

Anti-WTO Movement May Be in the Offing

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Babkin is spearheading a referendum drive with the help of his unregistered political party, the Party of Action, and allies that include the Communists. **Vladimir Filonov**

The co-owner of the country's largest producer of farm equipment, who doubles as a political leader, is drumming up support for a referendum that could force the government to backtrack on the WTO.

The hurdles to holding a popular vote may be unsurmountable, Konstantin Babkin conceded Tuesday, but the effort shows that WTO membership, just a technicality away, opens a new front in internal politics.

Babkin and his allies plan to formally set up a group Wednesday that will kick off preparations for the referendum, a process that requires numerous approvals from the Central Elections Commission and the collection of 2 million signatures in support of the vote.

"The clauses of the law are such that it is difficult to pull this off," he said in an interview in his office in Moscow near the Krylatskoye metro station. "At any moment, a decision by an official ... may block this whole thing.

"But we think we need to do this because it's a very important issue and it affects everyone. This will not only take a certain amount of money out of people's pockets, but also pose a question about the country's future — will there be any or not."

Babkin is a co-owner of Novoye Sodruzhestvo, whose assets include farm equipment makers Rostselmash in Russia and Buhler Industries in Canada. Rostselmash's equipment accounts for at least 50 percent of the market, which is worth 1 billion euros (\$1.33 billion) of annual sales.

The businessman also leads an unregistered political party — the Party of Action — that he founded in 2010 with a focus on farmers. The Justice Ministry has twice rejected its requests for registration, citing the noncompliance of its charter with federal law.

Party activists, Babkin said, will help organize the referendum. He said several other political movements came on board the effort, the biggest of them being the Communist Party.

Communist Konstantin Shirshov, a State Duma deputy, is reportedly a member of the group that will start referendum preparations Wednesday. Calls to his office and cell phones went unanswered Tuesday. The Communist Party press office had no comment.

Babkin said Russia, in a heavy blow to its economy, agreed to cancel or lower 1,500 import duties upon its entry into the WTO, the global trade arbiter. The country in December received an invitation to join the organization, and will become a member some time in the summer after the parliament ratifies the agreement.

The referendum could take place in winter, Babkin said. The question on the ballot would ask, "Do you approve of Russia's accession to the WTO on the terms of the protocol of December 15, 2011?" Babkin said.

If people vote "nay," the government would have to pull the country out of the trade group, he said.

For Babkin, the campaign for the referendum could be a ploy to generate publicity for his Party of Action on the eve of a new political era in the country, said Nikolai Petrov, a domestic policy expert at the Carnegie Moscow Center.

President Dmitry Medvedev on Tuesday signed into law a bill that eases the rules for party registration and is likely to prompt a plethora of new political forces competing for people's allegiance. And the Party of Action could have a better chance of registration.

"They need to make a name for themselves; find their niche somehow," Petrov said. "I think that's what we are dealing with in this case."

In other recent activity, Babkin attended the three large wintertime street protests to demand fair elections. He said the State Duma, elected amid reports of massive vote-rigging, doesn't have full legitimacy.

A referendum is "impossible" to organize with the complex requirements of current law — such as signature collection — unless the government throws its weight behind the effort, Petrov said. But the calls against the WTO reflect the concerns of some businesses, he said.

Babkin said the import duty on a used harvester would drop to 5 percent from 25 percent. "Russia will become a dump for second-hand harvesters from all over the world," he said.

Foreign equipment producers will likely gain an advantage on the domestic market because they have access to cheaper loans and benefit from their governments' export-support programs, Babkin predicted. Russian farmers will produce less if food imports grow, which will reduce their demand for equipment, he said.

Moody's said last month that Russia's accession to the WTO would hurt domestic manufacturers of agricultural machinery and equipment because they weren't competitive globally and had limited capabilities to improve the situation.

A connoisseur of Soviet art, Babkin praises the optimism the paintings project. The largest canvas in his office, by Konstantin Frolov, depicts a group of bundled-up pilots — and perhaps engineers — huddling over a map as they ready for a flight on a small ski-plane that sits on the snow in the background.

He made a comment that suggested the WTO holds out less promise for its next member Russia than the life those men idealized.

"Those were times when people were enthusiastic and believed in a bright future," he said. "These paintings give off a positive spirit."

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