

Struggle of Russian workers for control of Vyborg Cellulose Combine

Vladimir Volkov
16 February 2000

A number of significant workers struggles took place in Russia in 1999. One that attracted most attention was a conflict at the Vyborg Cellulose and Paper Combine (ZKB), where workers took over control of the factory, organising production themselves for nearly a year and a half.

The Vyborg ZKB, located halfway between St. Petersburg and Finland, was one of the biggest factories in the former Soviet Union. Between 1985 and 1989, as a result of foreign participation in an exhaustive reorganisation of the enterprise, some of the most modern paper manufacturing operations were introduced, and the combine became one of the biggest of its kind in Europe.

In the ensuing years its fate was typical. Following privatisation and its conversion into a joint-stock company, a US firm Alliance Cellulose Ltd bought a 61 percent majority ownership in 1994. According to some reports, ownership then fell into the hands of Russian capitalists. Alliance Cellulose increased its share ownership to 84 percent, and over the next years ZKB was driven into bankruptcy, which was officially declared in 1997.

ZKB was then taken over by an English enterprise, Nimonor, which was also supposed to be Russian-owned. Under Nimonor production almost came to a halt and workers' wage payments ceased. This process dragged on for over a year, while at the same time in the city of Sovietski, where ZKB is sited, the gas and heating were cut off. Meals had to be prepared over campfires on the streets and homes were left without heating. One employee stated, "We were almost on the point of death."

Strikes and a blockade of the "Scandinavia" motorway, which leads to Finland, brought no improvements. On August 10, 1998 the trade union at

the ZKB combine was transformed into a co-operative and the factory was placed under workers control.

A new managing director was elected, a new executive management team convened and attempts were made to resume relations with customers and raw materials suppliers. With credits obtained for raw materials and goods, paper production was recommenced in December 1998. Output soon reached 65 percent of capacity. ZKB's paper was sold across Russia, in White Russia, the Ukraine, Uzbekistan, Kazakhstan, Israel and the Czech Republic. Average wages were 1,500 Roubles (US\$50) and the factory began to pay its taxes. Money came in to pay for the maintenance of production, workers' social assistance and for the provision of the town's electricity and heating needs.

At this time, Nimonor again tried to recover control over ZKB. Court officials were sent to the works twice, but were unable to achieve anything. Nimonor then sold ZKB to another English company, Alzem, whose headquarters are in Cyprus, and which is owned by the Petersburg Spirits and Aluminum dealer, Alexander Sabadash. Immediately, Sabadash announced his intent to sell off most of the production plant and turn ZKB into a sawmill, axing more than half the workforce.

ZKB's management (i.e., the workforce) attempted to protest against the latest buyout in the district court. However, the judge sided with Alzem, again sending court officials to the ZKB site. This time, a special "Typhoon" emergency unit accompanied them, usually only called out in the event of a prison outbreak.

After a failed attempt to gain entry on July 9, a second took place on the night of July 13-14, during which the Typhoon force managed to occupy part of the administration block. In the battle that followed, the special unit began shooting at workers, wounding two.

Eventually, the workers' resolve forced the retreat of the court officials and Special Forces.

At this point, the struggle at ZKB gained nation-wide prominence. The government, concerned about the upcoming elections, was unwilling to risk using greater force, as some liberal newspapers had bluntly demanded. Justice Minister Yury Chaika stated, "while the court officials formally acted according to the law, the content of their actions was a deviation from the law". Chaika then discharged one of the officials held responsible for the brutal attack and prohibited the use of the Special Forces in similar cases. During a visit to the works Labour Minister S. Kalashnikov backed Chaika.

The situation was, however, still unclear. ZKB remained in the hands of the workers, while the court verdict in favour of the formal proprietors remained in force. The workers were unable to prevent a blockade of the combine by the authorities. Although the workers had achieved a decisive victory in the direct clash of forces, they were unable to secure their original success.

On November 26-27, a conference of Russian workers' collectives was held with representatives from 22 cities and 33 enterprises taking part, each of which found themselves in similar circumstances as the Vyborg ZKB Combine. One of those initiating the conference was a metallurgy plant in St. Petersburg, where the workers had also attempted to take over the running of the factory.

In the event, the conference was unable to come to any resolution, merely establishing a co-ordinating council of the various employee groups.

ZKB's proprietors now made a full-scale effort to divide the staff and force their capitulation, this time with effect. In January this year, a majority of workers accepted the owners' conditions and in return for 1,000 roubles (US\$32) signed a declaration in which ZKB was changed back from a co-operative into a joint-stock company under Alzem's proprietorship.

On January 16, without any opposition, the proprietors took over the entire production site.

Vitali Kirjakov, the former president of the ZKB trade union who had led the factory take-over, now headed those recommending capitulation. He explained his thinking as follows: "Believe me, this was not an easy decision. But at the end of November I began to

understand that we had no choice. There just wasn't one. Perhaps we could have continued for another two or three months. Alzem would have come in then, in any case, and would have had free rein without even the slightest obligations.

"This way, at least we could secure 2,550 jobs and the continuation of the combine and the payment of wages, etc. This is the result of the heroic resistance of the workforce, because we wouldn't accept what was happening in July or in October. But now we just don't have any other choice: either we come to a peaceful settlement with Alzem, or we starve."



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact