‘Rasputitsa’: Why Railways and Roads are Russia’s Achilles’ Heel

Emily Ferris

Ageing railways, poor-quality roads and an inadequate response by the authorities to calls for basic services are the weak underbelly of the Russian infrastructure system.

The Russian language has a specific word to describe the conditions of roads during particularly adverse weather. Rasputitsa usually describes heavy snow or mud, which makes traversing these roads almost impossible. That such a word exists, to illustrate the difficulties in getting around this vast country, highlights the continued importance of basic infrastructure, such as roads and railways, in Russian thinking.

Russia remains highly reliant on roads and railways to transport large volumes of people and cargo across its territory. But ageing transport infrastructure – including badly-laid roads, poor-quality railways and overloaded ports – is putting a strain on local towns and cities. This is driving up tensions between residents and the government and prevents Russia from promoting itself to international partners as a transport gateway to Europe. Russia has plenty of weaknesses, but infrastructure may be one of the most overlooked. Should the government fail to address this, it is likely to have serious economic and even security implications in the coming years.

It’s Putinomics, Stupid!

The Russian authorities are keen to convince international partners such as China and Japan that its Far Eastern region could become a cargo transportation hub and a link for products transiting to Europe. President Vladimir Putin has met with Chinese President Xi Jinping and Japanese Prime Minister Shinzo Abe on multiple occasions to discuss the prospect of large-scale business development in the underfunded Far East of Russia, but these meetings have led to few tangible results.

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The Russian government has been promoting places such as the Far Eastern city of Vladivostok as the missing transport link between Europe and Asia. Investments in Vladivostok’s infrastructure have been rapidly increasing in recent years; the city was significantly upgraded in 2012 ahead of its hosting of the 2012 Asia–Pacific Economic Cooperation (APEC) forum. The Eastern Economic Forum, an annual event that attracts high-profile diplomats and businesses from countries such as Japan, China and South Korea, has been held in Vladivostok since 2015. Most recently, in December 2018, Putin signed a decree stipulating that Vladivostok was to become the official capital of the Russian Far East, replacing the city of Khabarovsky. In practice, this means very little, but it is a sign that much of the authorities’ attention – and probably further funding – is likely to converge on Vladivostok. The government has also worked to ease regulations to allow Chinese and Japanese investors a freer rein in the Far East, establishing special economic zones that feature tax benefits and customs exemptions.

But this has not been sufficient to tempt foreign exporters, who are concerned by a combination of ongoing Western sanctions, corrupt business practices in Russia, and most of all, the practical obstacles involved in transiting their cargo across the country.

Obstacles on the Road

There are several major issues with the Russian government’s plans to promote the Far Eastern region as a place of economic opportunity. This includes the practical difficulties in connecting the eastern and western parts of Russia, and systemic corrupt practices that have allowed many infrastructure projects to be abandoned. The government’s failure to address this is beginning to rankle the local population.

The Far East is poorly linked with the western part of Russia, and indeed with other areas in the Far East. While Vladivostok is technically a conveniently-placed port city, through which countries such as Japan could ship goods, in practice, transferring this cargo on to other parts of Russia – via railways or by road – is challenging. This is in part due to seasonal difficulties; many road and railway routes are covered by permafrost or blocked in winter due to heavy snow and encased in marshland during the hot summer months. Much of the Soviet road network has been poorly maintained since the early 1990s, and the quality of roads outside of major cities is variable, which makes it difficult to transport...
goods unloaded at ports. Even though Vladivostok was given a facelift ahead of the APEC summit, much of the work to repair roads was cosmetic, and potholes soon appeared – in part due to an elaborate corruption scheme in which many of the funds allocated to complete the road were stolen.

This means that options for cargo routes are limited to a few well-established railway lines, such as the Trans-Siberian Railway, or the Baikal–Amur Mainline. The Russian Railways company has a near monopoly over rail transport in Russia. This is a state-controlled company headed by Oleg Belozerov, a former minister for transport. In a meeting at the Kremlin in October 2018, on the occasion of Russian Railways’s 15th anniversary, Putin told Belozerov that Russian Railways was one of the cornerstones of the Russian economy, responsible not only for freight shipping but also for the smooth running of the entire country. This accords the company and Belozerov himself with significant powers and responsibilities. Russian Railways and other agencies responsible for infrastructure appear to have multiple plans in the pipeline to upgrade the railways. In November 2018, Russian Railways announced its investment strategy for 2019–21, in which the company pledged to upgrade railway connections in the Far Eastern Amur region, improve public transport and construct another 17,000 km of track. Around RUB 2.3 trillion have been earmarked for this ambitious project.

But these lofty aspirations are often belied by practical obstacles. Aside from increasing spending to purchase additional rail cars, there is no clear official strategy that details how Russia would be able to handle an expected increase in railway traffic. The Far Eastern region only has around 6 million inhabitants – a very small available workforce that may not be able to cope with an increase in cargo or railway traffic. Moscow has tried to tempt its citizens to relocate to the Far East, offering financial incentives and free land to move there, but very few people have agreed to do so; most are unwilling to settle in a region whose economic future is uncertain.

**Ports of Call**

Russia’s inadequate port system is also preventing Russia from rebranding itself as an investment hub. RosMorPort – the main agency that oversees Russia’s port infrastructure – in 2012 published its strategy for developing the port system by 2030. It aims to increase port capacity in the Far East to send and receive cargo to the Asia–Pacific region, increase transshipments from millions to billions of tonnes and turn Russian ports into one of the world’s main shipping hubs. But while Moscow has extolled the virtues of places such as the Free Port of Vladivostok – regulations introduced in 2015 ease some visa restrictions and offer state support for small businesses – there is little scope for the port to be expanded beyond its current capabilities.

Other ports such as the port at Nakhodka – located 186 km east of Vladivostok – could be used to receive cargo instead but would require significant investment to upgrade. Other options include the port at Slavyanka, just south of Vladivostok, near the landlocked Chinese province of Jilin. South Korean investors have occasionally expressed an interest in Slavyanka, but the funds have not materialised. Since 2017, the South Korean Ministry of Fisheries and Oceans has been conducting a number of feasibility studies on the future development of the Slavyanka port and the potential for its expansion. The studies are scheduled to be complete in September 2019, but progress on this appears very slow; and any South Korean funding for upgrading Russia’s ports would likely require several years of long-term investment to become profitable. There have also been plans in the pipeline for the expansion of the port at Zarubino – less than 80 km away from Vladivostok – since 2014. Although Chinese companies initially expressed interest, with the specific aim of transiting Chinese goods between China’s northeast and southern provinces, construction has stalled completely after the project failed to receive sufficient government funding, and potential investors have failed to secure guarantees from Chinese exporters that they would make use of the port.

Even if these ports are significantly upgraded, there must also be serious investment into improving the nearby roads and motorways that would link up Russia’s ports to the Chinese border, an extremely expensive undertaking. A planned motorway scheduled to run from the Chinese border to the Zarubino port is estimated to cost RUB 37 billion. Avtodor, the agency that oversees Russia’s road construction, has apportioned $274.6 billion to upgrade Russia’s roads and bridges by 2030, as part of the Ministry of Transport’s development strategy. However, it is not clear how much funding the poorly connected Far East will receive. Ultimately, the Russian economy is not able to shoulder the burden of this large-scale construction across the country and would need significant financial support from foreign partners to meet the demand for infrastructure improvements.

Issues linking up roads, railways and ports all have implications for Russia’s global economic position. According to the Global Competitiveness Report published in 2018, which examines a range of indicators to assess country’s relative economic improvement, Russia was ranked 104th out of 140 countries for its road quality, just behind Ethiopia. It also ranked particularly poorly in terms of its railroad density – 69th out of 140 countries, just below Egypt. This is a very poor result given how large the country is, and how dependent it is on rail transport to meet many of its economic needs. It indicates that the government is failing to apportion sufficient funds to connect up the country, which will hold Russia back from positioning itself as a transit country and an attractive business investment.

A lack of investment in port and road infrastructure is likely to have serious trade implications. Russia is keen to develop the Northern Sea Route (NSR), as a trade route capable of shipping cargo from China through Russian Arctic waters. The NSR’s main advantage is that it will technically reduce shipping times for exporters intending to send cargo to Asia, an attractive option for major exporters such as China. For now, China is confined to using Russian
icebreakers to traverse the ice-locked waters of the NSR, although China has plans to develop its own icebreaker fleet in the next five years to reduce its dependence on Russian ships.

But regardless of whether China completes construction on these icebreakers or continues to use Russia’s ships, there is an even more pressing issue – Russia has precious few ports along the NSR that are capable of servicing ice-class ships and the shipping vessels they accompany. Nor does Russia have sufficient search and rescue facilities that could assist a vessel in distress. As the Arctic seas warm and greater volumes of shipping traffic are likely to traverse the NSR, the risk of an incident at sea increases, which Russia’s port systems are insufficiently prepared to respond to. To further complicate the picture, in October 2018, Russia’s largest dry dock that services ships in Murmansk in the country’s northwest, collapsed and abruptly sank as it was repairing a large aircraft carrier, the Admiral Kuznetsov. The repercussions were downplayed by the authorities, but it was a major blow to the Russian Navy, as the docking station serviced many types of vessels, including submarines and military ships.

**Burgeoning Social Tensions**

Moscow’s plans to position itself as a reliable trade partner for the Asian market often fail to take into account the pressure that this puts on local residents. People increasingly blame the Russian government – particularly the incumbent United Russia party – for failing to address corrupt practices that have left infrastructure projects incomplete, and for poor health and safety standards.

Corruption is often a feature in large infrastructure construction projects, in which funds are siphoned off a project by bureaucrats, businesspeople and contractors, resulting in delays or incomplete roads and bridges. One of the most famous examples of this is the case of the former mayor of Vladivostok, Igor Pushkarev. In 2019 he was found guilty of bribery and abuse of office and sentenced to 17 years in prison. During his time in office from 2009 to 2016, he had allowed a company owned by his relatives to provide large consignments of construction supplies (worth millions of dollars) to the roads of Vladivostok. Locals had complained that these roads were poorly built and that the company had enriched themselves rather than spending funds on the project. Large infrastructure projects are frequently started and then abandoned, such as the half-completed bridge to China in Russia’s Far Eastern town of Blagoveshchensk, or Vladivostok’s long-awaited Hyatt Hotel whose construction began in 2009 but has now been cancelled altogether.

Moscow’s failure to address domestic infrastructure problems, while at the same time promoting the country to outside investors, is beginning to irritate the local Russian population. Thousands of locals in the Far Eastern cities of Khabarovsk and Vladivostok held multiple protests throughout 2017, maintaining that increasing rail traffic and open-top freight cars carrying coal exports to the Asian market were polluting the local environment and causing breathing difficulties. The large number of demonstrators was unusual in a region that is rarely restive. The Russian authorities’ social contract with their people cannot be sustained purely on grand narratives, such as projections of Russia’s global dominance as a way of boosting the government’s popularity ratings, unless citizens receive tangible benefits in return.

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Disgruntled residents in the Moscow region town of Volokolamsk and several other smaller towns orbiting the capital have also held periodic protests over the past three years – sometimes attracting as many as 1,000 people – against the local authorities’ apparent refusal to clear landfill sites, as schoolchildren have become unwell from the chemical fumes. This all came to a head in April 2019, when 26 different regions across Russia protested the Kremlin’s solution to the issue, which was to transfer waste to different parts of the country. In a similar vein, the northern Komi Republic had been selected as a target site for new landfill areas, but in recent weeks Komi has seen protracted protests, with locals maintaining that the sites will damage the environment. These demonstrations have shown no sign of diminishing, with protesters pushing for the resignation of their local governors, and in some cases have been detained by the local security services.

The significance of these protests could be seen in Putin’s annual speech in February 2019, when he zeroed in on the topic of waste management, likely in an attempt to address the demonstrators’ concerns. For a president more accustomed to discussing foreign policy in public, he instead chose to devote most of the speech to domestic affairs and the state of Russia’s urban infrastructure, including the topic of toxic landfill sites. While this may not seem like a pressing security issue, inadequate infrastructure could have a potentially damaging impact on Russia’s political stability as public resentment against the government grows.

Ultimately, without significant foreign and government investment to improve connectivity around Russia, inadequate infrastructure will hold the country back from casting itself as a reliable trade partner. More pressingly, ignoring the demands of residents to improve infrastructure and address concerns around pollution could have serious implications for the governing authorities’ political positions in the coming years.

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