

Russian Plant Owners Shamed Into Paying Owed Wages

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MOSCOW (AP) — A pulp and paper mill part-owned by billionaire Oleg Deripaska agreed Monday to compensate about 2,000 workers who have been struggling to feed their families since the plant on the shores of Lake Baikal closed last year.

The development comes just days after Prime Minister Vladimir Putin flew into another Russian town where one of Deripaska's factories was shuttered and publicly shamed him for failing to help unpaid employees.

"Overall, we plan to pay out 87.6 million rubles (\$2.8 million) to cover wage arrears and compensation to the mill's personnel," Basic Element, Deripaska's holding company, which owns a 51 percent stake in Baikal Paper and Pull Mill, located in the town of Baikalsk, said in an emailed statement.

The plant's owners, which also include the federal government, owed employees some 100 million rubles (\$3.25 million) for four months' worth of wages and benefits, state-run news agency RIA-Novosti reported.

The factory — an important source of jobs in the impoverished Irkutsk region — was forced to close last October after it failed to attract more financing to meet demands to install a modern wastewater system.

Environmentalists welcomed the pulp and paper mill's closure, which had long spewed pollutants into Baikal, the world's largest fresh water lake.

The global economic downturn has taken a heavy toll on Russian industry. Many Soviet-era cities and towns were built around one or two main industries, and residents remain dependent on them for their livelihoods.

Baikalsk residents, some of whom staged a hunger strike to draw attention to their plight, said the situation was desperate.

"I don't know what my children are going to eat," said Veronika Pisareva, a tearful resident interviewed on Vesti-24 television. "We don't even have enough money for bread."

Workers at Deripaska's cement plant in Pikalyovo, a small town near St. Petersburg, blocked a highway last week in protest at wage arrears. The demonstrations prompted the personal intervention of Putin, who made a public show of dressing down Deripaska and local officials as he pushed through a deal to get the factory up and running.

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The government provided funds to pay the workers the money they were owed, which raised concerns that Putin had set a dangerous precedent that would encourage workers in similar straits across Russia to follow Pikalyovo's example.

But Putin also sent a clear message to business owners and local officials that they could no longer ignore the plight of unemployed workers.

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