



# Labour Relations in Transition



# Labour Relations in Transition

Wages, Employment and Industrial  
Conflict in Russia

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MANAGEMENT AND INDUSTRY IN RUSSIA SERIES

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## The Authors

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*Inna Donova* was born in 1964 in Kemerovo into a family of musicians. In 1986 she graduated from the economics faculty of Kemerovo State University, after which she remained there to work in the Department of the Economics and Sociology of Labour, where she now teaches social problems of management and participates in various research projects. She can play three musical instruments, and likes jazz, soul and rhythm and blues. She is married with an eight-year-old daughter.

*Marina Ilyina* was born in 1957 in Arkhangelsk. As a child she moved with her parents to the town of Sosnogorsk in the northern Komi Republic. In 1975 she enrolled as a student of philosophy at Syktyvkar State University, where she was drawn to the lectures on the history of the CPSU given by Vladimir Ilyin, whom she then married. She graduated in 1980, having spent two years in Leningrad with her husband, and became an editor in the publishing department of Syktyvkar State University, becoming chief of the university press in 1990. Marina has conducted ethnographic research in a wide-range of enterprises in the Komi Republic, alongside her continuing editorial work and caring for her two children (and for her unreconstructedly chauvinistic but disarmingly charming husband). In contrast to her husband, Marina always hated the thought of travelling, until her first visit to Britain in 1993, since when she travels at every opportunity.

*Galina Monousova* was born in 1959 in the Moscow region. She graduated as a labour economist from the Institute for National Economy in Moscow in 1980. After graduation she worked for several years as an economist in the Centre for Health Care Economics of the Ministry of Health. From 1986 to 1991 she worked as a researcher at the Institute of the International Labour Movement of the Academy of Sciences, where she studied the development of the new independent trade unions and the development of strikes in Russia. In 1990 she was awarded her Candidate's degree with a dissertation on the brigade system in industry in Eastern Europe. In 1991 she moved, with the rest of



her research team, to the new Institute for Employment Studies, continuing her research on the same themes. Since 1993 she has been a research fellow in the Institute of World Economy and International Relations. Since 1992 she has been involved in a number of international research projects, including those directed by Alain Touraine (1992–3), Andrei Schleifer (1994) and Simon Clarke (since 1992), covering various topics including social movements, industrial relations, privatisation and corporate governance.

*Natalya Guskova* was born in 1960. She graduated from the Department of Philosophy of Moscow State University in 1985 and went to work in the Institute of the International Labour Movement of the Russian Academy of Sciences. From 1991 to 1993 she worked for the Institute for Employment Studies. Since 1993 she has been a junior research fellow at the Institute of World Economy and International Relations. She has participated in a number of research projects doing logistics and collecting empirical data. She compiled the Chronicle of Strikes and Trade Union Actions in Russia in 1992–1995, and has just begun her own research, focused on trade union activity in large enterprises.

*Marina Kiblitckaya* was born in Moscow in 1962. She graduated in philosophy from Moscow State University in 1987 and was awarded her Candidate's degree in sociology in 1993. Marina attended the summer school for Soviet sociologists in Manchester in 1992, and is now studying for a doctorate with a Soros scholarship at the University of Warwick. She has been studying industrial conflict in various enterprises for several years and is now conducting a comparative study of her Russian enterprise with its British equivalent. Marina has become increasingly interested in gender relations at work, and is currently conducting participant observation of office workers in Russian state and private enterprises. Marina combines her research with caring for her son Sasha and struggling to reform Russian men.

*Sergei Alashev* is a researcher in the Sociology Laboratory of Samara State Pedagogical University. Sergei was born in 1959, and worked as an electrician on leaving middle school in 1977 and then as a fourth grade tester of electronic components in an instrument-making factory in Samara. He became an enthusiastic amateur archaeologist and ethnographer. In 1987 he graduated from Samara

State University and joined the Sociology Laboratory of the Pedagogical Institute. This work was close to his youthful interests and allowed him to continue to join archaeological and ethnographic expeditions in his free time. His main responsibility was for the computer analysis of sociological data. However, his participation in this research project has allowed him to combine his interests and to develop the use of case-study methods in industrial enterprises. He is married with two sons. His wife is a housewife.

***Tanya Metalina*** was born in 1956 in Samara. She graduated from the history faculty of Samara State University and taught history in school, before working as a sociologist in an industrial enterprise, where she headed the sociology department, specialising in social psychology and the sociology of small groups. In 1989 she graduated from the sociology faculty of Moscow State University and is now a researcher in the sociology laboratory of Samara State Pedagogical University. Her main area of research interest is now the problems of employment and the personnel policies of industrial enterprises. Apart from her scientific work she loves animals, especially her dog and cat. She is married with one daughter.

***Irina Kozina*** was born in 1957 in Samara. She graduated from the historical faculty of Samara University. At University she was drawn to archaeology and ancient history, but found contemporary problems of social life more interesting and after graduation began to work as a sociologist in an industrial enterprise. After a year she was invited to head the sociology laboratory of Samara Pedagogical University, where she established a collective which has worked on a wide range of sociology projects over the past nine years. Over the past four years the laboratory has specialised in problems of labour relations. Since 1994 she has combined her scientific work with the post of director of the Samara branch of the Institute for Comparative Labour Relations Research (ISITO). She has just completed her dissertation for the Institute of Sociology of the Russian Academy of Sciences on 'Methodology and Methods of Sociological Research'. She married a fellow student while still at university. Her husband, fortunately, works as a businessman, not as a scientist. They have a thirteen year old son.

***Vadim Borisov*** was born in 1961 in Chelyabinsk, pollution capital of the world. He finished school in 1978, working for a year as a setter

of printing equipment in the Chelyabinsk Metallurgical Factory before becoming a student of philosophy in the Department of Scientific Communism of Ural State University in Sverdlovsk. While a student he worked as a member of the *corps de ballet* at the Lunacharsky Theatre in Sverdlovsk. On graduation in 1984 he went to work as a prison officer, only escaping from a life contract by feigning insanity. In 1987 he became a teacher of 'Scientific Communism' at the Chelyabinsk Medical Institute, where he soon became a leader of the informal movement, organising the first gathering of informal leaders and the first mass demonstration in Chelyabinsk in 1988. On that occasion his main opponent was his uncle, then head of the City Party Committee (now he is the 'democratic' head of the regional administration). The local Party suggested that he establish a Popular Front in Chelyabinsk, but instead he returned to Sverdlovsk as a postgraduate student before moving to Moscow in 1990 where he continued his informal activity, while studying sociology and then working as a freelance journalist and sociologist. He was awarded his Candidate's degree in sociology in 1993 and became a member of the Journalists' Union in 1994. He is now a research fellow in the Centre for Comparative Labour Studies at the University of Warwick, and Director of the Institute for Comparative Labour Relations Research (ISITO) in Moscow.

**Veronika Bizyukova** was born in 1961 in Kemerovo, where she studied economics at Kemerovo State University, getting married and beginning to bring up two children at the same time. After graduation, she worked for two years in the regional statistical department, an experience which led her irresistibly to qualitative methods of research. She accepted an offer to return to the University to join the sociology laboratory and in 1991 followed an advanced sociology course in Moscow. Now Veronika combines an ability to track down quantitative data in the chaos of the state statistical agencies with the capacity to penetrate the finest subtleties of concrete situations arising in people's lives in enterprises. After a very large number of interviews with miners about their difficult situation in Kuzbass coal enterprises the thought occurred to her, 'If it is difficult for men here, what is it like for the women?' So recently she has begun researching the position of women in coal-mining.

**Konstantin Burnyshev** was born in 1964 in the miners' town of Osinniki, Kemerovo *oblast*, his father being a mining engineer, his mother working in the ventilation section of the local mine. He graduated from the trade college in Novokuznetsk as a 'seller of cultural products', but became interested in psychology, which he went to study at Moscow State University in 1982. After university he was sent to work in the Leninskugol' coal concern in Kuzbass, when he came into contact with Petr Bizyukov and the Sociology Laboratory of Kemerovo University. Tiring of eating in canteens, Kostya returned to his parents' house in Osinniki and got a job working for the local coal concern, Kuznetskugol', as a psychologist. He also keeps bees, buying a car and an apartment with the money earned from the sale of honey.

**Petr Bizyukov** was born in Magadan in 1959, and now lives in Kemerovo in Western Siberia. After school he worked in a local factory and qualified as a tool-maker, before studying in the Economics Faculty of Kemerovo State University from which he graduated in 1983. He immediately moved into research on the economics and sociology of labour, joining Boris Proshkin's team of radical young researchers who were very active in the early years of perestroika. In 1992 Petr became scientific director of the Sociology Laboratory in the Economics Faculty of Kemerovo State University. He has carried out a wide range of research, mostly in the coal industry, and acts as a consultant to the regional organisation of the Independent Miners' Union. In 1995 Petr resigned from his university post and devoted himself full-time to heading the Kemerovo branch of the Institute for Comparative Labour Relations Research (ISITO).

# 1. Labour Relations and Class Formation

*Simon Clarke*

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This book is the third volume in a series on the Russian industrial enterprise in transition which has been produced within the framework of a collaborative programme of case study research that has been under way in industrial enterprises in Russia continuously since 1991.<sup>1</sup> The first volume brought together a collection of papers around the theme of ‘formal and informal relations’ in the Russian industrial enterprise. The second volume brought together a collection of papers around the theme of ‘conflict and change’, and this volume contains papers around the theme of ‘labour in transition’, focusing on the restructuring of wages and employment and on strikes. A fourth volume will present a selection of detailed case studies of particular industrial enterprises.<sup>2</sup> We hope to publish further volumes as the research programme develops. The paper by Marina Kiblitckaya and Sergei Alashev was translated by Annette Robertson. All the other papers in this volume have been translated and edited by Simon Clarke, in consultation with their authors.

The distinctive feature of our research programme has been its emphasis on the internal relations of the industrial enterprise. On the one hand, this is the area of Russian society which is most hidden from the view of the outside observer, not only from the Western consultants who believe that Russia has been transformed by their reforms

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<sup>1</sup> The programme has been directed by Simon Clarke and Peter Fairbrother, and has involved research teams in the Komi Republic, Kuzbass, Samara and Moscow, co-ordinated since 1994 by the Moscow-based interregional Institute for Comparative Labour Relations Research (ISITO). This programme has been funded by the University of Warwick Research and Innovations Fund, the British Economic and Social Research Council and INTAS. For further information visit our World Wide Web site: [http://www.warwick.ac.uk/WWW/faculties/social\\_studies/complabstuds](http://www.warwick.ac.uk/WWW/faculties/social_studies/complabstuds).

<sup>2</sup> Simon Clarke (ed.) *Management and Industry in Russia: Formal and Informal Relations in the Period of Transition*, Edward Elgar, Cheltenham, 1995; Simon Clarke (ed.) *Conflict and Change in the Russian Industrial Enterprise*, Edward Elgar, Cheltenham, 1996; Simon Clarke (ed.): *The Russian Industrial Enterprise in Transition: Case Studies*, Edward Elgar, Cheltenham, 1996.

because they can now get a cold beer and a hot meal in a Moscow hotel, but also from those Russian intellectuals and specialists who interpret Russia for their visitors. Even those industrial sociologists who gave us a glimpse of the reality of industrial life in the Soviet period have almost all abandoned their vocation for more glamorous fields. There has been some 'case study' research, but most of these case studies turn out to amount to a quick tour and an interview with the General Director, or even to a mere response to a postal questionnaire. Thus, very little is known about the impact of the reform process on the internal social and economic organisation of the industrial enterprise.

On the other hand, what happens within industrial enterprises is decisive for the fate of the reform process, and of the citizens of Russia, the lives of whom depend on, and to a considerable extent revolve around, the industrial enterprise. It is almost trivially obvious that the fate of the economy depends on the fate of the industrial enterprises that lie at its heart, even if this is not so obvious to those enthusiasts for 'structural adjustment' who believe that the destruction of the existing social and institutional fabric will set free the natural, human and financial resources that will be mobilised by the entrepreneurs of the 'small and medium enterprise sector' to conjure an economic miracle. But the future social development of Russia also depends on the changes taking place within the enterprise. The enterprise provided not only a job and a wage, but also housing, medical services, vacations, and the full range of social, cultural and welfare services. Moreover, the enterprise provided these services not only for its own employees, but also for the residents of the neighbouring districts. A person's status and identity were even more closely connected with his or her position at work than they are in the West. Changes in work relations on the shop-floor and in the factory have a fundamental and pervasive impact on the social and cultural development of the society as a whole.

## **SURPLUS PRODUCTION AND SURPLUS APPROPRIATION**

The theme of 'labour relations in transition' is a very broad one, embracing much more than the traditional focus on industrial relations. Thus, although all the papers in this volume touch on changes in la-

bour-management relations, they do so within a wider framework of consideration of the changing significance of work and work relations in the lives of Russian workers. The papers themselves can be grouped around three main themes: the struggle for control within the enterprise; the restructuring of employment and formation of a labour market; and strikes. However, before considering the papers under these headings in more detail, it is perhaps first worth pointing up an underlying theme which links them all together, which is that of the emergence of class relations in Russia.

There is no doubt that the Soviet system of social production was very different from that of capitalism, even from the most rigorously state-controlled forms of capitalism such as that found in Nazi Germany or in wartime Britain. There is also no doubt that the Soviet system was far from realising, either in principle or in practice, the fundamental ideals of democratic socialism which its ruling stratum rhetorically espoused. It is therefore profoundly misleading to attempt to assimilate the Soviet system to either capitalism or to socialism, even as an extreme ‘statist’ variant — just as it is equally misleading to assimilate it to the other modes of production ‘accredited’ within the canon of orthodox Marxism-Leninism, although there are elements of comparison with all four modes of production (ancient, feudal, asiatic and capitalist). For this reason I have argued elsewhere in support of the ‘exceptionalist’ view that the Soviet system is best understood as a *sui generis* form of class rule, although one whose existence presumes a particular global socio-economic context.<sup>3</sup>

Within the Soviet system the ruling stratum did not constitute a class, in the full sense of that term. On the one hand, the forces of social production were owned and disposed of by the Party-state. On the other hand, the powers and privileges of office-holders within the apparatus of the Party-state were more or less strictly attached to the office. Although there was a considerable closure of the ruling stratum during the ‘years of stagnation’, office-holders were rarely able to establish effective proprietorial rights to their offices, and were only able to a limited extent to detach their privileges from their office. This was the main reason for the extreme reluctance of members of the ruling stratum to give up office, which led in turn to the gerontocratic tendencies inherent in the system. These limitations of the Soviet system

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<sup>3</sup> In Simon Clarke, Peter Fairbrother, Michael Burawoy and Pavel Krotov, *What About the Workers?*, Verso, London and New York, 1993, Chapters One and Two.

played an important part in determining the pattern of development of perestroika.

The underlying cause of the disintegration of the Soviet system lay in the failure of the system to meet the basic subsistence needs of the population, while simultaneously producing a growing surplus to feed the insatiable appetite of the military machine. However, although the rhetoric of perestroika was that of economic efficiency and technological regeneration, its dominant moments were those of populist 'democratisation' and 'de-statisation', followed by privatisation and political 'stabilisation'. Populist 'democratisation' proved to be the mechanism by which the younger generation whose careers had been blocked by the gerontocracy managed to leap-frog into positions of power.<sup>4</sup> 'De-statisation' was the mechanism by which they wrested control of publicly owned assets from the now democratically accountable public bodies. 'Privatisation' was the means by which they secured juridical sanction for their private appropriation of public office, and political 'stabilisation' the means by which they insulated themselves from public retribution. All these developments, far from resolving the problems of the Soviet economy, plunged it into deepening crisis as a system based on production at the expense of surplus-appropriation was transformed into a system based on surplus-appropriation at the expense of production.

Although the process of privatisation has transformed a stratum of office-holders into a potential class of property-owners, private property is not a sufficient condition for the constitution of a fully developed capitalist system of social production. There is no doubt that global money and commercial capital have penetrated the remotest parts of the former Soviet Union, and are succeeding in syphoning out profits through commercial and financial activity at a staggering rate. But capitalism is not simply a system for the private appropriation of a surplus.

The defining feature of the capitalist mode of production is that it is based on the systematic *production* of a surplus in the form of surplus value. To move from surplus appropriation to surplus production capi-

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<sup>4</sup> This reformist generation was extremely heterogeneous, which is why the 'democratic movement' disintegrated as soon as the 'democrats' had achieved the transfer of power. Since education had become the main channel of social mobility within the system, the main components of the democratic movement were, on the one hand, technocrats within the apparatus of the Party-state, working in subordination to a generation of bureaucrats, and, on the other hand, the children of the bureaucratic generation who had been unable to transform their privileged education into a source of income appropriate to the maintenance of their inherited status.



tal has to move from the sphere of commodity exchange and monetary circulation to the sphere of production. This is not a move which can be accomplished overnight. In the capitalist world the 'real subsumption' of labour under capital began in the eighteenth century, but it was only accomplished gradually, through a long-drawn-out struggle through which capital sought to bring production under its own control. Moreover, this is a permanent struggle, which can never be complete, since it can never overcome the contradiction between the aspiration of capital to subordinate the production process to the production of surplus value, on the one hand, and the need for it to rely on the intelligence, skill and creativity of the workers to produce the commodities in which that surplus value is embodied, on the other.

While the changes in the sphere of commerce and finance have been dramatic, and are apparent to every visitor to Russia, changes in the sphere of production have been less dramatic and less obvious. The Soviet system of production relations was not adapted to the production of a surplus, but to meeting the plan. Within the framework of the system as a whole, managers and workers at each level had a common interest in negotiating the maximum allocation of resources and the smallest of plan targets from the level above. The task of the managers was then to deliver the plan targets allocated to them. The delivery of plan targets was constrained primarily by endemic shortages of labour, machinery, parts and raw materials, and to a much lesser extent by the intensity with which the workers could be induced to work.

The primary task of the manager was to secure appropriate quantities and qualities of labour and means of production to ensure plan fulfilment, and then to use a whole series of formal and informal levers of influence to induce the workers to achieve the plan. The system was therefore structured around the contradiction between the attempt imposed from the centre to maximise the appropriation of a surplus and the attempt dictated from the base to minimise the production of a surplus. The manager at each level faced both ways: on the one hand, struggling politically and bureaucratically 'on behalf of the labour collective' to minimise the demands imposed from above; on the other hand, using all available skills to induce a reluctant labour collective to meet those demands. In the former role the manager seeks to represent him or herself as representative of the common interest of 'the labour collective'. In the latter role the manager has to be able to forestall or overcome any collective resistance to the demands he or

she seeks to impose, which means above all that the manager has to seek to fragment and divide the labour collective against itself.<sup>5</sup> This leads to the paradoxical situation of ‘alienated collectivism’ in which Soviet workers lived: to the extent that Soviet workers formed a collectivity, this collectivity expressed a commonality of interest with their immediate exploiters. To the extent that Soviet workers constituted a class, as objects of exploitation, they were systematically individualised and fragmented.

## THE TRANSFORMATION OF PRODUCTION RELATIONS

What remains of this system five years after the transition to a market economy? Have Soviet production relations been transformed, so that Soviet workers can be said to constitute a working class, producing surplus value under the domination and control of a capitalist class? This is not an easy question to answer. It is not a matter of applying a formula, but of systematic theoretical and empirical analysis. The papers in this volume do not pretend to answer the question, but they do throw important light on particular aspects of the issue.

There is no doubt that the ‘transition to a market economy’ has been associated with the usurpation of power by senior management, increasingly legitimated by its role as representative of the private owners, even where those owners are nominally the enterprise’s own employees. The collapse of the Party and the disintegration of ministerial structures has removed the external constraints on managerial behaviour, which has not been countered by the emergence of effective trade unionism or bodies of democratic participation. Management has much greater power to hire and fire, which it is able to exercise increasingly freely as the threat, if not yet the reality, of mass unemployment looms. Management is also free to determine the

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<sup>5</sup> It is important to distinguish this ‘alienated collectivism’, which is an immediate expression of the character of the Soviet form of social production, reinforced ideologically by the rhetoric of socialism and the workers’ state, and embodied in the orientation to the maximisation of the gross product, from superficially similar management techniques employed in capitalist companies, where the commonality of interest of the labour collective has a synthetic, voluntaristic character since the production and appropriation of surplus value is always the dominant moment, embodied in the orientation to the maximisation of a net monetary surplus imposed by the effective subordination of the enterprise to the valorisation of capital.

level and structure of wages to be paid, without reference to any superior bodies. The legal rights of workers have been seriously eroded, and those which remain are increasingly hollow as workers lack the means to enforce those rights. Management therefore enjoys a wider range of powers, and faces far fewer constraints on the exercise of those powers, than it did under the Soviet regime, which more than compensate for the decline, although not the disappearance, of the traditional repressive apparatuses.

The change in the forms through which management is able to exercise its power should not, however, necessarily be taken to imply that there is an increase in the power of management. The power of the enterprise director in the Soviet system should by no means be underestimated. Although directors no longer face the threat of removal by Party or state bodies, they have also lost the support which those bodies gave to their authority. The general impression one gets is that directors have managed to use the process of reform to restore some of the power which they had lost in the period of perestroika, but many senior managers still wistfully recall the old days of order and discipline, when their authority was unquestioned. Thus the change in the forms of exercise of their power has not necessarily been associated with a strengthening of their power, since the exercise of that power still faces formidable obstacles. In particular, while senior management may wish to transform the enterprise, to subordinate the labour process to the production of surplus value, to realise such a wish they have to transform the institutional structures of the enterprise, to subordinate the management structure of the enterprise as a whole to such an aspiration. The problem is that such institutional structures retain the legacy of the Soviet system of production, and so tend to subvert initiatives from above which are not consistent with the traditional values and forms of management which they embody. This point emerges time and again from the papers which make up this volume.

The transformation of the Soviet industrial enterprise is not simply a matter of increasing the power and ability of management to manage, but of transforming the enterprise from an institution oriented to the maximisation of gross output, based on the pre-eminence of the values of productive labour, to an institution oriented to the production of surplus value, in the form of profit, based on the pre-eminence of monetary values. This involves, first of all, an inversion of the traditional hierarchy of status and monetary reward, in which the highest status and highest wages were accorded to the highest skilled produc-

tive workers, and in which the standing of even the most senior managers depended on their reputation for technical competence and mastery of production as well as on their political skills. Thus the first reforming steps of management are almost always sharply to increase pay differentials in favour of the management apparatus, to give management special privileges in the distribution of shares, and to raise the status and reward of the formerly marginal financial and commercial departments of the administration.

Even this first step in reform faces considerable problems, since the question arises of where to draw the line between the management apparatus and the simple producers who are to be the executors of management's will. In particular, the position of line managers, from foremen to shop chiefs, is necessarily an ambiguous one. On the one hand, they are executors in the sphere of production, who have to have regard to the technical and social constraints of production, to the will and capacity of the workers under their command. On the other hand, they have to meet the demands imposed on them from above. The contradiction inherent in the subordination of production to the production of surplus value focuses on the role of the line manager. If the line managers receive substantial pay increases to secure their loyalty to senior management, violating the traditional norms of social justice held by the workers, the workers can become literally unmanageable.<sup>6</sup> For this reason there is a strong tendency for line managers to continue to identify most closely with traditional production values and with the workers under their command, presenting a formidable barrier to effective reform. However, it is important to be clear that this barrier does not ultimately derive from the persistence of traditional values or the absence of appropriate skills, but is embedded in the social structure of the enterprise, reinforced by the technical and economic conditions of production, which make management particularly reliant on the skill, expertise and experience of production workers to produce anything at all with inadequate and worn-out equipment, and inappropriate and insufficient parts and raw materials. As Galya Monousova and Natalya Guskova's paper in this volume shows, this latter reliance has if anything been increased by the disruption caused by economic reform.

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<sup>6</sup> In one enterprise which we have been studying the problem became so acute that line managers made up workers' pay out of their own pocket (Galina Monousova, 'Gender Differentiation and Industrial Relations', in Simon Clarke (ed.) *Conflict and Change in the Russian Industrial Enterprise*, Edward Elgar, Cheltenham, 1996).

The barriers to the transformation of the social relations in the sphere of production are only one of the reasons why senior management in privatised enterprises has been reluctant to attempt a fundamental restructuring of production to reorient it to the production of surplus value. If such a restructuring could confidently be expected to achieve significant increases in profits, senior management could secure the loyalty and co-operation of managers and workers at all levels by increasing wages and investing in improved equipment and working conditions. In such circumstances management would face few barriers to the reduction of the labour force by laying off 'marginal' strata, such as low-skilled, undisciplined, and older workers. However, few enterprises face any such prospects in conditions of continued economic crisis and financial instability, with acute shortages of working capital, let alone investment funds. It is therefore hardly surprising that most enterprises live a hand-to-mouth existence, attempting to secure financial resources to allow them to survive through commercial and financial activity and through political lobbying, and attempting to stabilise their position by acquiring and reinforcing monopoly powers.

The strength of the institutional barriers to change is well revealed by our case studies of enterprises which have been pioneers of privatisation, represented in this volume by Inna Donova's paper on wage systems in such enterprises, which shows how the attempt to introduce a 'rational' wage system foundered on the informal relations through which line managers maintain production under Soviet conditions.<sup>7</sup> The extent to which both the barriers to, and opportunities for, change are circumscribed by objective circumstances, rather than being determined by the will and competence of individuals, is shown by the marked convergence in patterns of development between those enterprises which were pioneers of privatisation, which initially set off on a dynamic course, and those which appeared the epitome of conservatism, the giant enterprises of the military-industrial complex, on the one hand, and the coal-mining industry, with its roots in the gu-

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<sup>7</sup> See also Valentina Vedeneva's paper, 'Payment Systems and the Restructuring of Production Relations in Russia', in Simon Clarke (ed.) *Management and Industry in Russia: Formal and Informal Relations in the Period of Transition*, Edward Elgar, Cheltenham, 1995; Simon Clarke, Peter Fairbrother, Vadim Borisov and Petr Bizyukov, 'The Privatisation of Industrial Enterprises in Russia: Four Case Studies', *Europe-Asia Studies*, 46, 2, Glasgow, 1994, pp. 179-214; Simon Clarke (ed.) *The Russian Industrial Enterprise in Transition: Case Studies*, Edward Elgar, Cheltenham, 1996.

lag, on the other, which have been forced to respond to deteriorating economic and financial conditions.

The persistence of institutional barriers to the subordination of production to capital does not mean that there has been no change in the social relations of production, but only that this change has not been unequivocally in the direction of the subordination of production to the production of surplus value. There clearly is a tendency to the subordination of the reproduction of the working class to the expanded reproduction of capital, in the sense that industrial enterprises have become accounting units whose physical reproduction is, at least in principle, subject to their reproducing themselves financially, that is to say, to their valorising the money which they have laid out as capital. To the extent that they are not able to circumvent this constraint through financial and commercial activities, through political lobbying, or through running up debt, they have to impose this constraint on their labour force. This constraint is not determined directly by the profitability of the enterprise, in the Western sense, but by its cash flow position, since wages are the principal expenditure which has to be met in cash, either from the wages fund or through bonuses allocated out of net profits.<sup>8</sup>

In the absence of significant investment in new plant and equipment enterprises tended to respond to a cash squeeze in the first instance by holding down and/or not paying wages, often accompanied by short-time working and temporary lay-offs ('administrative vacation'), encouraged by tax and redundancy legislation which gave enterprises a strong incentive to keep low-paid workers on the books to reduce the enterprise's liability to excess wages tax, and to avoid the obligation to pay compensation for redundancy. However, such a strategy led to a considerable increase in labour turnover as the skilled and younger workers, on whom the future of the enterprise depended, left in search of better paying positions elsewhere. Sooner or later enterprise directors decided that they had to abandon the attempt to 'preserve the labour collective' as a whole in favour of a strategy of 'preserving the skeleton of the labour collective'. This implied the payment of higher wages to key groups of workers, which could be achieved by two methods. First, management could seek to increase pay differentials

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<sup>8</sup> There are various ways in which enterprises can bypass these constraints, primarily through direct or indirect payment in kind. Although direct payment in kind has declined substantially since 1992, many large enterprises supply goods for sale to their workers through their own shops, these goods being produced by their own subsidiaries, or acquired by barter or on credit.

between different individuals and groups of workers by introducing new pay scales and bonus systems. However, such attempts faced serious barriers since, generally speaking, management had no knowledge or experience of the development or implementation of payment systems. In the past payment systems had been determined in Moscow, and implemented by foremen and shop chiefs, with a minimal role being played by plant or enterprise management. Thus, in practice the implementation of new systems tended to be devolved to line managers. Second, the introduction of new payment systems implied considerable changes in the traditional status hierarchy of different occupations and of workers within those occupations, and so tended to provoke tension and conflict on the shop floor, to which line managers would typically respond by restoring the traditional hierarchy.

The alternative to the introduction of new payment systems was to retain the traditional wage structure, but to raise wages at the expense of redundancies. Here again, as Tanya Metalina's paper shows, senior management faces the problem of implementing its decisions at shop level, where line managers have their own priorities in the face of the reality of implementing employment cuts. Nevertheless, faced with the need to cut some jobs to preserve the wages and jobs of those who remain, line managers have implemented very substantial redundancies from industrial enterprises with minimal opposition, although the vast majority of job reductions, after the first wave in 1992, have been covered by retirement, dismissal for disciplinary reasons, and ostensibly voluntary severance, with relatively very few compulsory redundancies. These redundancies have particularly affected older, less-skilled, undisciplined, ancillary and auxiliary, and women workers. The effect is primarily to permit the payment of higher wages to those who remain, with job reductions leading to an intensification of labour, particularly in ancillary and auxiliary occupations, rather than substantial changes in the wage structure.<sup>9</sup>

We can sum up the present stage in the transformation of Soviet production relations as being based on the squeeze on cash-flow, the main impact of which has been felt through the squeeze on the funds available to pay wages. The response to this pressure, in conditions of economic and financial instability, has not been an attempt to increase

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<sup>9</sup> The same effect is achieved by the selection of primarily lower skilled workers for short-term lay-offs, which is one mechanism for inducing the voluntary departure of such workers.

profitability through the penetration of capital into production, subordinating production to the production of relative surplus value, but an intensification of exploitation within the framework of the existing production relations. This has been achieved through a combination of wage reductions and the intensification of labour, backed up by redundancies and the imposition of stronger labour discipline, which enterprise management has been able to impose as a result of the relative weakening of the labour market position, particularly of the lower skilled, female and older workers.

Although the present stage of restructuring has led to a marked opening of the gap between management and workers, it cannot be said that this amounts to the opening of clear class divisions. Enterprise managers have not been transformed overnight from executors of the plan to industrial capitalists, and do not seek to pursue an unambiguously capitalist strategy, not least because such a strategy risks opening up conflicts which can tear the enterprise apart, unless the enterprise is sufficiently prosperous that the acquiescence of the workforce can be bought with high wages. External financial pressures tend to subordinate the enterprise to the valorisation of capital, but there are very serious internal social and institutional barriers to the transformation of production relations, and there are all sorts of ways in which the enterprise can respond to these pressures, through financial and commercial speculation and political lobbying, without having to face the conflicts involved in a fundamental transformation of production relations. The relative absence of resistance to the capitalist transformation of Russian industry on the part of the labour force, therefore, is a sign neither of passivity nor of acquiescence, so much as of the limited extent to which such a transformation has so far taken place. Management does not yet confront the labour force as the representative of capital confronting a working class. Capital remains a force which is seated outside the enterprise, indeed to a considerable degree outside Russia, which has not yet subordinated either the industrial enterprise, or the state, or even the banking and financial system, to its rule. There is therefore still plenty of scope, within the polar confrontation between global capital and the Russian working class, for industrial managers and for local and national bureaucrats and politicians to present themselves as representatives of the interests of the workers, or of the Russian people, in the face of the depredations of capital.



The conclusion is that capitalist class relations are still in the process of formation in Russia, with only a limited penetration of capital into production. Resistance to capitalist transformation on the part of workers and, in some circumstances, their managers, is pervasive, but it is extremely fragmented, taking the traditional Soviet forms of labour turnover and recalcitrance on the shop floor, and of creating independent space by building on work relations within the primary work group, and on networks of kinship and friendship within and beyond the workplace. Resistance takes a form which can be characterised as one of 'solidaristic individualism', which is a powerful force, but one which does not necessarily have a collective nor an unambiguously class character. This can be clearly seen in the case of collective action even in the most militant branch of industry, coal-mining, which is discussed in the last three papers in this volume. Even in coal-mining there are still no established institutional channels through which workers can press their grievances, even six years after the great miners' strike of 1989, and four years after the formation of the Independent Miners' Union. Thus grievances build up until they reach the point of explosion, at which point the workers of one brigade or section more or less spontaneously walk out. However, although the workers are relatively clear about their demands, which have tended to focus on the erosion of pay by inflation and, more recently, delays in the payment of wages, it is by no means clear to whom they should address these demands. In practice, even where demands are initially addressed to management of the mine or coal association, they soon become focused on an appeal to one part of the apparatus against the failings of another, thus becoming politicised and incorporated into the factional conflicts within the ruling stratum, without leaving any organisational legacy.<sup>10</sup> Nevertheless, all the papers in this, as in our previous volumes, show the extent to which the transformation of Soviet society is contested at every level of the system, not so much in dramatic collective confrontations, as in the everyday struggle for survival and for self-realisation. However fragmented this struggle might be, it is nevertheless a struggle which is socially and culturally circumscribed in its form and in its content. The task of the social scientist is to grasp the connection between these individual acts of resistance and

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<sup>10</sup> The coal-mining industry is exceptional not only for the militancy of its workers, but also for the extent of its dependence on the state. The level of strike action in the non-subsidised private sector remains extremely low, in part because of the weakness of worker organisation, but also because of the difficulty of clearly identifying the agent of the workers' distress.

the social and cultural framework which constrains them and gives them wider significance.

## WORKERS' CONTROL AND THE CONTROL OF WORKERS

It is widely recognised that Soviet workers had a very high degree of control over the immediate production process. However, I have argued previously that this did not signify that Soviet workers enjoyed a high degree of power in relation to management. Their control over the production process had not been wrested from management in a struggle for power within the enterprise, but was a reflection of the historical origins and social form of the Soviet system of production.<sup>11</sup> Stalinist industrialisation had been carried through in the face of an acute shortage of experienced managers and skilled technical personnel, while the Soviet system of production was oriented not to maximising production or to minimising costs, but to making the plan. Within this system managers and workers at each level had a common interest in negotiating a maximum supply of resources and a minimum plan target, and then had a more or less common interest in achieving the physical production plan. The social character of the Soviet system of production was such that there was no equivalent to the process of penetration of capital into production, characterised by Marx as the 'real subsumption' of the labour process under capital, and the workers' control of production, characteristic of the early stages of capitalist development in the West, persisted throughout the Soviet era.

The typical Soviet social relations of production presented a formidable barrier to attempts to increase the productivity of labour so as to increase the surplus appropriated for the benefit of the military-Party-state, and resisted all attempts at reform from above. As the process of perestroika made abundantly clear, effective reform was incompatible with the maintenance of the administrative-command system of regulation of production. Under the guise of democratisation and decentralisation, which purported to give the workers an interest in the results of their own labour, perestroika, and then privatisation, de-

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<sup>11</sup> Clarke et al., 1993, *op. cit.*, Chapter One, and 'Formal and Informal Relations in Soviet Industrial Production', in Simon Clarke (ed.) *Management and Industry in Russia*, Edward Elgar, Cheltenham, 1995.

stroyed the system of centralised resource-bargaining and handed first control and then ownership of industrial enterprises to senior management and their associates. While the status and political position of senior managers continued to depend primarily, as in the past, on the size of the labour force and the power and prosperity of the enterprise as a whole, they had a new economic interest in maximising their net profits, for the benefit of the enterprise as a whole, as well as for its owners and for themselves. However, it was one thing for senior management to have freed themselves from the control of superior bodies. It was quite another for them to impose this control over the enterprise in order to subordinate the enterprise to their new interest in the maximisation of profit.

In general the source of profit in the first stages of reform was seen as financial and commercial speculation and manipulation, rather than cost minimisation and efficiency improvements in production, so that the main changes within enterprises focused on management reorganisation, with the increase in financial and commercial functions and the establishment of commercial and financial partners and subsidiaries. This was a very realistic perspective in the extremely unstable economic conditions of 1992–3. However, gradual stabilisation reduced the scope for speculative profits, while economic decline presented enterprises with growing problems of selling their finished products. The first response to this new problem was to increase the sales effort, giving more responsibility for selling to line managers and even to workers. The next response tended to be to look for improvements in product quality, the key to which was seen as an employment policy aimed at improving the skill and reliability of the labour force, and a more rigorous system of rewards, and more often penalties, to encourage quality improvements. Attempts to reduce costs focused not in the first instance on direct intervention in the labour process, but in the reduction of personnel, with the main impact falling on ‘unproductive’ personnel in offices and auxiliary services. Direct intervention to assert management control and to restructure work relations on the shop floor tended only to come at the end of a whole series of earlier steps, impeded not only by the reluctance and incompetence of management to intervene, but also by the lack of resources to make the investments in the maintenance and replacement of machinery and equipment required to set the production process on an appropriate technical foundation. This is the common background to the first four papers in this volume, which consider different aspects of the responses of

workers and line managers to the attempted imposition of managerial control.

The first paper, by Inna Donova, considers the reform of the wage and payment system in privatised enterprises, based particularly on the example of a large chemical enterprise in Kemerovo, Western Siberia.

Reform of the payment system, in the first instance sharply to increase differentials in favour of senior management, is a frequent accompaniment to privatisation, although other kinds of senior management remuneration usually considerably exceed the increase in size of the pay packet. Of course management always enjoyed very considerable status, political and material privileges, but the egalitarian wages structure in the Soviet system, in which the most highly skilled workers earned higher money wages than even senior managers, had a very considerable ideological significance. The widening of differentials equally has as much an ideological as an economic significance, clearly indicating to the workers the changed power and status relationship which management seeks to impose on them, marking a clear violation of the traditional standards of Soviet 'social justice'. However, important as it is, this is only the most superficial and dramatic change in payment systems.

The payment system had been seen as a problem throughout the Soviet period, expressing the contradictions of the system as a whole.<sup>12</sup> The problem was to construct a system which could be rigidly controlled from the centre, while providing efficient incentives for every worker in every enterprise throughout the country. This dictated the general principle of piece-rate systems, monitored from the centre, but it turned out that the system could only be made to work by allowing a substantial proportion of pay to be made up of bonuses, which in practice included a substantial discretionary element negotiated through informal relations on the shop floor, the proportion of which tended to increase over time. Every attempt to consolidate pay scales to bring the escalation of bonus payments under control provoked widespread conflict and discontent, and merely set the stage for a renewed escalation of bonuses.

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<sup>12</sup> See Don Filtzer, *Soviet Workers and De-Stalinisation*, Cambridge University Press, Cambridge, 1992, Chapter Four on the failure of the Khrushchev wage reform; Bob Arnot, *Controlling Soviet Labour*, Macmillan, Harmondsworth, 1988 for a discussion of the failure of Brezhnevite experiments in this direction; and Don Filtzer, *Soviet Workers and Perestroika*, Cambridge University Press, Cambridge, 1994, Chapter Two on the failure of the 1986 wage reform.

The collapse of the centralised Soviet system of wage control should in principle have freed enterprises to develop more adequate payment systems. However, in practice soaring inflation, financial instability, the fall in production and uncertainty about the future have all made it necessary for management to increase the discretionary element in pay as far as possible, so that the situation has become one in which basic pay in many enterprises comprises only around a quarter of the earnings of production workers,<sup>13</sup> while the actual size of their pay packets has become increasingly unpredictable and incomprehensible to them, such uncertainty being reinforced by delays in payment, typically of between two and six months, and by the greater willingness of management to impose financial penalties on workers. The money available to pay wages is determined by all kinds of factors, most of which are independent of the efforts of the workers, so that wages are determined primarily by the ability of the enterprise to pay, in a labour market still marked by acute shortages of skilled labour, rather than by the efforts of the workers. All of this considerably increases management discretion in determining the pay of workers, while substantially reducing the workers' control of his or her own earnings.

Despite the collapse of the system of central planning, the overwhelming majority of enterprises retain the essential features of the old system within the enterprise itself. In particular, the funds allocated for the payment of wages in each shop are still kept under strict centralised management control, and payment systems are established and monitored by the Department of Labour and Wages. This means that the traditional relations between the centre and the periphery are retained within the enterprise, with shop chiefs, foremen and workers all trying to subvert the formal payment system to serve their own distinct ends. This gives rise to pervasive conflict over wage determination, which is normally resolved through informal relations at all levels.

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<sup>13</sup> This escalation of bonuses is a common finding in our case study enterprises. According to the *Russian Economic Barometer's* April 1994 survey bonuses make up only a quarter of wages, with 22 per cent of enterprises paying no bonuses at all, and 30 per cent of enterprises paying more than 30 per cent of wages in the form of bonuses (Rostislav Kapeliushnikov and Sergei Auktionev, 'Labor Market in 1994', *Russian Economic Barometer*, iv, 2, 1995, pp. 35–7). However, this is likely to be a significant underestimate since the data is based on senior management replies relating to the formal payment system which, as our own research shows, is very far removed from the reality of wage payments. There may have been some decline in bonus payments as a result of the closure of loopholes in the tax system at the beginning of 1994.

Inna's paper considers the attempts to reform the wages system in the 'pioneers of privatisation'. In the enterprise studied by Inna, management introduced a new payment system based on a complex series of coefficients which determined the wages fund available to pay workers in each brigade, shop and department, with the base wage for the purposes of calculation being that of workers in the main production shops. The idea underlying this system was that it ties the wages of every category of worker to those of the basic production workers, with the whole structure being linked to the results of the enterprise as a whole. This supposedly gives everybody a direct interest in supporting the efforts of the basic production workers to raise output and labour productivity. At the same time the system puts a great deal of power in the hands of foremen and shop chiefs who are responsible for the allocation of the wages fund to individual workers and have considerable powers to impose financial penalties.

The introduction of the new payment system provoked a great deal of discontent within the workforce, despite the fact that wages were far higher than in neighbouring enterprises, because of its incorporation of substantial differentials in favour not only of senior management, but of all employees of the management apparatus, and because it led to the consolidation of substantial differences in pay between workers doing the same job in different shops, which arose because of the different degrees of over-staffing in different shops, some having far more chance to raise wages by shedding labour than others. Management's response to worker protest was to 'throw money' at the dissidents, introducing *ad hoc* modifications to the allocation of money between the shops. However, such measures did not reduce discontent, which was further exacerbated by the relative decline in wages as the enterprise ran into economic difficulties through 1993.

The growing difficulties with sales from 1993 undermined the rationale of the whole wages system, since the output of each shop, which determined its wages fund, was not dependent on the effort of the workers, but on the ability of management to find outlets for its product. This led to further differentiation between shops and fluctuation of wages over time, which was again compensated by *ad hoc* measures, which depended to a considerable extent on the power and influence of particular shop chiefs. In the same way, shop chiefs control the social insurance fund, supplemented with funds derived from penalising workers by depriving them of bonuses and the wages of

those off sick, over the distribution of which the chief has considerable discretion.

The result of all these pressures is the subversion of a supposedly rational, but rigid and inflexible, payment system which is not adequate to conditions of economic instability, and which violates deeply felt conceptions of social justice. In practice wages are adjusted in the traditional ways in accordance with informal bargaining structures within the enterprise, on the basis of political considerations — the degree of worker protest and the relative power of foremen and shop chiefs — and pragmatic concerns — the desire of shop chiefs and foremen to retain key workers, and the need to induce workers to work in order to maintain production in unstable technical and economic conditions.

This subversion of wage reform is not to be explained simply in terms of the technical inadequacy of the new wages system, any more than was the case in the failure of the wage reforms of the Soviet era, but in terms of its inadequacy to the existing system of social relations within the enterprise, a system which retains considerable continuity with the past, a conclusion which is confirmed by consideration of the fate of formally very different wage reforms in other enterprises.<sup>14</sup> Managers still have to manage in conditions of economic instability, facing shortages of skilled labour, and have to stimulate workers to work in conditions of generally low money wages, in a situation in which the status and authority of managers in the eyes of the workers is not inherent in their post, but has to be earned through their performance of their managerial functions, judged primarily by their ability to maximise their workers' earnings. Formal changes in the wages system, which may appear eminently rational on paper, are not able in themselves to transform the economic conditions of the enterprise or the power and status relations which structure its internal functioning. This is by no means to argue that change does not take place, for the changes in the payment systems in this and other enterprises, including in particular the widening of differentials in favour of management and the increasing proportion of wages which comprise discretionary payments, provide powerful levers through which management has sought to increase its ability to divide and manipulate workers and thereby to enhance its power and status. However, the relative success of such measures is determined not by the formal

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<sup>14</sup> As in Valentina Vedeneeva's article cited in note 7 above, but also in several of our case study enterprises.

changes in payment systems, but by the growing insecurity of workers in the face of the threat of unemployment. The issue is not formal reforms, but real changes in power relations within the enterprise.

Marina Ilyina's paper addresses this question of the power and responsibility of management in an ethnographic study of the role of the foreman in a very different enterprise, the repair workshop of a passenger transport enterprise. The paper relates closely to themes explored in our first book, which focused on formal and informal relations in the system of production, and looked at a number of examples of the ambiguous position of middle management, which is explored in more detail by Marina. The enterprise studied by Marina is relatively traditional in its management structure, with the foremen being responsible for all aspects of work organisation, overcoming problems of antiquated technology, inadequate organisation of supply, shortages of appropriately skilled labour and of resources on their own initiative, neither looking to nor expecting support from the management apparatus, which the foremen, like the workers, hold in contempt for its technical incompetence. The foremen are thus closely tied to the workers in their valuation of productive labour, and this is expressed in their own background, in which work experience and technical competence counts for far more than the educational qualifications valued by management, and in their levels of pay, which remain considerably below those of the skilled workers they supervise. The foremen therefore depend for their ability to do their jobs on the respect which they are able to earn among the workers whom they supervise, and this means in turn that although their formal functions are defined technically, in practice their primary task is one of management of people; the task of the foreman, as Marina argues, is 'to create the conditions for collective labour'. The effectiveness with which the foreman carries out this task determines the extent to which the workers under his or her supervision function as an effective collective, and this appears to be the principal source of the satisfaction which the foremen derive from their work.

In their relations with senior management the foremen jealously guard their independence, but at the same time feel undervalued and ignored. Senior management has neither knowledge of nor interest in their work, and provides them with no support in handling their problems, while scapegoating them for failures. The foremen therefore hardly greet senior management's attempts to strengthen labour discipline with any enthusiasm. Even though such an attempt might



increase the authority and status of the foremen, the latter realise that it would disrupt social relations on the shopfloor through which alone they are able to get work done.

Marina's study brings out once again the difficulties involved in restructuring the social relations of the enterprise, reinforcing our findings in other enterprises of the pivotal but almost insupportable position of the line manager, caught between the demands of senior management, on the one hand, and the line manager's limited power over the labour force and reliance on informal levers of influence, on the other. The challenge, and the satisfaction, of the job appears to derive primarily from the seeming impossibility of reconciling the irreconcilable, a task which is only possible while the foreman retains control over the production process. Attempts of senior management to get control over the production process risk making it completely unmanageable by destroying the system of social relations on which it rests.

A different example of the same issue of workers' control of the production process is provided by Galina Monousova and Natalya Guskova in their paper, which is based on a study of a large shop in one of the largest engineering factories in Russia. In this shop a key group of skilled workers have been able to control the production process on the basis of their exclusive possession of the skills and knowledge required to maintain production. The exclusiveness of these skills is enhanced by the fact that the shop was only recently re-equipped with sophisticated Western technology, training in the use of which was provided for this group of workers on placements in Germany. Their training and on-the-job skills cannot therefore be acquired by anybody else, making them literally irreplaceable. Being fully aware of their pivotal position, this group of workers has systematically refused to transfer the full range of its skills to new recruits.

This is only an extreme case of a very common process of social differentiation which is taking place within the Russian labour force, where skilled and scarce workers are able to exploit their privileged position in the labour market to extract improved pay and working conditions. The job control of these skilled workers has also marginalised the role of foremen and shop management, who have low pay, little status or authority, and a very high labour turnover, all of which further undermine their authority over the skilled setters who control the shop. One question raised by this process is that of its connection with the collapse of the Communist Party and its removal from the en-

terprise. The pivotal position of the *kadrovye* workers in the production process was a distinctive feature of the Soviet system of production, but in the past access to such privileged positions was controlled by the Communist Party, with recruitment being as much on moral and ideological grounds as on the grounds of technical competence, and with *kadrovye* workers' status and material privileges being conditional on their continued display of loyalty to the system and their role as leading workers. One hypothesis would be that what has changed has been not so much the decisive role of these workers in production, nor their privileged position in the labour market, as the fact that they are now willing and able to exploit their position for their own advantage. This is one more example of the way in which the removal of the Communist Party has led to the capitalisation of political and status privileges which had previously been kept in check politically.

Galya and Natalya argue that the advantages gained by this privileged group of workers have been achieved at the expense of other workers in the shop and at the expense of shop management, with the effect being a relative de-skilling of the rest of the labour force, a decline in labour discipline and in the quality and efficiency of production. Although this position is based on high levels of solidarity within the privileged group of workers, this development does not bode well for the development of any solidarity within the workforce as a whole, nor for the prospects of 'social partnership' between workers and management, nor for the effective development of the quality and efficiency of production. But the question also arises of whose interests are served by this development. This question is complicated by the fact that the shop is deeply embedded in the 'informal economy', a significant proportion of its production being diverted to supply a ready market for spare parts, this activity using the resources of the enterprise, but the revenue not appearing in the books. This kind of activity on the side is very common in industrial enterprises, where it grew spontaneously out of the need for shops to develop their own sources of supply and their own outlets for sales to maintain production, employment and incomes in the face of the general economic decline. It is difficult and dangerous to inquire too deeply into this illegal activity, but it seems that it is under the immediate control of the skilled workers and provides a major source of supplementary income to them. However, it is not unlikely that there are other interests involved which have links with management at various levels and which

have an interest in the persistence of the 'unmanageability' of the shop. Nevertheless, Galya and Natalya believe that this is not a decisive factor in the development of a situation of labour force differentiation and strengthened control of skilled workers over the production process such as is found in many enterprises where there is little or no such illegal activity.

The next paper, by Sergei Alashev and Marina Kiblitckaya, touches on another aspect of the subversion of reform by workers' control — the remoulding of the development of the market economy by the informal structures through which workers maintain their livelihoods. The paper starts off from the question which puzzles many Western observers, of how Russian workers manage to survive. Although many people receive incomes which are well below the most basic subsistence minimum, and many do not receive their wages for months on end, most people nevertheless seem to get by in one way or another. Sergei and Marina outline a whole series of methods by which people secure themselves an income and manage to subsist but, while this is interesting in itself, this is not the main purpose of their paper. Sergei and Marina spell out the negative consequences of the survival strategies followed by Russian workers: overwork; loss of skills; stress; poor working conditions, with no legal or trade union protection; increasing criminality, while much of the petty trading which flourished as a survival strategy in the first years of reform is being squeezed out by the increasing cost of transport and competition from larger firms. But on the other hand, perhaps the central point of their argument is that while Russian workers may not have responded to the impact of 'economic reform' with strikes, demonstrations or effective collective action, neither do they passively endure the fate imposed upon them. They respond actively and resourcefully to changing circumstances, modifying and building on the survival tactics developed in the Soviet era and in the more distant past, and they do so not so much individually as collectively, in groupings which may include relatives, acquaintances or workmates. And through their actions they modify the course of economic reform and stamp the Russian version of the 'market economy' with their own imprint.

In particular, Marina and Sergei indicate the symbiotic relationship which exists between the state sector of the economy (including now privatised state enterprises), which formally employs the vast majority of the working population, and the new small and medium enterprises which, in the eyes of the reformers, point to the future capitalist Russia

and which rely heavily on the part-time and casual labour of those who remain formally employed within the state sector. The state enterprises therefore depend on the new businesses to maintain the living standards of their employees in a period of economic crisis, while the new businesses have a flexible labour force readily available. Although many of these new businesses pay higher wages than can be earned in industrial enterprises, working conditions, social benefits and security of employment are usually far worse than in the latter. However, the symbiotic relationship between the two sectors means that workers can retain the security and benefits of the state enterprise, while earning additional wages in the new businesses. Further research is required to identify the extent and dynamics of this symbiosis, but one implication of the analysis is that it is a mistake to look to new business to create the jobs which can absorb the large number of workers expected to be laid off from large industrial enterprises, as the reformers and their international advisers propose, because new businesses draw a significant proportion of their labour force not from the ranks of the unemployed, but from those who have other jobs elsewhere.

## RESTRUCTURING EMPLOYMENT

Sergei and Marina's paper takes us on to the central issue of the restructuring of employment, which is the focus of the next three papers. Tanya Metalina concentrates on the employment policy of large industrial enterprises, based primarily on the case study of a military-industrial enterprise in Samara which has faced a massive decline in production since 1989. Tanya begins by describing the typical characteristics of employment policy in the Soviet period, which was marked by the attempt of management to maximise the authorised labour force leading to the existence of a substantial surplus of labour within the enterprise. The existence of a surplus of labour was, paradoxically, accompanied by labour shortages, a high turnover of unskilled labour, and by special difficulty in recruiting high-skilled specialists, who were seen as the 'backbone' of the labour collective, and who tended to be relatively immobile. Traditionally there had been regular campaigns to try to force enterprises to shed labour, but enterprises had well-established methods of neutralising the impact of such campaigns, cutting 'dead souls' and redeploying labour within the enterprise, which they carried over into the new period of reform.

Although production had been falling since 1989, the first employment reductions came only in 1991, but these still used the traditional methods, of cutting vacant posts and redeploying people within the enterprise, although some left voluntarily as wages fell, and the enterprise made no effort to keep them. As production continued to fall, the management still refrained from cutting employment, relying instead on short-time working and temporary lay-offs. While there was still work for skilled auxiliary workers on maintenance and repair, skilled production workers found their incomes falling sharply, even though shop management tried to find them other work, and the younger and better qualified workers, whom management least wanted to lose, sought better jobs elsewhere.

Following privatisation, the enterprise officially abandoned its policy of employment preservation in 1993, announcing a programme to cut the labour force by over ten per cent, which was deeply unpopular, even though it would probably mostly affect those working past pension age, and would allow the enterprise to raise the wages of those who remained. The factory administration planned to use the redundancy process to restructure the labour force, but in fact this plan was thwarted at the level of the shop, where redundancies were implemented, and it was primarily pensioners and violators of discipline who were induced or forced to leave, while others were quietly transferred to other work. Despite an intensification of the campaign in the autumn, employment fell in 1993 by only 530, against the planned redundancies of 2880.

Tanya implies that it would be wrong to see this as a purely conservative response to redundancy. It is important to remember that this is a large and diversified enterprise, employing 20,000 people. Although it has little contact with the still embryonic 'external' labour market, the enterprise has a highly developed 'internal' labour market, which has itself been transformed under the impact of the restructuring of production. There are very good reasons to prefer internal to external recruitment, particularly in the case of workers whose commitment and loyalty to the enterprise was as important as their technical skills or formal qualifications, as was indeed generally the case in the Soviet system where monetary incentives played a relatively minor role in inducing workers to work.

There are also still good reasons for the enterprise to try to hold on to its workers, or at least to those below pension age and with reasonable disciplinary records. At first enterprises held on to labour because

the dramatic changes had taken them by surprise, and they simply did not know what to do, so they just waited to see what would turn up. However, enterprises have continued to hold on to labour for a number of positive reasons. First, as Tanya emphasises, labour is very cheap: wages are low, and often remain unpaid for months, while many workers are on minimal lay-off pay, which is often considerably less than the enterprise would have to pay if it were to make the workers redundant (the enterprise itself having to pay the first three months' unemployment benefit), so that enterprises often simply cannot afford to make workers redundant. This is compounded by the excess wages tax, under which all expenditure on wages above six times the (very low) national minimum wage is subject to taxation as profits, so that retaining low-paid workers reduces the enterprise's tax liabilities.

Second, the enterprise needs to hold on to its skilled labour in the hope that conditions will improve, because once it has lost its skilled workers it will be unable to take advantage of any upturn in the market. This is partly because there is still considered to be a shortage of skilled labour, but is also because of the problem of recruiting appropriate labour from outside the enterprise. This is particularly a problem in large Russian enterprises, which were often monopsonists in the labour market for key categories of labour, where technologies, work organisation and management systems were to a considerable degree enterprise-specific, where much equipment was old and idiosyncratic, and so where most training was on the job.

Third, Tanya argues, the surplus of labour continues to play a very important disciplinary role as an 'internal reserve army of labour', bringing home to every worker the fact that the enterprise can manage perfectly well without him or her.

The enterprise studied by Tanya is particularly interesting because here a special department was established as a means of institutionalising the internal labour market, which had always operated on an informal, although normatively regulated, basis in the past. The 'Department of Free Personnel' was established on the model of the German municipal employment services to register and redeploy those younger, fitter and more highly skilled workers who were temporarily without work, but whom the enterprise would be expected to want to keep in the longer term. In fact, for various reasons, almost nobody was referred to the Department — those being laid off were mostly pensioners, while shops were reluctant to let skilled workers go, and the latter were equally reluctant to be redeployed to what they ex-

pected would be lower grade work. Then production began to pick up, and the enterprise even began to recruit new workers again. Nevertheless, the Department found itself a role lubricating the internal labour market by acting as a clearing house for information on internal vacancies. However, this role was not appreciated in the shops whose chiefs had always in the past handled these matters on an informal basis, because the bureaucratisation of what had been an informal process simply loaded more paperwork onto line managers, while impeding the rapid movement of personnel. The result was that the shop chiefs simply bypassed the system. With the recovery of production, and a marked reduction in internal mobility as people hung onto their jobs, the Department found itself something else to do: transporting workers and external recruitment. At one level the fate of the Department is an amusing story of bureaucratism, but on the other hand it is testimony to the vigour of the internal labour market and the effectiveness of informal mechanisms.

The issue of the restructuring of employment is discussed further in the next paper, by Irina Kozina. This paper develops out of previous research, described in a paper written jointly by Irina and Vadim Borisov published in an earlier volume in this series, which looked at qualitative changes in the hierarchical status structure of the labour force.<sup>15</sup> The present paper derives from Irina's attempts to quantify these changes on the basis of enterprise data on employment. This attempt soon ran into difficulties. On the one hand, there was the problem of categorisation, since enterprise data relates to formal categories which do not necessarily correspond to the categories which are embedded in the system of informal relations which constitutes the enterprise as a social institution. On the other hand, there was the problem of the interpretation of a mass of inconsistent data, which had been collected for a variety of purposes and which was moulded by the purpose which it was supposed to serve. In particular, enterprise level data turns out to be seriously distorted as a result of its subordination to the demands of internal and external planning systems, tax authorities, political considerations and so on. On the basis of her initial research Irina concludes that shop-level data is more reliable, although it still has to be interpreted with caution, since it is subject to its own sources of distortion. Her overall conclusion is that

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<sup>15</sup> Irina Kozina and Vadim Borisov, 'The Changing Status of Workers in the Enterprise', in Simon Clarke (ed.) *Conflict and Change in the Russian Industrial Enterprise*, Edward Elgar, Cheltenham, 1996.

the most accurate data is that based on the payment of wages to named individuals, where there is the least scope for falsification and distortion.

With these methodological reservations in mind Irina then examines employment data from three large enterprises since 1985, one of which was that reported on in Tanya's paper. This data shows little change in employment levels before 1990, with a relatively gradual fall beginning sometime between 1990 and 1992, depending on the enterprise, and a much more rapid fall getting under way from 1993. However, despite the rapid fall in employment, these enterprises were continuing to recruit new workers. Turning to the main production shops, Irina found that numbers employed here had fallen very substantially more rapidly than indicated by enterprise-level statistics. One reason for this is the redeployment of production workers to the non-productive sphere, as already discussed by Tanya in her paper. The second, and more important, reason is that a large number of employees are on administrative vacation or are working short-time. The available enterprise-level figures report the total number of people on the books of the enterprise, many of whom will not be working at any particular time. The figures for those actually working, which Irina estimates to be between 30 and 40 per cent fewer than those reported in enterprise statistics, are only available at shop level.<sup>16</sup>

Figures for the changes in the proportions of particular categories of employee are also severely distorted. Enterprise level data shows that there has been a significant increase in the proportion of managerial staff in the enterprises. This is partly because of the proliferation of new management services with the development of the market economy, which has not been matched by the closure of traditional departments; partly by the increase in managerial staff in the subdivisions, associated with decentralisation; and partly by the fact that lay-offs have disproportionately hit workers. However, these figures are an underestimate. On the one hand, shops respond to the attempts by the factory administration to curb the inflation of the managerial apparatus by re-classifying managerial personnel. On the other hand, managerial staff are not subject to short-time working or administrative vacation.

Figures which show an increase in the proportion of auxiliary workers, at the expense of main production workers, also under-

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<sup>16</sup> Inna Donova, in her paper, estimates the actual number working as between 30 and 60 per cent of the registered number.



estimate the extent of the change, which results primarily from the increased need for the maintenance and repair of ageing equipment, because auxiliary workers are much less subject to lay-off and short-time working than are main production workers. The other notable changes are a substantial fall in the number of apprentices, and a dramatic increase in the number of security personnel.

According to official statistics skill levels increased steadily until 1990–91, in response to the demands of the social development plan. Since then, although the proportion of skilled workers has probably increased, since redundancy hits lower-skilled workers disproportionately, the proportion of manual work has increased substantially, partly because of the fall in production, and partly because of the changing structure of production, which requires a greater input of manual labour in the absence of appropriate machinery and equipment. Similarly, enterprise-level data indicates very little change in the age or demographic structure of the enterprises being studied, apart from the apprentices, where there has been a substantial increase in the proportion of women. Nevertheless, observation at shop level reveals very substantial changes, as women, and especially older women, are discriminated against in the assignment of work and in lay-offs and short-time working. Men, therefore, have been more likely to hold onto their jobs than women, and have tended to take over the better-paid jobs from women. Thus, while the proportion of women in the enterprise as a whole may have changed little, they have experienced a significant marginalisation in the social structure of the enterprise.

The overall conclusion of Irina's paper is that quantitative data provided by the enterprise is of very little use in revealing the real structural changes in employment which are taking place within the enterprise. To identify these changes further research is required at shop-level, combining both quantitative and qualitative research methods. This indeed is a priority in the next stage of our collaborative research programme.

In the large diversified enterprises studied by Tanya and Irina there is considerable scope for employment restructuring through the internal redeployment of labour, linked to conversion and the diversification of production. In smaller mono-product enterprises, such as the coal mines of Kuzbass, there is much less scope for such internal redeployment of labour. The restructuring of the coal-mining industry, which implies widespread mine closures and the 'rationalisation' of production in existing mines, will necessarily lead to very

substantial job losses. Until recently the coal-mining industry has been relatively protected by the substantial subsidies paid to the industry, largely as a result of the political weight of the coal miners in the unstable political situation in the country. However, since 1993 the mines have been under increasing pressure to shed labour, encouraged by a change in the subsidy system and by the government's mine closure programme. Inna Donova's second paper in this volume considers the implications of such job losses for the development of a labour market in small and medium coal-mining towns, in which mining has traditionally been the main source of employment.

Inna draws attention to another important feature of mining towns, which is that 'women's' enterprises (small clothing factories, plants to assemble radios, food processing plants and so on) had traditionally been established in these towns to provide complementary employment for those women who were not working in the mines. These enterprises were not usually economically viable, and were not well-placed to defend themselves politically, since they were not embedded in powerful administrative structures. As a result, many of these enterprises were liquidated in the first stage of the 'transition to a market economy', and so far it has been these enterprises, rather than coal-mining, which have swelled the ranks of the unemployed in coal-mining towns.

The second important feature of these towns is the importance of informal networks in job transfer and employment restructuring. On the one hand are the networks of friends and relatives, through whom jobs can be found, or in association with whom independent economic activity can be undertaken. On the other hand are the networks of enterprise managers, who can co-ordinate the lay-off, recruitment and transfer of labour between enterprises. In such a context the 'labour market' has little relation to the anonymous interplay of supply and demand described by the economist, but is rather a dense, personalised and informal social network.

Finally, this implies a high degree of interdependence between the various actors at different levels, with the decisions of one agent having an immediate impact on the situation of another. The various agents have different aims and objectives, which frequently may conflict with one another. The restructuring of employment and the development of a labour market is the outcome of these intersecting conflicts.

The first feature of the mines to which Inna draws attention is the continued opposition of virtually all managers to any reduction in personnel, so that it is difficult for senior management to enforce redundancies. This desire to hold on to workers has been intensified by deteriorating conditions in the mines, which require larger quantities of manual labour, and which have led to lower levels of discipline, higher labour turnover and higher levels of absenteeism, all of which demand a larger labour reserve to keep production going. Although much of the rhetoric of employment restructuring refers to up-grading the skill levels of the labour force, when asked about whom they would want to replace, line managers would not refer to skill levels but to personal qualities – the ‘manageability’ – of particular workers, with the most desirable being middle-aged workers with families, who have the requisite skill and experience, but who are manageable because they are afraid of losing their jobs. The growing numbers of working pensioners, on the other hand, are seen as prime candidates for redundancy.

Recruitment and transfer of workers is in the hands of section heads, not the personnel department, and they have informal understandings to suppress competition between sections within the mine, so that they have to look outside the mine if they are to recruit skilled labour. This control of section chiefs is what makes it very difficult for senior management to impose redundancies, short of mine closures or various short-term ruses, since section chiefs are reluctant to let anyone go unless they have a more suitable replacement.

This determines the pattern of employment restructuring at the time of Inna’s research. With frequent lay-offs, non-payment of wages and rumours of mine closures, many workers were looking for more secure work elsewhere, and this underlay an increase in labour turnover. However, most mines abolished vacant posts and put a freeze on new recruitment, so took very few people ‘from the streets’, with a substantial amount of employment restructuring taking place through internal transfer and recruitment from other mines to displace those workers dismissed or forced out on disciplinary grounds or on grounds of age.

All of these processes of employment restructuring and labour mobility take place without reference to the local employment services, which have virtually no miners registered as unemployed, nor any vacancies at mines advertised. Nevertheless, the large scale mine closures which are anticipated in the near future will have a major impact on the local labour market. The prospects of most of those

laid off finding other work are bleak, so that there is strong social pressure put on those who have qualified for a pension to leave the labour market altogether and live as best they can on their miserable pensions.<sup>17</sup> As noted above, other enterprises have already been laying off workers, especially women, while those with a poor disciplinary record, limited work experience, narrow skills or no skills at all have very little chance of finding work. Moreover, as Inna notes, redundancies in the coal-mining industry will have an impact throughout the labour market, so that while experienced and healthy coal-miners with a good work record might find work elsewhere, it will be at the expense of other less desirable workers, who will themselves join the ranks of the unemployed.

Inna concludes that the employment-preserving policy of middle managers, while it has blocked the process of economic reform, has kept the unemployment crisis at bay by moderating the pace of job losses. However, in the longer term middle management will not be able to stand up to the stronger macroeconomic forces which threaten to plunge Kuzbass into a crisis of unemployment, such as that which has already engulfed Ivanovo, in which women are faced with being forced out of the labour market, those over pension age face pauperisation, while those in work face intensified exploitation, and the young and those inadequate to the demands of intensified labour constitute a lumpenised unemployable stratum.

## STRIKES

The final three papers in this book look at the breakdown of industrial relations, all three in the coal-mining industry. We have made the study of strikes a priority since we first started working in Russia because, although a strike is an exceptional event and an extreme course of action, it is in a strike that many features of the system which normally lie hidden come to the surface. If we want to understand why Soviet and post-Soviet workers are apparently so passive, so disinclined to take collective action in circumstances in which one

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<sup>17</sup> Inna reinforces Tanya's observation that in the past the official city labour recruitment bureaux were only for marginal categories of employees, while everybody else got jobs through informal channels, and enterprises only turned to the bureaux for general unskilled labour. This image has been transferred to the Employment Service, established on the basis of the old bureaux, so that skilled labour is recruited through private employment agencies, where it cannot be found through informal channels.

would expect the workers of almost any other country in the world to have taken to the streets, then studies of those occasions on which workers do act collectively can provide some valuable lessons.

Most strikes are organised, often bureaucratised, and sometimes highly ritualised, events and this has been no less the case in Russia since 1989 than it is in the West. The strikes which are most interesting are those ‘spontaneous’, ‘wildcat’ strikes which arise as the collective initiative of a particular group of workers, and which may subsequently become institutionalised and generalised.<sup>18</sup> However, these strikes are also the hardest to research because, normally, by the time the researcher has arrived, the strike is well under way and may well have been settled. Although such strikes are dramatic and newsworthy events, they are normally reported from the outside. There are remarkably few studies of strikes from within, studies which can explain how a group of workers first decide to strike, and which chronicle the subsequent course of events.<sup>19</sup>

Our first efforts to research strikes in Russia made little headway. We would ask workers and managers in a particular enterprise about a recent strike, only to be told that the workers walked out ‘spontaneously’, presented a set of demands and after a few hours or a few days, once management had made some concessions, the workers equally ‘spontaneously’ went back to work. Our insistence that such things did not just happen ‘spontaneously’ was met with a blank look. Yet common sense tells us that there must already be a mood to strike, that there must be an event that sparks the strike, that somebody must first suggest a strike, that the collective has to decide to strike, that the strikers have to go somewhere or do something, they have to tell their managers that they are on strike, demands have to be drawn up and agreed, decisions taken, meetings called and arranged, representatives selected, negotiations conducted, agreements reached, the strike called

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<sup>18</sup> Irina Tartakovskaya and Lena Lapshova describe the course of one strike which they were able to follow closely in their article ‘The Position of Women in Production’, in Simon Clarke (ed.) *Management and Industry in Russia*, Edward Elgar, Cheltenham, 1995. We have been able to construct quite a detailed picture of the July 1989 miners’ strike in Kuzbass, which is described in Simon Clarke, Vadim Borisov and Peter Fairbrother, *The Workers’ Movement in Russia*, Edward Elgar, Cheltenham, 1995. Peter Fairbrother and Volodya Ilyin have researched the March 1989 strike at Severnaya mine in Vorkuta. In addition to the strikes reported here, Vadim Borisov is preparing a doctoral thesis on strikes in Russia and has also researched several strikes in the Vorkuta and Chelyabinsk coalfields — indeed at one stage Vadim’s arrival seemed to be enough to trigger a miners’ strike!

<sup>19</sup> The classic account is Alvin Gouldner’s *Wildcat Strike, a Study in Worker-Management Relationships*, Harper Torchbooks, New York and London, 1965.

off, none of which happens 'spontaneously'. By seeking out and interviewing those who had been at the epicentre of such strikes we were gradually able to build up a detailed picture of how strikes take place in Russia. However, most of these studies were based on retrospective interviewing of participants, whose memories may already have been coloured by heroic myths. The three studies in this volume are distinctive in that all three are based on close, and to some extent participant, observation of the course of the strike.

The central issue in all of these papers is that of the institutionalisation of conflict. The absence of any institutionalised channels through which workers could express their collective grievances was a central feature of the Soviet system. Workers were not denied the opportunity to air their grievances, but they could do so strictly on an individual basis, and with appropriate displays of deference, whether by appealing to a manager, even to the enterprise director, or to the trade union or Party committee, or writing to a newspaper. Such complaints were normally just a way of letting off steam, but on occasion they could be effective and the worker could get satisfaction. But collective expressions of discontent, and collective negotiations over workers' demands, were out of the question. This is the context in which collective grievances could remain unarticulated and could build up over long periods, without any attention being paid to them by those in authority. One of the most remarkable features of the first mass strikes which broke out in 1989 was the sheer range of demands that the workers immediately came up with when they gathered in the mines and the city squares, representing grievances which had been building up for years, even for decades, resentment at which fuelled the explosion, and which could not be assuaged by mere material concessions, however generous. Although the strikes were triggered by apparently small and parochial demands, they unleashed an anger that was directed at the system as a whole.

The priority of the authorities in the 1989 strike was to get the strikers under control and this meant institutionalising the strike in such a way that representatives of the strikers could be identified, a set of demands drawn up and negotiated upon, concessions made, an agreement signed, and the workers persuaded to return to work by their own leaders. In the event they proved extremely successful at doing this. In the town in which the strike began, Mezhdurechensk, this was all achieved in four days. In Kuzbass as a whole it took only a week. The strike was settled equally quickly in the other coalfields. But, although

the miners eventually received very substantial material concessions, none of their real grievances had been addressed nor had there been any change in social relations within their mines. No steps had been made to establish any kind of industrial relations framework within which workers could articulate their grievances, negotiate them peacefully and reach an agreement with management which management would keep.

The first paper is a study of the 1993 strike in Donetsk in Ukraine, in which Vadim Borisov found himself an active participant, having arrived to conduct fieldwork in Donbass two hours before the strike began, and eventually finding himself sitting alongside the miners in their negotiations with the government commission.

The Donbass strike began as a spontaneous walkout of workers in what had hitherto been one of the most peaceful mines, as an expression of their anger at the state-imposed increase of food prices. The miners had no idea of what to do or where to go. They went to the nearest governmental offices, those of the district authorities, but had no programme and no demands. It was only when the head of the local executive committee emerged and gave them pen and paper, that they settled down to drawing up their demands with the help of the chair of the city strike committee who had arrived by this time.

Workers were equally angry at other mines, but the workers in most of the other mines were better organised than at Zasyad'ko, particularly as both trade unions had already called strikes twice earlier in the year. The city organisation of the Independent Miners' Union (NPG) decided to back the strike, although they were a little annoyed that it pre-empted a strike which they had been planning. However, it was agreed with mine directors that there would only a token stoppage initially, with delegations being sent to the strike meeting, but work continuing. The delegate meeting, held in the city square, decided to endorse the political demands of the city strike committee, which had been established as the political wing of the independent workers' movement, rather than to press purely economic demands.

The miners' representatives walked out of the meeting with the first government commission because the latter was not prepared to consider their political demands. The commission negotiated instead with the directors of large enterprises and the mayor of the city, who presented their own demands on behalf of the miners, although they stood firm behind the miners. The intransigence of the government

commission, followed by the refusal of the government to take the miners' grievances seriously, led to the rapid spread of the strike.

As the strike spread, news arrived that the mayor of the city, former director of the mine at which the strike had begun, who had presented the demands of the miners to the first government commission, had been appointed a vice-premier and would soon head the government delegation in negotiations. Pressure mounted on the miners to settle and there was a justified fear that the mine directors and official trade union would now sell them out, while the miners did their best to give an impression of activity.

The stalemate continued for some days until the President and the Supreme Soviet agreed to the miners' central political demand that there should be a referendum on the issue of confidence in the President and Supreme Soviet (in fact the referendum was later cancelled), and negotiations could begin over the miners' economic demands. However, the President insisted that there was no money to meet the central demands of the miners, and particularly that for a general increase in the minimum wage, although a substantial increase in miners' wages was conceded as were all the demands of the enterprise directors who had hitherto backed the strike.

This presented the miners with a dilemma. The directors would not support the continuation of the strike, since they had got all they wanted. Workers were tired, and in some cities were already returning to work. But if the miners did settle the movement would be split as the miners would be accused of selling out the pensioners and workers in other industries, which was precisely why the government had made its offer. Nevertheless, the vote went in favour of calling off the strike. Many strikers, especially those on the square, were angry at the decision but management immediately began to press them to return to work and, over the next couple of days, the strike folded.

Vadim insists that although the strike was provoked by price increases, it would be wrong to see this as a strike against economic reform, for it took place within what was still a rigidly centralised state-controlled economy. However, he argues, the state had lost its power over the economy and was not able to respond to the strikers' demands in the way that it had in 1989 and 1991. Nevertheless, the institutionalisation of the strike did not lead to the strengthening of workers' organisation. On the one hand, the final settlement was orchestrated by, and was to the benefit of, the enterprise directors. On the other hand, the workers' leaders thrown up by the strike tended to



leave their enterprise, joining city-wide bodies on full-time secondment from their workplaces, with their wages continuing to be paid by a management which was glad to remove potential thorns from their flesh. The result was that the new bodies which emerged from the strike were very rapidly detached from the workers they purported to represent, leaving nothing at the base.

The next paper, by Vadim Borisov, Veronika Bizyukova and Konstantin Burnyshev provides an account and analysis of a strike in the autumn of 1994 at Sudzhenskaya mine in north Kuzbass. This strike was typical of strikes at this period in being provoked by the long (five month) delay in the payment of wages, in a mine which had become thoroughly demoralised as a result of low wages, irregular work, a loss of confidence in management, and the growing threat of closure. The significance of the strike was twofold, first that the strike escalated, to include a blockade of the Trans-Siberian railway, as a result of the failure of the authorities to pay any attention to the workers' demands. Second, it was important for the politicisation of the strike, the mine being visited by Zhirinovskii, and the workers replacing their original economic demands with a set of radical political demands.

Although the strike did not spread beyond the single mine, there was strong sympathy and support for the workers from other mining enterprises in the town, which were facing only slightly shorter delays in the payment of wages, and whose workers saw analogies in their own situation. However, the attempts of the workers to involve their own trade union organisation in the strike came to nothing, so that the trade union provided no framework through which the workers' demands could be generalised at the level of the town or the coal association. It was into this organisational vacuum that the local representative of Zhirinovskii's party was able to step and provide a channel of 'political' representation of the workers' demands – the term 'political' in this context referring to the patronage which Zhirinovskii was able to bestow thanks to his position in the political system, rather than to a significant substantive political content.

The Anzhero-Sudzhensk strike is extremely important because it marked the first significant occasion on which the representation of the workers' demands moved outside the management structures of the industry. In previous strikes since 1989, including that in Donetsk studied by Vadim Borisov, the workers' grievances were taken up by management and harnessed to their own demands for resources from the centre. In this case the absence of any conciliation or negotiating

framework, the refusal of management and the local administration to negotiate, attempts to bully the workers into submission, the repeated failure to fulfil agreements, recourse to intimidation, punishment and bribery of individuals all led to a progressive loss of confidence in management and breakdown in relationships at all levels. This in turn led to a loss of confidence in all political processes and the establishment of a link to extreme politicians who could promise to bypass the political process entirely, using their connections in Moscow to secure the fulfilment of the workers' demands, so enhancing the prestige of these politicians and providing fertile ground for the expansion of their parties.

The authors suggest that this rapid politicisation of the strike came about because the trade union organisation in Sudzhenskaya mine was almost completely defunct and, where it was active, was merely a branch of the mine administration. This created the space in which a strike committee could emerge to lead the strike, of which Zhirinovskii's representative could take control. The distinctive feature of Anzhero-Sudzhensk is that it had been relatively little touched by previous phases of development of the miners' movement so that the Independent Miners' Union, which elsewhere has provided an alternative channel of worker mobilisation and a stimulus to the regeneration of the official union, had never established a foothold. The important role of an alternative channel of representation is brought out by the underground miners' strikes studied by Petr Bizyukov, both of which were led by activists from the Independent Miners' Union, and which followed a much more organised and institutionalised course.

The politicisation of the Sudzhenskaya strike also points to the dangers inherent in the current programme of 'wild' mine closures being carried out by the Russian government in which the absence of consultation and negotiation breeds fear and anxiety, fuelling rumours and inspiring workers to look for increasingly desperate political solutions. The politicisation of the strike equally raised the question of whether the miners' trade unions should seek to establish their own political organisation, or affiliate themselves to existing organisations or election blocs, an issue which became increasingly pressing as the December 1995 election drew close. The political organisation 'Miners of Russia' was launched on the initiative of the official miners' union in March 1995, with an eye to the election campaign, but made little headway, particularly as continued rivalries prevented it from de-

taching itself from the official union to embrace both trade unions in the industry.

The final paper, by Petr Bizyukov, is a case study of what became at the end of 1994 one of the typical forms of action in protest at delayed payment of wages, to which workers were driven by the failure of the authorities to take any notice of a normal strike, the underground strike (the other form of escalation was the hunger strike, with the underground hunger strike, practised in Vorgashorskaya mine in 1993 and in Primor'e in 1995 as the most desperate form of action). This study is based on close observation of two underground strikes, including participant observation, Petr having acted as mediator.

Underground strikes provide a way around the extremely restrictive Soviet law on strikes introduced by Gorbachev, which has been applied increasingly vigorously in Russia, since remaining at work does not count as a strike. This is a very powerful weapon in the coal-mining industry since, for safety reasons, all work has to cease if any workers do not return to the surface on time. On the other hand, with a high level of excess capacity in the industry, in the face of the collapse of effective demand in the crisis, one coal mine cannot on its own impose significant material losses on the employer, the government or the economy as a whole. Thus, Petr stresses that the underground strike is a demonstrative act: not an act of force, but one to force action. This determines the significance of the threat or the reality of political involvement which, as in the case of Severnaya mine by Zyuganov and Tuleev, helps to accelerate the settlement of the dispute. Thus Petr's analysis of the political character of the strike reinforces the conclusion of the previous paper.

Petr's paper is important because it dispels many of the myths about miners' strikes, enthusiastically propagated by the government and the media. Far from being impetuous actions, such strikes only occur after the workers' failure to make any progress through any of the available channels not only in satisfying their demands, but even in getting them taken seriously. Far from being spontaneous and disorganised actions, the underground strikes were carefully organised. Far from being undisciplined and irresponsible drunkards, miners showed extreme discipline and responsibility in the conduct of the strike. Far from being self-seeking and selfish, the underground miners in both cases insisted that everybody else should be paid their due wages before the strikers. And the miners had very good reason not to trust any promises, but to hold out until they saw the money in their colleagues'

hands. At the same time Petr paints a vivid picture of the hardships of life underground and of the practical problems to be overcome.

As Petr indicates, an underground strike soon becomes extremely tedious for the participants who are merely waiting for a resolution of the conflict. However, this is an ideal situation for the sociologist, since the striking workers like nothing better than to talk, especially to an outsider. On the basis of participation in the strikers' discussions Petr is able not only to describe in detail the course of the strike, but also to characterise the political position of the strikers, and their attitude to management. These discussions confirm the conclusion of the first part of this introduction, that even among the most militant miners class formation has developed to only a limited degree, the miners tending to blame their fate on the personal deficiencies of managers and politicians, demanding their dismissal and replacement, and even, in Kiselevskaya mine, recalling a director they had previously voted to dismiss, looking to a good manager, and even a paternalistic 'owner', to represent their interests and ensure the realisation of 'justice'.

Russia is still a long way from capitalism, and the Russian working class still presents a formidable barrier to the capitalist transformation of production. If Russia is in transition to capitalism, that transition will prove to be long-drawn-out, and marked by often acute conflict. As all three studies of strikes show, in the absence of institutional channels through which workers interests can be democratically articulated and expressed, worker opposition is likely to take primarily negative and destructive forms, with workers increasingly looking to populist and extremist politicians for their salvation. While the capitalist transformation of Russia may be under way, the democratisation of Russian society has barely begun.

## 2. Wage Systems in Pioneers of Privatisation

*Inna Donova*

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Can the Russian people be roused to struggle for money, or do they have to have a higher aim? Or will money rapidly become that higher aim? (from Russian democratic writers of the nineteenth century).

Russian enterprises which have been through all the stages of de-statisation and are now fully incorporated into the market economy have begun to show some distinctive functional characteristics which appear particularly clearly in the sphere of wages and payment systems. These changes, on the one hand, reflect the managerial concepts of the leaders of this new type of enterprise and, on the other hand, express fundamental changes in social consciousness in the sphere of labour.

This article has been prepared on the basis of materials collected in the course of a case study of the Kemerovo enterprise Plastmass, using data from interviews, observation and various documents (particularly the regulations concerning the organisation of the wages system and the determination of the bonuses of employees). The conclusions of this analysis were then compared with the results of similar research carried out by our colleagues in other enterprises in Moscow, Samara and Kuzbass.

### NEW TENDENCIES IN THE WAGES SYSTEM

It should be said at the start that some of the tendencies noted below are typical of the majority of enterprises, while some are characteristic only of enterprises which were pioneers of privatisation, of which Plastmass is one. In the majority of the enterprises in which we have carried out research, one of the first steps taken by management after privatisation is the creation of a new wages system which, above all,

introduces a significant degree of differentiation in payment between workers, line managers, staff specialists and senior managers. Even where one does not find substantial differences in pay between workers and line managers, the gap in incomes between ordinary employees and senior management reaches levels which are impressive by Russian standards.

The general tendency is for the pay differentials between managers and their subordinate workers to rise to two to three times, while the senior administration (general director and his deputies) earn about ten times the wages of ordinary workers. This should be compared with the situation in 1991 when the enterprises studied were still working on the state tariff system. According to the official data, at that time in these enterprises specialists earned about the same as workers of average skill (grade three), and shop chiefs and staff specialists earned a little more than the highest skilled workers (grades five and six). Moreover, as a rule the director and his team move onto a contract system of payment which allows them to remove the determination of their salaries from the mechanisms which determine pay in the enterprise as a whole. The principle of 'payment for brains', the monetary recognition of the contribution of skilled labour, is first introduced in relation to the top echelons of management. The employees are confronted with the fact that the productive status of the manager is not only sanctified ideologically, but is also rightfully accompanied by a high income.

However, the differentiation of pay is not a universal strategy since experimenting with social norms can be dangerous for the experimenters. Understanding this, the senior management of some enterprises (including some of the pioneers of privatisation) have not rushed ahead with obvious changes in the payment system, finding other methods to provide themselves with material encouragement usually of a non-monetary character (goods acquired by barter, trips abroad, construction of a new house and so on). Such measures, which are characteristic of enterprises with a paternalistic management strategy, conceal the real differences in income (it is difficult, for example, to provide a monetary evaluation of fortnightly 'business trips' to Europe), but all the same they give rise to disquiet and rumours within the labour collective. An enterprise where management pursues a frankly 'monetarist' policy, such as Plastmass described below, faces a large number of conflicts for this reason. And here, at the stage in which the employees are 'becoming accustomed' to the new economic

order, the ability of the administration to keep the situation under control is put to the test. Moreover, a whole series of other conflicts (dissatisfaction with working conditions, distribution of shares and so on) are expressed in the form of grievances surrounding the differentiation of pay.

Over the past two years there have been considerable changes in the structure of pay. For many decades Soviet economists have been calling for an increasing role for basic pay to strengthen the interest of workers in the results of their work (in the form of the quantitative plan targets), and a corresponding reduction in the proportion of earnings made up of bonuses, which as a rule provide only weak incentives to increase the quality of production. The optimal proportion of basic pay in earnings was considered to be between 65 and 70 per cent. In practice, however, bonuses were always necessary to compensate for deficiencies and manifest discrepancies in the state tariff system, providing a useful tool in the hands of management to balance the interests of the workers and the needs of the plan. Now, in conditions of a chronic shortage of work and the impossibility of ensuring the normal functioning of piece-work pay systems, Her Majesty the Bonus has achieved a total triumph. In the enterprises in which we have been carrying out our research, basic pay makes up only 20–30 per cent of the earnings of workers, and only 40–50 per cent of those of specialists. It is through the bonus that enterprises struggle to cope with inflation, including in the bonus all kinds of additional money earned by the sub-divisions, including insurance funds and a part of the profit of the enterprise. This means that the levers of influence of management over their employees have been considerably strengthened, as the most widespread form of punishment of workers for faults is deprivation of a part of the bonus. If in the past a worker could lose up to 20–40 per cent of his pay, today he can lose as much as 70 per cent.

Another phenomenon which can be observed generally is a significant reduction in the amount of information that workers receive about the way in which their earnings are calculated, especially concerning their basic pay. This appears strange at first sight, since the payment systems themselves have been simplified. However, in conditions of irregular work – stoppages, and transfers of workers from one job to another – there are so many factors to take into account that it becomes impossible to understand how pay is calculated. Moreover, the majority of these factors are not under the control of the workers themselves and do not depend on their own efforts, but are determined

by the work of the enterprise as a whole, market conditions and other conjunctural factors.

In general, the simplification of the bonus system is accompanied by the introduction of new kinds of additional payment reflecting, to a greater or lesser extent, the degree of loyalty and reliability of the worker (for example, the system of *klassnost*' in one Moscow enterprise),<sup>1</sup> or these features are reflected in the text of the labour contract (as in the Bratchenko mine in Kuzbass).

Finally, there have been some changes in the role of middle managers in the sphere of payment. On the one hand, in conditions of a shortage of work and changes in the product range the responsibility of the chiefs of shops and sections for the maintenance of the uninterrupted work of their subdivisions has increased. On the other hand, the determination of the wages fund of the shop still remains under the strict control of the central administration of the enterprise. This means that the informal levers of pressure of middle managers on their subordinates have been strengthened, but there has also been an increase in conflict and tension in the relations between line managers and the senior administration.

## PAYMENT STRATEGY IN PLASTMASS

The firm Plastmass is an average-sized chemical enterprise (in terms of numbers employed and the volume of production), located in Kemerovo, the regional capital. It is now a joint-stock company of a closed type, which was formed at the end of 1991 on the basis of a state research and production association. The enterprise now specialises in the production of press-powders, ion-exchange and phenol-formaldehyde resins, formalin, textolite and various plastic industrial and consumer goods.

Plastmass is one of the largest enterprises in the region, indeed in the whole of Siberia, and it began to introduce market-oriented reforms before the majority of other enterprises. The senior management has advanced a long way down the road of 'capitalisation' of relations both in its external policy and the methods of social control inside the enterprise. This has been as a result of its consistent pursuit of a policy

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<sup>1</sup> See Valentina Vedeneeva, 'Payment Systems and the Restructuring of Production Relations in Russia', in Simon Clarke, (ed.) *Management and Industry in Russia: Formal and Informal Relations in the Period of Transition*, Edward Elgar, Cheltenham, 1995.



of structural change within the enterprise involving a reduction in employment, a significant concentration of shareownership in the hands of senior management and active measures to control the social situation within the firm. This is the context in which my interest came to focus on the 'internal mechanism' of this control, the traditional lever of which is wages. It soon became very clear that in our enterprises the principles of the payment system as laid down in official documents, the practices through which these principles are realised in the various subdivisions of the enterprise, and the perception of the payment system by workers, are completely and fundamentally different things, although they are interconnected. Certainly the regulations drawn up by the administration for the determination of pay and incentives provide the initial impetus and the foundation for changes but, once they are put into effect, the interested parties adapt the separate parts to their own needs (middle managers), and the ordinary workers as a rule try through their own action to create a completely different system — reshaped, modified and repainted.

All this is achieved with the active use of mechanisms of informal relations at all levels expressing the latent opposition or open dissatisfaction of various groups of employees.

Three components relating to the determination of earnings — official documents, the real practice of their use and their combined reflection in the workers' perception of the monetary aspect of their lives — are one aspect for our consideration.

The main document defining the official policy of the administration in the field of wages is the 'Regulations governing the organisation of internal cost-accounting and the payment of labour' which was authorised by the Board of the firm and came into effect in February 1992. These regulations were drawn up on the basis of the so-called '*bestarifnoi*' system of payment (system without a basic rate), developed in 1991 by the Moscow economist N. Volgin and actively discussed by economists and practitioners at that time. The author must apologise to the reader in advance for the use of technical terms and long explanations, but that is the nature of the subject.

According to the Regulations the primary unit of the shop is the brigade of workers (thus the participation of engineering-technical workers (ITR) in the brigade is excluded). The minimum earnings of the worker and of the brigade as a whole is the daily wage, calculated with reference to the minimum wage for the corresponding profession that currently applies to state enterprises. The worker's whole earnings

consist of this day wage, plus additional payments which are determined in accordance with the results of the shop's self-financing economic activities. The wages fund which is defined by these calculations is paid over to the brigade in full, regardless of the amount of work which has actually been done.

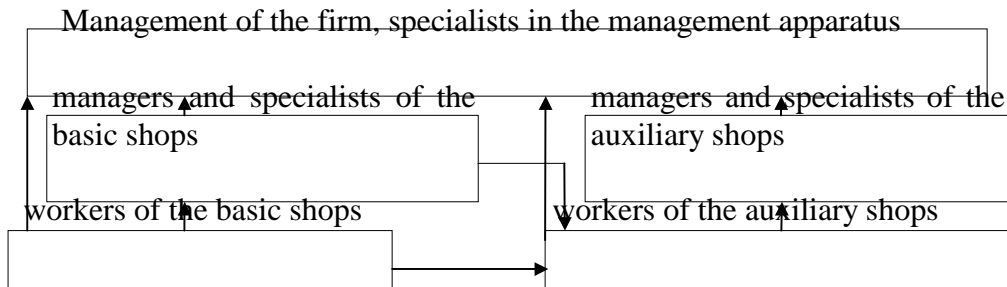
We can already see that there is no ceiling to the proportion of pay that can be contributed by supplementary payments (in fact they are bonuses, and this is how the workers talk about them).

The system of calculation of the pay of other categories of employee is particularly interesting. The basis for calculation is provided by the average monthly salary of workers of the basic shops (as a rule, brigades of machine operators). Auxiliary workers receive this average monthly salary multiplied by a specific factor 'determined by their expenditure of labour in comparison with other workers'. For example, the salary of shop laboratory technicians is equal to the average salary of the main production shop multiplied by 0.5. These factors are determined by the immediate chief of the subdivision. The shop line managers themselves receive the average monthly pay of the workers subordinate to them, also increased by an appropriate coefficient. The initial coefficients were calculated in accordance with the ratio of the tariffs between the pay of workers and the salary of managers at the moment of introduction of the Regulations. They were then confirmed by the next higher level of management (the chief of shop for a foreman, the Board of the firm for a chief of shop) and could be changed by their decision.

Thus the cornerstone of the payment system is the factor which defines the salary of one category of worker in relation to another, a kind of base coefficient of labour participation (KTU). Through the set of coefficients, established by various methods, all the workers in the firm are formed into a hierarchically organised and interconnected pyramid for the calculation of earnings.

With a certain amount of simplification (considering only productive personnel) this pyramid is represented in Table 1. The arrows on the diagram point away from those categories of employees whose monthly average pay is the basis for calculating the pay of other groups of employees whose pay is in turn derived from this basic magnitude.

*Table 1 The Pay Pyramid in Plastmass*



Thus, the pay of managers and specialists in the basic chemical shops is determined by the average monthly pay of the workers of these shops (through the application of coefficients ranging from 1.6 to 2.7), the pay of workers of the auxiliary shops depends on the pay of all the workers in the chemical shops and the income of the top management is calculated on the basis of the pay of all the workers in the firm. Thus, as a specialist from the economic service of one of the shops explained,

it works like this: the more the worker gets, the more the ITR will receive, that is to say we depend directly on the pay of the workers. It is in our interest for them [the workers] to earn more because our pay is calculated on the basis of a coefficient, although I will not go into that now.

Thus, in the payment system two factors are incorporated into the determination of the pay of the majority of employees. One of these is clear — the coefficient (by which the actual average earnings of the base workers is multiplied). The other is less obvious — this is the characteristics of the basis of accounting itself. For example, is this only the workers or is it all the employees of the subdivision, including managers and specialists? In the latter case the concrete measure of pay will be larger.

These two factors, as will be shown further, are perceived differently by the workers, but whether clear or not, it is these factors that determine the character of the relationships surrounding payment.

The Regulations on the payment of labour in the firm Plastmass also provide various measures of responsibility and a system of incentives. A basic feature of the Regulations is the incorporation of the principle of uniformity of punishment:

Measures of responsibility are applied in the form of a reduction of earnings down to the level of minimum pay. Other forms of material responsibility for

the non-fulfilment of designated duties, work instructions and the production programme ... are not applied.

Alongside this, it is true, the system of material responsibility for defective products and violations of production discipline laid down by the Russian Labour Code still applies. The Regulations allow line managers from foreman to shop chief to punish workers for 'production negligence', in which case 'the sum of the punishment is withdrawn into a centralised fund'. The size of the punishment varies from 100 per cent of earnings above the minimum to 50 per cent of the difference between full earnings and minimum pay.

Workers who receive three punishments in the course of twelve months can be sacked. The manager of a subdivision

can be sacked by the General Director for systematic (more than three months in a calendar year) non-fulfilment of the monthly production programme for internal reasons.

Apart from this the Regulations provide for the creation of an 'insurance fund' of wages of the shop to the extent of 25 per cent of the profits ('self-financing results') of the shop. Ten per cent of this fund

is allocated at the discretion of the chief of shop for payment for specially important and urgent work ... The shop chief has the right to give one-off bonuses to workers for a creative attitude to work.

Generalising, one can briefly characterise the payment system of the firm by the following distinctive features:

- there is no ceiling on the bonuses of all categories of employee;
- shop line managers have extensive power in determining the size of earnings and are able to dispose of large sums of money, but find themselves in a rather shaky legal position (they can be fired for failure to meet the monthly production plan for undefined 'internal reasons');
- the base coefficients for the initial calculation of wages were established by the relationship between the pay of various categories of employees existing at a particular moment which was not the most propitious for the workers, since it defined a substantial differentiation of pay levels;

- the accounting principles laid down by the payment system put employees of the managerial apparatus in the most favourable situation.

### **Methods of Conflict Resolution**

Questions of pay are the most widespread cause of conflict at any enterprise and Plastmass is no exception. One can identify a number of stages in the development of conflicts over money.

The first stage, up to the middle of 1992, has to be set in the context of a stable economic position of the firm and its rapid development, the active reduction of the labour force and substantial increases in pay for the workers who remained. In 1991–2 workers at Plastmass were earning on average twice to three times as much as comparable workers in other chemical enterprises in the town. It is precisely this period that is characterised as ‘capitalist’ in both the internal and external relations of the firm, with hidden differentiation among the shareholders. The enterprise administration during this period professed the principle ‘the faster you go the fewer the pitfalls’, trying to stun the obvious and potential opponents of change with the pace and scope of the transformation, not giving them a chance to collect themselves and gather their forces for a response. For this reason the tactics for conflict resolution at this stage were characterised by their energy, consistency and consideration of psychological aspects.

The differentiation in incomes between workers and management was, as one might expect, the main reason for discontent. The differentiation incorporated into the payment system was a bombshell, undermining the workers’ conception of the ‘justice’ of the rewards for mental and physical labour. When the pay of managers and specialists exceeded that of the workers as a whole by 1.8 times, at the beginning of 1991, a wave of discontent spread among the workers:

There should not be such a sharp break. Yes, it goes without saying. Especially at the first stage, when our consciousness is still absolutely different, and our understanding is different.

The ‘different consciousness’ was most vividly expressed by the older workers:

Maybe we don’t understand it properly. Maybe we are stupid. It was like this: occasionally the department head or shop chief, with whom we worked as a col-

lective, might receive one and a half times and maybe even, very rarely, could get twice what a worker got. But the chief used to get less than the high-skilled workers. And, I know a bit about this, the norm-setters, timekeepers and economists got between one and a half and two times less than the workers. My wife works as a norm-setter in shop five, she is also 37 years old, so I know how much she earns. She earns more than me. That never happened. I always got more than her... Well this kind of thing cannot happen.

From an initial emotional reaction many workers moved on to a consciousness of the reasons for their discontent and to the formulation of demands against management.

Yes, what are people talking about here? Here, of course, the differences are very large between the machine operators, our office and the factory management. Everyone is divided into three categories: there they receive high pay, there they receive average pay, and here we get low pay. And people say that it is unjust that many of the people over there should get such high pay, because if they are paid so much it means that our sales must be going very well, but here in the summer everything was blocked with containers, and raw materials were nowhere to be found. They have to find a way, even if something is cheaper here or more expensive there. Supply is the same: there was none of one raw material, then none of another, and as a result we could not work. Since they are getting this money then they have got to work, so that people are supplied with all they need. Well on the whole the differences should not be so large as they are now.

It is natural that in many cases the matter was not confined to discussions and in 1992 in virtually every shop a tense situation arose at least once in connection with pay. It was noticeable that initially, when workers' pay was still relatively high, conflicts arose through the customary channels of comparison of the pay of workers of one shop with that of another:

In our shop the machine operators were paid less than the machine operators in other shops. What was the reason for this? It was incomprehensible. You say to some, your pay scale has been reviewed, so ... But in short, the precise reason was not known. Well again they got more than us (for example, we got 5,000 and they got 20,000, the difference was very large), so representatives came here and wrote a letter. The machine operators got together and wrote out our demands.

The next stage was the raising of the problem of 'injustice' at spontaneous meetings of workers in the shops, in the form of written appeals to the administration and sending representatives to meet with the General Director and his deputies. The position of the administration was consistent and psychologically well-grounded. 'Money is able

to resolve many problems' — this principle, formulated by one of the senior managers of the firm, also guided the tactics of the administration in smoothing over conflicts. These problems were usually resolved by giving the workers some increase in pay (or promising to do so in the future), combined with a representative of management 'going to the people', during which appropriate explanatory work was conducted with the workers. At this stage management also took steps to make information about pay a secret, which only provoked further irritation on the part of the workers:

We know how much our managers get, it is no secret for us, although we are not told officially, they told us about that Regulation ... One month they even paid us one by one at the cash office, so nobody would know who got what, so that there would not be these disagreements and scandals. Nevertheless we are not all fools, we know.

The significant increase in the pay of line managers has made it possible to resolve some of the recruitment problems faced by the enterprise, and above all the problem of recruiting foremen. As the leading specialist in the administration put it:

We opened up the field of wages, so that we do not have a problem with managers at the primary level. That is to say often specialists remained in workers' jobs and did not want to become brigadiers or foremen or technologists. Now we have removed this problem.

At the end of this period, in the view of the chair of the trade union of the enterprise:

Our workers' opinion that workers should receive the same as or more than ITR, which was the case in the past, has changed. They do not say this any more. They say: yes, engineering-technical workers must receive more, but here there is one 'but' — the gap between the pay of workers and ITR. We have a little conflict here, because now the pay of engineering-technical workers is three times the pay of ordinary workers. This has given rise to a definite discontent but they will probably resign themselves to this too. By world standards this is not a large difference, but I think that in our social conditions this is an unacceptable gap.

The second stage of development of conflict in Plastmass (autumn of 1992) was related to the emergence of conflict within the Board of Plastmass over the distribution of shares and methods of management of the enterprise. Without going into the details of the conflict we can simply observe that it was at this time that the true picture of differentiation among the shareholders emerged, and the majority of the

workers realised that the main reason for this was the much higher earnings of ITR, which allowed them to buy additional shares, while the workers had hardly enough money to buy a few shares. One worker said:

they deceived us, when they decided at the time of establishing the joint-stock company to take into account only average pay and not to take any account of the length of service at the enterprise. Over those six months (June to December 1991) the ITR inflated their pay so much that in two months they could buy themselves an automobile. And so they got far more shares than the workers.

The policy of the administration in relation to the differentiation of pay also became more active. As before, the deputy directors and the general director personally 'went to the people'. Gatherings in the shops to put forward the workers' demands gradually turned into meetings at which the management of the firm appeared on the platform with slogans such as 'suffer — things will get better', or 'suffer, or things will get even worse', or 'what has been decided will be, and good riddance to anyone who does not like it'. Such statements were not so much explanations of the situation which had arisen or attempts at persuasion as a kind of moral pressure which gave rise to a natural discontent and irritation on the part of the workers. On top of this, if the magnitude of the differences in pay had earlier been hidden, they now received a great deal of publicity, accompanied by resolute statements of the management that 'specialists will receive as much as is necessary!' In other words, the administration let the workers know that the higher pay of ITR and managers was incontestable, and it saw its task only as one of explaining the necessity of such a policy to the workers. It has to be said that this explanatory work was carried out extensively and consistently: the vocabulary of the workers was literally larded with formulations and quotations from the General Director and his deputies.

In the majority of cases the imbalance in payment between shops was hastily resolved and the demands satisfied, but the differentiation in pay was steadfastly maintained. Money was thrown at those who were the most dissatisfied and this continued when this dissatisfaction took on organised forms (work stoppages, collection of signatures in support of demands and so on), although in some cases the conflicts were resolved through preventive negotiations between the relevant shop chiefs and senior management. However, one-off increases in pay for the workers was, even at that time, perceived negatively by



some of them, as crumbs from the owner's table. Thus, describing a conflict in one shop, one of its leaders answered the question 'has the conflict finished?' by openly smiling and saying 'So far people remember that for the past two months they have been paid quite well'.

The next qualitative stage in the development of conflicts around pay in the firm began in the spring of 1993. From this time a marked fall in the activism of the administration developed, the tempo of reform slowed down and a number of signs of stagnation in the life of the enterprise appeared indicating a return to the former methods of management. The financial position of the firm worsened with an immediate effect on the level of earnings. By April the average salary of employees of Plastmass had fallen to the level of other chemical enterprises in the city, and the pay of workers was significantly lower than elsewhere. In the words of one shop specialist:

At one time we ran ahead, but then we stopped and now they have caught us up or even overtaken us.

Although pay increased 5.6 times over the year, by September–October 1993 it had fallen relatively to only 90 per cent of the average for the industry. The last trump card of the administration, and last barrier to the expression of the workers' demands had therefore disappeared.

As has already been noted, the significant advantage in pay of specialists and ITR in relation to workers was perceived very negatively by the latter, and continues to be so perceived. Far from reducing, the acuteness of the problem has even increased. In answer to the question, 'Why does this happen?', the chief of the economic planning department said in March 1993:

From March we have increased the salary of workers by 20 per cent and of ITR by 15 per cent. We have analysed many variants, have worked them out on the computer, and have come to the conclusion that if we only increase the pay of the workers, even if only by a small amount, ten to twenty per cent, then we will lose all the advantages of our system, that is to say we cannot interfere in the details of the payment system that we have created. We understand that a difference between 20 per cent for the workers and 15 per cent for the ITR is not very significant, maybe more morally than in roubles, but nevertheless that is what we have done. Thus the ratio has hardly changed at all. But there is one group in which there is a very important, significant break, but it must be important because it is the senior management team. And therefore the Board decided not to increase the pay of the directorate, that is, to increase the pay of everyone but the general director, his deputies and the chief engineer. But you were talking

about the fact that the acuteness of the problem has not been smoothed over, but has even become aggravated. I think that this is natural. It is quite natural since if our workers received, let us say, 15–20,000 in 1992 and the shop chief, say, had twice as much, so that he received 40,000, then for that 15–20,000 at that time the workers could not only feed themselves and their families, but could also buy durables and take a vacation. At that time 15–20,000 was very good money. But today, if the workers get 30,000 and the chief of shop 60,000, the differential is still two, although actually it is less because on two occasions we have increased workers' wages without giving a rise to management, so the differential has fallen, so the workers have, say, 30,000 and the chief 55,000, less than double. Nevertheless, the problem has become much more acute because today on 30,000 the worker cannot buy any consumer durables. It is not easy even for the shop chief on 55,000, but for him it is possible, even though the differential has not changed. And the acuteness of the problem is going to increase further because at the beginning of 1992 we managed to keep ahead of inflation, but now we are lagging behind and there is no chance of keeping up.

Altogether in the course of 1993 pay at Plastmass was increased over five times, almost every two months. In January workers had a rise of 15 per cent. In March workers received 20 per cent and ITR 15 per cent. In June and again in August everybody received a 40 per cent rise, while in November and December the transfers to the shop insurance fund were increased by 10 per cent.

Further symptoms of the troubles of the enterprise appeared towards the end of 1993 as the enterprise was late in paying wages for the first time for eighteen months. Although in other enterprises such delays in payment had almost become the norm, the employees of Plastmass took this very badly. But the general director strictly defined the position of the administration:

I can firmly declare that pay will not remain unchanged ... But I simply do not want to make any promises which I may not be able to fulfil later. I can firmly say that the level of salary will be determined by the economic opportunities of the firm. We will not take credit to pay wages. It seems to me that there is a good basis for the stable payment of salaries, and that is a strong position in the market, which we must win in a hard competitive struggle. And we are doing that.

However the rigid position of management has come to be contested by the strong demands of the employees. Having finally realised the economic position and strength of the management and having to a significant extent lost their chains (in particular their high earnings), workers at meetings with representatives of management no longer accept appeals to their patience and understanding. The addressee of

their demands has changed ('we are not interested in the difficulties in the country, it is your job to organise production and to secure markets' say the workers).

### **Problems of the formation and distribution of the shop wages fund**

The most complicated processes of formation and distribution of money take place within the industrial subdivisions. The shop is the boilerhouse in which the interests of all the employees are mixed up together. The most important role was traditionally allocated to the chief of the shops, both at the stage of the formation of the shop wages fund and at the stage of its allocation.

It is necessary here to make a small methodological detour. The mechanisms of the formation of the shop wages fund are the most mysterious and difficult to study in any enterprise. Against the superficial simplicity of its calculation, the close study of interview materials raises more questions than it answers. It is obvious that the ability to 'create wages' for the shop is a test of the professional skill of the shop chief, and a matter of his greatest pride which he prefers to keep to himself.

In general the wages fund of a particular shop is formed as the product of the volume of gross output in accounting prices, the wage norm and a factor expressing the degree of plan fulfilment, plus a bonus made up of profits from additional activities and the insurance fund. Each item in the formula presents the shop chief with a particular headache. The volume of gross output is based on the following month's deliveries and is in theory limited only by the production capacity of the shop, although in practice it depends on the planned volume of sales, which is not under the control of the shop but depends on the marketing department, market conditions and the solvency of consumers. As a foreman in one department of a basic shop explained:

Earlier they told us that there was no plan, we would be paid for whatever we produced. But here I was talking about the normative calculation of wages. Well, they give us figures, for example, that we must produce 270 million units. And we can make 300 million. But it does not depend on us, it depends on the sales department. There is a sum, and this is the amount that we should produce. What we actually produce has no significance.

The wage norm is established separately for each shop, and here everything depends on the skill, insistence and character of the relations of the chief of shop with 'the generals'.

The scale of the income of the shop from additional activities (i.e. from the sale of additional products to other shops or enterprises) is obviously a matter for the shop management. They can always increase this part of the wages fund by manipulating resources, but any gains under this heading tend to be evened out across the firm, because that is where the overall wages fund is determined for the firm as a whole. The result is that, in the opinion of the workers of some of the shops, the situation arises in which one shop 'feeds' the other shops, receiving equal compensation with them. According to the shop economists, in practice wages are 'adjusted' by the administration of the firm according to the staff list of the shop and hardly ever vary by more than 10 per cent one way or another. Despite the fact that the wages fund is calculated on the basis of the work done by the shop (the volume of gross output), the administration of the firm has all sorts of levers to manipulate this fund.

For example, the shop is set a fairly high plan target for the month, the percentage fulfilment of which will affect the wages fund. This would make sense if the fulfilment of the plan depended exclusively on the diligence of the workers of the shop. However, in conditions of difficulties with sales and in the absence of any kind of long-term sales contracts, the key point is not planned production but achieved sales. The reactors in the shop are only started up when invoices for production arrive, or a supplier arrives personally from another enterprise, so that nobody can say how much the following shift will make, and it is inevitable that the plan will not be fulfilled. It is at this point that the administration of the firm makes a 'big gesture': an order is issued declaring 'indemnification for non-fulfilment of the plan is issued to shop N to the extent of X per cent of the total non-fulfilment'. The percentage of indemnification is arbitrary, a matter for negotiation between the economic services and the management of the shop, and can vary from 50 per cent up to 90 per cent of the shortfall. Favoured shops have a good chance of getting maximum indemnification for their shortfall, while a disloyal shop chief risks receiving only a pittance. Such sops from above became particularly widespread and acquired a 'baronial' colouring following the chief economist's departure after a conflict with the general director at the beginning of 1993. One of the shop economists noted:

Earlier it was possible to change somebody's mind, or at least they would listen. They gathered all the shop economists at a meeting, told them about everything, it was possible to put any question. But now relations are baronial, the ethic of production is on the level of 'we have given it to you, so just take it'.

In the distribution of the social insurance fund, which comprises 25 per cent of the profits of the shop, the shop chief plays the first violin. It is his patrimony. Manipulation of the social insurance fund is his principal lever of influence over his subordinates, so naturally he has an interest in maximising this part of the fund. There are several ways of doing this, one of which is the imposition of punishments. As a foreman says:

In the past there was usually only one monetary punishment — payment at the minimum level. Now they use the so-called KTU — for example pay 10–20 per cent of the bonus. And if you take into account the fact that the basic is 5,000, but the bonus 11–15,000, then this is appreciable. But KTU is used only as a fine, it is hardly ever used to increase pay. Apart from that, a certain percentage of pay is deducted for the social insurance fund — this is a kind of reserve, from which wages can be paid during periods of slack production. Money paid in fines goes into this same fund, so that the shop chief has an interest in imposing fines. And if the reserve is not used for a long time the money accumulated is paid out as compensation.

In another interview the same foreman came back to the theme, commenting sarcastically:

It's good to be a shop chief. You go and fine everybody 0.2 'for leaks from the gaskets' and accumulate the money in the reserve fund. Then, of course, you can distribute it to everyone, not forgetting yourself, even taking most of all.

Workers do not trust the shop management in money questions. The clarification of the situation at the top of the enterprise, with squabbles among the top management ('there everyone deceives one another, and us too'), is reflected in relations within the shop ('they will not forget about themselves either').

The other means of topping up the insurance fund is by manipulating the distribution of 'saved' money from those off sick, those fined a proportion of the KTU and so on. This is illustrated in this extract from a conversation with a foreman:

We had a case. We have a brigade of electricians, six people. One month three of them were on the bottle and only got a KTU of 0.2 or 0.3. According to the Regulations all the remaining money should go to pay the other electricians. But when they worked out in the office how much they had to be paid, it turned out to be a lot of money! So the shop chief took the 'superfluous' money to dispose of himself, supposedly for the reserve fund. And that happens everywhere. The factory administration plays precisely the same tricks on our shop as a whole (we only receive money for deliveries that they 'close').

One often has the impression that the shop management uses monetary levers of influence to secure and demonstrate their status. This is shown in a few more episodes related by foremen and workers:

According to the instructions I should sign in the journal at the end of the shift that the shift has handed over. Usually I always do this, but somehow I had forgotten. The chief saw that nothing had been signed — 'disorder! violation!' — and he punished me by imposing a KTU of 0.2. Formally he has the right to do so, but I know why he did it to me.

Our chief does not always do everything honourably. He offered me and several other lads '*kalym*' to go and clean the pipelines in building 101. We ploughed away all our free time there, we thought we would get good money — he had promised to give us a decent thirteenth month's pay at the end of the year. But he did not pay it, although we hinted to him about it. He made it appear that he had forgotten about it.

The fact that such 'wage payment' episodes always involve the shop chief and not the shop economists is not accidental. Although the role and influence of the economic department at the level of the enterprise was considerably increased by the management changes, at shop level very little changed. The status and authority of middle level specialists remained much lower than that of line managers, although informally they often play the role of 'shadow' of the shop chief. The latter serves as a buffer between his subordinates and the top management in relation to payment questions.

### **Position of various categories of worker in relation to pay**

The changes in the payment system in Plastmass were perceived differently by different categories of employees. The new priorities (much higher pay for mental labour) were greeted with satisfaction by managers and specialists. The chief of one department told us with some surprise at the end of 1992:

You know, we are all forced to rush around all the time. We have virtually no free time at work, no time to stop for a chat, we are all hard at work. We work. No account is taken of the time. We have practically no dinner. Well, if there is dinner we have it. But we do not simply allow ourselves to get weaker, because the work is always intense. And after work we never go home when the hooter goes. There is always work to do.

But what forces you to do it?

Well, I think that our general director and chief economist did the right thing in increasing the pay of the engineering-technical workers. That drives us on and forces us to work to our fullest efficiency. You see I think that ITR are basically intelligent people and our conscience will torment us if we receive normal money but sit around and do nothing. It is simply a matter of shame!

Line managers also related positively to the new order, although they were willing to give up a part of their own earnings to smooth over the contradictions. However the middle managers were also aware of the fact that the payment system restricted their own interests somewhat. At the end of 1993 one shop chief said with bitterness, taking note of one more snare in the payment Regulations:

The Board has played around with us. They have included only the workers in accounting our pay, but they should have written 'employees', which would have given us more.

The attitude of the workers to the differentiation of pay has already been remarked on above. Here is one more indicative statement:

In the shop we had one meeting. The deputy general director for economics came to it. We put the question to him: 'Why is there such a difference in pay between ITR and workers?', and he answered that in Japan it was even more, ten to fifteen times. No, it is impossible to compare them with abroad, with Topki [a neighbouring town] one can, but further is impossible. Why has he only brought us the difference in pay from Japan? What about the equipment, the technology? Have you seen how our loaders work? They carry up to one ton of raw material on a three-wheeled barrow. And they trundle this barrow over a ribbed metal floor. The rubber wheels of the barrow become square as a result of this. That is what passes for technology here! But the differences in pay are completely Japanese.

Nobody really knows just how much the ITR are paid. Ours is a joint-stock company of a closed type, so all information is closed!

Here in the shops various 'underwater reefs' of the payment system have come to light:

Well, for example, a brigade of nine people works. Two are sick, and the average pay is shared among seven people — they are paid more, and the pay of the engineering-technical workers automatically increases because their coefficient of three is applied to the average pay of the workers. Is it an achievement that two people are off sick? Of course not.

The majority of workers perceive the payment system as complex and unintelligible. At the stage of the formation of the joint-stock company the management and specialists attempted to explain the principles of calculation of earnings under the new system, but subsequently none of the ordinary workers was clear about these matters.

In some shops they explained what it was all about on a blackboard. They invited the economist and he explained how the payment system would work. But if you were to ask now what is the system of pay, it is certain that nobody would be able to explain it to you, it has been completely forgotten. ... And if a worker today is happy with the level of his pay he will simply keep quiet and will say nothing (President of the trade union committee).

The reason for the lack of knowledge and clarity is more than likely to be found not in the system itself, which is fairly simple, but in all its snares, and in the active incorporation of the enterprise in the contemporary unpredictable Russian market environment. In such conditions the workers simply lose all their points of reference, and do not see any relation between their pay and the results of their labour.

We might receive less in April than we did in February. We might work better, but receive less. We might turn out more products, but receive less.

The result is that there is really only one force able to affect the size of their earnings, and that is the shop management with its considerable opportunities to impose fines and to pay rewards. The line managers themselves obviously accept this situation, which provides a considerable degree of compensation for the significant reduction in their status in comparison to employees in the factory administration.

Here a legitimate question arises: why do the workers put up with all this? Their pay is low, the accounting principles are unintelligible, the calculation is full of mistakes, and pay frequently depends on the action (or inaction) of shop management —all this for a worker who has become the proud owner of shares in his or her own enterprise.



That is the reality, that some former Soviet enterprises over the past few years have been transformed into a new type, and their 'spurred-on' labourers have entered a new 'field of motivation'. What are the features of this motivation and of the new systems of incentives?

The frequently noted polarisation in incomes between workers and senior management in turn provokes aggravated 'feelings of social justice'. In general people evaluate the justice of their pay primarily by comparison with the pay of workers in other branches of production, other enterprises, and other occupational groups. Within the framework of their own occupational group the mechanisms of comparison are weak, and the predominant point of view is that 'if we do exactly the same work, we should be paid the same' (a worker in a privatised coal mine). It is true that this tendency competes with an aspiration to evaluate the contribution of the worker on his or her real merits and protest against universal equalisation, whether in poverty ('they think that all wages should be identical and that everyone should receive one cup of rice and eat it together'), or in prosperity ('if someone had received good pay from the very beginning and had not been required to make any improvements in his work, and had even been promised an increase, then there would simply not be the pressure to survive in the firm which is essential if it is to be competitive, to reduce the costs of production, to reduce the cost of overheads. Everyone must earn!').

In general the individualisation of pay has been confined to employees of the managerial apparatus of enterprises, but in the pioneers of privatisation it tends to have spread more widely. For the majority of workers in the current conditions of an unstable economy it is rather difficult genuinely to bind their efforts to their result. In some cases the final decision about the level of payment to a subdivision is taken by the Shareholders' Council (a privatised mine in Kuzbass); in others, when in the absence of work pay is nevertheless distributed at the expense of the previously accumulated funds of the enterprise, a clash also arises: 'we have earned nothing, but we receive something'.

In many cases, for these same reasons, one can observe a 'de-individualisation' of the bonus which more and more acquires the character of an evaluation of collective work. But since a 'common pot' really does exist, there is a completely understandable tendency to reward some by punishing others, using the KTU primarily as a stick instead of as a carrot. Thus mechanisms of informal pressure are widely used, and the well-being of subdivisions of the enterprise is in

many respects determined by the character of the mutual relations of their chiefs with the senior management.

Everywhere people are becoming aware of the great power of money. The prospects of the enterprise are evaluated through the prism of the prospects of increasing pay, or at least maintaining it at an acceptable level: 'the time for enthusiasm has passed, everything has to have its price'. And this valuation is carried out continuously — people weigh their efforts against the monetary compensation they will receive. And when their subjective representation of this balance is altered, a protest arises. Thus there is a paradoxical reaction to differences in the reward for labour: 'and if people receive different salaries — people look, if someone has more, then he must work more'. Low pay is perceived as a signal to reduce their activity, not to increase it.

From a large number of conversations with workers we can draw the conclusion that workers judge the adequacy of their pay in relation to the effort they have expended in a very general way, without taking any account of the reasons why they received that amount of pay. In relation to this it seems doubtful that the direct dependence of the salary of ITR on the pay of the workers provides any real incentive. In the words of a Plastmass worker:

We reproduce these parasites by simply increasing the wages of absolutely all the management employees.

Moreover the main point of reference for the evaluation of the justice of pay at the present stage is not even its conformity to the expenditure of labour, but the possibility of providing the workers with a tolerable existence, so that balancing effort and reward begins as soon as the worker has reached a certain threshold level of earnings.

The power and significance of money whips people on, forces them to work more intensively under the pressure of redundancies or in the face of the threat of even an insignificant reduction in their earnings. And the policy of privatised enterprises in the sphere of payment reminds us of the fine balance between new economic needs, demanded by the market, and the workers' traditional representations of justice and management methods.

### 3. Foremen: An Ethnographic Investigation

*Marina Ilyina*

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In this paper I intend to analyse the place of foremen in the system of management relations of Russian enterprises in the transition period. The article is the result of a case study carried out in 1994 in a Russian passenger transport enterprise. The immediate object of investigation was the repair workshops of the enterprise. The work was based on ethnographic methods and addresses one simple, but in my view extremely important, question: what is the place of the foreman in the system of social relations of the repair shop?

#### THE MECHANICAL REPAIR WORKSHOP AS OBJECT OF INVESTIGATION

The mechanical repair workshop (RMW) is an essential part of a passenger transport enterprise (PTE) in a Russian provincial city. The enterprise is made up of a number of bus columns, servicing the city, suburban and inter-city bus routes. RMW is the repair and restoration base of PTE, playing a particularly important role in contemporary conditions since the enterprise is basically equipped with Hungarian Ikarus buses. The purchase of new buses in present circumstances turned into a ruinous operation for PTE. Thus the effective work of RMW is essential for the continued operation of the buses which are already pretty worn out.

RMW is a subdivision which is split into a large number of sections. In October 1994 the mechanical repair workshops included 20 separate shops: 1) rubber items 2) experimental 3) hydro-mechanical transmissions 4) motor 5) electrical 6) upholstery 7) mechanical 8) modular 9) batteries 10) fuel equipment 11) blacksmiths 12) copper smiths 13) tyre assembly 14) central stores 15) circulating stores 16)

current repairs 17) dismantling of written-off equipment 18) body shop 19) paint shop 20) production line of technical services.

There is a total of 234 people employed in the workshop. The chief of the workshop has one deputy and a 'technician for general questions' (a special post recently introduced to record and monitor working time). Foremen are the immediate managers of the shops, since management is organised in such a way that one foreman directly supervises two or three shops (with similar production profiles). In the past there were even fewer foremen. Gennadii Tulinov, who has worked in the post for nine years, told me that originally he had authority over almost all the shops, with 65 people and a fairly constant 20 trainees from the technical school. Five years ago the management changed this system and increased the number of middle managers. Nevertheless, in the opinion of the foremen themselves the best variant would be to have one foreman – one shop. Although the foreman is responsible for the work of several shops, he does not gain anything financially as he does not receive any additional pay for his widened area of responsibility. The dilapidation of the auto park and the state of labour discipline in the enterprise demand that the foremen are particularly careful in their work and maintain strict control, which is hardly possible as they run from shop to shop. The foremen repeatedly spoke about this to the management, which had no sympathy for their complaints. On the contrary, management is trying to reduce their number. The formal reason for this is the need to reduce expenditure on wages and therefore the need, from the management point of view, to reduce the number of foremen's posts. The deputy chief of the RMW commented on this situation thus:

The high level of skill of our foremen allows them to supervise several shops at once and thus to save on our wage costs. We offer those who are made redundant any other post, but usually people prefer to leave.

Four foremen's posts were cut in the autumn of 1994.

## EDUCATIONAL LEVEL OF THE FOREMEN

The aspiration of management is to have people with middle special education as foremen, and on the whole they are successful in this. Many foremen receive such education by correspondence. Five

foremen, with whom focused interviews were conducted, described their educational level in the following way: 1) A 'classical' example, from the point of view of the wishes of management, is a young foreman in the current repair shop, recently qualified from technical school by correspondence, who worked at the enterprise as a trainee while studying, then was immediately appointed as a foreman, and for three years they 'coached' him, testing him in various shops and by covering gaps. 2) Another young foreman, but coming from the ranks of the drivers. He completed technical school as a driver by correspondence. There was no vacancy in any of the columns, so they asked him to come and work in a different trade. Since 'a diploma should work' he agreed and after three months is already directly supervising three shops. 3) A senior foreman has incomplete middle special education (he studied by correspondence, but gave up as he 'had no time'). He was a driver, but became a foreman on account of his health (high blood pressure). Despite his lack of special education he is considered to be the best foreman in the RMW. 4) A foreman of the production line, a colonel in the military reserve, has higher military education, but no special education for his present type of work. 5) The deputy chief of the RMW does not even have middle special education. He worked for many years as a fitter and knows the work not from textbooks but from practical experience.

As we can see, the educational picture turns out to be fairly multi-coloured. The foremen and workers take the view that special education is not really necessary (even middle education, to say nothing of higher education). The most important thing is to have experience of the work, knowledge of the concrete section and the skill properly to present a task to the workers. The foreman of the modular shop, who had recently been transferred to the foreman's post from being a driver, recognises, despite the fact that he has special middle education, that he understands many of the technical details less well than the fitters and does not consider it shameful to learn from them. The workers and the brigadier of this particular shop respond positively to the work of their foreman, emphasising that he does not need to go deeply into all the technical details, but the most important thing they mentioned, which allowed him to do his work well, was that he provided them with work and tools promptly.

Gennadii Tulinov also has no special education but is nevertheless considered the best, and is the only senior foreman. He is responsible for the work of the main shops in the RMW. He is referred to by many

foremen as an example of an excellent organiser of work, emphasising that his lack of education is repaid with interest by the experience and skill that he has already acquired in his foreman's post. The workers in his shop said that the foreman had minimal contact with them in the course of the day:

The foreman gives out the tasks, but he himself then hardly ever comes up to us and does not plague people. He knows the work so well that he never assigns an unrealistic task so that there is no need to turn to him.

## FINANCIAL MOTIVATION OF FOREMEN

The managerial activity of the foreman is related to the fact that his pay is guaranteed by his official salary, regardless of whether the plan is fulfilled fully, partially or even not fulfilled at all. They can only lose their bonus and, in the worst case, their post. In this sense there is the well-known lack of coincidence of interests of the foreman and the workers.

In the autumn of 1994 the average monthly pay in RMW was 400 thousand roubles (including bonuses and the northern coefficient). Fitters with high skills who worked shifts could make 600 thousand or more. The foreman's pay is strictly limited by his salary, which is approximately equal to that of a grade two mechanic. All the foremen unanimously say that such pay is insufficient, since it inadequately reflects their labour contribution in comparison with that of the workers.

Such a difference in payment was established in 1994 when, under a new tariff agreement, the payment of fitters was increased leaving the salaries of ITR at the previous level. The management of PTE considers that it would be unethical to raise the pay of the foremen while leaving the pay of other ITR unchanged. Thus they do not take any account of the different character of office work and the work of the foremen in the RMW, who carry the main burden of production work on their shoulders. Moreover, the foremen do not even receive the 8 per cent bonus for harmful working conditions, which the fitters receive, although they work in one and the same shop. This is explained by the fact that 'they simply forgot to include the appropriate point in the collective agreement', so the foremen must wait for a whole year for this annoying oversight to be corrected.

I often asked workers the question of whether in their view the pay

of the foremen corresponded to their labour contribution and how they related their pay to the salary of their immediate superior. The workers' opinion was unanimous: it was necessary to increase the pay of the foremen. The fitters considered that the present situation, in which the organiser of production receives less than the particular executor, was 'unjust'.

## OTHER MOTIVES

Almost all the foremen, having been transferred to these posts from work as drivers or as fitters, had lost pay, acquiring instead, in the words of one of them, 'grey hair and a headache'. What, in that case, makes a person carry out more responsible and stressful work for smaller material compensation? When I asked about this directly I got various reactions: one spoke about the prestige ('I could hardly work as a fitter when I have a colonel's rank'), others about justifying the effort they had put into acquiring special education ('a diploma must work'), a third about the need to lead people ('all my life I have been teaching people'), a fourth about the need for self-realisation ('the work of all the workshops depends directly on us, and that means the whole enterprise. I feel that I can have a real influence on the final result').

Practically all of the foremen come to work earlier than the set time. The deputy chief of the RMW arrives at work every day at between 5 and 6 in the morning. Many foremen are there by 7. One of them modestly explains this as a long-standing habit, another by his desire not to come to work during the rush hour. It is not uncommon for a foreman to come to work on his own initiative during his holiday. It is not usually even the demands of the job that drives them to come to work 'before the hooter', but the feeling that something might come up, a desire personally to check up on everything and to be responsible for everything — this is what the workers are referring to when they say, 'our foremen are almost all crazy about production'. (There are certainly other reasons for getting to work early and leaving late, for example the excessive amount of documentation, about which more below.)

On the whole all the foremen spoke about the satisfaction they got from their work. An interesting role is played in this by their perception of the technical level of management. 'Technically our

management is completely illiterate, they do not interfere with the work — thank goodness'. They are grateful to the director for the fact that he has not tried 'to pull the enterprise apart' (as the former chief did), but they do not have a good word for the other chiefs. 'We, the foremen, can rely on nobody but ourselves.' The workers also spoke about this ('Everything here is held together by the senior foreman, Tulinov'; 'The foreman, of course, is "the ultimate", if he does not organise work then everything will collapse'.) All this gives the foreman a real basis for feeling himself the important, the basic force in the given workplace.

## FUNCTIONS OF THE FOREMAN IN RMW

The foreman's management task in his section is to create the conditions for collective labour under which the workers can achieve their purposes with the minimum expenditure of time, effort and materials. Everything that the foreman does can be looked at in two relatively independent blocks: management of technology and management of people. Of course in real life the production-technological and social-psychological functions merge and are closely interwoven. But the foremen themselves distinguish these two functions, in this workplace giving the first place to the function of the management of people.

It is interesting that according to a great deal of research foremen in large factories and associations name their main tasks as being production-technological. In my view the specific position of the foremen in the RMW of PTE is to be explained by the technical conditions of production: in the conditions of an extremely worn out, out of date auto park and the absence of many of the necessary parts and materials, the role of the 'human factor' is considerably increased, and the skill and knowledge of the fitters is extremely significant in enabling them to achieve the desired results with minimal technological resources. All this means that the foreman has to pay special attention to the social-psychological condition of the collective, and requires skill and educational work. Moreover, there has always been a particular problem of industrial discipline with repair fitters and the main scourge is alcohol. These various factors all demand that the foreman pays most attention to carrying out his social-psychological functions.

However, we will begin the examination of the basic functions of the foreman by looking at the technical tasks that he has to fulfil. In



this workplace the first task confronting the foreman is that of supplying the necessary tools and parts. The lion's share of his time is taken up with searching for them in the main or current stores. The foremen complain at the complete confusion that prevails in the stores, as a result of which it is not uncommon that the required parts exist, but cannot be used because they simply cannot be found. Recently a new employee has been appointed to manage the stores and things have begun to improve.

Apart from the stores, the other source of the necessary parts and tools is the other shops. Here the problem faced by the foreman is no less: he has to look at the whole set of things necessary for production and decide how best to allocate his time and effort in procuring them. The most important thing for carrying out this function is the foreman to foreman link, the interaction between foremen of various shops.

Let us look at a real situation. The current repair shop needs a part, which only the experimental shop can help it make, but to make it the experimental shop needs one part which can be made in the modular shop and another in the mechanical shop. As a result a complete 'round dance' of foremen is established, tied to the final result — the output of a bus from the current repair shop. The main organiser of the whole chain will, of course, be the foreman of the current repair shop, since the other foremen, apart from this work, have their own current work.

This gives rise to the possibility of conflict situations arising: the foreman of one shop cannot directly give orders to the workers of another shop, nor even check on them. What would be a perfectly natural situation with a normal organisation of labour ceases to be such when the foremen supervise several shops and have to spread their attention over a large number of objects. As a result the round dance referred to above begins to spin around: the foreman of the current repair shop turns up in the experimental shop and sees that the fitter is not working on his part since he is busy with something else; not having the right to re-direct the worker, the foreman begins to look for the local manager, who at this moment is busy on a similar search for another foreman. The best foreman Tulinov might appear to an outside observer as a contemporary Figaro: 'Figaro is there, Figaro is here'. He is even dressed in very light clothing (wearing nothing but a worker's overall), because he spends most of his time 'on the run'. When I could not find him for a long time, they simply advised me: 'Just stand in the middle of the repair area, and within ten minutes he is certain to

run past you'. One can hardly believe that the loss of working time and the expenditure of physical and nervous energy simply in looking for one another could be justified.

However, this is the point of view of the external observer, who has only spent a few days in the shops. How do the foremen and their subordinates assess the situation? The workers basically consider that supplying them is the main function of the foreman and recognise that the situation of the 'running foreman' is absolutely in their interests: the foreman has less time to plague them. Young workers on the production line even confessed that if they were hostile to the foreman they could simply tire him out, since they have the right to demand that he get them all sorts of things. Assessing the foremen, they speak respectfully of those who spend their time 'on the run', rather than quietly contemplating the production process.

The foremen themselves are fully aware that the 'round dance situation' can hardly be considered rational. They see the main possibility of changing it primarily in tying the foreman to one particular shop, and generally improving the work of the stores and the supply services. At the same time, one cannot help noticing that the foremen are accustomed to the generally hectic situation and even get some satisfaction from it, although they could get out of it, if only at considerable expense.

It is not uncommon for foremen at PTE also to carry out the role of carriers of parts and tools. This is what the foreman of the modular shop had to say about this:

I have to provide the fitter with work. I agree with the foreman of another shop about the preparation of a part, then I go and get it and lug it back here. Sometimes at the end of the shift my hands are in such a state that I am not a foreman but an apprentice. But I do not disdain such work. There is, of course, the fear that people will say: he brings us things like an errand boy. I tried another way, but it did not work.

And it did not work for the usual reason, that all the co-ordination of the work of the shops is based on the foreman-foreman link. In the particular situation we looked at above, the foreman of the modular shop could not order his workers to go off to another shop and take a part from another worker. Of course, he could in theory, but not in practice; it would not be acceptable. In the best case he could call the worker to come with him and, having collected the part in the other shop, he could give it to his worker to take back. It is considered that

this is an unproductive expenditure of time, that there is no point in fitters leaving their work. Thus the foreman reduces the time the worker spends on auxiliary work — but in a somewhat unexpected form — by doing it himself. And this is a universal practice, deeply embedded in this workshop. The foreman in practice takes on himself some of the worker's functions, which risks reducing his authority.

The next function of the foreman is organising people, giving a particular task to each one. This is already at the boundary between production and psychological functions. The foreman, having in his mind's eye a strategic map of the working day, must have a clear view of the capacities of the collective as a whole and know the individual abilities and capacities of each individual.

The specific feature of the work in the RMW is that the work that has to be done every day is very different from that of the previous day, since the repair of every bus needs different tools, different experience and different skills. It is especially important in a situation of frequently changing operative conditions to manage to distribute work correctly among the fitters. All the foremen with whom I managed to meet remarked that this procedure did not take up very much time, but its significance, and correspondingly the intellectual pressure, makes it complex and hard work. It is interesting that the brigadiers also identified this function as one of the most important tasks of the foremen, keeping for themselves the responsibility for routine control.

Foremen with varied life and work experience remarked that to resolve this question they bring into play every one of their managerial abilities: 1) knowledge of the skills of each worker; 2) notions of the tasks which have to be carried out; 3) understanding of the mood and state of health of the fitters; 4) intuition as to what can be entrusted to whom today. All this certainly testifies to the role played at this enterprise by the individual approach to each worker. The need for such an individual approach is dictated both by the technology (an old and worn-out auto park, the small size of the brigades, constantly changing tasks and so on) and by features of the collective of workers (high labour turnover, low level of labour discipline, varied levels of skill of the workers). On the one hand, there is a global general interest, not confined to one shop, but covering the whole of the RMW. All the foremen emphasised:

We have a common result, we work for output — a bus has come in for repair and how quickly it can get back on the line depends on all the shops.

The workers understand this too:

If one shop does its work well, but ours, let us say, stands around chatting, then nobody will see their bonus.

On the other hand, there are the momentary moods of every employee, there is the experience and the skills, higher than which, with the best will in the world, it is not always possible to leap.

Let us look at the way in which the individual approach works on the basis of a particular example. The young foreman of the current repair shop told me that in his shop he had three people with very high skills and basically the fulfilment of the plan depended on them. The other fitters, young lads, basically worked as 'apprentices'. It was understood that these fitters were on various grades, and correspondingly got different amounts of material compensation. But it is easy to see the vice in which the foreman is caught: he cannot entrust the difficult work to one of the apprentices, even to give heart to the young worker and to give him a chance to show himself in the best light, because the foreman is always pressed by the plan and has to finish the repair of the bus as rapidly as possible. But the young workers lose interest in constantly carrying out their roles in a game of 'fetch and carry'. The result is apathy, cigarettes, a bit of vodka ... The foreman in this shop wanted to change the situation and so changed the game to 'do as I do' (that is, to organise work so that the young workers would not simply be fetching things, but learning from experienced fitters in the process of repair). But the technology prevented him from carrying out his idea: while one person is doing the difficult work, another needs to be doing simpler, and usually heavier, work. It was this foreman who said that it was easier to find a common language with the older workers than with people of his own age.

In the modular shop the situation is different, although that shop also has a young foreman. He considers that it is easier to find a common language with those of his own age than with the older workers. In this shop the technological situation is different: each fitter carries out his own individual task, he does not work on common tasks as in the previous shop. Here the foreman, distributing work, can take into account not only skill and experience, but also purely psychological characteristics of each worker, encouraging young fitters by giving them responsibility for difficult work, punishing the guilty with uninteresting monotonous work and so on. The young inexperienced foreman relies on the young workers (apparently, affirming his own

right to more difficult work) — this is precisely what the workers feel and with their positive attitude to the foreman they sometimes allow themselves to play up when they get a task or do it with a demonstrative lack of effort.

I have already repeatedly referred to Gennadii Tulinov, the recognised leader of RMW. What happens in his shops with the distribution of working tasks? This is what one of the fitters said about it:

Our shop is one of the most responsible, and we cope better than many. This is because our foreman knows whom to entrust with which task. He knows which person likes to do this kind of work and can do it well. Knowing the work and the people so well, he does not give unreal unfulfillable tasks, so everything is always in order here.

The worker is right. The secret of the success of Tulinov is that he does not build his individual approach on the basis of personal relations nor only on his aspiration to execute the plan. He is able to take into account both technical and psychological aspects of the organisation of production.

The next function of the foreman in the logic of production is that of control. The brigadier has constant and operative responsibility, but in this enterprise under current conditions this cannot be considered to be fundamentally important. The workers themselves acknowledge that they do not like it when someone is ‘on their backs’; the brigadier is doing similar work to them, and is working alongside them all the time, and is often perceived as an overseer particularly if he (as the workers in the modular shop remarked) methodically records in a notebook various remarks and observations about who are conducting themselves how at the workplace. Control on the part of the foreman, on the other hand, is something which is taken for granted.

In an ideal situation control would be exerted by the foreman at the stage at which the work had already been carried out. The workers of shops with foremen like Tulinov remarked that he only approached a fitter in the course of the day if it was necessary, the workers turn to him themselves if they cannot cope with something. However, in many other shops the foreman carries out his role like a nanny constantly watching over her children. There are several reasons for this: there is a high labour turnover (new workers have arrived and they have to be carefully monitored, and when help is needed it has to be given promptly), and the fitters have an insufficient level of skill. But the main scourge of this workshop at the moment, which demands con-

stant and vigilant monitoring on the part of the foreman, is the consumption of spirits at work.

A large part of the time, effort and nervous energy of the foremen is spent identifying those who have 'had a bit' and throwing them off the job. The old tradition of PTE has still not died out: the drivers arrange the more rapid repair of their buses with the help of the notorious bottle, as often as not drinking it together with the fitters. The repair area is so constructed that you can always find a secluded little corner without any foreign eyes where you can have your hundred grams. And as a rule they do not stop at one hundred grams. All the foremen agreed that drunkenness was the most difficult problem in their collective and the main source of conflict.

The management of the enterprise, in the person of the director, decided a year ago to help the foremen to cope with this heavy burden. For this purpose a new post was created on the staff list — 'technician for general questions'. In fact this post was created for a particular person, the inspector Tamara, a forty year old woman with middle special education. Working on the routes, Tamara showed such vigilance that complaints from offended passengers came in a never-ending flow. The director decided that such eagerness could be more appropriately employed and, having created the post of technician for general questions, appointed Tamara to it. Monitoring of the observation of labour discipline is included in her job specification. In the morning Tamara stands at the entrance and makes a note of all those who are late, and in the evening, when it is time to leave, she finds out who was not at work and for what reason. During the day she goes around the shops looking for violations of labour discipline. Her true vocation is finding drunks ('I have a good look at everybody in the course of the day, if necessary I even sniff around, you can't hide from me').

It might seem that such an innovation would facilitate an improvement of the situation in the shops. And in fact both the foremen and the workers acknowledge that cases of drunkenness at work have reduced with the stricter control of discipline. However, I did not meet one person who welcomed the establishment of this post in RMW. On the one hand, this is connected with the purely individual features of Tamara herself — she is obviously a trouble-making, captious and ungracious woman (in the shops, where there are hardly any women, Tamara is not considered to be a representative of the female sex — many foremen and workers spoke to me about this). On the other

hand, the workers are irritated by the supervision, of someone overseeing them ('she only needs to have a whip in her hand and it would be a picture of "negroes on the plantation"', said one of the workers). The workers do not as a rule see the control and demands made on them by the foremen as justified merely by their status as foremen, but because they see them as executors of the same productive functions as they carry out themselves. The 'technician for general questions' has no relation to production and is seen by everybody as something irritating, interfering with production.

The foremen also have an unequivocal attitude to this post and to the person who fills it, fully recognised both by them and by Tamara herself, who put it like this, 'the foremen are not happy with me, because they have to share their power, they no longer feel themselves to be the complete owners of their shops'. The foremen do not deny this. Many, seeing drunkenness as an almost inevitable and ineradicable evil, sometimes prefer to use it as a definite lever of management:

If a fitter has drunk a bit, the most important thing for me is not to punish him, but to notice the fact and make sure that he realises that I have noticed. Who has not had one or two? If he is a good worker, if this is not regular, but a lapse, if he has drunk a bit, then I can cover for him, and he will be grateful to me and will work even better than before, and I will be respected, as a tolerant person and as a boss who does not punish people for trifles.

This is obviously a dubious way of earning authority, but it is important to understand the foremen, literally having to find a compromise between the irresistible craving of the fitter for alcohol and the need to have a more or less stable collective. The fact is that it is now very easy to sack people for drunkenness, and it is regularly done at RMW, but the foremen are choking with the continuous change of people, and the need to train newcomers whom they will shortly lose. Therefore they consider that they have to take an individual approach to punishment for drunkenness. (One of the foreman had this to say about it: 'We always know who is a hopeless case, and these people have to be removed ruthlessly and immediately, they are no use to me. But there are those with whom I can work, whom I can influence — it is obvious to the foreman when to punish him and when to cover for him'.) The foremen do not meet with a real understanding of their position in the top echelons of power of PTE, but they try to follow their own conception of the problem, described above. It is difficult to judge with confidence the extent of this prac-

tice. But many people are referred to by the name which is used here for those who drink at work — ‘a flyer’ (*zaletchik*). That is not someone who has had a drink, but someone who has been spotted (but not caught officially — not someone convicted of the offence).

One of the levers which the foremen can also actively use in their struggle with drunkenness (‘the green snake’) is punishment through pay. This takes us on to the next function of the foremen, the distribution of the wages fund. The word of the foreman in RMW is decisive in settling questions of the material compensation for labour. The payment system is such that if workers fulfil the plan they can earn good bonuses. Apart from this, the coefficient of labour participation (KTU) is recorded for every worker in every shop. In the past the KTU was recorded by the brigade as a whole or by its council. Formally the brigade council still exists, but in fact in all the shops the decision as to how much each fitter should be paid is taken by the foreman. (This is only done by the brigade council in Tulinov’s prosperous shops, and even there the foreman looks through the lists and expresses his own opinion, which can change the situation.) Apart from this, there is also the so-called ‘foreman’s fund’, which he can use personally to encourage the workers.

Virtually all the foremen consider that the existing payment system gives them a sufficiently effective means of influencing the productivity and quality of labour. Nevertheless, both foremen and workers say that issues around the allocation of pay are a real area of conflict and that such conflicts arise periodically. In the workers’ view the foreman can sometimes form a subjective opinion; moreover, many insults are traded when the KTU is reduced for violations of labour discipline and drunkenness at work. I have already referred to the term ‘flyers’ and spoken about its semantic significance. Many workers said with a smile that it is always possible to drink at work, and that the art consists only in making sure that nobody notices. And then at the end of the month those who have ‘flown’ lose part of their pay, through the KTU, even when they have not been formally notified. The other drinkers, who are not ‘flyers’ get their full pay. Those who have been punished complain to the foreman and insult their luckier colleagues. The psychological climate obviously suffers from this.

In one of the shops the following practice has been adopted to avoid such tricky situations. When the KTU is published the amount of money lost by one member of a brigade for some disciplinary violation is distributed as an additional percentage among the remaining mem-



bers of the brigade. As the brigadier explained:

All the same you do not hide the awl in the bag and if it turns out that there has been a violation and they have not reduced the KTU of the violator, this money leaves the office. And so it remains in the brigade, and the fitters consider this to be fair.

The foreman has to put a great deal of effort into filling in every possible kind of documentation. The amount clearly exceeds the capacities of the foremen. Many of them say that they have to come to work early, or stay at work late, to fill in various kinds of accounting lists (of soap, gloves, working time and so on). While agreeing in principle that it is necessary to have many documents, the foremen consider that it is necessary to take some steps to rationalise this deluge of paper, to reduce and unify it. ('An engineer sitting in an office, can take pleasure in filling in various superfluous documents, his whole job is filling in bits of paper, but I have work to do'.) The foremen also have a concrete proposal, to transfer some of the paperwork to the technician for general questions, Tamara. This is all the more the case because some of the papers are simply duplicates — both the foremen and Tamara fill in tables about the working time of the fitters, then Tamara checks the correctness of the forms filled in by the foremen. It is easy to see that the foremen are offended by this, as it is perceived as an expression of distrust. As one of the foremen said:

I can take an insult, but what is the point of two people doing exactly the same work. Let her do these tables.

## FOREMEN AND ENTERPRISE MANAGEMENT

Any system is a subsystem of another. Without the successful functioning of the system as a whole the successful work of the subsystems is impossible, and vice versa. What form does the real interaction between the senior management block of our system and the foremen take? The post of foreman is conventionally seen as the most important connecting link in the industrial structure between management and the concrete executors, appearing as a kind of buffer, under constant pressure from above and from below. In our case, when the collective and the previous director were in constant open opposition over a long period, it is particularly important to see how the link high

management–foreman functions now.

I should admit that my first impressions, based on conversations with the top echelons of power in PTE, was of a kind of idyllic harmony. The director and the trade union president conveyed the impression of a very democratically minded management; I spent two hours in the director's waiting room, where I saw how many people passed through his office during this time, how effectively he resolved many questions. It seemed that the fact of the change of director in itself should have had a positive effect on all spheres of activity of the enterprise.

However the RMW foremen speak openly and unequivocally of the existence of a 'Stalinist regime' in their enterprise. Giving the post to the new director was part of the imposition of order and the strengthening of labour discipline, but the foremen do not recognise that authoritarian management methods are the only ones possible in their workplace, although they also understand that in many respects this style is explained by the particular features of their collective. The repair area and the office are seen by the foremen as almost autonomous structures. Only once had the foremen met the director face to face, when he was appointed to his post. Many of them have something to say to the director, but not only do they not see any desire to meet them on his part, but they also deny the very possibility of such contacts. They recognise with bitterness that the present management does not want to listen to representatives of lower management levels, even if only to let off steam ('he really should listen to people, to sympathise with them; I understand that the director cannot do everything, but he should also understand us, to know what is bothering us — but he does not want to do this, he is not in the mood for us'). When senior managers turn up in the shop, they are interested in tidiness or sanitary conditions, they are in no hurry to engage in conversations 'about business'.

The foremen also frequently expressed their contempt for management, reproaching the latter for its technical incompetence. The foremen have to 'stew in their own juice', receiving neither recognition of the difficulties of production nor any help from management. Even in the case of the supply of the tools and parts needed for production the foremen sometimes have to use their own contacts in the city and in the republic (the hours that I spent in the office of the deputy chief of the RMW were basically spent by him phoning round the city to various organisations and agreeing the mutual barter exchange

of various parts; in reply to my question whether this was his function, Anatolii replied that he never thought about functions, what he should or should not do, it was simply that if he did not personally do the work of organising the supplies the shop would stop).

The weak technical awareness of senior management was fully manifested in the evaluation of the recently constructed technical services production line. It is interesting to follow the process through which the evaluation varied from top to bottom, from director to worker. Higher management announced the putting of this line into operation with pleasure and pride. The deputy chief of the RMW noted that the enterprise had got some benefit from the point of view of production from the introduction of the production line (it used to take two days to service an Ikarus bus, and now it could be done in one). But he also noted the difficulties which the management of the RMW faced in finding workers to work on this line, having explained that this is a new kind of work and the workers do not want to be retrained, and also the fact that there is no possibility of working overtime on this line, so that workers would lose pay. He summed it up as follows: 'the bosses are proud of this line, but the workers grumble'. The foremen were even more categorical. They noted that the line had been built according to old and outdated plans, with a whole series of important technical imperfections, which prevented it from being used at full capacity. The line had been constructed technically in such a way that stoppages are inevitable, and this would have a negative impact on the psychological climate of the collective. A boss, turning up in this section and seeing the workers taking it easy, berates the foreman as he considers that the foreman is at fault because the workers are sitting around with nothing to do. In other shops in a similar situation the foreman can change the operative tasks and reallocate work, but here it is impossible for technical reasons. The management prefers persistently to close its eyes to all this and to accuse the foreman of organising work unintelligently.

One has the impression that the senior management of the enterprise does not see the importance of the figure of the foreman as key to the organisation of the labour process. This is manifested in the unresolved question of the foremen's pay increase, and the strange lapse of memory in the conclusion of the collective agreement (the failure of the RMW foremen to receive the extra payment for harmful working conditions); management takes no steps to increase the authority or the status of the foremen. Indeed, there are cases in which

this status is intentionally lowered.

We shall give one example of this. In the modular shop a worker violated discipline (he drank, and refused to do any work). The foreman and the brigadier together gave him a verbal reprimand, but did not record it in the proper way (in writing as an official report). When the KTU was published at the end of the month this worker's bonus was reduced by a certain percentage. However, the worker did not agree with this decision and appealed to senior management. When the situation was clarified, management's decision was this: the worker would be paid his full bonus, and the foreman and brigadier would be punished by being deprived of their full bonus for not promptly and correctly filling in the documents in a case of violation of labour discipline. Thus the foreman was 'put in his place', management played its democratic card, and nobody gave any thought to the need to support the foreman. The foremen think that the director is following the line of getting 'his' people into management, and getting rid of those who are not favourable to him. Thus a post was cut which was occupied by a young foreman who had come to PTE after finishing technical school. His colleagues gave this as the reason for cutting his post: 'he said too much, he spoke out too much, and he has paid the price'. The deputy director does not hide the fact that management wants to get rid of those foremen who 'are under the thumb of the workers'. The director insisted that the redundant foremen should not remain in the enterprise, but should leave. To achieve this he offered them jobs which had nothing to do with their qualifications, or frankly told them that he did not want to see them around any more.

This does not mean that it is improper to make changes in the staff of foremen, indeed such changes are necessary. As one of the foremen noted, in the past people rarely took on such jobs of their own free will, because they took on a great deal of responsibility for which they received no monetary compensation. Often those people considered by management for foremen's posts were put in such a position that they were forced to shoulder the burden of responsibility and bore it without the necessary enthusiasm or desire. Many foremen were close to pension age. Often they had been in the post of foreman for a long time and alongside this carried out repair work together with the fitters, the fact that they came from this environment itself eroded the boundary between the manager and the managed, did not promote high quality work and reduced the role of the foreman in production.

To resolve this problem without conflict the management prefers to cut posts rather than to change the foremen. An old foreman of this type worked until recently in the modular shop: his post was cut and he was transferred to work as a fitter in another shop. Now the modular shop is supervised by a young foreman who also looks after two other shops. He is absolutely convinced that 'the modular shop has to have its own foreman'. Thus, the method by which foremen are changed and young people brought in is one which makes the work of the latter much more difficult.

## SUMMARY

The foremen of the mechanical repair workshops carry out a key role in the organisation of labour in the workplace. They find themselves in a complex and contradictory status position. On the one hand, they are closely connected with the workers both by origin and in the labour process. On the other hand, in the shops they act as representatives of the administration, carrying out the functions of supervision, which establishes an area of tension between them and the workers. Although part of management, the foreman does not enjoy all the rights of this position. The enterprise management tries to charge the foreman with responsibility for all failures. Thus the foreman is often the scapegoat for the sins of the workers. This leads to a high level of social tension between foremen and enterprise management. Thus the foreman finds himself in a position of social isolation from above and from below. However, despite the difficulty of the job, the instability of his status, the majority of foremen hold on to their jobs, even though they receive little material reward. Their primary motivation is a need for self-realisation and an interest in organisational activity.

## 4. Internal Mobility and the Restructuring of Labour

*Galina Monousova and Natalya Guskova*

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The rapid growth of socio-economic differentiation is an inevitable accompaniment of market reforms. The gap in incomes between rich and poor regions, branches, enterprises and so on is increasing. This process is normal, but it creates significant social problems and social tensions.

Differences in socio-economic positions increase not only at the macro and meso levels, but also at the micro level, within particular enterprises. Moreover, this concerns not only the relations between managers and workers,<sup>1</sup> but we can also observe the rapid growth of differences between ordinary workers even within one shop.

Of course there is nothing new about the internal differentiation of our enterprises, this is something that is well-known. A status hierarchy always existed, dividing workers into groups according to their qualifications, length of service, influence, the share of distributed benefits they received and, certainly, earnings. However, this was fairly strictly regulated by the state. Thus there was an established system of mobility, with a set of particular 'social escalators': for some through education, experience, increasing qualifications and so on, for others through social activities and loyalty to management. Both mechanisms operated against the background of an acute shortage of personnel, giving the workers additional leverage in dealing with management and the expectation of increasing status and income.

The transition to a market economy destroys the previous internal social organisation of production. Relations based on labour shortages are replaced by relations defined to a significant extent by the growth of unemployment. Moreover, the unstable economic position of enterprises, the search for various kinds of short-term orders just to survive,

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<sup>1</sup> Earnings of managers are now many times, sometimes tens of times, greater than average earnings within the enterprise (Goskomstat, Press Release 50, 51, 1994).

the high turnover and corresponding loss of the most highly skilled workers strengthen differentiation and the position of particular groups of workers within the enterprise.

This differentiation is linked to various factors, among which a particular role is played by objective differences between different types of jobs.

One group of jobs demands special skills, knowledge and specific professional experience, which can only be obtained in this specific job ('on the job training'). It is difficult to find a replacement for such workers in a hurry, since a worker taken off the street will not normally have the required capacities. The more complicated and specific the technology, the more the work has to be done quickly and to a high quality; the more such jobs there are, the more difficult and costly it is to fill them.<sup>2</sup> Another group of jobs demands no such specific experience; the training of workers here is simpler and cheaper and, consequently, workers can be replaced more easily.

Such a differentiation of jobs and its consequences have been described in Western economic and sociological literature using the theories of the internal and external labour markets, open and closed employment relations and so on.<sup>3</sup> In order to overcome the problems arising from the existence of specific skills management creates special internal mechanisms of promotion, training and retraining of personnel, regulation of earnings, retirement and so on.

In Soviet enterprises these problems were resolved by 'home-grown' methods, partly with the help of planned administrative methods (through the planning of training, apprenticeship and so on), partly by the use of economic incentives (for example, additional payment and bonuses for apprentices and for training staff).

In recent years we have seen the collapse of the administrative system of management of labour, the weakening of the state regulation of pay, and often the destruction of the old organisation of preparation and training of staff (including, in particular, the system of technical colleges and apprenticeship), the voluntary departure of many of the most valued bearers of that specific experience and so on. If new means of regulating these processes are not introduced in their place,

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<sup>2</sup> P. Doeringer and M. Piore, *Internal Labour Markets and Manpower Analysis*, Lexington Books, Lexington Mass., 1971.

<sup>3</sup> *Ibid.* A. Sorensen and A. Kalleberg, An Outline of a Theory of the Matching of Persons to Jobs, in *Sociological Perspectives on Labour Markets*, 1971.

this can block the development of human capital and make the functioning of the enterprise more difficult.

These problems may include the monopolisation by particular groups of workers of control over production and the technological process, and the refusal on their part to transmit their knowledge and experience to other workers, 'squeezing out' additional payments from the administration, the sabotage of restructuring and a significant and unjustified differentiation of incomes and working conditions. In this way channels of recruitment to this group are also blocked. At the same time another group of workers, excluded from these jobs, not only lose access to these special skills and knowledge, but also the prospects of professional and status promotion and increasing income.

Such work introduces a social differentiation among workers and junior managers within the firm according to the type of job. What are the mechanisms of this differentiation? What are the channels and limits of mobility within the firm?

The aim of this paper is to analyse the socio-economic position of various categories of workers and the relations between them. The object of the research is a large mechanical production complex in one of Russia's leading engineering factories. The research was conducted over the winter and spring of 1995, using two main sources of data. First, the documentation of the enterprise, indicating the level and dynamics of pay, the dynamics of the occupational and skill structure of the personnel and the mobility of labour for the period from 1988 to 1995. This statistical data was supplemented with interviews with employees of various socio-professional groups.

Based on preliminary research in this and other enterprises, we formulated a number of working hypotheses:

1. Differentiation in the socio-economic position of various occupational categories is growing rapidly.
2. Barriers are arising between groups which restrict the occupational and qualificational mobility of employees; a segmentation of the labour force is under way, consolidating differentiation and blocking social mobility.
3. Differentiation, accompanied by the blocking of mobility, leads to the concentration of a significant amount of informal power in the hands of some groups and the worsening of the position of others.



In order to answer the questions raised, and to test these hypotheses, we will look at the position of various groups in the production complex under investigation, and the mechanisms of promotion to higher levels of power, status, pay and welfare.

## THE PRODUCTION COMPLEX: ITS HISTORY, TECHNOLOGY AND ORGANISATION

The production complex was put into production at the end of the 1980s, but it was only in 1990 that it began to work at full capacity. The shop is equipped with modern automated equipment, a significant proportion of which comes from leading Western firms. Some lines are unique. The technological process is based on the sequential processing of parts on various kinds of equipment. This is the basis of collective responsibility for the final product, which management tries to impose through the brigade organisation of labour. The main production brigades combine setters and operators with various levels of skill. The brigade became the basic production unit: the whole organisation of labour was subordinated to its demands.

The key occupation in the shop is that of setter, on whose skill and responsibility the uninterrupted functioning of the equipment and the quality of the finished product depends. The high level of skill here requires a good general education, supplemented with special professional knowledge and experience which is only developed through work with this particular equipment. Thus the setters have not less than middle technical education and have received special training through courses provided in the factory. At first the overwhelming majority of setters had higher or middle-technical education. Some of them had completed ten-month full-time courses, while others had attended evening classes after work.

While the shop was being fitted-out it had priority over other shops. People were sent abroad, they did not have a tight plan, there were various kinds of privileges. For example, the wages fund did not depend on the fulfilment of the plan or on stoppages of equipment. As a result earnings were between one-and-a-half and two times the average for the factory as a whole. This helped the production complex to attract and hold onto its workers.

The favourable conditions facilitated the formation of a workforce in the production complex to a significant degree through relatives and acquaintances. This was the basis on which a system of informal relations was subsequently established with an atmosphere of mutual support, and became the basis of the present problem – the loss by management of its ability to manage the shop.

The ending of the fitting-out period and the consequent loss of privileges associated with it signified a new stage. The shop ran into serious difficulties in fulfilling its plan and began to lose high skilled workers, who were attracted to better paid work elsewhere. Their loss was not compensated for by the recruitment and training of new workers. The brigades, which concentrated within themselves special knowledge and experience, completely blocked the transmission of this professional experience and training to newcomers.

## THE NUMBER AND STRUCTURE OF THE LABOUR FORCE

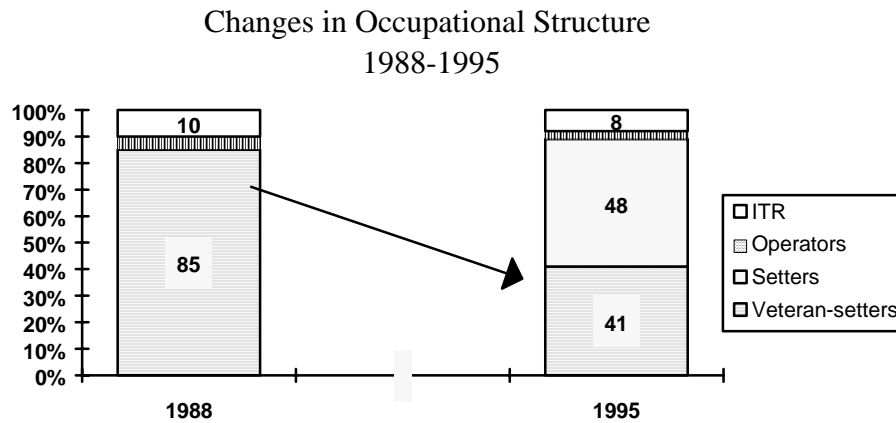
All the changes in the overall number and occupational and skill structure of the labour force of the shop were not related to technical and organisational innovations, of which there were none. Up to the beginning of 1993 there was a structural reorganisation, which had no impact on the production process, as the relations between the various groups and the forms of incentives were unchanged, although the occupational and skill structure became significantly more complicated.<sup>4</sup>

What were the main structural changes between 1988 and 1995? The proportion of setters fell from 85 per cent of those employed in the shop to 56 per cent, with the proportion of those who had received special training in the production complex falling to 24 per cent (or 41 per cent of the original number of setters with special training). This was partly related to the arrival of additional workers and partly to the growth of turnover. The proportion of operators hardly changed, and remained relatively low (around three per cent): some of the setters

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<sup>4</sup> One shop was liquidated and the workers redeployed to the other shops, and the number of workers in the shop doubled as repair workers and fitters who had previously serviced a number of different production complexes at the same time were transferred to this shop, but this only affected the work of repair and mechanical-assembly fitters.

began to combine their work with work as operators in order to increase their earnings.



As one can see from the chart, the proportion of specially trained, 'veteran' setters has halved, while a new group has appeared, the newly arrived setters, which has a tendency to increase.

The proportion of repair workers and mechanical-assembly fitters has remained unchanged in response to the needs of production.

We can see a marked deterioration in the educational and qualificational level of the workers (as a consequence of high turnover the proportion of workers with a grade over five and higher education has fallen), most notably among the setters and repair workers. In the former case this was only related to the fact that over time this group has been divided into two. One has special experience of work with this particular equipment, the other only has general knowledge of the trade. Correspondingly the first group contains a significantly higher proportion of workers with a high grade (five to seven). The proportion of repair workers with grade seven increased because the tariff grades of the repair workers were increased. This was primarily related to the 'blackmail' of the workers, since the pay of repair workers depends entirely on their formal grading. The administration increased their tariff grade in an attempt to attract to the factory repair workers, among whom there was a high turnover. Alongside this, in all groups there was a marked increase in the number of workers on grades three and four on account of the frequent interchangeability of new arrivals.

At the time the research was carried out the following groups were employed in the shop: setters, operators, repair workers, mechanical-assembly fitters. We define the groups in terms of occupational status, that is to say, apart from their professional affiliation we take into account the socio-economic position of the workers in production (level of earnings, degree of technical-industrial autonomy and associated ability to retain control over production).

In theory each worker has two means of changing his or her position in the enterprise. The first way is to increase one's earnings within the limits of the existing occupational group by working more intensively and improving one's qualifications. The second way is through a transfer to another status group, by changing one's occupation or improving one's qualifications. Below we will see how these mechanisms work in practice.

## BASIC GROUPS

### **Shop Management**

The group of 'shop management' comprises line managers of the lowest level of management, basically foremen. Their function is to ensure that the equipment works without a break and to enforce production and labour discipline. Practically all the foremen are men with higher education (there is only one woman among them).

The foremen occupy an intermediate position between shop management and the brigadiers. Thus their real role in the structure of shop management is indeterminate. Their functions have been taken over by the group of high qualified setters who have been working in the shop since the day the production complex was established. We should note that it is the foreman who bears the material responsibility for a failure to meet the plan indicators, for stoppages of machinery and so on, but he has no economic levers of influence over the workers. Such a situation does not allow any strengthening of his (or her) authority.

The foreman's earnings amount to approximately one third of the earnings of the highest paid worker. There is a very high turnover of foremen, particularly among new arrivals. They are driven out by the low pay, the almost total unmanageability of the workers, and the absence of clearly defined functions. The group is basically made up

of people recruited 'from the street' and from other subdivisions of the factory, but also of setters. Those leaving the job mostly leave the factory completely. Many go into the private sector. The result is that only one third of the foremen have been there since the production complex was established, while one third have worked in this shop for less than three years. This has had an impact on the level of qualifications of the foremen, which has declined markedly, so that many of the shop managers do not have a complete knowledge of the technological process. This undermines their status, power and prestige all the more.

### **Highly skilled setters ('veterans')**

The setter is the key person in this workshop, eighty per cent of the work of the equipment depending on his skill and experience. Their functions include ensuring that the automatic equipment keeps working, the removal of malfunctions and control of quality.

This group today comprises those setters who came to the shop when it was established. They received special training under the supervision of representatives of the Western firms which supplied the equipment. As a result they know very well all of the types of equipment which make up the line on which they work. High skill and a significant influence on the course of the production process not only in this shop, but also on the main assembly line (which would stop without the items supplied by this shop) gives this group the highest status and a significant amount of power.

This group is basically made up of men between the ages of 26 and 45, half of whom have higher or middle-technical education, many of whom travelled abroad for their training. At the beginning of 1995 there were around 140 of these veteran setters in the shop, half the number who were employed six years ago, when the shop was first established, the remainder having left for better paying jobs, mostly in the new private sector, once they lost their initial privileges.

The veteran setters are the best paid people in the shop. They earn five times as much as the lowest paid workers in the shop, the assembly fitters. During 1990 and 1991 the administration reorganised the system of payment in an attempt to reduce turnover among the setters, putting them alone onto a piece-rate system to increase their earnings. The change was unsuccessful in arresting turnover, but the result was that the setters acquired much more freedom in the allocation of their earnings and considerable control over their own level of pay. The

veteran setters and the ordinary setters have very different opportunities to earn money under the piece-rate system or, more accurately, the latter have virtually no such opportunities, since their pay depends completely on how much the veterans allocate to them.

The possibility of increasing earnings depends on involvement in the system of the informal economy of the production complex, in particular in organised work on the side, which is little more than organised theft. The basic role in this system is played by the veteran setters. They are able to use their specific skills to influence the work of the equipment, controlling output and so on, which is the basis on which they are the fundamental link in the functioning of the informal economy. Not all the ordinary setters and operators are involved in the system of theft, so that the real incomes of members of these groups can vary significantly.<sup>5</sup>

The main component of the informal power of the veteran setters is their monopolisation of the most valuable skills for the use of all parts of the equipment. Access to this knowledge and experience for newcomers is completely under the control of the veterans. Thus the latter block the transfer of skills to newcomers, confining new workers to particular operations and single items of equipment.

As a result the veteran setters have turned themselves into a closed caste. It is possible to leave, but it is almost impossible to enter the group from the outside. The number of this group is steadily falling as some people leave the enterprise, and some shift to foremen's posts. As a result the skills become ever more concentrated in a shrinking group of workers. In practice there is no external management control over them and their relations with management are permanently tense. It is within their power to organise a deliberate failure to fulfil the plan, open sabotage or theft.

### **Ordinary setters**

Formally the ordinary setters' functions are exactly the same as those of the veteran setters. But in practice their functions are somewhat re-

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<sup>5</sup> We have very little information on the operation of the parallel economy and of shadow deals, except that it exists and that some of the veteran setters are involved in it. We are not able to estimate the scale of this activity, nor real employees' involvement, nor the incomes generated, although we would expect a positive association between formal and informal earnings: there is no evidence that informal earnings compensate for low formal earnings. There is no reason to believe that the parallel economy plays a major role in determining the changing patterns of differentiation observed here, since the latter can be observed in enterprises with little connection with the parallel economy.

duced: they are kept away from the repair of equipment and from managerial functions. The group was formed spontaneously as a result of the departure of veterans. The roles and statuses freed by such departures are hardly ever filled: the caste of veterans is closed to newcomers. As a result, an independent group has formed, in many respects an intermediate one between the veterans and the others.

They have received general training for work with automated lines in educational establishments. Formally the enterprise has its own special programme for the training of setters, according to which a certain number of workers (approximately one third of the total) are able to follow training or re-training courses each year. However, in practice these courses do not take place, and the system of re-training is basically directed at new workers with different specialities. For example, in 1994 about ten repair workers and operators were trained and transferred to jobs as ordinary setters. As a result the ordinary setters only know how to work with particular types of equipment.

This group is now the largest group in the shop, made up mostly of young men, half of whom are under 30. Their educational level is higher than that of the veteran setters, 80 per cent having higher or middle technical education, although their skill grading is lower, an average 4.5 against 5.5. The latter has a direct influence on the distribution of work between them and the veterans. The established relationship is strictly maintained: the professional progress of the 'simple' setters is completely blocked by the veterans' maintenance of their monopoly. With the high turnover, and the fact that in normal situations this group of workers with special skills is not required, they have begun to use temporary workers for this work.

Although the earnings of this group are high, they depend on their relations with the veterans, while effort and qualifications are insignificant. In the past people joined this group equally 'from the streets' and from other subdivisions of the enterprise, but now mobility within the factory has fallen to virtually zero since employment in this shop no longer offers any advantages over others. Among the setters we find the highest level of turnover, usually associated with a change of profession. According to the factory's personnel department most of those who leave the factory go into the private sector (auto servicing or trade), which offers significantly higher earnings. Their youth and potential for education and training allow a high degree of mobility and adaptability. The reasons for such high turnover among the setters

are their relatively low level of pay and their inability to realise their potential.

The group of setters really only interacts with the veteran setters. If they manage to establish good relations with the latter then they can increase their earnings. First, by virtue of the existing method of distribution of earnings (earnings in brigades are distributed by the brigadier, posts which are occupied by the veteran setters). Second, through the earnings derived from involvement in theft, which is generally controlled by the veterans. If they fail to establish such good relations, they tend to leave.

### **The operators**

The other group which is essential to the production process is that of the operators. Their functions include the loading and unloading of parts on the automatic lines and changing tools. This is a small group, which is distinct from the others: it is young, with a quarter under 20 and half under 30, and a low level of education and skill grade. The composition of the group is very mixed. Around 30 per cent are women workers on low grades; there are temporary workers, and college students on placement, all of which is evidence of the limited importance and simplicity of their functions and, correspondingly, the fact that the workers in these jobs are easily replaced. No special professional training is necessary for these workers.

The operators earn significantly less than any of the setters. Because of the low pay it is still quite difficult to fill the operators' posts, and this group is constantly mobile, particularly with the use of temporary workers in these jobs. It is a small group partly because many of the setters do the operators' work as well as their own, as a way of increasing their earnings. The low skill level, absence of an effective system of on-the-job training and system of promotion make transition from operator to setter almost impossible, although there have been exceptional cases.

In effect the group of operators is practically closed and cut off from the other groups. People come to these jobs from outside the enterprise (and not from other jobs in the factory) and leave the enterprise (often to construction, thus changing their profession, although strictly speaking they do not really have a trade). Their working relations are primarily with the setters.



**Repair workers**

The functions of the repair workers is to remedy various malfunctions of the equipment. The more worn-out the equipment, the more often the services of the repair workers are required, and the greater the significance of this group. However, they have only an indirect effect on immediate production. The majority of the repair workers are men between 20 and 40 years old, with a range of professions (electrical repair, toolmakers and so on). One third of them have been in the shop since it opened. They have a high level of skill and are close to the veteran setters.

The high skilled repair workers received special training in professional-technical schools and technical colleges. Some of the workers acquired their skill on the job — the enterprise used to have a highly developed system of apprenticeship.

Formally the pay of this group of workers is determined by different principles from that of the other groups that we have looked at who are paid on piece-rates; repair workers are paid on time-rates which depend directly on the worker's grade. This system leaves the repair workers with much lower pay even than the operators, who have virtually no qualifications, since there is no way in which they can increase their pay by increasing their output. We should add that the operators and setters are also able to increase their incomes by participating in the system of theft, which is even more significant than the differences in regular pay. The repair workers earn only about half the pay of the setters, and the only way to increase their pay would seem to be by increasing their skill grade, which happens only rarely. The review of skill grades happens only casually. Moreover, the differences in pay rates for different grades are not very high and so repair workers have limited possibilities of increasing their pay.

There is high turnover in the group as a result of the low level of their pay. If they leave they usually go to work in auto repair workshops. It is rare for workers to transfer from one specialism to another within the repair brigade, and there is virtually no transfer to any of the other groups. Repair workers work in close contact with the setters who have to sign for completed repairs. There is a well-developed system of informal relations with basic production workers.

**Mechanical-assembly fitters**

These workers work fairly autonomously of those already discussed: they work on assembly. They make up about 13 per cent of the total number in the shop. In age the group differs little from the other groups, while their educational and skill levels are significantly lower than the setters and repair workers, being closer to the operators in their social characteristics and structure, with a significant proportion of women and temporary workers. The main difference is that the work of the operators is all of one grade, while the fitters' work is of various grades. Basically permanent workers hold the higher grade jobs, while the lower grade jobs are filled by temporary workers.

These workers receive their training in professional-technical schools and on the job. However, the character of the work allows people to fill these jobs without any special training. This is the lowest paid group of workers, with men earning more than women because they are working on different operations.

The group of assembly fitters is fairly stable: only the temporary workers change, and turnover is remarkably low. This is because it is difficult for people with such low skill levels to find other jobs. However, the low wages make the recruitment of more permanent workers almost impossible, which is why the gaps have to be filled by temporary workers. This group is also closed, without any transfers in or out. Workers in this group relate directly only to their line managers.

The following table summarises the characteristics of each group. We will now move on from an examination of each group separately to a description of the general picture of their interaction, and particularly at the mechanisms and channels of intergroup mobility.

## CHANNELS AND LIMITS OF INTERGROUP MOBILITY

Table 1 summarises the differentiation in the socio-economic status of various groups of workers. This concerns not only different occupations, but also differences between workers in one and the same profession. Time has strengthened these differences: for example, in 1988 the earnings of the best paid workers in the shop were one and a half or two times the pay of the worst paid. In 1995 this difference had widened to five times. During the creation of the production complex

the main group of workers, the setters, were similar, with very little difference between them in terms of pay. In 1995 we now have two completely different groups of fitters, differentiated in status, earnings, influence, privileges and so on.

*Table 1 Socio-economic characteristics of principal groups of workers*

	Basic age range, years.	Sex	Predominant education	Main skill grade	Average pay (March 1995) thousand R	Dynamic of status and pay
Shop Management	25–55	male	higher, middle technical		400	no
‘Veterans’	26–45	male	higher, middle technical	5–7 grade	more than 1,000	can increase pay
Setters	18–45	male	higher (more than 50%), middle technical	4–5 grade	800	limited pay increase
Repair workers	20–55	male	middle technical, middle special	5–7 grade	600	very little
Operators	18–40	30% female	middle	3–4 grade	800	very little
Fitters	18–50	30% female	middle	3–5 grade	300	none

In itself the differentiation of incomes is a normal phenomenon. The appearance and strengthening of such differentiation may even be a necessary stimulus to professional advance. The danger lies in the fact that professional advance is possible only for a particular group of workers. For others it is blocked.

Let us go back to our example. As can be seen from Table 1, workers in some professions are significantly distinct in terms of education and skill grade, but others are hardly distinguishable in these terms: they could be combined. This is evidence of the possibility of direct transfers from one group to another with similar qualities. One should also take into account the existence of such channels as professional retraining and on-the-job training.

However, as we have seen, the possibilities of transfer between groups in this shop are very limited, primarily because of the monopoly position of the group of veteran setters who refuse to pass on their knowledge and experience to newcomers, and because of the isolation of the low-skilled groups of workers. The monotony and low pay of the work of the latter means that they come and go rapidly, most of whom are recruited from outside the enterprise, and leave the enterprise when they give up their jobs. These workers are very likely to become candidates for 'industrial-labour poverty'.<sup>6</sup> Thus there is no mechanism of upward mobility for workers within the shop. We can summarise the movement of workers in this shop as shown in Diagram 1 below.

## CONCLUSION

The absence of an organised, stable system of retraining and status mobility means that the majority of workers in the shop have no incentive to work in the enterprise and are liable to leave at any moment. At the same time a small proportion of the workers hold informal power and control the real levers of management in the shop, creating acute problems for the management of the enterprise. This situation is closely connected with the extent of informal, and illegal, parallel productive activity within the shop, in which a significant proportion of production is conducted on the side, for sale outside the enterprise.

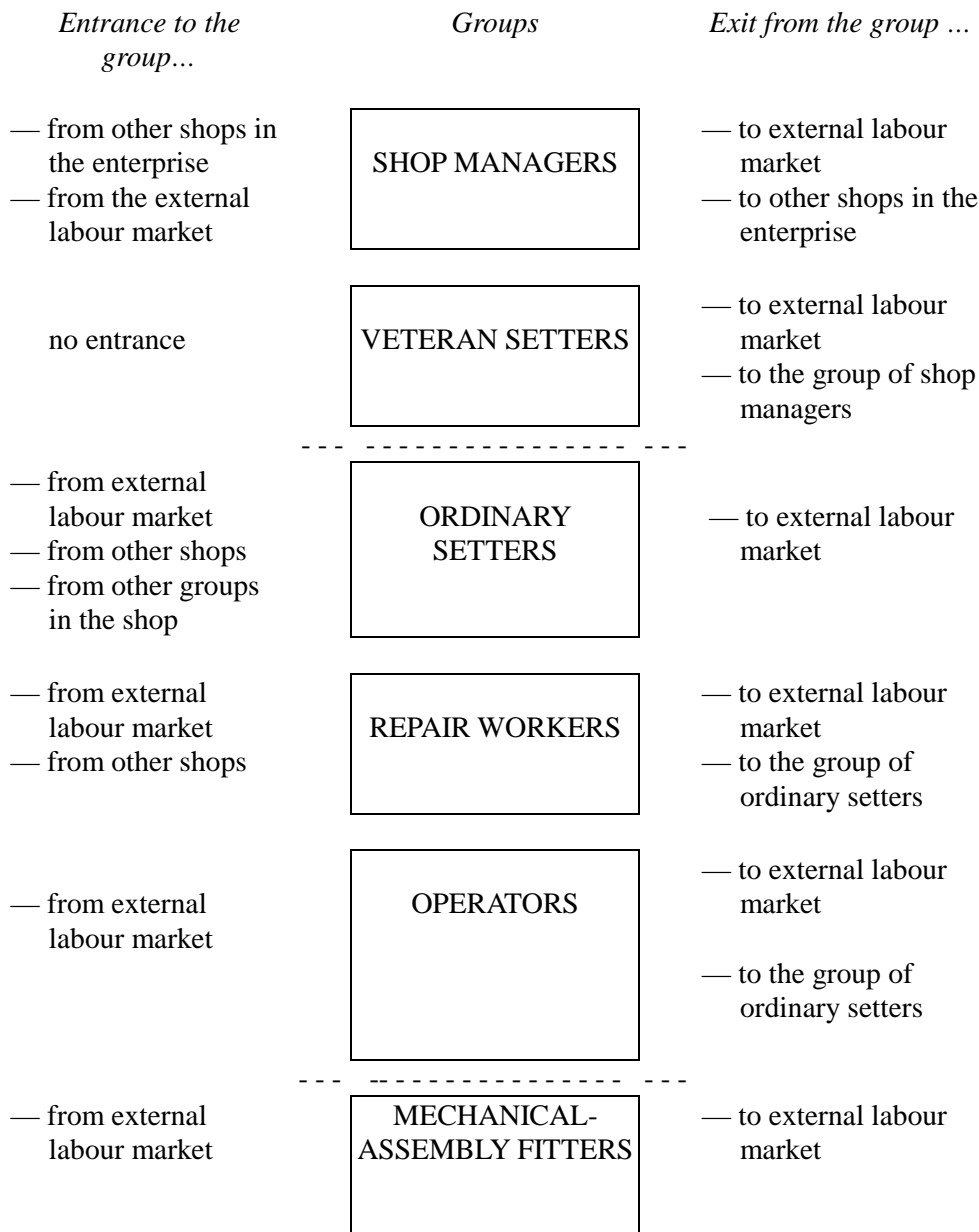
We can draw a number of more general conclusions from the analysis of this paper:

- The differentiation in the socio-economic position of various professional groups has increased. Above all this is expressed in increased earnings differentials, privileges and access to control over production.

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<sup>6</sup> Leonid Gordon, 'Chetyre roda bednosti', *Sotsiologicheskii zhurnal*, 4, 1994.

Diagram 1: Basic groups and transfers between them



- This increased differentiation is associated with the formation of closed status groups, to which there is virtually no access as a result of their elite ‘caste’ character. Promotion within a particular group is limited to an increase in skill grade, which has little impact on the level of earnings. Moreover, grades are not in-

creased according to any systematic principles but increases occur by chance. Workers have limited opportunities for status mobility. The old system has broken down, but no new system of training, promotion and rotation has been created. Such aspects of professional preparation as on-the-job training have lost much of their significance. The 'veterans' have no interest in transferring skills because in this case they would lose their uniqueness and their control over production.

- A relatively small group of workers, with specific skills, have grabbed a significant amount of power over the production process and have got access to the distribution of earnings through their control of technologically complex equipment. Thus they have virtually removed line management from any operational control and economic levers of influence over the workers. The formal system of management at the lowest level is completely subordinated to informal relations. This destabilises production and encourages high labour turnover among those groups of workers who have no prospect of improving their status position in the enterprise by their own efforts.
- The segmentation of labour within production leads to sharply differentiated relations between workers and management. On the one hand, they give obvious privileges to management, who are fully in control of the 'weak' workers. On the other hand, the rules and course of the game are dictated by the 'strong' workers. Thus, managers are condemned passively to accept conditions laid down by the workers. The consequence of this is obvious: labour discipline and the quality of production declines, and the consumption fund is redistributed to the benefit of the 'strong', while restructuring is blocked. All this divides the workers into layers and makes any hopes of social partnership illusory.

## 5. How to Survive on a Russian's Wage

*Sergei Alasheev and Marina Kiblitckaya*

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In this article we intend to describe the methods employed by enterprise workers to ensure that their basic physiological needs are met, and that they achieve a satisfactory material level of existence in the present conditions. What opportunities exist for different categories of workers? What role does the enterprise administration play in this process? What do workers live on? We will attempt to investigate these and similar questions at both shop and enterprise level, and to enumerate and describe the main methods used by Russian enterprise workers (of primarily large industrial enterprises) to improve their material situation.

The focus of our investigation will be a large tool-making joint-stock company in Samara and a state-owned enterprise in Moscow. In addition information received through interviews and observation at industrial enterprises and organisations in other Russian regions within the framework of our collaborative research project will also be used. The writers would like to thank all of the project's participants for their co-operation in the collection of the material discussed.

In many Russian enterprises (including those in which case studies are being conducted for the project) there has been a decline in the volume of production, in some cases quite considerable. The number of people working in these enterprises, however, is being reduced at a much slower rate. One result of this is that within the enterprise 'partial' employment — a form of hidden unemployment — is increasing. In one of the shops at the enterprise 'Kol'tso', the average number of employees during 1993 was 135.5 piece-workers, although that year's output (in accordance with factory norms) covered the employment, and thus the wages in full, of only 89 workers. As a result full wages were not received by all of the workers, or more precisely no-one received a full wage.

Another consequence is that in many large enterprises a proportion

of the workers are on temporary leave without pay or on part pay, which is a pittance. It has become usual for a factory to close completely for a month or sometimes for two or three (which is particularly characteristic of large factories in the military-industrial complex). Moreover wages, in themselves, do not provide the necessary level of survival for the workers and the members of their families. Taking into account that the payment of wages is often delayed by one, two, three or in some enterprises by up to eight months, the workers' situation is becoming critical. As it is impossible to live in such conditions, enterprise workers are forced to seek ways out of this impasse.

The situation in one of the *oblasts* of the Volga region of Russia typifies this process, as official data from the oblast administration's statistics show. During the first half of 1994 per capita production fell by 20 percent in comparison with the corresponding period of the previous year. The volume of industrial production has fallen by 27 percent, while unemployment has doubled. According to the employment service there were 15,500 jobless people at the end of June 1994 (two-thirds of whom were classified as 'unemployed'). On the initiative of the administration, there were more than 227,000 people (27 per cent of the total number of workers) on 'administrative' leave (either unpaid or partially paid), at some time during the first half of 1994. Almost 188,000 of them were industrial workers (36 per cent of the total number).

As a result of production cuts and the transition to shorter working periods, in July 50 per cent of the registered workers at the Srednevolzhskii Chemical joint stock company, 28 per cent at 'Ekran', 83 per cent at 'Gydroavtomatika', 41 per cent at 'Elektroshchit', 8 per cent at the Volzhskii car plant, 34 per cent at the 'Sameko' joint stock company and 84 per cent at the machine tool plant were on either unpaid or partially paid administrative leave. More than 150,000 (18 per cent of the total number of workers) were working part-time on the initiative of the administration.

In August 1994 the average monthly wage in the oblast was R286,000. As noted above, in industry as a whole production cuts have not been accompanied by corresponding staff reductions. At the enterprise 'Prokat', for example, production cuts of more than 50 per cent have been accompanied by staff cuts of only 9 per cent. While the volume of production in the oblast as a whole fell by 27 per cent between January and June, compared to the previous year, the average



number of workers fell by 9.3 per cent. The preservation of workers in the enterprise, even if they are on short time or sent on administrative leave with little or no pay, prevents the escalation of social tension, but it has an adverse effect on the growth of production costs.

The non-payment of wages was becoming an increasingly serious problem. Enterprise debt in respect of wages earned but unpaid amounted to more than R98 billion at the beginning of July 1994, and increased by a further R22 billion in the course of the month.

Inflation has regularly eroded pay increases. Between April and December 1991 consumer prices in the *oblast* quadrupled, in 1992 they increased 26 times, in 1993 11 times, and between January and June 1994, by 66.9 per cent. According to the *oblast's* budget statistics, by the beginning of the second quarter of 1994, 40 per cent of families were on the poverty line.

Not all enterprises are in a state of crisis, and not all workers are experiencing a decline in their living standards. There are some more prosperous enterprises which have successfully entered market relations and are beginning gradually to develop. We have therefore included in the enterprises on which our research is focused one Moscow enterprise which has been much more profitable than any of those mentioned so far. Until quite recently the enterprise 'Remet' in Moscow was a state enterprise, but it was privatised in September 1994. Production of all kinds of products is increasing at the factory (by an average 10 per cent compared to 1993), while product lines are being extended. Profits are constantly being increased (amounting to an average of at least 20 per cent each month). The average monthly wage in September 1994 was R600,000. In addition to growth in production, the number of employees at the enterprise is also increasing: between January and October 1994 the number of workers increased from 1233 to 1487. The enterprise is mastering new types of products to sell on both Russian and foreign markets. On the whole the enterprise appears to be very profitable and stable. However, even at this enterprise the workers face problems in improving their material situation.

Having described the general state of affairs at the enterprises being studied, we will now try to understand how people manage to survive. Firstly, however, it should be noted that the term 'survival' has different meanings. For some it means real survival — reduced to making ends meet, a life of borrowing until pay-day, living from one pay cheque till the next. For other categories of the population it is not so much survival but might even be considered to be 'conspicuous

consumption'. However, when you meet such people, they also appear to have far from easy living conditions, in spite of the fact that their subsistence levels greatly exceed the country's average (sometimes 10 to 20 times higher, sometimes even more). The concept of 'survival' can, therefore, mean entirely different things to different sections of the population. It does seem possible, however, to find a general meaning that covers all the nuances and definitions of the idea, which is socio-psychological, literally meaning 'the ability to extricate oneself', to adapt and survive in extreme, unstable and constantly changing conditions. The existing situation in the country allows us to argue that the majority of people, regardless of their income or position in society in present day Russia are compelled to 'extricate themselves' and adapt in order to survive. For some, however, this is a question of not dying of starvation, while for others, it is the desire to maintain, and if possible improve on, what they had before.

We are not interested in the ability of enterprises to survive, and the strategies they may employ in the continually changing crisis conditions, but in the abilities and methods of survival used by the workers of these enterprises, although these themes sometimes overlap.

This is not a full description of all the methods used by workers in Russian enterprises to improve and maintain their material situation, but a consideration of those methods of survival which we came across during the course of our research. It is quite difficult to judge how extensively used one or another method is among different groups, but certain general approaches may be isolated.

Firstly, it is important to note that for many workers wages are not their only official source of means of existence. For example, in one shop in one of the enterprises studied, 115 of the 363 workers were pensioners and therefore received a state pension allowance in addition to their wage. (This group, however, is most commonly the first to be removed from production when job cuts are made.)

Through observation in enterprises, we discovered that one of the traditional means of survival, now as before, is having more than one job. For example, some of the workers in one of the 'Kol'tso' shops have additional jobs as well as their own 'main' jobs. These workers tend to work in dangerous and 'hot' production jobs. Their working conditions in the shop (6-hour day with a shift change at mid-day) enable them to do extra work in the afternoon. All categories of workers now have greater opportunities to do additional work, owing to the transition of many large enterprises to shorter working days and

shorter working weeks (three to four days).

Most workers were reluctant to provide information about second jobs or additional work but, according to a personnel department inspector, in 1993 approximately 50 workers (out of 363) asked for permission to take on permanent additional work. Although permission may be sought and not used, conversations with various people in the shop clearly revealed that it is possible to find additional work elsewhere, even without permission from the employer. We also know of people who make extra money 'on the side' after work and on days when they are not working: for example, slating roofs, clearing snow or working as welders in car workshops. With falling wage levels additional work has in recent times become important, and some workers voluntarily choose administrative leave to enable them to work more intensively 'on the side' (in addition to receiving a small amount of money from the factory).

Although this used to be a completely official means of earning additional money, nowadays it is not obligatory to have official permission to register for additional work. Legislation is changing and it is now possible for workers to find a job without obtaining permission from their main place of work. There is, therefore, a dearth of statistics in this area, and it is difficult to quantify how often this variant is used, but it does appear to be more extensive than finding additional work through official channels. This method is possible in situations either where the work is a 'one-off' job, where the person will not work permanently but only sign a contract or labour agreement, or where the worker has no formal agreement with a firm but carries out work on its behalf. Typical examples of one-off jobs are the unloading of wagons or the clearing of snow from a roof, when the enterprise or organisation makes an agreement with the worker for that one specific job. People do additional work, regardless of which department they belong to. Another example was from an interview with a factory worker who revealed that her husband works at an enterprise where wages are a maximum of R80,000 and he had, therefore, found additional work fitting metal doors for the firm's clients. Although his workmate was counted as an employee of the firm, the respondent's husband had no connection with the firm, but this did not, however, prevent him from earning between R100–150,000 per week in the form of 'tips'. At many enterprises where the workers are on compulsory leave, such types of unregistered work are quite wide-spread: people work as night watchmen for kiosk owners or as ticket

collectors in markets at weekends, i.e. they are not counted as employees of the firm, but find a 'roof' under which to shelter. This is a well-known type of additional work, which has even caught the attention of foreign correspondents (David Goodhart, 'Concern over pay levels in Eastern Europe', *Financial Times*, 12 January 1994).

Another official method of earning more money is through self-employment, for which a person may acquire a license. It is presumed that those working in such a capacity will do so in their free time, but this is not always the case. Sometimes additional work represents a more significant proportion of a worker's income, to the detriment of production work. An employee at one of the enterprises studied, for example, has an official license to make caps. This sometimes means that he has to take unpaid leave, or informally obtain permission to take leave, and spend part of his working hours advertising and selling his handiwork among his fellow workers in his, and other, shops. When job cuts were made he was one of the first to go, despite the fact that he was a good worker. It turned out that he was dismissed at his own request when, following a discussion with the senior foreman, he made a formal application to be made redundant. The other shop workers considered this a fair decision, given that he had other means on which to live, thanks to his additional work, and for this reason the foreman marked him down as a candidate for redundancy.

Another means of survival is buying and selling, in which people act independently to earn extra money. In this respect this is their own activity — they have no 'roof' over them, but work alone, completely independently of any firm. This category includes people who have broken off relations with state enterprises and those who still work, or are still counted as workers. To some extent, however, they have taken the initiative and understand that their income and work depends only on themselves.

In establishing how widespread this form of additional work (which often becomes the main source of work) is, we should recall the large number of small businesses that have been set up, as well as the huge number of licenses that have been granted to sole traders, both of which provide the right to engage in resale activities.

One woman, for example, trades at a market. During a conversation with her, she revealed that there were three members in her family — the woman, her husband and their son. They used to have enough money to live on, but now her husband has little work in his shop at the factory and earns less; she too works in the department, but also

earns very little and has been forced into selling activities. She has a relative in Tashkent who 'has access' to a local factory and is able to buy goods without any mark-up on the factory's wholesale prices. She has no money to buy consignments of goods, so she borrows money from friends. She buys a plane ticket and returns with a rather small consignment.

Just a little under a year before she had often travelled to Moscow to buy goods. A typical trip to the capital would last one day, and would take place once or twice a month. Three people would travel together — two women and one man — all of whom know each other. The women would choose the goods to be taken back to Samara, looking to find the cheapest and sometimes taking something to try out; the man accompanied them. They carried everything themselves. They used to book a compartment in the train to take back the things they had bought, but this had become too expensive. A whole system was in operation, including standard payments to porters, train attendants and transport police. They would return with a small consignment of cheap goods to sell themselves at the market or on the street. She sells on Saturdays and Sundays, but can also sell during the week.

Nowadays, however, it is no longer worthwhile to buy in Moscow: markets are expensive and profitable goods have been taken over by large-scale wholesalers. It is difficult to turn over invested money quickly. The only possibility, therefore, is Tashkent: the fact that the goods are made under an Italian license and are quite well produced is important for a quick turnover. Our respondent specialises in the sale of knitted and other garments, but if something else turns up — she takes it. She did not reveal how much she earned, but according to her, she alone provides for the family.

Buying and selling has reached enormous proportions in Russia. Ordinary workers in industrial enterprise also contribute to the processes of 'laundering cheap goods' and moving goods on the market, as a result of which resale has become more expensive but profitable to the middlemen as they attempt to 'squeeze out' more on the goods they sell. For some this is commerce (i.e. a means of making a profit), whereas for others it is a rather well known, though not always successful, method of holding on to their money under inflationary conditions.

Data collected by the Kuzbass group of researchers, for example, shows that the specific characteristics of the shift system enable enterprise workers to use their free time to travel to nearby large towns

to buy consignments of cheap goods, which they then sell through acquaintances in market stalls, sharing the proceeds equally. Sometimes they buy a very expensive item to order. People on administrative leave get quite seriously involved in this, in so far as it is one of the most widespread forms of making extra cash. Reselling activities, including the sale of hard currency and shares, has thus become very widespread in many Russian regions.

Another important type of additional work is that which we would call work 'by personal understanding', which includes various types of agreement for work and payment for it between individuals. In the majority of Russian towns the consumer service sector is extremely underdeveloped. The need for various types of day-to-day services has led to the existence of a network of informal relations. Using such channels workers, who are in a position to carry out the necessary work, receive additional payment (or some service in return).

In Soviet times, the management of large enterprises could expect to obtain such services from their workers: it was well known that factories had workers who did not work in the factory but built the managers' dachas, carried out repairs to their flats, and so on. Enterprise management now has fewer such opportunities. 'Ordinary people' (non-management) also obtained necessary day-to-day services through informal channels out of their own pocket. This practice continues — it still gets cold and people want to have hot radiators and repairs made to their water tanks and so on. One sphere of life where there is always great demand for such types of services is in housing, and this serves as an additional source of income for workers. Many people live in shabby houses, requiring serious repairs. A market orientation has led to the housing management offices simply becoming fee-paying services. The public wants the highest quality of service possible and people therefore seek out acquaintances with whom it is possible to agree, and pay for, the provision of better repairs.

Workers in industrial enterprises have greater opportunities to do such work. Soviet enterprises always had a large social sphere and special teams of workers existed to carry out repairs to homes and social and welfare facilities. Many factories had special support services for industrial premises and buildings. In general this method is very characteristic of Soviet people in so far as there are 'unploughed fields of work' everywhere. Something is always breaking down and our workers are there, 'with their hands' and minds and keen Russian wit.

'Mass work' therefore also prospers: one person will help their neighbour move their beds, another repairs taps, another paints, another helps with repairs and all for some sort of payment, however small.

Women are not left with nothing to do either — they must all know how to sew, mend and patch, as there are always things to be repaired. Sometimes these skills also enable them to make some extra money.

A very widespread and profitable method of earning additional money is to use one's own vehicle to offer services to others, i.e. transporting people and goods. Vehicles (including vans) belonging to enterprises are frequently used for the drivers' personal 'enrichment' through transporting people and other loads. Payment is decided between the passenger and driver and, as a rule, is lower than the official charges levied by taxis or transport service companies. 'Moonlighting' drivers will offer lifts to passengers if they are going in the same direction, or if they have time to make a detour if they are not. We once observed how someone had a fridge taken home on a dust cart, having flagged the latter down in the street. Transporting passengers in personal vehicles has become so widespread in Samara that it competes with the city's taxis. This method of earning additional money, however, has become fraught with danger owing to increasing crime. A universal means of survival, which is still popular among the population, is theft. If not all, then many of those who have access to goods will engage in pilfering and selling. Everything that can be stolen is, and anything can be sold. Markets offer anything from toilet flush handles to lightbulbs unscrewed from lifts or industrial buildings. The most regrettable result of this type of theft is that production also suffers. It is possible to judge the scale of theft on the basis of an example of a Moscow enterprise, where a study of the inventory revealed a loss of R120 million in one month. Up to 30 per cent of the parts are stolen in some places. Items are not always stolen to be sold, but sometimes stolen to carry out repairs to flats, e.g. cement, alabaster, putty and paint are all considered normal objects of theft (particularly in conditions of a complete lack of such items for sale in shops, and of price increases).

Another type of theft exists — not of finished products, but of working hours and materials. One worker, for example, makes knives during his working hours and has turned the process into a production line. Good metal is used in the production process and survival is obtained at the expense of production. The interview revealed that in the

past there had always been problems with knives and this particular worker had always made them for himself and for friends. He had now moved on to making consignments to sell. The knives are made from old moulds and from any second-hand material. These additional earnings are made at the expense of the enterprise. It is significant that the shop foreman knows about the worker's activities, but only tries to make him cut down rather than stop this activity altogether. He never opposes the worker's requests: there is no work, wages have not been paid for two months, with little prospect of them being paid at all, and in addition, the foreman has 'sinned' himself in using industrial materials for personal purposes.

So far we have only discussed individual means of survival, both formal (officially sanctioned) and unofficial, sometimes illegal. However, the Russian worker is not always alone in his struggle for better living conditions. The enterprise, which has maintained its paternal attitude towards its workers, continues to help: if not the enterprise itself, then old connections within the enterprise. This assistance takes the form of various sorts of gifts to the workers, the provision of goods received as barter for the products of the enterprise, and the provision of additional work, or of work in general. Although at most of the enterprises we studied the distribution of work and wages usually takes place on an egalitarian basis, nevertheless the workers who are closer to the foreman, who are on good terms with him, sometimes have more chance of receiving work: foremen who are closer to shop management have more chance that their section will not be without work (and, correspondingly, without pay).

One example of the methods used to improve the workers' material position emanates from the shop administration, and not the workers themselves, although not without their participation or without pressure on their part. We learned of this through an order made by a production manager for the creation of a construction brigade, comprising six people, all highly qualified (grade 5), industrious members of the shop, to rebuild the shop premises. The shop's most qualified workers were, therefore, not sent on administrative leave on minimum wages, like the others, but offered an opportunity to receive additional earnings for carrying out building work. Although the shop management cannot keep them fully occupied, they can pay them for carrying out 'economic' work (for repairs and the reconstruction of premises). The result is that the workers carry out additional work within their own factories.



Some enterprises pay the workers with goods received in barter deals. The administration of one enterprise, for example, finding that it was not in a position to pay wages in cash, paid out in the form of tea — good, strong, Indian tea. No-one was forced to take the tea — if you did not want it, fine, but there was no money to pay in cash. In the event everyone took the tea. On the whole, management was not criticised for this, since for the previous month the factory had been on a three-day week, meaning that wages for that month were quite low, whereas a packet of tea cost R1500, which with skill could fetch 2 to 2.5 times more. We also heard of other enterprises where wages were paid in clothing, imported consumer goods, and even in furniture! To a certain extent the enterprise forces workers into entrepreneurship, into selling, when it resorts to paying in goods, in the absence of cash for wages.

Notwithstanding, or because of, the fact that many enterprises pay low wages, additional ‘gifts’, which are not taken into account in wages, but which significantly increase the official wage, are received. Such gifts are also given out in some commercial organisations and banks. For example, one bank bought rather expensive toasters wholesale for its employees as an 8<sup>th</sup> March holiday gift (in addition to champagne and boxes of chocolates), and watches (and ring binders, lighters and boxes of chocolates) to mark the organisation’s third anniversary. Such forms of assistance to workers allows for the monetary component of wages, on which high tax rates are applied, to be cut. We do not know of any such examples of large presents from the administration of an industrial enterprise, but it is probable that similar practices exist for various categories of workers. It is worth remembering that almost all enterprises used to distribute gifts (to women on 8<sup>th</sup> March, men on 23<sup>rd</sup> February, war veterans on 9<sup>th</sup> May and to everyone at New Year), although they were usually small (or purely symbolic) gifts.

Small enterprises are another aid to survival. The system of small enterprises was initially created by management for the organisation of extra work and earnings within the framework of a state enterprise. In reality a proportion of production, which should have gone through the enterprise’s official statistics, was redirected to small enterprises. As a result the enterprise paid less tax for exceeding the wage fund and the workers received higher wages than they would have through the usual channels, in so far as taxes on small enterprises are much lower. For the workers of small enterprises, it is profitable to ‘dilute’

wages between the largest possible number of workers. As a result people receive additional earnings for the same amount of work and the additional earnings pass through a separate department and are not included in the main enterprise's official statistics. For those who work in such small enterprises, this is an essential additional component to their wage. The additional earnings are not taken into account in the wage fund. In this way small enterprises help people earn more.

Not to be forgotten is one of the more ancient forms of survival — the *dacha*, garden and kitchen garden, which feeds people throughout the year. Even if a person does not sell anything from the produce grown, it still helps considerably. As a result in Kemerovo, for example, it is one of the most important means of support, which enables enterprise workers to live even when they do not receive wages for several months. In one of the departments under study at a Moscow enterprise, 7 out of 10 workers had market gardens, which feed and 'water' them. They prepare vegetables for the winter, and pickles, bottled fruits, jam and lots of other things to use throughout the year.

During interviews with the female factory workers, the question was deliberately asked, 'If guests turned up suddenly, how many could you feed?' The answers were completely unexpected. A typical response was:

Lots. I always have plenty of stocks — even wine and vodka. I have more than enough. All I'd have to do is lay the table. It's as if I'm ready for a holiday, but without the special food. A friend lives with me — she buys macaroni one day and eats it the next. Then she goes into a shop and buys something else. But me — I always have supplies. She never has enough.

Difficult times have left such a mark on the nation's behaviour that they all try to stock up and save for the future. There are two main reasons for this — firstly, the desire not to live in misery during the 'black' times, of which Russia has had more than its fair share and, secondly, it is a means of saving money from constantly increasing inflation. People are so used to the possibility that everything can disappear at once, and although shops look prosperous and the shelves full, this does not convince them that they do not have to lay down stores. Many stocks come from the country allotment — the kitchen garden. Almost all families prepare vegetables for the future, pickling cabbages for the winter, preserving cucumbers and tomatoes. Jams and compotes are made from apples, pears, cherries, plums, raspberries, strawberries and other fruits and berries. Potatoes (either home grown

or bought in autumn) are buried for up to a year — until the next harvest. Many families lay down stocks of sugar (usually 1 or 2 sacks). In one factory sugar was sold and the workers took two sacks each. At a Samara factory vermicelli was sold cheaply in 20 kilo boxes. People have sacks of flour at home. The most popular stored meat product is tinned. Of course, laying down stocks greatly increases inflation but, while people have money, it has to be spent and often it is used to buy food products for the future, since they soon become more expensive. Food stores are thus a means of survival on the one hand and, on the other, a means of saving money and even of preserving money since some of the produce or other stocks may subsequently be sold off.

We will now look at one phenomenon which in Russia involves a significant proportion of the population — life in debt. From female workers in particular we heard that they were now living on their husbands' wages (from other places). Those experiencing difficulties were the ones whose spouses also work at the same factory. Their last resort is to borrow from friends and acquaintances. The Soviet tradition was to borrow on interest-free terms. It seems paradoxical but, in conversation with controllers who receive R60–80,000, when asked how they lived, the response was 'in debt'. We sometimes had doubts when people said that their only source of income was their wage (a feature of Russian psychology is to feign poverty), but these interviews were frank. Women spoke of borrowing money, but the questions arise, from whom do people borrow and how is the money repaid? In answer to this question one of the controllers said, 'I borrow from Peter to pay Paul', in other words, if you have good friends, you can survive. Some people have simply become used to living in debt. Loans are given interest-free but as inflation in Russia is rather high, if the debt has been owed for some time (6 months, for example), people will borrow from one to pay the other 'to keep going'.

Paradoxically it is even advantageous to live in debt. Everyone therefore borrows, both those who live badly – cleaners and chauffeurs, etc. – and those who earn a decent wage. Even highly qualified workers and employees of prosperous enterprises, who earn more than enough, still borrow. Everyone wants to buy something, which they cannot afford on their wages. However, the question remains — who lends money? If people are borrowing money, someone must have this money to lend. From what we could gather from specific cases, money is always given by good friends and neighbours, seldom by relatives, but not especially well-paid (wealthy) people. Nevertheless, from a

purely economic viewpoint, it is difficult to understand where they get the money from.

In some of the departments of the enterprises under study there is a special 'black cash box', into which all the workers put something, and take it in turns to borrow money to keep them going until pay-day. We also know of trade union mutual assistance offices, which reflects the institutionalisation of the informal collective 'black cash boxes'. It is possible to borrow a million roubles from the cash offices. This is beneficial because a million taken over three months, payable in instalments, enables people to make larger purchases, which usually cannot be made so easily. As inflation is continually growing, but people receive the same amount in wages, it has become more convenient to borrow from these same mutual assistance cash offices and pay back in instalments, since the loan is not index-linked. As it is impossible to save a million from their wages, many people use the services of the cash office. At one of the enterprises under study people even wait in line to borrow money.

People also borrow from the government — taking loans to buy cars, dachas and homes.

The final channel of survival is that of survival with the help of parents and relatives. Family life and collectivity are important features of Russian life. On a material level, people do not live alone, nor even as a family, but in a more patriarchal family, which includes relatives, grandparents and in-laws — such is the case for many Russian families. It is easier to survive together. Large families who live together, as a rule, eat together, which is cheaper and they can, therefore, buy more. When people live together, they have joint use of certain things but, if relatives live in different places, consumer goods sometimes 'move around'. Having bought a new television, for example, the old one will be given to less well-off relatives; children's things which are still in good condition will be given to relatives, and sometimes acquaintances, who have children of a similar age or size. If the family has a dacha, it will supply two or three families, rather than just one.

Help from relatives is not limited to food products and other goods: it also extends to money. Sometimes close relatives will give money outright. Relatives will help out young families, or families with children. This also includes services — for example, relatives will help if something has to be done, repaired or put right. Parents also fill the role of materially 'nourishing' their children until old age. Sometimes

it does not end even with death — small legacies may be bequeathed to be paid into savings accounts.

Another means of survival is for workers to sell some of their things to obtain money with which to buy food. Some are forced to rent out their apartments and move in with relatives, or keep part of the flat (a room, for example) to live in. Rent payments for an apartment are rather high in comparison with the wage and are not subject to tax.

There appears to be one more means of maintaining and increasing the workers' material resources — investing in the shares and bank accounts of various companies, financial groups, funds and trusts. However, in the conditions of a 'wild' market in Russia this method does not generally have the desired results. Attracted by the high interest rates, and not understanding the finer points of financial mechanisms, some Russian investors have put their last resources into banks and companies. The results are deplorable as 'pyramid' schemes continue to crash. Pensioners have invested their last financial resources, saved for a rainy day, in such schemes. Working people have also taken huge gambles: one sold his apartment and invested all the proceeds in 'Tibet', which collapsed within a month. Other families collected several million roubles together (by selling things, too) and bought shares in MMM, but when MMM crashed, there was nothing left with which to pay off debts. Even those who use a 'reliable' savings bank cannot rely on maintaining their savings, as authoritarianism reigns: in June 1994, for example, the Russian savings bank offered investors an annual interest rate of 180 per cent, but at the end of June the bank autocratically changed the interest rate, notifying customers that they would receive only 120 per cent. Having measured the rate of inflation, the bank authorities realised it would not be profitable for them to offer such an interest rate and therefore changed it, without offering investors any compensation.

For a short space of time a group of people emerged in Russia who, thanks to investments in various commercial structures, were able to live only on the interest they received. These new investors (curiously, our observations show that the most numerous, though not the most successful, group among them were female pensioners) appeared in response to mass advertising by financial companies, and managed to survive for some time quite comfortably. However, this situation was short-lived. It now appears that most investors are convinced that the banks really are tricking the population.

In summarising all that has been written, we would like to note some of the main ideas which have become apparent in the writing of the article.

Firstly, all of the methods described above give only an approximate picture of how people survive. In reality many of the methods described above are used in conjunction with other methods, which have not been described, and in each family the combination will be different.

Despite the numerous methods employed by workers to improve their material position, as outlined above, nevertheless *the main and most widespread means of 'survival' is the scaling down of personal needs*. This method goes hand in hand with all the other methods indicated.

In those cases where at certain enterprises the workers began to receive a little more than the average minimum wage in the country, people initially tried to 'fill' old 'holes', that is to say, they would buy those items which were necessary, but for which they had never had enough money. However, there are too many of these holes and even higher wages are not sufficient to 'fill' them all. At our prosperous enterprise we asked some category 2 engineers, who receive quite decent wages (about R600,000 with bonuses), whether they received enough wages at the factory 'to live on'. One replied:

It's enough to buy food with, but not to buy a winter coat. I've had the same winter coat for 7 or 8 years as I'm divorced. Winters haven't been very cold, and I've been able to wear my raincoat, so my winter coat isn't too shabby. When I retired I should have been able to celebrate by buying a new coat, but this wasn't possible. I needed a new one, but didn't have the money. I had to buy a carpet, do some repairs to the kitchen and other general expenses. Thank goodness I could afford the repairs to the rooms.

Secondly, in some families the situation develops as follows: one member of the family works, and their wage is the main income, while the other either does not work at all or earns very little.

### **Some remarks in place of conclusions**

We shall consider the most direct consequences of applying the survival methods and strategies described above, both for the workers and for production as a whole.

1. The methods employed by workers to maintain or improve their material position ('survival') are having a detrimental effect on their situation.
  - These phenomena adversely affect the workers' professional qualities. Whereas in the past additional work usually enabled the workers to receive additional money above the minimum necessary level provided by the main job, nowadays additional work may be the primary source of income. In other words, the workers expend most of their strength to ensure they receive the necessary material resources, since wages frequently do not provide a minimum for survival. In many cases additional work is not related to the workers' main jobs.
  - The need to do additional work or to work above the permitted standard working hours at their main place of work is affecting the workers' health, as is reflected in the increasing number of ailments (including professional ailments), although this is not accompanied by an increase in the number of sick notes. People are thus compelled to work on, regardless of their state of health.
  - The necessity of resorting to one or another means of survival may strain family relations and cause problems.
  - The marked reduction in the amount of free time reduces the amount of time workers can spend looking after their children. It is possible that the recent growth in crime is related to this problem.
2. One can see an intensification of the exploitation of the workers in these conditions. This occurs:
  - as a result of the intensification of labour: combining jobs, agreements not to increase the number of workers in a shop in order to increase the wage fund;
  - as a result of longer working days and weeks: 'working extra hours' after work, and doing other jobs on days off;
  - as a result of the widening of workers' sphere of activities. Sometimes little of this is related to the main trade of the worker. What frequently leads to a change in the kind of work

is the attraction of a job with higher wages elsewhere (the market mechanism of labour redistribution).

3. The specific character of these processes mean that the workers are defenceless in these conditions:

- trade unions are not present in the overwhelming number of new commercial structures, and the workers are not members of unions. In the absence of any formal channels of representation of their interest, all conflicts are directly resolved between the workers and management, frequently not to the benefit of the ordinary worker. For example, in one of the firms studied, new workers are required to sign an undated letter of resignation when they are taken on.
- the old trade unions remain an appendage to the enterprise's administration and operate within the framework of the enterprise, ignoring additional work.
- unemployment benefits are extremely low and the bureaucratic mechanisms that have to be overcome to obtain them are very complicated.

4. The country's economic and social conditions are activating old patriarchal forms of 'housekeeping' (dachas, market gardens, pumpkin plantations and potato growing) and collective forms of living (redistribution of resources within families and groups of friends).

The means of survival in Russia are collective. People try to overcome the difficulties together — a collective factory, a family collective, or a small industrial collective (people may work together in a second factory, where they organise a small 'shady concern', individually selling things on a collective basis). Responsibility, finances and risk are all shared.

Despite the revival of patriarchal forms of economic management, the need to survive in the difficult economic conditions in Russia is not simply reactivating patriarchal relations (within the framework of large patriarchal families). Mutual assistance is conducted not only by close and distant relatives, but also between acquaintances and friends. Collective and individual means of earning money and survival often involve friends and acquaintances, i.e. personal connections. Although economic



groupings on the basis of the family continue to exist, in the present economic conditions 'survival' groups are appearing, based on personal connections. Sometimes the basis of associations of family economies is national affiliation or place of origin.

5. The difficult financial-economic situation in the country and the cultural features of Russia are forcing people to use illegal means of survival, such as theft, as the significant increase in Russian crime rates shows.
6. Although production cuts have significantly outstripped cuts in the number of those employed in production, a redistribution of labour resources is occurring through various channels.

A feature of this process in Russia is that non-institutionalised forms of 'secondary' employment and covert levers of redistribution of the labour force on the labour market are actively being used, as are personal connections. There are firms producing huge volumes of production and earning lots of money with only five or six employees. We know of construction companies in Samara which do a lot of work and earn lots of money by employing whole teams or collectives of workers who build on the side. Such forms of recruitment and organisation of production is a stable and reliable basis of activity. Those who work in the brigades are the same factory workers who earn appalling wages at their enterprises and are on compulsory administrative leave, or have taken time off on their own account. By doing extra work for the construction companies they earn the money on which they live. The construction companies using this type of organisation of activities can pay the workers a little less, as they have the opportunity to make good use of the labour force.

From the point of view of the economy, labour resources are being redistributed but not in a planned way by the state. This constitutes a real 'movement' of labour. The workers' labour books remain at the factories and government statistics still count them as workers of the factory: in reality they work, produce and receive wages at other workplaces, in other industries and sometimes even have their own factory. In this way the 'national self-organisation' of the economy is taking place. The market mechanism of labour redistribution is thus taking form.

Workers, by not being sacked from their enterprises, help their enterprises to 'survive', sometimes helping them to get through very complex, difficult times and sometimes dragging out the process of stagnation of unprofitable production.

These processes hinder the state's or government's management of the economy. The government's economic policy is possible on the basis of certain formal criteria or statistical data, and when a non-institutional redistribution of the labour force occurs informally, the realisation of a specific economic policy is further complicated.

We would like to end on a hopeful note. A feature of the Russians' nature is that they have always known how to survive. Conditions are changing now and survival has become even more difficult and complex. However, the means of survival in present conditions have increased. In addition, we believe that the strategies described above reflect a more inventive approach to the survival of the Russian people. Many of the methods described are not traditional methods. We would like to believe that in the struggle for survival the Russian population will be at least as inventive in the future as they have been in the past. In any case we are very hopeful that the Russians, using their historically developed keen wit and cunning, will find new methods of survival and prosperity.

## 6. Employment Policy in an Industrial Enterprise

*Tanya Metalina*

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This paper is concerned with employment policy in industrial enterprises over the period 1991–4, based on our collaborative research in a series of industrial enterprises in Samara, Moscow, Syktyvkar and Kemerovo. We are concerned with a series of questions, including: how has employment policy in enterprises changed over this period? What form has the process of redistribution of labour within the enterprise taken? What are the reasons for retaining a substantial surplus of labour within the enterprise, when the volume of production has fallen so dramatically, so that most of the workers have nothing to do? The paper is based primarily on the experience of research on employment which we carried out in the joint-stock company Prokat where, in order to retain the labour force in conditions of a decline in the volume of production, a special structure was established — the ‘Department of Free Personnel’. The fieldwork in Prokat was carried out primarily by myself and Pavel Romanov. Unless otherwise stated, quotations are from interviews which I conducted myself. The aim of the paper is not to draw general conclusions, but only to describe the processes observed in Prokat during the period of research.

For a long time enterprises such as Prokat, which were part of the military-industrial complex, enjoyed much more favourable economic conditions than other enterprises. They always represented an example of stability and prosperity. Prokat is one of the largest producers of aluminium rollings in the country, employing over 22,000 people in 1988. For a long time it was a monopolist in the supply of a number of its products. In the Soviet period it was always considered to be an exemplary enterprise, visited by numerous Soviet and foreign delegations as a model of its type. The factory supplied its products to more than 7,000 customers in all the republics of the former Soviet Union and to 25 foreign countries. Negative tendencies at Prokat were already becoming apparent in 1989, before the stable and prosperous

situation was shattered by galloping inflation and the breakdown of economic links in 1992, forcing the enterprise to cut back its production. Demand fell sharply in the face of increases in the price of the product. By the summer of 1992 production had fallen by 30 per cent in comparison with 1989, and production for 1993 was less than a quarter that of 1989, falling a further 30 per cent in the first half of 1994. All of this could not but have an impact on the employment policy carried out by the enterprise. It is this aspect of its activity that became the subject of our investigation.

## THE SOVIET PERIOD

The Soviet period of industrial development was distinguished by the stability of state orders, and therefore the stability or even the growth of the volume of production. Every enterprise tried to obtain the greatest possible number of workers, always using its reserve of labour power to manoeuvre in conditions of uneven production. The enterprise also needed additional numbers to carry out agricultural and construction work, assistance to the city in the improvement of public services and many other kinds of work which seemed to have nothing to do with industrial production, but which the enterprise had to carry out for various reasons. As a result up to one-third of the complement of staff of practically every enterprise were made up of such 'superfluous' people. As a rule, alongside the maintenance of surplus posts the enterprise experienced a high level of labour turnover among its low-skilled workers, and often did not have enough of them. Unskilled and low-skilled workers were in demand at nearly every enterprise. It was even more difficult to find good specialists. They usually worked for many years in the same enterprise and would only leave it for very important reasons. Such workers were not only in a position to find work easily in any factory, but would also be lured with offers of privileges and extra payments on top of their wages, above those which the worker enjoyed at his existing workplace. The state guaranteed everyone a job, so the loss of a job was no tragedy, and hands were needed everywhere, but especially in industry.

The periodic campaigns to cut the labour force, which took place from time to time, did not change the general picture. 'Theoretical workers' were cut — they always had some 'dead souls' for this purpose, and 'living' workers were merely redistributed, so that two-

thirds of those supposedly laid off in fact remained in the enterprise, where most people were offered a choice of one or two similar jobs. This often did not require even a change of occupation or any preparatory retraining. Even when some enterprises were required temporarily to cease recruitment (there was no recruitment in Prokat at the end of the 1980s), vacancies remained for low-skilled workers, and they would be filled by those punished for disciplinary offences. These were the jobs which had always been filled 'from the street'. This was the period in which there was an absolute dearth of labour, when every enterprise had a list of vacancies and at the same time maintained a complete 'army' of surplus people.

## EMPLOYMENT IN THE ENTERPRISE IN CONDITIONS OF REFORM

The radical changes in the Russian economy have had a far from positive impact on the labour market. The structure of the economy is inadequate to the demands of the market. The uncompetitiveness of the products of most enterprises in conditions of an open market, and the extremely low efficiency in the use of labour, give rise to a crisis of employment and the appearance of unemployment, which in the past was identified as an integral part of a capitalist economy.

Economic reform in Russia has led to a significant fall in the volume of production, which has induced the enterprise administration to begin to reduce the number of employees. From 1991 on many enterprises gradually began to get rid of vacancies. As a rule the superfluous people were not officially made redundant, but the enterprises tried to deal with the problem of surplus labour through natural wastage, sometimes by pushing employees into voluntary redundancy (by moving them to lower paid jobs, or jobs with worse working conditions), sometimes resorting to moving workers from one enterprise to another. Thus in one of the shops in Prokat we got to know a group of cleaners. Three of them were women who had previously worked at another factory. Their section in that factory was closed as a result of conversion, and the surplus skilled workers were recruited by other enterprises in the city which at that time needed machine-operators. Thus the women came to Prokat. But then cuts began here too, and again they were not dismissed, but transferred to unskilled and, obviously, lower paid work. But even here they did not feel secure,

because they were all pensioners, some on the grounds of age, but others because they had worked for the required length of time in harmful conditions.

They will get rid of us first of all, there is no work for young people, why should they keep pensioners? (From a conversation with a group of cleaners 23.02.92.)

Nevertheless, in 1991 very few people were made redundant in the enterprise. The problem was resolved basically by reducing existing vacancies, scarcely affecting 'living' people.

In 1992 the collapse of the USSR, and the associated breakdown of economic relations, caused a further decline in the volume of production and made it impossible for the factory to provide work for all its workers. However, the management was in no hurry to get rid of its potential unemployed. At this time the most widespread response was to send people on administrative vacation, with reduced pay, or no pay at all, and to work a reduced working week. Workers were often assigned to work on improving the premises of the shop or on construction work. At the beginning of the shift they sometimes did not know what they were going to be doing that day, or whether they would be working at all. At the planning meeting before the shift the foreman, as a rule, would distribute the work, trying to place the workers so that they would take turns in doing their normal job and, alternatively, doing subsidiary or construction work. At that time there was not really any problem in finding work for auxiliary workers since equipment needs regular servicing even if it is not working at full capacity and the old equipment needs extensive repair. This meant that it was usually core production workers who turned up doing the subsidiary and construction work. And, although such a state of affairs gave rise to more and more dissatisfaction on the part of the workers, nobody said anything about this openly for fear of ending up without any work at all (observation at morning *planerka*, 17.03.92, Irina Kozina and Tanya Metalina). This is what a senior foreman had to say about this:

Yesterday at last they sent us a cleaning machine, and I sent the women to collect and load it. Not one of them complained, as they really should have done, although the work was very dirty and had no relation to their official responsibilities. They went off without a word and worked for three hours. In the past even to make such a proposal would have led to terrible conflict the

whole day long, and to persuade them to do it I would have had to bribe them and maybe also resort to threats. (Interview 2.02.92.)

Until 1993, despite the considerable fall in production, the enterprise management refrained from carrying out what would have been a deeply unpopular redundancy programme. The administration did all that it could to maintain employment, although it became increasingly difficult to keep up production capacity.

The workers earnings fell, and this hit the main production workers especially hard, often earning less than auxiliary workers. People increasingly feared for their jobs, and managers at different levels responded to expressions of discontent or demands from the workers with a single phrase: 'If you don't like it, get out'. The job had become valuable.

## 1993 — NEW POLICY, OLD PRACTICE

Until 1993 the numbers employed fell gradually and smoothly. In 1991 they fell by 330, in 1992 by 908. The factory administration did not want to see any revolutionary transformations. During 1993 the course of events changed somewhat. By this time the enterprise had already been privatised as a joint-stock company, the distribution of shares had been completed and preparations for the first shareholders' meeting were well under way. In these circumstances the administration announced its intention of moving from an employment policy that guaranteed every worker a job to a policy based on economic feasibility. A senior management group, headed by the executive director for economics, on the basis of an analysis of the economic situation, determined the level of capacity working expected for the factory as a whole and for each of its subdivisions for 1993. And since a further fall in the volume of production was considered to be inevitable, because of the reduction of demand for the finished product and the insolvency of customers, the programme anticipated the reduction in the number of jobs and the number of employees in accordance with the fall in production. This analysis concluded that the number of people employed had to fall by 2,880 by the end of the year. One result of such an action would have been to increase the pay of the remaining workers. However, this plan was from the beginning very unpopular among the workers. Unemployment had begun to turn from an abstract

fear into something very tangible. The administration of the joint-stock company realised that conflict would become an integral part of such a programme:

Who is going to want to find themselves without a job of their own free will, especially when the majority of enterprises in the city are also laying off surplus hands? (Interview with head of Personnel Department, 15.08.93.)

## MANAGEMENT PLANS ...

The management of the joint-stock company planned to accomplish a number of important tasks in the process of reducing the number employed. The first was to rejuvenate the enterprise (at the beginning of 1993 the labour force included 2,500 people above retirement age). The second was to clean out all the drunkards and violators of discipline. The third was to reduce the number of women. This last task was not identified in a single official document but, in private meetings with management and members of the administration, it was mentioned more than once. The fourth task was to put a well-qualified worker in to every job by removing low-skilled workers.

According to the plans of the administration, the process of redundancy should have proceeded as follows. The directorate would draw up an initial calculation of the numbers to be reduced in each subdivision and would send the subdivisions their estimated figures for the reductions to be achieved, broken down by quarters. The heads of the subdivisions would take these figures, together with a list of pensioners working in their subdivision and the production programme for the year, and would then have to decide which workers they needed to fulfil the plan, and then get rid of the surplus people. Only hard-working skilled workers should remain. The result of this activity should be a redundancy order for each shop, after which those who were to be made redundant would be notified and invited to go to the factory Redundancy Commission. The enterprise director ordered that retraining courses should be established within the technical training department to make it easier for those made redundant to secure subsequent employment. All those who wished to do so could attend these courses for two months, to be trained in specialisms which were in demand in the city's enterprises, while retaining their earnings in their normal place of work.



The chiefs of the subdivisions knew perfectly well how unpopular this programme would be, how many tears would flow, how much conflict there would be. After all, loss of work means the loss of all the means of existence. Thus the process of redundancy did not take place quite as it had been anticipated.

### ... AND REALITY

The order to prepare redundancies in the company was issued in April 1993. The order included a particular formulation with regard to the pensioners:

Employees who have reached pension age are offered the opportunity of retirement in connection with the reduction of jobs.

In the shops this proposal was regarded as humane (although not, of course, by the pensioners themselves):

You see the pensioners have already got a basic minimum so that, poorly, meagrely, they will survive on their pension. (Interview with senior foreman, 2.02.92, Irina Kozina and Tanya Metalina.)

In addition they have a number of privileges. The factory pays a lump sum to everybody who retires, together with quarterly payments which depend on their length of service in the enterprise. Moreover, all pensioners can buy groceries at subsidised prices in the special factory shop, and they retain the right to receive passes from the trade union for the sanatorium and holiday centres on the same basis as employees of the enterprise. Nevertheless, not all pensioners wanted to retire.

If a pensioner whom the shop commission has offered the chance to retire, does not want to do so, his job is eliminated. (Interview with chief of shop department of labour and wages, 25.10.93.)

Many pensioners faced the choice between retiring of their own free will, and receiving all the benefits on offer, or going on working until they are sacked with two months pay.

Some pensioners, of course, will be kept on, but only hard-working highly skilled specialists. (Interview with shop chief, 27.04.93.)

For example, one of the mechanics was a highly skilled turner, who in fact did all the work for the entire brigade of repairmen. He was long past retirement age, and had already been offered the chance to retire twice, but both times the brigade succeeded in keeping him.

Some employees who had reached retirement age left the factory for a well-earned rest immediately after the issue of the order, but the majority of the older workers left with a heavy heart, despite the benefits they had been offered. Some of them could and still would have worked, but it seemed that they were not needed. And many of them simply could not imagine being outside the factory in which they had spent their whole lives.

The situation was somewhat different with those who had poor disciplinary records. They had never been respected. The normal disciplinary sanctions for offences were the loss of bonus, loss of holiday pay, the disapproval of workmates but only in extreme cases dismissal. If it was a first offence, or if the offender was a meritorious or *kadrovye* worker, the collective could petition for him to keep his job. But now the situation has changed. Drunkenness at work, absenteeism, and other disciplinary violations now result in dismissal in most cases.

As a result, twice as many people were dismissed for absenteeism or turning up for work in a state of intoxication in 1993 than in 1989. This does not by any means imply that there has been any increase in such offences, but only that the attitude to them has become much more strict. For example, in 1992 497 of the 500 recorded cases of absenteeism or drunkenness in Prokat resulted in dismissal, with only three people keeping their jobs (Report of Personnel Department on Discipline in Prokat, 1992). The workers themselves have increasingly frequently become the instigators of the dismissal of offenders. The administration actively took advantage of the situation that had developed, since it provided a real chance to reduce numbers by methods which were socially approved by the collective.

In these conditions many women felt abandoned. The personnel manager was blunt:

The work in our factory is far from being women's work, and the workers themselves know it: this one is on maternity leave, another is off sick, a third has a certificate. And they will cut jobs such as controllers, laboratory assistants, cleaners, cloakroom attendants, and these are basically women's jobs. (Interview with Personnel Manager, 15.08.93.)

According to the head of the department of labour and wages in one of the shops, they will also get rid of women working at heavy men's jobs, press operators for example, since there are now a lot of men in the factory with this speciality (interview, 25.10.93). Even at the beginning of 1993, when far from everyone had realised that the once prosperous giant could no longer provide all its employees with work, the women were the first to become anxious. Women of pension age became keen to take their pensions, rather than waiting to be asked. Women in skilled but physically heavy work quietly began to look for other jobs for themselves, taking the place of women workers who were retiring. For example, in one of the shops they closed one of the furnaces in July, leaving nine women annealers without work. However, they had known about the decision the previous winter, so the women were ready for it. Five of them did not wait for official redundancy but transferred to another shop on their own initiative, while three took their pensions. Only one of the nine women tried to stay in her job, and she was offered a transfer to a job as a cleaner. She is a single parent, bringing up four children on her own, and turned to the trade union committee for help. The president of the trade union committee and the foreman discussed the matter for a long time. The foreman had to draw up various documents: a certificate of her qualifications (her qualifications were low), the basis of the transfer (the closure of the furnace), a reference for her:

Her qualifications are low, she does not show any particular enthusiasm for work, she often takes time off sick, the work is hard, and the furnace is having to be operated by two women instead of three. Nobody in the brigade wants to work with her. They keep her only because they take pity on her because she has children. And so now we have found her a job in the shop, she certainly won't get a job anywhere else. (Interview with shift foreman, 11.08.93.)

The end result was that the woman lost her job all the same and became a cleaner in this shop.

There has been practically no recruitment of new workers to the factory. Occasionally they take on auxiliary workers — fitters, electricians, welders and so on, but only if they are highly skilled with a faultless labour book. Vacancies and replacements are filled by those threatened with redundancy elsewhere. 'We turn away women who come to the personnel department in search of work at once, without even looking at their labour books', said the deputy head of the personnel department in an interview (08.09.93).

## MEANWHILE, BACK IN THE SHOP

The number of employees fell steadily, but not quite in the way it had been planned. A striking example of this is the shop in which we carried out our research. According to the company's order the number in this shop should have been reduced by 258 people. The shop management calculated how many people were needed in each section, and the surplus people were subject to redundancy. After this the power to select people for dismissal was passed to the middle managers, to the foremen. The foreman himself had to decide which people the section could not do without, and which people were superfluous. The foreman, who has worked in the shop for decades, who knows everything there is to know about every one of his workers and is familiar with all of their problems and misfortunes which he has been accustomed to thinking of as his own over many years in the job, had to decide to whom to issue redundancy notices the next day.

All this is not right. The administration should issue the notice, even if it is on the recommendation of the foreman, it has to be their decision, and not the foreman's decision, but they tell the foreman in advance, you decide yourself, but I have to work with them. (Interview with shift foreman, 7.04.93.)

The foremen in their turn, trying to avoid responsibility for deciding the fate of their workers, shift it to the workers themselves, taking the problem to meetings of the shifts and section for resolution. And because the threat to their jobs has become real, and nobody wants to find themselves without work, the simplest way of getting rid of competitors was their dismissal on the basis of a decision of the brigade as a whole. This was easiest with those with a poor disciplinary record, the attitude to whom had become one of intolerance — this was a chance to reduce the numbers without waiting until they sacked you. In the past it was mostly young workers who had not yet acquired a trade who were sacked for disciplinary offences (it was considered that for them this should be a lesson), while all the sins of *kadrovye* and high-skilled workers were, as a rule, forgiven. But now neither their skill nor their authority could save them, the brigades got rid of every offender with a feeling of some relief. In some cases collectives casually threw experienced *kadrovye* workers out of the factory gates.

However, in general the shop was in no hurry to reduce numbers, relying on natural wastage. And although times were hard, people did move, fell sick, transferred to other jobs. At the end of the year the

head of the department of labour and wages of the shop reported that they had achieved the necessary reductions without having had to make any compulsory redundancies.

Yes, of course, fewer people left voluntarily, but people did leave, it is a shame to say it, but every new letter of resignation made us glad. (Interview, 25.10.93.)

She herself kept a precise record of everybody who left.

Throughout this period discussions of future redundancies did not cease. The 'invitation' of the factory administration to those beyond pension age to leave voluntarily, dismissals of those who violated disciplinary regulations and endless rumours provided direct and constant confirmation that the situation was serious. Throughout the summer, against the background of hysteria worked up around redundancy, numbers kept constantly falling by natural wastage. Workers of various trades and various skill levels left, young and old, men and women, undermining the plans of the administration to implement an active policy of restructuring the labour force. The head of the Personnel Department said:

The cut in numbers is happening quietly here, we are not using compulsory methods. People are leaving the factory, although fewer than in the past, and we sack people with little ceremony for disciplinary violations. At the same time we have cut recruitment to a minimum. The number of industrial personnel is falling. We still find jobs for the majority of employees, often with lower pay, involving a move to a different trade, another post, in many cases lower skilled work, but in any case it is better than throwing someone on to the street. (Interview, 15.08.93.)

The July shareholders' meeting decided that the gentle methods of reducing numbers should be abandoned in favour of a strict policy in the sphere of employment, such as had had no place in the enterprise in the past. In September a new order was issued, instructing the chiefs of subdivisions to cut the number of employees by a further 1,170 people by 1 November (and not by the end of the year, which had been the date specified in the April order). The order specified the number to which every subdivision had to reduce its staff through redundancies. (The hopes of the chief of the shop's department of labour and wages that the numbers would be achieved by natural wastage were not justified; in their shop more than sixty people were issued with redundancy notices.) Everybody selected for redundancy received,

alongside their redundancy notice, an invitation to come to the factory Redundancy Commission.

The Commission was created in order to monitor the legal correctness of every dismissal, to explain their rights in this situation to each person, and to help those dismissed to find work. (Interview with deputy chief of personnel department, 8.09.93.)

The Commission offered those identified for redundancy a list of vacancies in the factory. For women these were basically low-paid jobs as 'junior service personnel' (MOP); for men they were ancillary and auxiliary jobs. During October the Redundancy Commission sat almost every day. Then the lists of those made redundant were passed to the trade union committee for approval, although this was a purely formal step since the trade union had already agreed to the redundancies at the equivalent meeting at shop level.

The new economic situation developing in the enterprise with the sharp fall in production, revealing a huge number of surplus people in the shops, had prompted the management of the company to take steps to correct or, more accurately, to soften it. A new employment policy, based on economic expediency, had been promulgated which threatened to lead to an avalanche of redundancies. But to many people's surprise this did not happen. As so often in the past, practice did not correspond to policy. The reduction of employment, as an integral part of the new economic policy, was proclaimed by the management of Prokat, but at the level of the shops it was avoided in every way possible, with a complete reliance on natural wastage, with the retirement of working pensioners, the dismissal of violators of disciplinary regulations, and the ending of recruitment. In August 1993 there was an order to withdraw from all contracts with small enterprises and co-operatives working with the enterprise (there were by then more than 100), with the aim of transferring redundant workers to this work. More than 300 people were retrained and redeployed in the course of the year, while 500 new jobs were created in connection with the expansion in the range of consumer goods produced and the growth of production for export. Most of those who were declared redundant were found jobs in their own or another shop, or in the factory's social and welfare establishment. Alongside the reduction in numbers, there was an intensive redistribution of labour within the framework of the enterprise. Usually the new work was less highly skilled and less well paid than the previous job but, nevertheless, having got such a job the

workers were in no hurry to give it up because the fear of losing their job remained. As a result of all this only 533, rather than the 1,170 envisaged, were sacked. Those who were thrown onto the street, apart from pensioners and absentees, were the least skilled employees, adding to the growing army of unemployed. Meanwhile, the enterprise found itself short of the most highly skilled workers, particularly in auxiliary occupations such as electricians and welders, and recruitment had to begin again, although only those with high qualifications and experience and faultless labour books were taken on.

## THE CITY LABOUR MARKET

In the Soviet economy there were three main sources of supply of labour. The first group comprised those who were beginning their working careers: graduates of schools, technical colleges, high schools, demobilised soldiers following military service. The second group comprised people who were returning to work after a long voluntary or enforced break in active participation in the labour force (for example, housewives who had been out of work for a long time, some pensioners, invalids). The third group comprised those who were voluntarily changing jobs, in which case we are dealing with normal labour turnover (V. Gimpel'son and V. Magun, 'Uvolennye na rynke truda: novaya rabota i sotsial'naya mobil'nost', *Sotsiologicheskii zhurnal*, 1, 1994). Everyone who was looking for work went directly to the personnel department of the enterprise or organisation, and used personal contacts, if they had them (apart from those leaving educational institutions, who were directed to particular jobs). In the offices of the local executive committee there was a labour recruitment bureau. In conditions of universal labour shortage their functions were mainly registration, primarily serving particular marginal categories of the population, for example minors, who could only be recruited through a formal directive from the bureau, demobilised military personnel, released prisoners, and drunkards who had been repeatedly dismissed. Apart from this, these bureaux were responsible for mass mobilisation for various shock construction projects, to work in remote regions of the country. In the recruitment bureau a list of vacancies in local enterprises was kept. In these bureaux inspectors from the personnel departments of factories needing hands worked on

certain days, usually recruiting unskilled general labour. However, the services of the recruitment bureaux were very rarely used by those seeking new jobs. According to research at the end of the 1980s, only 5 per cent of those seeking work intended to turn to such bureaux for help, the majority of people preferring to find work independently. (I. Zaslavskii, M. Moskvitina, 'Kto ostalsya za porogom prokhodnoi?' *Sotsiologicheskie issledovaniya*, 1, 1989).

For a whole series of reasons, a labour market in the full sense of the word did not exist in Russia in the Soviet period. Enterprises were almost always closed systems and it was only possible to get in 'off the street' for unskilled general labour. The majority of enterprises had great difficulty in recruiting high-skilled workers, since it was only unskilled and low-skilled workers who ever presented themselves at the factory gates.

Today the industrial recession has revealed a huge quantity of surplus labour. The state Employment Service is concerned with the distribution of labour resources, and private labour exchanges have also just begun to appear. They have secretly divided responsibility for the hire of workers between themselves. The state Employment Service takes responsibility basically for recruiting workers for basic occupations, keeps account of the unemployed and is in charge of unemployment benefits. As a rule the people who come to the Employment Service are those who are least competitive in the labour market, with little self-confidence, often lacking sufficient qualifications and training, looking either for a good job with high pay or for unemployment benefit. Private employment offices help high-skilled specialists, those with scarce specialisms, and senior managers to find jobs. This is often done on a competitive basis and for fairly large fees, as against the free and usually ineffective help in seeking work offered by the state Employment Service for this category of employees. Prokat uses the services of both the state Employment Service and private employment agencies, with both of which it has concluded contracts.

## THE SYSTEM OF PERSONNEL MANAGEMENT AND THE INTERNAL LABOUR MARKET

Considering the size of the enterprise which we have been researching, in our view it is entirely appropriate to use the term 'internal labour market', meaning by the term a system of personnel manage-



ment within a single enterprise, a system of norms and institutions established within the enterprise, ensuring the normal reproduction and effective utilisation of labour.

Unemployment and the reduction in the number of workers in industrial production, although it has not yet reached a significant scale, has become a significant factor in the social mobility of workers within the framework of the factory.

A large enterprise, and particularly one belonging to the military-industrial complex, has a rather closed structure, with its production, subsidiary economic activities, and its social, welfare and cultural facilities. This involves a huge quantity of jobs and a full spectrum of occupations and professions with the most varied skills. The 'closedness' of the system encouraged the existence of a labour market internal to the factory, and the penetration of this labour market from outside was limited. They always preferred 'their' people to people 'from the street'. Often one of the main criteria in recruitment to a job was not the profession, nor the professionalism of the applicant, but 'belonging' to the enterprise. In this case great significance was attached to the length of service in the given factory, kinship with existing employees, or even simply their recommendation. Labour dynasties were encouraged in every possible way. An employee whose husband or wife also worked there could, as a rule, expect extra privileges. High-skilled personnel were tightly bound to their enterprise by the existing system of privileges (queues for housing, kindergartens, for the purchase of scarce goods, credit, personal additions to pay, privileges for pensioners and so on), so that if they wanted to change jobs they would not leave, but would look for another job there, in the same factory. It was precisely these workers who formed the basic skeleton of the factory's collective, mobile only within its framework.

Voucher privatisation has tied the workers even more tightly to their enterprise. The overwhelming majority of them invested money in buying Prokat shares, often without nourishing any illusions about this novelty, but hoping to secure their position in the event of redundancies. During the period of privatisation there were rumours that those who bought shares in Prokat did not need to worry about any threat of redundancy. Against the background of increasingly strong rumours about impending unemployment the owner of shares, in the opinion of the workers, would have a better chance of saving his or her job. Moreover, once the shareholders had received their first dividends,

however miserly, the fact alone reinforced the hope that this would not be the last time.

All the moves within the factory normally took place spontaneously. If the worker was not content with his or her existing job for one reason or another, he or she could find another more suitable one without leaving the factory. Most often, the person who intended to move to another job went around all the shops that interested him or her, asked about vacancies in the factory's personnel department, often used connections with managers at a whole range of levels (the higher the person's status, the more important are personal connections in the selection of a job and in recruitment, Zaslavskii and Moskvitina, *op. cit.*). Information about vacancies in the various subdivisions was regularly reported on the factory radio and in the factory newspaper.

The aim of a transfer, as a rule, was to find better working conditions, higher pay or a way out of a conflict situation. This was the basic state of affairs in enterprises in conditions of acute labour shortage. If, despite all this, the person decided to leave the factory, the personnel department would without fail plead with him or her to stay, offering a job with better working conditions or higher pay. The chiefs of shops and services were always ready to take on a good worker, even if they had nothing for him or her to do: somebody from the shop will retire or leave and a place will be found for the new worker. If in the end somebody left of his or her own free will, or was sacked, for example for drunkenness or repeated disciplinary violations, or had to leave the enterprise for other reasons, it would not be particularly difficult for him or her to find a new job at least as good as the one he or she had before. The most mobile were the young workers who had still not 'found themselves' and did not have enough experience of work, and also the least qualified and least disciplined layer of the workforce, and it was precisely these groups who appeared outside the factory gates on the external labour market.

## STRATEGY OF REDUCING NUMBERS

Today in many enterprises there has been a significant reduction in production, but they still retain a surplus of labour. The result of such a policy is the comparatively low level of unemployment in Russia in the period of reform, in comparison with the countries of Eastern Europe. In Russia the reduction of the labour force has proceeded

much more slowly than the reduction of production. For example, in Samara, which is one of the largest industrial centres in Russia, registered unemployment in 1994 stood at about 2,500, 0.33 per cent of the population of working age (780,000 people), at the same time as it had become normal at virtually every enterprise in the city for workers to be sent on administrative vacation because production had been suspended. Thus in September 1994 up to 78 per cent of the labour force was on administrative vacation in some factories (data from Samara regional statistical service).

If in the past it was the state which guaranteed a job, in the new conditions employment policy has in practice become a matter for the enterprise. It has come to depend completely on the evaluation of the developing situation that is made by the senior management of the enterprise, and how they see the resolution of the problem of employment.

The deepening economic crisis, which Russian industry has confronted for the first time, caught enterprise management unawares. Difficulties in paying wages, work stoppages as a result of the absence of work, warehouses overflowing with products, an inability to find customers on the disorganised home market and a lack of competitiveness in the world market, led to utter perplexity and an inability of managers to orient themselves to the situation, and then to passivity and anticipation of positive changes. It is difficult to decide to restructure and to rationalise production, especially because the memory lives on of the days when one could live comfortably on money handed out by the state. And the hope of new state orders still flickers. Managers of military-industrial enterprises experience the absence of state orders particularly harshly, because conversion is the main reason why they have to cut the volume of production. Gradually the first shock has passed, and the directors of enterprises are beginning to understand that something has got to change. Their first decisions partly softened the situation, and helped them to hold out for some time, but did not change the situation radically.

## THE POLICY OF PATERNALISM

In the majority of enterprises that we have studied there are strong paternalistic tendencies. They are particularly evident in those factories headed by directors with long experience, who have devoted their

whole lives to the factory. They more than anyone feel responsibility for all their children, and so the orientation to the preservation of employment rests on stereotypes of paternalistic management behaviour. We have often heard arguments about the employment policy conducted in the enterprise, in which the labour collective is put forward as the supreme value, supporting the need to preserve it by any means, sometimes even contrary to economic necessity.

Superfluous people are also our people, they have worked in our enterprise for many years and it is a shame to throw them over the fence. On the one hand, 'a shame', on the other hand, 'dangerous', when there are no jobs at other enterprises and the sacked appear on the street. (Head of a Moscow enterprise, quoted in V. Kabalina and T. Metalina, *Sotsial'nye mekhanizmy politiki zanyatosti na rossiiskom predpriyatii*', *Mirovaya ekonomika i mezhdunarodnye otnosheniya*, 7, 1994.)

Sometimes this simply becomes absurd. At Prokat, for example, in the context of cuts in the industrial workforce, it is laid down that all vacancies in the non-productive sphere must be filled only by former employees of the factory (that is, those laid off). For this reason the housing construction organisation and the housing maintenance and repair department of this factory face a catastrophic shortage of caretakers, fitters and so on because they are low-paid, so nobody will take these jobs from the factory, and it is impossible to recruit from outside. (Interview with chief of housing construction organisation, 26.10.94.) Despite funny things like this, alongside vacancies, as a rule in low-paid jobs with few prospects, particularly in the non-productive sphere, the enterprise as a whole has excess numbers, often not knowing what to do with the workers, and sending them on administrative vacation.

## REASONS FOR MAINTAINING EMPLOYMENT

Why does the management of the enterprise not hurry to get rid of the surplus of labour, when it finds itself in new conditions, having lost its grants and subsidies, had conversion and privatisation imposed on it and is faced with a falling market and the need to reduce the volume of production? The fact of the matter is that it has no interest in carrying out radical changes, for a whole series of reasons.

First, it is important to note that maintaining labour has become cheaper than it was in the past, the share of wages in the general costs of production in 1992–3 having fallen below 12 per cent (at Prokat it amounts to about 8 per cent).

One of the reasons for continuing to maintain a surplus of labour is the need for a reserve of labour which can be used to react rapidly to fluctuations in production which are inevitable in an unpredictable crisis situation since enterprises do not have a sufficiently flexible system for the training and retraining of staff. For example, in the Kemerovo enterprise Plastmass, in which the declared priority was an economic rather than a social approach, according to which the optimal number of workers was determined by the anticipated development of the enterprise, the number of employees was reduced by one third in 1992. However, the negative consequence of this strategy became clear within a year, when the enterprise found itself critically short of workers when there was a very small growth in the volume of production (Kabalina and Metalina, *op. cit.*). We saw exactly the same thing in one of the basic shops at Prokat, in which the numbers had been cut almost in half as a result of the fall in production over the previous two years. Then, with only a very small revival of production in the autumn of 1994, the shop management had to recruit workers from other subdivisions to come and work in the shop. It turns out that it is worthwhile for the shop to hold on to its skilled workers, even if there is no work for them at the moment, but they will be needed if work arrives in one month or six months time, since it takes several years to produce experienced machine operators. It is not enough to have a trade, it is necessary to have independent experience of the mastery of the equipment and the tricks of the trade, and that cannot be acquired in a year (interview with senior foreman, 26.05.93).

The present system of taxation also promotes the preservation of the labour force. The enterprise incurs an excess wages tax on all payments from the wages fund in excess of an average of six times the official minimum wage per employee. If the enterprise keeps on workers at low wages, or sends a large number of workers on administrative vacation with minimal payment, it is able to pay higher wages to the remaining employees, or more often selected groups of them, and particularly higher management, without incurring the punitive tax. It is certainly no accident that at many enterprises the income of senior management is kept a strict secret, provoking a mass of rumours among the workers about their size.

Thus the administration keeps workers so as to avoid having to pay higher taxes, which at the same time allows it to present itself as charitable in the eyes of the workers, by continuing to pay those who are not in fact working as a result of the difficult economic situation.

Apart from this, the surplus of hands in many enterprises is used to put disciplinary pressure on the workers, as a means of controlling them. The fear of losing a job puts the administration in the position of being able to manipulate the labour force. This is why in many enterprises in which surplus labour has been kept on, the workers' discontent has not been expressed in open conflicts. As a rule they try to resolve all their problems related to redundancy, pay and so on without making a fuss, using personal connections wherever possible.

If in the past the internal labour market enabled people to improve their working conditions, increase their pay or social status, or change their working hours, without having to leave the enterprise, now it is used in most cases to preserve one's job, often at the expense of a deterioration in the employee's situation in the factory. Thus the majority of people who changed jobs within the enterprise in this period moved to jobs with worse working conditions, lower pay, and often lower social status.

The majority of enterprises, having refused to contemplate radical cuts in the labour force, reduced numbers primarily through natural wastage, and try to hold on to a reserve of labour using traditional methods.

For example, at Prokat recruitment ceased but people continued to leave at the rate of up to 200 a month. Fewer than half those who left the factory under the heading of 'redundancy' had actually been made redundant, the remainder having left voluntarily (interview with head of personnel department, 12.6.94). The Redundancy Commission, established under an executive order in May 1993, and still flourishing, was able to offer the majority of redundant employees other work, either in the factory itself or in its social and welfare apparatus. However, many workers were reluctant to take these jobs, particularly if they had previously been in high-skilled jobs and were conscious of their value, in which case they would tend to leave the enterprise if their new jobs were not more or less equivalent to those that they had had to leave.

## DEPARTMENT OF FREE LABOUR

There are no other enterprises in the city comparable to Prokat, many professions are unique to the enterprise and simply to find good specialists is a problem. The management has serious plans for the future — contracts with Western partners, widening the market for sales, establishing joint ventures. The volume of production will increase, but where will they find specialists if they have been dispersed?

This was why to hold on to high skilled workers who are temporarily surplus to requirements, the Directors' Council of Prokat adopted a 'new personnel concept with a change in the structure of personnel management'. This is the so-called 'zero employment variant'. The president of the trade union committee defined 'zero employment' thus:

This is when employees are removed from the process of production and brought together into an independent department to be drawn into work as required.

The idea of paying workers who are not engaged in production was borrowed by one of the staff of Prokat after a visit to East Germany, where the problem of unemployment became particularly acute after the unification of the country. There the municipal employment centres not only registered the unemployed, paid out unemployment benefits, and found them permanent jobs but also, whenever possible, placed them in temporary jobs. It was decided to reproduce this experience in Prokat at the level of the enterprise: it was decided and it was done.

In January 1994 the Department of Free Personnel (OSP) was established on the model of the German municipal employment services, but within the framework of a single factory. The department was required to keep an account of the people temporarily without work in the factory and wherever possible find them temporary work, and to select candidates for retraining for new trades or professions required by the factory. Those on the books of the OSP would receive an allowance at the rate of 50 per cent of their basic wage or salary. The department was subordinate to the executive personnel director of the company with equal status with the personnel department and the department of technical training.

The new department had a staff of ten, and was divided into three sections: a section for labour market research, a section for work with staff and a section for the organisation of work.

In May 1994 the next redundancy order was issued. This contained a new feature which we had not come across before. This was a recommendation to managers of subdivisions 'to send to the Department of Free Personnel no more than 50 per cent of the employees subject to redundancy'. Not everybody could be directed to the department, but only the high skilled specialists without whom the shop would not be able to manage if the volume of production were to be increased. And this was not the only requirement: women sent to the department should be no older than 40, men no older than 50, those sent should take with them a character reference provided by the shop and they would also have to attend a medical board and prove that they could carry out heavy physical work. In the view of the chief of the OSP, a worker should think hard before agreeing to be sent to the department. The work which the department could offer would almost certainly be of lower skill and certainly physically demanding.

Each subdivision was supposed to send to the OSP a report form, with information about all the employees sent on administrative vacation (not later than two days before the vacation). These employees must be entered into the records of the OSP. If at that particular moment they can find work for one of them then, instead of going on vacation, he will work where people are needed. If this work is paid less than the person receives in his or her normal place of work, he or she will be paid his or her average earnings. If the job that is offered does not correspond to the qualifications of the person in question, or if the person does not want to take it, he or she has no right to refuse it since, according to the administration's rules, they have the right to transfer somebody to other work, in the case of production need, for a period of up to three months even without his or her agreement. If there is no work at that particular time, the person is sent on administrative vacation, but is required to report to the department twice a week. And when he or she shows up the department can recall him or her from vacation. Thus the enterprise can, without drawing on those engaged in temporary work, load work onto those who have no work at all.

The department is also responsible for studying the demand for labour for temporary work in other enterprises. If the latter have temporary vacancies, the administration of Prokat will conclude an



agreement with the administration of these enterprises to supply labour to fill the jobs. There had already been one such example, when an agreement was concluded with the railroad, which provided work for around 80 people and the railroad paid Prokat for this.

All these measures were designed to preserve high skilled workers in the factory and, in the case of an increase in the level of production, rapidly, and without any special expense, to fill all the jobs with the specialists which many enterprises have already lost.

This was how the work of the new department was planned, but life introduced its own amendments.

At the end of August 1994 there were not 10 but eight people working in the OSP: two jobs had been cut. During this whole time not one person had been sent to the department. The fact was that the main burden of this round of redundancies had fallen on the shoulders of the pensioners of whom there were more than 2,500 in the enterprise. Up to August more than 600 pensioners had left while other people had left voluntarily so that, as before, most of the redundancies had been achieved by natural wastage.

Since pensioners were not suitable for the department as free personnel, it turned out that there was nobody to register. Nevertheless, in August the first 25 people turned up in the department. Among them were workers with various trades, several crane operators and engineers. The Department of Free Personnel sent them all to work on auxiliary work in the construction shop, only two crane operators working at their own trade.

When I asked the head of the OSP whether any more employees would come to the department, he replied, without sounding very confident, that it was quite possible. It turned out that all those who had been transferred to work in his department had been given a one hundred per cent guarantee that they would receive jobs in their own trades and at their own levels of qualification. And they were told that they would only be without work temporarily, in connection with the reorganisation of production, and that within literally one or two weeks they would all be placed in permanent jobs. (Interview with head of shop labour and wages office, 12.10.94.)

Thus, over a period of seven months of its existence, a department of 10 people (later reduced to eight) had processed a total of 180 representatives of so-called free labour, all of whom had found jobs within one or two weeks. And now there is no confidence that any more 'free personnel' will appear in the immediate future, particularly

as the factory was expecting an increase in production up to the beginning of 1995 as a result of increased export orders. Indeed, today Prokat is the only enterprise in the city which is recruiting workers.

But the employees of the OSP have not been left with nothing to do. The department's main task has become the co-ordination of internal mobility within the factory. All information about the availability of temporary work in the factory is gathered here. The chiefs of subdivisions contact the OSP before sending their workers on administrative vacation, to try to place people temporarily in other shops for whom they have no work. In practice the department today serves as an intra-factory employment bureau. This is undoubtedly an important and necessary activity, if it were not for one snag.

There has been an internal redistribution of workers for as long as the factory has existed. Faced with a shortage of workers in the shops, the heads of the various subdivisions agreed directly among themselves about the recruitment of additional workers, borrowing them for a while from one another, since irregularity was always an integral part of Soviet production. Often managers at various levels would poach the specialists they needed from within the factory, sometimes enticing them from other shops with promises of better conditions. And they only took workers with scarce skills 'from the street', the personnel department only recruiting new entrants to the labour force. At the company Shar the practice remains to this day for the chief of the shop or production complex, faced with an increased amount of work, himself to go and see a worker who had previously left but who is needed again, and to ask him to come back to the job; the chief even knows what level of wage it is necessary to offer each person to persuade him to agree. All this was carried out informally, independently, without any need to employ additional people or spend money to do it (and in many enterprises it still continues to work like this).

At Prokat these processes have been formalised with the creation of the Department of Free Personnel. When no free personnel appeared, this department began to carry out the work which had previously been carried out informally by those people who had an interest in doing it. The executive director for personnel justified this thus:

Well, what does it mean that there are none of those for whose sake the department was created? When the duty brigade of repair-fitters stands around for a whole shift without any work, this is a good thing; it means that the machinery is working properly. The situation is the same here: if there is nobody in the department, it means that everything is in order in the personnel sphere.

The head of the OSP considers that the work which it actually carries out is equally necessary, that the movement of personnel in the factory has been put in order and that this question should not be dealt with by those who have quite enough to do without it, meaning the chiefs of shops. (Interview, 17.08.94.)

In the shops they consider that the new structure is relatively helpful. The reduction in the number of people in the shop led to a situation which should have been anticipated. One could only keep the minimum number of people required to maintain the production process with stable production and a constant volume of work. But when production is unstable, what would otherwise be the normal state of affairs only leads to additional problems. Even an insignificant revival of production leads to a situation in which everyone has to be mobilised, such as happened in one of the shops whose numbers had recently been cut by almost half. When the volume of production increased as a result of export orders, which now comprise 60 per cent of the entire production of the shop, it needed additional labour. Already in the autumn of 1994 the shop experienced a serious shortage of workers and, by the end of the year, it was short of 89 people having reduced the labour force by 102 people only in the spring. And this is the most interesting point. When there was still no work in the shop, four of the workers had been transferred to temporary work in another shop by the Department of Free Personnel. And when one of them had fallen ill, they all demanded a substitute in this same shop where, at this time, the volume of work had increased and to which the Department of Free Personnel had sent workers from other subdivisions. In the past this question would have been resolved extremely easily: if necessary, a telephone call from one shop chief to another was enough to get some additional workers or to get their own workers sent back. But now it is a real headache for the chiefs since they have to report vacant jobs and surplus hands to the Department of Free Personnel every day. Moreover, all of these figures are monitored by the OSP (one of the staff of the department visits a subdivision, assesses the amount of work and the demand for labour, not allowing any unjustified increase in numbers at the expense of other shops) and this all takes time and additional staff. (Interview with chief of the shop department of labour and wages, 12.10.94.)

The internal redistribution of labour is essential to the normal functioning of the enterprise. In Prokat the attempt to force it into an

official framework led to a situation in the factory in which the redistribution of labour began to take place, as it were, in parallel. On the one hand, this was dealt with by the OSP, increasing the amount of paperwork that had to circulate between the subdivisions and the amount of time it took to get hold of the labour needed; that is to say, the OSP did a job which had earlier been done no worse, but without any need for additional expense. At the same time the managers, in order to speed up the process, often reached agreements directly with one another in the old way, by-passing the OSP.

The redundancy campaign has come to an end and with it there has been a substantial reduction in the number of internal transfers. People try not to change jobs unless it is especially necessary. In the opinion of the chief of the OSP this is connected with the fact that uncertainty about the future ties people to their jobs. In the event of a further round of redundancy, which may strike suddenly, as a rule it will be the newcomers who will be the first to go.

Today this department deals with all questions related to the transport of workers to the factory (which was traditionally handled by the personnel department) and prepares the documents supporting the various privileges of the factory's employees. But its most important task today is the recruitment of specialists to the factory. Recruitment through the personnel department's advertisements nowadays is ineffective. Many people respond but these are predominantly women and workers who do not have the necessary qualifications, neither of whom are wanted. Every day staff of the OSP select required specialists in the local employment centres and maintain links with the commercial labour exchanges.

So, free personnel could not be found since the employment policy conducted in the enterprise itself excludes their occurrence. Despite the substantial fall in the number of employees over the last few years, the company management tries as far as possible to hold on to them. In the existing economic situation such a policy suits both the enterprise management and the workers. The mechanism created to hold on to the skilled workers does not work as it was intended, but it carries out a whole series of no less important tasks. Now that there is some revival of the economic position of Prokat, and the factory finds that it needs additional labour and begins to recruit again, nobody remembers anything about the free personnel. But who knows how the economic situation will develop tomorrow? What solutions will be demanded by

new problems? And maybe that which arose today will come to be needed tomorrow.

## 7. Changes in the Social Organisation of an Industrial Enterprise

*Irina Kozina*

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Industrial enterprises in Russia in the last few years have found themselves in an extremely adverse situation. Radical political and socio-economic changes in the country, the fall in the volume of production, changing forms of property of the majority of enterprises, structural reorganisation, the collapse of the factories' social spheres and the fall in the number of employees related to these changes, have all led to substantial changes in the internal social organisation of enterprises. This social organisation can be considered in terms of the social and professional characteristics of the industrial collective: its functional, demographic and vocational composition.

The functional division of labour signifies the division of the whole complex of work depending on the role and place of various groups of workers engaged in production. In particular, it refers to the division of the labour force into production workers, service employees, MOP (junior service personnel — a misnomer, since this category comprises cleaners, cloakroom attendants and so on, many of whom are older women), security, apprentices. These groups can be divided in turn into various subgroups depending on their functional attributes, for example, workers in main and auxiliary production, while the latter can be divided into workers servicing equipment, buildings and the territory of the enterprise, loading and unloading, transportation, managing stores and so on.

The demographic characteristics comprise the number and structure of staff in terms of age and sex. The vocational characteristics refer to the composition of the labour force in terms of training and education, but also in terms of grades and duties of their posts, including the number and composition of the management staff.

What do changes in the social organisation of the labour collective imply? In our view this refers to the manifestation of fundamental social processes taking place within the enterprise.

Within the labour collective changes have been taking place in the position and traditional social status of various social groups of workers. These processes are partly reflected in labour force statistics: in changes in the numbers and proportions of various professional groups. In particular, the significant reduction in the number of main production workers, a significant proportion of whom are highly skilled with long periods of service, the so-called *kadrovye* workers, has led to a reduction in the status of what was previously a highly privileged group of workers. The reduction in the number of skilled jobs may be taken as an indicator of the reduction in the proportion of skilled labour in the enterprise and the absence of demand for skilled workers, and so on.

## RESEARCH METHOD

The numerical characteristics reflect the formal structure of an industrial collective. Change in this formal structure is shown in the statistical reports of the enterprise, so the initial method of research is the analysis of the personnel statistics of enterprises over the past ten years. However, the real social organisation of the enterprise is largely defined by and composed of the informal system of relations between people, which does not conform to the official rules and instructions. These informal relationships are distorted to a greater or lesser degree in the statistical reports of the enterprise as a whole and of its separate subdivisions. This means that the use of statistical methods alone, without any examination of the methods of their collection, does not provide an accurate picture of the social changes taking place within the enterprise. It is therefore appropriate to supplement statistical data with the use of qualitative methods of research to get a deeper understanding of the processes that are taking place, which are often latent and are expressed only incompletely in, or are concealed behind, the statistical reports. These include direct observation and unstructured interviews with employees of the enterprise at all levels.

The present research was carried out, within the framework of our larger project, through case studies of three industrial enterprises in Samara, which belonged to the former military-industrial complex and which were of approximately equal size and with a similar social

infrastructure: the metallurgical company Prokat, the ball-bearing company Kol'tso and the tractor equipment company ZiT.

Of course a whole range of factors influence changes in social organisation in each of these factories, acting as both objective causes, such as the character of the products made, the economic situation and so on, and as subjective causes, such as the different management strategies of the administration of the various enterprises. Thus the analysis is restricted to the most general processes which are characteristic of all three of the enterprises studied.

## FEATURES OF STATISTICAL SOURCES OF INFORMATION, OR THE FIRST UNLYRICAL DIGRESSION ON STATISTICS

The basic sources of information about the social and professional characteristics of an industrial collective are the statistical reports produced by the enterprise. There are three basic types of such report. The first type comprises the social statistics which are prepared to characterise the social development of the enterprise.

The analysis of the social organisation of the enterprise was the traditional theme of industrial sociologists in the Soviet era. Changes in the social and professional structure of industrial enterprises were studied by factory sociologists and published in the annual 'reports on the fulfilment of the plan for the social development of the collective'. It was implied that the analysis of the social development of the collective should have some practical significance for the everyday practice of management of the socio-economic processes within the enterprise. There were branch standards and methods of carrying out such work. The social development plan of the enterprise contained, as a rule, a large number of very varied indicators: apart from the social characteristics of the staff, it included such factors as the provision of social benefits, cultural and health services, safety measures and so on. Unfortunately, as a rule, such research had more of an ideological than a practical significance. The reports on the fulfilment of the social development plan would record a steady year by year increase in the levels of qualification, training and all the other social indicators. The data for these reports were gathered by the social services of the



enterprise and were not noted for their accuracy since they were hardly used at all in practice. For this reason, this kind of data is of no use for comparative analysis and we try to find alternative sources of information.

The second kind of statistical reports of the enterprise in which the characteristics of the collective appear are the financial and economic reports. It is also necessary to take a rather critical view of this kind of report. In the first place, it is important to explore and to understand the reasons for the distortion of these data. To do this we analysed statistical data which is available at two different levels: at the level of the enterprise, we find the data which are reported to the state statistical service, tax inspectorate and so on; and at the level of the shop, where we find data intended primarily for internal use. At each of these two levels there is a certain distortion of the information as each of them acts according to unwritten rules of conduct. This distortion was systematic in the days of central planning but the 'transition to the market economy' has not by any means eliminated the reasons for such distortion which persists almost unchanged today.

In our view, the most reliable data are those gathered at shop level. The shop is the subdivision of the enterprise which is the primary organisation responsible for statistical reporting. At this level there is already some distortion of the information, a kind of 'primary generalisation', for many reasons, some of which we will consider in the course of our description.

The primary sources of statistical information are the time-clock and the norm-setters. This data is sent to the factory's department of labour and wages, which is a part of the factory administration, where the current records are maintained. The main forms of the shop personnel statistics are the 'Report of the Shop on the Fulfilment of the Labour Plan' (A2354); 'Actual Arrangement of Workers by Forms of Payment by Trade and Grade', and the 'Report on Expenditure on Wages'.

The shop as a social unit presents itself as a rather patriarchal-conservative community. Thus the statistical data is distorted 'for the good of the workers' in the shop. The foreman covers for the worker who does not turn up at work, the norm-setter pushes up the normed times, increasing the amount of work, since the pay-rates are low. The head of the shop bureau of labour and wages, for the same reasons, reshapes the vocational structure of the shop, for example changing grades and responsibilities so that as many people as possible can be

put onto 'hot scales', although these do not correspond to the real content of their labour. Such practices always existed in the past, and have hardly changed at all in present conditions. At the level of the shop the statistical distortions are not so significant, but 'a small untruth leads to a big lie'.

At the level of the enterprise there is a further distortion of the information, a 'secondary generalisation'. The reasons for the distortion of the data at this level are that the enterprise is an independent financial unit and a fairly autonomous social organism, with a specific significance within the city and the region. The political aspect plays an important role here: speculation with the local authorities and maintaining the public image of the enterprise. Personnel reporting plays a no less important role in questions of taxation.

Financial and economic reports are less accessible, but are more accurate than the statistics of the social services and the personnel department.

The final form of reports are those prepared by the personnel department. They are usually prepared as follows: records are kept of those recruited and those leaving the enterprise, and also of transfers within the enterprise from one subdivision to another or from one post to another. However, the personnel department data relates only to the 'official' numbers of people, corresponding to the authorised staff lists for the various subdivisions. Apart from the fact that these statistics suffer from the same defects as the financial and economic statistics, they are also less detailed and more ideologically biased. Since there has been virtually no computerisation of the personnel departments in our enterprises, they issue the information in such a generalised form, depending on the purpose of the request, that the divergences in comparison with the financial and economic statistics are so substantial as to cause only surprise. There is a general weakness of any kind of statistical report which is not connected with the calculation of wages. If the request for the number of personnel comes not from the accounting or planning departments then the subdivisions provide arbitrary figures which are graphically called 'semi-prepared'.

We can show the differences in the different sources by referring to data for Prokat since 1989 according to the figures of the personnel department, those reported in the 'social passport' and the 'economic passport' of the enterprise, each of whose coverage differs, and varies year by year:

*Total number of personnel in Prokat, 1989–94 (end year)*

Year	Personnel Dept.	Social Report	Economic Report
1989	22315	21679	22226
1990	22583	21454	22008
1991	22253	22253	21339
1992	21345	21345	20716
1993	19412	19983	19983
1994	17877	19453 (April)	17949

Nevertheless, the analysis of statistical data covering the last ten years does make it possible to identify certain general tendencies characteristic of all three enterprises studied.

## THE PROCESS OF REDUCTION OF THE NUMBER OF WORKERS

According to the general personnel statistics of the enterprises for the period from 1985 to 1994, the number of employees as a whole had reduced by 11 per cent at Prokat, by 27 per cent at Kol'tso and by 40 per cent at ZiT. In absolute numbers this comes to about 15,500 people. Such a conclusion is not surprising in view of the general reduction in the volume of production in enterprises of the former military-industrial complex, but the general process of reduction of numbers is of some interest.

According to the statistical data, the aggregate number of employees has fallen fairly smoothly over the last few years, which should mean that the processes would not have been too painful for the workers at these enterprises. But in fact the aggregate number working in these enterprises was very stable from 1985 to 1990, with the number going up or down in each of the enterprises within the range of 50–100 people a year. From the beginning of the 1990s there were no increases in staff in the enterprises and the number then began gradually to fall. At Prokat this process began in 1992, at the other two enterprises in 1990. There is a large number of different reasons for this reduction. To show the scale of these reductions it is necessary first to consider data on labour turnover. At Kol'tso, for example, labour turn-

over for 1993 far exceeded the level achieved at any time in the previous two decades, amounting to 24.3 per cent, as against 8.5 per cent for the previous year, 1992. During 1993 6,217 people left and 2,117 people were recruited.

*Total number of personnel in the enterprises, 1985–93 (end year)*

Year	Prokat	Kol'tso	ZiT
1985	21902	31414	
1986	22006	30324	10463
1987	21950	30941	10403
1988	22011	30944	10011
1989	22315	29959	9743
1990	22583	28784	9104
1991	22253	27942	8909
1992	21345	27014	8679
1993	19412	23228	6292

At all three enterprises a sharp break in the smooth process of reduction of numbers occurred in 1994: in Kol'tso the number of workers fell by 3,300 in the first five months of the year (a fall of 14 per cent over the previous year), while in ZiT the number fell by 2,387 — 28 per cent of the previous year over the same period.

In the particular shops in which we have carried out our case study research, the scale of the reductions was much larger than the figures which appeared in the general statistical reports prepared at the level of the enterprise as a whole. For example, in the shop in Prokat which we studied, the number of workers had been cut by 42 per cent; in Kol'tso by 46 per cent. Of course, one shop is not a basis on which to generalise for the enterprise as a whole but, nevertheless, we can ask why do such significant differences arise?

One reason for this is the redistribution of the labour force that has taken place from the productive to the non-productive sphere. We can explain the mechanism of such mobility using the example of Prokat. In Prokat, all the staff of the social and welfare sphere were retained within the enterprise in the course of privatisation (this was not in general the case elsewhere). The employment policy conducted by the administration of the enterprise was fairly typical of defence enterprises, one feature of which was the attempt to create its own kind of

internal labour market, sending redundant workers to any other work available within the framework of the enterprise. This was possible thanks to the high level of development of the social infrastructure of such enterprises, which was a legacy of the socialist period. All of the enterprises studied have subsidiary economic activities, food processing plants, housing construction and maintenance departments, and a whole social and welfare apparatus. Now the enterprises have a large number of problems in maintaining this apparatus. Nevertheless, for the moment they provide a certain number of jobs which can be filled by former basic production workers, since recruitment of labour from outside has practically ceased. There has therefore been an active transfer of workers within the enterprise from basic production to subsidiary activities, food processing, construction and so on. There are various mechanisms by which such transfers are arranged, including in Prokat the special 'department of free personnel'. However, such movements are not fully reflected in the statistics, since the people may officially remain in their former jobs and be working only temporarily elsewhere. Such movements take place officially according to the orders of the shop for a period of one month, but they can then be renewed month by month. As a rule such transfers are to lower skilled and lower paid jobs, and do not appear in the general factory statistics.

The other reason is much more complex, and is connected with the well-known phenomenon of hidden unemployment. Neither the statistics of the municipal employment service, nor the general personnel statistics of the enterprise, provide any real indication of its scale and this means that they do not give any indication of the real reduction in the number of workers in the enterprise either. One can only get any understanding of the scale and significance of this phenomenon by turning to the shop statistics, which have only been through the 'primary generalisation', and so are more accurate than the general statistics of the enterprise.

## SHOP PERSONNEL STATISTICS, OR THE SECOND UNLYRICAL DIGRESSION ON STATISTICS

In the subdivisions of the enterprise, in particular in the shops, the number of workers is recorded in three kinds of statistical report:

1. The planned number of workers — this is an indicator left over from the days of the planned economy and represents the established number of workers, in relation to the authorised number of workers of all categories in that shop. In the past these figures were reported by the shop office of labour and wages, but nowadays these figures appear fantastic since, whether it was real or purely formal, the numbers would often not change at all over a period of many years.
1. The ‘actual number’ (still semi-official) — this is the number of workers actually present in the shop for the particular accounting period (the calendar month). Now that many enterprises are working short-time, a short working week and sending a large number of workers on administrative vacation, this figure is very misleading because to be included in these figures it is enough for the worker to turn up to work for one day in the month. In the shop in Prokat they try to share out the amount of time spent on administrative vacation among as many workers as possible. This is done in the interests of ‘justice’, each production section taking its turn (the only exception being the managers). This means that the recorded number of workers in the shop is practically identical month by month, even though the shop might be stopped for a large part of the time. The ‘actual number’ is an important indicator for the enterprise, since it is the basis on which such financial accounting indicators as the ‘average number of people working in the enterprise or organisation’ are calculated. This indicator has a very substantial impact on the amount of tax incurred on account of excessive payments from the wages fund, which is levied quarterly from enterprises. According to the current tax legislation, average earnings paid by the enterprise in excess of six times the minimum wage (the minimum wage currently standing at only 20,500 roubles) are subject to taxation. Thus the exaggeration of the indicator ‘average number of people working in the enterprise or organisation’ is a widespread practice. Small firms retain a number of ‘dead souls’, recorded as receiving the minimum wage, so that they can pay the remaining workers more.
1. The final indicator in the shop accounts is the ‘reduced number’. This is calculated by dividing the general amount of working time into the amount of time actually worked. It defines a theoretical number of people who have worked a full working month. This in-

indicator is the closest to the real level of employment. It appears in the financial accounts of the shop, but the figures for the enterprise as a whole are practically inaccessible.

The scale of latent unemployment can be defined by the difference between the two indicators, the 'actual number' and the 'reduced number', and can be illustrated by the following examples:

In the ball shop of Kol'tso out of 115 people (the actual number), the equivalent of 61 people really worked a full month (the reduced number). In shop 3 of Prokat, at the same time, the equivalent of 503 of the 719 people worked a full month. Similar indicators can be cited for each month of 1994.

Of course, it is not really legitimate to compare the figures from one shop with the figures for the enterprises as a whole but, by looking more closely at the way in which these figures are created, it is possible to provide an approximate indication of the deviation of the data statistically reported from the real situation. In our view the number of workers is exaggerated in official statistics by at least 30–40 per cent. This explains the discrepancy between the success depicted in the official statistics and the almost complete absence of people from the shops that we observe when we visit.

## CHANGES IN THE FUNCTIONAL STRUCTURE OF THE ENTERPRISE

The reduction in the number of various categories of people proceeds unevenly. The first tendency in the changes in the functional structure of the enterprise is a change in the ratio of shop floor to white collar workers. The latter category includes managers, specialists and clerical workers, that is, the whole of the managerial apparatus.

The share of administrative personnel in the enterprise amounts to approximately 15–20 per cent of all employees. This relationship is changing slowly and in general not to a significant extent, although in the direction of an increasing proportion of managerial employees. In Kol'tso over the past ten years they have increased from 15 to 20 per cent of the total, in ZiT from 17 to 22 per cent. Unfortunately, on the basis of the statistics it is difficult to identify changes within this group since, in only one enterprise, are the senior managers classified as a

distinct group; in the others they are, in different years, variously classified as ITR and so are mixed up with the specialists, or in the category of white-collar workers and so mixed up with clerical workers.

The increase in the proportion of managerial staff is to be explained by the constant restructuring of the managerial apparatus. New services appear: marketing, external relations and so on. The tendency to give a large amount of independence to subdivisions leads to the formation of new layers of management — for example, the amalgamation of several shops into a single production complex is accompanied by the creation of a new management structure.

The relatively small figures for the increase in the share of managerial staff shown in the general enterprise statistics do not really correspond to reality. If we return to the shops involved in our case studies, we find that when the senior management sends down an order to reduce the numbers of personnel this order includes a specification of the proportion of workers and management staff to be laid off. What does the shop management do? In shop 3 at Prokat, according to the order, the post of shift foreman was abolished, apart from the foremen responsible for basic production. However, in practice all remained in their jobs. They transferred the foremen to workers' jobs with additional bonuses for carrying out their duties as foremen. Thus, in the accounts of the shop, and consequently of the enterprise, the number of managers fell and the number of workers increased although in fact the number, functions and pay of these people did not change at all.

The second tendency of change in the functional structure is change in the relation between main and auxiliary workers. The most significant reduction in number among all the various categories of worker has been among production workers in basic production. In Kol'tso their number has fallen by 40 per cent, in ZiT by 50 per cent.

The relation between main and auxiliary workers in basic production began to change in 1989–90. In Kol'tso in 1989 the relation was 50–50, but from then it began gradually to change. Within the general reduction in the number of workers, the proportion of auxiliary workers increased, so that by 1994 they comprised 56.2 per cent of the total. In ZiT the share of auxiliary workers rose by 2 per cent. In reality, however, the number of auxiliary workers, that is, those workers responsible for the maintenance and repair of equipment, increased much more than this. This is related to the ageing of the equipment.



Despite the fact that virtually no enterprise is recruiting workers, there are always vacancies for skilled auxiliary workers who can repair and maintain equipment. The pay of skilled auxiliary workers already exceeds that of main workers. And despite this, there are still not enough auxiliary workers, so the basic workers — machine operators — have to maintain and repair the equipment themselves. This is another reason why the shop management prefers not to dismiss main workers, who have practically no work as a result of the lack of orders, but to use them for any other work around the shop.

There have been less significant changes among other categories of worker: it is not surprising that the number of apprentices should have fallen, by 10 per cent in ZiT and by 30 per cent at Kol'tso. The enterprises do not need new workers. However, one interesting fact is that despite the fall in most categories of worker, the number of security guards has increased; at Kol'tso, for example, their number has increased by one and a half times.

## CHANGES IN THE PROFESSIONAL STRUCTURE

The end in the steady growth of the skill level of the labour force in enterprises came around 1990–91. Since then the skill structure of the enterprises has remained virtually unchanged. One can find only small changes. Up to 1992 in Prokat, according to the statistics, the number of workers engaged in manual labour fell steadily. Since 1992, however, the proportion had increased by 10 per cent. The proportion of unskilled workers in the labour force increased by 5 per cent.

However, there is good reason to believe that the skill structure described by the statistics does not reflect the real amount of labour of various skills in the enterprises. In the shops in which we carried out our research the proportion of manual labour was much higher than appeared in the statistics. In particular, in one of the shops this is explained by the fact that the production of goods for export, which now accounts for more than half of the total output of the shop, requires more careful processing and packing. In the absence of appropriate modern equipment, the majority of these operations have to be carried out manually. Apart from those people who are officially responsible for this work, practically all of the workers, including the highly skilled machine-operators, controllers and so on, spend part of their

working hours attending to the work of packing, cleaning the premises, loading and so on. If there are no orders and main production stands idle, this work takes up virtually all their working time.

Thus, in the shops the proportion of skilled labour is falling, but the number of skilled workers remains what it was before and is even increasing. The indicator of the level of skill and the quantity of skilled labour have no relation to one another. The increase in skill, the conferment of higher grades occurs according to definite rules which do not by any means always depend on the real needs of production and the personal abilities of the worker.

## CHANGES IN THE DEMOGRAPHIC STRUCTURE

The source of information on changes in the demographic structure of the enterprise is the data of the personnel department. There is no data regarding age and sex in the financial and economic reports. There is similarly no such information in the shop reports.

According to the personnel statistics there have been no significant changes in the demographic structure of the enterprises. The relation between women and men is practically the same as it has been in all previous years. In Prokat it has not changed at all, in Kol'tso and ZiT the proportion of women has increased by 3 per cent. According to the statistics, there have been no significant changes in the relation between men and women in various categories of workers, with one exception: the apprentices. The proportion of women among the apprentices has increased on average between 15 and 20 per cent, and now amounts in Kol'tso to 90 per cent, in ZiT to 60 per cent. Because of the low pay men prefer not to come to the factory.

However, during a long period of observation of work in one of the shops in Prokat we could hardly help noticing one thing: despite the fact that formally the number of women in the shop had not fallen, in practice there were virtually no women involved in basic production. This was related, first, to the reduction of traditionally women's jobs: quality controllers, annealers, crane operators. Second, it was related to the fact that about half the main production workers (press operators and cutters) had practically nothing to do as a result of the fall in production. The majority of the workers who were temporarily idle were women (they comprise approximately half the number of main

workers in the shop). Some of the women were transferred from main production to other work, including work in other subdivisions, some were sent on administrative vacation. Apart from this, the redundancies in the shop had been conducted primarily on the basis of age, by removing working pensioners. Women prefer to hold on to their jobs, since most of the trades in the shop enjoy privileged pension terms. The women main workers are humanely allowed to stay on until they can draw their pensions, although in fact they are not working at their trade. We saw such a tendency last year, when the level of wages in the shop was relatively high. Now pay has fallen and some of the men have left as a result, so that women are being used again. In a shop in another enterprise, where pay has been extremely low for many years, women have been steadily taking over jobs which in the past were purely men's and their number is increasing. These fluctuations, which have been occurring in recent years, do not have a major impact on the relation between men and women in the framework of the enterprise as a whole, but the level of pay has a marked influence on the employment of women.

Thus, the combination of several methods of sociological research, in particular the method of documentary analysis (statistical reports) and qualitative methods (observation and unstructured interviews), allows us not only to modify the defects of each of them, but also to give a deeper understanding of the processes investigated in each enterprise.

## 8. A Miners' Town: From the Problem of Employment to the Problems of Personnel Management

*Inna Donova*

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This article has been written on the basis of conversations with the heads of personnel services in enterprises in the cities of Kiselevsk and Anzhero-Sudzhensk in Western Siberia, interviews with section heads of mines in Anzhero-Sudzhensk, press material and some internal statistics from coal-mining enterprises. The material was collected between July and November 1994 by the Kemerovo research group in the course of research carried out on behalf of the city employment centres and the regional department of labour and employment. The author expresses her gratitude to her colleagues Veronika Bizyukova, Petr Bizyukov and Elena Varshavskaya.

In the miners' towns and cities in the coal-mining regions the painful processes of closure of unprofitable mines are going ahead. Every step in the closure process, beginning with its first harbingers, entails huge social problems for the miners of these mines. However, the problems are by no means only those of the enterprises which are closing. Practically all the employment processes in crisis enterprises take place against the background of a particular situation in the labour market which is typical of small towns with a narrow industrial base (in our case the extraction and processing of coal). I will briefly identify a number of features of this situation:

- The structure of the town was traditionally determined by the employment of men's labour, and women's jobs were created artificially, without any particular attention being paid to their economic viability, but only to maintain the full employment of the population. As a result it was the 'female' enterprises that first

found themselves on the verge of bankruptcy and were the first to make mass redundancies.

- The presence of stronger and more stable social connections in small and medium cities, with close contacts between kin and friends. Observation suggests that this factor has a number of consequences: on the one hand, extensive connections support the traditional system of hiring friends and relatives, on the other hand, the beginning of the diffusion of forms of employment which are non-traditional in the locality will be promoted by the circulation of information and the involvement of circles of friends and relatives.
- The small number of enterprises in the town facilitates contact between their chiefs and the establishment of various informal agreements between them concerning employment policy, and also facilitates the circulation of rumours.

As a result of the influence of these factors in small and medium towns the labour market is formed in such a way that the features of the movement of people in one enterprise in many respects determines the situation in the town as well. Changes in the socio-economic situation of each enterprise taken separately can destabilise conditions and amplify migration processes within and between other enterprises in the town. On the other hand, the employment situation in the town at a particular moment begins actively to influence the particular management policies of specific enterprises, complicating or facilitating the management of personnel to determine the structure of the labour force in the enterprise.

Thus it is natural that at different levels of management, from the mine section right up to Rosugol', there are different approaches to the resolution of the problem of employment. In some cases the orientation of management is determined by features of the organisation of labour and production, in others by the demands of higher bodies to resolve in the first instance technical and economic problems. And almost always these orientations come into conflict with one another. Of particular interest here is the influence of informal management processes at the level of the subdivision on the employment situation at the level of the town as a whole, and also the mechanisms and tendencies of the movement of labour within the towns. In the framework of this

article we will also try to show how the employment situation influences the management of workers in enterprises in mining towns.

## LEVEL ONE: THE MINE

One of our pieces of research studied not simply the scale of redundancy, recruitment and replacement of workers at the mine taken separately, but also tried to find out the reasons for the corresponding orientations of middle managers. In interviews managers gave some explanations shedding light on features of the management of different categories of workers, and painted portraits of what they understood as 'good' and 'bad' workers. And despite the request of the researchers that they should define such workers in terms of such objective characteristics as age, qualifications and so on, in the end everything was reduced to the personal characteristics of the particular workers. This has led the author to reflect on the subject of 'employment-manageability'.

First, the orientation to employment of middle managers is defined by the lack of any desire on their part to make even the most minimal reduction in the number of employees, the only exceptions being the chiefs of the elite mechanised sections.

Above all it is necessary to note one rather well-known fact, reflecting the specific character of employment in coal-mining enterprises: however significant may be the reduction in the extraction of coal and in development work, the preservation of the mine as a whole and of its separate sections always requires a constant and significant number of workers. In other words, the drainage and pumping of water, ventilation and the control of gases, the maintenance of timbering and ties are always necessary, even if the mine is not extracting a single bucket of coal. Therefore the chiefs find it difficult to understand the connection between the reduction in numbers and the reduction in the general volume of work, and the clear fall in production does not reduce their internal opposition to redundancies.

The process of redundancy is also inhibited by the fact that the chiefs of production sections take the utmost care in relation to the sacking of even the most inveterate violators of discipline. They face a mass of both moral and industrial problems with the sacking of such workers. On the one hand, they sometimes have humane feelings of

pity for these workers and their families, who, if they were sacked, would lose their means of subsistence. On the other hand, any cut in the number of people in the shop, in the conditions which exist in many mines with a ban on recruitment, would lead (even if temporarily) to a reduction in plan indicators. It is true that individual managers have expressed the view that the mine administration, by preventing the free recruitment of workers on the one hand, constrains the renewal of the personnel of the labour collective on the other.

In the course of the research we found a significant divergence between the numbers of people on the staff list and the number of people who were registered as actually being in the sections. The actual number amounts to between 30 and 60 per cent of the registered number. This had always been the case, but in conditions of the disintegration of the staff and migration middle managers try all the harder to increase this difference, inflating or at least maintaining the registered number.

Another feature of the position of chiefs of subdivisions in the mine is their attitude to the replacement of workers and, more generally, to the turnover of staff in their sections. We should note once again that the intentions of the majority of chiefs about the replacement of this or that worker are influenced mainly not by the objective characteristics of the person due to be replaced (age, length of service) but much more by their personal characteristics in relation to their work. On being asked by the researchers about problems with the replacement of staff, the section chiefs first of all made a mental calculation of the number of absentees and layabouts and generally unreliable workers. Only then, and often only in response to prompting from the interviewer, did they reflect on other characteristics of the candidates for replacement. These other characteristics, however, were also spoken about from the point of view of the manageability of the workers. Miners with long experience of underground work were not referred to as being easy to manage — they are near retirement so have nothing to lose. Young people, on the other hand, also have nothing to lose, since they are not burdened by a consciousness of accumulated experience.

One should note that pensioners are really the first in line for dismissal in the mines. Moreover, their number in the enterprises has increased over the last few years. According to the testimony of one shop chief, miners used to take their pension around the age of 54 to 56, but now even 58 year olds will not leave. According to the most recent figures, the process of pensioners leaving work in the mines has

begun, with the payment of a sum of money for every year of service. Many of them hope that, having taken the money, they will be able to find another job, but this is now almost impossible.

The most desirable category of workers in the sections is those around 30–40 years old with about five years experience. There is a real shortage of unskilled miners and electrical fitters, although here again there is a contradiction because recruitment to the mine is basically of underground miners. And of course every section chief, like everybody else, wants to get hold of people who are already experienced by recruiting specialists from other mines, so as not to have to be bothered with any training on the job and not to have to wait for the future worker to go on numerous courses.

Incidentally, the system of training workers in the coal industry is pretty cumbersome, and in recent years has clearly undergone a crisis. Problems have arisen with the quality of training of personnel in many specialities: machinists, electrical fitters, explosives experts and so on. In many respects this is connected with the departure from the coal industry of good specialists. Speaking about their specific requirements in the recruitment of workers (or characterising ‘good’ subordinates), managers also refer to the presence of a family (which increases the manageability of the worker) and underlines the importance of a ‘soldier’s nous’, the worker’s quick-wittedness. This last feature has become especially important recently, when the catastrophic situation with the supply of spare parts and materials compels the miner to adapt to the situation in every possible way, to look for non-traditional methods of repair and operation of the equipment, and so on.

There are some differences in the personnel problems of shops of different types. In the basic shops the demand is for highly skilled workers, and the chiefs have some choice, but the chiefs of the auxiliary services would like to have above all workers who are not drunks, have some discipline and a basic desire to work. However, this situation can be linked to the prevalence in the structure of these shops of relatively low-paid categories of workers and the personnel problems linked to this.

There are also some specific features of the turnover of personnel which exist at the level of middle management of the subdivisions. The research programme was asked to determine the features and scale of the internal migration of personnel within the enterprise, that is the transfer of workers from one subdivision to another, and the atti-



tude of middle managers to these questions. It should first of all be noted that practically all transfers from one section or subdivision to another which are not planned from above are under the complete control of the chiefs of the production subdivisions. Without the agreement of the chief of the section the worker wants to leave, the chief of no other section in this mine will take him on to work. Voluntary transfers on the part of workers usually arise because of conflict with supervisors, or sometimes because the worker wants to find physically easier work, or to transfer from auxiliary to more highly paid sections. However, the latter is rare since the whole mechanism of transferring personnel 'from hand to hand' was and still is directed at the suppression of competition between chiefs for good workers. As the chief of one of the main sections put it:

Nobody will give back a good worker, and neither he nor I need a bad one ... And if they let a good worker go, it would only be from pity, if pay in that section is low, and the person has to support a family.

When a worker is recruited 'on the side' middle managers also play a crucial role, although in this case their hands are more tied.

In the past, when people came off the streets it worked like this: there was a deputy director for personnel, there was a distribution list by sections. They had a look at the worker. And then — 'go around the sections, if someone will take you, we will sign'. (Head of the personnel department.)

The section heads make the primary selection of the workers they need and the administration endorses their decisions, although it is true that they take account of the number of workers needed in each particular subdivision, corresponding to the status of the particular chief and of the subdivision as a whole. One of the most important reference-points of the section heads in selecting new workers are their labour books. They are wary not only of records of dismissal under various articles, but also the existence of records of a large number of jobs. In the opinion of those interviewed there are several different types of workers with a large number of entries in their labour books. The first type are 'those who like to skim the milk', moving from one section to another, from one mine to another, in search of the highest earnings available at any particular moment. A second type is the person looking for easy work, moving around the mine to find the right section. The third type is the 'developing, ambitious' type, who has a

lot of entries in his labour book, but the posts and sections recorded are in an ascending line, from the lowest to the highest, from easy to difficult. In general many of the chiefs questioned had their own methods of investigating the workers' labour books, giving them fairly full information on the basis of which to take their decision. Other things being equal, the chiefs would prefer to take workers from similar sections of other mines since, for the same profession, for example ordinary miner, the work in each type of section has its own specific character. In any case, preference is given to people known for their profession, and in the conditions of a small city this information is easily obtained, at least for workers in a trade with specialist skills.

Alongside the orientation of middle managers, the research also threw light on the position of the mine administration. They had been ordered from above to get the macroeconomic indicators of the work of the mine, production cost and labour productivity, to the necessary level dictated by the coal association. This determined the aspiration of the administration to reduce the number of workers as far as possible (basically at the expense of auxiliary workers), or to hide the number of particular categories of workers (these mechanisms were shady, and somewhat criminal). Expecting a counter reaction from the section chiefs, the administration undertook various subterfuges to achieve a reduction in numbers, such as: the director gave a section head an oral order 'to sack' absentees and promised in return to give him some good workers from another area. The delighted chief sacks his staff, but the director, referring to the need for redundancies that has now arisen, reneges on his promise. As a result the angry section chief is left under-staffed and with an irritated labour force, since now they have to do extraneous work (those sacked had sometimes done some of this kind of work).

The chiefs of the administrative services of coal enterprises are, on the one hand, concerned about these economic problems but, on the other, as people who are much closer to the realities of production, they are not willing to accept the costs associated with this. In connection with the reduction or chronic shortage of auxiliary staff in administrative departments, a fairly large volume of work is dumped on to the remaining staff which does not require their level of educational qualification, however discredited the latter might be. Again, this is quite advantageous for some — it is possible, by sheltering behind routine, for formally well-qualified workers to hide an often very low level of knowledge and competence. Thus it is pre-

cisely the surface ITR who understand the inevitability of a future rapid reduction in the number of people in the offices.

One should say something about the problem of the senior managers. A managerial leap-frog was typical of many enterprises, in which one can trace a large number of transfers of senior managers, often in a circle. The former director of one mine turns up as head of a large department or as section chief in another, and so on. After a major accident in a mine it is usual to punish the guilty party by demotion, so that there are many former administrators among the section chiefs, and among the workers and mine foremen there are plenty of former section chiefs. As the section chiefs explain, 'work does not happen here without disruption, but in any case heads roll'.

The main conclusion from the points discussed above is that there is a contradiction between the orientations of the administration and of middle managers. The basis of this lies in the low level of technology and organisation of labour. With the general demoralisation of the workers and reduction of discipline in such conditions the quantity of absenteeism increases, the skill requirements fall, and the middle managers try to keep the agreed (or possible) number of workers at its maximum, otherwise they might reach a situation in which only two or three people turn up for their shift. This contradiction is not really between particular people, but between economic necessity and the aims of a given type of production. Now it is very likely that events will develop in such a way that, with the continuation of the existing production situation, there will be cuts in numbers, to a planned degree (although this cut may take a hidden form), but approximately the same number of new workers will replace those made redundant. If steps will be taken to improve technology and the organisation of labour, labour turnover will be considerably reduced.

## LEVEL 2: COAL ENTERPRISES OF THE CITY

Recently the level of labour turnover in coal enterprises has significantly increased. This can be seen from the data from several large coal companies in Anzhero-Sudzhensk.

*Table 1 Labour mobility, 1994. ShU Fizkul'turnik.*

	Arrived	Left
March	14	102
April	17	67
May	22	85
January–September	315	616*

\*Includes 150 people sacked for absenteeism

In another mine administration, Sibirskoe, 653 people left voluntarily in the first nine months of 1994 and 508 people were taken on, that is to say, one fifth of the entire labour force was replaced, while 78 per cent of those who left were replaced by new employees.

According to the employees of the personnel service, this is an expression of a new tendency to seasonal work in coal-extracting enterprises — the flow of those leaving increases with the approach of summer. It is also noticeable that in summer it is mainly workers with relatively short service who leave. The reasons for this are that in summer production falls because of difficulties with sales, and people go to do seasonal work, they look for earnings on the side. In the most prosperous mining company in Anzhero-Sudzhensk in the summer of 1994 the section chiefs ordered a bus and took it into the city to gather their workers to go to work.

I will give you an example which is by no means remote — it happened here, during this summer. It had reached the stage at Fizkul'turnik that they literally had to go after people — nobody was at work. Because a person buys a sick note, or, whether it is true or not, claims that a relative is ill, or he goes on holiday, or he simply does not go to work. So they got a bus, and the section chiefs went and they fished out at least three people. They went into the town and brought people to the mine.

Since the closure of mines had already been announced in the cities in which we were researching, and there were rumours that other enterprises were being prepared for closure, the direction of the flow of workers is a direct reflection of the appearance of rumours or other harbingers of trouble.

Generalising, one can note some features of personnel selection of the enterprises in present conditions:

- First of all the enterprises carry out a policy of 'liquidation of vacancies' — i.e. cut almost all the vacant posts and stop recruitment to them.
- There is a tendency towards the termination of recruitment of people to coal-mining enterprises 'from the street'; transfers from other mines prevail. Apart from the traditional reasons (preservation of rights to vacation, length of service and other privileges), the popularity of transfers is explained by the fact that somebody transferring does not have to undergo medical examination, which many people, particularly elderly miners, are afraid of, for good reason.
- There is a concealed effort to squeeze out the traditionally 'low quality' types of labour — drunks, violators of discipline, the 'unmanageable' — and to replace them with people recruited from other enterprises. This is linked to a strengthening of the role of the chiefs of the primary subdivisions (in the mines these are the section chiefs) in 'luring' the people they need from other enterprises and correspondingly in freeing jobs for them by removing people they do not need. We should note that all these migratory processes occur without any registration in the offices of the local employment service.
- The extended non-payment of wages is often used as a way of squeezing people out of the enterprise, when employees are sent on compulsory administrative 'vacation'. As a result people have to leave the enterprise in search of any source of means of subsistence, and the jobs that they leave are liquidated. One such case was recorded in the regional press: 41 out of 100 skilled underground workers did not return from a three month compulsory vacation as they had found other work.
- The system of 'internal' migration in the enterprise has undergone some changes. When vacancies arise which have to be filled there is an increasing recourse to the transfer of workers from other subdivisions of the same enterprise. After a series of sideways moves people 'from the street' may be brought in, usually to fill minor vacancies in secondary subdivisions.
- As in the past, the system of hiring 'kin and friends' plays a major role in the mechanism of recruitment of people to the

enterprise, as a means of avoiding the recruitment of casual workers.

### LEVEL THREE: THE CITY

What happens at the level of the city? The number of registered unemployed in the coal-mining towns and cities of Kuzbass is still small, even in the towns expected to be hardest hit by closures — for example in Kiselevsk in July 1994 there were 900 registered unemployed, while in Anzhero-Sudzhensk they were numbered in tens. In general the composition of those registered in the offices of the city employment service probably does not correspond to the real, and still more to the potential, composition of the unemployed — for example, there are virtually no miners among those receiving unemployment benefit. The list of vacancies, which is also drawn up by the city employment service, similarly cannot serve as any indicator of the channels of recruitment of redundant workers since changes in personnel take place through direct links between enterprises (particularly within the framework of the coal industry) and the aspiration of enterprise chiefs to hold on to favourable vacancies for themselves.

The situation makes quantitative forecasting almost impossible, since the uncertainty of the economic situation of the majority of enterprises makes it impossible for their chiefs to pursue an intelligent employment policy.

The mass exodus of those made redundant into the sphere of construction, which had been anticipated in the past, has become much more problematic since the budget funds for industrial and residential construction have been cut, while the 'new' construction organisations, concentrating on individual house building and repair, demand primarily skilled construction workers. The main sphere of women's employment, consumer services, is underdeveloped in miners' cities and has been in further steady decline.

Changes in the employment situation at the level of the enterprise can have very serious consequences at the level of the city. The closure of even one enterprise leads to a strengthening of the migratory processes in the whole city. Through this there is a tendency to qualitative changes in the composition of both the employed and the unemployed. In the opinion of employees of the personnel depart-

ments in enterprises, the basic processes of recruitment and redundancy are taking place under the flag of the renewal of the composition of the labour force — getting rid of bad workers and taking on good ones. However, there are other factors which also restrain migration: people are not in a hurry to leave declining enterprises, even if there are more or less equivalent jobs available elsewhere, since they do not want to risk the chance of ending up unemployed, nor do they want to lose their existing social benefits. Many people stay on in their old jobs simply because they are close to their homes — the condition of public transport in the Kuzbass coal-mining cities is so bad that this is a very important consideration.

What are the prospects for those who nevertheless have to leave their enterprise or who look for work on their own initiative, for whatever reason?

The most 'problematic' categories of workers from the point of view of labour recruitment are the following.

- Young people without any work experience. This category causes the most concern among those who work in personnel services because in many cases their enterprises have not taken on graduates of the PTU (vocational-technical schools), and now these schools have closed down. The employment service has no idea where the graduates of the cities' high schools go — they are not to be found in the enterprises; virtually no young specialists turn up at the coal-mining enterprises, while the technical colleges send only students on practical placements.
- 'Narrow' specialists. In a small city footwear pattern-makers, for example, are doomed to unemployment.
- Women. On average women currently comprise 15 to 20 per cent of the labour force of coal-mining enterprises. Already, if they are made redundant they have virtually no chance of finding another job, even in another mine in the town. Moreover, in the event of mass unemployment experts anticipate that men are likely to push women out of even the traditional 'women's' jobs (in the mines these are on ventilation, lift operators, the lamp room, coal preparation and so on). At the moment these processes are held in check by the very low level of women's pay.

- Engineering-technical employees. The position of the ITR is changing because there is a large-scale reduction of jobs as a result of the reduction in the former volume of work, which is transferred to those who remain. In some places they end up with a reasonable work load, but sometimes it becomes unacceptably high. The consensus at a round table of specialists was that ‘nobody envies the ITR any more’.
- Pensioners are in a special category. In the Kuzbass coal towns there is a significant number of people who are ‘almost pensioners’, that is to say miners who have worked long enough underground to qualify for a pension and who want to continue to work somewhere in their own mine but doing easier work. The personnel services have begun to try to explain the situation to such people and to persuade them to give up work and take their pensions freeing jobs for young people.

We should note that in the case of the pensioners, as in other categories of workers, managers increasingly frequently appeal to the traditional feelings of duty of workers in a non-traditional employment situation: they call on people to work less, or not to work at all, ‘for the good of your native enterprise’ and its collective. As one of the mine specialists put it,

The director eventually said to me: ‘If you have absolutely no conscience left, then you can work this month’.

There are also some specific characteristics of miners’ trades in the labour market. Highly skilled miners with long work experience are the least inclined to transfer to enterprises in other industries. If they do transfer to other enterprises, they are usually recruited into jobs which do not make any demands on their special skills, but are well-paid — as loaders, for example. High paid workers from the auxiliary services find jobs in transport or in municipal services. In any case people look for work where the pay may not be so high, but they will be paid regularly.

The assessment of experts and our own questionnaire surveys show that the mobility of miners as a professional category is strongly impeded by their specific psychological aims. The overwhelming majority of former miners who have entered commercial activity have



suffered a fiasco, since they do not have sufficient connections, nor the 'particular psychological make-up', to do this work, being used to earning their living through heavy physical labour. Moreover, some features of the organisation of the miner's labour, particularly collectivism and interdependence, considerably hinder the attempt of miners to enter into other types of labour, and particularly 'setting to sea on their own'. However, in the view of employees of the personnel services of non-coal enterprises, the professional qualities of former miners are not in any way distinct from those of other groups of workers. And no preference is given to miners in recruitment; personal qualities play the most important role, other things being equal — disciplinary qualities, conscientiousness and so on.

The first closures of enterprises have not led to mass unemployment because reserves of 'working space' still exist. Thus one can anticipate that the scale of unemployment will be affected not only by the numbers of enterprises which close, but also the periods of time between the waves of redundancy. If the mines are closed gradually their employees may find work in other enterprises in the city with very little loss. The consequence of a more rapid development of events, on the other hand, may be simply catastrophic. This is partly because the city employment services are basically concerned with recruiting workers to the industries which are 'atypical' for the city, the processes of migration of labour in enterprises of the basic industries are under the practically complete control of the chiefs of those enterprises; partly as a result of the significant contradictions between the programmes of the employment centres and the real opportunities of the population for recruitment and retraining.

Several coal associations (for example, Leninskugol') have their own programmes for the creation of new jobs, although their possibilities are limited. At the regional level the efforts of the authorities to stimulate the creation or even the preservation of jobs are fragmented and inconsistent.

## CONCLUSION

The mechanisms of visible reduction of employment in the coal industry are the following: workers in declining coal enterprises try to move to safer mines, while those who are dissatisfied with their situation or

are dismissed leave the coal industry altogether. The main professional groups of workers in the coal industry — face workers and development workers — will mostly put themselves to the test of replacement and selection. Workers of universal trades will mostly be dissolved into the city labour market. Apart from this, in Anzhero-Sudzhensk, for example, there is a tendency for people to leave the city itself — people who feel the socio-economic clouds gathering over the city use any available means to get out. However, the real processes of replacement of low-quality labour have not yet gathered momentum, in general as a result of the employment policy pursued by the middle managers in the mines.

The main contradictions in the sphere of employment at various levels of management of the coal industry are these:

1. The policy of Rosugol', directed at accelerating the process of employment reduction without any technical or economic changes in the mines, to say nothing of the absence of any social programmes. This is effected by the application of measures from economic (application of productivity indicators in place of the former calculation of subsidy on the basis of numbers employed) to tough administrative (mine closure).
1. The position of the coal associations is based on the possibilities of manipulation of the distribution of the subsidy between enterprises and the correction of various indicators passed down from above. The administration of coal associations also acts as a buffer between the policy of Rosugol' and the interests of the territory, experiencing for itself the direct consequences of mine closures. We note that the critical situation with women's employment in small and medium towns in Kuzbass remarked on above means that the loss of miners' jobs implies the loss of the single breadwinner and will put a large number of families into destitution.
1. Mine administrations have to manoeuvre between demands for reductions in employment coming down from above and the impossibility of maintaining the level of production with a smaller number of workers. The fall in the level of production and the increase in production costs in every individual enterprise serves as the real basis on which Rosugol' takes decisions about the closure or preservation of mines.

1. The real processes of reduction have not yet gathered momentum, mainly as a consequence of the employment policy of middle managers in the mines, who have to ensure the normal level of labour-productivity of the technology with the support of the maximum possible number of workers. The exceptions are the relatively prosperous mines with a high level of mechanisation, where attempts have been made to upgrade and 'rejuvenate the labour force'. However, even there, reductions in numbers and the selection of workers appear only in the long term.

Thus, the specific role of middle managers, on the one hand, smoothes over the problem of unemployment in the city, but on the other it preserves the existing type of labour relations. Although justice requires us to note that in enterprises with active directors, who keep practically all of their managers on a short lead in the form of a short-term contract, section chiefs do not play such an independent role and have to follow the strict employment policy of their chief.

Another problem with this level of management has also emerged recently: the section chiefs' preferences are basically to employ workers in their early middle age, but this is just the category of workers who are actively looking for jobs for themselves outside the coal-mining industry.

In the final account the prospects for miners on the city labour markets are very unstable. The heads of non-coal enterprises are not so inclined to take on miners, particularly when one takes into account the fact that the first people to come to them are those drunkards and absentees who have been pushed out of the mines, since the good specialists can still find work in other mines. At the same time the miners cannot imagine themselves working outside their own professional sphere, and so try to find work if not at another mine at least in another enterprise close to coal so as not to lose their old connections. Thus virtually all the processes of labour mobility in the city take place outside the sphere of influence of the city employment service. However sad it is to realise it, the prospect of the conversion of Kuzbass into a depressed region looms. In the final account all the processes of migration between enterprises work towards one cumulative effect — women and the 'lumpenised' part of the male population will hereafter comprise the nucleus of an army of unemployed.

The position of middle managers has a significant influence on the internal turnover of staff in the enterprise and the selection of migrants

from outside, but in the final account cannot determine the scale and direction of movement of labour in the city — these processes are driven by more powerful external forces. They are driven but they are not controlled. This means that the process of outflow of personnel from enterprises is not regulated but takes place spontaneously. The process of job search and recruitment takes place equally spontaneously. The main regulator of this process is the administration of the enterprise, which can only act in its own narrow interests — selecting the most qualified, the cheapest and the most obedient workers. In conditions of a spontaneous market the possibilities of increased exploitation are considerably increased. Who will prevent the administration from taking on new workers at lower wages, or from forbidding the newly recruited workers from joining a trade union? What will happen to a significant part of the youth of the city? How can the city authorities check the wave of criminality among the lumpen-unemployed?

At the moment there are no clear answers to any of these questions, which is why further research into the problems of the labour market in small and medium cities is needed.

## 9. The Strike as a Form of Worker Activism in the Period of Economic Reform

*Vadim Borisov*

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Attempts to introduce economic reforms to the republics of the former USSR frequently encounter opposition on the part of workers. The forms of such opposition can vary from passive waiting to see what the future has in store, to active protest, the peak of which is a strike. The strike which began on 7<sup>th</sup> June 1993 in Donetsk is one example of the latter, and the focus of this article.<sup>1</sup>

This study is based on materials collected by the author in the course of the strike, including interviews with workers' leaders, tape recordings of statements by participants in the strike, of the negotiations with the two government commissions, observation (including participant observation) of the development of the strike and material from the local press. Having arrived in Donetsk two hours before the beginning of the strike, I was able to follow the whole process of its development, from the stoppage of the first mine to the subsequent outburst of spontaneous unrest; to participate in meetings and demonstrations, which gave an impulse to the institutionalisation of the strike, in the meetings of the newly created self-management bodies of the strikers, and in the negotiations with the two government commissions. Altogether I recorded 35 90-minute cassettes, so that what is presented to the reader here is only a brief exposition of the key points. I did not manage to remain an indifferent observer of the turbulent processes which were going on. But, as experience has shown, it is precisely through active participation that one has the opportunity of constantly being at the epicentre of events and in a position to describe

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<sup>1</sup> The fieldwork for this article was financed by the British Council as part of the author's postgraduate research. The strike has also been discussed from a different perspective in Vadim Borisov and Simon Clarke, *Reform and Revolution in the Communist National Park*, *Capital and Class*, 53, Summer 1994.

them in detail. In spite of the fact that such activism may perhaps give rise to an impression of subjectivism in the exposition, it has allowed me to avoid gaps in the narrative and to follow events through from beginning to end. Moreover, it provided the opportunity of describing the process from within. The reader alone can judge whether this material has been acquired at the expense of the purity of the research and at risk to my sociological innocence.

The reason for the strike was the massive increase in state prices imposed by the Ukrainian government, without a corresponding indexation of earnings. Since Donbass is a coal-mining region, the miners were the main driving force behind the majority of processes. The price of smoked sausage had been increased to 30,000 karbovanets a kilo, and that of semi-smoked sausage, which was the staple food of miners underground as the main component of their snap, was increased to 20,000 while the miners were earning 120–180,000 karbovanets a month, and this sharply increased social tension in enterprises.

The events developed as follows. On Monday 7<sup>th</sup> June the government announced an increase of between three and five times in the price of foodstuffs. At 13.30 the Zasyad'ko mine struck spontaneously.<sup>2</sup> The first shift, not knowing about the price increase, went to work as normal. The majority of the miners on the second shift found out about the price increase from their wives when they returned from shopping, and many from conversations as they travelled to work, while the few who did the shopping for themselves found out personally. People in the shops were angry at the stiff price increases. There were calls to loot the shops. The price of a loaf of bread had been increased from 58 to 176 coupons. The pensioners were in a particularly difficult position; prices had been increased, but they had still not received their pensions. One elderly woman cries in a shop: 'I have only 500 coupons left, but my pension is paid on 21<sup>st</sup> June. How can I survive?' Such pictures appeared at every turn. It was natural that the

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<sup>2</sup> The Zasyad'ko mine was one of the most prosperous mines in the city, from a material point of view. It was the only mine which had been transferred to leasehold. In the past it had had a cell of the Independent Miners' Union (NPG), but the mine administration was very strong. A lot of pressure was put on the trade union and the former NPG president was forced to leave the mine. At the time of the strike, according to the miners, twelve miners remained NPG members, although nobody could name a single one of them.

miners should arrive for the second shift angry and confused.

After receiving their orders for the shift, workers from several sections gathered near the mine's lift and continued to talk about the situation. The new director of the mine came upon the crowd standing around and asked why the miners were not getting down to work. 'What is the point of working?' 'We are not going to risk our lives for a piece of sausage' were the arguments of the workers gathered around him. Since the Zasyad'ko mine is the only one in Donetsk region which is leased, the miners asked the director if there was not something that he himself could do to solve their problems. The director answered with a refusal and began to explain why the government had increased prices. In that situation this signified that he was taking the side of the government and was trying to justify its actions. The consequence of this was a hostile attitude to him on the part of the miners standing around him. 'Can you imagine', one of them said later, 'he came to the point at which he said "There is nothing [with which] to pay pensions to the pensioners. They increased prices so that there would be something to pay them"' 'Well, until then you can do the work yourself', answered the miners. 'Let's go, lads', someone cried. The crowd supported the call and almost all of the second shift (excluding those who were engaged in work essential to maintain the face) went off to the building of the Kievskii district executive committee (interview with Aleksandr Stakhov, assistant chief of section 4, member of the Zasyad'ko strike committee, 11 July 1993).

The column of around 300 miners, which was spread along dozens of metres of Kievskii Prospekt, was observed from the windows of the editorial offices of the local newspaper by one of the journalists who telephoned to the city strike committee and the city NPG which occupy neighbouring rooms in the building of the coal concern Donetskgol'. Co-president of the strike committee, Mikhail Krylov, immediately went to the district executive committee building.

The leaders of the city NPG found themselves in a more difficult situation and telephoned around all the mines in which there were NPG primary groups. Within two hours practically all the presidents of NPG groups in mines in Donetsk city had gathered in the headquarters and given their views on the occasion of the start of a spontaneous strike. Despite the irritation of the leaders of the city NPG, who had

themselves been preparing for a strike in the very near future,<sup>3</sup> they decided to support the strike with all the forces at their disposal since, in their opinion, as the President of Donetsk City NPG Nikolai Volynko put it, the miners were exasperated and were running ahead of them in their desire to start the strike.

When the column reached the building of the district executive committee, the district leaders already knew what was going on. The chair of the executive committee, Rybakov, came out to the miners to hear their demands. But since nobody had prepared for a strike, their speeches were disconnected, their demands vague and indeterminate. Rybakov ordered that the miners should be given paper so that they could formulate clearly what exactly they wanted. In essence this was the first step in the institutionalisation of the conflict. The official structures emerged as the initiators of this institutionalisation, which is something that one can regard, on the basis of the experience of previous strikes, including that of Kuzbass in 1989, as the general rule. The representatives of power structures always prefer to deal with organised strikers, represented by some kind of elected body (usually in the form of a strike committee or initiative group), than with a disorganised crowd, which behaves spontaneously and unpredictably.

The miners, having gathered in small groups, began to put together their demands. At 15.00 Mikhail Krylov arrived and was actively involved in this work so that with his help the following list of demands was finally prepared by 16.00.

## DEMANDS

### Inhabitants of independent Ukraine

In connection with the increase in prices, and consequent reduction in our living standards, we can not and we will not die of famine.

#### WE DEMAND:

1. Immediate consideration by the Supreme Soviet of the reduction of the extortionate rate of income tax.

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<sup>3</sup> Some said this was planned for 16<sup>th</sup> June, others for 21<sup>st</sup>; the most precise information was that on 9<sup>th</sup> June the elections for the strike committee in the city of Makeevka would take place, which would meet on the same day to decide the date for the general action. It is interesting to note that the official trade union, PRUP, and the NPG had come together to form the strike committee jointly.



1. Review of the question of prices (the regional variation of prices and their astronomical level).
1. Consideration by the Supreme Soviet of paying wages, in the absence of sufficient cash, in the form of finished products with corresponding permission to sell them.
1. Consideration by the Supreme Soviet of a law requiring each citizen of Ukraine to declare his or her income.
1. To increase without fail the minimum level of pensions and wages to a normal standard of living.
1. Resignation of the Supreme Soviet, since the present body does not reflect the will of the people.
1. To cancel the decrees of the government directed at the reduction in the living standard of the citizens of Ukraine.
1. To introduce indexation of the people's savings.
1. Formation of a state budget from the bottom to the top.

After discussion in the city NPG, the presidents of NPG primary groups dispersed to stop their mines and join the strike. Members of the city strike committee telephoned to the trade union offices in the mines and asked them for support, turning both to NPG and to the official trade union. Where there was no reply from the trade union offices, they telephoned the mine directors and asked them to support Zasyad'ko. Since the mood everywhere was militant, and the directors found themselves in just as desperate a situation as the workers, there was no need to persuade anybody. However, on the first day not one mine, apart from Zasyad'ko, stopped completely.

As an example of the way in which events developed, we can look at the Oktyabr'skaya mine. Although, in contrast to the other mines, NPG is dominant here, the attitude of workers and management to a strike and their interaction around the question of whether or not to participate in the strike was typical of the majority of mines.<sup>4</sup>

Since NPG and PRUP had already called for strikes in February and in April, the trade union leaders had already tested the ground and knew how many miners were willing to strike. According to Georgii Babunov, president of Oktyabr'skaya NPG, the workers in the basic sections had long been ready to strike, while the mood in the auxiliary sections had been less resolute and they did not want to risk even the

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<sup>4</sup> The reason would seem to be the critical financial position of the mine: debts, fines, credits at 250 per cent per annum which it has had to take from the banks, and so on.

miserly amount that they had. 'But how will we live?', was the uncertain question with which they responded to Babunov's question of whether they would strike (interview with Georgii Babunov, 7<sup>th</sup> June 1993). However, the price increases had taken away even this miserable amount and rallied the miners in their desire to come out on strike.

Immediately after they had heard about the stoppage of work at Zasyad'ko Georgii Babunov met with the director of Oktyabr'skaya and asked him how he would react if the mine came out on strike. The director replied that he completely supported the miners' demands, but advised him to act cautiously, and first to visit the city strike committee, then the Kievskii executive committee, to find out exactly what was happening on the ground.

That evening, at the beginning of the third shift, Babunov had got back from the city and had got full information on everything that was happening. The miners coming on shift stood near the management building and were talking about the prices and asking 'how can anyone survive on this money?' The general mood of people can be summed up in a single phrase, 'something has got to be done', but everybody waited to see what the boss would say.

The NPG president and the mine director spoke to the workers gathered for a general meeting. The NPG president told the miners about the stoppage at Zasyad'ko, about the demands put forward by the miners and called for active support for the strikers. The director, following him, supported the demands, but proposed that they should not 'stand out, as in previous years, in the first row, so that others can climb onto your back', but for now should only send a delegation from the mine to the square. 'Then, if you see that it is serious, the whole mine will join the strike' (tape recording of meeting of third shift at Oktyabr'skaya mine, 7<sup>th</sup> June 1993). He read out the number of people from each section or service who could be sent to the square without any significant production losses, and proposed that the brigadiers should nominate specific people to go. With this the meeting finished. Everybody went quietly and in an orderly manner. People agreed that in indeterminate conditions this was the best decision.

Forty minutes later the miners, having changed their clothes, set off in buses provided by the director for the main October Square, where every strike since 1989 has been conducted. Before they left, the mine director got into the bus and told them that he had phoned around the other directors, and they had also agreed to send delegations.

In the evening, when the third Zasyad'ko shift and delegations from five other mines had arrived in the city square, representatives of the mines were elected on the initiative of the city strike committee, in order to consider 'for what we are striking', that is to say, to determine their priorities. After an hour's discussion, they adopted the proposal of co-president of the strike committee, Mikhail Krylov, to hold to three basic demands:

1. Regional independence
1. A referendum on confidence in soviets at all levels
1. A referendum on confidence in the President

The main argument of the miners in favour of giving priority to political demands was the following: 'I may earn 500,000 but from 1<sup>st</sup> July prices can once more be increased five times. If we do not resolve the political question, we will be sitting here again in three or four months time'.

On the second day strike committees began to appear in the striking enterprises and what had begun as a spontaneous strike gradually began to enter organised channels. A group of five people was elected from the mine representatives on the square (the representatives also elected Mikhail Krylov) to conduct negotiations on behalf of the city with the government commission, which arrived in Donetsk on the evening of 8<sup>th</sup> June.

The commission comprised eleven people, headed by the 'father of Ukraine's economic reforms', vice-premier Viktor Pinzenik, but refused to discuss the strikers' political demands, pleading that it was not competent to decide such questions. Following this declaration the initiative group representing the strikers decided to leave the room, since a decision had been taken in the square not to participate in negotiations around economic issues until the political questions had been resolved. Viktor Pinzenik, flatly refusing to speak to the miners in the square because of his 'lack of oratorical skills', proposed that the initiative group should present the strikers' economic demands. He assured them that there was no question of this being a matter of negotiation, but only of presenting their demands to the commission and discussion of them, 'since the government at least has to know what exactly you are demanding'.

After an hour of fruitless discussion between the government commission and the initiative group, the general directors of the coal

concerns of the Donetsk region and the directors of the large Donetsk enterprises came into the hall. The discussion took on all the characteristics of a production conference, although one could not say that it became any more specific. Earlier, in response to the complaints of the miners that they do not take any snap under ground any more because it is so expensive, and the rest of the population is on the verge of starvation, Viktor Pinzenik replied that he 'also earns 50,000 karbovanets'. Now, in response to the reproaches of the directors to put himself in their place, and to the very concrete facts showing that, as a result of the un-thought-out policy of the government, not a single prosperous enterprise remains in Donetsk region ('is it possible that there is not one intelligent chief in the whole of Donbass?'), the vice-premier demagogically declared that he would work in a mine with pleasure. Having decided that the commission was unwilling 'really to resolve the problems', the initiative group left the hall an hour and a half after the beginning of the meeting, having declared that 'these are not negotiations, we have not agreed anything with you and it is obvious that you have nothing to talk to us about'. There were also much sharper expressions (recording of negotiations of the strikers with the first government commission, 8<sup>th</sup> June 1993).

The directors who remained in the hall were confused for some time and did not immediately respond to Pinzenik's proposal that they 'continue the negotiations'. It was only after the mayor of Donetsk, Yefim Zvyagil'skii, who was present in the hall, said 'we will conduct the negotiations' that the discussions proceeded.<sup>5</sup> The directors formulated their demands, which were then considered by the government as the demands of the striking miners. Moreover, after the departure of the initiative group, the economist of the official trade union PRUP, who had pressed to be included in its membership, had not left the hall with the others, but took part in the subsequent discussions. This allowed Viktor Pinzenik to assert on Ukrainian national television the following day that 'representatives of the trade unions had participated in the negotiations'.

On 9<sup>th</sup> June speeches continued to be made from the microphone. It was decided to send representatives from the mines to Donetsk industrial enterprises to encourage labour collectives to link up with the strike. A demand was also sent to the President that he should speak on

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<sup>5</sup> Only two months before Zvyagil'skii had been director of Zasyad'ko mine. Three days after these negotiations he was nominated first vice-premier of Ukraine.

national television and so the square waited to see what the President would say.

The painful wait lasted for two days. Leonid Kravchuk only spoke on the evening of 10<sup>th</sup> June. In his 35 minute speech he did not even mention the events in Donbass, vaguely hinting at certain forces which use the differences between the western and eastern regions of Ukraine in their own interests. At the same time the people standing in the square understood perfectly well that the television speech of President Kravchuk was in response to their demands and represented his answer to the striking workers. The television set standing on the front steps of the city executive committee building was switched off, and the irritation which had been building up over the previous days poured out through the microphone. 'It is time to strike for real!' 'We must, so that they will hear us in Kiev!' was the leitmotiv of the speeches. Somebody gloomily noted, 'Those who have risen up have done the right thing. This government does not understand any other language'. The square voted for a decision to move on to a strict strike.

On Friday 11<sup>th</sup> June 202 mines were on strike in Donbass. After the previous days speech by Kravchuk the city strike committee put forward the demand that control be established over the region's banks to prevent them from transferring money to Kiev.

At ten in the morning around 60 enterprises were represented on the square. A representative of the city strike committee asked the collectives of the enterprises to select representatives to join the newly created co-ordinating committee. One hour was allowed for these elections. It was also said that to increase the massiveness of the strike movement they could close the roads, so that people would come to the square involuntarily.

At the same time the Second Conference of PRUP Ukraine began in the building of the Shakhter press centre, with around 240 delegates taking part. The conference had been arranged earlier, and coincided with the strike by chance. It was necessary to change the agenda, so that the first item was the report of the president of the republican PRUP, Konstantin Georgievich Fesenko 'on the present situation'. After discussion of the report, the delegates adopted a conference resolution which included reference to the declaration of a pre-strike situation in all coal industry enterprises. 'Are they complete wankers? The whole of Donbass has been at a standstill since Monday and they

declare a pre-strike situation' was the reaction of the strikers on the square when the conference resolutions were read to them.

In the second half of the day a city co-ordinating committee of 72 people, including three women, was elected and held its first meeting, at which a working group of seven people was elected, officially taking over the leadership of the strike.

Up to this time many representatives of other cities had got into contact with Donetsk, as the centre of the strike. In its turn the Donetsk city strike committee also did a lot to co-ordinate the activity of strikers in various cities and regions. Thus Mikhail Krylov phoned around many striking mines in other cities. Some did not yet have strike committees, and some no longer had them. In many cities there was no city strike committee. In Makeevka NPG took the whole organisation on itself. In Gorlovka NPG hardly existed. The NPG president, Konstantin Ivanovich Sikan'yants, a faceworker at the Kochegarka mine, was a member of the organising committee for the reconstitution of the Communist Party of Ukraine (Kochegarka newspaper, 12<sup>th</sup> June 1993); here the city strike committee, which had remained in existence since 1989, led the strike. In Pervomaisk, in Lugansk oblast, 80 per cent of the members of the city strike committee were also NPG members. The co-ordinating committee decided to distribute invitations to representatives of striking enterprises in Dnepropetrovsk and Lugansk oblasts to come to a meeting in Donetsk on Monday the 14<sup>th</sup> June to create an inter-oblast co-ordinating centre.

The strikers did not undertake any activities over 12<sup>th</sup> and 13<sup>th</sup> June. The calculation that those who for some reason had not been able to make it to the square during the week would come on Saturday and Sunday proved to be unjustified. People were beginning to relate to the strike as an everyday weekday event, like their work, and the majority went off to their dachas and garden plots. At the weekend the square seethed like a slow fire and waited for the meeting of the Supreme Soviet, which had been moved from Tuesday to Monday.

In the evening of 12<sup>th</sup> June local television broadcast a report that the mayor of the city, Yefim Zvyagil'skii, had been appointed first vice-premier. This gave grounds for the false reports and rumours that the strike at Zasyad'ko had been provoked from above, and sowed mistrust among the strikers. Yefim Zvyagil'skii, for his part, became persistent in his request for the strikers to sit down at the negotiating table. At the same time he invited the directors of enterprises and the 'generals' of the coal concerns and tried to secure their support. The

strike leaders knew of this meeting and were under constant pressure, including the possibility that the directors would come to an agreement with Zvyagil'skii. The psychological pressure was very strong, because many people understood that Zvyagil'skii could reach an agreement with the directors and the official trade union behind the strikers' backs. However, the directors did not decide to go against the workers. Thus, on 13<sup>th</sup> June at 7.30 a representative of the co-ordinating committee approached the person on duty at the Donetsk metallurgical factory to ask about the participation of the factory's workers in the demonstration the following day, and was told, 'I will help to organise the demonstration'. The directors took a similar position in the negotiations with the first government commission, headed by Viktor Pinzenik, when they stood absolutely solid behind the workers. Commenting on the directors' position, Mikhail Krylov said 'They understand that now somebody is going to have to pay: either those above, or them. They need our support.'

On 13<sup>th</sup> June the information blockade was lifted. At the meeting of the co-ordinating committee it was announced that Ukrainian television had transmitted complete information on the week's events in Donetsk, Gorlovka and other cities. Donetsk television began to cover the development of the strike objectively three days after it had begun, with one or two hours coverage every day, and the reports were fairly accurate. Donetsk television announced the demonstration planned for Monday. Zvyagil'skii spoke on television to appeal to the good sense of people's deputies of the Supreme Soviet to resolve the problem of the referendum, and for the deputies to resign. The members of the co-ordinating committee discussed this amongst themselves: 'today even Pinzenik gave an interview in Russian'. 'An hour and a half ago on Mayak they broadcast a full report. In the western oblasts they have declared a pre-strike situation. Now a meeting is taking place in L'vov. They are also in favour of a referendum' (later it was discovered that the opposite was the case).

The general mood was that the standstill was over. They had succeeded in breaking through the silence of the central mass media, and it was necessary to keep up the pressure. The demonstration the following day must become a powerful means of influencing the government and the Supreme Soviet and the way out of the strike would depend on its scale and degree of organisation.

Up to now permanent meetings in the city squares had been held only in some of the miners' cities. In other cities strikes took place in

enterprises, but they did not decide to go to the square. This allowed the Ukrainian and local authorities to give the impression that nothing was happening.

On 14<sup>th</sup> June at 9.00 the traffic police stopped the movement of traffic on those streets through which the columns of demonstrators were going to pass, and the large columns were preceded by police vehicles; everything was organised on the basis of close co-operation between the strike committee and the police authorities.

At 10.00 the large meeting began. It was impossible to estimate how many people attended the meeting. Many people participated in the demonstration in the traditional way — the main thing was to pass by and be noticed. Therefore, having stopped for a time, people moved out of the square and were replaced by others; there was a constant circulation of people.

At 12.00 in the building of the social-political centre, alongside the city executive committee building, the meeting of the inter-oblast co-ordinating centre began. Despite the request from Donetsk not to send large delegations, because that would make it difficult to work normally, around 200 people from the three oblasts came to the meeting. Even the small town of Gorlovka, in Donetsk oblast, sent no fewer than 40 people because they were afraid of being dominated by Donetsk and decided 'to overwhelm everyone with their votes'. For about an hour and half the meeting was bogged down in organisational questions, in particular whether or not to allow the president of the republican organisation of PRUP, Konstantin Fesenko, and the deputy president of NPG Ukraine, Sergei Klimov, to attend the meeting, since they did not have a mandate from striking enterprises, which was the condition for participating in the meeting. In the end, under pressure from the Dnepropetrovsk delegation, it was decided to allow them to participate as observers.

It was proposed to elect a working group of the committee, which, it was anticipated, would represent the interests of the three oblasts in the negotiations with the government commission, comprising five people from each oblast, plus one person to represent the interests of the invalids.<sup>6</sup> As became clear in the course of the meeting, the Dnepropetrovsk delegation was the most disparate. They did not even

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<sup>6</sup> Since the level of injury is so high in the industry every city has a very large society of invalids. Thus the small city of Yenakievo, with a population of little more than 120,000 has about 15,000 registered invalids.



know one another, and elected two representatives nominated by the trade unions, but did not fill the other three places reserved for their oblast.

The political demands drawn up by the representatives of the inter-oblast co-ordinating centre were faxed to the Supreme Soviet so that they could pressure the session which was due to begin at 16.00. In the opinion of Yevgenii Shendrik, a member of the city co-ordinating committee, 'nothing came out of our meeting of the inter-oblast co-ordinating centre, but the plot worked and news of the creation of the centre spread everywhere'.

The proceedings of the session of the Supreme Soviet were broadcast over the radio and by the evening those standing in the square knew the results of the deputies' discussion of the question of the referendum. By previous arrangement, Supreme Soviet deputy Aleksandr Charodeev was allowed to speak first at the session and to read out the demands of the Donetsk strikers. However, it became clear in the course of the discussion that the Supreme Soviet did not have the constitutional right to call a referendum. Hours of discussion between deputies that day had no result.

On 15<sup>th</sup> June at 10.10 the radio broadcast of the session of the Supreme Soviet was relayed to the square. President Leonid Kravchuk took the initiative in calling a referendum of confidence in the President. He explained that since, according to the constitution, the Supreme Soviet had no right to call a referendum on its own, he would take the initiative himself, ostensibly so as not to have to make changes to the constitution (noise in the Supreme Soviet). Thus Kravchuk took on himself responsibility for resolving the question of the referendum, expecting that the Supreme Soviet would not do so. At the same time, the President's calling the referendum himself was an attempt at self-vindication, grabbing the initiative and trying to strengthen his authority.

At the same time the Donetsk city co-ordinating committee held its own meeting and declared to the Supreme Soviet of Ukraine that if it did not respond to the political demands put forward by the city meeting on 8<sup>th</sup> June at its session on 15<sup>th</sup> June the co-ordinating committee would have to resort to more extreme measures of civil disobedience. The meeting also decided:

1. Banks and enterprises would be picketed.

1. On 18<sup>th</sup> June a sit-down strike would be held on the main roads leading into the city of Donetsk.
1. On 17<sup>th</sup> June a march of 'empty saucepans' to be organised.
1. Representatives would be sent to the cities of Kramatorsk and Mariupol' to organise strikes there.
1. Those branches of the economy working for the subsistence needs of the city would be identified.
1. Contact would be established with striking enterprises in Kiev.
1. The Donetsk co-ordinating committee would assume the status of a juridical subject and would open a bank account, on which basis it would establish a strike fund.
1. Representatives would be sent to non-striking enterprises in the city of Donetsk to agitate for them to join the strike.
1. They would appeal to international trade unions to support the Donbass workers (minutes of the meeting of the co-ordinating committee, 15<sup>th</sup> June 1993).

As had been expected, there was no vote at the session of the Supreme Soviet on the proposal to hold a referendum. The co-ordinating committee, with the help of the city strike committee, began to prepare for acts of civil disobedience. The co-ordinating committee invited managers of the oblast branch of the Bank of Ukraine to come to explain to them the mechanism for blocking the transfer of funds from the oblast to Kiev. They began to work out a plan for blocking the roads, together with the traffic police and Department for Internal Affairs. They began to prepare for a march of empty saucepans, which had already been planned, as the start of the action of civil disobedience. At the same time the strikers conducted constant telephone negotiations with the government.

On the morning of 16<sup>th</sup> June the co-president of the city strike committee, Mikhail Krylov, talked on the telephone with President Leonid Kravchuk. In the name of the strikers he demanded that Kravchuk act boldly and demand categorically that the Supreme Soviet agree to a referendum. Kravchuk once again offered to call a referendum, but the Supreme Soviet did not respond and after their lunch break the session broke up, to work in commissions.

The co-ordinating council continued to prepare for the following day's march, sending to the government and the Supreme Soviet the minutes of its resolutions and the demands of the striking collectives.

The march, which was generally believed to be even larger than the previous one, took place on 17<sup>th</sup> June. One elderly woman, taking part in the march, turned to her colleagues and said, 'Girls! So many people — it is awful! There are even more than on Monday. Those who held back then have come today.' According to the press, 'The strike, having been started by the Donetsk miners, has become a general strike throughout Ukraine. 230 of the 250 mines have stopped, together with around 40 mine construction enterprises and 400 enterprises in the metallurgical, engineering, chemical and other industries' (*Vestnik*, 19<sup>th</sup> June 1993).

During the meeting news about what was happening at the session of the Supreme Soviet was spread around the square. At 10.55 it was announced that a vote had just been taken in the Supreme Soviet. Three minutes later the result of the vote was announced — 'the question of a referendum has been resolved. We expect a commission from Kiev'.

The city strike committee sent out invitations to members of the working group of the inter-oblast centre. At 18.15 negotiations began with the second government commission, headed by Yefim Zvyagil'skii. Many of the 34 demands put forward by the strikers, those concerning finance, could not be resolved locally, but required consultation with the prime minister Leonid Kuchma. In order not to waste time these questions were put to one side and discussion moved on to the next demands. By the midnight eight of these issues, concerning an increase in the minimum wage, payment in cash, reduction in the percentage deducted for the Ukrainian budget, indexation of wages and so on, had been put together. Participants in the negotiations dispersed at 01.00, having been promised by Zvyagil'skii that he would telephone Kuchma at 08.00 to resolve the most important financial questions.

On 18<sup>th</sup> June at 10.45 the members of the working group of the inter-oblast centre, who were waiting in the corridor of the city executive committee for the beginning of the negotiations, began to chat with the members of the government commission who had arrived. The conversation was a heart-to-heart. The Deputy Minister for Social Protection responded with obvious sympathy to the replies of the strikers. A woman representative of the cotton combine chatted with the Deputy Minister of Labour, trying to resolve some financial problems. The opponents treated one another as old friends. A strange sense of unity prevailed. Both sides were waiting for an answer from

Prime Minister Kuchma, and in this sense found themselves on the same side of the barricade. The principle of the commission was understood, 'We would be glad to meet all your demands and help you out of humanity, but what can we do? There isn't any money'. They waited for Kuchma's answer. Although, with an empty treasury, his positive answer would not be an economic, but a political decision.

Economics and politics clashed with one another. The demands of the strikers were demands to a strong state which had in its hands all the power, all the money and all the enterprises. The problem the state confronted was that it could not continue to run the economy in the old way but it could not find the strength in itself to give freedom to the enterprises. If there were no state control and no limits, enterprises would try to scramble out of the situation one by one. Eighty per cent of Donetsk industry was oriented to the Russian economy, but the border was sealed.

Zvyagil'skii appeared. Although everyone had been waiting for him to complete his discussions with Kuchma, he was in no hurry and presented the answer only two hours after the beginning of the negotiations. 'There is no money. If you can tell us from whom we should take it, we will take it.' After hours of negotiations there was no progress, apart from an agreement to increase the scale pay of a grade one worker to 20,700 karbovanets and the promise to increase miners' wages to 300–400 thousand. The government commission refused to raise the level of the minimum wage, on which the incomes of a large proportion of the population depended (12 different Ukrainian laws linked various kinds of payment to the level of the minimum wage). 'The budget deficit already amounts to 5 trillion karbovanets, and to fulfil the demands which we accept will increase it to 11 trillion. If we increase the minimum wage this will increase the deficit to 52 trillion. Our economy cannot cope with this', explained Zvyagil'skii, 'Ukraine does not have the money'. At the same time, those demands which concerned the interests of the directorate, such as the return to state enterprises of fines for overspending, subsidies and so on, were accepted. The directors got what they had demanded and no longer had any interest in continuing the strike.

After Zvyagil'skii's statement the members of the working group asked for a break and left to confer amongst themselves.

Representatives of the city strike committee told Krylov that following the decision about a referendum some enterprises had gone back to work. 'Yesterday in Makeevka, so as not to discredit the

movement, the strike committee decided that everybody would resume work with the second shift tomorrow, because there were increasingly frequent cases of drunkenness among the strikers.' Everyone understood that an agreement had to be signed today, because tomorrow the commission would refuse to do so because people would be going back to work. Nevertheless it was decided to pressure the commission for an increase in the minimum wage from 6,900 to 21,000 karbovanets.

After the break Zvyagil'skii listened to the strikers' demands and, after several unsuccessful attempts to get the negotiations out of the impasse, he asked the miners to remain in the hall, while everyone else was asked to leave temporarily. Immediately after a discussion with the miners the government commission left the hall at the miners' request, leaving the strikers to discuss the situation.

It turned out that Zvyagil'skii had issued an ultimatum: if you go back to work for the fourth shift, we will double your pay. However, this applied only to the miners. This immediately opened up a split between 'us', the miners, and 'you', the rest. The miners, trying to justify themselves, went on the attack:

Yesterday we were told directly: 'For whom are you making this effort?' At night on the square there was not one factory worker, only miners. Once again you want to get something on our backs!

A woman teacher was sitting, propping her head in her hands, on the verge of tears. The feeling was that the bosses have deceived everybody once again, having tossed the bones to the miners, and spat on everyone else.

Will there be some kind of document? What agreement will we sign?

If we do not finish it people will simply say 'What are we staying here for?'

Discussion began: to sign or not to sign. They decided to find out the mood of the labour collectives. The representatives began to speak:

In Stakhanov mine in Krasnoarmeisk everybody is determined.

We are playing for the last time. This is our last strike.

In Makeevka we go back to work tomorrow.

Yesterday they increased prices in Lugansk oblast and the lads are beginning to waver.

We should not stop, we should suspend the strike, as the agreement referred to particular periods: 4 days, 7 days, 20 days.

All the members of the Donetsk co-ordinating committee who could be found around the square came into the hall, having been invited on the initiative of Krylov, to participate in the voting about the signing of an agreement and the ending of the strike.

The discussion continued:

Drivers are involved in the strike. They are becoming tougher and soon will refuse even to transport bread.

In Lugansk oblast the strike is only just gathering momentum. In our oblast prices were only increased yesterday. The strike must continue.

Opinions differed between the oblasts. One had already grown weary, while another was only just getting involved.

Everyone expected quick decisions, but the government is silent and we are beginning to weaken.

It is as though the strike has been asleep for three days.

Now there is not a single enterprise on strike. They have stopped because there are no raw materials.

They have tossed the bones to the 'generals', not to the workers.'

We can sign everything, anything...

There were 72 people on the co-ordinating committee, now 40 remain, where are the rest?...

From other cities:

We have mines which are not waiting, they will go back to work.

When the question of suspending the strike was put to a vote, 60 people voted for suspension, while only 12 voted against.

Everybody understood that this was an unpopular decision and they were afraid of the reaction from the square. When, at 01.00 in the morning of 19<sup>th</sup> June, Krylov read the agreement, signed by the government commission and the working group of the inter-oblast centre, he was hissed by the miners who remained in the square and who were determined to continue the strike. The strike had entered a spontaneous phase.

In the mines pressure began to be put on the workers. The director of Skochinskii mine told his workers to return to work, and threatened to discipline any who did not do so as absentees. The majority of mines withdrew the buses which had been provided, and cut the telephone links between the mines. From Zasyad'ko mine it was possible to phone only to Butovka-Donetskaya mine. The mine switchboards replied, 'it is forbidden to connect you'. The same thing happened in other enterprises. At Tochmash, even before the agreement had been signed, the shop chiefs announced that those who did not turn up for work, apart from the small number assigned to the square, would be punished.

Since the government had signed the agreement at the weekend, there were very few people left on the square that morning. The majority of non-miners were pensioners, who came out with the most radical appeals, including a call to prepare to blow up the mines.

Yuri Bokarev, representative of Yuzhnodonbasskaya mine, stood out among the radicals. He proposed to gather one person from each enterprise represented on the square and to go to meet with Zvyagil'skii, which was done. However, Zvyagil'skii met them at the entrance to the eleventh floor (the mayor's residence) and the whole conversation took place in the corridor. Zvyagil'skii appealed to documents and confirmed reports, while the group representing the strikers on the square had only rumours and conjectures. The conversation ended rather abruptly. Zvyagil'skii declared that he had negotiated with representatives of the labour collectives of striking enterprises; these people had an appropriate mandate and he did not want to meet any more with anybody else, since the agreement had been legally signed.

The leaders of the spontaneous wave looked back to their base and tried to send representatives from the square to the enterprises to drag them back into the strike, but this got nowhere. There were no communications, no transport, no organisation. But it was possible to keep some mines, for example Gor'kii, from going back to work for a while.

In the morning, as usual, the meeting continued in the square.

14.00 Krylov continued to answer questions: they have been told on the phone that all the mines were back at work in Makeevka, and in Krasnoarmeisk all but one had gone back.

18.30 Three people arrived from Lisichansk. They report that the whole town has stopped.

20.55 There is no longer a loudspeaker van. There are no communications between the mines. Nobody knows who is on strike in the city and who is not, to say nothing of the other cities.

By the evening there are only representatives of Zasyad'ko, Lidievka and Skochinskii mines left on the square.

In the morning of 20<sup>th</sup> June a small number of representatives of mines chatted with representatives of the city strike committee on the steps of the city executive committee building, asking how to send their representatives to the city strike committee.

The strike was over.

Now it is time to draw some conclusions. We will concentrate on what I think are a few decisive moments.

1. The first question to arise is, against whom was the strike directed? As is well-known, the initial reason for the strike was the enormous centrally imposed increase in prices in state shops. Thus there are no grounds for seeing the strike as an action of workers directed against economic reform. The increase in prices was a deliberate act of the government, undertaken without any serious consideration of the economic consequences, and carried out according to the best traditions of the period of stagnation. The non-simultaneous introduction of the price increases in different oblasts, with a gap of 6–7 days, was a tactical ruse of the government. It should be noted that at the same time prices were not raised in a single commercial shop.
2. The scale of the strike, and the fact that it instantly broke out of the framework of one enterprise and spread to the whole region, is an indicator of the maintenance of centralised economic management. All enterprises are still to be found in the state sector of the economy and depend as before on the state. Even those few enterprises which have gone onto leasehold do not have any economic freedom and just like state enterprises their consumption fund is strictly limited, so that they too have to pay fines to the state if they over-spend it.

This is why the strikers did not address any demands either to the administration of their own enterprises or to the regional au-



thorities: all their appeals were directed to the government and the Supreme Soviet of Ukraine.

This also explains why it was primarily political demands that were put forward. The Ukrainian leadership, having proclaimed the independence of the republic the day after the collapse of the 1991 putsch, had avoided any shocks or radical rearrangement of the ruling structures. It is not for nothing that the people refer to their country as the 'Communist National Park'. The strikers did not believe that the Supreme Soviet and the government, with their existing membership, were in a position to carry out progressive economic reforms, and insisted on the resignation of the Supreme Soviet and of the 'former ideologist of the Ukrainian Communist Party', Kravchuk.

3. On the other hand, the demands of the strikers were virtually un-realizable in the existing economic situation. The negotiations with the government commission showed us the attempt of the strikers to resolve economic problems by political methods. Correspondingly, the methods of the strikers were the same as those which they had used in 1989: to press, to extort what they demanded from the government. In essence this is a demand to a strong communist state about the redistribution of the resources at its disposal. This was possible in 1989, but has become impossible today. And this is one of the reasons for the defeat of the strikers. The strike showed that despite the declared transition to a market economy, the actions of the government and the population are equally determined by a mentality of resolving economic problems by appealing to non-economic categories.
4. The strike in Donbass allows us to follow the process of institutionalisation of conflict between the employees of the enterprises which have stopped and the power structures. Here we can identify several stages:
  - A spontaneous stoppage of Zasyad'ko mine and a march to the Kievskii district executive committee. The fact that the president of the district executive saw that the striking miners were given paper to formulate their demands is only a small stroke, testifying to the need for the authorities to enter into negotia-

tions with the leaders of a more or less organised group. The process of drawing up the demands, as a rule, gives rise to an initiative group which, having drawn up the demands, then often enters into negotiations with the official structures in order to defend them.

- Linking up with the city strike committee and stoppage of other mines.
- Negotiations with the first government commission (spontaneously five persons, apart from Krylov, selected from the representatives of enterprises on the square).
- Elections of strike committees in the mines.
- Sending representatives of striking miners to other enterprises with the aim of drawing them into the strike. Escalation of the miners' strike into a general strike.
- Elections of strike committees in other enterprises.
- Election of a city co-ordinating committee.
- Election of an inter-oblast co-ordinating centre.
- Co-ordination of the activity of the co-ordinating committee with that of the city strike committee. The distinguishing feature of this strike was the existence of a co-ordinating committee alongside the strike committee and the clear division of functions between them: the representative and legislative functions were assigned to the co-ordinating committee, while the strike committee carried out the executive functions. In essence the co-ordinating committee to some extent had a decorative role, since all the basic work was carried out by the strike committee. However, the existence of the co-ordinating committee allowed the strike committee to recover from the blow and to preserve itself after an agreement which was rather unpopular among the striking miners had been signed with the government commission.

5. The only group which appeared to benefit from the strike was the directors of large and especially coal-producing enterprises. Thus the label of a 'directors' strike' came to be attached to it and was quite often used by the participants in the long meeting in the square.

6. On the final day of the strike workers from many enterprises came up to members of the city strike committee with a single question, 'how can we send our representative to the strike committee?' Based on previous experience, I would suggest that this is a fairly widespread occurrence. Very often the leaders who have emerged in the enterprises in the course of the strike are sent by their labour collectives to the city strike committee. There is a general tendency for real leaders to push beyond the limits of the labour collective, so that they will not muddy the waters in their own enterprise, and the administration welcomes this. Each member of the city strike committee was able to deliver his own mine, since they had all they needed for this, the information, the ability to convince the miners, and so on. There are two disadvantages to sending delegates from the mine to the city strike committee. First, the widening of the leading body leads to a loss of effectiveness and efficiency of the city strike committee; it becomes difficult to manage. Second, the representative is distanced from the collective, which leads to a situation in which enterprise representatives on the city strike committee do not have daily information on the situation in their own mines and begin to lose the trust of their collectives, as occasionally happens. They begin to be seen by the ordinary workers as a visitor, an inspector, even as a 'chief', in short, an 'alien element'. Thus it would be better, from the point of view of the workers' interests, if the strike committee was preserved within the enterprise, with a point being included in the collective agreement that the president of the strike committee should be paid by the mine, and that the strike committee should be given premises in the administration building, or anywhere else that is suitable for the miners. The president of the mine strike committee may also become a member of the city strike committee, but must remain within his own enterprise. This is more a recommendation to the leaders of the workers' movement than a theoretical conclusion.
7. And, finally, the last conclusion is not derived from the analysis in the text but from my personal impressions. During the first strike in 1989 leaders emerged from among the workers, many of whom had higher education. This was not unusual, since people with higher education went underground in the hope of earning

'normal money'. Moreover, 1989 marked the rise of glasnost and the beginning of a powerful democratic movement, headed by the intelligentsia. Therefore at that time when the miners rose up, the intelligentsia tried to support them in every way possible. In comparison with 1989, the 1993 Donetsk strike was marked by the fact that there were no former activists among the intelligentsia who might want to work together with the miners, with the working class, to develop a united strategy and so on. From those with an education it was mainly women who came forward, counting on the help and pinning their hopes on the miners. In the mines, among the workers, one hardly ever met people with higher education. Maybe this can be explained by the fact that the intelligentsia who want to get a higher income nowadays go into business and not to the coalface.

## 10. Conflict in a Coal-Mining Enterprise: A Case Study of Sudzhenskaya Mine

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Miners' strikes have become quite normal in Kuzbass. During 1994 there were work stoppages in practically each coal town, in virtually every enterprise. Sometimes they were accompanied by the presentation of economic or political demands. Sometimes work stoppages had a purely spontaneous character. They were also distinguished by their degree of institutionalisation. Some of the strikes took an organised form, headed by the trade unions or other organisation representing the workers. Others, as in the past, proceeded purely spontaneously.

The conflict in the Sudzhenskaya mine in Anzhero-Sudzhensk had a special significance because for the first time in several years of the existence of the workers' movement it saw the strong politicisation of a local conflict. Moreover, the conflict acquired an explosive character which led to the miners blocking the movement of trains on the neighbouring Trans-Siberian railway. Why did what began as a normal strike with traditional economic demands lead to extreme and illegal actions and the putting forward of political demands? This question was the basis for undertaking special research, during which we conducted more than fifty interviews with workers, specialists, leaders of enterprises, trade unions and local administration. Apart from Sudzhenskaya mine, the research group also studied the situation in other coal enterprises in the town. Alongside interviews, the researchers collected documentary information on the development of production and employment in these enterprises. The case-study form of research required us to pay special attention to the description of the social context determining the processes in which we were interested, and to describe these processes in detail.

## GENERAL CHARACTERISTICS OF THE TOWN OF ANZHERO-SUDZHENSK

Anzhero-Sudzhensk is located in the north of the Kemerovo region, in the Yaiski administrative district, and is one of the oldest towns in Kuzbass. In 1994 the town had 107,000 inhabitants.

As in all the cities of Kuzbass, Anzhero-Sudzhensk is an industrial town. The town is dominated by the coal industry, with nine coal enterprises, including four coal mines and two coal preparation plants, employing altogether 16,226 people at the beginning of 1994. There are some other large enterprises, such as the joint-stock company Purin (a pharmaceutical chemical factory) and a large glass combine. Anzhero-Sudzhensk is also a large railway centre, located on the Trans-Siberian railway. However, the industrial nucleus of the city is made of up coal enterprises, both extractive and auxiliary.

Most of the Anzhero-Sudzhensk coal enterprises are part of the structure of the joint-stock company Severokuzbassugol', the former coal concern based in the regional capital, Kemerovo. Two enterprises, the Anzherskaya and Sudzhenskaya GOFs (enrichment plants and washeries), are part of the structure of the joint-stock company Kuzbassugleobogashchenie. The Anzhero-Sudzhensk mines account for 35.6 per cent of the output and 43.6 per cent of the employees of Severokuzbassugol'. The Anzhero-Sudzhensk mines do not particularly stand out from others in terms of their levels of pay. The level of pay in the unsuccessful mines, Anzherskaya and Sudzhenskaya, is similar to that of the similarly unsuccessful mines of Severnaya (Kemerovo) — 114,000 roubles — and Biryulinskaya (Berezovskii) — 101,000 roubles. And in Fizkul'turnik pay, at 156,000 roubles is not much less than in the Berezovskaya mine, at 172,000 roubles (the highest pay in any of the mines of Severokuzbassugol' in 1993). None of the mines in Anzhero-Sudzhensk have been included in the category of mines recognised as having a long-term future, and so eligible for state support for further development. Anzherskaya mine is the one mine in Kuzbass originally selected for closure in the government's restructuring programme, while all the other mines have to prove their viability, without significant new investment, which implies substantial job losses to raise productivity by concentrating production on thick seams and mechanised faces. The situation is made worse by the

fact that there are not even funds to complete existing development projects, including the completion of a new mine, Anzherskaya South.

The coal production of Severokuzbassugol', which covers the oldest mines in the region, is not very large, all the mines together producing only 5.8 million tons of coal in 1993, only 4.6 per cent of the total Kuzbass production.

## SUDZHENSKAYA MINE AS A SOURCE OF CONFLICT

Sudzhenskaya mine was established in 1897. The seam which it works is steep, so coal production is still unmechanised. The mine belongs to Rosugol's category of mines without long-term prospects, and is usually considered in the city to be the second candidate for closure, following Anzherskaya.

Now the mine is the most restless in Anzhero-Sudzhensk. One can cite a number of factors which distinguish Sudzhenskaya from the other mining enterprises in the city which are relevant to this. The people who work in the other mines mostly live in the city, the majority of the workers at Sudzhenskaya live in the mining village of Sudzhenskaya. According to the chairman of the local trade union committee this is a patriarchal district. The Sudzhenskaya miners are much more likely to live in private houses than are miners of other mines. As a result of this work relations are duplicated in close neighbourly relations. One can say that there is a certain amount of communal support for one another. Moreover, living together in a small settlement over several generations, people have established networks of kinship relations with one another. It is not surprising that this spirit of communal living gives rise to regular gossip, so that everyone knows everything about everybody else, and purely domestic problems are transferred into the enterprise. The relatives of the underground workers often work in the administration, so that everything that goes on in the office soon becomes known to every collective in the mine, and this inevitably has an impact on industrial relations. On the other hand, in the past the mine was frequently the winner of reviews, cultural contests, socialist competition and so on.

The result is that the mine is very lively, which has its positive and its negative side. As in any collective, there are conflicts and problems, but in the past they were all kept within the family because the collective was unified by the need to fulfil the plan, engage in socialist competition and so on. In the middle of the 1980s the mine produced 6,000 tons of coal per day. Now that reviews, socialist competition and all the other possible initiatives have disappeared, the existence of a high level of social tension at this enterprise, in comparison with others, has become evident.

It is also important to note that Sudzhenskaya was conventionally regarded as the 'forge of the cadres': many of the leaders of the North Kuzbass Coal Concern came from this mine, as did the deputy director of Rosugol', formerly Soviet Deputy Minister of Mines, Valerii Yevgenevich Zaidenvarg, who worked there from 1975 to 1978. The same could be said of the senior specialists of the other mines in the city, many of whom have passed through the school of Sudzhenskaya.

In 1994 the mine was living through difficult times. Despite its good geological prospects — its coal reserves are sufficient for one hundred years — the mine had been reducing production, and this tendency was accelerating.

*Table 1 Coal Production and Production Costs, Sudzhenskaya mine, January to October 1994*

Month	Production (Thousand tonnes)	Production Cost (Roubles per tonne)
January	24	61,823
February	13.5	76,763
March	24.5	72,965
April	26	54,208
May	21	71,905
June	12	132,871
July	12.8	105,971
August	16.5	99,741
September	4.8	238,404
October	about 1	about 1 million

The table shows clearly how the decline in the volume of production leads to an increase in the cost per ton of coal. This combination



of falling production and rising costs testifies to the catastrophic situation in which the mine finds itself.

Despite this, Sudzhenskaya maintained its high level of wages which, in the opinion of many experts (especially from other mines and cities) were not supported by real production.

*Table 2 Average monthly pay by occupation, Sudzhenskaya mine, January to August 1994, in thousand roubles*

	I	II	III	IV	V	VI	VII	VIII
Faceworker	338.8	276.6	470.5	343.2	392.2	346.2	389.7	413.9
Development worker	384.6	139.7	462.8	468.4	385.4	447.2	437.9	496.0
Mining machine operator	173.0	123.6	214.8	207.7	235.2	230.0		
Electrician	211.9	126.9	254.5	249.3	309.0	259.6		
Third grade miner	190.2	135.9	236.2	207.7	276.1	253.8		
Electric wagon operator	195.9	139.9	210.8	365.2	350.4	286.3	276.3	279.1
ITR	302.7	233.9	562.2	520.9	567.7	566.4	489.5	430.5
Specialist	298.1	216.9	383.2	438.9	439.2	452.9	321.5	323.5
Office worker	277.4	179.6	233.2	215.9	227.6	137.4	259.0	184.6
Workers	256.6	158.6	307.1	280.5	333.9	326.8	278.6	352.1

Table 2 shows that despite the catastrophic decline in production the pay of most categories of workers continued to grow steadily. Although in some trades earnings fell in particular months, the general tendency to a rise in earnings in every trade is clear.

An inevitable consequence of this situation has been a sharp decline in industrial discipline in the mine. Although pay is delayed by many months, the main reason is not so much the absence of pay as the absence of work and the lack of any certainty as to whether there will be work in the future. Rumours have been circulating freely in the mine and in the town over the past year and a half that the mines will be closed rapidly. This leads workers and ITR to look for jobs in other enterprises. Young specialists refuse to come to work in an enterprise without a future. The decline in discipline has affected not only the workers but also the management of the mine. According to many of the workers, the mine director and senior managers have virtually stopped going underground since the spring of 1994, and have practically given up trying to control the situation. As a result of interruptions in the delivery of timber and other materials it has become the norm for workers to stop work and come up to the surface

early. Delays in the payment of wages, which reached five months at Sudzhenskaya, completely undermined the role of pay as a material incentive to labour. Payment of bonuses for good work and the imposition of fines have equally been devalued as they will also have been eroded by inflation by the time the workers eventually receive their pay. According to the mine's norm-setter the only remaining incentive to work is the fear of closure.

The distribution of goods to the workers, which was organised by management, was so small as to be insulting. The long delays in the payment of wages eventually led the workers to declare a strike in the middle of September. However neither the management of the concern Severokuzbassugol', to which the mine belonged, nor that of the highest branch structure Rosugol', paid any serious attention to the strike threat, so that when the strike broke out it assumed a very sharp form and acquired a clearly expressed political complexion.

Production in the mine stopped completely. The situation was made more complicated by the fact that Sudzhenskaya mine does not stockpile coal. Once the coal reaches the surface it goes immediately to the enrichment plant, whence it is loaded directly onto rail wagons. The production stoppage immediately threatened to stop the boiler house, which provides heating for the mine and the settlement. As a result middle and senior managers, under the supervision of the director, had to work several shifts to produce coal without any workers, something completely unheard of in Kuzbass!

The staffing position also deteriorated rapidly: 928 employees left the mine in the first ten months of the year, almost one third of the total number of employees, of whom 855 (92 per cent) were production personnel. Over half of these people (468) left during August, September and October alone. Of those who left, 15 per cent were transferred to other enterprises and a further 46 per cent left voluntarily. These are the highest figures for severances of any enterprise in the city — even the closed Anzherskaya mine lost fewer people in this period.

It should be noted that the mine continued to recruit for this period, but over the ten months it only took on 186 people.

As a result of this, practically every section was incompletely staffed, and this particularly affected the coal-producing sections. As the best workers have left these sections, when it became necessary to resume production it turned out that there was nobody to do the work. And this is happening against the background of an increasingly diffi-

cult employment situation in the city. On the one hand, miners cannot find work, but on the other hand, the mine has vacancies in the production sections which nobody will fill because they have no confidence that the mine has a future — ‘it’s better nowhere than at Sudzhenskaya’.

This was the background to the sharpest conflict in Kuzbass.

## THE CONFLICT AT SUDZHENSKAYA — CHRONOLOGY OF EVENTS

### **July 19:**

The third shift did not go down the mine. They formulated demands which were addressed to the director of the mine.

### **July 20:**

In the morning of July 20 the workers gathered in the ‘smooth hall’, as they call the hall in which shift meetings are held, a room which is completely run down, without a single chair. There the third shift declared a complete stoppage of work. A labour collective council (effectively a strike committee) was elected.

The director decided to establish a conciliation commission.

### **July 21:**

The mine began to work again. A meeting of the labour collective decided to follow the requirement of the law that it was necessary to give at least 42 days notice of a strike. The date of the strike was set as September 1 and it was announced that until that date the mine would be in a pre-strike situation.

### **July 22:**

The conciliation commission worked at the mine. As one of the means of smoothing the conflict it was proposed that 1,100 people should be sent on regular vacation, partly paid, or on administrative vacation, without pay. However, there were no practical results of the work of the commission.

**July to September**

Shift meetings took place practically every day, at which workers spoke. The director went to Moscow with the head of the department of labour and wages, but to no avail. Nevertheless, the director regularly reassured the workers that there would be money.

In August representatives of the mine telephoned the office of the chief of the oblast administration, Mikhail B. Kislyuk, with the request that he meet representatives of the labour collective. Kislyuk thanked them for the invitation, but through his secretary told them that the meeting would be attended by his deputy, Pronin. The meeting with Pronin was attended by representatives of the Labour Collective Council (STK) of the mine. The STK representatives discussed among themselves the possibility of inviting representatives of the concern Severokuzbassugol' to the meeting, on the grounds that they could help the miners in their negotiations with the regional administration, but they did not come to any decision. However, when they arrived at the offices of the regional administration they found that the chief engineer of Severokuzbassugol', Boris G. Lotsenyuk, was already there. There was no dialogue with the representatives of the striking collective. Pronin merely said, 'I know about all your problems, there is no money. We can extend credit to you at 130 per cent'. The mine director refused to take the credit, as there was no way in which he would be able to repay it.

At the end of August a meeting was held with the chairman of the oblast legislative assembly, Aman G. Tuleev. The complaints of the strikers were met with understanding, but everything was limited to purely moral support. On September 1 the workers resolved to extend the pre-strike situation to September 15, to give management a chance to find some way to resolve the problem of paying wages to the miners.

**September 15:**

The mine went on strike. From this moment meetings were held every day: in their section rooms with their ITR, and in shift meetings. The miners came to their section rooms at the beginning of their shift, were checked off, heard the latest news, and went back home. Services essential to keeping the mine intact continued to work. The mine administration tried to secure credit, worked on the problem of money

with Shmokhin and Loparev (deputy chiefs of the regional administration), going to Kemerovo every day.

**September 19:**

The Sudzhenskaya miners for the first time went on an organised basis to the city square, to the Council House. There they had a meeting with the local authorities and with the chief engineer of Severokuzbas-sugol', Boris Lotsenyuk. At the suggestion of Lotsenyuk the miners at the meeting elected a working commission. The discussion took place behind closed doors, the press was not admitted, and the miners on the square knew nothing of the content or the outcome of the negotiations.

After the first meeting and expression of their demands, more days of fruitless waiting began.

**October 4:**

An all-mine workers' meeting was held, attended by 1,500 people. People were indignant that despite being on strike for 21 days, nobody showed any concern for the fate of the miners. During this whole time nobody from the regional administration, from the company Rosugol', from the Ministry of Fuel and Power, from the government, or from the regional committee of the trade union had been to the mine. Numerous visits to Kemerovo had likewise led to no practical results.

As before, the miners turned to the city administration with one demand — to help them to arrange a meeting with the head of the regional administration, and with representatives of the higher echelons of power of the branch and the government — and decided once again to go to the City Council House.

On October 4 the situation got out of control. The STK was accused of procrastination. The strike committee sent a telegram to the General Director of Rosugol' in Moscow with the demand that he urgently consider the miners' demands to avoid a social explosion. Members of the STK met the chief of the city administration, Skorik, and demanded that Kislyuk or one of his deputies, representatives of Severokuzbassugol' and representatives of the ministry should come to Sudzhenskaya. Skorik answered that he had no power to invite such people. The head of the city administration refused to accept the sheet of paper with the demands of the miners and returned it to the representatives of the STK.

**October 5:**

On October 5 there was a further meeting at the Council House. Coming out to the people, the deputy chief of the city administration, Vladimir Makarkin reported that 'we have sent telegrams to all the authorities, we have communicated with the concern Severokuzbassugol' and have telephoned Moscow'. Makarkin invited the miners to send two delegates to Kemerovo. 'They will just be put under pressure there', was the strikers' answer. This was already not enough for people. Cries rang out, 'how many people can be fed on promises?'; 'this is all words'; 'when will we get our wages?' Meanwhile, before the miners had arrived at the square, the head of the city administration, Skorik, with whom the striking miners were going to meet, had got into his car and left. Many people regarded this as an insult, an expression of the unwillingness of the authorities to enter into discussions. In this deadlocked situation the cry, 'Well then, let us stop everything! We must block the main line [the Trans-Siberian railway line]! Then they will pay attention to us!' was regarded as being completely justified.<sup>1</sup>

About 500 people went down the street and blocked the Trans-Siberian railway for four and a half hours. Several automobiles from the city department of internal affairs accompanied the column of strikers, not interfering and not impeding them. Groups of OMON (Interior Ministry special forces) were moved up to the blockade. The director of the mine, V.D. Shelkhov, who had been looking for money in Kemerovo, arrived. He was accompanied by representatives of the concern Severokuzbassugol', V.N. Usov and A.A. Filimonov, and by the Kuzbass representative of Rosugol', V. Ya. Shakhmatov. They explained their 'plan' to the assembled miners, which the General Director of Rosugol' had proposed to the strikers in a telegram: 200 million roubles would be sent to the miners that same day. If people went back to work, they would receive a further one billion roubles in one week, and one week later they would receive one billion more, with the rest of the money being paid in November, making a total of 4.2 billion roubles. On hearing this proposal the workers lifted the blockade.

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<sup>1</sup> The idea of the closure of the railway by the miners had already been mentioned on the leading television programme Pulse at the time of the February strike as a possible response of the miners in the face of the complete inaction of the authorities. So the idea was already in the air, but thanks to television it had 'taken possession of the masses'. In this sense the role of the mass media is clearly underestimated.

**October 6:**

The meeting resumed in the morning. The labour collective was agitated about rumours that five of the participants in the previous day's meeting had been arrested. Arriving at the meeting, the public prosecutor of the city, Nikolai Kravchenko, and the chief of the city department of internal affairs, A.S. Shadrintsev, explained that these people had only been invited to give evidence as witnesses. Although nobody had been arrested, nevertheless a development worker from section 10, Eduard Yakvert, who had not immediately opened the door to the police, had been slapped into handcuffs and practically carried to the car.

The strike continued. People did not trust the promises made to them, and decided only to resume work when the money owed to them had been paid.

**October 8:**

The meeting of the labour collective expressed its lack of confidence in the mine's lawyer, as a result of whose incompetence a secret ballot had not been held in advance of the strike, so that the strike had been declared illegal.

**October 10:**

A meeting of the mine collective took place in the mine's culture palace with the President of the Oblast Legislative Assembly, Aman Tuleev, the General Director of the concern Severokuzbassugol', Evgenii Vassilevich Kukharenko, the Kuzbass representative of Rosugol', Shakhmatov, the deputy chief of the regional administration, Shmokhin, and the deputy chief of the city administration, Makarkin. Tuleev declared his full support for the demands of the Sudzhenskaya miners and for a counter-suit against the administration if they put pressure on the strikers. Kukharenko, speaking directly to the miners, said: 'It is time to put a stop to all these debates and suggestions about the closure of Sudzhenskaya mine. Nobody is going to close it. There are no two ways about it: the mine must and will work'. The strikers asked Tuleev to invite Zhirinovskii to Anzhero-Sudzhensk.

**October 18:**

Vladimir Zhirinovskii came to Anzhero-Sudzhensk. In the city culture palace he met with citizens of the town, including representatives of

Sudzhenskaya mine. The meeting was clearly a success. Many people recalled, 'he won over the people of Anzhero!' The STK of Sudzhenskaya mine handed Zhirinovskii a letter with a request for the allocation of 3 billion roubles for the mine. The letter was addressed to the deputies of the State Duma belonging to Zhirinovskii's and Zyuganov's parties, the Liberal Democratic and Russian Communist Parties. According to one of the members of the STK, the day after Zhirinovskii's return to Moscow Oleg Soskovets spoke on the radio about the need to provide financial support for Sudzhenskaya.

A member of the Liberal Democratic Party (LDPR) from Anzhero-Sudzhensk, Anatolii Afanasevich Pushkarev, a lecturer at the Anzhero branch of Tomsk University, first appeared on the scene at the time of the meeting with Zhirinovskii. During the previous three or four days he had already established close contact with the members of the STK, and helped them to formulate the demands on the basis of which they would participate in the forthcoming all-Russian action of FNPR in Kemerovo. During a trip to Kemerovo he was acknowledged by the members of the STK as their secret leader.

**October 27:**

Fifty-five workers from the Sudzhenskaya mine participated in the FNPR's day of action in the Kemerovo region. Pushkarev, the LDPR member from Anzhero-Sudzhensk, read out the demands of the labour collective of Sudzhenskaya mine. Additional political demands, for the resignation of the government and the President and so on, had been added to those that had been put forward at the beginning of the strike. The 'Zhirinovskii style' was obvious in the statements and in the terms in which they were expressed.

**November 2:**

As a result of people's lack of trust in one another the regular re-election of the STK had become the norm, so that by now it had been re-elected four times. The fifth STK tried to call a trade union conference of the mine, but in fact it took the form of a workers' meeting, only attended by about 600 people. The meeting was also attended by Zaidenvarg and Shakhmatov, from Rosugol', and Pronin, from the regional administration. Pushkarev, the representative of the LDPR, also came to the meeting. None of the 'distinguished guests' were elected to the Presidium.



**November 3:**

Thirty-eight people went from the mine to picket the session of the regional legislative assembly in support of Tuleev.

**November 4:**

In the morning about 300 people attended a meeting of the labour collective (which was effectively a shift meeting). The meeting was in favour of abandoning the strike. The majority of the workers were in the mood to return to work: 'There is no point in waiting any longer, we have to work'. However, Pushkarev appeared in the role of leader of the meeting, actively supported by members of the STK, and gave a very emotional speech in which he claimed that journalists of the local television programme Pulse had already reported that Sudzhenskaya mine had resumed work. He called on the miners to repudiate this false information and to continue the strike until November 11. This proposal was accepted by the participants at the meeting.

**November 8:**

The concern Severokuzbassugol' appointed a pensioner, Vitalii Aleksandrovich Reimarov as temporary acting director of the mine. Earlier, before working in Severokuzbassugol', Reimarov had been chief engineer at Sudzhenskaya. According to him, the post had been offered to several other people, but all had refused it.

**November 10:**

The deputy general director of Rosugol', Zaidenvarg, came to the mine to discuss industrial questions and the demands of the strikers. Zaidenvarg confirmed the support of Rosugol' for the mine, and said that the mine would survive provided that it could produce a minimum of 1,000 tons of coal per day. If it could not achieve this target, then he could give no guarantees. In order to encourage the workers to return to work it was decided to establish a plan for the second half of the month, beginning on November 14, and to apply bonuses and every possible coefficient to the achievement of this plan.

**November 11:**

About 600 people attended a meeting of the labour collective at 8 a.m. The new director, Reimarov, and the LDPR representative, Pushkarev, both spoke. Reimarov announced that the money for July and August

had already been received by the mine and would be paid out the following day, informed the meeting of Zaidenvarg's guarantees and promised to do all that was in his power to enable people to begin to earn money, and not to ask for handouts like beggars. He supported the demands of the miners and declared: 'I am with you! But if we are to demand something, we have to supply coal'. He struck a chord with the meeting, and the workers confirmed their agreement to begin work. The director announced that, since a decision to resume work had been taken, from that day strict control of absenteeism, which the collective could do without, would be imposed. Pushkarev then spoke, declaring 'Lads, all dismissals — only through the STK! Do not be afraid of anybody!' He then read out the list of strikers' demands, including the demands for the resignation of the government, local administration leaders and the director of Kemerovo airport, who had not allowed a plane carrying a delegation of deputies of the State Duma from Zhirinovskii's faction to land. The final item on the list of demands stated: 'In the event of the failure to fulfil a single one of these demands, a political strike will be resumed, with the occupation of the enterprise, and strict control by permits on behalf of the STK, labour collective and strike committee.' Despite the persistence of Pushkarev, the director persuaded the miners to return to work. Pushkarev announced that the strike was suspended until November 20.

**November 21:**

The workers of the first shift, after receiving their work instructions, went to the general hall. Pushkarev began to make a statement in the presence of about 80–90 people. Other people gradually drifted in, but there were never more than 180–200 people present. Pushkarev announced that a new organisation, the All-Kuzbass Labour Union, had been established, which included collectives of the factory Yurmash, Sudzhenskaya mine and several large enterprises in the Kemerovo region, and informed the meeting that Yurmash had resumed their strike from November 16 as they had not received the promised indexation of their back-pay. Following this he called for a renewal of the strike. However, the question was formulated in the following way: 'Who is for starting work?' Two people voted in favour. Several workers began to say that there was no sense in stopping work again. After this everybody went back to their sections and the whole mine (apart perhaps for a few members of the STK) began work.

Members of the STK met to discuss what to do. They were joined by a representative of the Veterans' Council of the mine, explaining that the Co-ordinating Council for elections was preparing an All-Kuzbass action for December 12, and that it would be best if members of the STK tour the whole region so that the whole thing would be organised. 'If you can arouse South Kuzbass, that would be something! What is the point of experimenting in one mine!' The members of the STK went to see the director who agreed to pay their travel and subsistence expenses for their trip to various Kuzbass cities.

After this Pushkarev repeated his performance for workers of the second shift, having announced that the STK had adopted the decision to extend the pre-strike situation to December 1, on which date the new director would present a report on the results for the second half of November, including the output figures and details of wages (the most sensitive issue in the mine).

The members of the STK discussed the question of the need to establish a city strike committee and the organisation of the workers' movement at the regional level. It just so happened that on the same day a meeting of workers' committees and the Kuzbass Independent Miners' Union (NPG) was taking place in Prokop'evsk. At that meeting Vyacheslav Sharipov, president of the executive committee of the NPG, was elected president of the Kuzbass Confederation of Labour, in place of Vyacheslav Golikov.

Members of the STK received a document from the concern Severokuzbassugol', which reported the decision to privatise the Sudzhenskaya mine. According to the minutes of a general meeting of the labour collective that had taken place as long ago as 1993, the labour collective had opposed privatisation even then. Now the negative attitude of the labour collective to this procedure had become even stronger.

One could say that the strike had ended. Or had it just been suspended? The sudden influx of money to pay wages, which had been unpaid for the previous eight months, provided only a temporary solution to the problem.

## THE ROLE OF MANAGEMENT IN THE SUDZHENSKAYA CONFLICT

In the opinion of the majority of the mine's employees the person mainly responsible for the mine finding itself in such a disastrous condition was the mine's director. The particular feature of the situation in which the mine found itself was that in reality all its consumers had settled their accounts, and the mine had received all the money due to it from the government under the branch agreement, but the director had given orders to the norm-setters to pay out more money in wages than was available. The director proceeded from the proposition that it was necessary 'to pay wages at a level worthy of a miner', independent of the level of production. Since payments under the branch tariff agreement are now determined by the level of production, there was no real money behind his dud cheques. The workers think that full responsibility for this situation lies with the mine administration, since they did everything that was demanded of them and received their cheques. Since the mine is still a state enterprise they turned to the official structures with their demand for payment and for an investigation into the incompetence of their management.

The situation that developed at Anzherskaya can serve as a good indicator of the changes (or lack of change) in the sphere of management of coal enterprises. Certainly it represents an extreme case, which goes beyond the normal framework, but just such examples show the limits of the possible in the system of management. The social explosion of 1989 also began with local and, at first sight, unconnected refusals to work, initially of individual brigades and sections, and then of whole mine collectives.

What were the features of possible future labour and social conflicts displayed in the mine? Will the management system of the branch be their future detonator? What tactic should be adopted by the trade unions in their relations with management?

The traditional problem 'of the first and second floor' (the relations of boss and subordinate) acquires a new significance in the light of the fact that the structure itself can collapse since the very existence of the mine is subject to doubt. How can the management talk about efficiency, when the worker considers that 'all the managers have taken to the bottle, they are all mixed up in nepotism and corruption, they steal and appropriate capital, they deceive the workers and the state'? The

most reviled figures are the former director ('request? He did not request, he simply stole'), the chief of the garage and the chief accountant.

To be fair, we should also report another point of view:

the mine is the forge of personnel for other mines in the city; it works with the heritage of one hundred years of tradition; working night and day to maintain production; it was only due to the efforts of the ITR during the strike that the mine did not collapse; under their leadership reconstruction has practically been completed, which has been due to their efforts.

The ITR in the mine formally distanced themselves from the methods of action of the workers. Those ITR who were originally elected to the STK (effectively the strike committee) subsequently left it. Some of them tried to stop the crowd going to the railway. However, the ordinary ITR and some of the managers identify with the demands of the workers, expressing their common interest in self-preservation: if we do not draw attention to our problems there will be no mine and no problems of subordinates and managers.

Thus, if the main idea of the 1989 strike was the idea of improving the miners' lives by transforming the system of management and the acquisition of independence by the mines, it has now been transformed into protest at the deterioration of life and the slow realisation of reforms. And, most recently, at Sudzhenskaya, the main leitmotiv has become simply the survival of the collective (almost verging on the physical survival of its members).

The position of the mine management, by contrast to the clear and definite position of the workers, is ambiguous. On the one hand, they are also hired workers, who might lose their jobs if the enterprise closes. On the other hand, as executive authority, they come under pressure from above and must carry out a paradoxical policy: to manage in such a way that their subordinates leave. And they have partially succeeded in this: the number of workers in the main specialities has fallen to less than a third of that at the beginning of the year.

The mine managers have their own levers of influence which allow them to contain the discontent of the workers. One of these levers is wages, or, to be more exact, what is called 'painting a cheque'. The calculation of wages is made on the basis of direct orders from the director. and he has the power to differentiate pay in accordance with the loyalty displayed by this or that primary collective. This system does

not in fact cost very much money, since modest increases to some categories of worker are levelled by inflation as a result of the long delays in payment.

As can be seen in Table 2 above, the managers pay themselves rather more than they pay the ordinary workers. The greatest gap in pay between workers and ITR was at the end of the spring and the beginning of summer 1994, when the ITR earned considerably more even than face and development workers, since the production of coal had reduced, and then stopped completely.

It is necessary to look more closely at the tactics which the branch management employs. Their general aim is as far as possible to pay nothing and to give nothing. Sudzhenskaya mine is a graphic example: from May to October the workers went unpaid. Of course, this tactic might provoke a social explosion, but the cunning consists in not allowing it to happen in all mines at the same time, on the scale of the branch as a whole, having learned the lesson of 1989. And such micro-explosions as at Sudzhenskaya are extinguished as a matter of routine. These opportunistic half measures of Rosugol' and Severokuzbas-sugol' do not resolve the problems of the mine, but only gain time. The unwillingness of the coal generals to 'meet the people' is a logical consequence of these tactics.

A further feature of the development of the situation in Sudzhenskaya mine is that to draw attention to the problems of the miners a strike was not enough, the threshold at which the authorities reacted had increased. The miners had to stop the movement of trains on the Trans-Siberian railway, that is in another branch of production not directly related to the coal industry. A 'feedback loop' between the managers and the managed was only established at the level of the State and regional Dumas, through Zhirinovskii and Tuleev.

It was symptomatic that two people appeared on the stage who, at first sight, were mutually exclusive — the leader of the LDPR in the city, who was in fact the leader of the strike and of the subsequent protest actions, and the new acting director of the mine.

The now-dissolved classic Soviet triangle, 'administration-party committee-trade union committee' expressed in a visible form the social harmony of interests in production. The absence of mechanisms for resolving conflict at the level of the enterprise, let alone of the section, means that 'the people' have to find new, untraditional, forms of action against management (for example, blocking the Trans-Siberian railway). This is possible both because of the weakness and lack of

authority of the trade unions at Sudzhenskaya and the lack of collective responsibility on the part of the administration.

The vacuum was filled, on the one hand, by a radical politician, with a 'party' (LDPR) at his back and, on the other hand, a conservative manager from the old guard, with all the signs of a strong hand; plus the STK as an institution which performed some of the functions of a trade union.

## THE ROLE OF TRADE UNIONS IN CONFLICT SITUATIONS

The influence of the trade unions on enterprises is practically nil, particularly at the level of the resolution of conflicts between management and workers. In practice the trade union is now concerned with the resolution of a limited range of traditional problems of social assistance (giving new year presents to children, providing material assistance and so on), thus carrying out the role of social department of the administration and fulfilling various functions of social protection laid down by law, for example agreeing to the formal redundancy procedures. In fact the trade union does not even have enough money to buy new year presents, and so even in this the enterprise has to help out (at Fizkul'turnik in Anzhero-Sudzhensk, for example, the enterprise covers fifty per cent of these costs).

The trade unions have no perceptible significance in the conclusion of the tariff agreement or in the collective agreement with the workers, whose main response is 'what do I get out of it?', having in mind the opportunity to receive free holidays and other goods. Because none of this has existed at any enterprise for a long time, for the workers the trade union does not exist either.

As a result of the virtually complete inactivity of the trade union committee as such, the status of the trade union in the mine is almost completely determined by the role and 'strength' of the president of the trade union committee.

A 'strong' president tends to participate equally with the administration in resolving questions affecting the 'ability to live' of the mine; that is, to obtain resources for the mine by going to Severokuzbasugol' together with the administration to resolve financial problems. He is constantly in touch with the problems of the administration, but

not of the productive subdivisions, spending his whole time in the administrative structures of the mine and concern. His obtaining money for the enterprise is welcomed by the workers, but their general attitude to the trade union does not change.

A 'weak' trade union president is occupied in the enterprise with those much reduced social functions which have traditionally been the concern of the trade union. He is not left out of representations at the higher level, but he is only able to do this as part of a group of trade union activists from the city.

Trade union activists in the mine take on a characteristically 'trade union' position only in planned mass actions, or if the director of the mine himself is in favour of a strike. The workers do not have any faith in the disinterested participation of the trade union in strikes.

At the level of the city, trade union presidents of coal enterprises, according to those interviewed, are much closer to one another than to presidents of other enterprises in Severokuzbassugol', or even to members of the regional committee of their union.

In all the mines some workers have left the union, but nowhere has this been on a significant scale. In Fizkul'turnik, for example, according to the data of the trade union committee, only 30 people are not members of the trade union.

The composition of the trade union committee in different enterprises varies in the balance between ITR and workers. At Fizkul'turnik there is not one member of senior management on the trade union committee, while half the trade union committee at Sibirskoe are ITR, including the director and chief accountant.

At Sudzhenskaya mine the state of trade union affairs is even more moribund. 'The trade union has completely lost its role. It does not concern itself with labour discipline or with safety precautions.' The last trade union president left the post for a job in the administration in March 1994, after which the deputy served as acting president for four months, returning to his former post through the summer, coinciding with the announcement by the labour collective of a pre-strike situation, and becoming acting president once again in October. Thus, the announcement of a pre-strike situation in the mine, the start of the strike itself, and all the upheavals of the struggle during the strike took place without any kind of influence on the part of the miners' trade union. The elected STK (effectively a strike committee) took on the leadership of the strike itself. As the conflict became more aggravated and politicised the composition of the STK repeatedly changed, and in



the final, most resolute, council the leader was a development worker who had left the trade union a year before, not seeing any point in the organisation.

From the beginning of the strike nobody from the regional committee of the trade union came to the enterprise. The president of the initial STK visited the regional committee three times, although this was probably only because the regional committee is in the building of Severokuzbassugol', to which the STK went to attend meetings. Only two members of the STK were members of the trade union committee, but this was purely formal membership, since the trade union body, as in other mines, was inactive. Everything, as a rule, is determined by the personal position of the president of the trade union committee. In the case of Sudzhenskaya one can say that the misfortune of this mine is that it has no effective trade union at all. During his last meeting at Sudzhenskaya mine the representative of Rosugol' declared that elections to the trade union committee should be held as soon as possible, since there was nobody to work with and nobody to negotiate with. Now the administration has its own interest in creating an organ which could express the interests of the workers and enjoy their confidence. The experience of Sudzhenskaya mine shows that where there is no such organisation a vacuum is formed into which political parties aspiring to power rush.

## THE QUESTION OF TWO TRADE UNIONS IN THE MINE

In this connection it is not without interest to note that, in contrast to the majority of the other cities of Kuzbass, there is only one trade union in the Anzhero-Sudzhensk mines, the Independent Trade Union of Coal Industry Workers (NPRUP — Rosugleprof). The example of the strike in Sudzhenskaya provokes some reflections. As the members of the STK of the mine said, 'it is always only the underground workers who strike, service and surface workers continue to work'. The group which is the most active is that which usually forms the base of the NPG. The idea of establishing NPG cells in the Anzhero-Sudzhensk mines has been expressed repeatedly, even on Kemerovo television. The absence of NPG from Anzhero-Sudzhensk was explained by the fact that: 'Nobody from NPG has ever come here. We do not know

what their aims are.' In circumstances of a worsening economic situation in the coal-producing enterprises of Anzhero-Sudzhensk and the activation of a strike movement, the absence of NPG cells in the city's mines can only be explained by the low level of activity of the leaders of NPG at regional level. Since various political forces will use strikes for their own aims in future months, it is obvious that representatives of various political parties and social organisations will visit the striking enterprises. Such organisations will try to lead the strikes, as happened at Sudzhenskaya, where the co-ordinator of the LDPR in Anzhero-Sudzhensk emerged as informal leader of the most militant STK.

Given that there is growing social tension in the mines, one should note that, since attempts to draw in the workers are highly probable in the near future, the establishment of NPG cells in coal-mining enterprises is much to be preferred to the establishment of party cells, whose activity, as is shown by the example of Sudzhenskaya, has a destructive impact on production.

The conclusion drawn from the above might seem paradoxical in a situation in which all the talk among workers within the ranks of the trade unions is of the need to overcome the divisions within the workers' movement. Nevertheless, there is some foundation for this conclusion. Irrespective of ideological or political differences between particular leaders of Rosugleprof (NPRUP) and NPG in the mines, they have a common basic interest in the stabilisation of the work of the enterprise and the preservation of the mine. This is the threshold that they will not cross, since they understand that however much they fight one another, tomorrow they all have to work together in the same mine. For leaders of political parties, who are included in the strike committee at the time of a strike, there are no such restraints, so that they are able without hesitation to sacrifice the enterprise for 'Great Russia', Justice, or any other political idea, concealing their political ambitions. (This was precisely the behaviour of the LDPR leader Pushkarev, by whose efforts the strike at Sudzhenskaya mine was extended, even though amongst themselves people were saying that they were tired of the strike and that it was time to go back to the mine.) In the present situation the presence of two trade unions can be compared to the existence of a two party system in which, if you don't like one party, you can vote for the other. The situation with the trade unions is the same. The existence of NPG and Rosugleprof in one mine makes it possible to preserve a certain degree of stability, as the initiative

passes from one to the other, there is a sort of counterbalance, so that there is no niche that can be filled by party activists coming from outside. This argument is no more than a working hypothesis which demands further investigation of the processes proceeding in other coal-mining enterprises.

In relation to Sudzhenskaya one can say that the misfortune of this mine is that neither trade union has an effective presence. During his last visit to Sudzhenskaya mine the deputy general director of Rosugol', Zaidenvarg, argued that it was essential to hold new elections to the trade union committee as soon as possible, because at the moment there is nothing to work with, nobody with whom to negotiate. Now, on its side, the administration has an interest in the creation of a body which can express the interests of the workers and which carries some authority with them. The experience of Sudzhenskaya mine shows that where such organisations are not present, a vacuum forms which is filled by parties aspiring to power.

## THE EVENTS AT SUDZHENSKAYA FROM THE POINT OF VIEW OF WORKERS IN OTHER MINES IN THE CITY

The situation in Sudzhenskaya mine that arose in the autumn of 1994, and the events that flowed from it, were actively discussed in other mines in the city. In the course of our investigation we asked ordinary miners, section heads and trade union leaders at Sibirskoe and Fizkul'turnik about their attitude to the Sudzhenskaya strike. The Fizkul'turnik Mine Administration has for many years been considered to be the best mine in the town with a long-established director who has retained the traditional authoritarian management structures. It has always had the highest output, the highest pay and the highest level of labour discipline. It has one mechanised face and is mechanising a second which will put it in a good position to meet the government's productivity targets, although this will imply job losses of 20–30 per cent. In anticipation of this the director ordered a stop to recruitment in the autumn, although the mine at that time still had 100 vacancies. The Sibirskoe mine administration is in a much less favourable situation than Fizkul'turnik. It has always been regarded as a 'sink'

enterprise, employing those who could not find a job anywhere else, and things have only got worse with production down by a third and employment by 20 per cent in only two years leading to large losses in revenue and subsidies. These difficulties arise primarily because the mine is in transition with one pit due for closure, but the future of the new pit due to replace it being uncertain. The labour force is demoralised, with high levels of distrust of management and a high level of labour turnover.

One can say that the attitude to the events of people in various positions, working in various mines, all came down to the same: everybody understood that one cannot live for five months without pay, and so supported the actions of the miners who found themselves in a disastrous situation. The support for the Sudzhenskaya workers was expressed to varying degrees: from complete and unquestioning support to acknowledgement of the fact of the strike, qualified by an analysis of the circumstances. The workers interviewed all gave their full support to the strike, and most of them regretted the fact that they had not supported it actively. Their regrets were connected with the threat of long delays in the payment of wages, rumours of which were constantly circulating in the town. It has become quite normal for workers to endure the non-payment of wages for a period of three months, but during the fourth month tension begins to rise (and this is the situation in which many workers now find themselves), while if wages are delayed by five months the kind of spontaneous action that developed at Sudzhenskaya becomes likely. The workers explained the length of their patient resignation by the fact that for the three summer months the workers had been able to survive on their subsidiary economic activities, primarily agricultural. However, the month of September was especially difficult for many because it was the beginning of the school year, which involves a lot of expense, and many spoke of the material difficulties connected with this. The eruption in October was explained by the despair of people who had lost patience and, perhaps, simply could not support their families any longer.

The section chiefs related to the events unfolding at Sudzhenskaya with understanding, and considered the facts from the point of view of production and of the ordinary miner. The material situation of a section head is little different from that of the workers in his section, with his pay, as a rule, being as delayed as theirs. The section heads experience the same difficulties as their subordinates. They supported the Sudzhenskaya workers, describing the problems faced by the Sudz-

henskaya miners very accurately. From the point of view of production they were concerned about the problem of preserving the mine in working order for the duration of the strike.

The trade union chairmen had attended the meetings of the Sudzhenskaya workers and their initial appraisals related to the conduct and procedure of the meetings, and then of the strike. They said that support for the strikers could have taken any form, but it was not sensible to stop the other mines. They offered instead the traditional forms of trade union support: for example, the organisation of delegations to various bodies (including to Moscow) to request that steps be taken to help the mine. The Sudzhenskaya miners did not accept that form of support, so that dialogue between the mines broke down.

Different respondents saw the reasons for the events at Sudzhenskaya differently. The trade union leaders, backed up by the section heads, saw the main reason for the disintegration of the mine as being the activities of the former director, and they saw the demonstrative actions of the strikers as a result of the presence of 'outsiders' on the strike committee. The former director of Sudzhenskaya was simply regarded as being incompetent and a bad leader. Despite good reserves of coal he had brought the mine to the brink of ruin. When the representative of LDPR appeared on the scene, his speeches alienated the sympathy of workers from other mines for the strikers. The composition of the labour force of Sudzhenskaya had changed considerably over the previous six months, leaving workers with low skill and a bad reputation, which was seen as the reason for the strike.

Awareness of the course of the strike and of the process of disintegration of the mine gave rise to the same response among people in very different positions. At Fizkul'turnik, people repeatedly saw the events at Sudzhenskaya as analogous to their own situation. Respondents perceived the stages through which an operating mine could come to the verge of closure, and they saw clear signs of this same development in their own mine. Such sad analogies presented the employees of this mine with the question of what they would do in the same situation. Practically everyone had posed this question to himself, and came up with one of two answers, either to strike or to have patience. Nobody questioned saw a strike as an organised and legal form of activity. They had in mind much more a spontaneous strike, the results of which they evaluated variously: having the experience of their own strike in February, people already understood that an illegal strike put them at risk of dismissal, and many considered this to be a

powerful restraining factor, but it is only possible to wait and to suffer up to a certain point, and people often spoke, half joking half serious, about the possibility of more serious spontaneous actions at the time of the strike.

The investigation of attitudes to the Sudzhenskaya strike has shown once more that there are no really united forces in the mines, and that there are no peaceful mechanisms for resolving conflict in the mines. Emotionally the mood is to strike, as in the case of Sudzhenskaya, but there is no real organisation which could lead this process. The situation in which the town finds itself, where a number of enterprises have stopped, and the mines have been declared inefficient, actively creates a view that Anzhero-Sudzhensk is in decline or, more often, that it is dying. In this situation a strike which begins in one mine threatens to embrace the whole city. The miners can transform the strike into mass disorder, or they can create conditions, through the necessary organisation, for regional development.

## POLITICISATION OF THE CONFLICT

During the twenty-four hour strike on July 19–20 the labour collective formulated a number of demands which were addressed to the administration of the mine, the concern Severokuzbassugol' and Rosugol'. Apart from the demand for the sacking of the chief accountant and the expression of lack of confidence in the director of the mine, all the other demands concerned purely economic questions. During the subsequent period, when the mine was in a pre-strike situation until September 15, and thereafter on strike, the miners' representatives went from office to office in search of 'protection and justice', building up increasing rage against those in power who would not pay the attention due to the miners' problems.

For a period of two months prior to the strike, and for the first 21 days of the strike itself, representatives of the labour collective turned to various authorities, using legal methods and official channels for the expression of their discontent. The lack of any reaction on the part of the authorities and branch management led to growing depression in the labour collective and pushed it into taking an extreme step with a single purpose, to draw the attention of the leaders with the power to resolve their problems.

One fact is very indicative. During one of the meetings near the Council House the chief engineer of Severokuzbassugol' proposed that the strikers elect a working group to conduct negotiations. When the group was elected, the delegates were invited into one of the offices and the press was excluded. The fact that nobody was able to find out what was happening in the negotiations meant that, as far as the labour collective was concerned, nothing had changed. However minor this fact might seem, it was indicative of the style of relationships between managers and their subordinates.

It is typical that the administration uses the procedure of election and discussions with activists delegated by the labour collective not to resolve the problems, but to put pressure on the delegates, to intimidate them, to promise them goods or threaten particular individuals to win them round (this was not particularly the case at the meeting just referred to, but is nevertheless typical). As a result people refuse to participate in such activities, even though in principle they should be effective bodies, and are in favour of putting pressure on the administration through the mass action of the crowd as a more effective and safer method of interaction with the authorities for the workers. (This was the reaction to the offer by the deputy chief of the city administration to select two delegates to be sent to Kemerovo. 'There they will sort them out!' was almost a chorus from the workers.) Thus representatives of the power structures have themselves done everything that they could to destroy even those few bodies through which conflict could be resolved and urged the workers on to mass outbursts, which are not conducive to the development of constructive proposals, nor likely to result in negotiations which might lead to a compromise, being resolved only by one hundred per cent concession to the workers, or by the use of force by the army or OMON.

The blockade of the Trans-Siberian railway by the Sudzhenskaya miners, although it attracted the attention of the whole country and made possible at least a temporary resolution of the problem of the five-month delay in payment of wages, nevertheless showed the miners once more that they had to oppose the whole of the enormous state machine. The first reaction to the actions of the miners came from the city prosecutor and the city department of internal affairs. The evening after the blockade five of the most active participants, one in handcuffs, were taken by the police to the city department 'in search of evidence'. Although they were released some hours later, the episode further agitated the whole labour collective. Criminal proceedings

were instituted over the blockade of the railway. The city prosecutor and chief of the city department of internal affairs spoke at the labour collective meeting the following morning. The state retaliatory machine once more tried to find 'the initiators and ring-leaders' and, without even trying to investigate the situation that had provoked people into acts of desperation, once more sought to resolve the problem on the level of the punishment of individuals.

The only support for the miners came from the opposition, in the form of Tuleev and Zhirinovskii. The former promised to act with a counter suit to instigate criminal proceedings against those who had provoked people into breaking the law, if the city law enforcement authorities did not close the proceedings against the Sudzhenskaya activists. The latter promised to solve the problem of the payment of money to the miners through the State Duma. As a result of these interventions, political demands became an inextricable part of the demands of the miners from the moment of the election of a new STK. At the meeting with Tuleev they declared: 'Aman Gumirovich, pay is not the main issue for us. We will go with you to the end and are ready for self-sacrifice'. The strike committee and the labour collective became instruments of political struggle.

All those we spoke to at the Sudzhenskaya mine recognised the positive impact of the blocking of the railway: 'the Trans-Siberian railway attracted the attention of the whole country'. Both workers and ITR fully supported the decision to close the railway as the only possible way of drawing attention to the needs of the collective. At the same time representatives of the senior management of the mine understood that the mine at a particular time found itself at the heart of a political struggle and so it was necessary to use that moment to get everything that they could out of the government and Rosugol', since the situation could not persist for long.

The view was also put forward that 'today they are taking their revenge on the miners for 1989', since those same bureaucrats who determine the fate of the mines were previously in the regional committee of the CPSU and in the Ministry of Mines.

The level of politicisation of the conflict can be clearly seen if we compare the demands on which the Sudzhenskaya miners declared their pre-strike situation with the demands that they put forward at the end of the strike. The list of demands presented to the director on July 20 concerned the payment of money due for wages and holiday pay, the provision of special clothing, the sacking of the chief accountant



for suspected machinations, and a declaration of lack of confidence in the director. The demands put forward jointly by the Sudzhenskaya labour collective and the Liberal Democratic Party on October 26 dealt with the question of the resignation of the President and the whole government of Russia and the resignation of the chief of the oblast administration, that is to say, purely political questions.

The intervention of the Liberal Democratic Party in Sudzhenskaya mine proved to be only the first step in the renewed politicisation of industrial conflict in the coal-mining industry, as various political parties followed the LDPR's lead and sought to establish links with striking miners, and to form their own miners' organisations, with a view to the 1995 elections.

## INSTITUTIONALISATION OF INDUSTRIAL CONFLICT

Despite the nominal privatisation of the coal mines, the fate of the enterprise still depends on the state, so that practically any industrial conflict takes on a political colouring. Conflict is politicised and the resolution of industrial, managerial and economic problems comes up against existing political structures.

In such a situation we have to consider the forms of institutionalisation of industrial conflict. The issue is, how will interests be represented?

The labour collective having allowed problems to accumulate for a long time, 'stewing in their own juice', uses established channels of expression of discontent — they do not work. They use a strike as the extreme measure — it does not work. Then they are ready to resort to desperate acts.

And then somebody comes from outside, the representative of a party. He offers a new channel of expression and direction of the seething discontent of the workers — the party channel, which takes over the delegated authority of the labour collective and uses it both tactically to put pressure on the power structures in the interests of the workers and strategically to force the ruling groups from power.

The example of Sudzhenskaya mine shows the use of this channel to transmit a letter containing the demands of the labour collective to Zhirinovskii and Zyuganov. This channel was effective, since Soskov-

ets immediately spoke on Russian radio calling for financial support for the mine.

Thus for a certain period there is a consensus between workers and party. On the one hand, using political levers, the party leaders extract money for the mine and help the labour collective (for a time) resolve its financial problems. On the other hand, the party acquires authority and influence in the political arena.

One can conclude that in conditions in which the legal procedures for transmitting complaints and resolving industrial conflicts are not observed, the party becomes a new channel of management of popular unrest, and the institutionalisation of industrial conflict begins to take on a party form.

Official channels do not fulfil this function. We can cite two examples. First, members of the STK of Sudzhenskaya mine handed a list of demands to the head of the city administration, Skorik, and demanded that he organise a meeting with the chief of the regional administration and the leaders of Rosugol' — a perfectly legal request, which did not violate any legal norms. The head of the city replied that, first, he did not have the authority to invite higher level leaders (establishing the first barrier for the strikers) and, second, he refused even to accept the list of demands from the members of the STK. In this way he blocked the legal channels for the expression of discontent, and the workers began to look for more roundabout, including illegal, means to make themselves heard. Basically they simply demanded that the authorities competent to take the necessary decisions should sit at the negotiating table with them as equal partners. In other cases elected organs (for example, a working group or initiative group drawn from the strikers to conduct negotiations with the authorities) were used by the authorities not to resolve the conflict, but for 'sorting out the individual ring-leaders'.

The second example was having used the channel of Skorik, and having failed to negotiate with the chief engineer of the concern Severokuzbassugol' and other bureaucrats, the workers decided to send a letter with their request for help to Zhirinovskii. That is to say, they used a roundabout, party political channel to put pressure on Rosugol' not from below, but from above, through the State Duma, the government and other structures. It should be added that, with the emergence of organised opposition, this channel may become more popular (and may even become the primary channel, which is danger-

ous for official channels which, as a result of their lack of use, lose influence and real power).

At the same time there is nothing new in all of this: it is simply one more case of the influence on production processes of 'the party line', but now in the conditions of a multi-party system.

What happened, from the point of view of the labour collective, was lobbying for their interests through party channels. In present circumstances it would appear to be impossible to exert such pressure through the trade unions, since it is only parties and not trade unions who can put forward candidates for deputy.

Now in workers' and trade union circles discussion is taking place about the need to lobby for their interests in the structures of power, and about supporting one or another of the existing parties in the forthcoming elections. The problem is that if a party candidate supported by a trade union does not fulfil his or her obligations, the trade union has no right to recall that deputy. This can only be done through the party which nominated the candidate. Moreover the party, like any organisation, has its own interests, which may not coincide with the interests of the trade union. In such a case the mechanism for the recall of a deputy is blocked by party interests, and the trade union once more finds itself dependent on the support of a political party. Thus it is much more expedient for a trade union to put forward its own candidates independently, and immediately to recall the deputy if he or she does not carry out his or her obligations.

## PROSPECTS OF FURTHER CONFLICT

The prospects of conflict are directly connected to the prospects of the mine itself. There is a general view that Sudzhenskaya mine will be closed, despite all the assurances given. The antiquated machinery, lack of mechanisation and poor conditions make it unlikely that the mine will be able to achieve the target of 1,000 tonnes of coal a day. The only conclusion is that, if one only takes economic factors into account, the mine will be closed, once it has been played as a card in the political struggle, and there is no real organised force which could contest the decision that has been taken to close the mine.

The atmosphere in Anzhero-Sudzhensk is one of impending catastrophe. Everybody, regardless of their status or qualifications, talks

about the death of the city, about the impending end of everything, that that is what it will come to. In such conditions people develop a 'catastrophic', 'crisis' consciousness, in which they can see no way out and try to solve everything with brute physical force. Even in the 1930s the Anzhero mines were not expected to have a long life, so that the 'crisis' consciousness of the population of the city as a whole has fairly deep historical roots. One of the indirect indicators of this crisis situation is the fact that the death rate is already twice as high as the birth rate. Since everybody finds themselves just waiting, they are unable to force themselves to undertake something constructive, to get themselves under control and start to look for positive solutions.

Statements about the need to establish order and execute the mafia and state bureaucrats are as widespread among junior mine managers as they are among workers. Many of them admit that they personally, or those close to them, would commit robberies and theft (including from their own senior managers and from trains on the Trans-Siberian railway, and so on). Here are just two extracts from interviews with mine employees from the town:

But it is a matter of psychology — I cannot sell, but I can steal. Not from private individuals, but from the state — from what is left of it.

Where is there to go in the city for those who have been dismissed?

Where to go? To thieve, steal ...

From whom — from equally poor people, only from other mines?

Why, — we can rob the trains — the Trans-Siberian goes through here.

It should be emphasised that these statements were made by junior managers.

Among political leaders the strongest sympathy is for Zhirinovskii and General Lebed. A Pinochet figure has appeared as the prototype of a future Russian leader in the consciousness of workers and middle managers in all the mines around the city, from the half-collapsed Sudzhenskaya to the presently safe Fizkul'turnik.

On the basis of what people said to us, one can predict a high probability that they will be forced into illegal actions as they come face-to-face with the reality of unemployment, with no prospect of finding an acceptable alternative job. The rise of criminality, which threatens to grow from the actions of discrete mafia groups into a mass phenomenon, will imply levels of expenditure on the law-enforcement agencies that will dwarf the present subsidies to the coal-mining industry. Mass unemployment in present conditions implies mass criminality and the transformation of small mining towns into leading criminal-producing regions. Since the state gives the workers no opportunity to determine their own fate, the miners end up in despair and, simply to secure their most basic survival, are forced to break the law.

The absence of constructive solutions on the part of the branch and local authorities leads the employees of the enterprises to take destructive actions, one of which was closing the Trans-Siberian railway. Now people speak about the possibility of blocking or even of blowing up the oil pipeline that passes near the city if further problems arise. It is to be expected that explosions of social indignation in the city should be accompanied by explosions of dynamite. According to the editor of the miners' newspaper *V boi za ugol'*, two young people recently blew themselves up while trying to blow up a smart private residence, which had been built in the settlement by the Anzhero coal concentration plant. The charge did not go off properly and the two young men were killed. When all the mines have explosive-drilling sections, access to explosives is no particular problem, if the miners find themselves driven into a corner next time.

# 11. Underground Miners' Strikes

*Petr Bizyukov*

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The miners' strikes of 1989 indicated the breakdown of the old repressive methods of regulating labour relations. Since 1989 labour conflicts have become an everyday reality, with the miners at each stage playing the leading role. Although the number and duration of strikes in Russia is still very low by international standards, particularly when one takes account of the burden imposed on Russian workers by the transition to new economic forms, the growing sharpness and intensity of conflicts testifies to the fact that society has not yet managed to find another way of regulating labour relations. Management continues to ignore the grievances of workers, and continues to attempt to repress conflict, responding to workers' demands with threats of dismissal rather than negotiating with workers to reach a civilised settlement of the dispute. Every attempt to negotiate, and even to press their claims through legal channels, is thwarted. Denied any constitutional channels through which they can press their grievances, workers resort to increasingly desperate measures. In the coal mines, hunger strikes on the surface have been followed by underground strikes, and even underground hunger strikes, in the arsenal of weapons employed by the miners in their struggle for their rights. The present article is based on observation of two underground strikes in Kuzbass in February and March 1995.

## STRIKES 1994–5

The miners have often been considered, with good reason, to be one of the main pillars of support of the 'liberal' leadership of the country. It was precisely the miners' strikes, and particularly that in the spring of 1991, which helped the present political leaders to force their way into power. The substantial increases in miners' pay in June 1991 and at the beginning of 1992 were clearly seen as a reward for their service. The unconditional support given by the radical miners' leaders to the poli-

ticians proclaiming reform in 1992 and 1993 further encouraged the view that the miners were the shock troops of the forces of reform. And this was a very significant force, a kind of Praetorian guard, which could put people into power, and could cast them down. Yeltsin's visit to Kuzbass in April 1993, before the referendum, provided obvious confirmation of this state of affairs.

However, as time passes, confirmation of the unity between miners and the leadership of the country becomes less and less frequent. Indeed, the miners' representatives have increasingly come to participate in anti-government meetings and demonstrations. Even the workers' committees, once the miners' organisations which were most loyal to the present leadership, have begun to strike a condemnatory note in their appeals to the structures of power. But this is not the most important thing. Most important is the increase in spontaneous strikes among the miners.

It is necessary to clarify precisely the nature of spontaneous strikes. Strikes during the Soviet period, including the large-scale strike of 1989, were spontaneous because it was impossible to conduct organised protest actions. A strike was a crime. But the absence of any legal definition made it possible for the authorities to approach such an event very flexibly. If the strike was not very strong, or the strikers were not very united, it was straightforward to identify and punish the trouble-making leaders as an example to others. However, it was not always possible to act in this way. In cases where the prosecution of the leaders could only intensify the conflict, an incompetent manager would be identified who had 'reduced normal Soviet workers to taking illegal actions'. Once the selected manager had been punished, often not seriously, and the 'normal Soviet workers' had received minimal satisfaction of their demands, they got back to normal work. Only later would those identified as the 'trouble-making leaders' be subject to some kind of victimisation, which would not be formally connected to their protest, but would be on some other pretext.

The great strike of July 1989 was the culmination of a strike wave which had built up momentum earlier in the year. However, the power structure, true to its own principle of not seeing what it did not want to see, took desperate steps to avoid the outbreak of strikes. In June 1989 the Kemerovo regional Party committee passed a resolution declaring the incompatibility of Party membership with participation in strikes. Instead of giving the workers the soap that they requested, they tried to

divide the workers into the faithful and the unfaithful. The result was a strike the equal of which had never been seen before in our history.

In the summer of 1989, hot on the heels of the strike, the newly elected Supreme Soviet passed a law on labour disputes and conflicts. This law established the fundamental norm of market-based labour relations, the right of employees to assert their own interests, up to and including strike action. However, the procedure laid down by the law for the preparation of a strike was so complex that few could or wanted to use it. The majority of strikes that took place in subsequent years, including the great two-month strike of 1991, were not conducted in conformity with this law, but were technically illegal, although the law only began to be regularly employed against such illegal strikes from 1992, and in the coal-mining industry it was only at the end of 1993 that threats of prosecution of the organisers of illegal strikes were heard in Kuzbass for the first time. This was a time at which tension in the coalfields was rising, primarily as the result of the failure of management to pay the miners their due wages, payment often being delayed for three months or more. However, attempts by workers' leaders to resolve their grievances through negotiation or to organise legal strikes to demand payment of their wages proved generally unsuccessful. Against this background, the workers had to find effective forms of protest which would not lead to prosecution.

In the middle of 1994 at the mine Dal'nie Gory in Kiselevsk a regular conflict around the delay in the payment of wages broke out. The form of conflict was one which was standard at this time, a refusal to leave the mine. At a shift meeting, which included the participation of the trade union and management, the collective agreed to enter into the legal procedure. There were several meetings between the workers and the administration, but eventually the procedure broke down, either because the workers did not turn up to one of the meetings or they did not draw up the appropriate document. Although only seven days had passed, the original cause of the conflict had already been lost from view and only a handful of worker-activists persisted in pressing the issue, struggling for a matter of principle, without the support of the collective.

In other situations, in which activists and trade unions were less persistent, it proved impossible to reach even the halfway stage of the procedures laid down by the law. Thus the miners had to find a form of protest which:



- would not allow management to pretend that nothing untoward had happened;
- could be organised quickly in response to concrete events or causes;
- would not be punishable under the law as an illegal strike.

The last point should not be seen as a reprehensible attempt to avoid the legal consequences of their own actions, since illegal spontaneous strikes are merely a response to other illegal actions of the administration and the authorities. This is particularly the case of strikes related to the failure to pay wages. The workers legitimately ask, 'why can they violate the law by not paying our wages, while we are forbidden to strike against this?' The workers seek to avoid their legal responsibility only because they have no other means of calling the other side to account for their responsibility.

The refusal of workers to leave the mine turned out to be the ideal form of protest which met all three conditions. Under the law on conflicts, remaining at one's place of work as a sign of protest against something (in this case against the non-payment of wages) is not considered to be the start of a strike. But in the coal-mining industry it still has the desired effect of bringing the enterprise to a standstill. Under the existing regulations concerning the safety and organisation of underground work, it is forbidden to continue work and to send new workers down the shaft until such time as all the workers who have completed their allotted period underground have returned to the surface. Those in charge of production are obliged to set the procedures in motion to bring those who remain below ground back to the surface. This norm was established to prevent accidents and injuries, since the failure of workers to appear on time was always taken as a sign that there had been some kind of accident. Those who laid down the norm certainly did not anticipate that workers might fail to leave the mine voluntarily, but it has turned out to be very useful for the miners since they can bring the whole enterprise to a standstill in a matter of hours.

The workers call their action a protest, avoiding the term 'strike' so as to remain outside the jurisdiction of the law on conflicts. They do not form a strike committee and do not draw up a package of demands. They put forward only one demand, and that usually only verbally, that the wages owed to them should be paid. They avoid re-

sponsibility for the consequences of their actions because the protesters do not demand that the enterprise should stop work — this is the responsibility of management, acting in accordance with the current regulations. The fact that a strike has to be concealed behind an act of protest has to be seen as an indicator of the inadequacy of the existing system of labour relations.

Obviously this form of action is only available to underground miners because of the particular organisation of their work. It would be difficult to imagine that miners in the open cast mines could protest in the same way. A refusal to leave their place of work, without actually taking control of it, would be ineffective for them. Moreover, on the surface there are more opportunities for using force against such a 'disturbance of the peace'.

According to old miners the refusal to leave the pit is a well-established form of protest among miners, and it was typical of the strikes in the first half of 1989 in Vorkuta and Kuzbass. Indeed, miners have always used this method in the struggle for their interests in every country. However, in the USSR this form of protest was used only rarely, and since July 1989 miners have mainly used 'surface' methods of struggle. Analysis of press reports suggests that the present wave of underground strikes began with the miners of Biryulinskaya mine in Berezovskii, who stayed down for two days at the end of January 1994. Then there was a break until November. In this period the main form of protest used by the workers was a refusal to go down the mine. But the ineffectiveness of this form of protest became increasingly obvious, and in November the miners of Tsentralnaya mine in Prokop'evsk refused to come to the surface. From this moment the refusal to leave work became the standard form of expression of the miners. Table 1 gives details of the underground strikes in this period.

From the table it can be seen that there is a tendency for these strikes to get longer and to involve a larger number of participants. A total of 13,838 man-days have been spent underground in acts of protest in Kuzbass in this period. Is this a large number, or is it small?

If one compares it to the numbers participating in surface strikes it does not appear very many. But here we are dealing with underground strikes, which are a quite different matter, with a quite different significance and different consequences, both for the participants and for society. This is a quite specific form of protest, which has not been fully understood, even in Kuzbass. We therefore need to look more

closely at this form of protest, at how it arises, how it develops and at its results.

*Table 1 Underground strikes in Kuzbass, 1994–5.*

Year and month	city	mine	number of days	participants
1994, January	Berezovskii	Biryulinskaya	2(?)	23
1994, November	Prokop'evsk	Tsentralnaya	hours	one section
1994, December	Kiselevsk	Surtaikha	3	37
1995, January	Kiselevsk	Kiselevskaya	2(?)	52
1995, January	Kiselevsk	Dal'nie Gory	2(?)	35
1995, January	Berezovskii	Yuzhnaya	3	20
1995, February	Kiselevsk	Kiselevskaya	10	150
1995, March	Kemerovo	Severnaya	12	90

It is important to emphasise the demonstrative character of strikes in the recent past. The workers strike so that they will be noticed, to call forth a response in public opinion. The reason for this demonstration is the impossibility of resolving their problems by any other means. In all of the recent conflicts the demonstrative action itself was only the last link in a long chain of attempts on the part of the workers to find other, more traditional, means of resolving their problems. In Severnaya mine, before the refusal to come up from the pit the question of the unacceptability of such long delays in the payment of wages had been raised repeatedly in the collective. The question had been raised by workers in their sections when work was being distributed, at trade union meetings, at shift meetings and so on. Everywhere the mine management claimed that it was impossible to pay wages, putting forward a variety of arguments and explanations, insisting that management was doing everything in its power. The clearest evidence of the desire of the workers to find some way out of the situation was the proposal to conclude a 'Trust Agreement' between the administration and the employees, according to which the employees would have undertaken all the tasks assigned to them by the administration for several months, including in particular the obligation to produce not less than 20 tonnes of coal per man shift, in exchange for which the administration would do all it could to eliminate the wage arrears. In fact the agreement was not concluded, and neither side fulfilled its obligations, but it is remarkable that the workers were willing even to consider such a proposal. This only goes to emphasise that extreme

forms of protest only arise when every conceivable channel for the resolution of conflict has been exhausted.

The intolerable situation that had arisen in the Kiselevskaya mine in Kiselevsk is indicated by the fact that the underground strike in February had been preceded by a smaller underground strike in January. In Dal'nie Gory mine in Kiselevsk the underground strike in January 1995 had been preceded by a strike, in the form of a refusal to go down the mine, the previous summer, in an attempt to get through the impenetrable procedure for the organisation of a legal strike, and after a large number of heated meetings during the autumn. At Sudzhenskaya mine in the autumn of 1994 the workers had appealed to the trade union, to the mine administration, to the concern and to Rosugol', and held meetings outside the town hall, all with no result, before they resorted to extreme measures. As if it was not enough that nobody was willing to agree to pay the miners their wages, there was increasing talk of the closure of the mine. What more could the miners do in this situation?

Demonstrative actions can take various forms. Although the underground strike has become the most popular, the miners of Sudzhenskaya in the autumn of 1994 blocked the Trans-Siberian railway, which runs through their town. The miners at Yuzhnaya mine in Berezovskii similarly considered closing the road between Kemerovo and Berezovskii. The other form of demonstrative action that is considered as a last resort is the hunger strike, either underground or in some other form.

All of these demonstrative strikes ended with the complete or virtually complete victory of the protesters, even though at the beginning of the actions the expectations of success were slim. 'There is no money and nowhere to get it from' was the initial response. But practice shows that there is no money only when nothing particular is happening. Once something happens money appears with the wave of a magician's wand, and quickly, in the necessary quantity, issued in the form most convenient for the miners. In such a situation, for the miners the answer to the question 'how and why?' seems unequivocal, 'because they were holding on to our money'. Where have the iron arguments of management about the impossibility of paying and the absence of money disappeared to? What has happened to the desperation of the situation? It turns out that anything is possible, it is necessary only to press them, to intimidate them. That is the conclusion drawn by the workers.

## THE BEGINNING OF THE STRIKE

The attempts of the workers to present their 'act of protest' as unexpected and spontaneous is fully understandable. For them spontaneity is a means of protecting themselves from prosecution for organising an illegal strike. But this myth is also convenient for enterprise management, who are thereby able to evade responsibility for 'the existence of unresolved problems' and, moreover, have the opportunity of not simply asking for, but demanding subsidies, credit, privileges and so on. In this situation the question of the legitimacy of the demands takes second place. The priority is to extinguish the conflict, and only later to ask whether the money has been properly or improperly acquired and distributed.

Among the workers the possibility of a strike is often discussed before they go to work. Eventually all, or at least a majority of the participants in the discussion, come to the conclusion that the situation is bad for everybody and everybody must act together. If there are authoritative and energetic leaders, they put forward the idea of organising a strike, which then has to be discussed in all the sections — 'to have a chat with the lads'. Secondly, discussion and 'interrogation' of section managers regularly takes place while the workers are receiving their orders before the shift. The workers are not only assigned their tasks, but also receive information about the chances of receiving their pay. Sometimes managers provide the information themselves, sometimes the workers ask or force their managers to get some kind of an answer out of the economists or the director of the mine. Usually the response is negative or incomprehensible, leading to an emotional reaction such as 'why should I work if they do not pay me money?', after which comes the threat, 'you are waiting for us to sit down there!' Such conversations take place in virtually all the mines, but in most cases such threats do not have any real consequences. Only in the most serious situations do preparations for a strike begin.

Thus it is difficult to say when underground strikes 'begin'. They ripen over several months and only when the number of threats and the weight of the situation reaches a critical level do deliberate preparations begin.

This stage is hidden from the view of outsiders and it is possible to evaluate it only from indirect indications and from the evidence of

those directly involved in the organisation of the strike, who are not inclined to talk frankly. This stage might last for several days or even weeks, or might take only a few hours. During the preparations decisions have to be made about the number of participants, the organisation of the refusal to leave, and the selection of the participants.

Usually the selection of those to be involved is constrained by two factors: the difficulty of their personal circumstances and the state of their health, but in one of the underground strikes the leaders even took into consideration the psychological qualities of the prospective participants in the strike. They were interested in such qualities as their psychological stability ('so that he won't be a moaner'), self-discipline, and ability to fulfil particular social-psychological roles ('joker', 'organiser', 'orator' and so on).

Certainly, the more careful are the preparations, the more obvious they are. The section chiefs undoubtedly know what is going on. They may not know the exact date, or the number and identity of the participants, but they know that the workers are planning to strike, and they know the approximate date. The mine management also gets to hear rumours about what is happening, although section managers do not keep mine management fully informed for two reasons: first, out of solidarity with their own workers, because many of them agree that it is necessary to take extreme measures; second, in accordance with the code of male honour, which forbids one to chatter about another's secret. A particular role is played by the weakness of enterprise management. In all mines in which sharp conflict has taken place, management was distanced from the collective and had rather a weak influence, and correspondingly had limited information about the intentions of the workers and about the mood of middle managers.

The question of the extent to which such conflicts benefit enterprise management is not clear. One feature of surface and large-scale strikes which can be observed repeatedly is that the most appreciable benefit accrues not to the collective, but to the director, who receives additional money, privileges and so on. But all acute conflicts in mines with weak management have concluded with the dismissal of the director. Thus one can understand the fear of senior management of such sharp forms of protest, although the body of directors as a whole does not suffer any particular losses, since the money for the settlement of underground strikes is obtained by every imaginable and unimaginable way.

The unformalised character of the organisation of the strike makes it possible for the workers to act very flexibly and effectively, while management in this situation cannot even get precise information about the workers' intentions. The workers carry on as normal — they take their orders for the shift and so on. To any question like 'have you decided not to come up from the mine?', they can answer vaguely and evasively. And in fact the strike can be changed at the last moment for any reason.

At Severnaya the strike had originally been prepared for the beginning of March, but because of the March 8th holiday it was postponed and took place a few days after the holiday. The decision to postpone was made only days before the strike was due to begin.

The action itself begins at the change of shift, when one shift finishes work and the other has already been lowered down the shaft. This was why such large numbers were involved in Severnaya and Kiselevskaya. In some cases the shifts meet on the surface, in other cases underground. But it is at precisely this moment that the decision not to leave the mine is taken and representatives of the administration informed of the decision. For this reason at Kiselevskaya the strike involved the second and third shifts, made up exclusively of development and face workers, the first shift, which is the repair shift, not participating. In Severnaya it was the first and second shifts which did not come up. The third shift could not then join the action since once it is announced that some people have not left the mine a special regime comes into effect governing admission to the mine and the issue of batteries and safety equipment.

Those who remain on the surface hold a meeting, at which they declare their solidarity with those who remain underground, discussing with them (by telephone or through messengers) measures of support and interaction, what those remaining on the surface should do, and so on. The underground strike has begun.

## THE INITIAL PHASE

The first thing which those remaining underground have to decide is where they are going to locate themselves. It is simply impossible to spend a long time in the normal workings because of drafts, humidity and the low temperature, which can put someone out of action in the

course of two or three days. For their stay the workers occupy all the suitable little nooks, but the most favourable place of all turns out to be the explosive store, because it is located up a cul-de-sac or in isolated workings. At Kiselevskaya this store has doors and heating. The workers do not use the store itself, where the explosives are kept, but the shed in which they are issued. The other place that is suitable is the building near the shaft where the batteries for the mine locomotives are charged. This is also an isolated building, although it is not very large so cannot accommodate many people. There are various other places, but they can hold even fewer people and so, if they are isolated, are only suitable as sleeping places. The centre of the underground strike is therefore the explosives store. This is where the leaders are found, and where the majority of the strikers spend most of their time. This is where meetings with management take place and where decisions are taken.

The next step is to establish communications with the surface and secure a supply of food. The explosives store is convenient from this point of view as well, since it contains a telephone, which makes it possible to establish efficient communications not only with the mine services on the internal telephone, but even, in Severnaya mine, with the city. From nearby workings panels, wooden planks and so on are collected to make places to sit, beds, tables and other furniture. A place for storing food is constructed, containers for drinking water are located, everything possible is done to prevent drafts, insulating materials (rags, paper) are found and cracks and vents are stopped up.

At Severnaya an old oil heater, which had not worked for a long time, stood near the explosives store. On the very first day electricians from amongst the strikers repaired it and connected it up. Unfortunately it could not work at full capacity, but it was possible to use it to dry footwear and to warm one's hands. Some fortunate people were able to sleep by it at night or during the day.

Preparatory work was done in different ways. Where the level of common organisation was low, as at Kiselevskaya, each section equipped its own corner, found its own materials, constructed its own furniture and so on. The work was directed by team leaders or brigadiers. Where there was a high degree of common organisation, as at Severnaya, the operations were directed by the leaders of the action and the whole space was fitted out. In general brigades were not allocated their own areas within the premises as a whole.



After completion of the preparatory work it is time to begin discussions. The majority of the strikers know one another very well, so it does not take long to explain who is who. At this stage the main themes of discussion are games, leisure activities and politics.

Some people are completely absorbed in games of dominoes or cards. They spend hours on end at the games table, moving from one group to another, changing games and not even being distracted by a meal. Only a general meeting or negotiations with management representatives could draw them away from this activity. Those who are not so adventurous and are not keen on games while away the time in various conversations, chatting with one another about the usual everyday things. Sometimes a group will gather around an interesting or amusing story-teller, and will begin to swap anecdotes, jokes and funny stories. Finally, there are very lively socio-political debates, which embrace a wide range of themes from the problems of the section and brigade up to national and political issues. Some workers establish their own 'political club', in which only these problems are discussed. The attractiveness of political discussion is related to the fact that a lot of attention has traditionally been given to these themes in miners' circles, while miners have a wide range of different points of view, so it is interesting for them to put their arguments and to listen to the arguments of others. Moreover, through these discussions they work out a common view of their own situation, develop the arguments to justify their actions, and find and sharpen arguments to back up their demands. Thus, while talk about games and leisure plays a relaxing role, these discussions serve as expressions of their values, both in general and in relation to the current situation.

Discussions in the first days of the stay underground are so active that there is no time for sleep. The majority of the participants try out all the forms of interaction, playing, chatting and discussing. Only a very few choose a more limited role and keep to it for the duration of their stay underground. Such intensive activity can be explained by a number of factors. First, the general excitement, since the decision to strike is itself a courageous, almost a desperate, step so that excitement is inevitable. Second, there is the change in the normal routine of life. The burden of the miners' work is such that he has virtually no chance to take any kind of leisure during his working day. He goes to work early and returns late and tired. Thus they rush at the chance to spend plenty of time with others, their colleagues, doing nothing but talking, arguing, playing and interacting intensively with one another.

The compulsory element in the initial phase is a meeting with management, who come down the mine to discover the reasons for the refusal to come up. The main reason for this visit, in which as a rule the mine director and chief specialists take part, is to receive the workers' demands and discover their mood. They also have the unfulfilled aim of stopping the strike and bringing the workers up from underground, but this is wishful thinking, since everybody knows that if the workers have decided to stay down the mine, they are not simply going to leave.

The aim of the meeting for the workers is to put forward their demands, to demonstrate their determination and to get information about the possible actions of management and the prospects of the satisfaction of their demands. As a rule the meeting is tense. Management, as against the workers, has no moral right to make any demands, since the long drawn-out non-payment of wages and the absence of money makes the position of the workers almost invulnerable. The director must hear the workers out whatever happens. If he is soft and tries to find a common language they will accuse him of having first driven people to breaking point and then licking their boots. But if he tries to snarl and establish order, then some people from the crowd will snarl back, so that he will have to change his tone. Although there is another possibility, to keep quiet and answer in few words. This situation arises when workers are afraid that management will take revenge on any individual who speaks out or objects. In any case, the first meeting, at which intentions are revealed, and agreement reached on a schedule of further interaction and prospects, ends approximately as follows: management to the workers: 'there is no point in all this lads, we could have sorted all this out in a normal way!'; workers to management: 'We are not interested in your problems or where you find the money, you can look where you like, but we will only leave when everybody has been paid!' After the meeting the two sides establish their detailed positions in relation to their possible actions in the immediate future.

## MIDDLE PHASE

The initial excitement lasts for more than a day. At the end of the second day, when the euphoria at their boldness disappears, when the excitement at the unusual situation passes, when the demand for dialogue has been satisfied, the everyday life of the strike begins, sitting and waiting until the problem is resolved. The essence of this is the need to wait for information from management in order to take a decision. Contacts with them take place through various channels, direct and indirect, by telephone and through personal meetings. Each item of information is discussed, a decision is arrived at and sent back up.

In the first days of the strike there are visits from journalists, and in Kiselevskaya and Severnaya television, radio and press journalists were lowered down the shaft to the miners. These are only short visits, in which the journalists' only purpose is to report the fact of the strike, the demands of the workers and the response of management. The majority of journalists are not interested in the causes of the conflict, and even the information they do give tends to be inaccurate. In both Severnaya and Kiselevskaya they reported that the workers were engaged in an underground hunger strike. In Kiselevskaya one of the strike leaders did indeed talk about this possibility in a short interview, but in Severnaya there was absolutely no mention of a hunger strike. However, in both cases the long strikes were reported as hunger strikes, and the subsequent collection of information by the journalists consisted only in phoning the trade union committee or the director, depending on the sympathies of the journalist: 'Are they still down?' 'They are still down!' 'Fine'. A further report is published: 'The underground strike is continuing...'. But at least this keeps the strike in the view of the public. However, in another two or three days the journalists have lost interest and the strikers are left one-to-one with the administration.

Unfortunately journalists are only interested in covering the most extreme and dramatic actions. A long and peaceful conflict is not interesting. Moreover, the journalists aggravate the situation by making serious errors in their reporting of conflicts. They cannot make, or are afraid to make, a proper analysis of the situation, explaining how it has arisen, why this form of action was chosen, what was its pre-history, not being willing or able to invest the necessary time and intellectual energy. Their preoccupation with novelty means that their interest

fades as the strike develops, relieving management of pressure to settle the dispute.

After three or four days the strike moves into its most difficult phase. Some strikers fall ill and have to return to the surface, and weariness sets in amongst those below ground, all of whom have to live in difficult and unhealthy conditions of dirt and damp, cold and drafts, lying on concrete floors or on planks all day, with no fresh air or daylight, nowhere to wash or shave, with the smell of bodies, of drying socks, and monotonous food. Going up to the surface for a wash only makes the experience worse when you return, so some decide that it is better to stay down and not to wash at all. At Severnaya a supply of hot food was arranged from the first day, but this gave rise to rumours that the miners were living like kings at the expense of the strike fund, so the strikers decided to refuse hot food. People become more passive, less inclined to engage in dialogue, more irritable, bored with the games, with less and less to talk about and nothing to do except to wait for information from above.

The whole stay underground is subordinated to the receipt of news from the surface: what the director has done, what the 'general' has said, what Moscow promises, what is the reaction from other mines. And people's main activity becomes just waiting. However, there is little information and it arrives only rarely. 'The main news is no news' can be repeated for almost a week.

There is some turnover among the strikers. Those who fall ill, or who have to leave for pressing family reasons, such as a funeral or the illness of a close relative, are replaced. Others may leave temporarily. There are those who were never enthusiastic about the strike, but just got caught up in it, who look for an opportunity to leave, which they can most easily do by feigning illness. In Severnaya one of the strikers had a business on the side, and was obviously anxious to spend his time more profitably. On the fifth day he left the mine on the grounds of illness, and immediately disappeared on a business trip to Novosibirsk. In Kiselevskaya those who left did not hand in their tally in the lamp-room, but simply passed their tally, lamp and safety equipment to their replacement in the changing room. In Severnaya, on the other hand, those leaving and their replacements went through the full procedure of tallying in and out.

The process of replacement was co-ordinated on the surface by one person responsible for this job. A request for a certain number of replacements would be sent up to the surface, and the co-ordinator

would gather them together. In general the replacement was drawn from the section of the person being replaced, the section meeting to identify the replacement. At first those left on the surface are burning to join the strikers, but as time goes by it is increasingly difficult to find volunteers to join the strikers underground, while the need for replacements increases. In Severnaya by the eighth day only 28 of the original 96 people remained. However, having resolved their problems, recovered their health, and had a rest, the original strikers begin to return, so that the numbers participating might actually increase. But this is already in the final stage, when the dispute is approaching resolution and the key issue is no longer how many people are underground, but how the problem of payment of wages will be resolved.

The problem of smoking has a huge significance for the majority of men, both because this is a masculine privilege, and for the simple reason of tobacco-dependence. For many it is better not to eat than not to smoke. Usually in the mines smoking is strictly forbidden, particularly as the majority of mines in Kuzbass have high concentrations of methane, with correspondingly high risk of explosion, and this prohibition is strongly supported by the workers, although about 90 per cent of them have a smoke immediately before and after the shift. The ban on smoking puts many of the smokers among the strikers in a very difficult situation. When initially deciding whether or not to participate in the strike they do not take this factor into account, and there are other more important issues to consider on the first day of the strike. It is only after a certain amount of time that this issue comes to the fore, and for the majority abstention from smoking becomes intolerable. This leads to increasing attempts to get to the surface, which is the only possible solution to this problem.

In Kiselevskaya the explosive store, where the strikers were based, was only about five minutes walk from the shaft and from time to time smokers were taken up to the surface in groups to have a smoke, returning thirty to forty minutes later. Gradually the trips to the surface became more frequent and the groups smaller, with sometimes two or three, sometimes only one person going up, so that the flow of people became almost constant, with the cage operating almost continuously. It was not long before those going up for a smoke combined it with other activities, such as having a wash, or popping home for a visit, since the pit is in the centre of the city.

In Severnaya the process was organised a little differently. The workers were a significant distance from the main shaft, and the sur-

face exit was some distance from the main complex of buildings, and even from the town and the road. To get to the surface there was first a ten minute walk, then you had to be hauled up on a ropeway, and then hauled up an inclined lift, at the top of which was a group of subsidiary industrial buildings where it was possible to sit in the warm and have a smoke. Because it was not possible to go home and so on, the meeting of smokers turned into a kind of club, where many of the strikers spent a lot of their time, only going back down the shaft to take part in meetings and for a meal. The strikers fitted the building out with bunks and chairs and got a stove going to heat it. Later many even began to sleep on the surface, where they tried to be close to a telephone so that, if necessary, they could return quickly underground, and by the end most of the strikers spent most of their time here. In such circumstances it was only the most responsible and strong-willed people who could resist the temptation and remain underground all the time.

The issue of smoking created a problem with maintaining the discipline of the strikers, running the risk that the strike would be discredited if there was a check on the numbers below ground, or if the strikers were discovered not only coming up for a smoke, but sitting around in the fresh air, and even visiting their families. The situation became so lax that the strike leaders had to raise the question of regulating the movement of people for a smoke. The issue also created growing tension between the heavy smokers and those who smoked little or not at all, who generally did not go to the surface therefore appearing as the most dedicated strikers, and who were denied the chance of a wash, a breath of fresh air or a visit home, which the smokers took. Those smokers who went up only briefly once or twice a day equally felt aggrieved at those who were more self-indulgent. It also created some indignation on the part of the non-strikers, who were being asked to support the strikers, whom they had heard were spending much of their time relaxing on the surface. Management began to talk about the underground strike as a non-serious demonstrative action.

This problem was taken very seriously by the strike leaders in both mines. In Severnaya they were ready to impose a complete ban on smoking. This was a courageous step, but it achieved the necessary effect, and trips to the surface became more ordered. Thus the problem of smoking became a problem of discipline.

The middle part of the strike is a difficult period, when there is little information concerning the main issue in dispute, the payment of wages, but this does not mean that the process of negotiations and contact with the administration ceases.

As a rule, at the end of the first week there is a meeting of the whole collective of the mine. It is not clear who initiated this meeting, but it was needed by both the workers and management. Management needed the meeting to sound out the readiness of the collective to continue or to escalate the strike; to be able to report to higher authorities that they were doing all in their power to control the situation; and to try to secure the support of the collective for their attempts to beat out money from above.

The workers needed the meeting to find out the position of management; to demonstrate their determination; and to learn the position of the workers remaining on the surface. At the meeting are all of the administration, a large proportion of those who have remained on the surface, representatives of the trade union, sometimes with higher level bosses, and representatives of city or regional authorities. Management expresses its frustration in hard-hitting speeches addressed to the strikers.

The chief engineer of Kiselevskaya called the strikers 'idlers, who do not want to work'. This statement aroused a storm of indignation, not in the hall but underground when all the strikers were told about it. Apart from the injustice of the remark, 'we have worked for months without being paid — does this mean that we do not want to work?', it was taken as an insult, 'here sit the second and third shifts, that is, the faceworkers and development workers, how can we be idlers, when the whole mine is supported by us!' This single phrase of the chief engineer was enough for the whole meeting to enter into a confrontation and for the workers to walk out, since it strengthened their view that nothing would be resolved there and that it was necessary to hold out to the end.

At Severnaya Gennadii Zyuganov, leader of the Russian Communist Party, came to the meeting of the collective in support of Aman Tuleev, chairman of the regional Duma, whose speech lasted about one hour. After they had left, the meeting followed the typical course and ended without any result. But the director did his bit to increase the emotional tension having denounced the action of the strikers as improper and based on a failure to understand the situation in the collective.

After about an hour it became obvious that the meeting was going nowhere. The most impatient began to leave, and within a few minutes the meeting came to an end because most of the workers had left. It turned out to be impossible to take any decisions or adopt any resolutions. Thus the real purpose of the meeting was to get information about the state of affairs, and more particularly about the positions of the various participants in the events — administration, trade unions, strikers, particular individuals. On the basis of this information the participants tried to estimate the chances of getting something and, not having learned anything, simply began to leave, strengthened in their belief that they had to continue what they had begun.

## CONCLUDING PHASE

The concluding phase of the strike begins at the moment that any kind of information is received about the receipt of money to pay wages. Most frequently this information comes from Rosugol' in Moscow. This information concerns either the receipt of direct subsidy or the possibility of being granted credit. The intervention of the highest bodies was a feature of all the acute strikes of the end of 1994 and the beginning of 1995, including the April events in Primor'e in the Far East. The leaders at the regional level are not particularly anxious about the occurrence of strikes, even when they take a relatively extreme form, such as an underground strike. It is the leaders at federal level whose nerve cracks first. Moreover, one has the distinct impression that it is not Rosugol', or the Ministry of Fuel and Energy which are the first to give in, but those departments which are responsible for the image of the reform process and its political leaders. This is why the politicisation of the conflict marks a very important step. The interference of Zhirinovskii in Anzhero-Sudzhensk and Zyuganov in Severnaya resulted in the emergence of a new channel of pressure on the governmental structures. It was this above all that gave rise to the fear that the situation would become unmanageable through the traditional administrative channels. And this was the reason why the strikers suddenly found all their problems resolved — suddenly the money, which did not exist anywhere, is found. Everything begins to happen promptly — the money is rapidly allocated and transferred and the only question which remains is that of the mechanisms for its dis-



tribution. This is a very important question since the organisation of the payment of money in the mines is not noted for its simplicity or effectiveness.

Several years ago the following system for the distribution of wages was adopted in the mines. Wages were not paid in cash form, but were transferred to personal accounts in the savings bank. This enabled the mines to avoid having to deal with large sums of cash, and to avoid the scrum and the conflicts that arose when twice a month in every enterprise thousands of people had to be handed their money in the course of two or three days. There was also the argument that this system would reduce drunkenness among the workers, since they would receive their money at different places and at different times, so that there would be less temptation to indulge in group drinking, although there is not much evidence that the system had any significant impact in this respect.

This system of payment made things much easier for the enterprise. The consequences for the workers were ambiguous. They found themselves in difficulty when the shortage of cash appeared and the savings bank did not pay out the wages for several months. Thus the situation arose in which in one district the bank was paying out, but in another district it was not. As a result the savings bank opened branches within the enterprises, which only meant that the crowds and conflict around the collection of money returned to the enterprise, but with the savings bank now responsible for it instead of the enterprise. When the enterprises also found that they had a shortage of funds to pay wages the confusion in the system of payment of wages only became worse. The money was now transferred only in part, so that the situation arose in which money from the enterprise was transferred to some branches of the savings bank, but not to others, so that workers received wages or not depending on which branch of the bank held their accounts. Thus within one section some workers would receive their wages, while others would not, making the confusion and injustice of the situation transparent, since all worked in exactly the same conditions. Thus such payment procedures only served to increase the tension that arose in connection with the non-payment of wages, and the workers' concern with the precise procedures and timescale by which they should be paid was by no means trivial. Information that the money had been allocated, assurances from the most senior authorities that everyone would receive their money in the immediate future, and even examination of financial documents do not provide the workers with a

sufficient guarantee. There is only one guarantee, when the last worker has received his or her money. Thus workers carefully stipulate the procedures for payment, down to the sequence of transfer of the money by sections and savings bank branches.

The sequence of payment by sections is a very important matter. This question was taken especially seriously at Severnaya. The miners insisted that the money should first be distributed to all the auxiliary sections, while the development sections and the single face section should be paid last. This was because the workers were afraid that the management would try to divide the workers by paying off the main production sections in full, but then paying the auxiliary sections only in part, since once the production sections had resumed work, the auxiliary sections would be required to do so as well. These fears were certainly not unfounded. The workers in the auxiliary sections are less active and more dependent on management than the workers of the main production sections, without whom they would probably not be able to press their interests. Thus the strikers took responsibility on themselves to defend the interests of the collective as a whole. It is especially noteworthy that in putting forward their demands they even remembered the office workers, for whom there is usually no love lost, demanding that they too should receive their pay.

At Kiselevskaya the demands looked more straightforward — first everybody who had remained on the surface should be paid, and then, once the strikers had been informed that their money was in the cash office, they would all come up to the surface and collect it. The negotiations over the final stage were carried out on the surface, in the management offices. Management, having provided documentary guarantees that payment had been made, insisted that the strikers come up and that work resume, emphasising that this was in the workers' own interests, but the workers insisted on their position, not trusting the guarantees that they had been shown. One further point for negotiation was the amount that was to be paid. While at Kiselevskaya the miners managed to secure a complete settlement of the debt, at Severnaya they received money to cover only four of the five months due. The final negotiations were difficult and long drawn-out. As a rule these involved the strikers' leaders, mine trade union representatives, management representatives and representatives of the coal association to which the mine was subordinate. The final outcome of the negotiations was an agreement about the order in which payment

would be made. Management began the process of payment, while the strike leaders returned underground to await the outcome.

The final stage lasts for several days, and at this stage waiting become especially hard to bear. Everybody knows that the problem has in fact been resolved, and that it is necessary to continue only to monitor the implementation of the agreement. In this situation it becomes extremely difficult to maintain discipline among the strikers. The number going up to the surface and the number abandoning the strike altogether increase. Some have very good reasons for leaving, such as deteriorating health or family problems, but others simply do not want to put up with the conditions any longer. This reduction in the number of strikers is perfectly reasonable since the situation is no longer one of confrontation. All that is needed to monitor the fulfilment of the agreement is the presence of a 'control group', and this does not need to involve a large number of people. The important thing is only that the strike should not be abandoned, and that, if the situation deteriorates or the agreement is not fulfilled, the strike can be resumed or even intensified. The final departure from the shaft takes place in the normal way. Although they know on the surface when the miners are going to leave, work cannot begin until they have actually come up from underground. The strikers then need several days rest to recover from their ordeal. At both Severnaya and Kiselevskaya there was also a change of management. Work began two or three days after the end of the strike.

## THE ROLE OF THE TRADE UNIONS

The question of the participation of the trade unions in underground strikes is a very important one. The specific feature of the situation is that the trade unions have clearly to dissociate themselves from the strikes, presenting them as 'spontaneous protest actions'. Despite the separation in time and space of the actions in Severnaya and Kiselevskaya, the trade unions behaved in pretty much the same way in both cases.

The position of the Independent Miners' Union (NPG) can be characterised as one of maximum involvement. While denying its participation in the organisation of the strike, NPG openly rendered all assistance during its realisation. The leaders of NPG in the mine

served as representatives of the strikers on the surface, organised communications, food supplies, and maintained constant contact with the strikers.

Their active role resulted in both cases in accusations from management of involvement in the organisation of the strike. This accusation was supported by the fact that the leaders of the underground strikes were indeed NPG activists, the strikes in both mines being headed by deputy presidents of the mine NPG organisations. Their speeches and declarations were usually harsh and critical. In essence they became the strikers' megaphone, speaking and carrying on polemics in their name. This to a considerable extent encouraged the energy and even aggressiveness of the NPG leaders. During discussions of the workers with the administration situations sometimes arose in which the bosses succeeded literally in sending the audience to sleep with figures, suppressing the facts and hypnotising people with smoothly delivered speeches. It was difficult for unprepared workers to argue with the bosses, armed with all their data and relying on their specialists. Only a few of them, and usually these were precisely the NPG leaders, were able to stop the flow of eloquence of the bosses and to state the point of view of the workers. To do this it was not enough to have the ability to speak, but also the ability to resist the pressure from the bosses, who do not tolerate opposition and can fall back on abuse and threats.

The position of the former official union, NPRUP, as against that of NPG was marked by its passivity. There was no evidence of any involvement of NPRUP representatives in the preparation of the underground strikes, although members of both trade unions participated in the strikes, in Kiselevskaya NPRUP members being in the majority. There was no competition between the two trade unions for leadership of the strike, the initiative was undoubtedly on the side of NPG. The activism of NPRUP members was more closely connected with their personal positions than with the position of their trade union.

In Severnaya the president of the NPRUP trade union committee was a woman, which is very rare for mines, and she actively participated in the activity of the co-ordinating committee which worked on the surface. She tried to arrange contact between the strikers and management, and actively participated in supplying necessities and looking for money for food. Although her activity was quite useful, she was not completely trusted by the co-ordinating committee or

among the strikers. Her personal charm and energy was matched by the workers' distrust of the organisation that she represented. Moreover, her efforts went largely unnoticed by the regional and city organisations of her union. Severnaya is located only ten minutes journey from the offices of the territorial committee and 25 minutes from the regional trade union council, where the regional offices of NPRUP are located. Throughout the strike not one local or regional leader of NPRUP visited the mine. Even more remarkable, there was a meeting of the territorial committee of NPRUP for the association Severokuzbassugol' during the strike at which not one word was said about the strike that was in progress. Nor was one word said about the absence of the president of the Severnaya trade union committee from the meeting.

In Kiselevskaya the situation was even worse. The deputy president of the trade union committee, deputising for the president who was sick, went down to meet the strikers for the first time in the company of the director of the mine, the general director of the association, and the town mayor a full week after the beginning of the strike. He did not say a single word throughout the meeting, remaining a silent member of the management delegation for the entire visit.

Thus the real orientation of the miners' trade unions was made clear during this conflict. Although the NPG leaders' speeches were often unconstructive and aggressive, they emerged as the only organisation which maintained contact with people who were reduced to despair.

## POLITICAL ORIENTATIONS OF THE STRIKERS

The public is always interested in the political orientations of the miners. Numerous socio-political discussions with the miners make it possible to characterise their political viewpoint. First of all, their views cover the greatest possible breadth of the spectrum. Democrats, communists, fascists, anarchists and monarchists can all find their supporters among the miners. The single thing that unites them all is their hostility to the existing political leadership. They condemn unequivocally the leadership of the industry and the ministry as well as the general policy of the state. This condemnation arises primarily from the fact that they blame the state for creating the situation of such long delays in payment of their wages. Moreover, their general dissat-

isfaction extends to such general state activities as the process of economic reform, privatisation and so on. The majority of them link the reduction in their living standards, which they consider to be catastrophic, to these policies. The majority of them consider that Yeltsin came to power only thanks to the miners' help. Thus they consider that the difficult situation in the country, and their own condition in particular, is a betrayal by the President of his former allies.

Only a small number of miners express their support for the communists, despite frequent expressions of regret at the fact that they lived much better under the communists. However, people responded negatively to the question whether the present communists could improve things. People are confident that if the communists were to come to power there would be a new redistribution of power, property and privileges. The idea is often expressed that the communist idea is not so bad. It was simply that there were not any 'genuine communists', able to embody the ideas in life. People emphasise that there were not any in the past, and they cannot see any now.

As a rule it is those who can be confidently called 'elite' workers who sympathise with the communists. It is those who are around forty, who have high skill levels, and long experience of working in the mines. Their sympathies can perhaps best be explained by the fact that it is they in particular who live much worse in present conditions than in the past, and so are the most disappointed with the reforms. Their position is simple, if things do not improve as a result of the reforms, they are bad reforms. Thus the positions of all political forces oriented to the continuation of reform are unacceptable to them. These are educated and intelligent people who are not attracted by the imperialist slogans of Zhirinovskii or out-and-out nationalism, although they often express their regret and even indignation at the disintegration of the Soviet Union. Therefore the only political position which is acceptable to them is pro-Communist, even if in its most liberal manifestation. For these people it is more a matter of nostalgia for their previous well-being, rather than any devotion to the ideals of socialism.

Perhaps the most optimistic mood is that of the small number of followers of Zhirinovskii. They are confident that the methods proposed by Zhirinovskii will make it possible quickly to restore order and justice. These are mostly workers in their thirties, although there are also some in their forties and fifties. They do not in general have a high level of education or skill, but often express a desire 'to take an

automatic gun and put the scum up against the wall'. By 'scum' one can understand racketeers, bureaucrats, democrats and many others.

There are very few supporters of Gaidar. These are mostly people who have held on to a romantic vision of the market. They do not connect the changes taking place with the name of Gaidar and consider that he had not been able to implement his policies, although they have never had much idea of what his programme actually consisted in. In their view his image was above all that of a 'genuine marketeer'. Yavlinskii has a similar image, but even fewer supporters than Gaidar, only a handful. There is no significant observable distinction between the supporters of the two men, and it is most likely that people choose to support one or the other on the basis of nothing more than their personal appearance. One should add that such people admit to their sympathies very cautiously, since this position is not popular among the miners.

Of the local leaders Aman Tuleev has unequivocal support. It is difficult to say how much this support is to be explained by his own position, and how much by opposition to the position of his regional antipode, the regional governor Mikhail Kislyuk. The latter is considered to be the embodiment of dishonesty and corruption, above all following a famous broadcast of the programme *Chas Pik* in September 1994, in which Kislyuk insisted that there was no tension in the region and that pay was delayed by only sixteen days, completely undermining any confidence in him that remained.

Finally, some of the miners have no clear political orientation. Their position is such: 'It makes no difference to us who is in power — communists, democrats or fascists. We only want to work and be paid on time!' This position is the consequence of the disappointment of many of the miners in those ideals of the reform of society in which they had believed in the early nineties. They often express regret at the fact that the miners' strikes promoted the disintegration of the Soviet Union and the coming to power of the present political leadership. Moreover, they express the idea of repentance and the need to put everything back in its place, 'We broke it all up, we should put it together again!'

## DREAMS OF AN 'OWNER'

One of the most interesting aspects of the consciousness of the workers is their representation of the ideal chief of their enterprise. This theme constantly comes up in discussion: what the chief of an enterprise should be, who from among the directors known to the workers can be considered to be a good chief; this theme arouses constant interest. One can define two kinds of chief in the consciousness of the workers, the 'good capitalist' and the 'strict but fair owner [*khozyain*]'.

The first image is related to those romantic representations of workers about the market and the relations of workers to their managers, which are in many respects created by journalists describing the charms of the market economy. Descriptions of happy workers, living in tidy little houses with lawns, working in clean factories, with cheerful and relaxed managers have created the image of the 'good capitalist' as the person who understands the workers and all their needs and interests, who pursues not so much his own self-interest as the well-being of the employees of his enterprise. He will not allow any injustice in relation to his workers and if necessary will defend them. This image is most often idealised and is not backed up by any real prototypes. It is based only on television and movies, and on newspaper and magazine reports of Western enterprises which have primarily a popular and even propagandistic character. Workers do not know about the specialist information distributed by Western trade unions and scientific and specialist reports on labour relations in the West. Practically nobody knows anything about the importance of trade unions in the life of Western enterprises, they know nothing about their functions or the organisation of their activity. Thus the existence of all the benefits which Western workers enjoy is attributed to the managers of the enterprises, who would not allow their workers to be poor.

The other image, of the 'strict but fair owner' is connected with real chiefs who head or have headed real enterprises. As a rule this is some previous director under whom the enterprise prospered, or even merely remained in a stable situation. In this image the person of the director is idealised, having cast off all negative features and all unseemly acts. What remains is the 'heroic' image of the 'strict but fair' leader which is proclaimed as the ideal.



A clear example of this arose at Kiselevskaya mine during the underground strike, when a group of workers decided to write to the previous director, asking him to return to the mine, despite the fact that three years before the collective had thrown out this director in favour of the new one. The collective was now convinced that it had made a mistake three years before, and as a result decided to go down on its knees to implore the old director to return. A letter was composed in the name of an initiative group, in which the collective begged forgiveness for what had happened in the past and urgently requested the former director to come back and take command of the mine. The workers had an interesting explanation for their mistake over the previous election. According to them, the main instigators of the removal of the director had been the section chiefs, whom the director had pressed and who, by deceit and threats, had forced the workers to vote against the old director. 'We did not realise then whom they planned to palm off on us; if we had had the old director, he would not have allowed any of this [the delays in payment and strike, P.B.] to happen!'

In this case we can see the idealisation of a chief of the old type, who 'knew how to squeeze the plan out of the hard-workers', but also 'knew how to care for the simple workers'. In this context his strictness, authoritarianism and even his rudeness were not considered to be defects. Because of the director's 'care and justice' literally anything would be forgiven and forgotten.

One should also consider the attitude of the workers to a real manager of the market type. A good example is the attitude of the Kiselevsk miners to A.M. Dranichnikov, president of the joint-stock company 'Association of Shareholders of Vakhrusheva Mine'. This chief combines a market orientation with the traditional paternalistic qualities. In his mine there is a 'semblance of capitalism' — the worker-shareholders have achieved quite a good increase in their income on account of their dividends, the mine has developed dynamically, it maintains a high level of discipline, new equipment has been introduced. Apart from having supported the highest wages in the city, the workers for a long time were able to buy cheap goods through the mine shop. On objective indicators the mine appeared for some years to be the most sound enterprise not only in the city, but in the whole region. Many of the participants in the underground strike had transferred to his mine in 1992–3 and had since come back to Kiselevskaya. However, the workers refused to recognise Dranichnikov as

an ideal chief — ‘he presses the lads really hard!’ This ‘pressure’ includes the unequal incomes of those who are shareowners and those who are not, and the strict terms of maintenance of discipline, beginning with the terms of the contracts under which workers are employed, and ending with fines for infringements of discipline and sub-standard work.

Thus the ideal chief not only ‘understands’ the essential needs of the workers, but also their weaknesses, expressed above all in a willingness to forgive disciplinary violations and substandard work. The ideal must not only be a paternalist, but also must be oriented to the system of informal dependence, according to which the workers give him increased loyalty in exchange for his tolerance of substandard work. This demonstrates that the workers themselves are unwilling and unprepared to enter into contractual relations in conditions in which the scope for paternalism and informal regulators is narrowed.

## CONTACTS

The interaction of the strikers with management is, as usual, very limited. The absence of a framework for negotiations and dialogue is displayed to the full during the strike. However, both parties have a sharply increased need for information at this time. Management is interested in any information about the strikers, about their mood, their plans and so on. The strikers, in their turn, grab at any rumour and any information that they can get from above. The basic channels of information are the following: personal meetings of the strikers with management, meetings of management with representatives of the strikers, and indirect sources of information.

### **Personal meetings**

Personal meetings between the strikers and management are one of the most important sources of information for both sides. Personal meetings take place when management goes to the strikers. Three or four such meetings take place in the course of the strike, and their contents and significance have been described above. Both sides fully understand the importance of such meetings, and do not refuse to participate in them. However, the initiative lies with management. The strikers

cannot summon management, while management is able to go down the mine at any time. The strikers themselves are a bit anxious about such meetings because, in these circumstances, the fact that a lot of them are frequently going up to the surface becomes obvious. However, they are confident that they will have some advance warning (30–40 minutes) of a visit from their uninvited guests.

These meetings are diplomatic. Both sides lay out their position, provide useful and reliable information, try to lead their opponents to the most favourable decisions. Both sides are not averse to bluffing, to demonstrate the resoluteness of their position, which may not in fact be the case.

### **Meetings of representatives of the strikers with management**

There are two kinds of such meetings. Meetings of special delegations and meetings of groups of strikers with management.

In both cases people remained on the surface who had a definite role to play in representing the interests of the strikers. At Kiselevskaya the president of the mine's NPG committee acted as representative of the strikers. As has already been noted, NPG had no official relation to the strike, but the striking workers nevertheless entrusted NPG with the authority to represent their interests. The NPG president was lowered down the shaft to meet those who had stayed down at the very beginning of the strike. At their very first meeting the strikers decided that he would be their representative. He did not need to spend all his time in the mine. On the contrary, at night he went home, so that he could spend all day participating in all the various meetings, discussions and negotiations, before going down the mine to convey all the information to the strikers, with whom he would remain until evening.

At Severnaya a co-ordinating committee of five people was formed in the first hours after the refusal of the strikers to come to the surface. This included the mine's NPG president and a group of authoritative workers who were not able to join the strikers as a result of their age or the condition of their health. The president of NPRUP later joined the committee on an informal basis. The members of the co-ordinating committee fulfilled the same functions as did the NPG president at Kiselevskaya, but they alternated with one another. Moreover, they were able to organise a round-the-clock watch by the telephone in the

trade union offices. The members of the co-ordinating committee also carried out representative functions in various organisations at city and regional level.

The representatives of the collective were able to use their direct telephone connection with the strikers to receive information about the situation underground and to convey information to the strikers about the situation on the surface. This includes two kinds of information — official, that is to say, information received from the administration in an official form, and unofficial, that is, information received in an unofficial form or through informal channels. The informal information is more diverse and is sometimes more reliable than that received through official channels, and this informal channel of exchange of information is the most important throughout the strike. It works most intensively and is actively used by both sides.

The meetings between representatives of the strikers and management has a decisive significance in the final stages of the strike, when negotiations about the order of payment of wages begin. In the early stages of the strike the departure of the strikers from the mine to attend meetings and negotiations has, above all, a ritual significance as they gloomily emphasise the gravity of the situation. But in the final negotiations it is precisely the strikers who play the decisive role in taking decisions, since management prefers to deal directly with the most influential group of workers, without whom not one aspect of the question of payment can be decided. One can say that it is only in the final stage of the strike that those negotiations take place in the form in which they should have taken place before the strike ever began.

### **Indirect information**

There are many sources of indirect information. This includes rumours, unconfirmed reports and second-hand information. The sources of such information are workers who remain on the surface, relatives, acquaintances and others who are in contact with the strikers. One other channel is the press, radio and television. The strikers are very interested in broadcast information. They grasp at their smallest echoes, forcing people to retell the contents of radio and television broadcasts on the telephone or in person. Through this constant retelling there are inevitable distortions of information, and if one takes into account the fact that these sources are not very accurate in the

first place, this channel of information proves rather unreliable. The most curious rumours emerge on this basis, full of the most improbable facts and the most fantastic assertions.

At Severnaya all the strikers were agitated by a rumour that the director had spent 28 million roubles on buying a gearbox for his company Toyota. This news was the topic of lively discussion for two days, but the source of the rumour could not be traced. Some people said that it had come from somebody's wife who worked in the accounts department and had made out the invoice. Others insisted that the information had come from the director's driver. In any case, the most important thing about this information was not how true it was, but how many workers could have been paid their wages. This only underlined once more for the workers how unjust was a management which could not care less about the needs of the workers even in this situation.

If one looks at the situation as a whole, the obvious shortage of information on both sides testifies to the poor communications between them. The main reason for this was the absence of any traditions of negotiation, which did not permit a normal dialogue even when both sides wanted it. The top managers not only have no negotiating skills, but lack even the most elementary tact which would prevent them from making unacceptable statements to the workers during their contacts. The workers in return are no better. Thus it was no accident that many meetings turned, if not into slanging matches, into very emotional statements of their arguments, with a complete refusal to listen to the arguments of the other side. It was after one such meeting that a phrase was born, which was destined to become an aphorism characterising labour negotiations in Russian: 'a dialogue of an auto-pilot with an answering machine'.

## WORK DURING THE STRIKE

At first sight it would appear impossible to work during the strike. But one feature of mine work is that the work cannot exist without certain tasks being carried out. Irrespective of whether or not coal is being produced, if you do not want to destroy the mine, then work has to continue to pump out water and to ventilate the workings. If this is not done, then in a matter of days the mine will be flooded or full of gas.

Thus, even if the mine is not working the mine pumps and the ventilation equipment have to keep working, and accordingly the workers who operate this equipment and the specialists who monitor the gas and water levels have to keep working. The underground workings extend for many kilometres, so to keep the maintenance and preventative work going the in-mine transport also has to remain in operation, so that the workers responsible for these operations can reach the most remote parts of the mine, and can transport the necessary materials and equipment there. This implies that the section responsible for the operation of the lifting equipment also has to keep working. Apart from this, some of the surface sections also have to keep working normally, such as the heating plant. Thus, even when mining operations have completely ceased, at least ten per cent of the mine labour force has to continue to work normally.

One should note that the strikers do not object in the least to the need to carry out this preventative work. They understand perfectly well the damage which a stoppage of such work would cause to the mine. In discussing the escalation of protest there are some suggestions that preventative work should be obstructed, but the majority recognise such a step as being unacceptable. An underground hunger-strike raises fewer objections than the stopping of preventative work. Indeed the strikers themselves often participate in this work. Partly they do it to relieve the boredom of their stay underground. Time passes faster when you are working or sleeping. But their main motive is their sense of responsibility for the work, for the face, for the mine. Many workers go to inspect the condition of the face during the day. If necessary they do the work required to pump out water, repair the supports, secure the safety of the equipment and the workings as a whole. And the strikers do not see this as treason or as strike-breaking. On the contrary, if such work is necessary, any of the strikers are ready to go and do it. But this applies only to that work which is considered to be necessary by the strikers themselves.

In both Kiselevskaya and Severnaya it became necessary to extract some coal to keep the heating plant working. As a rule the mine heating plants work both for the mine and for the city. The main constraint on their operation for the mine is that the temperature in the pipes has to be kept above freezing. If a pipe freezes up the lifting gear will seize and all work in the mine will come to a standstill. Usually the heating plant does not hold large stocks of coal, taking its coal from the mine stocks, or being supplied directly from the mine as the coal

passes to the stockpiles. It is clear that in this situation a long stoppage of work will cut off the supply of coal to the heating plant. The situation was slightly different in each of the two mines.

In Kiselevskaya the administration tried to initiate negotiations with the strikers, with three requests: to extract not less than 60–70 tonnes of coal, with the work to be done by workers not participating in the strike, the strikers undertaking that those coming down would not be added to the ranks of the strikers, while the strikers would leave the explosive store and gather close to the main shaft at two o'clock. These demands were taken to the strikers by a representative of the regional Service for the Resolution of Labour Conflicts. It took about forty minutes to reach agreement on the demands. The strikers fully accepted the need to extract a certain amount of coal, but were afraid that the last requirement might represent an attempt to isolate them and so force them out of the mine. As a result of an emotional discussion a compromise was reached: everybody would leave the explosive store, but they would remain by its door while the explosives were issued. The strikers were also unanimously unwilling to give any guarantee that those coming down to extract the coal would not be permitted to join the strike.

This is a matter for their conscience. The only reason that they are not here is because it was not their shift. If our friends want to join us, we would be delighted! Anyway, who is going to prevent us from going to the face to help the work there!

Such was the view of the strikers. The mine management had to agree to the workers' terms. The work was carried out promptly and many strikers worked the shift. This was quite a heavy experience for them, because after work they returned absolutely worn-out and it took them almost a day to recover.

At Severnaya, by contrast, the mine management turned to the strikers with the request that they should extract the coal for the heating plant. However, in this case they refused and suggested that the administration put together a brigade from among the managers and run the combine themselves. On their part, as a gesture of goodwill, the strikers agreed to prepare the combine for work and to provide any advice necessary. The workers were sure that the managers could not run the combine on their own and even urged them into this embarrassing position. Although management began to put together such a

brigade, they did not get as far as starting work since at this point the money arrived, and negotiations over the payment of wages began.

The attitude of the strikers to work shows that there is little basis for the charges of destructiveness levelled against them. Even when they do not face any disciplinary constraints, when they are beyond the reach of managerial authority, they continue to pay close attention and care to the conditions of production. Against this background the arguments that have been put forward over the past few years about the lack of discipline of workers appear strange. It should be precisely in strike conditions that such a lack of discipline should appear to its fullest extent. However, in relation to both the internal organisation of the strike and in relation to the maintenance of production by the strikers things appear completely differently — the strikers were highly organised and disciplined people who were able to take on the full burden of responsibility.

## THE LIFE OF THE STRIKE

The living conditions of the underground strike look rather unattractive. The point here is not only that the production environment of our enterprises always appears rather unattractive. Such concepts as comfort, cleanliness, the convenience of the lay-out are alien to the overwhelming majority of industrial premises. Economising on expenditure to make the workplace, and the whole production environment, pleasant and comfortable was always considered normal, and particularly so in present conditions. But a mine is the kind of place which it is difficult to adapt to people's needs even with the best will in the world. In a mine it is always dark, damp and cold, so it is very difficult to spend a long time in a mine. It is difficult enough to work there, but to live there is impossible.

The first, and one of the most difficult, problems was the dirt and the inability to wash. The mine itself is dirty, and it is impossible not to touch things, but the air, which is constantly circulated by the ventilators, is full of dust, so even if you touch nothing your hair, hands, clothes and body are soon black with coal dust. Despite the abundance of water in the mine, most people preferred not to wash in it, so were doomed to remain dirty to the end of the strike. Most people tried to rinse themselves in the morning from their drinking water flasks, but



this could hardly be called a wash. Even if they went to the surface and took a shower, they still had to put their dirty working clothes back on, and soon found themselves just as filthy. Thus most people reduced their usual standards of hygiene to a minimum.

Meals were one of the major events of the underground strike. The only event that might be more important was negotiations with management about the timetable for the payment of wages. For the sake of a meal games would stop, people would miss a smoking break, sleep, conversations and so on. As a rule they ate three times a day — breakfast, dinner and supper. The organisation of the meals was in many respects connected with the general level of organisation of the strike.

The procedure was significantly different in Kiselevskaya and Severnaya. In Kiselevskaya there was no centralised provision of food. Foodstuffs were sent down only by the relatives of the strikers and by those miners who remained on the surface. Workers who were not among the strikers came to the mine every day at their normal shift times. Coming on shift they prepared and brought with them as usual what they call their 'rations', a few slices of bread, a bit of sausage, some cheese and so on. Having signed in they passed their rations into a general fund which was sent down to the strikers. Apart from this, each striker received some provisions from their relatives.

They ate three times a day, each brigade laying its own separate table. There was no common table, although everyone ate at the same time. If somebody was late, or for some reason did not eat with the others, then he could eat his own food later.

The procedure for meals at Severnaya was somewhat different. The main differences were the centralised provision of hot food and a common table. Just as at Kiselevskaya, those who remained on the surface sent their rations down to the strikers. They took them along to the NPG office, from which once a day everything, together with the hot food, was sent below. Hot food was prepared in the mine canteen from the first day. According to the NPG president, the first thing that he did when he heard of the refusal to come to the surface was to rush out to buy chicken legs from which to prepare hot food for the evening. In the canteen everybody prepared the food and sent it down to the strikers in large thermos flasks. One of the workers took responsibility for the delivery, and later also for the preparation, of the meals, spending the whole time on the surface, going down the mine only to bring back the crockery when the miners had finished eating. Sometimes some of the miners came to help him do the washing up, peel

potatoes and so on. All the food was kept in one room, it was directly brought there in paper sacks (bread, 'rations', 'parcels'), and everything that had not been eaten was also gathered together there. The supplies were only opened when it was time to prepare the meal. Nobody ate other than at the common table at the appointed time.

Everybody ate at the same time. At the appropriate time they began to prepare the table; that is to say, they set up boxes and put a panel across them to make a narrow table about eight metres long. On top of this they laid newspapers (usually the newspaper *Delo*) large numbers of which were supplied to the miners), and at regular intervals along the table were laid out bread, bacon fat, 'rations'. After a few days the table began to carry onions and garlic as protection against the cold. If there was hot food, people formed a queue, took a plate from a pile and put or poured on the hot food. Once everybody had finished eating the rubbish and those foodstuffs which could be served again were cleared up and the table was cleaned. The laying and clearing of the table was done by those who took this responsibility on themselves; no particular people were allocated these tasks. There was a regular group, including one of the leaders of the strike, which organised the whole procedure of preparing, laying out and clearing up the meal. The meal began when everything was prepared and laid out on the table. If somebody tried to begin to eat earlier he was reprimanded and told to wait until the table had been laid.

The diet was not distinguished by its variety. Two main items, bread and bacon fat, comprised the basic rations of the strikers. Sometimes they were supplemented with sausage sandwiches or *pirozinki*, which the wives and mothers of the miners sent down. The main vegetables were salted cabbage and cucumbers, the most common vegetables which are preserved by every family. Occasionally relatives would send down fried or boiled chicken. There was very little canned food, most likely because of its cost. The selection of foodstuffs was quite simple, which is largely explained by the miners' families' lack of money. At the same time, there was no sense of hunger, and despite the limited choice, there was plenty to eat.

At Severnaya a problem arose with bacon fat. Everybody sent down bacon fat, workers in their rations and relatives in their food parcels. After a few days the strikers had accumulated about twenty kilos of bacon fat. Everybody had eaten so much bacon fat that some preferred to go hungry rather than eat any more of it, so a message had to be

sent to the surface not to send down any more bacon fat, because it was going off.

Undoubtedly one of the most difficult procedures was that of sleeping. It is hard to image a place less adapted to sleep than a mine. The first problem is that of the conditions — temperature, humidity, dirt and so on, of which the worst is the cold. People freeze faster when they are asleep, so the first thing everybody looked for when seeking a place for the night was a source of heat.

In Kiselevskaya this problem was resolved easily, since the explosive store was heated. Along the floor ran a steam heating pipe, about twenty centimetres in diameter, and everybody stacked themselves on or near it to sleep. As the temperature of the pipe was about 60 to 70 degrees it was impossible to sleep in direct contact with it, so the majority slept by covering the pipe with a jacket, jersey or a panel of wood or plywood, and rested their head on the covered section, extending their body across the corridor. It was only possible to sleep along the pipe when there were only a few people in the explosives store. At night the sleepers presented a rather depressing picture — dozens of people in filthy clothes lay on a concrete floor, with their legs drawn up and their heads pressed to the hot pipe. They lay so closely packed that it was difficult to get through without disturbing them. The picture was compounded by the sound of dissonant snores and the smell of drying socks. The majority of people slept restlessly, moving as their bodies grew numb from the uncomfortable positions and the need to sleep on a hard concrete floor.

The sleeping arrangements at Severnaya were somewhat different. Since there was no heating pipe, every possible source of heat was looked for. At night the strikers spread themselves around the mine, finding themselves somewhere to sleep alongside electricity transformers and power units. Sleeping places were set up by these units and lights were rigged up. Thus the miners sorted out the problem of sleeping in twos and threes. Those who spent the night in the unheated explosive store had to do everything they could to find things to cover themselves at night, using old clothes, jerseys, blankets. Particularly popular were pieces of heavy canvas cut from the ventilation pipes, with which people could keep themselves warm by wrapping themselves in the canvas, like a sleeping bag. Some of the workers went up to the surface, and slept there in heated buildings.

It was at night-time that the burden of remaining underground was most heavily felt. There were few who could say that they had slept

well. The majority slept only the minimum, and woke at about five or six in the morning. It is not surprising that many tried to grab some sleep during the day, to make up for their disturbed night, and because time passes more quickly when one is asleep. Certainly there were a few people who could sleep anywhere, anytime, for as long as they wanted, but they were few.

## CONCLUSION

Observation of the life of the underground strikers shows that there is nothing heroic, epic or extraordinary about the strike. In the public mind there are at least two views of the strike. The first is based on a sombre heroisation of the strike. This image emphasises the most difficult conditions of the underground strike. In this representation it is a difficult almost heroic situation and its participants are almost heroes to have put themselves in such difficult conditions. Those who hold to this image are disappointed when they receive information about the real situation, to discover how ordinary and simple is the life of the strike. The peaceful and sometimes cheerful situation, the constant coming and going to the surface, the possibility of phoning home or meeting relatives, the substantial meals and so on, all deprive the underground strike of its aura of torment.

The other view is more prosaic, according to which an underground strike is no different from the normal working conditions of the miners. The ordinariness of the conditions only reinforces this impression, making the event less significant in their eyes.

The true significance of the underground strike is that it is a demonstrative act. Having tried out all other methods, the miners put the employer in a position in which he has to find a method of resolving the dispute himself. This obligation is imposed on the employer by the willingness of the strikers to suffer and even to torture themselves. The example of the Primor'e miners, who went on underground hunger strike in April 1995, shows that there is a perfectly real possibility of events developing to the point of serious suffering. In the Kuzbass mines the possibility of an underground hunger strike was also considered. In Severnaya, after a week of sitting underground without result, the miners began to prepare for a hunger strike, and these preparations only stopped when news arrived of the receipt of money from Ro-

sugol'. Thus an underground strike can develop into the most extreme form of protest in a matter of hours. The situation is urgent not only because of the threat of a hunger strike, or illness among the miners, but also the fact that a stoppage of work can soon lead to an emergency situation. This is why managers at all levels are forced to make every effort to resolve the situation, despite the fact that they have made no such efforts for weeks and months before.

The workers understand this perfectly well. They are ready for something unforeseen to happen and can themselves aggravate the situation to crisis point, whether by beginning a hunger strike or by preventing maintenance and safety work from continuing in the mine. Such a situation certainly cannot be called easy or normal. The workers consider that management is responsible for the situation that develops and for its possible consequences, because of their own desperate situation. Their logic is approximately thus: 'We have suffered to make this possible!'

On their side, management eventually confirms the justice of such behaviour on the part of the workers. Their finding of money in record time, their conduct of intensive negotiations in the final stage of the strike, their recognition of the justice of the workers' demands all pose the question: is it possible that all this is the product of a sudden and overdue insight? There can only be one answer — it is not. The chiefs of the branch and the enterprise knew about all the difficulties of the situation. And the absence of any action is explained, on the one hand, by their contempt for the interest of the workers, and on the other, by the fact that they can normally allow conflict situations to develop in their enterprises with impunity.

The absurdity of the situation consists in the fact that everybody is well aware of the abnormality of the situation that is developing. On the one hand, management tries not to notice it for as long as possible; on the other hand, the workers try to draw attention to it as loudly as possible. The danger of the situation lies in the competition between these two tendencies. An increasing lack of attention to people's real needs competes with a demonstration of the desperateness of their situation. Experience shows that the final resolution of this situation is always the same. The central question is the cost of this resolution. The cost of the agreement to pay unpaid wages as a result of a strike turns out to be much too high for individual people, for the enterprise, and for society as a whole.

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