percent of women foresee no benefits, as compared with 9 percent of men who believe likewise. When it comes to expectations of negative international consequences for Sakhalin, almost 60 percent of women anticipate such effects, while 50 percent of men are similarly concerned. Thirty-three percent of men anticipate no negative consequences, in comparison with only 12 percent of women.

Table 24. Expectations of International Impact by Gender

	# of respondents	International benefits		Negative international impact	
		Yes	No	Yes	No
Male	52	41	5	26	17
Female	57	33	11	34	7
Total*	109	74	16	60	24

* The totals do not match because some respondents did not answer either or both of the questions about the expected impact on themselves.

Participation in Civic Organizations

We are interested in whether citizens of Yuzhno-Sakhalinsk actively participate in civic groups and organizations outside of their occupation. We are particularly interested in whether their activity relates to environmental issues and whether their participation affects their attitude toward the Sakhalin oil and gas projects.

Participation in Nonoccupational Group/Organization

We asked, "With what group or organization outside of your organization of employment are you affiliated that occupies a significant share of your time as a private citizen?" As Table 25 shows, 28 respondents (about 26 percent) participate in some organized civic activity, while 58 respondents (about 53 percent) have no such activity.

The civic groups and organizations in which our respondents participate include: Boomerang (a self-actualization society involved in environmental and moral education of children); Our City Today (environmental education for children, scientific symposia, public opinion polls, research and exchange, educational exchange); Club Rodnik (promotion of tourism, environmental projects, self-esteem building); Yuzhno-Sakhalinsk City Association of Indigenous Peoples of the North (promotion of indigenous peoples' legal, political, and social rights); Information Agency on Tourism in Sakhalin and the Kuriles (promotion of tourism in Sakhalin and Kurile islands); National Labor Union of Russian Solidarity (promotion of modern democracy); Judo Association of Sakhalin Region (promotion of judo); Environmental Watch of Sakhalin (an environmental NGO), Ecological Branch (environmental education for school children); Ecojuris (a union of lawyers and environmental activists); Ecological Shift of Sakhalin (an environmental movement); Public Council on the Shelf and Civil Responsibility (an environmental movement); Sakhalin Regional Branch of the Women's Union of Russia (promotion of women's participation in social, economic, and cultural life, support for poor families); Consumer Association (development of small businesses); Iabloko (liberal political movement); the Communist Party; Hunters and Fishermen Society (promotion of hunting and fishing and environmental monitoring); and Sakhalin Branch of the Armed Forces Veterans Association (assisting retired officers)

Table 25. Nonoccupational Group Activity

Nonoccupational group participation	# of respondents	%
Yes	28	25.5
No	58	52.7
NA*	24	21.8
Total	110	100.0

* Includes "no answer," "don't know."

Table 26. Area of Nonoccupational Group Activity

Area of activity*	# of respondents	%**
Social	13	41.9
Environmental	11	35.5
Political	6	19.4
Legal	1	3.2
Total	31	100

* Some respondents gave multiple answers.

** Out of the 31 respondents who participate in nonoccupational groups.

Social and environmental groups or organizations appear more inviting than political movements. (Table 26)

By profession, NGO participants appear the most active in organized civic activity. It should also be noted that a fair number of media people and Oblast and city personnel also participate in organized activities outside of their employment. Teachers, business people, students, professors, and scientists are the least likely to participate in nonoccupational civic groups. Only three teachers out of 14 in our sample, one business person out of 11, two students out of 14, two professors out of 11, and two scientists out of 20 participate in civic groups or organizations (Table 27). We will discuss this point later.

Table 27. Nonoccupational Activity by Profession

Profession	# of respondents	Nonoccupational group	
		Yes	No
NGO	8	6	2
Media	10	3	7
Teacher	14	3	11
Business	11	1	10
Oblast	11	4	7
City	11	4	7
Student	14	2	12
Professor	11	2	9
Scientist	20	2	18
Total	110	27	83

Table 28. Nonoccupational Group Activity by Age

Age	# of respondents	Nonoccupational group	
		Yes	No
19-24	21	2	19
25-29	17	4	13
30-34	10	3	7
35-39	8	0	8
40-44	19	6	13
45-49	11	4	7
50-54	13	7	6
55-64	9	1	8
Total	108*	27	81

* Two respondents did not indicate their age.

Table 29 Nonoccupational Group Activity by Gender

	# of respondents	Nonoccupational group	
		Yes	No
Male	52	19	33
Female	57	7	50
Total*	109	26	83

* The totals do not match because some respondents did not answer this question.

Table 28 shows the breakdown by age. The youngest group, including mostly university students, shows very little activity in civic groups or organizations. People in the 35-39 age group also show no participation in organized civic activity. Proportionately the most active are people in their 40s and those in the 50-54 age group.

It appears that men are more actively involved in civic activities outside of their occupation. Table 29 shows that almost 37 percent of our male respondents have such involvement, while only about 12 percent of the female subjects are similarly engaged.

Organizational Ties Abroad

We asked, "Does your organization have ties to groups/organizations outside of Russia?" Thirteen respondents answered this question affirmatively and nineteen people negatively (Table 30). Out of the 28 respondents who participate in organized civic activities, nearly half of them (46 percent) say the groups in which they belong have some international contacts.

If a respondent answered the above question affirmatively, he/she was then asked to name the country or countries in which the overseas groups were located. Table 31 shows the countries with which the respondents' groups have ties. The United States and Japan are the most familiar partners for Sakhalin groups, followed by Germany, Australia, and France.

Table 30. International Ties

International ties	# of respondents	%*
Yes	13	46.4
No	15	53.6

* Out of the 28 respondents who participate in civic groups.

Table 31. Countries with Ties

USA	7
Japan	5
Germany	4
Australia	3
France	3
United Kingdom	2
Canada	2
Ukraine	1
Belarus	1
Kazakhstan	1
Korea	1
Netherlands	1
Laos	1
Total	*32

* Some respondents named multiple countries.

The respondent was then asked to describe the nature of the international ties his/her organization had with the overseas groups. Answers included information exchange, joint organization of conferences, receiving grants, and conducting joint research or action projects. (Table 32)

Table 32. Nature of International Ties

Nature of ties	# of respondents	%*
Information exchange	7	53.8
Conferences	4	30.8
Joint projects	3	23.1
Grants received	2	15.4
Supply/equipment support	1	7.7
Publication	1	7.7

* Out of the 13 groups with international ties.

Funding Source

The question “What is the source of funding that supports the activities of your group/organization?” prompted the answers shown in Table 33. Eleven of the groups in which our respondents participate (about 40 percent) receive funding from business enterprises. Membership dues support 10 groups (36 percent) and revenues fund nine groups (32 percent). Six organizations (21 percent) secure funding from the Sakhalin Oblast government. The City of Yuzhno-Sakhalinsk provides funding for four (14 percent) of the groups in our sample, with the federal government supporting only two groups (7 percent). (Table 33)

Table 33. Funding Source

Funding source	# of respondents	%*
Corporate	11	39.3
Membership dues	10	35.7
Revenue	9	32.1
Oblast	6	21.4
City	4	14.3
Federal government	2	7.1
Total**	42	149.9**

* Out of the 28 respondents who participate in nonoccupational groups.

** Some respondents cited multiple sources of funding.

Size of Group/Organization

We asked, “About how many people are affiliated with your group/organization?”

As table 34 shows, out of the 25 respondents who answered this question, nine (36 percent) participate in organizations with a membership of 50 or more. Eight (32 percent) are active in groups with ten or fewer members. Five respondents (20 percent) take part in groups of between 11 and 30 mem-

bers and another two (8 percent) in groups with 31-50 members.

Table 34. Size Of Group

Size of nonoccupational group	# of respondents	%*
Up to 10	8	32.0
Between 11 and 30	5	20.0
Between 31 and 50	2	8.0
Over 50	9	36.0
NA	1	4.0
Total	25	100.0

* Out of the 25 respondents who answered this question.

Benefits from Oil/Gas Development to Nonoccupational Group

When asked, “Does your group/organization stand to benefit directly or indirectly from the development of oil and gas in Sakhalin?” 14 out of the 25 respondents who answered the question (56 percent) believe their group will benefit from the offshore oil and gas development projects, while 11 (44 percent) anticipated no benefits (Table 35).

Table 35. Expectations of Benefits to Group

Benefits to group	# of respondents	%*
Up to 10	8	32.0
Yes	14	56.0
No	11	44.0
Total	25	100.0

* Out of the 25 respondents who answered this question.

Those who anticipated benefits for their groups were then asked to describe how their group might benefit. The distribution of their answers is shown in Table 36.

Table 36. Type of Expected Benefits to Group

Type of benefits	# of respondents
Financial support	4
Material support	2
Projects	2
Jobs	1
Other, indirect	6
NA	1
Total*	16

* Some respondents gave multiple answers.

Environmental Consciousness Raising

Most civic groups in which our respondents participate conduct activities designed to increase environmental awareness. We asked the 28 respondents who participate in organized civic activities, “Does your organization’s

activity include the raising of citizens' consciousness about the environment?" Eighteen of them (72 percent) answered affirmatively and seven (28 percent) negatively. (Table 37) Evidently, environmental issues are an important part of organized civic activity for those citizens of Sakhalin who are active outside of their place of employment.

Table 37. Environmental Awareness Raising

Raising environmental awareness	# of respondents	%*
Yes	18	72.0
No	7	28.0
Total	25	100.0

* Out of the 25 respondents who answered this question.

Activities for environmental awareness raising range from field trips and camps to environmental education projects for children, from festivals to conferences and workshops, and from development of environmental websites to publication of environmental appeals in newspapers. They also include clean-up campaigns, ecological expeditions, and participation in environmental activist groups.

Impact of Civic Activity on Attitude toward Sakhalin Projects

We are interested in the impact of people's participation in organized civic activity on their attitude toward the Sakhalin oil and gas projects. We first asked, "How long have you been affiliated with this organization?" Table 38 shows the distribution of their answers. Unfortunately, the number of respondents who are active in civic groups is so small that we cannot relate the length of affiliation with civic groups to changes in attitude toward the Sakhalin projects.

Table 38. Length of Group Participation

Length of participation	# of respondents	%*
Less than 1 year	3	13.0
1-2 years	4	17.4
3-4 years	8	34.8
5-6 years	3	13.0
7-8 years	2	8.7
9-10 years	1	4.3
Over 10 years	2	8.7
Total	23	99.9**

* Out of the 23 respondents who answered this question.

** The total does not equal 100% due to rounding error.

Secondly, we asked, "How does your affiliation with the group/organization affect your attitude toward the offshore oil and gas development and its environmental impact on the citizens of Sakhalin?" We then asked them to

describe the impact briefly. Only 12 respondents answered this question. Nine of them indicating their attitude has changed as a result of their activity in the group/organization but three noted no change. That is, participation in civic group activities appears to have a moderate impact on the participants. (Table 39)

Table 39. Impact of Group Activity on Self

Impact on self attitude toward Sakhalin projects	# of respondents
Yes	9
No	3
Total	12

Seven respondents described how their participation in organized civic activity have changed their attitude toward the Sakhalin oil and gas development projects. Six of them stated they have become more critical of the projects as a result of their activities in their groups. One respondent gave a neutral answer by noting he became more knowledgeable about the environmental issues in general and more familiar with the work of Sakhalin authorities and Russian oil exploration and development companies.

Summary of Findings

Here we will summarize our findings and offer some additional observations.

First, a good majority of the respondents to our survey generally expect positive benefits for the citizenry. About one-third of them anticipate no benefits. Among the benefits expected, employment is by far the most prevalent hope among the citizens of Yuzhno-Sakhalinsk. Other anticipated benefits include cheaper and more abundant gas for home and industrial use, regional economic development, improved living standards, improved infrastructure, and increased tax revenues and budget for the regional government.

Second, an overwhelming majority expect some negative effects on the citizens of Sakhalin. Utmost among their concerns is the potential environmental impact of the Sakhalin projects. There appear to be two types of apprehension about environmental consequences. Lack of information and apparent ignorance are at the basis of much of the concern among students and other younger respondents. The concern expressed by members of the scientific community is based on their knowledge of environmental problems in general. They are also worried that the ongoing offshore projects are not supported by adequate and effective pollution control or environmental monitoring mechanisms. There is, simply put, a lack of trust in the commitment, expertise, and ethical standards of those directly involved in the projects. Among those who appear fairly knowledgeable about the projects there is

suspicion that there may not be appropriate allocation of the funds for the energy resource development. This concern comes through even in the responses of Oblast дума members and administration personnel who are the most intimately familiar with the details of the ongoing projects.

A related issue is Sakhalin citizens' knowledge about law relating to the environment and resource development. A 1995 study in Yuzhno-Sakhalinsk shows that nearly 70 percent of young people either have a very vague idea or no idea at all about law in general and that the older they are, the more willing they are to admit their ignorance of law.¹⁹ The combination of the absence of legal knowledge in general and lack of information about the oil and gas development projects in Sakhalin explains the widespread concern about environmental and other issues related to the ongoing developments. In addition to environmental concerns, the depletion or misuse of natural resources is an important source of anxiety. A smaller but significant number of respondents in our survey are apprehensive about the problems of crime and exploitation of cheap labor that the international participation in the projects. A few citizens are also worried that their economy might become heavily dependent on foreigners.

Some of their apprehension and lack of trust stems from genuine concerns about the trustworthiness of those directly involved in the Sakhalin projects but some of it results from a lack of information about the specifics of the Sakhalin projects. In times of general uncertainty, as we note in the concluding section, a lack of information and understanding compounds the problem of trust. Many of our respondents, not just young students and secondary school teachers but also business people, university professors, and even some scientists are left in the dark about many aspects of the projects, including what operational measures and technological responses are in place to prevent or counter any accidents, including oil spills. Inadequate information poses a serious danger to the way international participants' intentions are perceived by the local citizenry. A number of the responses to our survey leads to the impression that foreign firms involved in the development of oil and gas in Sakhalin represent some outside evil force bent on reaping benefits at the expense of the morale, traditional values, and environment of the inhabitants of the island.

There is a striking contrast between those who are well informed and those who are not in terms of the attitudes they hold toward foreign involvement. The abundance of information among the regional government officials and дума deputies makes it clear that fears and apprehensions may be alleviated by an adequate amount of information. People who are assigned responsibility for some aspects of the projects are keenly interested in the positive outcome, thus they contribute more efforts to understand and realize

19 "Deviantnoe povedenie molodezhi," *Sakhalin Information and Analytical Agency Publication*, No. 3 (May 1995), p. 21.

their objectives. The educational level and general awareness seems to be considerably higher among the elected officials and administrators than other groups.

Third, there appears to be a fracture in the public opinion regarding the benefits and costs of the development projects. Oblast дума members and administrators are eagerly anticipating positive benefits for Sakhalin. City officials and elementary and secondary school teachers are also expecting benefits for the citizenry, but they are also concerned about negative effects. Younger people, including students, are the most skeptical. Women also seem more cautious than men about the expected benefits of the Sakhalin projects. Skepticism is also shared by NGO members, university professors, and scientists. As far as expectations of negative consequences for the citizens are concerned, the Oblast дума and administration personnel are the exception, with all other categories of people anticipating negative effects. Business people in our sample, to our surprise, do not seem as knowledgeable, involved, or aware as far as the Sakhalin projects are concerned.

Fourth, Yuzhno-Sakhalinsk citizens also have mixed expectations—ambivalence as we noted above—about the impact of the Sakhalin projects on their personal welfare. People who expect no benefits for themselves outnumber those who do by about 10 percent, and by a somewhat larger margin (12 percent) expectations of negative consequences prevail over expectations of no negative impact for personal welfare. Interestingly, a fairly large number of people anticipate positive benefits for other Sakhalin citizens but not for themselves. This pessimism has much in common with a characteristic often ascribed to the Russian people, that of self-doubt. “Fatalism” and “masochism” are also often associated with this characteristic.²⁰ “Life...has been difficult for the Russians, and there is an inclination to see the world in sweeping, fatalistic terms.”²¹ It is no coincidence, as we will discuss below, that women are more skeptical about the personal benefits of the Sakhalin projects than men.

Among the desirable effects of the oil and gas projects that our respondents expect for themselves are improved living standards, expanded supply of natural gas to their homes, and employment opportunities. Among the undesirable consequences cited are environmental pollution, health problems due to air and water pollution and contaminated food, and the loss of access to traditional food supplies, particularly fish. Expectations among citizens are mixed regardless of their profession. The only exception are Oblast дума

20 See Vassilieva and Sokov, chapter 2. For an extensive psychoanalytical discussion of the historical and cultural sources of “moral masochism” in Russia, see Daniel Rancour-Laferriere, *The Slave Soul of Russia: Moral Masochism and the Cult of Suffering*, New York: New York University Press, 1995.

21 This observation is attributed to Yale Richmond, *From Nyet to Da: Understanding the Russians*, Revised and Updated Edition, Yarmouth, Maine: Intercultural Press, 1966, p. 41; cited in Vassilieva and Sokov, chapter 2.

members and administrators, most of whom can and do expect benefits for themselves. Again younger people are the most skeptical.

Fifth, a solid majority believe that the oil and gas development projects will bring Sakhalin closer to the rest of the world, and they welcome it. However, a good number of respondents base their expectations on wishes and hopes rather than on firm facts. They hope that closer international ties will contribute to the region's economic development by attracting investment, introducing new technologies, improving infrastructure, expanding trade opportunities, and improving scientific information available to the citizens of Sakhalin. Many of our respondents are concerned that expanded international ties will also mean that their natural resources may be depleted, their economy may be exploited by foreigners, their environment may worsen, and corruption and other political problems may result. A significant number of people are also concerned that international ties may bring moral decay to their society and increasing disparity in economic opportunities for the island's residents. Here again, students and other young people, as well as women, are the most cautious. Somewhat surprisingly, business and scientist groups are equally divided as far as expectations of adverse consequences are concerned. Again, ambivalence appears at work.

Sixth, about a quarter of our respondents participate in some organized civic activity. Not surprisingly, NGO members are the most active participants in nonoccupational groups. A fair number of media people and Oblast and city personnel also participate in nonoccupational activities. Teachers, business people, students, professors, and scientists are the least likely to participate in such groups. It is obvious that most people in these categories depend on the state budget for their income but their wage payments are often delayed for months. Therefore, they are forced to find additional sources of income for themselves and for their families. Many university students have to work to pay for their education. Needless to say, therefore, people in these categories have little or no time left for other activities, and participation in civic activities is clearly not high on their priority list. Moreover, traditionally, there is little trust among Russians toward nongovernmental groups and activities. All activities conducted during the Soviet era were organized and sponsored either by the Communist Party or government agencies. NGOs are a totally new phenomenon. Moreover, the presence of civic organizations has had little or no tangible (material) effects upon the lives of most citizens in Sakhalin. Therefore, unfortunately, there is no demonstration effect which otherwise could attract more people into organized civic activity. Another interesting finding is that women have a very low rate of participation in civic groups.

Seventh, nearly half of the groups and organizations in which some of our respondents participate have some international contacts. The impact of such contacts needs further study, however. One thing we can say at this time is that most NGOs in Russia are supported by foreign sources of funding.

There is a noted mistrust among the Russians toward groups sponsored by foreign organizations in general. This makes Russian NGOs with international ties “suspect” in the eyes of most Russians. We believe a part of this suspicion stems from the fact that most Russians are unfamiliar with these groups and organizations.

Eighth, Sakhalin citizens’ participation in organized civic activities appears to strengthen the people’s concern about the environmental consequences of the oil and gas development projects. Perhaps this is only to be expected because most of the groups in which our respondents participate have some activities that are focused on environmental consciousness raising. It is also plausible that many of our respondents already had apprehension about offshore energy development on environmental grounds even before they joined their current groups. Moreover, there is a wide gap between, on the one hand, their expectations of benefits and, on the other, what they have actually observed so far. The narrative answers of many “civic activists” indicate that they have yet to see any direct benefits for their groups. They share the view with many others that only a small minority of people, especially those directly involved in the energy development projects and government authorities in Moscow and in Yuzhno-Sakhalinsk have benefited and will continue to benefit from the oil and gas projects. Whether this view will continue after the production of oil, which began in July 1999, needs to be watched.

Ninth, as noted above, women are generally more skeptical than men about the impact of the Sakhalin projects, be it on citizens in general, on their personal welfare, or on the international status of Sakhalin. Women are among the most vulnerable groups in Russia today. This is nothing new. Historically this has always been the case. Humiliation, submission, and servility have long been the characteristics of Russian women, even during the Soviet period, when the Communist propaganda touted the supposed equality between the sexes. Many women in our sample feel vulnerable and helpless, some even desperate. They feel distant from the Sakhalin projects. They are hopeful that some benefits will visit them, but they are not sure. They fear that their environment will deteriorate, their resources will be depleted, and that only foreigners and a handful of Russians in positions of power and authority will gain most of the benefits. They are afraid that the Sakhalin projects will make their region dependent on the outside world.

Finally, the apparent indifference and skepticism among the younger respondents require some discussion. There appears to be wide-spread ignorance among the students regarding political, economic, and environmental issues in general and, specifically, about the oil and gas developments of interest to us in this study. Their responses are either extremely general or include statements that defy common sense. We also detect a feeling of alienation and lack of trust vis-à-vis the local government, the regional government, the central government, and the international community. We suspect that the indifference they convey to us reflects their feeling that they are not

connected to the values and institutions that have been brought into Russian society following the collapse of the Soviet system.

Young people seem to be quite passive when it comes to organized civic activity. Passivity and helplessness are prevalent among them. They feel as though the world is moving beyond them or past them without offering them any benefits, tangible or otherwise. Even environmental problems, about which they express concern, do not seem to mobilize them into action. They do not seem to have any cause around which to rally. They are adrift. The tendency among many Russians to ascribe ill intent upon their "enemies" presents itself in this instance as a strong negative attitude toward those who they believe will benefit from the oil and gas developments at the expense of others in Sakhalin. More specifically, most students feel the international community is interested in the development of their resources only for its own benefits. They also feel that foreign businesses have no moral compunction about exploiting their resources at the expense of resource depletion and environmental degradation. Incidentally, during our visit to Yuzhno-Sakhalinsk, we were informed about and noticed a visible presence of political forces on the island, namely the Communist Party and the Russian National Unity. It is quite possible that the sense of alienation the youth feel is strengthened by the propaganda spread by these anti-reform, anti-Western, pro-nationalist forces and exploited by these elements in their recruitment campaign. All around the young people of Yuzhno-Sakhalinsk are signs of political corruption, social decay, and economic crisis. Furthermore, the commercial advertisements extolling the virtues of "market economy" and the glimpses of glittering life in Moscow that they watch on TV seem far removed from their daily struggle.²² This point is well illustrated by a finding in a sociological research conducted in Yuzhno-Sakhalinsk in May 1995. When asked where they would find money if they were in dire need, 95.6 percent of the respondents in the age group of 18-29 said they would borrow the money from family and friends. This reflects the lack of development of market-based institutions and expectations on the part of young citizens in the city. During the period from 1993 to 1994, the number of those who were eager to earn money dropped 6.6 percent and, in contrast, the number of respondents who were willing to steal or rob others increased by 3.2 percent. An overwhelming number of young people from 16 to 29 indicated young people committed crimes because they were not engaged in any meaningful activities and that they felt no sense of responsibility to the community.²³

The younger respondents also share the sense that Russia has declined and continues to decline, politically and economically. While they do not point to any specific problems in their responses to our survey, they are highly

22 In most remote towns and villages of Sakhalin, the residents have access to only one central channel as transmissions of local channels do not work.

23 "Deviantnoe povedenie molodezhi," pp. 15-16.

critical and suspicious of all authorities, foreign or domestic, and are equally resentful of the presence of foreign businesses in their community. However, they do not offer any solutions of their own and they seem almost completely withdrawn from participation in any activities to remedy the situation. In the background of this sense of humiliation and helplessness are the series of world events in which they have watched Russia lose its great power status and appear weak and vulnerable against the rest of the world, particularly against the adversaries of its recent past. What also struck us about the response of university students is the generally low level of language literacy among them. Perhaps this can be attributed to the weakening of the educational system in general. Language literacy seems no longer to be the essential and highly valued aspect of education that it was in the past.

Conclusion

Anticipation and apprehension coexist among the Yuzhno-Sakhalinsk citizens who responded to our survey. This ambivalence is reminiscent of the oft-cited character of the Russian people, which is variously described as “dualism,” “divergence,” and “dichotomy.” This trait of the Russian personality has been described by many literary figures, philosophers, historians, journalists, and former diplomats. It is regarded by some as the “defining characteristic” of Russian culture.²⁴ George Kennan, for example, wrote that Russian life “at any given moment is not the common expression of harmonious integrated elements, but a precarious and ever-shifting equilibrium between numbers of conflicting forces.”²⁵

Anxiety and apprehension are also due to the sheer lack of information among Yuzhno-Sakhalinsk citizens about the Sakhalin energy projects. Clearly the federation government and the regional authorities must better inform their citizens, about the benefits and costs of the projects. Only a well-informed citizenry can provide the necessary support for the sustained development of Sakhalin’s economy. The need is particularly great when international participation is involved in the energy projects that will have far-reaching impact on the economic future of the island, at a time when there is general anxiety about Sakhalin’s environmental and resource situation. Moreover, from the point of view of civil society building, it is critically important that Sakhalin’s citizens are fully informed about the opportunities and challenges presented by the ongoing projects.

In terms of Sakhalin’s place in Russia, we note that virtually no-one in our sample suggests that the island become an independent entity, economi-

24 See Vassilieva and Sokov, chapter 2.

25 George F. Kennan, *Memoirs, 1925-1950*, Boston: Little, Brown, 1967, pp. 528-529; quoted by Vassilieva and Sokov, chapter 2.

cally, much less politically. In fact, most respondents very strongly identify themselves as Russian. In no way do their critical comments about the present economic and political situation in Sakhalin imply that they wish to seek a separate and independent existence from the rest of the nation. What is also interesting is that only two individuals mentioned that the Sakhalin projects will bring the island's economy closer to Asia-Pacific. Many economists in the Russian Far East speculate that the region's future economic prosperity depends increasingly on its ability to integrate itself with the dynamic economies of Asia-Pacific.²⁶ However, most of our respondents apparently do not consider Asia-Pacific to be an economic cradle of future Sakhalin.

It is equally clear that the international community must pay particular attention to the sensitivity with which many Sakhalin citizens view internationally associated development projects. This need is not unique to Sakhalin. In fact, studies of local views in other parts of the Russian Far East also reveal the sensitive nature of international projects, particularly when they relate to resource development with potential environmental consequences.²⁷ There is a reservoir of goodwill on the part of many Sakhalin citizens, as indicated by our respondents' generally favorable attitude toward international cooperation. However, further cultivation of the positive attitude would require greater effort on the part of the international community to address the immediate concerns of the island citizens. For example, while Exxon's donation of \$100,000 to the Yuzhno-Sakhalinsk State University for the installation of internet is a welcome development, there are areas where foreign assistance would make a very important difference in meeting the vital needs of the people, e.g., orphanages, kindergartens, schools, and other institutions that are in dire need of basic supplies and equipment. International aid in this sphere of life in Sakhalin would generate immediate, positive response from Sakhalin citizens of all political persuasions.

It should also be noted that the sensitivity that our respondents exhibit toward international interaction represents, in our view, the continuing saga of the search for national identity among Russian intellectuals. Throughout their history, Russians have struggled with the question of national identity relative to Europe and the Western civilization and East and the Asian civili-

26 See, for example, Tsuneo Akaha, Pavel A. Minakir, and Kunio Okada, "Economic Challenge in the Russian Far East," Tsuneo Akaha, ed., *Politics and Economics in the Russian Far East: Changing Ties with Asia-Pacific*, London: Routledge, 1997, pp. 61-67; Evgenii B. Kovrigin, "Problems of Resource Development in the Russian Far East," in Akaha ed., *Politics and Economics in the Russian Far East*, pp. 70-86.

27 See, for example, Akaha, Minakir, and Okada, "Economic Challenge in the Russian Far East"; Tsuneo Akaha, "Environmental Challenge in the Russian Far East," in Akaha, ed., *Politics and Economics in the Russian Far East*, pp. 130-132.

zation. The question was generally couched in terms of Russia's relationship with the Western civilization and the Asian civilization. The Europeanists among them held up the Western civilization as superior to their own and the nationalists and Eurasianists viewed it as inferior to or at least as different from their own. Most Russian intellectuals held the Asian civilization to be inferior to their civilization.²⁸

During the current period, there is much pain and anxiety in Russia, and Russian intellectuals are again searching for their national identity. Against the backdrop of political instability, economic crisis, and social turmoil, nationalism is clearly on the rise. This is evident in many instances in 1998-99, including the highly charged reaction by President Yeltsin and other Russian leaders to the US-led NATO bombing of Belgrade in May-June 1999.

In the search for national identity, intellectuals in the Russian Far East are divided between those who look for their future in closer ties with the West (Europe and the United States), those who seek closer association with Asia, and those who seek answers to their problems in their own national space. "Mixed," "ambivalent," and "cautious" are the adjectives that best describe their attitude toward the international community. Some politicians, the most notable example being Primorskii Krai Governor Nazdratenko, are exploiting the growing nationalist sentiment to their political benefit. In the process, foreign investors and governments are often made targets of castigating and often groundless charges.

The Sakhalin energy projects are the biggest development projects that this island has undertaken in recent decades. In the postwar history of the island, no development efforts have exposed as many of its population to the lures of the international community as these projects. With the influx of international visitors, foreign technology, foreign capital, and elements of foreign culture, the lives of countless citizens of this remote island may be transformed drastically, perhaps irreversibly. The mixture of anticipation and apprehension among the Sakhalin citizens is only natural. How they respond to the presence of foreign participants in these projects will have a far-reaching impact on the Sakhalin citizens' views of their future relations with the international community.

Oil production in Sakhalin-2 began in July and there is anticipation of visible impact on the citizens of Sakhalin. It would be very important that we study whether or not their favorable anticipation has been justified and their concern over adverse consequences misplaced. The ambivalence, the helplessness, and the almost fatalistic attitude we observe among many citizens of Sakhalin remind us of Karen Horney's study of the neurotic personality. She observes that the masochist may be overwhelmed by a "feeling that good and evil come from outside, that one is entirely helpless toward fate, appearing negatively in a sense of impending doom, positively in an expectation of some miracle happening without one's moving a finger."²⁹ Are the Sakhalin projects a disaster waiting to happen or a miraculous beginning of prosperous life in the twenty-first century?

28 For a recent succinct discussion of Russian identity vis-a-vis Europe and Asia, see Pierre H. Hart, "The West," and Mark Bassin, "Asia," in Nicholas Rzhevskii, ed., *The Cambridge Companion to Modern Russian Culture*, Cambridge, UK: Cambridge University Press, 1998, pp. 85-102 and pp. 57-84, respectively.

29 Karen Horney, *The Neurotic Personality of Our Time*, New York: W.W. Norton, 1964, p. 228; quoted in Daniel Rancour-Laferriere, *The Slave Soul of Russia*, p. 93. The point is not that Sakhalin citizens are neurotic but that to the extent that they share the historically rooted tendency toward moral masochism, it is likely that many of them will view the ongoing oil and gas developments in their territory as a development beyond their control.