

Where is Russia going?

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BA: *There has been a significant attempt in the west to portray the economic transition in Russia as something of a success. To what extent do you think that the position of ordinary working people has changed in the last year?*

KB: There have been many changes over the last period, but the nature of the change depends on the perspective you take. A few months ago there was an article in the Toronto newspaper *The Globe and Mail* by a well known Polish economist. He argued that you should not believe the lies about daily life in Russia, it was not getting worse and worse. He pointed out that during a one week visit to Moscow he saw a large number of expensive and luxurious cars, he stayed in an expensive and comfortable hotel, on the streets he saw many fashionable people, in the crowded shops he saw clothes and luxury goods that were more expensive than those in the west, in the evening he went to a night-club and had a long conversation with a prostitute who told him that she was glad to be a prostitute because the work was less arduous than factory or office work and the rewards much better. He argued that statistical data showing declining living standards in Russia was misleading — real life was improving!

This perspective is obviously misleading. If the economist had gone to the train stations and spoken with the huge army of homeless people, if he had gone to the factories and talked to the workers who have not been paid for two or three months, if he had gone to a mineworkers district, like Vorkuta or Kemerovo, or if he had met the widows of the 25 miners who were killed as a result of an accident 10 days ago, he would have got a different perspective on the economic transformation. There would be no talk of improvement. Even using recent official statistics we can see the changes. For example, food consumption has declined. Even the consumption of bread has declined and milk and bread is the food that most poor people rely upon. Two days ago on Moscow Television pensioners were interviewed about what they had to eat and how they celebrated — they answered tea and bread, very rarely anything more. They said that even during Soviet times it had been pos-

sible for pensioners to survive on their pensions but now it was impossible even to exist.

BA: *Clearly, daily life is bleak for many people in Russian society but do you think this experience is being transformed into extreme pessimism about the future or do people see any possibilities for improvement?*

KB: If you listen to government ministers like Chernomyrdin and Chubais, you will hear extremely optimistic statements. They say the economic benefits will be delivered next month or next year! We have heard such talk since 1991 when Yeltsin took power when he said that after one very difficult year in our life there would be improvement. Now we hear exactly the same speech every year!

BA: *What is the level of criminal activity in the economy and society? People in the west read about the impact of the mafia in Russia and although they may have some idea about the American mafia or the Italian mafia, from movies and books, it seems to me that in the Russian context the idea of the mafia is quite different. In the west, criminal activity may be important for capitalism and in particular sectors (like drugs, prostitution, gambling etc) may dominate, but here the penetration of the mafia into the economy seems to be more all-pervasive.*

KB: This completely true. All Russian economic life is touched by the mafia. The food that people buy in local markets is traded at prices determined by local mafias that control access to the markets. The street traders that you can see all over Moscow pay money to the mafia (or to the police, because it amounts to the same thing) for their right to sell on the street. Small business ventures, supposedly the symbol of the new capitalism, are dominated by the mafia.

An individual I know of set up a small co-operative in the Gorbachev period and was involved in buying and selling computers. He prospered at this and accumulated both money and possessions. He then attempted to diversify his operation by getting into the flour wholesaling business. Shortly after his home, office and dacha were burgled and all his computers were stolen. He was told by the police that they would not be investigating the events and he should count himself lucky to be alive. He had to go into hiding for almost two years. This is not an uncommon experience for those who started businesses under perestroika. They either left or they were killed.

Because of the absurdity of our developing economic system everyone is forced into criminalised activity. Enterprise directors will operate illegally to avoid paying punitive taxes to government. They will operate parallel production which gives them cash to pay their workforce and sup-

pliers. Because of the delays in wage payments workers are forced to steal finished products or raw materials in order to survive.

BA: *What is happening in those enterprises where there are still people working? I've read that strike activity has increased dramatically in the last 12 months. What significance do you see in this?*

KB: It is no surprise that the level of strikes is increasing. Workers are not paid for months on end, many work on short-time or are on indefinite holiday with only the minimum wage. Enterprises have given up on the regulation of health and safety and many enterprises are removing the old social provisions that they used to provide.

There are two main types of strikes.

First, there are strikes that are organised by what are described as the "red directors". These are the old enterprise management who organise strikes to put pressure on the government, either to pay their bills or to provide the enterprise with subsidies, essential inputs or orders. These strikes are quite well organised and strong.

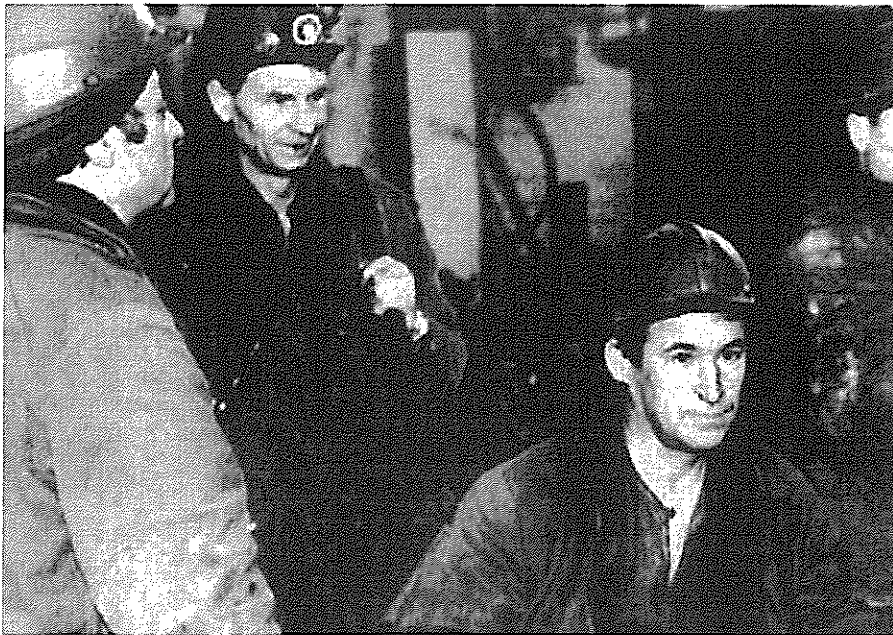
The second type occur in enterprises where management are made up of the "New Russians" — the old management who have become capitalists, in enterprises where the majority of shares have ended up in the hands of the directors or those close to them. These enterprises don't operate under old-style paternalistic management. They have a new capitalist boss, with all the expected traits. They try to cut wages, introduce, speed ups and so on.

These bosses have established new security forces, almost like small private armies whose numbers are growing. In a factory of 5,000 workers that I know, the security force is in excess of 100. These security forces have an unchecked power over the workforce. They can stop and search workers on the streets and they can go to their homes to search them. At Tulachermet, an engineering factory at Tula about 120 miles from Moscow, an engineer was killed by security forces in the grounds of the factory. They claimed the engineer was drunk but the medical report showed he was not.

Such extreme conditions have given rise to a huge wave of strikes of a new kind. These are strikes similar to those in the west where workers use the strike weapon as the only thing available to them to put pressure on enterprise directors.

BA: *You mention the phrase, "New Russians". Recently there were attacks on a building site in Bryansk where new homes were being built for "New Russians". Would you explain what "New Russians" means?*

KB: The term originally came from the United States and was used to identify a new layer in the Russian population. These are the people who are doing well from the transformation process, who are building



Miners are one group of workers organising strikes in Russia

new private homes, driving BMW's, consuming western goods. However, the left in Russia do not like the expression because the real "New Russians" have not yet arrived. We think the transformation will take one or two generations to complete. What we have now is "old Soviets" who have transferred their Soviet power into money power.

BA: What is happening to the trade union movement within the enterprises? Are they able to maintain their membership and defend their interests?

KB: The trade unions are losing members because of the collapse of industry. Within the new sectors — like trade and finance — there is no evidence of trade unions being created. Workers are so relieved to have jobs that forming trade unions are not an issue for them.

The traditional trade unions, established under the Soviet system, represent the traditional state sector of the economy. The FNPR [the old Stalinist-sponsored trade union federation now renamed the Federation of Independent Trade Unions of Russia] has about 50 million members but membership is declining. But changes are occurring inside the FNPR-affiliated unions and within the FNPR itself. There is a radicalisation taking place, and they have become independent from the state. I would argue that the current leadership of the FNPR are honest and are attempting to build new structures. Many of these leaders came to prominence during the strike movement of the early 1990's, so they are a new generation.

The trade union newspaper *Solidarnost*, which is only 5 years old, is staffed by people who are under 30. They have seen the paper's circulation increase sevenfold in this period and grow from a Moscow local paper to an all-Russian paper.

BA: An important challenge for the trade union and labour movement is the forthcoming Duma [Parliament] elections,

scheduled for 16 December. How do you see this developing?

KB: If free and fair elections take place then the Yeltsin regime would win absolutely nothing because they are massively unpopular. Against this backdrop of unpopularity the government's initial strategy was to create two pro-Yeltsin blocs. One was slightly to the right, and led by Chernomyrdin. One was slightly to the left and headed by Rybkin — the speaker in the Duma. The Chernomyrdin bloc's slogan was "Our home is Russia". But this is known popularly as "Our Home is Gazprom" — the huge gas industry power bloc that Chernomyrdin once ran!

The leaders of the two blocs were ordered to create them and then political groupings and parties were told which bloc to join. The FNPR was told to join the Rybkin bloc. But the FNPR's leader Shmakov refused. He simply could not deliver his organisation to the government in that way.

The "bloc strategy" failed because it was discredited from the outset. Yeltsin's group thought they were setting up something akin to the US system, were the differences between the two parties are minimal. The popular view at the time was that Russia was moving towards a two-party system — one party was *pro-Yeltsin* the other party was *for Yeltsin!*

Yeltsin's group now want to see one strong bloc, headed by Chernomyrdin, complemented by a myriad of smaller oppositional groupings. They have organised a campaign to split the opposition which has succeeded. There are now more than 200 opposition parties which will create 60 oppositional blocs! The ballot paper in the election will be enormous! Only Chernomyrdin's bloc can benefit from this fragmentation.

This strategy of fostering splits has been bolstered by powerful financial interests. The social-democratic parties were told they would be given money if they formed their own bloc and did not join another.

At the same time sections of the media

have been bought up by the presidential bloc. The paper *Rabochaya Tribuna* which was in a critical financial position had their debts paid. Now they will be able to operate through the election period.

BA: Who has been attracted into political activity, who is filling all these new blocs and parties?

KB: In all the blocs there are famous writers, actors, singers, cosmonauts etc. These people are used to attract the attention of the populace. The new Duma will be more like a circus than a parliament! The president will be quite happy with this! The Duma is currently very weak but in the future it will be potentially even weaker.

BA: Is it likely that we will see an independent working class party emerge from this economic and political chaos?

KB: There is a real need for the emergence of an independent workers' movement based upon democratic socialism. It is the only hope for Russian workers. But there is the legacy of the past to clear away first. The old Stalinist words, phrases and parties have to be swept away. For example, any illusions about the nature of Zyuganov's Communist Party — which will potentially do quite well in the forthcoming elections — have to be dispelled. The Communist Party stands for nothing to do with either communism or socialism. Its programme is nationalist, chauvinist, patriotic and pro-market. An independent workers' party can only emerge once this is clearly understood by the mass of workers. The economic crisis will provide the objective background for this process.

BA: What about the presidential elections of June 1996? Do you think that Yavlinsky is correct when he suggests that Yeltsin may create a state of emergency and cancel the presidential elections, in order to cling onto power?

KB: It is likely that if the elections do take place Chernomyrdin will emerge with real power. Chernomyrdin, has money and the support of the new capitalists and what he doesn't control he can buy. Yeltsin, already is a lame duck from the point of view of the capitalists. His inability to resolve the Chechen crisis is an example of his lack of power.

BA: What about the Chechen war, I get the strong feeling talking to people in Moscow that there is very little hostility to the Chechens?

KB: That is correct. In general people blame the governments — both Yeltsin's and Dudayev's — for the conflict. This is a conflict between the old élites, Yeltsin and Dudayev were good friends for many years. Yeltsin supported Dudayev at the outset and allowed him to seize arms on Chechen territory. It is really a quarrel between two thieves and the people are paying the price — even though there was no money in the state budget for wages or pensions or rebuilding industry, the money could be found for the war. ☐