

# The Impact of Migration Policy on the Russian Economy During the Reign of Catherine II

Alla A. Lysenko  
*Department of Comparative Politics*  
*RUDN University*  
 Moscow, Russian Federation  
 e-mail: ira.ivanova.1016.@gmail.com

**Abstract** — The present article is devoted to the consideration of Russian Empire social, demographic and cultural development under Catherine II. This period is very fruitful in terms of its significance for the historiography as there is variety of materials to be studied. At the same time there is limited amount of the works devoted to the topic of this article. The study was concentrated around the problem of migration policy and its impact on the social sphere and economy of the country. The aim of the research was to find regularities in the measures of migration policy provided by Catherine II and their reflection on the economy. The process of search of necessary resources demonstrated its variety, both fragmentary primary sources and well-systematized works of different scholars. The preference was given to the last ones with implementation of retrospective method. Unfortunately, the limits of the present paper didn't give the possibility to embrace all the available data. At the same time the aim of the study was achieved: the connection between migration policy and economy was understood. A well-thought-out policy of Catherine II, by attracting educated foreign immigrants, allowed developing new territories, expand the amount of arable croplands, increase the efficiency of agriculture and, thereby, have a positive impact on the development of the country's economy. This factor was one among others influencing economic growth in Russia as a whole.

**Keywords:** *Catherine II, migration policy, management, socialization, economy, immigrants, colonists*

## I. INTRODUCTION

Catherine II, who came to power as a result of a coup d'état, obtained a country which demanded reforms. However, the lack of experience in public administration did not allow her to independently develop a follow-up program. She had to create several commissions that studied the urgent problems of the country. They included both her supporters and officials previously served Peter III. It allowed her not only to identify the current gaps in the management system, but also to prevent the formation of the potential opposition [1].

The result of the work of these commissions was a series of reforms that had a positive impact on the development of the country. Among them there were secularization of church lands and property (1764), the permit for the activities of the Free Economic Society (1765), monetary reform (1768), the attempt to determine the legal status of merchants and bourgeoisies through the freedom of enterprise Manifesto (1775), and customs reform (1782).

In addition to these areas, purposeful work in the field of migration policy, especially in terms of its impact on the economy, played an important role in the development of the country. Unfortunately, the fragmented statistical data of the reign of Catherine II does not allow making a clear assessment of this connection. Nevertheless, it is possible to track the general trends by studying the works of the authors, who managed to systematize the primary data of Catherine's era.

## II. RESULT

In the modern understanding, the purposeful activity of the state related to the stimulation of voluntary resettlement of groups of the population from one territory to another is related to migration policy. Special administrative and economic measures and mechanisms are developed for such policy implementation. If we impose this definition on the reign of Catherine II, it can be noted that it was focused on solving the problem of settling new territories for the expansion of croplands and the development of agriculture. The reform of this direction should have brought clarity and increased efficiency in the conditions of insufficient migration potential within the country due to the active involvement of foreigners for the settlement and development of vast territories [7].

It should be noted that by the time Catherine ascended the throne, Russia had been an agrarian country, developed unevenly depending on such factors as the nature of the soil, population density, climate, means of communication, the degree of integration of parts into the common market [1]. This unevenness was also tracked on the number of the population living there. In this connection, the efforts aimed at correcting this state of affairs were justified.

Manifesto of 1762 'On the free settlement of foreigners in Russia' can be considered as the evidence of the beginning of measures streamlining in the field of state migration policy. On July 22, 1763, these initiatives were continued by Manifesto 'On permission for all foreigners to come to Russia, in which they wish to settle in the provinces, and on the rights granted to them'. It was supported by registers of land free and convenient for settlement. This gave foreigners the opportunity to choose where to live. The number of proposed land mainly included the territories of Tobolsk, Astrakhan, Orenburg and Belgorod provinces [7].

By Decree of July 22, 1763, a special body was established that dealt with the affairs of foreigners. The settlers were supposed to appear on arrival to this body in order to express their wishes, sign up as merchants, bourgeoisies, artisans, or make a choice in favor of a free settlement in the colonies. Next, it was necessary to become the subjects of Her Majesty and receive further instructions. From that moment migrants became free people who had to comply with Russian laws and received various benefits and privileges. At the same time, the possibility of returning home was also regulated so that a person was interested in staying in Russia, since upon departure it was necessary to make payments to the treasury depending on the period of residence on the territory of the Empire [7].

In addition to the measures indicated in the Manifesto, it was attractive that the proposed accommodation conditions made it possible to preserve the style of life of immigrants. In particular, it was assumed that 1000 families should be allocated on the lands between the Don and the Volga and each of them should get 30 dessiatins of land. Taking into account the need for population growth in the settlements, spare land was additionally allocated.

Attractive resettlement conditions were widely announced in Germany, which made it possible to attract a significant number of immigrants from this country. The first wave of colonists settled in Saratovskaya and Samarskaya Gubernias where in two years 102 colonies appeared. A significant number of colonists from the first wave settled in Petersburgskaya and Voronezhskaya Gubernias. Since 1782, foreign colonists had settled purposefully in the Novorossiysk Territory.

A positive moment for the development of the country's economy was the fact that, as a result of the attraction of foreign citizens, a significant number of people who wanted to develop new industries for Russia appeared. In addition, foreigners became intermediaries in attracting immigrants with professional skills from their countries in order to earn money. Evidence of this can be found in the report of Count G.G. Orlov, the head of the body, on March 28, 1764. At the same time, Russian citizens have already begun to follow this path, which is reflected in the Count's report of 1765 [4].

Initial experience in the field of migration policy showed that it is necessary to select colonists according to their professional characteristics (farmers, herders, gardeners, as well as artisans with a small amount of their own initial capital) in order to provide strategically important areas of the state with labor. In addition, it was necessary to regulate the number of people entering: initially a quota was set at 200 families per year, and later it was decided to accept foreigners with special permits.

Summarizing the whole set of measures of the state migration policy of the times of Catherine, economic and legal ones indicated in the Table 1 below can be singled out.

**TABLE 1. MEASURES TO STIMULATE THE INFLUX OF FOREIGNERS**

Measures	Types	Note
Economic	Cash payments	the allocation of funds for travel to the place of settlement; the allocation of feed money; the provision of loans (interest-free for the construction of houses, the purchase of livestock and agricultural equipment, seeds; for the construction of factories and plants with a grace period for paying them); financial assistance
	Payments in natural form	the provision of apartments for temporary stay and overnight during the journey to the places of settlement; allocation of land free of charge for the management and construction of factories and plants; the establishment of hospitals, pharmacies, educational institutions in places of settlement
Measures	Types	Note
Economic	Privilege	importation of duty-free property not intended for sale in the amount of up to 300 rubles; exemption from domestic, port and border duties of the founders of industrial enterprises in the sale and export of goods that were not previously produced in Russia; foreigners lodged on the desert lands were exempted from taxes for 30 years, in the cities for 5-10. Special preferential treatment was granted to those who entered on the basis of an individual bilateral agreement with the Russian Empire.
Legal	Securing the status of a foreign colonist	Migrants and their children received the right to use all the benefits provided by law.
	Rights	The right was granted not to serve either in civil or military service, to have freedom of religion, to use the advantages of the judicial system.

The data in the table indicate that for those times the measures applied were quite progressive and did not suggest any particular difficulties in implementation. However, in practice it turned out that the process is fraught with considerable difficulties associated with gaps in the system of management. For example, there are the following cases. In some state-owned settlements, a part of the territories intended for immigrants was arbitrarily seized by landowners. In the settlements of the Volga Cossacks, who arrived from the Don, and received permission from the Senate in 1731-1732 there were no documents on land surveying. At the same time, in violation of some of the families, they sold their land or rented out. In the Astrakhanskaya and Voronezhskaya Gubernias almost half of the land intended for settlers was inhabited by serfs of gofmeisetrina Naryshkina. Nobles and merchants of Saratov illegally owned winter quarters, under which there were croplands and peasants who did not pay taxes. And there were many similar cases. It was necessary to adopt additional legislative acts that allowed resolving

controversial issues, for example, a personal Decree of December 8, 1965, as well as the Land Survey Instruction [4].

It should be noted that in addition to foreign nationals, fugitives and schismatics were attracted to the country, for which certain benefits were also provided (giving of an apartment for the first time, the allocation of land for settlement and farming, travel to the place of accommodation, a delay in paying taxes at 6 years). They were forgiven of their crimes, and the fugitive serfs were granted freedom.

In addition, in Russia there was also an active internal migration of the population. There were peasants who migrated to Azovskaya, Novorossiyskaya, Tauricheskaya Gubernias, Yekaterinoslav governorship and the Caucasus. In the Caucasian Gubernia, the Astrakhan region and in the areas of the Mozdok line, they were provided with in-kind benefits, such as free land allocation, and money - travel, feed payments and settlement allowances. Tax breaks initially amounted to a deferment of 1.5 years, and then they were increased to 6–10 years.

Analysis of the measures of migration policy in the epoch of Catherine indicates that its goal was to consolidate the colonists and their descendants on the developed lands to stimulate the development of industry and agriculture. Though, priority was given to agricultural land development.

Consideration of the results of the events held, it is possible to track the paths of movement of foreigners in the regions of Russia (Table 2).

TABLE 2. PERIODIZATION OF THE SETTLEMENT OF RUSSIAN REGIONS BY FOREIGNERS DURING THE REIGN OF CATHERINE II [7]

Period	Regions of settlement by foreigners
1740-1770	Novorossia, Southern and Northern Urals, the Lower Volga, Voronezhskaya Gubernia, Central Agricultural Region
1780s	Novorossia, Southern Urals, the Lower Volga, the North Caucasus
Since 1790s	Voronezhskaya, Kharkovskaya, Tambovskaya, Saratovskaya and Orenburgskaya Gubernias

It is also worth noting that there was a change in the demographic situation during the reign of Catherine: the population of the country almost doubled, both due to immigrants and to the addition of new lands in the period from 1762 to 1796 (Fig.1). The data below is the official statistics, which included those obligated to pay tax per capita [4]: in fact, the population of the country was bigger.

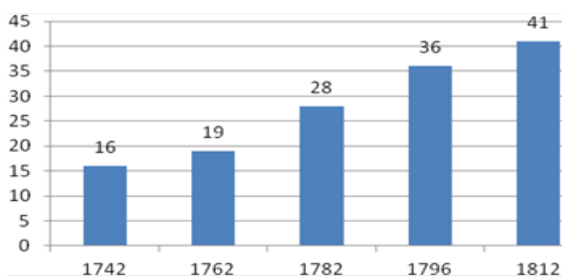


Fig. 1. Population of the Russian Empire in 1742-1812, million people [7].

The primacy in the number of migrants belongs, undoubtedly, to the German colonists, who were forced to leave their country as a result of the unsatisfactory conditions that developed after the Seven Years War (Fig.2).

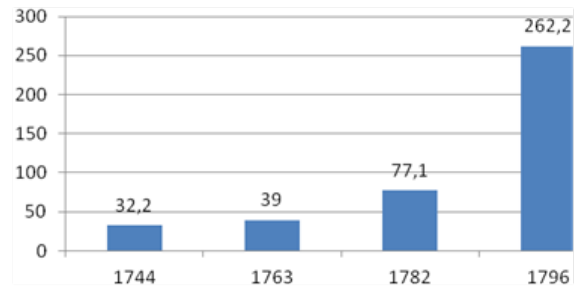


Fig. 2. Dynamics of the German population of Russia, thousand people [2].

Most of them were settled in the Volga region. The result of their settlement in this area was the development of agriculture. The main crop that was cultivated was rye. In addition, potatoes, flax, hemp, tobacco and other crops were grown. Thanks to the efforts of the Germans, already in the 19th century, weaving, flour production, the churning industry, the production of wool and linen developed here, agricultural implements were made, and leather processing appeared.

The example of the German colonists is not the only one. Representatives of other countries also entered Russia. A distinctive feature of this process is that this country was the leader in the number of immigrants in Europe. And that was one of the factors behind the significant growth of the Russian economy in 1786-1796 despite the war.

The accession of new lands was added to the process of colonization. In addition, the results of the General Survey, thanks to which a lot of uncultivated land was bought and leased in Central Russia, and plowing highly increased, as can be seen in the Table 3 below.

TABLE 3. GROWTH OF CULTIVATED LAND IN SOME REGIONS OF RUSSIAN EMPIRE IN THE PERIOD OF 1786-1796 [1]

Gubernia	Growth, %
Tulskaya	35%-60%
Moscow	60%
Peterburgskaya	90%
Saratovskaya	100%
Ufimskaya	120%

Along with it, there was an increase in industrial production, which is reflected in the number of manufactures in 1760. For comparison, the data before and after the reign of Catherine, is given below. At the same time, the contribution of foreign immigrants who created new enterprises was also traced here (Fig.3).

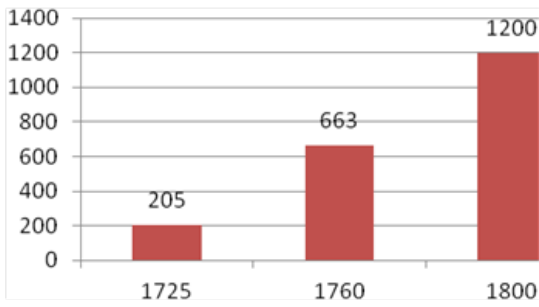


Fig. 3. The growth of manufacturing in the XVIII century, quantity of facilities [6].

Foreign trade was actively developed, including through the export of agricultural products, in particular, grain (Table 4).

TABLE 4. TOTAL FOREIGN TRADE TURNOVER, THOUSAND RUBLES [1]

Year	Total	Import	Export	Balance
1772	31 253	15 563	15 690	127
1782	40 301	19 242	21 059	1817
1787	48 867	22 753	26 114	3361
1792	78 218	37 521	40 697	3176
1794	85 004	39 530	45 474	5944
1795	90 424	36 652	53 772	11 893
1796	109 519	41 879	67 640	25 761

Between 1762 and 1796, total income in the Russian Empire more than quadrupled, from 17,235,000 rubles to 73,970,000 rubles [1]. The state budget had been equal to 70 million rubles by 1796. Compared with 1763, it grew almost 4 times. At the same time, as before the reign of Catherine, the budget deficit persisted due to participation in wars. It was about 19-20%, due to the significant costs of maintaining the yard (13%), the army and the fleet (40%) [3].

### III. CONCLUSION

Thus, the reign of Catherine II brought a significant amount of innovations and changes in the life of Russia. Among the progressive steps made by the Empress, one can mention the stimulation of commerce and entrepreneurship,

the creation of the banking system, the emergence of various types of manufactories, the use of free labor, the development of the All-Russian commodity market, the strengthening of the role of commodity-money relations, the activation of foreign and domestic trade. Of course, a well-thought-out migration policy also occupied an important place in the chain of these changes, supported by reforms.

It is important to note that the migration policy pursued by Catherine in attracting foreign immigrants made it possible to achieve the goal: it was possible to expand the number of croplands and ensure the growth of agriculture. At the same time, it became possible to increase demographic indicators. An additional advantage was the fact that foreigners also developed production, new industries, which previously did not exist in Russia. All this, along with other factors of domestic and foreign policy, definitely influenced the achievement of positive economic results, and, ultimately, the creation of prerequisites for the development of capitalism.

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