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Beyond Pikalyovo - Urals Workers Seize Control of Plant's Finances

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Inspired by the example of Pikalyovo, where workers blocked a federal highway to call attention to their plight, employees at many other enterprises around the country are increasingly adopting the same tactic, apparently hopeful that someone from Moscow will intervene, as Prime Minister Vladimir Putin did in that company town, and solve their problems.

But now, a group of workers at a factory in Sverdlovsk region have taken this protest movement a step further: They have formed a council to oversee the financial operations in the hopes of recovering back wages, boosting the factory's sales and saving their jobs in the face of what they say is an indifferent group of owners (http://www.finansmag.ru/news/22564).

The action of the workers of the Baranichi Electro-Mechanical Factory reflects the historical radicalism of workers from the Urals, but what is most striking about this development is that

their efforts are supported by the regional government, the leaders of which have met with the council to discuss this "unprecedented financial-economic situation."

According to Finansmag.ru, the factory, which employs more than 1,000 people and is the dominant firm there, is at the verge of bankruptcy. It owes some 208 million rubles ($6.7 million) to its workers, 38 million rubles for gas, 15.7 million for electricity and 40 million to others. And as production has fallen by 75 percent in the last year, the firm has little hope of repaying anyone.

The owners of the enterprise have sought to shift responsibility for what has happened onto others, the business news site continues. But the "ineffectiveness" of their operation is shown, the site says, by the fact that "certain factory workers have not received their pay since September 2008."

Sverdlov Governor Viktor Koksharov supports the council of the labor collective, his office says, pointedly noting that he has called on "law enforcement organs to establish ties with the council," a clear effort to prevent the owners from moving against the workers at least in this case.

One reason for his supportive approach, of course, may be the recent statement by President Dmitry Medvedev that governors who do not do everything possible in their republics or regions to ensure the payment of wages and to keep unemployment from rising will be dismissed.

The actions of the Baranichi workers have attracted the attention not only of Moscow and regional news agencies but also of unions like the Electricians Union, an indication that what the Baranichi workers have done may spread to other factories and transform Pikalyovo-type demonstrations into something even more serious.

At the very least, such actions carry with them the risk of a kind of backdoor re-nationalization of some Russian industries, a move that might address the country's current economic difficulties but one that could threaten any future foreign investment there once the current crisis passes. But even more seriously and certainly more immediately, moves like the ones the Baranichi workers have taken, a syndicalist nationalization from below as it were, could endanger the Russian powers that be, especially if the workers, having gained this form of economic influence, try to convert it into political power.

Given that there are an estimated 200 to 400 company towns like Pikalyovo, that unpaid back wages and unemployment are both increasing and that worker anger against owners is growing, the spread of this post-Pikalyovo problem appears likely to create far more problems than its namesake did, something Moscow does not appear to have recognized.

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