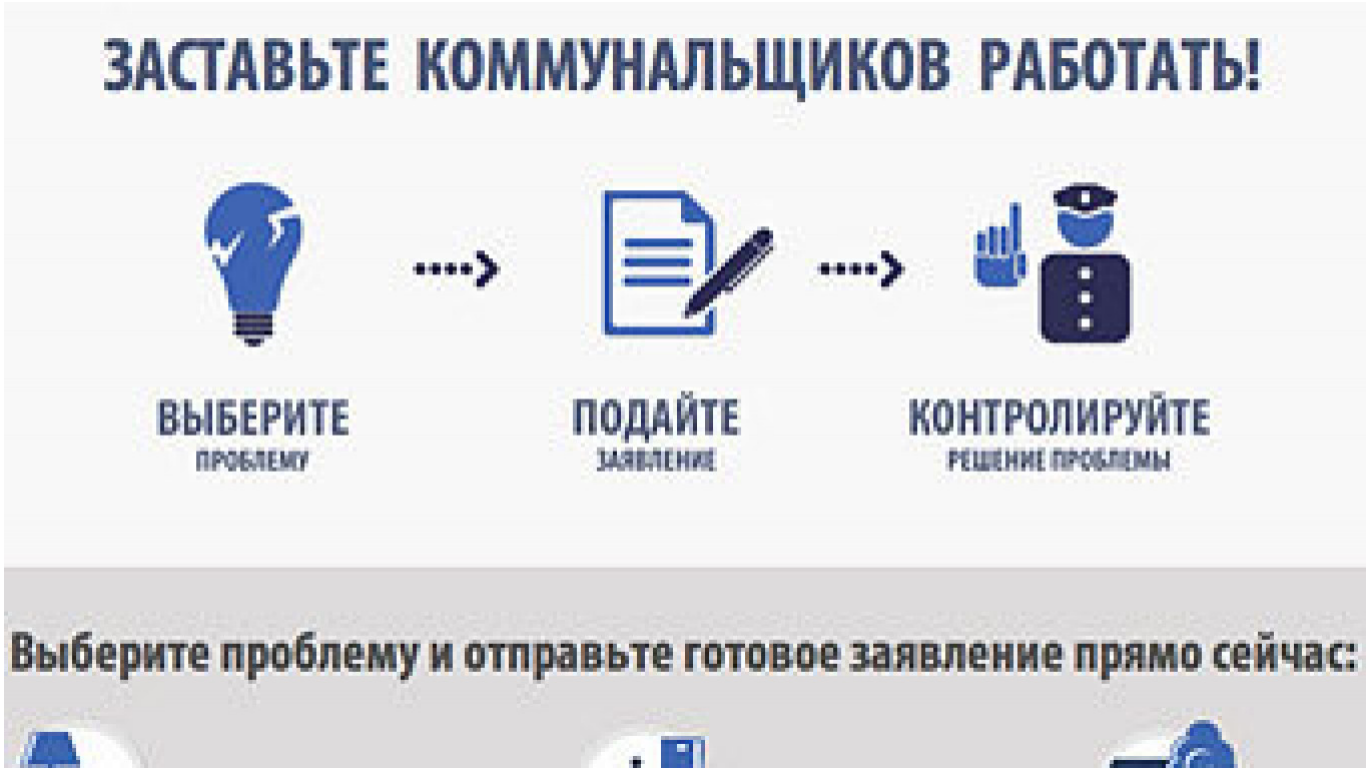
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Poor State of Housing Services Could Be Next Rallying Point

By Alexander Bratersky

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Navalny's new project, RosZkh, invites citizens to post complaints online about specific technical problems in their apartment, building or house.

Calls for honest elections and President Vladimir Putin's removal might attract the urban middle class to rallies, but it is rusty pipes and the poor state of the utilities sector that might persuade thousands of disgruntled citizens of all classes to march in the streets.

The possibility that higher utility prices might lead to "social upheaval" was addressed at Putin's news conference last week in a question posed by a journalist from Ulyanovsk.

Her question concerned a government order issued in May that obliges housing service companies to collect separately for water, heating and gas bills for common areas. The new order also allows apartment owners who install water meters in their apartments to pay less.

But the new rules were not well communicated and were met with resistance, since only a few

apartment owners installed water meters.

Some regions have postponed implementation of the order until more meters are installed.

In the city of Samara, Kommersant reported this week, water bills increased 60 percent for customers without meters.

"Let's not frighten each other," Putin said. "We should think not about upheaval but about correct, well-balanced regulations for that sphere."

He added that there ought to be "transparency" in utilities charges and that "demonopolization" should be used to reform the troubled sector.

With experts predicting large protests over rising prices for housing infrastructure services, opposition leaders are trying to focus their attention on the issue.

While the critical state of utilities and housing maintenance has often been used by the Communist Party to attract voters, opposition blogger Alexei Navalny was the first to treat the subject in more practical terms.

"The idea is simple. Do you pay for an apartment? I think you do. So we can help you to get what you have paid for," Navalny wrote on his blog in an entry advertising the RosZkh project.

The project, seen as another virtual opposition tool to attract the Internet-savvy younger generation, invites citizens to post complaints online about specific technical problems in their apartment, building or house.

Complaints are then sent to the appropriate department, which should send someone to fix the problem. Officials are given 30 days to act, as required by law.

"RosZkh is a service that forces [utilities and housing repair] service personnel to work properly," Navalny wrote, adding that companies working in the sector are required by law to pay a fine of 50,000 rubles ($1,560) if they don't fulfill their obligations.

The project, which teaches people how to compel authorities to fix leaking pipes and do repairs, has attracted a large public following. Since its launch in November, 15,000 users have filed 90,000 complaints.

The poor state and rising costs of housing are the biggest concerns for 57 percent of Russians, according to a poll by the state-run VTSIOM agency conducted last month. That is 7 percentage points higher than last year's number.

The poll, which surveyed 1,600 people in 46 regions, had a margin of error of 3,4 percent.

Resentment over the latest increase in utility rates has far outpaced anger stemming from other problems, such as demographics and human rights violations.

"You don't care about conducting clean elections when you have wind blowing through your window or water dripping on your head," said Vladimir Krimsky, head of the left-wing Just Russia party branch in Ryzan, a city three hours' drive from Moscow.

Corruption, often achieved through shady contracting deals, is rampant in the housing sector. According to findings by the Interior Ministry presented to then-President Dmitry Medvedev last year, more than 10 billion rubles ($312 million) of federal funds allocated for housing services was stolen using offshore companies.

This year, 3,300 crimes were committed in the sector, half of them connected to corruption, Ilya Zui, a senior official at the Interior Ministry's anti-corruption department said last week, RBC reported. The number of crimes in the housing services sector even prompted police to establish a special department.

A dramatic example occurred in St. Petersburg. Investigators there said companies under contract to housing authorities embezzled more then 3 billion rubles allocated for repairs.

The firms are accused of using substandard and even broken pipes in the repairs. Oleg Trishkin, a former head of the local energy committee, was arrested as a suspect.

By drawing attention to the housing sector, the opposition is trying to "bring protest activity down to Earth," said Alexei Mukhin, head of the Center for Political Information think tank.

"At first, opposition leaders were reluctant to pay attention to that problem," Mukhin said. "It seemed minor for them. I think this activity is very useful, since it brings attention to problem issues. [The opposition] is acting like wolves on weak sheep."

But Vladimir Milov, an opposition leader and former deputy energy minister, is skeptical about Navalny's project.

"They act more like spammers. They try to fight the problem, not the factors that cause the problem," he said.

Despite the differing opinions, Navalny's project has attracted attention in the regions.

"We tested it on one of the apartment blocks. The problem was fixed rather quickly," Krimsky said.

He added that A Just Russia in Ryazan is launching a similar online project called "Native City," which will feature a map showing places in the city with the worst levels of housing services.

"We have to show the authorities that they need to care about the [housing services] problem not only during election times," Krimsky said.

Authorities are paying attention, but in their own way. In August, the Vologda regional prosecutor's office sued in a local court, hoping to get a RosZkh leaflet labeled extremist.

The leaflet showed statistics on rising housing service rates in various regions together with the percentage of votes received by the ruling United Russia party in the December 2011 State Duma elections.

The findings indicated that rates were hiked in the regions where the party received the least number of votes. The case was thrown out by the court in November.

Although most families already pay11 percent of their income for housing services, rates are expected to increase by next summer. This year, federal authorities delayed the increase until July 1.

Traditionally, increases have taken effect Jan. 1. Experts say the March presidential election was the reason for the delay.

In Moscow, the average increase will be 9.7 percent, Mayor Sergei Sobyanin said. But he called the increase the lowest in the last 20 years.

The rate increase has caused many residents to stop paying. With average monthly utility bills in Moscow at 2,000 to 4,000 rubles, some debtors owe as much as 250,000 rubles ($8,000).

According to an estimate by collection agency Morgan & Stout, the total value of unpaid utility bills stood at 113 billion rubles ($37,000) as of July 2012.

Still, Moscow residents pay relatively low prices for electricity and gas compared with counterparts in other European countries. Authorities have made it clear that the situation won't be tolerated for long.

In the future, households will pay for electricity at similar rates as companies, said Andrei Chibis, a head of the governmental expert council. That will be the case despite the fact that they use only 12 percent of the total amount consumed.

Navalny's RosZkh project has earned the attention of Nikolai Vasyutin, the chief federal inspector for housing services.

He stated in a letter to his subordinates in November that complaints via the Internet regarding housing services were on a "massive scale."

"It is a clear attempt by the opposition to discredit all branches of power," Vasyutin said in the letter, published on his official website.

But Vasyutin, who has been in his post since 2003, also asked workers on the ground to be patient, pay attention to complaints and provide "justified answers."

"In essence, our tasks are similar," he said about Navalny's project.

The rather balanced reaction from a seasoned bureaucrat shows that authorities are worried that the situation might fuel social unrest, experts said.

Some regions experienced waves of protest after the rate increase this summer.
In Pervouralsk, in the Sverdlovsk region, locals stormed the mayor's office and demanded that he address the increase.

The matter is part of federal authorities' jurisdiction, however.

Some experts recall a similar situation in 2005, when the government decided to cancel entitlements for state employees in exchange for financial compensation. The move triggered a wave of mass demonstrations by pensioners and social workers in Moscow and other big

cities.

"That reform was an acid test. If people had rallied [then] in the numbers like they did on Bolotnaya [Ploshchad], we would live in a different country now," Krimsky said, making a reference to the large-scale protests of election results that took place in Moscow a year ago.

But Alexander Donskoi, former mayor of Arkhangelsk, who dealt with housing problems while in office, said people are not ready to protest over that issue.

"I was often surprised by our people, since they are very patient," Donskoi said. "They might live in an apartment block that is falling apart without even trying to fight for their rights. They sit and wait for Putin to come and fix their problems."

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