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Construction Sector Votes for New Path

By Derek Andersen

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The Russian construction industry has set the course for its future in contentious elections held by its highest self-regulatory body.

Yefim Basin, chief executive of the infrastructure building firm Inzhtransstroi, retained his position as president of the National Association of Self-Regulating Organizations in the Construction Industry, also known as Nostroi, despite a challenge from Alexander Vakhmistrov, head of the St. Petersburg development company LSR.

Regional Development Minister Viktor Basargin, speaking at the convention Thursday, said the organization was expected to author 58 industry standards in the next 1 1/2 years, in addition to 25 standards it had produced so far as part of developing the national construction code. Work on that project is now expected to gain momentum.

Basin, known for heading the construction of the Baikal-Amur railroad in Soviet times, has signaled that standards should take into account the traditional operation of the industry, while reform-minded Vakhmistrov indicated that he wanted them to meet international

rules. At stake was also an insurance fund of more than $1 billion that Nostroi controls.

Nostroi took over the regulatory and licensing functions of the Regional Development Ministry and the defunct Federal Construction and Housing Maintenance Agency when it was created last year. Elections of its president held last November were challenged by a group of regional self-regulating organizations because of the low level of representation at those elections. Only 57 of more than 200 existing organizations took part in that procedure.

Before voting took place Thursday, Vakhmistrov praised his opponent, going so far as to say that he would vote for him, if he weren't running against him. Vakhmistrov said he did not set the presidency of Nostroi as a goal for himself, but was asked to run.

The move shocked many present at the convention, which was emotional and chaotic at points, Gazeta.ru reported.

Basin won 146-63, that is, with 63.8 percent of the vote, with 93 percent, or 216, of eligible organizations participating. Nostroi's new national council — chosen by the voters Thursday — elected Vakhmistrov first vice president of the organization because of his strong support in the presidential vote.

Vakhmistrov's conciliatory attitude came about after a lengthy meeting the previous day between the presidential contenders and Deputy Prime Minister Dmitry Kozak.

Ilya Dzhus, spokesman for Kozak, expressed satisfaction with the accomplishments of the convention.

"The goal was to guarantee transparency, productivity and maximal democracy," Dzhus said. "The process represented all participants, so that they were able to make their own decisions."

Under new rules set by federal legislation, the president's term of office has been reduced from four to two years. Membership in Nostroi became mandatory for regional SROs on Friday.

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