

LABOR QUIESCENCE IN POST-COMMUNIST RUSSIA

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Executive Summary

There is a paradox concerning labor in Russia. One constantly hears phrases like “social explosion” and even “revolution”. Yet despite conditions that are nearly catastrophic, there has been no social explosion, and a few dramatic exceptions aside, little sign that it is about to appear. This essay will address the question of why Russian workers have seemed so quiescent by looking at a number of possible explanations. It will then turn to the central question of trade unions in Russia in an attempt to understand their ineffectiveness to date. It will conclude with the prospects for Russian workers overcoming their difficult situations.

Introduction

There is a paradox concerning labor in Russia. One constantly hears phrases like “social explosion” and even “revolution” being uttered. Yet despite conditions that are nearly catastrophic, there has been no social explosion, and a few dramatic exceptions aside, little sign that it is about to appear.

From the perspective of workers in particular, the conditions in Russia are distressing: between 1991, when Russia embarked on a move from central planning to a market system, and 1999, the Russian economy experienced a downturn worse than the Great Depression. By official statistics, the Gross Domestic Product was reduced roughly in half since the start of “reforms” in 1991; in other words, factories and other economic units produce about half of the goods and services they did prior to the collapse of Communism.¹

According to the government’s accounting, in 1999 some 35% of the population received a monetary income below the officially defined “subsistence minimum,” and most of these people were “working poor”.² There has been a chronic problem with wage arrears – many workers simply are not getting paid for months at a time. While there has been some recent improvement in wage arrears, especially since the collapse of the ruble in August 1998, the value of those wages, once paid, has dropped in real terms. In fact, in March of 1999, Russia’s average hourly labor costs, including benefits, were 56 cents an hour – less than one-half of the labor costs in Guatemala.³

And yet, one wants to know, where is the protest? Most would expect that under such conditions workers would protest. Yet, relative to this grim social and economic picture, there have been very few strikes. The FNPR, Russia’s main trade union federation and the successor to the communist-era trade union, has proven largely impotent against wage delays and other

crucial working-class concerns. Nor does it have any significant rivals that might better defend Russia's workers. Indeed, aside from some strike activity in limited sectors of the Russian economy, workers in Russia have remained remarkably quiescent.

The question is not only one of workers' social and economic well-being. Politically, labor as an organized interest is practically nonexistent in Russian society. Besides ineffectual trade unions, and despite the large number of political parties that have appeared, virtually none, including the Communist Party (KPRF), has targeted its appeals at this large and grievance-filled social group. If this significant social actor is not able to defend its interest, and has no real representative institutions through which to articulate grievances – and there are real ones – what kind of civil society, and what kind of democracy is being consolidated in Russia?

This essay will address the question of why Russian workers have seemed so quiescent by looking at a number of possible explanations. It will then turn to the central question of trade unions in Russia in attempt to understand their ineffectiveness to date. It will conclude with the prospects for Russian workers overcoming their difficult situations.

Let us first address the question of whether Russian workers have indeed been quiescent. This question first appeared back in 1989, when political conditions under Gorbachev's perestroika made workers' collective action a possibility. 400,000 coal miners throughout the Soviet Union, from western Ukraine to Sakhalin in the Far East, went on strike, occupied city squares, and articulated demands that ranged from more provisions of consumer goods to the deepening of political and economic reforms. They organized themselves into strike committees, and later created independent trade unions. Meanwhile, however, steelworkers in the same towns seemed, in the words of one observer, to be "in another world".⁴

Indeed, the question was a compelling one: why did steelworkers – in the same communities, sometimes living literally right next door – not join the coal miners in striking?⁵ This question has persisted for over ten years now. Miners remain militant, but most other industrial workers are hardly heard from at all. And this in conditions where, at the risk of understatement, grievances have become much more compelling since 1989.

Yet there certainly are strikes in Russia. From 1992 to 1996, a total of 24,185 strikes were reported in Russia, for an average of 4,837 per year.⁶ When we break down these figures by sector, however, a different picture emerges. The large majority of these strikes were led by teachers. More precisely, fully 87 percent of all strikes in Russia from 1992-96 took place in the education sector, and these figures have remained largely consistent since.⁷ Manufacturing and mining combined account for less than 5 percent of the official strike figures; almost certainly most of these strikes took place in the strike-prone coal industry. This means that, since the start of the painful “transition,” very few strikes have occurred in any industry other than coal mining.

And yet when protests do happen, especially in coal mining and education, workers display a tremendous amount of anger and frustration. Examples include the large proportion of overall strikes that are wildcat strikes; the miners’ “rail wars” of 1998 when they blockaded the Trans-Siberian and other major railways; the hostage taking of managers; the seizure of factories by work collectives contesting privatization; the hunger strikes and even the self-immolation of those not getting paid. All of this suggests that despite the lack of organized collective action on a wide scale, Russian workplaces are ridden with conflict.

What might explain the inability of Russian workers generally to defend their interests in a time of such wrenching hardship? Several explanations are possible: individual “exit” strategies and the extremely weak labor market; the nature of the post-communist “liberal

transformation”; continued enterprise paternalism; Russia’s trade unions; the role of the state; and post-communist ideologies. We will discuss these in turn.

“Exit” and the Labor Market

In explaining the lack of worker protest in Russia, some point to workers’ use of various survival strategies. For instance, workers in formerly state-supported enterprises are often engaged in paying work in the informal economy in addition to their official job. Some would go so far to argue that Russian workers on the whole are not doing so badly, but that their real income is not captured in official statistics.⁸ Others argue that workers spend their free time growing food and engaging in other means of simply trying to survive, so that there is little time and energy left for organizing.⁹ In either case, in Albert Hirschman’s terms, workers are engaged in individual level “exit” strategies rather than using collective “voice” to improve their well being.¹⁰

Yet it is difficult to sustain the optimistic version of this argument – that Russian workers are doing relatively well, but that their well-being comes from informal employment and is hidden from view – given the rather desperate lengths workers and others have taken in order to survive.¹¹ While these individual-level strategies are a factor in explaining the relative lack of workers’ collective action, they are certainly not the only factor. This approach might explain why people are not going hungry, but it is not enough on its own to account for why there is so little real protest.

A related, and yet more persuasive factor can be summarized as follows: how to strike when there is no work? Though the Russian economy has begun a modest recovery, for some time industrial output, according to official statistics, was cut in half. It is difficult for workers to

shut down production when they are being sent on unpaid leaves, as has often been the case.¹² Many workers in Russia have not been working, and many are not getting paid. While the extent of wage arrears has recently declined, by late 1998 approximately two-thirds of Russian workers reported overdue wages, with those affected reporting close to 5 months pay in arrears on average.¹³ Often workers would not get paid in rubles, but would get paid in kind – in products the enterprise had obtained by barter, or consumer goods the plant produced, including matches, bras, coffins, and in one case, manure.¹⁴ This phenomenon gives new meaning to Soviet-era aphorism “we pretend to work and they pretend to pay us,” once a clever witticism, and now a sad lament. This difficulty of striking when not making anything would explain why, if there are not many strikes in the traditional sense, there are cases of hunger strikes, the blockading of rail lines, and other non-traditional, more desperate collective actions.

This dramatic change in the demand for labor – moving from labor shortage to labor surplus – has certainly been the greatest single shock workers have faced in the transition from communism to capitalism. Under the old shortage economy, workers could use the excess demand for labor by moving from enterprise to enterprise, bidding up their wages and benefits. They are now faced with the very real threat of unemployment. Returning to Hirschman’s analogy, workers in the past had the ability to “exit”; in theory, given unprecedented political freedoms, they should now have “voice”. Yet they appear to have little of either.¹⁵

This lack of collective action combined with workers’ weak position on the labor market would fit with the traditional economic theory of strikes – that strikes take place not when labor is weak, but when it is strong, such as in conditions of low unemployment. Suffice it to say that were this theory true, we would expect to see some even modest increase in labor activity with the beginning of economic recovery in Russia. Yet there is little evidence that this is the case.

Liberal transformation

Another factor in the overall inaction of Russian workers is the nature of the post-communist transformations – in particular, the abandonment of central planning, and the privatization of state enterprises.¹⁶ Under the old regime, instead of the invisible hand of the market, the very visible hand of state planners acted as a lightning rod for labor conflict, quickly politicizing it.

For example, when coal miners in the Siberian Kuzbass region first struck in July 1989, initially in a single mine over local issues, the strike soon spread to the entire industry. Miners in the Ukrainian Donbass region struck after the strike in the Kuzbass region ended, just to make sure, despite promises from top state officials, that the strike agreement covered them, too.¹⁷ The question of why other workers did not join the miners' strikes, then and subsequently, has been examined elsewhere, but in this first strike miners were united by the coal industry, or more precisely the Coal Ministry, which was handing out the concessions.¹⁸ That is, the strike followed the institutional channels set up by the state.

With the advent of market reform, the role of the state has changed significantly – it is no longer the central employer. The importance of this is evident if we compare the protest actions that took place in Indonesia and Russia, both of which, in 1997 and 1998 respectively, suffered a severe economic crisis.¹⁹ The conventional explanation for the lack of protest in Russia has been the purported stoicism of the Russian people. As the *New York Times* glibly put it, the ability to withstand suffering is in Russians' "genetic code."²⁰ But Indonesians also had a reputation for subservience before authority. And yet in Indonesia, we witnessed student protests and riots that brought down the Suharto regime in 1997.

In Russia, by contrast, a “Day of Protest” called by the main trade union federation and opposition parties in October 1998 – just months after the August collapse – was even weaker than the ineffective attempts at such protest in the past.²¹ (The FNPR, Russia’s main trade union federation, did manage to up the rhetoric – from “a change in the course of reforms” to “Yeltsin resign” – but with Yeltsin’s popularity rating in low single digits, in so doing it was not exactly going out on a limb.)

The difference, or at least one major one, between these two countries is the role of the state in the economy. In Indonesia, the state has maintained direct control over much of economy, not unlike the Soviet Union. Control of the state and the economy were both popularly perceived by Indonesians as focused in one individual and his family, who then served as a target for economic protests. By contrast, in Russia, control over the economy was perceived as dispersed and diffused, and no longer under the direct control of the state.²²

This factor would help explain which sectors are the ones that do engage in strikes in Russia. As mentioned earlier, while few strikes take place in manufacturing, a large number of strikes occur in the public or “budget” sector – besides teachers, health care workers and others paid (or until quite recently, most often not paid) directly from the state budget. Coal miners are also still largely part of the state sector. This factor alone cannot explain why so few industrial workers went on strike even before their firms were privatized. Nevertheless, that so few strikes take place outside the budget sector strongly suggests that the state has succeeded in no longer being perceived by workers as directly responsible for their well-being; or perhaps workers in the “privatized sector” simply are not sure against whom to strike.

Enterprise Paternalism

Another factor, and one that is less part of the post-communist transformations than the communist past, is the continuing impact of enterprise paternalism. The Soviet welfare state was largely administered through the workplace. The typical Soviet factory not only provided employment, but also provided housing, day care, vacations, and often a wide range of consumer goods to workers and their families. With shortage a pervasive feature of the Soviet economy, the workplace typically provided goods and services that workers could not buy elsewhere. These goods and services were also used to prevent skilled workers from using the labor shortage to leave for another, better-provisioned enterprise. The goods and services were distributed on a discretionary basis to insure worker compliance. This paternalism created multi-stranded dependencies on the workplace.²³

Do enterprises still distribute such goods and services, and if so, does this continued paternalism still have significant impact on workers' actions? As to the first question, one would expect that as market pressures increase, and as profits become the motivating force, managers would stop providing day care, vacation centers, housing, and consumer goods to their workforce. These provisions are simply too costly, and without the shortages of the past, in theory, such items can be provided more efficiently by markets. And yet, while greatly diminished, the benefits provided by Russian enterprises are still present.²⁴

When their wages were in arrears, workers would not get paid cash, but would often get paid in kind – in products the enterprise had obtained by barter, or consumer goods the plant produced – the matches, bras, coffins, and manure. But workers, even when wages were in arrears or even when on unpaid leave, continued to receive other benefits as well.

For instance, workers might eat a hot dinner in the plant cafeteria that could be the main meal of day. Though they might not receive a regular salary, workers could sometimes obtain goods at the factory store with “chits” or “company credit cards”. Though they might be laid off, maintaining even formal employment meant the eventual possibility of a pension. And such services as child care, while much more expensive than in the past, were still cheaper within the enterprise than outside it.

The Russian state has officially transferred such social assets from enterprises to local government, but without providing sufficient funds to pay for them. To the extent these services exist at all, they are still paid for and administered through the workplace. While the level and quality of the benefits provided at the workplace has declined significantly, they take on increased importance given the struggle of so many people to escape poverty.²⁵

Why should managers bother to provide such services any longer? After all, the main incentive in the past was the labor shortage – enterprises provided goods and services to retain workers who could “exit” for a better deal somewhere else. The answer is partly the paternalistic mentality of the past – workers expect these benefits, and managers are used to providing them. More important, it would seem, was the process of privatization in Russia, where in most enterprises the majority of shares went to the “labor collectives,” at least on paper. In these conditions managers still need the tools that worked in the past to keep the labor force quiescent, so as to keep themselves in office; and with control over ownership the ultimate goal, the stakes are even higher than before. Even when property rights have formally shifted to management, as they typically have, a strong stakeholder mentality still exists among the workforce. Should the employees succeed in striking against management, however remote the

prospect, they might well force out the management team, signal their vulnerability to outside takeover, or perhaps invite the re-nationalization of the firm by regional governments.²⁶

This continued dependence of the workforce on the enterprise for more than a monetary wage helps explain an otherwise curious phenomenon: why, when the economy has shrunk by as much as one-half, have unemployment levels remained so low? During the Great Depression, real wages remained stable, while unemployment rose to between 20-25%. In Russia, the opposite has happened. Unemployment levels have remained low relative to the fall in output, but real wages have been cut by about one-half.²⁷ Put differently, in the Great Depression, workers bore the brunt of the crisis through unemployment; in the post-communist depression, workers took the hit through wages. In Russia this has taken the extreme form of workers being officially kept on the payrolls, even though there is no work, and even though they are not getting paid. In this context it is worth recalling a standard definition of corporatism – wage restraint in exchange for full employment.²⁸ Russia seems to be a case of corporatism gone mad!

The Russian government has taken a number of very large steps along the road of structural reform. It has liberalized prices, dismantled central planning, opened up to the world market, and privatized enterprises. Yet given the continued dependence of workers and their families on these workplaces, the Russian government could not get past the step, so crucial for a capitalist economy, of removing workers from unprofitable enterprises and shutting them down. In short, there appears to have been an implicit deal between the state and industrial enterprises – enterprises might not pay their workers, pay their bills to creditors, or pay their taxes to the government, but they should continue to take care of the “collective.”²⁹ The state thereby loses

revenue, but it prevents social unrest. There are additional factors to help explain Russia's non-payment crisis and its relatively low level of unemployment, but this is clearly a crucial one.

As of May 2000, unemployment in Russia was over 11 percent.³⁰ This is "low" only relative to the deep economic contraction Russia has experienced. The relationship between the state and workplaces in Russia is something like a war of attrition. To use a historical metaphor that Russians would understand, the situation is something like the siege of Leningrad. Enterprises are starved of cash and credit. Managers are implicitly permitted to use whatever means they can, legal and otherwise, to induce workers to quit without massive firings.³¹ The government hopes these factories will not explode, but instead will wither away, as workers eventually leave of their own volition.

Russian Unions

Where are unions in all of this? That the Soviet welfare state was administered through the workplace explains much about unions in post-Soviet Russia. Unions in the communist period were not only an arm of management, but were essentially social welfare agencies. A worker would go to the trade union not with a complaint about the boss, but with a request for a voucher to the plant's vacation resort, for a place in summer camp for one's kids, perhaps for a TV set being distributed by the plant's consumer network.

Polls show that the demands trade unions raise are popular: people's greatest concerns are often unemployment and delayed wage payments.³² Yet poll after poll shows that the FNPR, and unions generally, are among the least respected public institutions in Russia.³³ Put differently, unions – the organizations that in theory should be the most capable of achieving the

goals of most people – are among the least trusted institutions in society and have proven themselves largely incapable of mobilizing their members in support of those goals.³⁴

Why have Russian unions been so ineffective? The once-official, and now independent, trade unions having a hard time becoming truly independent – but not from lack of trying. Unions remain doubly dependent, on both management and the state. At the factory level, managers in many cases are still trade union members, as they were in the communist era. In 1993, 95 percent of union leaders saw themselves as part of management’s team.³⁵ A more recent survey found that two-thirds of trade union presidents and the same number of enterprise directors think it is normal for workers and managers to be members of the same trade union since “this helps to avoid conflict”.³⁶

Moreover, unions continue to serve as the distributors of social services and in-kind benefits, once funded by the state, and now, if they exist at all, provided by management. A 1995 survey found that more than twice as many people turn to the union with questions about social benefits than with questions about pay – and this in conditions of growing wage arrears.³⁷ In her in-depth study of one coal mine and its trade union, Sarah Ashwin reports that “days spent observing events in the trade union office revealed that union officers unquestionably spent most of their time dealing with *sotskul’byt* [social, cultural and daily life concerns] and related issues.”³⁸

Russian unions face a paradox. Given the unions’ long and continued legacy of being an arm of management for the provision of goods and services, workers do not look to them to defend their rights. But given the dire economic and social conditions in Russia, workers more than ever need what goods and services unions can provide. However, since it is managers that provide the resources for such services, union leaders are effectively prevented from taking a

tough stance against management, since they can easily be cut off from these resources, and thus further lose their standing with their members.³⁹ In these conditions, it is not surprising that there is little evidence of unions being viewed by workers as real defenders of their interests.

At the national level, the FNPR remains dependent on the state.⁴⁰ While social insurance is supposed to be administered by a government agency, a large part by default is still administered by the FNPR. The union federation inherited an enormous amount of property from the communist period, including revenue-generating concerns like vacation resorts and other real estate. The continued control over these and other resources gives the unions what power they have, and helps explain the continued high rates of membership, even if declining, especially in comparison to the new trade unions that do not have access to such resources.

Yet, as the newspaper *Izvestia* put it: “Being one of the greatest landlords in Russia, the FNPR is not interested in confrontation with the state. The government may decide to privatize its property at any moment.”⁴¹ The Russian government has used this dependence successfully to keep the FNPR in line. The removal of such resources from union control was explicitly threatened after the union sided with the defenders of the Russian “White House” in October 1993.

This dependence explains the impotence of the main union federation in pressing demands against the state. Another telling example was the March 27, 1997 national “day of protest” called for by the FNPR: despite the fact that a large portion of its members had not been paid in months, the union leadership refused to put forth any political demands at all, merely calling for “a change in the course of reforms.”⁴² As mentioned above, only after the August 1998 collapse of the ruble, when it became clear that Yeltsin’s popular support was virtually nonexistent, did the FNPR strengthen its rhetoric for its October 1998 day of protest to include

demands for Yeltsin's resignation.⁴³ In short, the state has managed to keep the FNPR dependent on the good will of the Russian government. While there are small independent unions in some sectors like coal mining, for the most part, the FNPR is the only union that matters.

Labor and the Russian State

Despite, or perhaps because of, the dependence and impotence of Russia's unions, the state has sought to integrate labor, as well as employers, in a tripartite arrangement of "social partnership," modeled roughly on the corporatist arrangements of Western Europe.⁴⁴ One monograph-length study on this topic called the attempts at tripartism a "sideshow," and there seems to be little reason to substantially revise this conclusion.⁴⁵

One obvious problem with setting up an arrangement whereby the state mediates labor conflict between unions and employers is the continued problem of differentiating interests in a society still experiencing radical economic transformation. We have already seen that at the plant level, unions and managers often see themselves as working on the same side. This phenomenon is also evident at the national level. In tripartite negotiations, unions and industrialists do not look to the state as a neutral body to help them settle their conflicts; instead, they both unite along sectoral lines to lobby the state for more resources.

Further, it is not always clear whom the state represents. This is especially obvious in branch tariff agreements that cover a given industry. Since there is typically no employers' organization for a given branch, branch unions fill this role, as do industrial ministries. In other words, unions and branch ministries, in the absence of an employers' organization, work out and sign an agreement, typically aimed at extracting more resources from the rest of the state.⁴⁶

As an example of how unions differentiate between “their” ministry and other parts of the state, consider the September 1998 meeting of the central committee of the health care workers trade union. Union leaders at the meeting stated sharply: “We demand the president step down,” a hardly surprising demand given that many members had not received their meager salaries from the government in the last 6 months. Yet according to a correspondent for *Nezavisimaya Gazeta*: “Interestingly enough, after blasting the president, union activists uttered hardly a single word of reproach for the Public Health Ministry officials attending the plenum.”⁴⁷

Unions remain committed to tripartite bargaining in large part because they are so weak in the workplace. Tripartite negotiations give the unions an additional reason for existing beyond the provision of goods and services. However, these negotiations are nearly meaningless. Most striking is the level of the minimum wage. Generally the most basic function of corporatist negotiations is to establish an effective minimum wage – for a given industry, and for society as a whole. And yet the minimum wage in Russia, as of July 2000, was 132 rubles, or about \$4.65 a month. This is a tiny fraction of the state-defined physiological subsistence minimum.⁴⁸ The average wage in Russia, at about \$62 a month, was itself not much higher than the subsistence minimum.⁴⁹

Then First Vice-Premier Mikhail Kasyanov summed up the ineffectiveness of attempts at corporatist social partnership by bluntly stating that “the government has not discussed this problem [of low wages] for nine years. The state has, in fact, lost hold of the instruments to influence the level of earnings in the non-state sector.” He added, “Such a mechanism as social partnership was not used at all.” Clearly then, Russia’s attempt at “social partnership” is an abject failure.

To capture the degree the state has failed to meet its basic obligations to working people (and, by implication, the failure of trade unions to force it to do so), one need look no farther than the Russian government's own Human Rights Commissioner's Report for 1999.⁵⁰ The report notes that with the financial crisis of August 1998, real wages plunged to less than half of their level in 1991, the last year of the Soviet Union. Partly as a result, "Russia is now among the bottom 20 percent of the world's nations in terms of the 33 indicators the United Nations uses to determine the standard of living." The report also notes that "the payment of wages in the form of enterprise credit cards and vouchers is becoming a common practice, putting Russia in the same position as countries with the most primitive distribution systems." The report charges that the chronic delays in the payment of wages are a violation of basic human rights.⁵¹

The report also describes widespread violations of the law, including "more frequent incidents of unlawful dismissals, mandatory leaves without pay, and other violations of the Labor Code of the Russian Federation. Close to 20,000 illegally dismissed workers are reinstated in their jobs each year by court order." Further: "The working conditions of more than 43 percent of the laboring public are inconsistent with public health standards," and "the rate of industrial accidents has risen sharply."

With such widespread violations of the law, unions and workers have increasingly turned to a legal strategy. The number of wage complaints handled by public courts rose from 19,000 in 1993 to 1.3 million in 1998 – an almost 70-fold increase.⁵² Such legal efforts would seem to make sense since, despite tremendous changes elsewhere in the political economy, much of the extensive (though then largely formal) Soviet-era legal code remains intact. Yet such a legal strategy diverts scarce union resources into the courtroom rather than into organizing. Moreover, while such cases can take a long time to resolve, even when decided in the union's

favor, there is still the problem of enforcement. Some factory directors claim to have piles of these court orders sitting on their desk.⁵³

The legal protections that Russian workers do enjoy, even if rarely enforced, may soon narrow. At present, among the legal protections in the Soviet-era Labor Code is the trade unions' traditional right to prevent firings without union approval. However, the Russian government is currently trying to pass a new Labor Code. Critics charge that the law as proposed would not only make dismissals easier, it would also mean that such issues as work discipline, shift working, the length of the work day, holidays, norms and pay cuts would no longer require the agreement of the trade union. Workers could have damages taken from their wages as a result of illegal strikes or protests. The eight-hour day and the five-day week would no longer be mandatory, as employers could extend the working day to 12 hours and the week to 56 hours. Needless to say, if the proposed Labor Code is passed by the Duma in such a form, it will be yet another sign of the inherent weakness of Russian unions, especially on the national level.

Labor and Ideology in Post-Communism

Given the ineffectiveness of the main union federation, and of such national institutions as federal labor law and tripartism, such conflict that has erupted has been local, typically confined to the enterprise. Partly because of the reticence of union officials at higher levels, and partly because Russia's strike laws make legal strikes quite difficult, many of these enterprise-level strikes are wildcat actions.⁵⁴

Moreover, a lot of the enterprise-level actions have recently switched from a focus on wage arrears to the issue of ownership.⁵⁵ The entire process of privatization remains unpopular

in Russia, both because of widespread corruption and the enrichment of a few “oligarchs,” but also because of ideological commitment of many Russians to such communist-era notions as the “labor collective” and workers’ control.⁵⁶ As a result, particularly when plants are threatened with closure, workers in a number of cases have entered into the struggle over control of the enterprise. Emblematic of these conflicts has been the struggle over the Vyborg Pulp and Paper Mill outside Saint Petersburg. Privatization of the plant by a British firm, and fears of resulting layoffs, were contested by the plant’s trade union committee, which organized the seizure of the plant and led to a bloody confrontation between workers and OMON troops. The case has apparently inspired workers elsewhere.⁵⁷ Yet it remains unclear in many of these cases whether workers are acting on their own or are being mobilized by one management faction to further its bid for ownership. Moreover, in the absence of some organizational connection between these disparate enterprises, it is unlikely that such gains workers might win could reach beyond the local level.

These cases of militant action by “labor collectives” lack not only organizational unity; they also lack a unifying ideology or discourse, a language that is distinct from that of the old regime. In this they are similar to Russia’s coal miners’, who for a crucial time pushed for the “market,” and even “privatization,” but did so with the ideas of the labor theory of value and workers’ control in mind. Yet while the miners understood their social situation in class terms, they were without an ideological framework to organize these notions, since they were fighting the injustices of the old system, and for them the language of socialism (and even social democracy) was the language of the enemy.

For evidence that workers face continuing problems with the legacy of the Soviet regime’s appropriation of socialist ideology and working-class identity, consider the electoral

strategies of Russia's major political parties. In conditions of extensive wage arrears, illegal privatization, declining living standards and even declining life expectancies, the most rational electoral strategy would seem to be an appeal to the large number of impoverished workers. And yet, out of the large number of parties that have appeared, virtually none have directed their appeals specifically to labor as an aggrieved group. The Communist Party (KPRF) has shifted its rhetorical focus from labor to nationalism and Russia as a "Great Power."⁵⁸ When the main union federation FNPR made a major push to enter party politics, for the December 1995 parliamentary elections, it did so by reaching across class lines to form the misnamed Union of Labor with industrialists. Not surprisingly, it was trounced in the polls.⁵⁹ This lack of coherent class language and class identities goes a long way in explaining why labor as an organized interest does not really exist in Russian society.

Future Prospects

There is still much talk in Russia of the threat of a "social explosion," but the threshold for that explosion has been raised dramatically. In Soviet times it was argued simple price rises were enough to set it off.⁶⁰ Now, it would appear, the Russian state is no longer perceived as being directly responsible for individuals' well-being, and thus is no longer a lightning rod for labor and other conflicts. There is labor conflict and protest, but it has been dispersed, fragmented, and localized.

Now the question has become what, if anything, could bring about this social explosion? It would seem the Russian government, and many others, believe that threshold would be crossed by massive bankruptcies, factory closures, and widespread and open, as opposed to hidden, unemployment.

The Russian trade unions and the state have clearly failed to protect labor in the most basic sense of raising the minimum wage to the physiological subsistence level, and enforcing laws on the timely payment of wages. The resulting outcome has been that virtually “costless” workers are kept on the books and given access to the only part of the welfare state that exists – the workplace. Leaving workers’ welfare at the mercy of enterprises and their managers has so far prevented massive unemployment and perhaps ensuing social unrest. On other hand, it is here that “economic reform” comes to a halt – just short of closing down unprofitable firms and forcing workers to find employment elsewhere.

Perhaps most troubling for the future is the failure of effective trade unions or other institutions that might effectively channel the grievances of workers and others in a time of wrenching social change. As Simon Clarke has argued, this “underlies the dual fear that the bulk of the population will, in its passive moment, vote for the authoritarian leader who can make the most radical promises and, in its active moment, take to the streets in outbursts of mass civil unrest.”⁶¹

At present, the prolonged depression of the Russian economy appears to have reached its end. The economy is growing, industrial production is up, and while more than one in three Russians remains impoverished, wage delays are declining and real wages are beginning to rise after a precipitous decline. What impact might such trends have, should they continue, on the lives of Russia’s workers? If the “crisis” in Russian society is indeed over, would it remove the grievances of workers that could lead to the long-expected social explosion?

If anything, the Russian case underscores the observation that grievances do not easily lead to collective action. As we have seen, Russian workers have been burdened with grievances for some time, and the end of the Russian depression will not remove most of these anytime

soon. On the other hand, the end of the economic crisis would seem to weaken some of the explanations of workers' quiescence that focused on the dire economic circumstances. Will growth in the economy provide workers with sufficient resources to enable their collective action? Increased levels of production, for example, would presumably make strikes in manufacturing a greater possibility. Unemployment has dropped slightly; perhaps some further tightening of the labor market will strengthen workers' bargaining position.

This does not seem very likely however. First, it is more likely that if Russia travels farther down the road of capitalist transformation, unemployment will grow still higher, as now hidden unemployment becomes open.⁶² Second, greater "reform" elsewhere, even if combined with economic growth, has not resulted in an increase in workers' collective action. If anything – as the economy becomes less state centered and more private, and as the strategies and the mentalities of working people become more individualized and less collectively oriented – the possibility for a strengthened workers' movement in Russia, or even a social explosion, may decline even further.

Notes

1. While official figures may fail to capture informal economic activity, other measures put the decline at only slightly lower levels. See Branko Milanovic, *Income, Inequality, and Poverty during the Transition from Planned to Market Economy* (Washington, D. C.: The World Bank, 1998).
2. Beyond the official statistics, a poll carried out by the National Institute for Social and Regional Problems revealed that seven Russians out of 10 considered themselves poor, only 14 percent said they could pay for necessary medical treatment and just eight percent took a holiday in 1999. President Vladimir Putin conceded that Russia occupied 71st place in world rankings for its people's standard of living. *Agence France Presse*, February 28, 2000. On the large number of "working poor" in Russia and other post-communist societies, see Milanovic, *Income, Inequality, and Poverty*.
3. *The New York Times*, March 18, 1999.
4. Author's transcript of a talk by Theodore Friedgut, given at Georgetown University, October 1989.
5. Stephen Crowley, *Hot Coal, Cold Steel: Russian and Ukrainian Workers from the End of the Soviet Union to the Post-Communist Transformations* (Ann Arbor: University of Michigan Press, 1997); Crowley, "Barriers to Collective Action: Steelworkers and Mutual Dependence in the Former Soviet Union," *World Politics*, vol. 46, no.4 (July 1994).
6. *Yearbook of Labour Statistics: 1997* (International Labour Office: Geneva). This may be partly a result of the way strikes are counted: when one looks at the intensity of strikes – not only the number of strikes but the number of strikers and the strikes' duration – the disparity between strikes in the budget sector and those in mining/manufacturing are not quite so lopsided. Even with this correction, however, one finds very few industrial strikes outside coal mining.
7. Of the 169 strikes that took place in April 1999, for instance, five were in industry, one in transport, six in "other", and 157 were in the education sector. For an extensive list of strike and demonstration activity by Russian workers, see "Russia Campaign: Strikes and Protests," *ICEM*, <http://www.icem.org/campaign/no_pay_cc/protests_0001a.html> (18 May, 2000).
8. For example, according to a Meeting Report of the Kennan Institute, Anders Aslund argued: "It is important to note that there has been little to no labor unrest in Russia, which may be proof that the situation is not so dire." "Achievement and Failures in Russian Reform," *Meeting Report*, Kennan Institute for Advanced Russian Studies, vol. XIV no. 13, 1997.
9. Nor have such "survival strategies" always been successful. As Guy Standing notes, one factor concealing the extent of unemployment has been "the real disappearance of workers – in premature death. Since the late 1980s, average life expectancy at birth has declined by over five years," and for males it declined from about 65 in 1987 to 58 in 1995. He argues further that

while declining public healthcare played a role, “it seems that economic insecurity and stress have been the main factors.” Between 1990 and 1995, the number of working-age people who died from alcohol-related causes more than tripled between 1990 and 1995, while in the same period the number of registered disabled rose by 1.4 times, number of murders more than doubled, and the number of suicides rose by 1.6 times. Guy Standing, “Reviving Dead Souls,” in Simon Clarke, ed., *Structural Adjustment without Mass Unemployment* (Cheltenham: Edward Elgar, 1998) p. 154.

10. Albert Hirschman, *Exit, Voice and Loyalty* (Cambridge: Harvard University Press, 1970). An argument that extensive use of exit options explains the lack of labor protest in eastern Europe is made forcefully in Bela Greskovits, *The Political Economy of Protest and Patience* (Budapest: Central European University Press, 1998).

11. In one case of informal economic activity, young men have been stripping copper wire from utility poles to sell as scrap. Unfortunately, in a number of cases the wires have been live, and have led to some rather gruesome injuries. This has not deterred others, and sometimes the very same individuals, from taking such action however. “Power Line Thieves Loot Russia, Often Risking Death or Maiming,” *The New York Times*, April 18, 2000. Another example would be the alarming rise of sex workers working in and often illegally exported out of Russia and other former Soviet republics.

12. The term “unpaid leave” is used here instead of “lay off” since workers still maintain ties to their workplace, as we shall see.

13. These figures come from the Russian Longitudinal Monitoring Survey as analyzed in John Earle and Klara Sabirianova, “Equilibrium Wage Arrears: A Theoretical and Empirical Analysis of Institutional Lock-In,” draft paper.

14. While teachers in Voronezh oblast were offered fences and tombs from a local cemetery instead of cash wages, in Tula oblast, authorities in the town of Kimovsk, having received manure from collective farm to pay off the farms’ debts, redistributed the manure to teachers in the place of back pay. The teachers received some 1,000 tons of manure, but 125,000 tons were required to pay off all their back wages. *Izvestiya*, 26 Nov. 1999, as reported in “Russia Campaign: Strikes and Protests.”

15. Again, there is the “exit” of the informal economy, but given the dramatic turnaround in the labor market (both formal and informal), workers had much greater freedom to choose jobs in the past.

16. The role of the state in labor relations in Russia is more fully explored in Crowley, “Liberal Transformation: Labor and the Russian State,” in Valerie Sperling ed., *Building the Russian State* (Boulder, Co.: Westview Press, 2000).

17. Crowley, *Hot Coal, Cold Steel*; Theodore Friedgut and Lewis Siegelbaum, “Perestroika From Below: The Soviet Miners’ Strike and its Aftermath,” *New Left Review*, Summer 1990;

Simon Clarke and Peter Fairbrother, “The Origins of the Independent Workers Movement and the 1989 Strike,” in Simon Clarke, et al., *What About the Workers? Workers and the Transition to Capitalism in Russia* (London: Verso, 1993).

18. Crowley, *Hot Coal, Cold Steel*; Crowley, “Barriers to Collective Action.”

19. Between June 1997 and December 1998, the value of the Indonesian stock market declined by 80% and the Russian stock market by 86%. More painfully for average citizens, both local currencies were sharply devalued. *The New York Times*, February 17, 1999.

20. *New York Times*, September 6, 1998.

21. *Nezavisimaya Gazeta*, October 8, 1998; *Segodnya*, October 9, 1998.

22. On this point see also Paul T. Christensen, “Why Russia Lacks a Labor Movement,” *Transitions*, December 1997. While many blamed the handful of economically powerful Russians, the so-called Oligarchs, it was unclear how to target them, and their off-shore bank accounts, for protest.

23. Crowley, *Hot Coal, Cold Steel*; Crowley, “Barriers to Collective Action;” Sarah Ashwin, *Russian Workers: The Anatomy of Patience* (Manchester: Manchester University Press, 1999).

24. For a range of viewpoints on the extent of such benefits, see Guy Standing, “Reviving Dead Souls;” Ashwin, *Russian Workers*; Scott Thomas, in M. Mandelbaum and E. Kapstein, eds., *Social Policy and Social Safety Nets in the Post-Communist Economies* (M. E. Sharpe, 1997); Simon Commander, Une Lee, and Andrei Tolstopienko, “Social Benefits and the Russian Industrial Firm,” (paper presented at the conference “Russia: Economic Policy and Enterprise Restructuring,” St. Petersburg, June 12-13, 1995).

25. See Guy Standing, “Reviving Dead Souls.”

26. On the struggle of labor collectives over privatization, see Paul Christensen, “After Communism, What’s Left: Analyzing Radical Politics in Post-Soviet Russia,” Presentation at the Kennan Institute for Advanced Russian Studies, Washington DC, February 28, 2000. In one example, at the Krasnoyarsk Aluminum Plant workers were said to support the existing director in a privatization struggle, because the plant was one of few that “retained its Soviet-era wealth of social benefits, ranging from medical services to kindergartens.” This despite the fact that the director was being held on money-laundering and murder charges. *Moscow Times*, April 28, 2000.

27. Milanovic, *Income, Inequality, and Poverty*, 28-29.

28. Thelen, “Beyond Corporatism,” p. 110.

29. Guy Standing points to the “considerable financial incentives to induce firms to put workers on lay-off rather than make them formally unemployed,” such as avoiding severance payments. “Reviving Dead Souls”, p. 153.

30. The figures were calculated according to International Labor Organization methods. *Agence France Presse*, May 30, 2000.

31. Simon Clarke, “The Development of Industrial Relations in Russia: Report for the ILO Task Force on Industrial Relations.”

32. For example, a September 1998 poll by the Institute of the Sociology of Parliamentarianism found that to the question of what problems in your personal life anger you the most, 60% answered wage arrears and 55% answered low wages. *Izvestia*, September 23, 1998.

33. One survey found the new independent unions enjoying less trust than even the former Communist-led trade unions, with respondents placing them second from the bottom of trusted social institutions, just percentage points above “westerners advising the Russian government.” Richard Rose, Stephen White, and Ian McAllister, *How Russia Votes* (Chatam House Publishers, 1997). A more recent survey, conducted by the Agency of Regional Political Studies in 1999-2000, shows no improvement: while the majority of respondents did not trust a single institution, labor unions were less popular than any other organization. *Nezavisimaya Gazeta* May 5, 2000.

34. Interestingly, a survey conducted by the All-Russian Center for the Study of Public Opinion in February and March 1998 found that respondents placed trade unions at the very bottom of institutions that “have influence” (with only 4% of those surveyed saying unions had influence) but when asked “who ought to have influence,” unions came in second place (below the intelligentsia) with 64% of respondents saying unions ought to have influence. *Obshchaya Gazeta*, no. 29, July 23-29, 1998, as translated in *The Current Digest of the Post-Soviet Press*, vol. 50, no 29, 1998.

35. Clarke, “Development of Industrial Relations.” At the Kuzbass coal mine she investigated, Ashwin found that mine managers remained apart of the trade union until 1998. Ashwin, *Russian Workers*, 95, n 15.

36. Clarke, “Development of Industrial Relations.”

37. Chetvernina, T. Smirnov, P. and Dunaeva, N., “Mesto profsoyuza na predpriyatii,” *Voprosi Ekonomiki*, 1995, 6; Clarke, “Development of Industrial Relations.” That workers would not approach union representatives about wages is quite rational, since, as Guy Standing reported in an extensive survey of Russian enterprises, the presence of unions appears to have little to no impact on wage levels in Russian workplaces. *Russian Unemployment and Enterprise Restructuring* (New York: St. Martin’s Press, 1996), 210-211.

38. Ashwin, *Russian Workers*, 90. She also found that even this “militant” trade union had difficulty separating its interests from those of management.

39. Clarke, "Development of Industrial Relations." For an example of a trade union in a steel factory being cowed by management in just such a fashion, see Crowley, *Hot Coal, Cold Steel*, chapter 7.

40. Even President Putin joined the denunciation of unions along these lines. In what was billed as his "State of the Nation" address, besides accusing the unions of "bureaucratization," he argued: "In the new conditions the trade unions should not be taking upon themselves state functions in the social sphere. What the people of Russia need is not just another middleman for distributing social benefits, but professional monitoring to see that labor contracts are just and their conditions properly observed." Putin's remarks, while on target, are certainly ironic: some ten years after Russian trade unions declared themselves "independent," they are being lectured to by the head of state on how to defend workers' interests. "Russian President's Address to Federal Assembly," *BBC Monitoring*, July 8, 2000.

41. *Izvestia*, April 9, 1998; *Izvestia*, August 24, 1999.

42. *Kommersant-Daily* March 29, 1997; *Moscow News*, No. 13, March 30-April 6, 1997. In several regions, mayors and governors were directly involved in organizing this protest, and enterprise managers appear to support such union "days of action" as well. Ashwin, *Russian Workers*, 86.

43. *Nezavisimaya Gazeta*, October 8, 1998.

44. Tripartism refers to centralized and formal negotiations between representatives of labor, employers and the state.

45. Walter Connor, *Tattered Banners: Labor, Conflict and Corporatism in Postcommunist Russia* (Boulder, CO: Westview, 1996), 170.

46. Clarke, "Development of Industrial Relations." On the dearth of employers' associations with whom labor might negotiate, see Viktor Komarovskiy and Ye. Sadovaya, "Ob'edineniya rabotodatelei v sisteme sotsialnogo partnerstva: opit razbitikh stran i Rossii," *Mirovaya Ekonomika i Mezhdunarodnie Otnosheniya*, 5, 1997.

47. *Nezavisimaya Gazeta*, September 18, 1998.

48. *The Saint Petersburg Times*, June 13, 2000; *Segodnya*, June 19, 1998; Guy Standing, "Reviving Dead Souls," in Simon Clarke, ed., *Structural Adjustment without Mass Unemployment* (Cheltenham: Edward Elgar, 1998) p. 151; Tatyana Chetvernina, "Minimum Wages in Russia: Fantasy Chasing Fact," in Guy Standing and Daniel Vaughn-Whitehead, eds., *Minimum Wages in Central and Eastern Europe* (Budapest: Central European University Press, 1995). As this last volume makes clear, this situation is similar in most postcommunist societies.

49. Itar-Tass, February 24, 2000. With the officially defined subsistence minimum \$34 a month, a worker with one dependent could not survive on the average wage.

50. "The 1999 Report of the RF Human Rights Commissioner," *Rossiyskaya Gazeta*, April 4, 2000.

51. The report continued, "People in the northern regions and regions with a high rate of unemployment have to work for a limited variety of food items, which essentially constitutes forced labor." It cited workers on a collective farm that had not received any wages for 21 months, but instead got one loaf of bread a day and one kilogram of sugar and two or three kilograms of cereal grains a month.

52. The 1999 Report. In 1997, 6 percent of the total Russian workforce sought redress for the non-payment of wages through the courts. *Izvestiya*, January 6, 1999; Christensen, "Why Russia Lacks a Labor Movement."

53. *Russia and Commonwealth Business Law Report*, November 18, 1998.

54. For further discussion of the strike law, see *Ibid.*; Crowley, "Liberal Transformation." Being illegal, these wildcat strikes would be subject to additional fines under the government's proposed labor law.

55. Christensen, "After Communism."

56. On the continued unpopularity of privatization, see Christensen. Ashwin places much emphasis on the notion of the "labor collective" as a source of unity between workers and managers and an explanation for workers' "patience" (Ashwin, *Russian Workers*). Yet it would seem that the continued viability of the idea of the collective requires certain obligations on the part of management, and therefore limits to workers' patience.

57. A meeting of "labor collective representatives" took place near Vyborg, and a meeting of the Kuzbass Congress of Working People invited representatives from the Vyborg plant. *Segodnya* Dec. 29, 1999; *Nezavisimaya Gazeta*, Oct. 27, 1999.

58. Christensen, "After Communism"; Veljko Vujacic, "Gennadiy Zyuganov and the 'Third Road,'" *Post-Soviet Affairs*, vol. 12, no. 2 (April-June 1996), pp. 118-54.

59. Boris Kagarlitsky, "Russian Trade Unions and the 1995 Elections," *Labour Focus on Eastern Europe* no. 52 (Autumn 1995), pp. 64-69.

60. While such open protests were rare, so were price rises, the most dramatic confluence of the two phenomena being the violent repression of protesting workers in Novocherkassk 1962. Regardless of the empirical validity of the claim that price rises in the Soviet Union would lead to protest, this perception was widespread, inside and outside of the Soviet Union.

61. Clarke, "Development of Industrial Relations."

62. By one estimate, "in 1996 suppressed unemployment in Russian industry was over a third of the workforce." Standing, "Reviving Dead Souls," 174.