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May 2021

# Enemies of the People

From the early days of the Soviet Union, the regime designated the educated elite as **Enemies of the People**. They were political opponents and considered a threat to the regime. Between the late 1920s and early 1950s, millions of enemies of the people were rounded up and forcibly resettled to remote locations within the GULAG, a system of labor camps spread across the Soviet Union. In recent research (Toews and Vezina, 2021), we show that these forced relocations have long-term consequences on local economies. Places close to camps that hosted more enemies of the people among prisoners are more prosperous today. We suggest that this result can be explained by the intergenerational transmission of education and a resulting positive effect on local development, which can still be observed to this day.



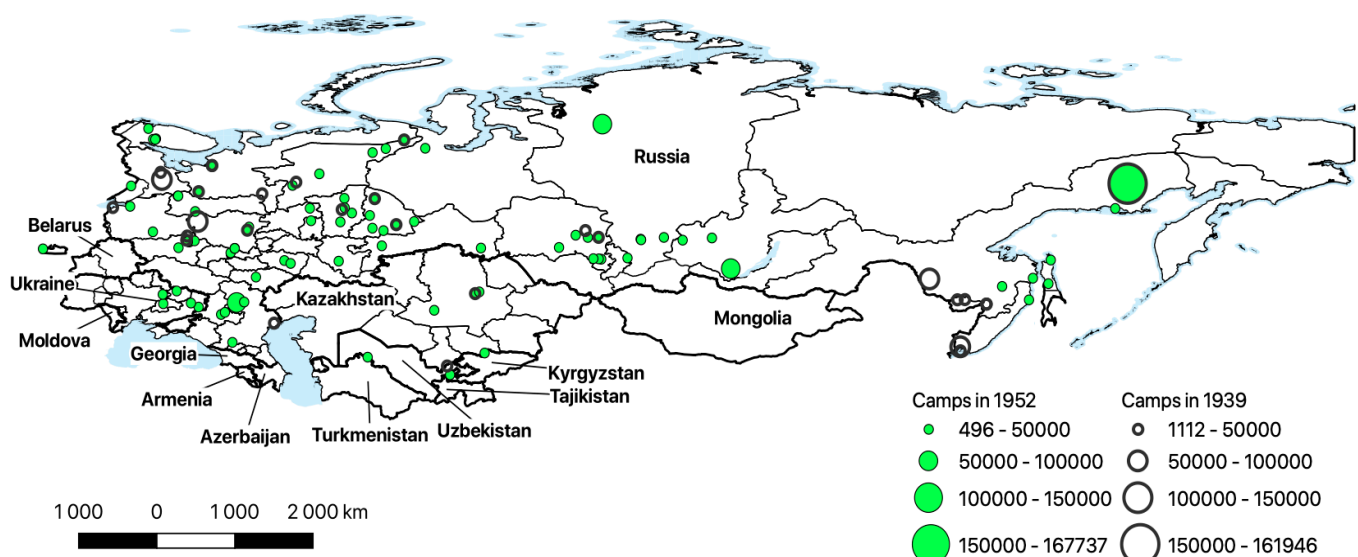
## Historical Background

Targeting the educated elite, collectively referring to them as Enemies of the People and advocating their imprisonment, can be traced back to the beginning of the Russian Revolution in 1917. After consolidating power a decade later, Stalin launched the expansion of the GULAG system, which at its peak consisted of more than a hundred camps with over 1.5 million prisoners (see Figure 1). A large number of historians extensively described this dark episode in Russian history (Applebaum (2012), Khlevniuk (2004), and Solzhenitsyn (1974)). During the darkest hours of this episode, the Great Terror, 1.5 million enemies were arrested in just about two years. While half were executed immediately, the other half was forcibly allocated to GULAG camps spread across the Soviet Union and mixed with non-political prisoners (see Figure 2). Enemies accounted for about a third of GULAG prisoners after the Great Terror. As a result, education levels were higher in the GULAG than in society. In 1939, the share of

GULAG prisoners with tertiary education was 1.8%, while, according to the Soviet Census of the same year, only 0.6% of the population had tertiary education.

After Stalin's death, labor camps started closing rapidly, but many ex-prisoners settled close to the campsites. New cities were created and existing cities in the proximity of camps started growing fast (Mikhailova, 2012). Enemies remained once freed for a combination of political, economic, and psychological reasons. Politically, they were constrained in their choice of location by Stalin-era restrictions on mobility. Economically, they had few outside options and could keep on working for the camps' industrial projects. On the psychological level, prisoners had become attached to the location of the camp, as Solzhenitsyn (1974) clearly puts it: "*Exile relieved us of the need to choose a place of residence for ourselves, and so from troublesome uncertainties and errors. No place would have been right, except that to which they had sent us*".

**Figure 1.** Location and size of camps in the Soviet Gulag system



Notes: The circles are proportional to the prisoner population of camps. The data is from the State Archive of the Russian Federation (GARF) and Memorial

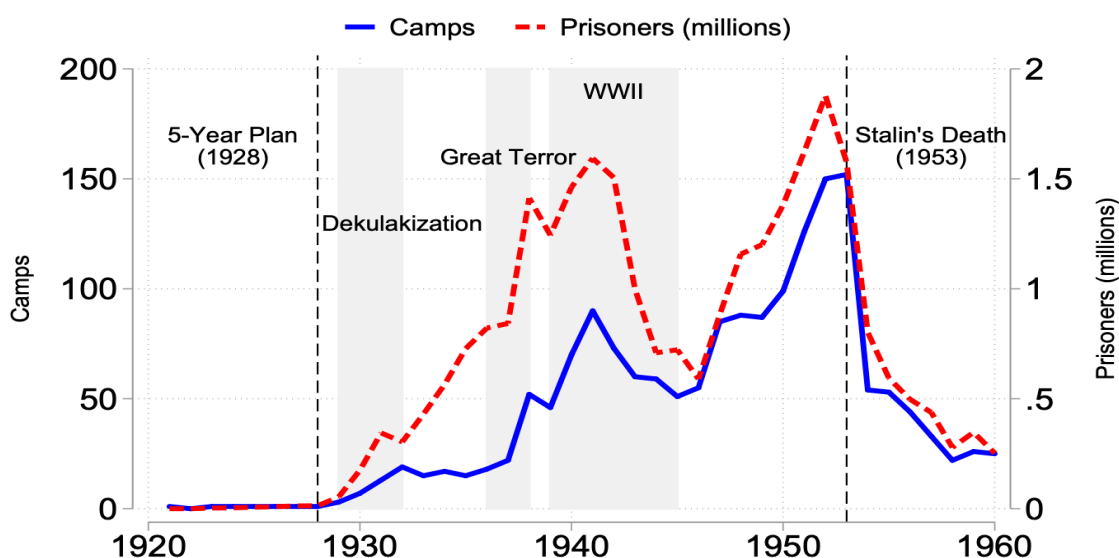
## Enemies of the People and Local Prosperity

At the heart of our analysis is a dataset on GULAG camps which we collected at the State Archive of the Russian Federation (GARF). It allows us to differentiate between prisoners who were imprisoned for political reasons (Enemies of the People) and those arrested for non-political crimes. The share of enemies varied greatly across camps, and we argue that this variation was quasi-random. We back this up by the historical narrative, according to which the resettlement process was driven by political rather than

economic forces, suggesting that strategic placements played little role in the allocation of enemies (Khlevniuk (1995) and Ertz (2008)). Moreover, while the forced nature of allocation to camps allows us to rule out endogenous location decisions, we also show that neither economic activities nor geographic attributes, such as climatic conditions, soil quality, or the availability of resources, predict the share of enemies across camps.

To estimate the long-run effects of enemies on local prosperity, we link the location of camps in 1952, the year before Stalin's death and at the peak of the GULAG system, to post-Soviet data covering the period 2000-2018.

**Figure 2.** *The rise and fall of the Gulag*



*Notes:* The solid line shows the number of Gulag camps while the dashed line shows the total number of prisoners in the Gulag. The two vertical dash lines indicate the years that can define the start and end of the Gulag, starting with Stalin's 5-year plan in 1928 and ending with Stalin's death in 1953. The shaded areas show specific periods of marked change for the Gulag, starting with dekulakization in 1929, when when Stalin announced the liquidation of the kulaks as a class and 1.8 million well-off peasants were relocated or executed. The Great Terror of 1936-1938, also referred to as the Great Purge, is the most brutal episode under Stalin's rule, when 1.5 million enemies were arrested, and half of them executed. The Gulag's prisoner population went down during WW2, as non-political prisoners were enlisted in the Red Army, and as the conditions in camps deteriorated and mortality increased. *Source:* Memorial

In particular, the camp level information is linked to the location of firms from the Russian firm census (2018), data on night-lights (2000-2015), as well as data from household and firm-level

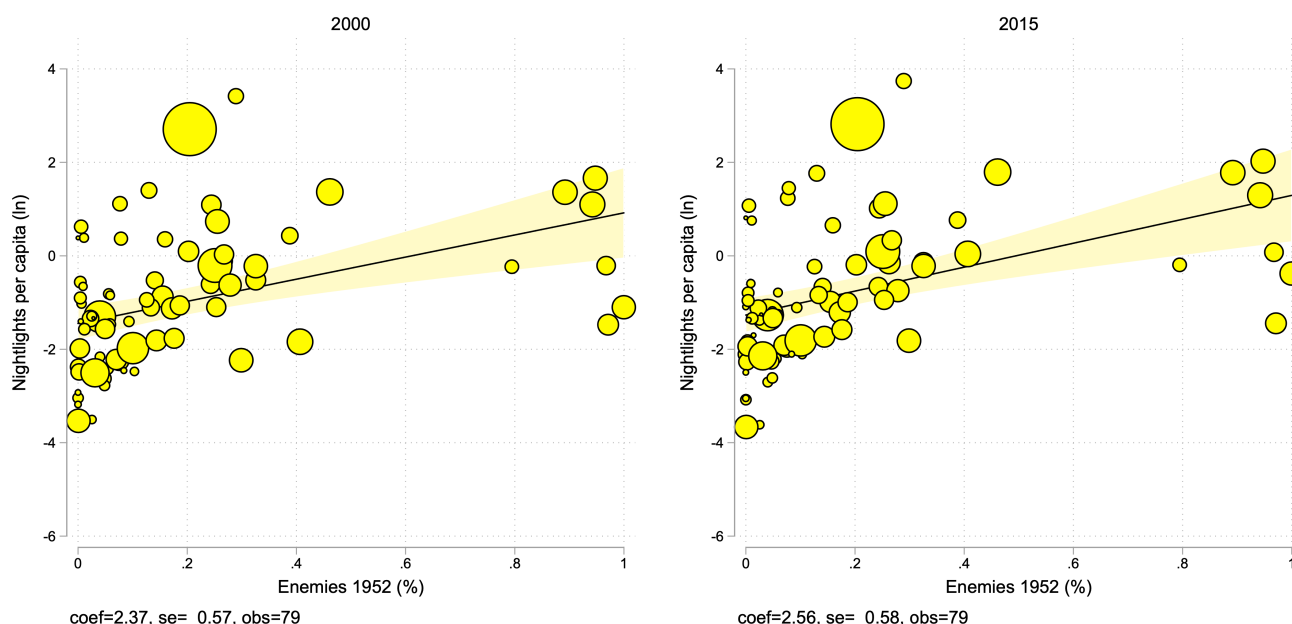
surveys (2016 and 2011-2014, respectively). Our results suggest that a one standard deviation (28 percentage point) increase in the share of enemies of the people increases night-lights intensity per



capita by 58%, profits per employee by 65%, and average wages by 22%. A large number of specifications confirm the relationship depicted in

Figure 3, which illustrates the positive association between the share of enemies across camps and night-lights intensity per capita.

**Figure 3.** Share of enemies vs. night lights per capita across Gulags



*Notes:* The scatters show the relationship between the share of enemies in camps in 1952 and night lights per capita within 30 km of camps in 2000 and 2015. Each circle is a 30km-radius area around a camp, and the size of the circles is proportional to the camps' prisoner populations. The biggest circle is Khabarovsk. The solid lines show the linear fit, and the shaded areas show the 95% confidence interval. Areas near camps with a higher share of enemies have brighter night lights per capita both in 2000 and 2015. The data on Gulags is from the State Archive of the Russian Federation (GARF) and the data on night lights is from the DMSP-OLS satellite program and made available by the Earth Observation Group and the NOAA National Geophysical Data Center. The data on population is from the gridded population of the world from SEDAC.

## Intergenerational Transmission

We suggest that the relationship between enemies and modern prosperity is due to the long-run persistence of high education levels, notably via intergenerational transmission, and their role in increasing firm productivity. For the identification of the intergenerational link, we rely on a household survey collected by the EBRD in which interviewees are explicitly asked whether their grandparents have been imprisoned for political reasons during Soviet times. Exploiting this information, we show that the grandchildren of enemies of the people are today relatively more educated. We also find that grandchildren of

enemies are more likely to be residing near camps that had a higher share of enemies of the people among prisoners in 1952. An alternative explanation for our results could be that the leadership of the Soviet Union may have strategically chosen to invest more during the post-GULAG period in locations that had received more enemies to exploit complementarities between human and physical capital. We find no evidence for this mechanism. We document that Soviet investment in railroads, factories of the defence industry, or universities was, if anything, lower in places with a large share of enemies.



## Conclusion

We show that the massive and forced re-allocation of human capital that took place under Stalin had long-run effects on local development. Sixty years after the death of Stalin and the demise of the GULAG, areas around camps that had a higher share of enemies are richer today, as captured by firms' wages and profits, as well as by night-lights per capita. We argue that the education transferred from forcibly displaced enemies of the people to their children and grandchildren partly explains variation in prosperity across localities of Russia. This can be seen as a historical natural experiment that identifies the long-run persistence of higher education and its effect on long-run prosperity. Sadly, it also highlights how atrocious acts by powerful individuals can shape the development path of localities over many generations.

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