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Corporate Social Responsibility and the Russian State in a Small Siberian Oil Town

GERTRUDE SAXINGER, NATALIA KRASNOSHTANOVA, AND GERTRAUD ILLMEIER

Abstract: Verkhnemarkovo, a small Siberian town located on an oil field in Russia’s Irkutsk region, is plagued by bad roads and limited mobility. This article explores the relationship between corporate social responsibility and the wellbeing of individuals and communities, with a focus on transport and mobility infrastructure. Some oil companies, such as Irkutsk Oil Company, are tied to the sustainability standards of international financial institutions. The article addresses the question of why people are in limbo between the state and local operating oil companies. Contemporary life in Verkhnemarkovo is characterized by so-called infrastructural violence, which results from the lack of state support—or false promises made by the state—and relates to good transport infrastructure. In their complaints, local people recall the Soviet past and expect support from the state or industry.

Keywords: corporate social responsibility, infrastructural violence, mobility, oil industry, Siberia, sustainability, transportation infrastructure, wellbeing

Corporate social responsibility (CSR) programs by extractive industry companies provide a basis for following the international trend of “doing well by doing good”; that is, good corporate conduct should result in the greater security of extractive operations (for instance, by preventing local protests), thereby securing corporate benefits. In the Russian context, CSR activities are usually based on voluntary (non-
binding) agreements between state bodies or community institutions and the companies themselves. The charitable nature of CSR is strongly tied to political requirements in a given region, as well as to the expectations of the state or a community. The CSR performance of the main company in our case study—Irkutsk Oil Company (Irkutskaiia Neftianaia Kompaniiia or INK)—is also based on the environmental and social requirements of an international development bank, namely the European Bank for Reconstruction and Development (EBRD), which is a shareholder of and lender to INK. This is a different situation compared to some of the other oil companies in the region, which do not have relations with banks that have set ethical and sustainability standards, and whose CSR activities are more charitable and voluntary.

Focusing on the case of Verkhnemarkovo, a small town located on an oil and gas condensate field in Irkutsk oblast in Siberia (see figure 1), we show how people’s mobility practices and needs are negatively impacted by the lack of sufficient responsibility for good transport infrastructure on the part of the state and the companies, including the maintenance of roads or public transport provision. Throughout this article, we explore the relationship between CSR and the wellbeing of individuals and communities, with a focus on transport and mobility infrastructure.
Back in the 1980s, Verkhnemarkovo was a prospering town located among rich oil fields on the banks of the Lena River. The first oil well at the Markovskoe oil field was drilled in 1962 (Antipina 2008b), and from the 1960s on, development was continuously thriving in such a way that the authorities considered renaming the future city Neftelensk (neft’ means oil in Russian, lensk refers to the Lena River). The Angara-Lena Oil and Gas Prospecting Expedition (Angara-Lensaia neftegazorazvedochnaia ekspeditsiia; henceforth, Lena Expedition) was the state-owned local oil company at that time. The operation of this company, along with the state-owned agriculture enterprise (sovkhoz) Markovskii and the state-owned timber company Zaiarnovskii Lespromkhoz, meant that the socioeconomic development of the region was relatively diversified.

During the time of the Lena Expedition, speed boats on the Lena River, regular air transport, and a 150-kilometer road between the district center Ust’-Kut and Verkhnemarkovo, provided transportation links and opportunities for people of the town to connect with other places. However, at the beginning of the 1990s, the transformation of the state system led to the stagnation of Verkhnemarkovo, and the transport networks shrank substantially. Population numbers illustrate the downturn of the town, which had already begun during perestroika. In the 1980s, Verkhnemarkovo had around 5,700 inhabitants, including incomers from different parts of the Soviet Union, but this number had shrunk by 1989 to around 4,200, and has stabilized today at around 2,500 people (Kosiakov, Belinskii, and Alekseienko 2010; Vlasov 2018). The local economy is highly dependent on the oil industry, where the majority of men work; local businesses act as subcontractors to the larger oil companies. Local shops are partly dependent on the transient oil workers, who do their shopping on their way to the camps at the various oil fields. The public sector also provides some diversification within the job market.

No public transport runs along the so-called Viliui Highway (or A331) between Verkhnemarkovo and Ust’-Kut. A private company provides taxi and minibus (marshrutka) services between these places, as well as a taxi service within the town. The roads of Verkhnemarkovo are poorly maintained, and the Viliui Highway is surfaced only out to thirty-five kilometers beyond Ust’-Kut, where it leads to INK’s new refinery and polymer production plant, the Lena River harbor facilities, and the wood processing companies.

These roads come under the administration of different bodies belonging to the federal, regional, and municipal governments. The main
oil company in the region, INK, supports the maintenance of some public roads, in particular those roads which lead to their oil facilities. As part of INK’s CSR program, the road from Verkhnemarkovo’s subdivision Zaiarnovo to the school in the center has been improved by INK and is cleared of snow by the company in winter. Since the town stretches out over seven kilometers, transport infrastructure is crucial for the people, but remains only insufficiently available or costly. People are generally dependent on private cars, which are not available to everybody, or they must rely on the local taxi company.

It is evident that the town is highly dependent on the oil sector, and everyday life is organized around this industry. CSR programs are a crucial way for companies to support social, cultural, and other projects that are relevant for the community and the residents’ wellbeing. People expect support from the oil companies; this mindset hearkens back to the Soviet period, when state companies were responsible for wide-ranging social and cultural support in local communities, including roadbuilding and maintenance. As this case study demonstrates, this situation contains the risk of the state retreating from its responsibility to care for local (sustainable) development as expected by the people (others have also demonstrated in different parts of the world (e.g., Hilson, 2012). Against this backdrop, this article tackles the following research questions:

- Does CSR under post-Soviet conditions lead to community wellbeing in Verkhnemarkovo and its associated transport and mobility infrastructure?
- What are the day-to-day mobility patterns of local people, and what are the constraints that lead to a lack of mobility from the perspective of different social groups?

This analysis is based on qualitative data collected by all authors during ethnographic fieldwork in 2014, 2016, and 2018. We present some key results from around thirty semi-structured interviews held with different gender and age groups: people who are employed by the state or by the oil companies and their subcontractors; town and regional administration representatives; self-employed people and business owners; women active in local cultural activities; pensioners, single mothers, and schoolchildren. During these three field trips each lasting between two and four weeks, participant observation and informal interaction with people were also possible. This frequently provided insights deeper than interviews or questionnaires would allow; it also
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provided visual impressions related to societal inequalities and the conditions of transportation and mobility infrastructure.

A theoretical underpinning of this research is provided in the next section, followed by an extensive background, including a historical overview accompanied by demographic and economic data. We then analyze the ethnographic data, which portrays peoples’ mobility and immobility, transport infrastructure, and transport within and outside of Verkhnemarkovo. The subsequent discussion and conclusions highlight the limbo in which people find themselves, when neither the state nor the companies solve the problem of poor transport infrastructure adequately. We conclude that charitable and voluntary CSR alone cannot build the basis for the sustainable wellbeing of people and the community as a whole.

Theoretical Framework

The Arctic, including Siberia, is currently facing rapid environmental and social change (IPCC 2014; Larsen and Fondahl 2014; Petrov et al. 2017; Rasmussen 2011). This article contributes to the fast-expanding body of literature on one major source of environmental and social change: the extractive industries, their impacts and relation to society (Appel et al. 2015; Behrends et al. 2011; Gilberthorpe and Hilson 2014; Johnstone and Hansen 2020; O’Faircheallaigh 2013; Rajak 2016). Specifically, this article discusses the relevance, potential, and shortcomings of CSR (Hilson 2012; Koivurova et al. 2015; Rajak 2011; Ryabova et al. 2013; Ward 2013; Wilson and Istomin 2019; Wilson et al. 2016; Wilson and Buxton 2013). It approaches this question from the perspective of mobility (Cresswell 2010; Glick Schiller and Salazar, 2013; Sheller and Urry, 2006) and transport infrastructure (Dalakoglou and Harvey 2012; Harvey et al. 2017; Harvey and Knox 2012; Saxinger et al. 2018; Star 1999) to understand societal processes related to regional development. In doing so, it also addresses a research gap relating to the study of nonindigenous communities in the context of Arctic sustainability that was identified by Petrov et al. (2017).

As noted above, this article questions whether CSR can enhance community wellbeing, and thus the quality of life, in the context of poor transport infrastructure. Lane argues that development can lead to human wellbeing, if the development in question “is continually creating and improving those physical and social environments and expanding those community resources which enable people to support
each other in performing all the functions of life and in developing themselves to their maximum potential” (1989: 4; see also Kusel and Fortmann 1991; Riabova 1998; Smith and Reid 2018; White 2017). The characteristic of being in constant transition (Baerenholdt and Aarsaether, 1998) in the sense of unfinished progress and social change applies to Verkhnemarkovo, as it does to other northern regions; in this particular case, these legacies date back to the Soviet era and the collapse of the economic base following the breakup of the Soviet Union in 1991. Therefore, we explore the role played by mobility and transportation infrastructure—including people’s memories of a “better” past (see also Boym 2001; Yurchak 2006)– in keeping communities vivid and thriving. We consider how people’s social, cultural, and economic needs are met, and a “good life” is enacted (Fischer 2014; Riabova 1998) as communities continually adapt to social and economic changes. Wilkinson (1991) states that the term “wellbeing” recognizes the social, cultural, and psychological needs of people, their families, institutions, and communities. This article questions who is responsible for recognizing those needs and therefore delivering wellbeing and this making a good life possible. Is it the companies or the state at its various levels, or both?

An important keyword in contemporary Arctic social sciences and interdisciplinary research is sustainability, be it in terms of sustainable development, sustainable communities, or sociocultural, economic, and ecological development (Larsen and Fondahl 2014; Larsen et al. 2010; Petrov et al. 2016, 2017), all of which are closely tied to wellbeing. A key factor influencing such processes is the power relations between stakeholders and within a community, and aspects of intersectionality such as gender and age, or other distinctive components of a community (Petrov et al. 2016) and its embedding in a national and global political economy. The United Nations, through the work of the World Commission on Environment and Development (1987), defined sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs,” and such an approach is also reflected in the current UN Sustainable Development Goals.5 International financial institutions, such as the EBRD, also have sustainability standards that they promote through their financing practices (Wilson 2017, 2020). Sustainability and CSR standards become legally binding through lending or investment contracts.

An important definition of sustainability is that it is not an end-point and an outcome, but rather a process (Graybill and Petrov 2020; Larsen and Huskey 2020; Petrov et al. 2016, 2017). This fact is import-
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Ant in exploring socioeconomic and ecological sustainability by also looking into historical legacies—termed postsocialist—that still impact the present and will impact the future (Tysiachniouk and Petrov 2018). This is evident in the way that our respondents referred to the Soviet past and looked to the future in interviews. Such historical dynamics and scale-dependent processes remain largely undiscussed in studies of Arctic sustainability (Petrov et al. 2016). Saxinger et al. (2016) demonstrate the vulnerability of mono-industrial economic and social settings in their comparison of Western and Eastern postsocialist contexts. This has shown the “lock-in” and negative “path dependency” phenomena, which continue to manifest themselves even under different governmental systems (see also Grabher 1993; Martin and Sunley 2006). Halseth et al. (2014) refer to a lock-in as a situation in which the “social, economic, labour, investment, institutional, and infrastructure elements of established resource economies drive thinking and decision making” (2014: 358).

This article also contributes to studies in mobilities, emphasizing that mobility and immobility are intertwined phenomena (e.g., Cresswell 2010; Salazar 2010). In contemporary “regimes of mobilities” (Glick Schiller and Salazar 2013), power relations are at work when it comes to exclusion from mobility (Cresswell 2010). In this article, this is of particular relevance considering mechanisms of local dependencies from state planning and decision making or if the international standards of lending banks are of relevance in a certain context or not; and if these have an impact on mobility. At the local level, considerations such as gender and age dimensions lead to inequality related to access to functioning means of transport and opportunities to move.

Modern society is concerned with high levels of mobility—be it elite mobilities, refugees, or migrants. This has led to the evolution of the so-called new mobilities paradigm and mobility turn in social science (Sheller and Urry 2006). However, this approach tends to neglect the immobility and rootedness of many people and the still-valid “sedentary paradigm” (Saxinger 2016b). Yet the current age is not the only age of mobility; humans have been on the move since time immemorial (Rolshoven 2007; Wolf 2010). Traveling and being mobile is tightly connected to transport infrastructure and is thus also a matter of politics, as Cresswell and Merriman (2011: 5) assert:

driving and flying are practices which have clearly become dependent upon an extensive network of technologies and spaces, from different types and makes of airplane and motor vehicle, to the spaces of the road, motorway, car park, airport and the sky. These practices and
associated spaces are entwined with a complex array of political, cultural, economic and environmental debates. All of these embodied mobile practices have complex histories and geographies.

This article also contributes to studies of mobility in remote regions where passenger transport is scarce and expensive, while it was abundant and cheap in Soviet times. Mobility is conditioned by the available transport infrastructure and its shape.

In both anthropology and human geography, an increasing body of literature has emerged in recent years tackling the various elements of transport infrastructure such as its social, economic, and cognitive meaning, as well as the notion of “infrastructural violence” (Rodgers and O’Neill 2012). Infrastructural violence occurs when people are impacted by the existence of certain infrastructure, such as being resettled to make way for the construction of a highway or being exposed to negative environmental impacts from that highway. They may be affected by the existence—or nonexistence—of infrastructure when they suffer from processes of marginalization, abjection, and disconnection as a result. This is shown by Illmeier and Krasnoshtanova (forthcoming) in the case of Verkhnemarkovo’s neighboring village, Tokma, where roads across the taiga are constructed for the oil company while local people are excluded from using them (see also Krasnoshtanova et al. 2021).

However, as Walker and Pierce (2015) and Schweitzer (2017) outline, Arctic and Siberian infrastructure is so far only weakly understood in the social science literature. Significantly, Argounova-Low (2012), Argounova-Low and Prisyazhnyi (2016), as well as Orlova (2021) provide a unique new understanding of the narrative, social and affective dimension of roads that go beyond previous discussions about political or economic contexts in road studies. New industry development has an impact on the conditions and the existence of transport infrastructure. In Ferguson (2012: 559), infrastructure is “imagined as a set of (often literally) concrete arrangements that both coexist with and enable or facilitate other such arrangements. It is both a support system that makes it possible (or impossible) for other things to exist and a way of making up a particular kind of social world.” In this sense Larkin’s (2013: 333) notion of the “poetics of infrastructure” is relevant to this study: “roads and railways are not just technical objects but also operate on the level of fantasy and desire. They encode the dreams of individuals and societies and are the vehicles whereby those fantasies are transmitted and made emotionally real.” This relates to the notion of “enchantment” by infrastructure, described by Harvey and Knox

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(2012: 522) when they explore people’s enthusiasm for roads in terms of their capacity to enchant, even if they have not been constructed but merely promised: “Rather than assessing the viability or validity of the social transformation that roads . . . promise, we draw on the notion of ‘enchantment’ to explore how it is that roads manage to hold competing and often quite divergent hopes and expectations together.”

Hopes and expectations are closely related to waiting, which is also relevant to our study. Waiting is described by Hage (2009) as an expectation from life; people wait for the future, and it is dependent on those who are providing whatever one is waiting for. In this sense, infrastructural violence—in terms of a lack of infrastructure or a delay in its development—is a key issue when people are dependent and have little say in how the development takes place. Materiality, morality, and inequality are at the center of Rodgers and O’Neill’s (2012) theory on infrastructural violence. It involves not only the aspect of people interacting on an everyday basis with such infrastructure, but also scales it up to the level of the political economy; in other words, they also consider those people are responsible for thinking about fairness in the context of infrastructure development, as well as those who might undermine such thinking (Rodgers and O’Neill 2012).

Here, CSR comes into play, related to issues of morality, inequality, and fairness. The concept of CSR has been evolving over many years, particularly since around the 1980s (Hilson 2012, 2014) and has been gaining increasing popularity among companies who aim to build relationships with local communities in order to become good corporate citizens and thus increase their reputation and business success (Hilson 2014; Rajak 2011). Definitions of CSR comprise not only community engagement in terms of socioeconomic support or employment opportunities but also the improvement of the quality of life of the workforce. It also considers the impacts of corporate decisions on society and the environment and requires companies to abide by national laws and international regulations and to exercise ethical and transparent behavior toward all stakeholders to contribute to sustainable development (Agudelo et al. 2019).

CSR can comprise voluntary compensation payments and benefit sharing as source for sustainable resource governance, as proposed by the World Business Council for Sustainable Development (2011). It can also be tied to international ethical, sustainability, environmental, and social performance standards, such as those of the International Finance Corporation (IFC) or—important for our case—the EBRD (Wilson 2017, 2020). CSR can also be tied to national legislation (Tysiachniouk et al. 2019).
States might implement procedures that require corporations to support local communities or make payments to state bodies as part of the licensing process. Therefore, this requires effective coordination between international instruments and national legal and regulatory regimes (Wilson 2017).

In Russia a specific postsocialist situation prevails in regard to CSR (Crotty 2016; Henry et al. 2016; Kelman et al. 2016; Novikova 2014; Novikova and Wilson 2015; Wilson and Istomin 2019). Legal mechanisms are in place in Russia that require proponents of industrial projects to consult with affected local populations (Loginova and Wilson 2020). However, under neoliberal global market conditions—which steer the oil industry in Russia—CSR seems to have developed largely in the form of voluntary benefit sharing, compared to the Soviet period, when responsibility actions were based on the social and infrastructural support systems connected to the state enterprises. This leads to a situation where responsibilities are not taken on by either party, the state or the company, and in turn people’s expectations tend to be disappointed and the so-called social license to operate is compromised. People tend to feel that oil is just pumped out and it remains uncertain what is left for the locals (Tulaeva and Tysiachniuk 2017). However, in cases such as the Iamal-Nenets Autonomous District, large state-owned enterprises, such as Gazprom, are fully committed to regional employment, and provide support to social and cultural infrastructure and are thus considered by the inhabitants to be good corporate citizens (Saxinger 2015, 2016b). Here, local people’s memory of the Soviet past becomes clear, since the inhabitants claim the right to state and state-owned corporations’ support as fair compensation for their hard work and commitment to the state leadership, be it to contemporary Russia (which is reflected in the high number of votes for the Edinaia Rossiia (United Russia) Party in elections) and to the Soviet Union in the 1980s when they built up the northern industrial towns “with their own hands” (Eilmsteiner-Saxinger 2011; Saxinger 2015, 2016b). Similar cases are described for other northern Russian regions (see also Tysiachniouk et al. 2018; Wilson 2016). Although the large state-owned oil and gas companies in Russia, such as Rosneft or Gazprom, can (and should, based on the imperative of the “state as owner”) still fulfill the demands for wellbeing of local society, private companies and subcontractors are no longer tied to this seemingly Soviet logic. It is also important to consider power relations between the various state levels, including the different types of communities (urban, rural, indigenous, or nonindigenous) and the differently constituted corporations; all of these groups tend
to have different and sometimes competing interests (Murashko 2008; Novikova 2014).

To secure the success of a project or an operation the corporation ideally obtains a so-called social license to operate (SLO) from nearby communities (for critical engagement with the concept, see Koivurova et al. 2015; Morrison 2014; Prno and Slocombe 2012; Syn 2014; Tysiachniouk et al. 2018; Wilson 2016). Wilson (2017: 3) describes the SLO as follows: “The term ‘social licence’ may refer to informal relations or to a general relationship of trust between the parties. . . . A social licence can also be formalised through signed agreements, which are negotiated between companies and communities as a way to build trust, establish mutual expectations and jointly agree development pathways for the future.”

An SLO is not necessarily permanent, and “where local residents voice their expectations and concerns, this can also push companies to improve their environmental and social performance” (Wilson 2017: 3). Typically, the SLO is acquired through CSR activities and stakeholder engagement. An SLO differs from consent, which would indicate a right to withhold permission (Syn 2014). It indicates acceptance of that project (or industry) in a community and must be obtained through being a good corporate neighbor. If the SLO is not in place, projects might be at risk (of social unrest, strike action or even violent conflict), which must be mitigated (Syn 2014). A change in power relations is necessary for communities to move forward in securing their interests (Syn 2014; Wilson 2016). The SLO is dynamic and must be carried on beyond the project planning into the future (Wilson et al. 2016).

Benefit sharing is one of many different instruments of CSR and a way to obtain an SLO (Tysiachniouk et al. 2018). Benefit-sharing agreements are seen as a way of addressing the problem of inequitable benefit sharing in the context of extractive projects (O’Faircheallaigh 2013). They may cover infrastructure, local procurement, employment and business opportunities, environmental and social impact mitigation, education and training, revenue sharing (such as royalty payments or equity shares), and community participation in planning (Wilson and Istomin 2019). In our case study, payment is on a voluntary basis and there are no formal impact and benefit agreements in place, as there are elsewhere in Russia (Kuklina et al. 2020; Tysiachniouk et al. 2018) or in Canada or Australia (Prno and Bradshaw 2010). Tysiachniouk et al. (2018: 3) draw on a comparison to CSR in saying:

benefit sharing incorporates social justice to overcome the discrepancy between those who provide resources and those who benefit
from industrial exploitation of these resources. Benefit sharing is more empowering and enabling with respect to local communities, as it also gives agency to the local actors in their own decision making; e.g., what to do with the funds. In other words, it is even more relevant for community sustainability and sustainable development in remote regions.

They also emphasize, however, the neocolonial and neopaternalistic nature of the community–corporate–state relationship, in which locals are not recognized as an equal party. Tysiachniouk et al. (2018) refer to a “plea-and-take” system, whereas Wilson and Istomin (2019) question the mechanism of benefit sharing for its fairness and if it is only the distribution of “beads and trinkets.”

**Background and Analysis of Ethnographic Data**

**From Farming to Being an Oil Town**

Verkhnemarkovo is a seven-kilometer-long town stretching through the lowlands of the left bank of the Lena River, around 150 kilometers north of Ust’-Kut, the administrative center of the district of the same name, in the north of Irkutsk oblast. On paper, 150 kilometers might not seem to be a large distance, but since the transportation infrastructure in place is very poor and transport services are insufficient, the travel time and constraints are highly significant for people living in Verkhnemarkovo, because its residents depend greatly on Ust’-Kut. Once a prosperous town, Verkhnemarkovo today no longer meets people’s basic needs in terms of medical care and does not supply sufficient affordable food, clothes, or other goods. It does not even have a gas station, and it also lacks attractive opportunities for leisure activities. It does, however, have basic medical care, a primary school and a high school and several grocery stores.

Verkhnemarkovo consists of three settlements that are geographically separate from each other, but administratively belong to one municipality. Markovo is located on the right bank of the Lena River, and on its left bank are Verkhnemarkovo and Zaiarnovo, the latter being the farthest from the town center. There is no bridge over the Lena River; transport from Markovo to Verkhnemarkovo is only possible by private boat or ice road in winter when the river freezes over. Historical evidence of the town of Markovo dates back to the early
times of Russian colonialization of Siberia in the seventeenth century. In the following centuries, the village gained regional importance as a crossing point of several routes leading to the remote northern territories, both by water and over land. The local population was engaged in grain farming, which was favored by regular flooding of the fertile land along the riverbank, as well as hunting, fishing, and gathering. By the mid-twentieth century, Markovo was the largest village in the local area, and had a village council, a school (since 1816), an ambulance, a post office, and a church. The collective farm New Life also flourished, winning several awards within the Soviet system of competition between production units (Antipina 2008a). Life in the village took a new turn in the 1960s, when systematic geological explorations were launched in search of natural resources, as they were across Siberia. The first oil fountain gushed on the left bank of the river in 1962. The Lena Expedition was responsible for developing the new Markovskoe oil field (Markovskoe mestorozhdenie). Specialized workers from all over the Soviet Union moved in, and new housing, with corresponding social infrastructure, was built next to the oil field. The new town was
named Verkhnemarkovo (Upper Markovo). Zaiarnovo grew up around the timber industry and was a hotspot for timber production until 2002.

The Lena Expedition, and from 1971, the large state farm Markovskii and the timber company Zaiarnovskii Lespromkhoz were the institutions that formed the socioeconomic base for the town (Antipina 2008a). Families moved in with the (mostly male) oil workers, and the number of schoolchildren increased more than three times between 1962 (237 pupils) and 1966 (970 pupils) (Antipina 2008b). Residents remember that these were the best years of Verkhnemarkovo, which then had a well-functioning social infrastructure, including a primary and secondary school, a hospital with qualified doctors and nurses, numerous shops with a diversified assortment of food and goods, and well-developed, affordable public river and air transport (with a landing strip for airplanes and helicopters). However, the Markovskoe oil and gas condensate field did not achieve its full potential, as the hydrocarbon reserves proved to be much smaller than expected. Oil wells were closed before being fully exploited and the state-driven exploration expeditions moved further north. The 1990s were characterized by the transformation (perestroika) of the state system and the crisis in practically all spheres of the economy, with a particularly severe impact on the remote regions of the country. People in Siberia lived under harsh climatic conditions and depended to a great extent on external supply and state care compared to the European and more southern parts of Russia. People began migrating out of the region, particularly those incoming specialists who still had close personal ties they came from. In 2002, the state farm closed, as well as the timber company; since then the population of Verkhnemarkovo has decreased further to just 2,467 people (Vlasov 2018). However, the outflow of population gradually slowed down, and from the mid-2000s on the socioeconomic and demographic situation began to stabilize.

Against the backdrop of the crisis of the 1990s and the changes in the economic system from a command economy to a liberal market economy, attempts were made to relaunch industrial production, this time as private business. In the early 1990s, the local enterprise Vend was founded to begin reopening the oil wells of the Markovskoe deposit (Irkutskmedia 2017). But this enterprise closed down quite quickly and was taken over in the mid-1990s by the Ust’-Kut municipality. It was renamed UstKutNeftegaz, and is officially considered to be the first oil and gas producing company in Irkutsk oblast. UstKutNeftegaz carried out pilot explorations of the Markovskoe oil field and the much bigger Iarakhta oil and gas field nearby.
Licenses for the development of oil and gas deposits at that time were issued on the condition that the extracted oil was offered at preferential prices to supply municipal heating of northern settlements. Yet bad financial conditions and delays in payment for the oil did not allow the company to develop and left it on the verge of bankruptcy. In 2000, the district authorities in Ust’-Kut attracted investors, who were interested in operating the rather small deposits in the region (compared to those in Western Siberia), and in November that year, the Irkutsk Oil Company was founded, which soon took over control of UstKutNeftegaz. A powerful impetus for the development of hydrocarbon resources in the north of Irkutsk oblast was the construction of the Eastern Siberia-Pacific Ocean (ESPO) oil pipeline at the end of the 2000s, and INK started to supply the latter in 2011. A new stage in the development of the Markovskoe deposits began with increased oil production and workforce hiring. INK then signed a contract of social and economic cooperation with the municipality of Verkhnemarkovo, as it did with other towns close to their various oil fields.

The Moscow-based oil company NK Dulisma (Neftnaia kompaniiia or oil company Dulisma) is also important for Verkhnemarkovo, despite operating its oil and gas field (named after the company) in the neighboring Kirensk District. NK Dulisma has a complicated history, with numerous changes of ownership and bankruptcy proceedings, but nonetheless continues to operate its only oil and gas field. Previously, a company office was located in Verkhnemarkovo, but now the town serves only as a transit base for goods and workers. Still, many locals from Verkhnemarkovo work for NK Dulisma. Because of the instability and frequent changes of management staff, the company has not been very consistent in fulfilling its obligations under the socioeconomic agreements with the administration of Kirensk District. They do not have any such agreement with Verkhnemarkovo, although they did have one in the 2000s (Antipina 2008b).

**Contemporary Demographic and Economic Context**

Demographic data available at the local level can differ quite significantly from official statistics. According to the local administration of Verkhnemarkovo, the population has stabilized and slightly increased, while national statistics record an annual population decline. A stated above, there are 2,467 people living in Verkhnemarkovo (Vlasov 2018). By contrast, official statistics from 2014 register 1,750 inhabitants; as of
2014, 18.9 percent of the population was younger than work age, the employable population was 56.9 percent, and 24.2 percent of the population were pensioners (Dupliakova 2014). This distribution indicates a currently aging population. A declining proportion of children and an increasing proportion of older people is typical for the district as a whole: in 1989, 31.2 percent of the population of Ust’-Kut District were children and 8.2 percent were pensioners (Kosiakov, Belinskii, and Alekseiienko 2010). In 2018, the proportion was 23 percent and 22.3 percent, respectively (ROSSTAT 2018), due to the outmigration trend among young people. By the 1980s, the population of Verkhnemarkovo had grown to 5,700 people, but by 1989 it had declined by more than 1,400 to 4,259 inhabitants (Kosiakov et al. 2010).

As Verkhnemarkovo is highly dependent on oil and gas extraction, most men find jobs on a rotational shift basis as a fly-in/fly-out (FIFO) or drive-in/drive-out (DIDO) workforce (vakhtoviki) (Eilmsteiner-Saxinger 2011; Saxinger 2016a; Saxinger 2021). Considering that the contemporary forest sector is much less dominant and provides only a handful of local jobs, and most small businesses and subcontractors are also dependent directly or indirectly from oil extraction, this primarily mono-industrial setting is not particularly sustainable, considering the volatility of oil markets worldwide.

The timber companies are registered elsewhere, which means that they do not pay local taxes to the municipal budget of Verkhnemarkovo. There is further employment, especially for women, in the municipal administration, housing and communal services, post office, and other areas of the social infrastructure, such as the school, kindergartens, the clinic, an art studio, culture club, and the library. The hospital, built in 1990 and operating as a small clinic, has been partly transformed into a care facility for mentally ill people, which provides further jobs. There are sixteen individual entrepreneurs in the trade sector, who mainly run small shops.

Incomes differ significantly, depending on the sector, the field of activity and the level of vocational specialization. At the district level, the average salary in the public sector is about 30,000 rubles, in the oil sector 93,000 rubles, and in forestry 62,000 rubles (Rosstat 2017). Despite the fact that many people work in the oil and gas sector, one can hardly speak of a high level of income, since the majority of them do not have the qualifications to work in better-paid positions. Furthermore, it is common in the oil industry to outsource work to subcontractors, where people work under much worse conditions and for lower salaries.
Verkhnemarkovo, like the entire Ust’-Kut District, has the official status of a “region being equivalent to the Far North” for which Russian legislation affords a system of special benefits (severnaia nadбавка) to compensate for the harsh climatic conditions. Benefits include longer vacations, additional payment for temporary inability to work, higher state pensions, lower pension age, and an easier entry into housing cooperatives. The scheme also offers an additional 10 percent of earnings after the first year of work, with an increase of 10 percent of earnings for each subsequent year of work, but not more than 50 percent in total. The average salaries take into account these benefits, as our interviews have shown. In the case of Verkhnemarkovo, the long-term survival of the community is dependent on the municipal budget, since the scarce funds from the regional and federal levels (e.g., for mobility and transport infrastructure) are constantly fought over. In addition to the federal funds for services such as road maintenance, the municipal budget is largely made up of the income taxes of its inhabitants and the temporary oil workers.9

**Overall Transport Infrastructure**

In the 1970s and 1980s, public passenger transport was working well in the town. People in Verkhnemarkovo were satisfied with the existing level of passenger transport, and the available means and costs of transportation, which was fully subsidized by the Soviet state. Regular flights with AN-2 planes were provided to the district center Ust’-Kut. This could be because of the lower cost of subsidizing flights, compared to the cost of constructing a proper and well-functioning road. During the summer season, speed boats were also available to take people by river to Ust’-Kut; these boats enjoyed great popularity among the residents of Verkhnemarkovo, who considered them to be convenient and cheap. The Ust’-Kut–Verkhnemarkovo road was not used much at that time; first, it was solely a winter road, then it also became a low-quality summer dirt road. There was no particular institution in charge of servicing the road in summer, and only cars with certain power and technical capability could be used, “and even they got stuck,” as the mayor of Verkhnemarkovo stated. In winter, the road was used to supply Katangsk District, to the north of Verkhnemarkovo, and the neighboring Republic of Sakha (Yakutia) with goods. During perestroika, when the public transportation system—air traffic in particular—was radically
downsized or closed down, the importance of this road began to increase. Nowadays, the workers and goods are primarily transported directly from Ust’-Kut or Kirensk (a transportation hub town located northeast of Ust’-Kut on the Lena River in the Kirensk District) to the oil fields or partly by road. Gradually, river transport also shut down and the people oriented their lives around road transport.

The sole mode of transport for the average population is the car. Due to the road’s rather poor quality, the municipal administration cannot introduce an official public transport line. In light of the population’s travel needs, and because not every family has its own car, a private minibus line was established that works on a daily basis. The price for a return ticket to Ust’-Kut is 1,400 rubles. In urgent cases, people can order a taxi to the district center for 6,000 rubles, which is obviously very expensive. Moreover, within the town itself there is no public transport except a school bus. One private company offers taxi services. The price of a ride within the boundaries of Verkhnemarkovo is comparable to the price of a taxi in Ust’-Kut—around 150 rubles.

Hopes among the local population that the road to Ust’-Kut would be improved arose in the mid-2000s, when the authorities turned to an older project plan to upgrade the dirt road. This is part of a major project, the “Federal Automobile Road A 331 Viliui”—named after the longest tributary of the Lena—that should in future connect the city of Tulun (which lies to the south of Ust’-Kut District, on the route of the Trans-Siberian Railway between Irkutsk and Tayshet) with the Republic of Sakha (Yakutia) to the north. So far, an asphalt road is in place from Tulun up to Ust’-Kut, while the stretch from Ust’-Kut to Verkhnemarkovo is gravel and full of potholes. The main sections in Irkutsk oblast are being improved and extended. From Verkhnemarkovo, the Viliui Highway would establish a road connection further up to the northern districts of Irkutsk oblast, connecting them to Yakutia as well. From Verkhnemarkovo on, the Viliui Highway is only a winter road (zimnik) leading to the diamond town of Mirnyi in the eastern part of Sakha (Yakutia), passing by various oil fields along the way. In 2009, construction plans for these sections of the Viliui Highway were drafted and various options for laying the road were developed. Repeated postponements of improvements to the new sections and the slow pace of construction work have nourished a skeptical attitude among the local residents toward the Viliui project. People no longer believe that there will ever be an asphalt road, though they acknowledge that the gravel road was improved in recent years, and that rides to Ust’-Kut take only three hours instead of the previous six. During our fieldwork between
2016 and 2017, costly construction works were being carried out in the sections between Verkhnemarkovo and Ust’-Kut and between Ust’-Kut and Tulun, yet it is difficult to assess how much time these operations will take, while at the same time other sections are likely to deteriorate. There is a common saying in the region: “The construction of the new road is very slow and the part that has been built is worn out quicker than the road is finished.”

**The Condition of the Viliui Highway**

The gravel Viliui Highway from Ust’-Kut to Verkhnemarkovo is open all year round. It is dusty and used by a lot of heavy vehicles, such as lorries with cargo and timber or heavy trucks with passenger cabins that transport workers to the remote oil fields. Many drivers will pass others on the road, regardless of whether another car is visible in the dust cloud or not. People factor in some time when traveling on the Highway since flat tires or accidents might occur. In general, roads are in better shape in winter (see figure 3) than in summer and the in-between seasons. Along the road are several cafes (pikety) which serve snacks, provide restrooms, and sometimes even washing facilities (banya). A

![Figure 3. Viliui highway near Verkhnemarkovo, © Gertrude Saxinger](image-url)
few offer dormitories, usually used by long-distance lorry drivers, and car repair. Some of them also sell fuel informally. Trucks use radio communication in case of problems, which is even more important in winter on the section where the Viliui Highway becomes the ice road to Mirnyi. Usually there is no telephone signal on the road, which is problematic if there is an accident. Such conditions could be considered infrastructural violence; when people are confronted with a road that is not ensuring sufficient connectivity and is not being maintained by the state or monitored by the police, it thus becomes dangerous.

Mobility within Verkhnemarkovo

People are rather mobile, despite the very difficult transport conditions in the long stretched-out village. Within the town, mobility and transport are essential for everyday activities like shopping and visiting family and friends. As noted, it has never had a gas station and therefore one has to go to Ust’-Kut and haul the reasonably priced gas in canisters to have enough fuel for a certain period. Verkhnemarkovo has

Figure 4. Unpaved dirt roads become muddy in spring and fall, downtown, © Gertrude Saxinger
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primarily dirt roads with some relatively good gravel roads being the exception; the latter primarily lead to the local oil extraction facilities, which are maintained by the oil companies, and to the heliport, which was in operation until 2018.

However, the potholes are severe on most of the local roads in Verkhnemarkovo and cars can only drive at a maximum of 20 kilometers per hour (see figure 4). The budget for local road maintenance is transferred from the federal budget to the municipality, which needs to apply for the money and hope that it is granted. Such application processes for funding of roads can take years. Nevertheless, in 2020 the repair of the local roads is again a priority of the municipality (Administration of Verkhnemarkovo 2020).

It is hard to walk long distances in the town, and when a car or lorry is passing by, one walks in a cloud of dust. Some people ride bicycles and motorbikes, but car transport is particularly important. Due to relatively high incomes in the town, nearly every household has a car, and people also use the local taxi service frequently.

People from Markovo (see figure 5) on the other riverbank have private boats to cross the Lena River for everyday business or work, as no

Figure 5. Markovo on the opposite bank of the Lena River with the abandoned church, © Gertrude Saxinger
ferry service is in place. This is especially hard for elderly people, and the majority of the approximately fifty people who live in Markovo are pensioners, with the exception of some middle-aged people with a few kids. Shops, the medical facility, and the post office that used to operate in Markovo are now closed, and the church has been abandoned. The location of Markovo is problematic in the in-between seasons (spring and fall, known as rasputitsa), when the ice is not yet or no longer thick enough for people to drive on the ice road, which is maintained in winter for snowmobile and car crossings. In these in-between seasons, when the difficult conditions last for around two or more weeks, children live at friends’ or relatives’ homes in Verkhnemarkovo in order to be able to go to school. Adults also move to the other side for access to their workplace. People from Markovo do their shopping before the ice road conditions get bad, and they stockpile goods to cover the period while they are stuck. Larger items, such as furniture or wood, can only be transported over the ice road in winter.

Regarding online mobility and communication technology, Verkhnemarkovo is generally advanced. Three Russian mobile phone providers have their transmission towers in town. Like other aspects of social infrastructure, this relates to the needs of the oil companies, but the town benefits from it as well. A local shop also has a station where people can upload money on their mobile phones, and a good Wi-Fi connection is available in many houses.

**Transport to Ust’-Kut**

As outlined above, the citizens of Verkhnemarkovo are strongly connected to the district center Ust’-Kut and frequently travel back and forth. A so-called Multifunctional Center (Mnogofunktionsional’nyi tsentr gosudarstvennykh i munitsipal’nykh uslug or MFZ)—a one-stop-shop for administrative issues, like issuing birth certificates, passports, residency registrations, and the like—operates every Tuesday in Verkhnemarkovo, and the shops take credit cards. Nevertheless, people still need to go to Ust’-Kut for special administrative and banking issues. Although there is a small clinic in town (with one doctor and a few paramedics), for major health issues people must go to the Ust’-Kut or Irkutsk hospitals. There is no medical air transport available for severe cases, although we were told that sick or injured workers from the oil fields could fly out for treatment by helicopter, paid for by the companies. In particular, the situation is difficult for pregnant women.
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with health difficulties, as they must navigate the rocky Viliui Highway. Pregnant women have to travel early to Ust’-Kut to await their due date there but staying in a hotel is usually unaffordable for most of them. People told us that these conditions are among the reasons why women today only want one or two kids at most.

When people go to Ust’-Kut, they fully load their cars with goods and products, since the prices in Verkhnemarkovo are substantially higher than in Ust’-Kut. At 7 a.m. the minibus leaves Verkhnemarkovo, and it departs from Ust’-Kut at 4 p.m. for the return journey. One way is three hours on the Viliui Highway and costs 700 rubles. Paying 1,400 rubles for the return journey is difficult for low-income families and pensioners, not to mention taking a taxi, which costs around 6,000 rubles one way, as mentioned above. One must further consider the cost of taxi services in Ust’-Kut when a private car is not available. The schedule of the minibus is not convenient, since often there is not enough time to wait in line at the Irkutsk hospital or at administrative offices. When someone has an early morning appointment, they have to stay overnight in a hotel or with friends or relatives. In this way, social inequality in the town becomes visible among those who have their own car, or not, and are thus are more, or less, flexible.

Traveling Outside Ust’-Kut District

Longer trips are also made to visit family and friends elsewhere in Irkutsk oblast, as well as to Sochi on the Black Sea and other places for holidays. Schoolchildren travel beyond Irkutsk oblast for competitions and camps, as well as occasional excursions to Moscow, St. Petersburg, or Europe. Ust’-Kut itself is located on the Baikal–Amur Mainline (BAM) railroad, and is therefore an important cargo transport hub, though the BAM is less important for inter-regional passenger transport. Although there are direct trains running as far as Anapa or Adler on the Black Sea, the long travel time and inconvenient timetables make the BAM unattractive, and cars or planes are preferred.

The roads to Ust’-Kut are so bad that the private bus company does not want to take responsibility for schoolchildren attending competitions and camps. The head of the school or the parents are therefore responsible for transporting the children beyond the town, and therefore also responsible if accidents happen on the road. The head of school says it is important that kids take part in such activities and that they experience life outside their town (despite the risks of traveling on the
poorly maintained roads). The buses hired for school transport are expensive because they have to come first from Ust’-Kut to Verkhne-
markovo to pick up the children, then go back and forth and then return empty to Ust’-Kut. These trips are therefore costly, but the INK oil company provides sponsorship for such events.

Some people are more mobile than others, but especially in summer people take fewer longer trips because they have to take care of their vegetable gardens, which are essential for food security. Some say that they do not need holidays in other Russian provinces or abroad since they are busy with fishing and hunting in the taiga. Although the wealthier families have experience of traveling to the Black Sea or on international trips, generally few residents travel much outside the district. Besides holidays or going for medical treatment to hospitals or sanatoriums, a key reason for mobility is to visit relatives, or children who study or work elsewhere. Aside from the state of the roads, another constraint is financial. Although most of our interlocutors consider themselves to be middle class, especially those people who do not work in the oil industry or in its adjacent subcontracting businesses as well as single mums have problems to afford mobility; be it buying a car or using the private taxi company’s service. Thus, mobility and immobility occur simultaneously in this village.

The Mobility of Vakhtoviki

“Nearly all of our men work on the vakhta,” is a common statement of our interlocutors, meaning that men work as long-distance commuting shift workers. Only one oil field (Markovskoe) is operating close to the town. Although daily trips to and from work at the Markovskoe field are possible, this is not the case for the more distant oil fields. FIFO and DIDO shift models apply to these. In Russia this kind of long-distance commuting is called vakhtovyi metod (Saxinger 2016a, 2016b, 2017). Workers have a thirty-day shift in a camp on the oil field and come back home for a thirty-day rest. In winter, employees from outside are transported by a vakhtovka truck. These workers come by airplane or train to Ust’-Kut or Kirensk and are from all over Russia, including Western Siberia, the Volga region or the Northern Caucasus—places with a long tradition of oil extraction and where highly qualified personnel are on the job market (Saxinger 2016b; Saxinger and Öfner et al. 2016). Intra-regional FIFO/DIDO workers (coming from Irkutsk oblast) primarily
start their trip in Ust’-Kut, which is the major pick-up point with air, road, and rail connections besides Kirensk.

In winter, workers from Verkhnemarkovo get on the above-mentioned vakhtovka in the town to go further north on the A331 / Viliui Highway (colloquially this section is also called the Mirninskaia trassa) to the oil fields, such as Dulisminskoe, Jaraktinskoe, Verchnechonskoe, and Danilovskoe. However, in summer and in the in-between seasons, when air transport is necessary, some have to first go south to Ust’-Kut in order to then reach the more remote oil fields to the north, with small airplanes leaving only from Ust’-Kut. Until the fall of 2018, Verkhnemarkovo was also partly a helicopter transportation hub. Inter- and intra-regional FIFO/DIDO workers were transported by vakhtovka (see figure 6) from Ust’-Kut to Verkhnemarkovo, where they boarded helicopters to fly to the oil fields. The heliport in the town was used by companies only. Therefore, back then, some interregional vakhtoviki from other regions of Russia also lived for the season in Verkhnemarkovo, where they rented houses; it was more convenient not to travel thousands of kilometers back home.

Figure 6. Vakhtovka for transporting workers to the oil fields, © Gertrude Saxinger
Some people still say “Verkhnemarkovo is a shift workers’ camp (vakhtovyj poselok).” FIFO/DIDO workers for subcontracting companies based in Verkhnemarkovo also live in camps on the outskirts of town. These vakhtoviki are an important economic presence in the town, where they shop (often in large quantities for transporting to the camps) and pay rent. In Ust’-Kut and not in Verkhnemarkovo, vakhtoviki are sometimes seen as a negative element. They are accused of taking away local people’s jobs as well as committing crimes, as one official from the Ust’-Kut administration told us informally. However, such incidences are not quantifiable, as local workers frequently do not have the required qualifications, for instance, for engineering jobs or other trades. This phenomenon is widespread elsewhere, as Saxinger and Gartler (2017) and Saxinger (2016b) show for the Yukon mining industry in Canada and for the Iamal-Nenets Autonomous District, respectively.

**CSR Related to Mobility and Transport Infrastructure**

Besides jobs and business opportunities for small local enterprises, the INK’s CSR program is also relevant to the prosperity of Verkhnemarkovo. The downside of oil company activities is the ecological impacts which locals are very worried about, but at the same time they highly appreciate INK’s economic and CSR activities. Apparently, there is no direct financial contribution by INK to Verkhnemarkovo’s municipal budget,¹¹ but there are substantial investments through funding projects relating to social and cultural infrastructure, as well as technical infrastructure, such as clearing snow from the road in winter for the school bus or maintaining the roads leading to oil facilities and to the heliport, before it closed. The mayor of Verkhnemarkovo states that “without INK nothing works”: the local clinic was provided with an ambulance, the roof of the kindergarten was repaired, the culture club had renovations done and events there were supported, the veteran club was sponsored, as well as training for medical staff. INK also funds programs for secondary schools in Ust’-Kut District (and thus also in Verkhnemarkovo) for teaching technical and natural sciences to prepare young people for future jobs in INK and the oil sector in general. INK’s payment and programs are on a voluntary basis. However, INK has an obligation to interact with the communities and carry out other CSR activities, because of its relationship with EBRD, which has standards for ethical, social, and sustainability conduct. In general, INK is considered a good corporate citizen; in 2012 it even won EBRD’s
award for excellence in environmental and social performance. INK is also perceived as taking social issues into consideration because it is located and registered in the region—Irkutsk. It must be assumed that there is also political pressure by the state on such a large corporation to share its benefits. Usually, INK has benefit-sharing agreements with the administrations of Ust´-Kut District, Kirensk District, Nizhniliimisk District, and Katangsk District, where the company is also operating. Towns from these districts can apply to INK’s Corporate Social Responsibility Relations Department for funding. Therefore, the towns are in general dependent on the good will of INK.

Like NK Dulisma, the many smaller subcontracting companies do not do any voluntary sponsorship in Verkhnemarkovo. NK Dulisma had an agreement with Verkhnemarkovo in the mid-2000s, but it was not extended; until last year, they had one in place with the city of Kirensk but this also was not extended. This might be related to the above-mentioned fact that NK Dulisma is an unstable company with reports about its regular financial problems over the last ten years and recent news on its bankruptcy procedures (Vedomosti 2020). Despite its instability, the authorities in Kirensk District were optimistic since it is still an important employer. Taxes however do not go into the district’s budget since the company is registered in Moscow. In Verkhnemarkovo, NK Dulisma has a general reputation of being unstable, paying low salaries, and not being very committed to the region. It is not seen as a good corporate citizen, but rather as taking the money and running. NK Dulisma has built roads in the Kirensk District related to their extractive operations. However, it is unclear if these can be used by private individuals, for instance, for accessing the land for hunting and trapping.

Regarding transport infrastructure, besides the few INK activities in Verkhnemarkovo, other roads are the state’s responsibility (i.e., that of the municipality, using federal funds) and are in a very bad shape due to permafrost and the severe climatic conditions, and the impact of heavy vehicles and high traffic. The state evidently does not feel responsible for the high maintenance costs, since the municipality has difficulty attracting federal funds. But this does not mean that companies other than INK feel any responsibility to contribute to the maintenance of the roads, although they use them too. People feel as if they are in limbo because neither the state bodies nor the companies who degrade the roads have taken on responsibility for their maintenance (Saxinger et al. 2018). People remember the role of state enterprises in the Soviet period, when they took responsibility for
technical, social, and cultural infrastructures. Since the oil companies and the local operating timber companies make big profits, the people feel that they deserve their share too (see figure 7). Some say: “they make billions and we get just kopeiki.” In one way or another, people expect the companies to behave as good corporate citizens, similar to the way that state enterprises behaved in Soviet times or even today in other resource regions in Siberia. Some residents are resigned to the situation, because they feel the administration is satisfied with what they get, whereas others are content with the negotiation skills of the town mayor.

Discussion

In the previous sections, we have explored the extent to which the wellbeing of people and whole communities are linked to the available transportation and mobility infrastructure in post-Soviet Verkhnemar-
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We have also explored the day-to-day mobility patterns of local people and what constraints lead to a lack of mobility from the perspective of different social groups.

Lane (1989) defines wellbeing in terms of the conditions of development that allow people to maximize their individual and community potential. Given the ethnographic data, we doubt that residents of Verkhnemarkovo can develop their maximum potential because of the perceived uncertainties over transport infrastructure projects, and disappointment over the authorities’ or the companies’ failure to provide and maintain adequate transport and mobility infrastructure. We also interpret local people’s state of limbo between state and corporate responsibility in Verkhnemarkovo as infrastructural violence based on poor-quality roads, dangerous road conditions, the inadequate public transport network, the uncertainty surrounding the improvement and maintenance of the infrastructure besides different public announcements, and the unequal power relations that shape decision making.

People need to be highly mobile due to the remote location of the town away from the district center Ust’-Kut, and the sprawling nature of Verkhnemarkovo. Young and old people and women without their own cars face particularly severe mobility challenges. Glick Schiller and Salazar (2013) highlight in their work on “regimes of mobilities” the associated power relations and inequalities relating to the provision of, and opportunities to use, mobility infrastructure. In the case of Verkhnemarkovo, it is evident that both mobility and immobility occur simultaneously. On the one hand, people are stuck in a small, remote town, due to constraints based on restricted mobility opportunities and a road network that is characterized by dirt and potholes. On the other hand, rather expensive privately operated public transport and the rather broad availability of cars facilitate movement from point A to point B, which is necessary daily. The intertwining of mobility and immobility is also visible intersectionally, when women, who tend not to have their own cars, need to travel by public transport, and when old people are also stuck because they are no longer able to walk the long distances in a spread-out town. People are dependent on a wide variety of means of transport, ranging from boats (for fishing, or crossing the Lena River between Markovo and Verkhnemarkovo), bicycles, motorbikes, cars, and snowmobiles, to the minibus and taxi services. Young people especially would like to be more mobile and to have links to the regions outside of Ust’-Kut District. These young people also plan to move out for education and jobs or want to go shopping or have other
leisure activities in Ust’-Kut; this is understandable given their sense of being stuck in the town and their desire to pursue a youth lifestyle like young people anywhere else.

In terms of community sustainability, it is important to consider the local authorities’ ideas about moving people to larger towns. A larger wave of outmigration would negatively impact the social life and the municipality’s budget. Community sustainability in Verkhnemarkovo is fostered by an active school and town life, with cultural and social activities that give the impression of an active society. Such activities range from an interactive school vegetable garden (where also parents are active along the pupils and teachers), occasional invitation of music groups from other Russian regions for concerts, community involving celebrations like end of school year and other year-round events, community activities in the culture club, youth gatherings, summer stage dancing and much more. The potential economic aspect of sustainability is rather positive, but has a gendered dimension too, since the vast majority of those who are employed in the remote oil fields are men. Women work in the town with jobs in the public sector such as teachers, social and medical workers, or in the administration. These jobs are not well paid, and women are therefore dependent on their husbands, who often earn double that of their wives. At the same time, this rather small town has numerous shops where oil workers and locals buy groceries and other essentials. Small private businesses are particularly prospering as subcontractors to the larger oil companies. However, path dependency in the oil sector and institutional lock-in are visible, when people are concerned about their economic—and by extension, their social and demographic—futures. This is like other resource towns elsewhere in the world (Saxinger et al. 2016). People think of how it will be when the oil is gone; some point out that the Markovskoe oil field adjacent to Verkhnemarkovo has been operating for a long time, compared to the much later opened up field farther away. Moreover, many people do fear that before the deposit might be closed down after oil depletion, state pressure and corporate interests for shutting down the village gradually succeed. Some of our interlocutors found it realistic that the village would be abandoned since “it is anyway in the way of the oil operations.”

A key aspect of infrastructural violence, in our view, are the power relations that disadvantage the citizens of Verkhnemarkovo; these relations are manifested by limiting their voice in decision making relating to activities that have a negative impact on their environment and livelihoods, while also limiting their benefits to voluntary benefit sharing, according to the desire of the companies. As such, local residents have
no opportunity to set the terms of the social license to operate. Despite the constraints of dangerous and badly maintained roads, people are still mobile. They expect support from the state and the oil companies to improve mobility, although they have lost hope of this ever happening, and thus are no longer enchanted by the state’s promises and public announcements of road improvement. When it comes to transport infrastructure, people are deeply disappointed; they have given up hope and are no longer waiting. They are still highly mobile within the town and to places outside, such as the district center Ust’-Kut. Nevertheless, roads such as the Viliui Highway, which was upgraded between 2016 and 2017 to people’s satisfaction, have subsequently reverted to a dangerous transport route, full of potholes, since it has been badly maintained since then.

Oil facilities and local infrastructure are highly interlinked, since the companies are using the road network, local medical services, or shopping facilities. Oil extraction and its overall infrastructure, furthermore, impact the ecology that local people depend on, be it hunting, fishing, berry picking, or mushroom picking. People complain about a regular smell in the town resulting from the oil activities or complain about oil spills in the recent past. The oil companies are cutting substantial portions of the forest for new drilling sites, and rumors about a potential new pipeline create fear. This also limits social, ecological, and economic sustainability, in the sense that development should improve health, human development and wellbeing of communities and people while conserving ecosystem structures, functions, and resources (Petrov et al. 2016).

Oil extraction infrastructure demonstrates a spatial manifestation both ideally and symbolically, as well as the presence and the dependency of locals on these extractive activities, but not least on the prosperity generated by them. The oil industry appears to be the only industry that keeps the town dynamic and people employed, and so oil is also a key discursive element and people refer constantly to the relevance of the industry and the walks of life characterized by it. On the one hand, we can speak of a social license to operate, issued by the inhabitants of Verkhnemarkovo, which may be partly because they are grateful to INK for providing at least some of the necessities for the community, for which they would not receive state funds. They are grateful for INK’s measures of support, despite the negative ecological impacts of the industry. Furthermore, oil has been there since the 1960s and thus, people are used to the fact that they live in an oil town with its ups and downs. On the other hand, the people must largely just simply
accept the state-driven private oil operations whether they want them or not, given the autocratic top-down state development policies and the lack of alternative economic opportunities in the local area. This fact puts the idea of a meaningful social license to operate in question. People do not feel they are well informed, and they feel powerless to express their opinion and or form a civil society movement. At the same time, people hardly protest because they feel limited toward the power of the state, which guides development politics and thus the advancement of oil extraction. INK does hold regular meetings in the town with citizens as it is required by the ethical and social standards of EBRD, but we were told that only a handful of people attend. In the interviews, it became clear that people were aware of their limited power to express their opinion in the context of such meetings, and so they failed to attend. Despite being grateful for the amount of support that they get, the people in Verkhnemarkovo feel that they do not have a voice in decision making, and they receive too little share of the oil riches. Such a condition is facilitated by the Russian government structures that act in a top-down way without community participation.

The system of CSR is also connected to international dimensions due to INK’s obligations toward EBRD. The current political economy allows other companies operating in the region to eschew such structural obligations and thus they refrain from interaction with the community in terms of CSR. However, we cannot assess if INK has this strong commitment due to its obligation to its influential shareholder, or whether it would in any case be a good corporate citizen due to the fact it is a local company and thus, also has certain political pressure from regional authorities.

As we see from this example and other cases in the literature, CSR, as it is practiced in Russia, is not necessarily the best recipe for sustainable development and community wellbeing. The dependency on voluntary support can become a pitfall for the community in the long run and leave people wondering what will happen to the town in future when the oil is depleted or if companies go bankrupt. It is not clear at this stage whether the Russian state will take over responsibility again in such a way as to foster the mobility, infrastructure, and community sustainability that people need. The social license to operate may remain valid as long the oil company steps into the gaps of what would usually be government responsibilities. However, it can also be undermined if a community in practice feels that it has no choice about whether or not the oil developments go ahead, or whether it has no recourse or no way of expressing its views. This case has demonstrated
a lack of sufficient dialogue between the stakeholders—the community, the authorities, and the companies—that would foster trust on the part of the people, which is a key element of the social license to operate. They feel they have no power to influence the process of improving the mobility conditions that are so crucial for their overall wellbeing and perceive only broken promises.

Conclusion

In this article, we inquired into opportunities of societal wellbeing in a small oil town and how people manage their mobility and circumstances of immobility under conditions of insufficient transport and mobility infrastructure. Besides other aspects of societal wellbeing, such as sufficient health care, access to jobs and education as well as female employment, we picked for this study an elementary aspect of wellbeing, namely mobility and transport infrastructure that illustrates the state of limbo between insufficient entities such as the state and the industry, which should provide/are expected to provide a decent standard of everyday living. Societal wellbeing, therefore, refers to structural conditions that impact a whole community including its individuals in their intersectional diversity. In particular, the local expectations for wellbeing are high since the village is located on a prospering oil field and people find the situation literally absurd that especially they suffer from being structurally remote and neglected, while corporate wealth is heavily extracted from their area.

This situation, we frame as infrastructural violence, which involves inequity and discrimination in mobility-related opportunities that characterize contemporary life in Verkhnemarkovo. Infrastructural violence occurs due to the absence of good transport infrastructure (or promises not upheld, as in the case of the improvement of the Viliui Highway), power disparities in decision making and in consent procedures related to new projects. People are in a state of limbo, where it is unclear which stakeholders will take over responsibility for infrastructure of different kinds; or more precisely, the question is whether the state or (and to what extent) oil companies should pay for the maintenance of the public roads that they use extensively for industrial purposes. The municipal administration is running the gauntlet in the complex bureaucratic system when asking for funds for roads at the regional or federal level, as to secure funds for projects takes years and years of application procedures.
Although the Russian state has a strong top-down political hand in planning and implementation of large-scale infrastructure, it is incapable of ensuring the wellbeing of local small and remote rural communities like those in Siberia. It tends to leave social and cultural support activities to the oil companies. Even many years after the breakdown of the Soviet Union’s system of state enterprises, which used to maintain a fully-fledged infrastructure in industrial or agricultural settlements, people in the postsocialist era still expect care from the state and the main locally operating enterprises. However, under the neoliberal global market conditions—which steer the oil industry in Russia corporate social responsibility seems to have developed primarily in the form of voluntary benefit sharing. Even more, it is doubtful if we can truly speak of benefit sharing or, if this is not rather handing out “beads and trinkets” to pacify the population (Wilson and Istomin 2019).

Nevertheless, the impact of CSR by extractive companies should not be underestimated when it comes to its contributions to the prosperity of the community. While the case of the locally based INK—which has the EBRD as a shareholder—shows their engagement in community support, the Moscow-based NK Dulisma refrains from local benefit sharing in Verkhnemarkovo, and it is still unclear whether they will continue their CSR contract with Kirensk District given that they are in the process of bankruptcy. This example shows the uncertainties inherent in the petroleum industry, considering companies’ instability and the conditions of resource-related boom-and-bust cycles. Path-dependency and institutional lock-in into one major economic sector, such as the resource industry, can lead to a vicious circle of counting on benefits that are often suddenly gone, thus undermining social and economic sustainability. At the same time, it also shows the importance of the obligations established by international financial institutions to follow certain ethical, ecological, social, and sustainability standards.

CSR is not legally binding in Russia, and political and state actors are therefore considered to remain responsible for infrastructure and social wellbeing in the country. People remember the Soviet past and are disappointed and disenchanted by today’s unfulfilled state promises. While the large state-owned oil and gas companies in Russia, such as Rosneft and Gazprom, can still fulfill the demands for wellbeing of local societies, private companies and subcontractors are no longer tied to the Soviet logic. If—and how—the state will take over responsibility again for transport and mobility infrastructure is unclear, as long the oil flows and oil companies are able and willing to donate
to a community. Communities are expected to be grateful for these provisions, despite the environmental damage the companies cause. It is doubtful whether the current system can be considered to support socioeconomic and ecological sustainability in general, or sustainable wellbeing for individuals or whole communities who, like the people of Verkhnemarkovo, depend to such a great extent on good roads and transportation networks.

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Notes

2. Interview with the head of Verkhnemarkovo town administration, June 2018.
3. Verkhnemarkovo has no indigenous ethnic population. The indigenous groups in the greater area are Evenks.
4. The results of an additional quantitative survey undertaken by the authors also inform this paper but are not analyzed directly in this article. They will be published in Sancho Reinoso, A. et al. (accepted).

8. According to an interview in 2018 with Mayor K. V. Vlasov.

9. The municipal budget consists of the taxes paid by residents and the incoming oil workers who stay there on a temporary basis, if their company is registered locally. The locally registered corporations pay taxes directly to the municipality based on the income of their employees (10–15% of the total income taxes). The rest of the income taxes go to the Irkutsk Region’s budget. Additional income to the municipal budget comes from other business taxes and real estate taxes. Therefore, it is essential for municipalities that companies are registered within their boundaries.

10. For orientation, the average pension is 10,000 rubles and the average income is 30,000 rubles/month.

11. Financial payments from INK go to the Ust’-Kut district budget according to a contract between INK and the Ust’-Kut government and is subsequently transferred to Verkhnemarkovo’s budget in response to the latter settlement’s application for funding to support specific activities.

12. INK Company History http://irkutskoil.com/about/history.

13. Equivalent of cents.


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