Russian truckers protest massive fee hike

Andrea Peters 14 December 2015

Russian long-haul truck drivers have been staging demonstrations across the country since mid-November to protest the imposition of a new transit fee on federal highways that is devastating their earnings. The government's recently instituted electronic system Platon tracks truckers' movements and requires them to pay about 3 cents a kilometer for the use of government roads, a rate that is scheduled to rise to 6 cents in March 2016.

The fee, which applies to vehicles weighing over 12 tons, increases the cost of moving goods from Moscow to, for example, the Siberian city of Novosibirsk, by about \$100. This would jump to \$200 next spring. While earnings for long-distance drivers vary widely in Russia, in 2015 nationwide truckers made on average \$700 a month. The Platon fees therefore consume about 14 to 28 percent of these workers' incomes.

Drivers insist that they cannot feed their families if they must pay the new levy, which is being referred to as "the Rotenberg tax." Arkady Rotenberg, with an estimated fortune of \$1.45 billion, is a Russian oligarch with close ties to Russian President Vladimir Putin. His family owns a 50 percent stake in the company that won the contract to create and implement Platon. Twenty percent of the money collected will be turned over to Platon's owners in the form of commission. The new fee is expected to have a spillover effect in the wider economy, driving up the cost of foodstuffs and other commodities.

Protesting drivers have set up camps outside cities and staged slowdowns on some of the country's major arteries to demand the scrapping of Platon. In early December, on the same day as Putin's address to the Federal Assembly, truckers created a major backup on Moscow's ring road by driving slowly in all available lanes. Russia's leader made no mention of the workers' demands in his speech.

Hundreds of long-haul drivers have also blocked

roads in other areas of the country, including Saint Petersburg, the Volga region, Siberia and Dagestan, in the first nationwide labor action to take place in Russia in years.

In Saransk, a city 646 km southeast of Moscow, trucker German Losev told the *Christian Science Monitor*, "I have three children to support, and we were already just getting by. This will crush me. I feel like I work nowadays just to pay taxes, maintain my truck and service my bank loans. For me, and for many of us, this new tax is an existential issue."

One Dagestani driver protesting in Moscow expressed his anger in remarks to the *Moscow Times*. "I think I will set my car on fire soon," he said. "The tax will take us all down. I get 112 rubles a month in social payments for my kid—how am I supposed to raise him on that?"

Estimates put the number of long-haul truckers in Russia at somewhere between 1.5 to 2 million, with many of these drivers working as independent contractors. They are responsible for covering their own fuel costs and repairs, both of which have become more expensive due to a hike in gasoline taxes and the declining value of the ruble. At the same time, because of economic sanctions imposed on Russia by the US and its European allies, the volume of containerized truck cargo has fallen substantially compared to 2014. Private companies have been terminating transit contracts as a result.

Long-haul drivers in Russia work in dangerous conditions, crossing a vast and remote landmass with dangerous weather and crumbling roads due to the gutting of funding for infrastructure. Accidental deaths among Russian truckers are higher than in any other G8 country. While the Kremlin insists that the new fees are necessary in order to repair the country's highways, critics have noted that the government's expected annual earnings from the fee pale in comparison to the

needed investments.

The government has responded to the truckers' protests with police intimidation. Patrolmen have been stopping truckers on federal highways and demanding that they sign statements saying that they will not participate in the protests. Some who have attended rallies have been arrested and fined. The parliament is pushing through a law that will set strict limits on the long-haul drivers' protests, subjecting them to the same permit, location, duration and attendance restrictions placed on other demonstrations.

Initially, the government set massive fines for those failing to pay the Platon levy–450,000 rubles (\$6,374) for the first offense and 1,000,0000 rubles (\$14,000) for the second. This has since been reduced to 5,000 rubles (\$70) and 10,000 rubles (\$140) respectively. Russian Minister of Transport Maksim Sokolov has declared that the Platon system and the truckers' protests "have nothing to do with the rights and freedom of the individual."

Most major press outlets, particularly those with close ties to the state, have blacked out coverage of the protests or given them only cursory attention. Still, according to a poll by the Levada Center, among Muscovites aware of the demonstrations, 70 percent expressed support for the truckers.

Various opposition tendencies in the Russian political establishment—from the Communist Party to the rightwing, anti-Putin blogger Alexei Navalny—have feigned concern for the plight of the truckers and sought to attach themselves to the protests. Navalny, a virulent anti-immigrant racist who opposes Kremlin cronyism because of the limits it places on free enterprise, has sought to portray the protests as being in line with his movement's "anti-corruption" platform and concern for small businessmen.

The Communist Party of the Russian Federation (CPRF) has attempted to organize sympathy rallies. Despite the fact that the truckers report strong support from area residents, who bring food and supplies to their encampments, the CPRF events have drawn very few participants, a sign of the deeply discredited character of this organization.

The protests by Russia's long-haul drivers come amidst an intensifying economic crisis in the country and are an initial expression of the anger mounting in the Russian working class. Throughout 2015, Russia's

economy has been contracting, with Gross Domestic Product down 4.1 percent in the third quarter of this year compared to last. While the government has sought to assuage public concerns by insisting that the situation is stabilizing, many experts insist that the recession will continue into 2016 with GDP declining a further 0.5 to 1.5 percent.

Average real incomes are down 5 percent this year, and another 2.3 million people fell below the official poverty line (\$112 a month per individual) as of September 2015. The country's poverty rate now stands at 14.1 percent, up from 12.6 percent last year.

At the same time, there are increasing calls for the implementation of further austerity measures, as falling oil prices hammer the state's treasury. The Kremlin's budget calculations for the coming year, which already foresee significant social cuts, are based off a per barrel oil price calculation of \$50. This is well above current and predicted levels. Russia's pensioners, as well as its health care and educational system, are slated for targeting in future budget negotiations.



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