Industrial hegemony and moral economy in a Ukrainian metalworking city

Denys Gorbach

In Politix 2020/4 No 132, pages 49 to 72
Publisher De Boeck Supérieur

ISSN 0295-2319
ISBN 9782807393837
DOI 10.3917/pox.132.0049
Uploaded: 08/06/2021

Article available online at
https://shs.cairn.info/journal-politix-2020-4-page-49?lang=en

Discover the contents of this issue, follow the journal by email, subscribe...
Scan this QR code to access the page for this issue on Cairn.info.

Electronic distribution Cairn.info for De Boeck Supérieur.
You are authorized to reproduce this article within the limits of the terms of use of Cairn.info or, where applicable, the terms and conditions of the license subscribed to by your institution. Details and conditions can be found at cairn.info/copyright.
Unless otherwise provided by law, the digital use of these resources for educational purposes is subject to authorization by the Publisher or, where applicable, by the collective management organization authorized for this purpose. This is particularly the case in France with the CFC, which is the approved organization in this area.

De Boeck Supérieur| Downloaded on 06/09/2026 from https://shs.cairn.info (IP: 216.73.217.92)

Industrial hegemony and moral economy in a Ukrainian metalworking city

Denys Gorbach

Abstract – This article investigates factory regimes in Kryvyi Rih, a mining and metalworking city in eastern Ukraine. Based on ethnographic fieldwork, it studies the reproduction of industrial hegemony in the context of major post-Soviet transformations (privatization and austerity measures). The comparison of three cases representing different hegemonic configurations (mines privatized by Ukrainian businessmen, a metalworking factory bought by a foreign company, and quarries acquired by a Ukrainian vertically integrated holding) sheds light on variations in this process. These differences are due how "native" to Ukraine the new owner is perceived to be and the new owner's capacity to suppress dissent; to the kind of informal relationships that govern the labor process and trade union activities; and to the social embeddedness of the owner at factory and city levels. The article shows how the construction and preservation of a hegemonic bloc between the dominant and the subaltern groups at the enterprise level rely on a vernacular moral economy in which the factory's economic activities are embedded. Post-Soviet industrial paternalism is the product of dynamic expectations that are prone to change under the influence of the policies of legitimate owners.

Keywords – factory regime, Fordism, hegemony, industry, labor, paternalism, postsocialism, trade unions, working class, Ukraine

De Boeck Supérieur| Downloaded on 06/09/2026 from https://shs.cairn.info (IP: 216.73.217.92)

On the morning of September 3, 2020, twelve workers at the Oktyabrska iron ore mine at Kryvyi Rih, an industrial city in the east of Ukraine, refused to return to the surface at the end of their shift.[1] Twenty of the miners working the following shift joined the underground protest, before managers closed the elevator. The next day and on each subsequent day, miners and their supporters gathered at the headquarters of the Kryvyi Rih Iron Ore Combine (KZRK), the owners of the Oktyabrska mine. At the height of the movement, 415 miners were protesting underground in KZRK's four mines, at an average depth of 1.3 km. The strikers set seven demands, including an increase in the minimum monthly wage to $1,000 and confirmation that the special pension scheme that had been in place for miners up until that point would continue. Emerging from the mines after forty-three days of occupation, the protesters accepted the management's offer of a 21 percent pay increase for the underground miners, with a 38 percent rise for the other workers, bringing monthly salary for the best paid jobs up to around €1,150 gross. Pension rights were confirmed for the ten occupations where there had been a threat of losing them.

This strike took place in accordance with the established pattern of interactions between the miners and their employers in the two companies operating in the area. Work stoppages had taken place in the mines with some regularity, unlike in other sectors of industry, where such actions were comparatively rare or even inconceivable. Even the highly delicate economic context of the COVID-19 epidemic in Ukraine, which brought a halt to a number of other potential disputes, did not stop the KZRK strikers from mobilizing in 2020, and spontaneous strike action was not unusual. This was led, each time, by an active minority of workers, whereas most of the miners distanced themselves from the dispute. The number of workers taking part in the most recent strike action, which was more hotly contested than on previous occasions, did not exceed 10 percent of the total number of staff. A different situation prevailed at the other two industrial giants based in Kryvyi Rih. Strikes were less frequent at the ArcelorMittal Kryvyi Rih (AMKR) steel plant, although the general atmosphere was more confrontational there compared with the mines. During six months of fieldwork, I witnessed two miners' strikes and several demonstrations organized by the trade unions at AMKR, but without work stoppages. Unlike in the mines, with their militant minority and more placid majority, there was a less intense but more widespread participation in disputes at the steelworks. At the mining firm Metinvest, the city's other major employer, there had been neither strikes nor demonstrations since the end of the 1990s.

---

1. I extend my gratitude to Gilles Favarel-Garrigues, Jacobo Grajales, and a number of unnamed reviewers for all their help and advice, which allowed me to make improvements to this article. The analysis that it sets out remains my sole responsibility.

De Boeck Supérieur| Downloaded on 06/09/2026 from https://shs.cairn.info (IP: 216.73.217.92)

What were the factors that gave rise to this marked difference between these companies located so close to one another? The answer to this puzzle may be found by referring to the concept of hegemonic configuration, as developed by Antonio Gramsci and then Michael Burawoy. In its best known version, Gramscian hegemony may be conceived of as a discursive phenomenon: a vision of the world whereby the popular political imagination is constrained and shaped and common sense is spontaneously formed, thus preserving the social order. This "hegemony lite,"[2] as it has been described, disregards political relationships and policy proposals, as well as the socioeconomic processes behind all cultural phenomena. Anthropologists[3] and other researchers[4] have developed a more materialist version of this concept, whereby hegemony is an unintended consequence of a policy proposal advanced by a specific social group under particular political, economic, and historical circumstances. Such policies tend to be analyzed at the national level, while hegemonic configurations may be either constructed or dismantled on different scales. The relevance of observations at a factory level was underlined by Gramsci himself in his essay "Americanism and Fordism." In explaining the differences between Russia and western Europe, Gramsci contends that it is the lack of civil society institutions in Russia that has weakened the state, facilitating a successful revolution. According to Gramsci, while the bastions of civil society that protect the status quo in the United States (including the press and the church) are no more dominant than they are in Russia, hegemony is maintained through Fordist mechanisms that "[combine] force … and persuasion" in focusing national life on production: "Hegemony is born in the factory and does not need so many political and ideological intermediaries."[5] Industrial paternalism, with its high wages, social benefits, and repression of the trade unions, played a mediating role, co-opting the working class in a hegemonic bloc together with the ruling classes.

These theories relating to American Fordism in the 1920s may prove useful in a post-Soviet context, where industrial enterprises have historically been tasked with comparable sociopolitical tasks. As was the case in the United States in the past, industry played a crucial role here in maintaining the hegemony of the Communist Party, with Soviet modernity being organized around "city-building enterprises" (*gradoobrazuyushchie predpriyatiya*). As "agents of

---

2. Kate Crehan, *Gramsci, Culture, and Anthropology* (Berkeley: University of California Press, 2002), from 172.
3. Don Kalb and Herman Tak, eds., *Critical Junctions: Anthropology and History beyond the Cultural Turn* (New York: Berghahn Books, 2006); Gavin Smith, "Hegemony: Critical Interpretations in Anthropology and Beyond," *Focaal* 43 (2004).
4. Bob Jessop, "Accumulation Strategies, State Forms, and Hegemonic Projects," *Kapitalstate* 10 (1983): 89–111; Peter D. Thomas, "After (Post) Hegemony," *Contemporary Political Theory* 20 (2020).
5. Antonio Gramsci, *Prison Notebooks*, vol. 1, trans. Antonio Callari and Joseph A. Buttigieg (New York: Columbia University Press, 2011), 169.

De Boeck Supérieur| Downloaded on 06/09/2026 from https://shs.cairn.info (IP: 216.73.217.92)

civilization,"[6] industrial enterprises not only provided most of the jobs in a city; they also produced resources for urban development and consumption. Their non-productive functions, comprising social activities, gave legitimacy to their power. Following the collapse of the USSR, these enterprises were transformed, but they did not disappear. In the post-Soviet context, they proved essential for production and for maintaining the neoliberal regime.[7] This process began inside the enterprise itself through the forging of an alliance between managers and workers, with the interests of the workers being taken into account to some degree. The development of a hegemonic industrial regime was studied by Michael Burawoy at a Chicago factory, where justification for the high pace of work and the fast tempo of industrial operations was maintained through a combination of internal worker mobility, collaboration with the trade union, and the introduction of elements of play and competitive virility in working processes.[8] Second, hegemony emerged on an urban scale through the embedding of the enterprise in the city's social and political fabric.[9] It is these two overlapping scales in the process of hegemonic construction at the macrosocial level that lie at the heart of this article. What are the elements that maintain the internal and external legitimacy of the post-Soviet factory, with its very different modes of operation in the cases observed here? As a bloc that brings together the dominant class and subaltern groups, hegemony may produce a moral economy, as encapsulated by E. P. Thompson, that is, a set of expectations, demands, obligations, and duties that rationalize, justify, and control social and economic relationships among the groups comprising this hegemonic bloc—relationships among groups within the bloc and also with those excluded from it.[10] Political economy is thus embedded in moral economy, in accordance with various different configurations. Unlike with Karl Polanyi's linear understanding,[11] this concept of embedding should not necessarily be associated with political and economic regimes that are antithetical to disembedded liberalism. Whatever the hegemonic configuration, economic activity is anchored in the political and social fabric in one way or another.

Historically, industrial enterprises have most often been embedded (or anchored) in accordance with industrial paternalism, as referenced by Gramsci

---

6. Stephen Kotkin, *Magnetic Mountain: Stalinism as a Civilization* (Berkeley: University of California Press, 1997), 19.
7. Stephen J. Collier, *Post-Soviet Social: Neoliberalism, Social Modernity, Biopolitics* (Princeton: Princeton University Press, 2011).
8. Michael Burawoy, *Manufacturing Consent: Changes in the Labor Process under Monopoly Capitalism* (Chicago: University of Chicago Press, 1979).
9. According to the Gramscian notion of the "integral state" that is produced in this process—which joins together civil society, "political society" (the state in the proper sense), and economic actors—the barriers separating politics, economics, and social matters are removed.
10. Jaime Palomera and Theodora Vetta, "Moral Economy: Rethinking a Radical Concept," *Anthropological Theory* 16, no. 4 (2016): 413–432.
11. Karl Polanyi, *The Great Transformation* (Boston: Beacon Press, 1985 [1944]).

De Boeck Supérieur| Downloaded on 06/09/2026 from https://shs.cairn.info (IP: 216.73.217.92)

and in a pattern that is now dominant in the post-Soviet space. In this system of production and reproduction of the labor force, where relationships between employer and employees are governed in an all-encompassing way—that is, before, during, and after work, "at the daily, weekly, annual, and life scale"[12]—the factory represents a tool of production and of social organization.[13] In the USSR, however, paternalist initiatives developed only after the end of the Stalinist period, when workers were granted the choice to change employer. Given the structural labor shortage at the time, this triggered fierce competition between enterprises, which were keen to attract workers through both higher wages and non-monetary benefits, such as access to housing, recreational facilities, crèches, and schools, and the allocation of consumer goods.[14] Far from dismantling this industrial paternalism, the market capitalism of the 1990s refocused the social life of workers around industrial enterprises even more forcefully than before.[15] While paternalist configurations changed once the industrial sector was privatized, they remained in the picture. Neoliberal reforms took place in a climate that largely favored the retention of paternalist arrangements and delegitimized any attempt to move away from them. This article seeks to analyze the development of hegemonic configurations at the level of the post-Soviet industrial enterprise and that of their respective forms of embeddedness in the social, political, and vernacular moral fabric. I am particularly interested in those factors that contribute to the stability of the production regime and its success from the employer's point of view.

Based on an ethnographic study carried out in Kryvyi Rih over a cumulative period of eleven months between 2018 and 2020, my research is drawn from the archives of local newspapers, interviews conducted with workers and trade unionists, and observations made in the field—thanks to being taken on as a manual worker in a factory for two months. Upon return, I pursued inquiries by continuing to follow discussions between workers and trade unionists via Facebook and live video streams organized by the local press. Following a presentation of the industrial fabric of Kryvyi Rih, the text comprises four parts: the three enterprises (the mines, the steelworks, and Metinvest) are treated separately, and the final section draws on the analysis of these cases and returns to the questions as originally set out. While this article does not aim to produce

12. André Gueslin, "Le paternalisme revisité en Europe occidentale (seconde moitié du XIXe siècle, début du XXe siècle)," *Genèses* 7, no. 1 (1992): 201–211. **Translator's note:** this quotation is our translation. Unless otherwise stated, all translations of foreign language material cited in this article are our own.
13. Gérard Noiriel, "Du 'patronage' au 'paternalisme' : la restructuration des formes de domination de la main-d'œuvre ouvrière dans l'industrie métallurgique française," *Le Mouvement social* 144 (1988): 17–35.
14. Donald Filtzer, *Soviet Workers and De-Stalinization: The Consolidation of the Modern System of Soviet Production Relations, 1953–1964* (Cambridge: Cambridge University Press, 1992).
15. Michael Burawoy and Pavel Krotov, "The Soviet Transition from Socialism to Capitalism: Worker Control and Economic Bargaining in the Wood Industry," in *What About the Workers? Workers and the Transition to Capitalism in Russia*, ed. Simon Clarke, Peter Fairbother, Michael Burawoy, and Pavel Krotov (London: Verso, 1993).

De Boeck Supérieur| Downloaded on 06/09/2026 from https://shs.cairn.info (IP: 216.73.217.92)

a typology of modes of political anchoring among post-Soviet enterprises, it shall examine the variety of modalities for reproducing industrial hegemony.

On the ground: The privatized "iron heart"

The city of Kryvyi Rih (population 600,000) is located in the south Ukrainian steppe. Colonized by the Russian Empire during the eighteenth century, its iron ore deposits, which were exploited using French and Belgian capital in the 1880s, made this city the center of the Russian Empire's extractive industries. During the Soviet era, the state took the place of foreign investors, drawing flows of capital and manpower to Kryvyi Rih, where the modern Kryvorizhstal steelworks was constructed in 1934. The post-war decades marked the city's most rapid period of industrial expansion. Thanks to five integrated mining and processing facilities (known as *GOK*s), the volume of ore extracted at Kryvyi Rih grew significantly, thus giving the city its nickname of the "iron heart" of the Soviet Union.

This setup was transformed following the collapse of the USSR. Freed from Communist Party control, the directors of the city's main enterprises (the mines, the GOKs, and the steelworks) became important political actors as legitimate representatives of the "labor collective" (*trudovoy kollektiv*) and effectively managed the city, as was the case throughout the post-Soviet space.[16] In 1992, a miners' strike brought a new mayor to power. The mayor's paternalist, technocratic policies, coordinated with the directors of the industrial enterprises, kept operations productive even during the financial crisis in the 1990s. Supported by a partial involution toward a subsistence economy,[17] this survival mode was once again transformed in the first decade of the twenty-first century, with a wave of economic growth and privatizations. Company directors gave way to the oligarchs, a new social class of mega-rich owners owing their wealth to their political influence at a national level—and owing their political influence to their monetary capital in turn. In their competing clans, they aggressively started concentrating the country's industrial assets, with the support of President Kuchma.[18] Victor Pinchuk, Kuchma's son-in-law, made his fortune by bringing several metallurgical firms together in his Interpipe Group. His rivals Ihor Kolomoyskyi and Gennadiy Bogolyubov—who, like Pinchuk, came from Dnipro (known as Dnipropetrovsk at the time), Kryvyi

---

16. Sarah Ashwin, *Russian Workers: The Anatomy of Patience* (Manchester: Manchester University Press, 1999).

17. Michael Burawoy, Pavel Krotov, and Tatyana Lytkina, "Involution and Destitution in Capitalist Russia," *Ethnography* 1, no. 1 (2000), 43–65; Ronan Hervouet, "L'économie du potager en Biélorussie et en Russie," *Études rurales* 177 (2006): 25–42.

18. Sławomir Matuszak, *The Oligarchic Democracy: The Influence of Business Groups on Ukrainian Politics*, trans. Ilona Duchnowicz, (Warsaw: Centre for Eastern Studies, 2012); Heiko Pleines, "Oligarchs and Politics in Ukraine," *Demokratizatsiya* 24, no. 1 (2016): 105–127.

De Boeck Supérieur| Downloaded on 06/09/2026 from https://shs.cairn.info (IP: 216.73.217.92)

Rih's regional capital—set up the Privat Group around their private banking business. They were the first to enter the economic circles of Kryvyi Rih, as they formalized their control over the Sukha Balka mining concern. The rivalry between Dnipropetrovsk's oligarchs was marked by a violent mobilization of criminal and state resources,[19] and the struggle grew even fiercer with the rising power of actors from further afield, in particular the Donetsk oligarchs Rinat Akhmetov and Serhiy Taruta and the Russian businessman Vadim Novinsky. These three had Kryvyi Rih in their sights for its mining output, which was crucial for their factories, but also for the Kryvorizhstal steelworks, the biggest in the country. The plant was privatized in 2004, four months before the end of Kuchma's second term in office, and was transferred to a consortium set up by Pinchuk and Akhmetov. The presidential elections of that year triggered the Orange Revolution, following which the new government canceled the agreement and opened up the plant's capital to foreign investors.

It was the Indian-British firm Mittal Steel that acquired the enterprise—for a considerably higher price—renaming it AMKR in 2006. The same group also ran the Belgian and French steelworks that had become intimately linked with Kryvyi Rih a century before. Referred to locally as "the Hindu," the main shareholder Lakshmi Mittal did not settle easily in Kryvyi Rih. The steel plant's new owner faced hostility from some 24,000 workers as well as from the local oligarchs,[20] who retained control of the city's other enterprises. The Kryvyi Rih Iron Ore Combine (KZRK) was the foremost producer in its sector, with each of its four mines employing between 1,300 and 1,700 workers. Having driven Pinchuk away following the Orange Revolution, Kolomoyskyi took control of the company, sharing it with Akhmetov, although the two owners stayed in the background while the managing director took on a more public role. The other mining company, Sukha Balka, had just two mines, employing a total of 4,000, and changed hands several times before becoming part of the DCH group owned by the Kharkiv oligarch Oleksandr Yaroslavsky, in 2017.

All of the GOKs (with the exception of one, which joined AMKR before it was privatized) are now part of Akhmetov's Metinvest. Having acquired these concerns between 2004 and 2010, the oligarch managed to reshape the political arena in his favor. With the transition toproportional representation in 2006, local bigwigs were now denied their near-guaranteed seats in parliament, and the only representative of Kryvyi Rih to be elected was the CEO of the two Metinvest GOKs, Oleksandr Vilkul, who represented Akhmetov during his efforts to conquer the city. Vilkul was elected as a member of parliament

19. Matthew Rojansky, "Corporate Raiding in Ukraine: Causes, Methods and Consequences," *Demokratizatsiya* 22, no. 3 (2014), 411–443.
20. Regarding the controversial arrival of the same Lakshmi Mittal at Cockerill, the Liège concern that invested in Kryvyi Rih in the 1880s, see Cédric Lomba, *La restructuration permanente de la condition ouvrière: de Cockerill à ArcelorMittal* (Vulaines-sur-Seine: Éditions du Croquant, 2018).

De Boeck Supérieur| Downloaded on 06/09/2026 from https://shs.cairn.info (IP: 216.73.217.92)

representing the Party of Regions (PR), alongside his boss, Akhmetov, and these gains were consolidated in the 2007 elections. Now, there were six members of parliament from Kryvyi Rih, five of whom were members of the pro-Akhmetov PR. This access to patronage, guaranteed by electoral mandate, was effectively monopolized, as was access to the local media, which promoted the PR's politicians and its political agenda. The mayor resisted these developments, affirming that it was the local elites who should take care of "technical" issues without getting "politicized." In 2010, however, he refused to participate in local elections for the position of mayor, joined the PR, and became a member of the regional council. The new mayor was Yuri Vilkul, Oleksandr's father and a loyal member of the PR who represented Akhmetov's interests. Under the national political circumstances, the other oligarchs had no means of opposing Akhmetov, whose ally Viktor Yanukovych won the 2010 presidential elections. Yanukovych's fall from power in 2014 did not disturb Akhmetov's position, as he had by then become too powerful for rivals to threaten his influence.

Kryvyi Rih's industrial fabric

The mines	KZRK. Four mines, two owners: Privat (Kolomoyskyi) and Metinvest (Akhmetov) Sukha Balka. Two mines. DCH (Yaroslavsky)
The GOKs	Four mining firms, all part of Metinvest
The steel plant	AMKR

The mines: When paternalism breaks down

Repressive informality

The start of my conversation with Alexei,[21] a fifty-year-old Sukha Balka mineworker, was marked by a tirade on his part regarding an accident he had just been involved in. Despite the warnings that miners had expressed about the danger from the large blocks of ore suspended over the passageway leading to their work area, the foreperson still made them take this route. That day, one of these chunks fell and came close to crushing Alexei and his young colleague just as they were passing beneath. Moreover, this was not an isolated case: I was told similar stories by all the workers who spoke to me in the Sukha Balka mines and at KZRK. The lack of emergency equipment, the decision not to measure carbon monoxide or radiation levels in the mine before the start of shifts, the lack of ventilation, and the dropping of safety measures for the sake of efficiency: these risky practices to save input costs and maximize production volumes (in particular by speeding up operations) drew the ire of those workers who were interviewed.

---

21. All the interviewees' names have been changed to protect their anonymity.

De Boeck Supérieur| Downloaded on 06/09/2026 from https://shs.cairn.info (IP: 216.73.217.92)

This playing about with the rules has been a common factor in Soviet and post-Soviet industry, with informal relationships the norm between workers and forepeople. Such approaches were not traditionally viewed as problematic, as they were part of a trade in favors: in exchange for services rendered to them, bosses would reciprocate with informal obligations toward the workers. Moreover, increased productivity per hour worked would come with rises in pay, calculated on a per-unit basis.[22] In the 1990s such arrangements reconciled post-Soviet workers to systematic understaffing, as this effectively allowed them to increase their remuneration.[23] Under these informal interdependent relationships, snitching on one's boss would be shameful. For instance, one miner sustained an eye injury from a detonator and the foreperson asked this miner to pretend the injury was from a fight. As this sort of "human" approach to resolving problems was favored over a more "legalistic" avenue—which was perceived as destructive—the miner agreed to lie to the doctor. At the same time, however, a certain passive hostility toward the management was increasingly becoming the common attitude. While traditional practices may initially have been adopted as survival tools for both workers and managers, they were tacitly renegotiated in favor of the owners, and hence lost some of their legitimacy. The intensification of working practices at the expense of formal rules did not guarantee higher pay, especially since the monetary devaluations of 2008 and 2014. After the first of these devaluations, which was due to the collapse of global markets, the price of ore recovered, but wages never regained the symbolic level of $1,000 per month. The unit rate and the entrenched informality provided a means of depressing workers' pay, rather than keeping it at an acceptable level.

This transformation came about because Ukrainian mine owners pursued a policy of disinvestment for some thirty years. In the 1990s, this absence of investment was a hallmark of the "survival mode" that prevailed at the time, whereby every effort was made to keep operations going by all means necessary. Even after this critical period was over, the private owners chose to maintain and even step up this strategy of minimizing costs by limiting capital investment to the bare essentials. The case of Olga, a miner at KZRK, is illustrative. Before privatization, she would use "pushers"—electric devices that would push the load into the elevator cage. Over time, all of these pushers fell into disrepair and were withdrawn; instead of repairing or upgrading them, managers installed hoists that the signalers had to operate manually. Other equipment that was not replaced became obsolete. This shows that miners simply have to cope and

22. Sergei Alasheev, "On a Particular Kind of Love and the Specificity of Soviet Production," in *Management and Industry in Russia: Formal and Informal Relations in the Period of Transition*, ed. Simon Clarke (Aldershot: Edward Elgar Publishing, 1995); Jeremy Morris, "Unruly Entrepreneurs: Russian Worker Responses to Insecure Formal Employment," *Global Labour Journal* 3, no. 2 (2012), 217–236.
23. Marina Kiblitskaya, "We Didn't Make the Plan," in Clarke, *Management and Industry in Russia*.

De Boeck Supérieur| Downloaded on 06/09/2026 from https://shs.cairn.info (IP: 216.73.217.92)

find ad hoc solutions themselves to fulfill the tasks set by their bosses. Given the inadequate supply of equipment by employers, many workers purchase their own saws, hammers, and boots for working in the mines.

This brings to mind the Stalinist quest for so-called hidden resources of productivity, whereby workers and administrators were compelled to increase production with no additional investment.[24] Should any complaints about missing tools be voiced, a foreperson would typically respond, "Get it in battle!" (*dobud' v boyu*), an ironic reference to Second World War heroics, when Soviet soldiers were often compelled to go into attack without weapons. Resourcefulness, or making do (*smekalka*) has always been a highly prized quality in working environments,[25] but it was in the twenty-first century that it was expressly put to use for the politics of austerity. Non-standard work processes, facilitated by workers' autonomy[26] and informal negotiation in a context of disinvestment and austerity, allowed the owners to underpay workers for not fulfilling their plans, as unrealistic as they may appear to have been, leaving them in a double bind. During my time in the field, two miners died because of not enough time being left between dynamite detonation and the arrival of the team: the carbon monoxide had not yet dissipated, and the workers were asphyxiated. If they had refused to follow the boss's (informal) orders, they would have been stigmatized as "troublemakers" or "cowards."

The disappearance of patronage

Historically, miners always benefited from higher wages, allowing them to adopt somewhat ostentatious patterns of consumption in the 1990s and 2000s. Wage levels aside, non-monetary benefits always added to the profession's prestige, and in the extreme economic conditions of the 1990s, the distribution of goods and services became even more widespread, with a better distribution for those employed at the iron ore mines in comparison to Donbas coal miners.[27] Since privatization, however, both these elements of wellbeing for miners, which were as symbolically potent as they were materially essential, lost substance. Men's net wages would typically not exceed €500 per month, while some women in underpaid roles might only take home €150. While the distribution systems traditionally controlled by the main trade union in conjunction with the management were still officially in place, they were becoming less and less beneficial because of austerity policies and a general disinvestment in the social

24. Huijun Zhou, "An Explanation of Coexistence of Taut Planning and Hidden Reserves in Centrally Planned Economies," *Journal of Comparative Economics* 16, no. 3 (1992), 456–478.
25. On the anti-Taylorist approach of making do in Soviet factories, see François Bafoil, *Capitalismes émergents. Économies politiques comparées, Europe de l'Est et Asie du Sud-Est* (Paris: Presses de Sciences Po, 2012).
26. Simon Clarke, "The Contradictions of 'State Socialism,'" in Clarke *et al.*, *What About the Workers?*.
27. Stephen Crowley, *Hot Coal, Cold Steel: Russian and Ukrainian Workers from the End of the Soviet Union to the Post-Communist Transformations* (Ann Arbor: University of Michigan Press, 1997).

De Boeck Supérieur| Downloaded on 06/09/2026 from https://shs.cairn.info (IP: 216.73.217.92)

sphere. For example, KZRK retained a number of its sanatoriums (recreational resorts offering health care) and leisure facilities, but they became far less attractive compared with the vacation opportunities that miners had enjoyed twenty years previously. The distribution of housing and of consumer goods, which had been highly developed in the 1990s, came to a complete halt. The final perk of the job—salary and access to sanatoriums aside—was health insurance provided by the employer. The drop in levels of wellbeing was illustrated by some typical comments among miners: "We used to be proud of being miners; now we're ashamed." Sentiments such as these, reflecting the company's diminishing paternalistic offer, were taken into account by politicians, who considered how they could draw on them for electoral gain by presenting themselves as defenders of workers who had been abandoned by their bosses. In 2008, Yulia Tymoshenko's government passed the Law on Increasing the Prestige of Mining Work (Law No. 345-VI of September 2, 2008). As well as restoring the symbolic value of the profession, the government set about making improvements to miners' material conditions. The law set out a right to free higher education for the children of miners; it guaranteed holiday vouchers for all, financial compensation for accident victims, and better access to housing; it also capped the income tax rate for miners at 10 percent. One particularly important provision in the law was that miners' pensions must be no less than 80 percent of their average salary—or, for the least well paid miners, three times the minimum living wage. Another law set out two lists of jobs: "dangerous" (including those carried out underground) and "difficult" (such as iron or steel work), which now came with early retirement rights at the ages of 50 and 55 respectively.

This promise of early retirement was the main reason why those whom I interviewed worked in the mines. Most of them were counting the days until the end of their time working underground (fifteen years for men and seven and a half years for women), after which they would get a guaranteed special pension. Although it was the employer that would fund these relatively high pensions, it was the state that was perceived to be the source of this precious privilege, while the image of mine managers slipped: rather than being seen as providers of wellbeing, they were now viewed as exploitative, even slave owners. When Vira, a miner at Sukha Balka, reached her retirement, she proclaimed, "I'm a free woman now! Goodbye, slavery!" These allusions to slavery are a central theme in the discourse of activist miners. Mine managers and owners would avoid public attention, making no effort to present themselves as key figures embedded in the local community. Hence, when miners became mobilized, they would address their grievances to the central government or city hall, despite being perfectly aware that their employers were private companies. By ignoring the usual conventions governing the attitude that managers ought to adopt in response to a strike (with a prompt, respectful reaction from the chief executive in person, who would be expected to go down into the mines, listen to the workers' demands and grievances, and make a number of promises), the

De Boeck Supérieur| Downloaded on 06/09/2026 from https://shs.cairn.info (IP: 216.73.217.92)

KZRK management hastened the erosion of the paternalist regime. Despite the management's plans, however, this process can get slowed down depending on the economic circumstances, as illustrated by the case of the AMKR steel plant.

Gradual decay at the steelworks

The difference between the two mining companies and the majority of Ukrainian industrial enterprises, on the one hand, and AMKR, on the other, becomes clear upon examination of the trade union context. The typical post-Soviet setup, as applied in the mines, consisted of an "official" trade union representing most workers, and a militant minority styling itself as an "independent" trade union. The official union was the successor to the Soviet trade union, whose main roles were to distribute goods and services emanating from the management and to keep the workforce under control, preventing any collective dispute. Unlike in countries in the eastern part of the European Union, the old unions were not dissolved in the 1990s in Ukraine; rather, they were preserved as guarantors of peaceful industrial relations. It was through joining these unions (which was virtually compulsory in any case) that workers could access most of the benefits offered by the management. Anti-managerial militancy would go beyond the organizational habitus of the "successor" unions, although they would often mobilize the workforce in the name of the enterprise against commercial competitors or the state. In the mining and iron and steel industries, these unions were affiliated to the national federation of the Trade Union of Metallurgical and Mining Industry Workers of Ukraine (PMGU). The so-called independent unions served as a pool for the militant minority and, like French trade unions, would mount fierce opposition to the management. They would still be obliged, however, to spend most of their funds on the same paternalistically distributed resources as before (such as holiday vouchers, personal financial assistance, or Christmas gifts). Without offering such benefits, these unions would lose most of their members, who were typically highly qualified and well paid.[28]

AMKR presented a more complex picture. Here, there were no fewer than eleven trade unions, all competing with one another as well as with the management in trying to win workers' allegiance. For reasons linked with the privatization of the plant, the PMGU branch at AMKR was perhaps the only "official" union in Ukraine to successfully stand up to the owners of an enterprise. When the state took the enterprise back from its oligarch owners and sold it to Mittal, the Ukrainian oligarchs were united in opposition to the foreign investor and joined forces with Yuri Bobchenko, the union leader who had been heading the local PMGU branch since 1989. In particular, Bobchenko managed

28. Denys Gorbach, "Underground Waterlines: Explaining Political Quiescence of Ukrainian Labor Unions," *Focaal* 84 (2019).

De Boeck Supérieur| Downloaded on 06/09/2026 from https://shs.cairn.info (IP: 216.73.217.92)

to impose a list of nineteen "social" demands as part of the privatization agreement, an unprecedented coup in post-Soviet Ukrainian history. Mittal Steel's acquisition costs practically doubled because of this. Although he was known for his moderation in negotiations with the owners, the union leader entered into a ferocious battle against the new proprietor. In 2006, Bobchenko joined the Party of Regions. His speeches defending social protections for workers were in tune with the policies of a party that backed a protectionist and socially anchored neoliberalism. Demonstrations calling for a salary increase at AMKR were backed by workers from other local enterprises, especially those owned by Akhmetov, showing their solidarity with the AMKR workforce. These union members were mobilized by the PMGU branches at their own workplaces, even though they were typically much slower to put up a fight against the owners of their own factories.

The vision of an embedded economy as set out by this hegemonic bloc resonated with local mores. While the various social demands were ostensibly directed at all the new owners, they were in fact targeted at the least native among them—the Indian Lakshmi Mittal. The results of this were paradoxical, however: while other owners were able to drop the costliest social provisions with little difficulty, AMKR kept them, given the image of capitalist hell with which the local press had depicted the firm. AMKR was also the last of the city's industrial enterprises to halt free housing construction programs for its workers, in 2011; the others stopped their respective programs from the late 1990s. In 2007, after a year's prevarication, Mittal Steel dropped its anticipated mass compulsory redundancies and instead announced a voluntary redundancy program with a generous payoff, and workers' pay increased by 90 percent in one year. The plant started buying medical equipment and public transportation (buses and trolleybuses) for the city. In 2009, at the height of the economic crisis, which threatened the existence of ArcelorMittal's plants in western Europe, AMKR found the means to avoid layoffs by boosting voluntary redundancy incentives and by continuing to pay a minimum salary to those workers who should have been made redundant through lack of work. In 2012, the enterprise's management sought to introduce financial optimization measures such as outsourcing auxiliary workshops, but these were once again met with a resistance that stopped the firm from carrying out the measures in full. The current president of PMGU, having succeeded Bobchenko in 2017, increased the level of hostility toward management even further so that, even in 2020, the level of social benefits that Mittal Steel granted to its workers remained more generous than those on offer in the mines. Even more ironically, this exemplary embedding approach failed to legitimize the new owner or to win him the gratitude of his employees. Vladimir, a veteran worker at the plant, showed me a detailed list of the benefits and rights that had disappeared since Mittal Steel had taken control of the enterprise fifteen years previously. For example, vitamin drinks were no longer distributed to workers; now, they were just given water. Some

De Boeck Supérieur| Downloaded on 06/09/2026 from https://shs.cairn.info (IP: 216.73.217.92)

days after our interview, Vladimir phoned me to add a further grievance: the "non-Russian owner" had canceled the "Constellation of Talents" steelworkers song contest. While none of the miners I interviewed presumed to raise this sort of issue, the steelworkers' expectations appeared to be far higher in this regard.

The persistence of the old model of social contract opens up a political space where a number of independent unions can emerge and compete for membership among the workers. Leonid, head of the Independent Trade Union of Ukrainian Miners (NPGU) at AMKR, angrily recounted the consumerist behavior of certain workers who would join the NPGU to get legal assistance, and then leave to find a different union offering material benefits. For many workers, the granting of holiday vouchers (*putyovki*) giving them the right to free or subsidized vacations was enough of a reason to swap union. In his five years at PMGU, Vladimir was unable to secure a free *putyovka* to a particular sanatorium among those offered to AMKR employees. Upon quitting PMGU, he joined the Science, Industry, and Finance Workers Union (NVF), which granted his request and procured for him the *putyovka* that he so desired. Upon his return from the sanatorium, Vladimir needed to visit his family in Russia. He asked for extra time off, but the deputy head of his workshop refused to sign off his request unless he left the NVF. Vladimir did the necessary, which allowed him to travel to Russia.

Both the wages and the social benefits at AMKR were superior to those offered in return for working in the mines. The owner's weak legitimacy heightened competition between the trade unions at AMKR, giving the workers significant negotiating leverage. The level of investment appeared to be higher, too—at least, this was not among the steelworkers' complaints—yet the legitimacy of the steel plant's managers and owners was as weak as it was in the mines. For the AMKR workers, the benchmark was the time before privatization, when the exemplary returns of the early 2000s were partnered with the social embedding of the 1990s. Vladimir recalls this as a golden age, at a time when Akhmetov owned the facility—even though this period only effectively lasted for sixteen months over 2004 and 2005. This association is, in itself, one of the successes of the Metinvest management: in adopting a generic post-Soviet mindset, Akhmetov's managers turned it to their own benefit, securing their legitimacy through redistributive policies, reframing expectations and articulating them using the imagery of a paternalistic and indigenous private employer, rather than the paternalist director of a publicly owned factory. According to the press archives, the days of easy living (*pripevayuchi*) at AMKR were mainly when the plant belonged to the state, from 2000 to 2005. In spite of his reservations about Akhmetov, Vladimir fell under the charm of the myth of an efficient and benevolent native oligarch, a myth centered around the role that Akhmetov played in the Metinvest steel corporation, which was highly visible in the city and had also got hold of the GOKs.

De Boeck Supérieur| Downloaded on 06/09/2026 from https://shs.cairn.info (IP: 216.73.217.92)

Metinvest: A hegemony renewed

Social embedding as justification

The GOKs were privatized more gradually, and in a less visible way than was the case at the other facilities as described above. Initially, the state ceded control over the GOKs to various private companies, which acquired shares while remaining anonymous in the public sphere. These unidentified owners put a stop to a great many of the benefits that had accrued to the workers over the course of the 1990s. This social backtracking, together with a growth in profits, lay in the background of the struggle for the GOKs, which took a dramatic turn when armed men began attacking company headquarters. In 2003, Rinat Akhmetov, already known as the leader of the "Donetsk clan," appeared in Kryvyi Rih and promptly took control of the Central GOK (TsGOK). Oleksandr Vilkul, the young CEO installed by the new owner, immediately made some announcements that had been expected by workers and citizens alike: the reopening of the TsGOK mine that had been closed by the previous owner, the resurrection of the "social sphere" (including the holiday camps, leisure facilities, canteens, and other "non-productive" elements of the typical Soviet enterprise), and the introduction of a €250 maternity benefit for female workers.[29] In 2004, the same policy change took place at the North GOK facility (SevGOK) as soon as it joined the Akhmetov empire. The previous owner of SevGOK had already been promoting a liberal agenda. In 2001, he contended that "SevGOK is in the process of transforming itself from the constituent company of the city that it was into a simple, profitable mining enterprise, which will give well paid work to residents of the district."[30] This message ran counter to the hegemonic values expressed, for example, in a letter written by the daughter of a SevGOK worker who had died at his workplace in 1963:

> We grew up a long time ago, our children have grown up, and we even have grandchildren now, but for my sister and me, the word 'SevGOK' has always signified something very reliable—fatherly care. In the gravest of times (and there have been some), it was the North Plant that gave material assistance; the holiday camp was from SevGOK, too; and the apartment that was given to us also came from the plant. And now, forty years after that tragic night, the kind words of condolence, of remembrance, and of mourning, they still come from SevGOK today.[31]

When he got hold of SevGOK, Akhmetov understood these expectations. Instead of hiding behind anonymous companies, he took responsibility for the

29. *Chervonyi Hirnyk*, March, 2004. *Chervonyi Hirnyk* (The Red Miner) is the press outlet of Krivyi Rih's city council. Issued twice weekly since 1924, this newspaper sets out the official line on developments in the city.
30. *Chervonyi Hirnyk*, December, 2001.
31. *Chervonyi Hirnyk*, December, 2003.

De Boeck Supérieur| Downloaded on 06/09/2026 from https://shs.cairn.info (IP: 216.73.217.92)

two enterprises by bringing them together under the direction of one general manager, Oleksandr Vilkul. The moral community would now match with the private corporation. The new collective agreement that was concluded immediately after the change in ownership led to a significant rise in wages and reintroduced some paternalistic measures.[32] Without a doubt, this progress reinforced the owner's legitimacy in a city where he had been perceived as an intruder from a different region.

At the same time, Akhmetov fired potential troublemakers from his companies. SevGOK was known for its militant trade unions, which held frequent strikes and demonstrations. Following the change in ownership, the local branch of PMGU published a letter in the name of the entire workers' collective, denouncing the "populist" trade unions that "had not taken note of the fact that times had changed, as had people. They [people] look to concrete actions, rather than fine words." A month later, the journalist who had reported the trade union conference at SevGOK was shocked by how calm the event was, being a far cry from the disputes that had riddled the previous conference in 1999. This change was put down to the drastic drop in membership of the two "populist" unions. The once mighty unions now had only 500 members between them, because of the management's combination of repressive and redistributive policies.[33] Similar policies were developed in two other GOKs that were later bought by Metinvest, Akhmetov's steelmaking firm.

Having failed to keep hold of Kryvorizhstal, Metinvest's strategy of creating Fordist "company towns"[34] around Kryvyi Rih remained unfulfilled. The father of TsGOK's CEO became the city's mayor in 2010, while Vilkul Jr. became Akhmetov's political front man at the national level. Attention was drawn to the bid to create a moral community at the company, city, and national levels in an article in the municipality's news outlet on the day before the parliamentary elections of 2007, headed "Metinvest's attitude towards its workers shocks Western consultants." The article's author attested to the shock of an American consultant when he discovered the amounts spent by the company on its social programs and wage rises, rather than on increasing productivity: "You need to understand that, in business, it's profit that defines everything, and you need to finally learn to be less humane!" Metinvest's CEO responded that their "alternative model for Ukraine" was quite different from the socialist model, which was dead, and also from the Western model, where profit was given more weight than people. He insisted that this "policy of humanity" would continue for the sake of family spirit and social stability, even if that meant sustaining losses.[35]

---

32. *Chervonyi Hirnyk*, January, 2005.
33. *Chervonyi Hirnyk*, September and October, 2004.
34. Kimitaka Matsuzato, "Dissimilar Politics in Mariupol and Kramatorsk: Two Ukrainian Cities on the Eastern Front," Policy Memo, PONARS Eurasia, June, 2018.
35. *Chervonyi Hirnyk*, September, 2007.

De Boeck Supérieur| Downloaded on 06/09/2026 from https://shs.cairn.info (IP: 216.73.217.92)

The city council controlled by Yuri Vilkul since 2011 entered into "social partnership" agreements with the companies based in Kryvyi Rih, according to which firms voluntarily gave the city certain sums of money and/or services. Metinvest was the biggest donor. Of the 46.45 million hryvnia (₴)—equivalent to €4.6 million—pledged by all "partners" in 2013, ₴30 million was donated by Metinvest, whereas only ₴2 million came from Sukha Balka. Metinvest paid a further ₴30 million in 2014 and AMKR paid ₴15 million, while the donors who supplied the remaining ₴16.3 million were not even mentioned in the press. Metinvest's charitable work, which was widely publicized in the media, went beyond the social partnership. The company undertook to maintain public spaces such as parks and streets, and even some private buildings, renovating schools and residential areas and restoring the facades of homes originally constructed by the GOKs. For its part, AMKR also spent considerable sums of money for the common good—albeit not on its own initiative. The steelworks is now funding the construction of a new cancer center costing €15 million, but only as a response to a conflict with the current president, Volodymyr Zelensky, who had initiated criminal proceedings against the company on the ground of "ecocide," and advised the firm to "financially excuse itself" (*finansovo izvinitsya*) to citizens. This rejection of a purely economic, disembedded relationship between the plant and the local community came alongside a firm, if less pronounced, refusal to revert to the socialist model that prevailed in the sector up to the 1990s. In spite of the public's clear preference for a complete return to the previous arrangements, Metinvest has decided to "modernize" them, cutting out those elements deemed to be too costly or "irrational." How has this strategy of justification been reflected in the lived experience of Metinvest's current workers?

Toward a post-Soviet neo-Fordism

During my time in the field, the workers at Metinvest were the most difficult to approach. They were not easily disposed to talking, as a general rule, and were concerned about guarantees of anonymity. In contrast, one trade union member at AMKR refused to speak precisely because of this condition of anonymity, which he said would prevent the public from hearing his voice. Unlike at other major enterprises, the workers' Facebook group at the South GOK (YuGOK), where I concentrated my research, was scrupulously moderated by managers. Its rules forbade "political slogans or appeals, or anything linked to social discord," and the group did not publish any critical messages. The typical dualism of the trade union scene, as described above, was not respected at YuGOK, with PMGU, as the sole union, representing 99.7 percent of the plant's workers. SevGOK had an alternative trade union, close to the far right and with only around twenty members. The members of the city's rich trade union landscape had no personal contacts at Metinvest. Just as with SevGOK, the disappearance of militant trade unions at YuGOK coincided with an increase in workers' income and a burgeoning of paternalist measures.

De Boeck Supérieur| Downloaded on 06/09/2026 from https://shs.cairn.info (IP: 216.73.217.92)

The law obliges all companies to spend at least 0.3 percent of their wage budget on "cultural, sporting, and recreational activities." The collective agreement at YuGOK stipulated that this figure should be at least 0.5 percent, in line with convention in the sector. In reality, company bosses regularly spent up to 4 percent over the levels that had been set. The local PMGU branch used this money to distribute thousands of *putyovki* for leisure facilities among the workers, with holiday camp vouchers for their children. YuGOK retained its cultural and sports centers, along with a refurbished swimming pool. Retired company workers retained access to these facilities, keeping their membership of the moral community for a token union membership fee of ₴1 (or €0.03). Several other paternalistic measures expanded this community out to the local neighborhood or district, or even the whole city. Metinvest carried out several "social partnership" programs, under which the company rebuilt streets and parks, refurbished schools and hospitals, and funded neighborhood improvements. Average salaries at Metinvest were the highest in the city. In 2018, YuGOK raised wages by 37.9 percent, taking second place behind TsGOK. During my work on the ground, negotiations around the new sectoral agreement were dragging on. The process was blocked by AMKR, which would only agree to a 5 percent increase in annual salaries, while Metinvest was prepared to agree a 30 percent raise.

All of these measures, including the monetary and social payments and cooperation with the city, were set out by management completely independently. The city authorities were not bound by any mandatory rules in this regard, and remained flexible. In the collective agreement, the union waived the right to set the level of funding for its activities, although it blocked measures that might have been perceived by workers as illegitimate. When management planned to cancel the seven days of vacation authorized for those undertaking extra work, the leader of PMGU made the following assessment: "I said to them, 'Look, there's been a turnover of 3,820 people over the last few years. How many employees with a right to those seven days have gone already? And how many new starts won't be able to get that? In a few more years' time, nobody will get that anymore!' There's no need to mess with people; that will be a natural process anyway."

Investments were also subject to a gradualist approach. Although repair and maintenance work was carried out sufficiently regularly to ensure that all the equipment could function normally, new purchases were hardly ever made. Most machines and equipment (with the exception of those that could bring immediate profit, such as excavators and dump trucks) were in a good state of repair, albeit obsolete, with some models dating back to the 1950s. There was a deliberate policy to avoid the costs attached to introducing new technology. Moves to economize on labor were especially unwelcome, and any proposed innovation came up against the question, "But what are you going to do with

De Boeck Supérieur| Downloaded on 06/09/2026 from https://shs.cairn.info (IP: 216.73.217.92)

the people [who have been replaced by the new machines]?" There is nothing strange about the idea of a highly valued, broad community of grateful workers and their families as long as the standard notion of a company striving to increase value for shareholders is rejected, and as long as the norms of political economy—whereby private property rights are vague notions and need to be upheld through political means—are kept in mind. This sort of neo-Fordist thinking is sufficiently widespread on the margins of the global economy for Jonathan Parry to draw the conclusion that "*De*-casualization may also be seen as an instrument of control . . . even if this strategy proves more costly in financial terms. . . . Political considerations may be as consequential as economic ones."[36] Metinvest's principal shareholder made no effort to hide his political agenda. During the 2019 presidential election campaign, in which Akhmetov's political camp supported the candidacy of Oleksandr Vilkul, all YuGOK workers were telephoned and encouraged to vote for Vilkul. A year later, Akhmetov did not hesitate to deploy his administrative resources and moral authority to promote his CEO in his bid to become mayor.

Felicity's conditions for industrial hegemony

Metinvest is an example of an effective hegemonic bloc, which links the management with the workers and the city community in such a way as to ensure peaceful industrial relations and the legitimacy of both the owner and the prevailing socioeconomic system—thus exemplifying a Gramscian hegemony centered on the plant. What factors allowed this model to succeed, alongside the successes and partial failures in the other two cases? How do those cases differ from Metinvest and between themselves, and what do these differences tell us about the production of industrial authority?

At the most basic level, the picture is broadly similar in all three cases when it comes to daily interactions around and during the working day: informality reigns throughout, circumventing official protocols and with a focus on the key figure of the foreperson. To get any "real" work done (as distinct from the tasks set out in the manuals), the foreperson must negotiate with the workers rather than simply issuing them with orders, since the workers prefer to maintain autonomy. It also falls to the foreperson to resolve any conflicts that may arise, as the arbiter of the unofficial rules. What has changed in this otherwise uniform scene inherited from the 1990s is the extent of deterioration due to disinvestment. This is visibly more pronounced in the mines and at AMKR compared with Metinvest, where the pact between the workers and management was renewed in a more open and beneficial way for the

36. Jonathan Parry, "Introduction: Precarity, Class, and the Neoliberal Subject," in *Industrial Labor on the Margins of Capitalism: Precarity, Class, and the Neoliberal Subject*, ed. Chris Hann and Jonathan Parry (New York: Berghahn Books, 2018), 16.

De Boeck Supérieur| Downloaded on 06/09/2026 from https://shs.cairn.info (IP: 216.73.217.92)

workforce, even though this proved costly for the owner. The new configuration included such aspects as mobility in the internal labor market, an incentive and competition scheme, and strict adherence to safety measures. In the other workplaces, the renegotiation of this pact was more discrete and apparently spontaneous, driven by financial constraints rather than any strategic vision. Under these conditions, workers' interests were more liable to be sacrificed, thus provoking hostile sentiments. This hostility varied, depending on the pace of change, which was faster at AMKR compared with the mines—hence a general, almost normalized, sense of anger among the metalworkers, and occasional, if more violent, outbreaks among the miners. There was another factor at play, however: in each case, the most obvious difference concerned the status of the "official" trade union, namely PMGU. In the mines, as at Metinvest, PMGU played a traditional role as the "left hand" of the management, ensuring that good industrial relations were maintained and troublemakers punished; at AMKR, by contrast, PMGU initiated official strike action in 2018.

PMGU's relatively independent stance at the steelworks stemmed, in turn, from another variable, connected with the owner's "autochthony capital."[37] Indeed, the case of AMKR illustrates the importance of this factor. The owner's background can make all the difference in the popular perception and legitimacy of the management in workers' eyes. The mines occupied an intermediary position in this respect—between the foreign Mittal and the native oligarch Akhmetov. Upon entering the scene in Kryvyi Rih in the early 2000s, Akhmetov had to prove his own native status among local bosses, which was not easy for someone who came from the Donbas, a region known to be reviled in the local area. The appearance of Mittal Steel, a foreign company par excellence, made Akhmetov's assimilation easier. In exploiting this distinction between himself and Mittal, which could be easily demonstrated in two different ways (the ethnic/racial/national distinction and the distancing from Mittal's initially liberal narrative), Akhmetov successfully built up his autochthony capital and erased the identity that had previously counted against him. The Sukha Balka mines changed ownership several times, and none of their owners made any effort to "localize" their image. The current boss, Oleksandr Yaroslavsky, a native of Kharkiv, is a rather distant figure and does not feature prominently in the consciousness of the workforce. The owners of KZRK maintained such a level of discretion that most of the miners were not even aware of who they were until the most recent strike. The difference here is all the more salient as one of KZRK's two owners is Akhmetov himself. In contrast with his approach at Metinvest, he keeps a low profile at the neighboring enterprise, where he is not the sole shareholder. This may partly be explained by the fact that Akhmetov (in

37. Jean-Noël Retière, "Autour de l'autochtonie. Réflexions sur la notion de capital social populaire," *Politix* 63 (2003), 121–143.

De Boeck Supérieur| Downloaded on 06/09/2026 from https://shs.cairn.info (IP: 216.73.217.92)

the guise of Metinvest) has proved sufficiently successful in effectively becoming master of the city to dissuade any potential rivals. Knowing that Ukrainian oligarchs have a tendency to share out their spheres of influence in an informal and obscure manner, Akhmetov's competitors have most likely gained access to Kryvyi Rih's economic assets on the condition that they do not impinge on political power in the city.

The social wage, meaning the panoply of schemes for distributing non-monetary goods, is considered in the literature as the fundamental source of legitimacy for post-socialist industrial paternalism. This is unequally present in the three cases examined. At Metinvest, the paternalistic schemes are undoubtedly very generous; at the same time, they are highly flexible and liable to unilateral alterations. This flexibility stems from the owner's hegemonic position, which was initially gained thanks to his willingness to devote considerable spending to funding the traditional elements of the social wage. By contrast, the generosity on display at AMKR was the result of the initial conflict between the new owner and local institutions. While the volume of benefits available for the workers was comparable at the two enterprises, AMKR's managers were not free to change those benefits as they saw fit, which engendered a lack of legitimacy. This perpetuated the bitter dispute with the trade unions, thus preventing the consolidation of a hegemonic bloc. In the end, the managers of the mining concerns banked on maintaining some residual legitimacy, not openly altering the social wage while surreptitiously cutting its funding. The differences in the effectiveness of hegemony in different cases are also a function of the capacity for enforcement, ranging from Metinvest's repressive efficiency (illustrated by the absence of any independent, trade-union-led, or other initiative at the GOKs) to the ineffective attempts to prevent strike action in the mines and complete impotence at AMKR. At the broadest level, the legitimacy of an enterprise's management relies on it becoming embedded in the city's sociopolitical and economic fabric. The social embedding mechanisms that existed prior to privatization had to change, and it was Metinvest that instigated new schemes that would allow it to blend into the city and become an autochthonous enterprise, through its official partnership with the city council, developing public spaces, renovating buildings, co-funding environmental projects, and backing various other local initiatives. The mining bosses decided to keep their distance from such projects, contenting themselves with the residual legitimacy bestowed by their autochthony capital. AMKR's management had no such option, however. As a newcomer in control of the city's most iconic enterprise, Mittal Steel had to overcome its initial resistance and play a game by other people's rules. AMKR may have fixed the city's trolleybuses and bought new medical equipment for local hospitals, but the steelworks did not achieve as much as Metinvest did in the public sphere. AMKR's efforts sufficed for running the plant at the basic level, but they were not enough for it to become a patron of the city, or even of a part of it.

De Boeck Supérieur| Downloaded on 06/09/2026 from https://shs.cairn.info (IP: 216.73.217.92)

Conclusion

The "survival pact" concluded in the 1990s between managers and skilled workers represents a conservative reaction that sought to strengthen informal norms and thus to adapt production regimes to the breakdown of formal regulations. Rather than being disembedded, Ukraine's post-Soviet enterprises in fact became all the more deeply anchored in the country's sociopolitical fabric. The hegemonic configuration of the 1990s became obsolete during the subsequent decades of economic growth and privatization. Under these altered conditions a new industrial hegemonic regime emerged, albeit in a variety of configurations, but all anchored in the new realities of "patronal democracy"[38] in the first and second decades of the twenty-first century.

The elements behind these different equilibria include the state of informal relationships within working processes, the situation of trade unions, the company owner's "autochthony capital," the volume and configuration of the social wage, the capacity for enforcement, and the social embedding of the plant in the city as a whole. In combining these elements in different ways, the enterprises that I have analyzed arrived at visibly different outcomes, even though the model of privatized post-Soviet industrial paternalism was adopted in all cases. According to Gramsci's insights, hegemony at the factory level in the Fordist sense contributes to a stable hegemony at the national level. This idea may appear obvious when applied to Fordism in its classic sense or indeed in its Soviet version, but it is counterintuitive in the case of post-Soviet societies. This article has shown that, contrary to common belief, it is neither rampant capitalism nor a continuation of unreformed socialism that reigns in the post-Soviet space. While preserving the structures it inherited from the previous era, the new capitalist configuration has not hesitated to transform those structures and to articulate them amid the new realities so as to shape tools that can still effectively produce consent. There are a variety of connections between the different levels of this process. In Russia, industrial paternalism was challenged by foreign investment from the first decade of the twenty-first century[39] and was then made subordinate to central government policy upon the emergence of Putin's "power vertical."[40] In Belarus, where privatization was never completed, the state recentralized industrial paternalism by ousting the so-called

38. Mikhail Minakov, "Republic of Clans: The Evolution of the Ukrainian Political System," in *Stubborn Structures: Reconceptualizing Post-Communist Regimes*, ed. Bálint Magyar (New York: Central European University Press, 2019), 217–236.

39. Jeremy Morris and Sarah Hinz, "Free Automotive Unions, Industrial Work and Precariousness in Provincial Russia," *Post-Communist Economies* 29, no. 3 (2017), 282–296.

40. David Mandel, *Labour after Communism: Auto Workers and their Unions in Russia, Ukraine and Belarus* (Montréal: Black Rose Books, 2004).

De Boeck Supérieur| Downloaded on 06/09/2026 from https://shs.cairn.info (IP: 216.73.217.92)

"red directors."[41] In Ukraine, a patchwork of political-industrial regimes have evolved within a framework of "oligarchic democracy," embedded in informal socioeconomic networks and local moral economies.

Translated and edited by Cadenza Academic Translations

Translator: Robert Arnott; Editor: Anam Zafar; Senior editor: Mark Mellor

---

Denys Gorbach is a PhD candidate in political science at the Paris Institute of Political Studies (Sciences Po), attached to the Centre for European Studies and Comparative Politics (CEE) and the Max Planck Sciences Po Center on Coping with Instability in Market Societies (MaxPo). His works have been published in *Focaal* and *Studies of Transitional States and Societies*. Using Ukraine as a field of inquiry, Gorbach has focused on the world of work, power generation, and regimes of accumulation. He is currently preparing a thesis on the so-called populist politicization of the working classes in post-Soviet Ukraine.

denys.gorbach@sciencespo.fr

Hégémonie industrielle et économie morale dans une ville sidérurgique ukrainienne

L'article interroge les configurations de pouvoir industrielles (*factory regimes*) à Kryvyi Rih, une ville minière et sidérurgique située à l'est de l'Ukraine. En s'appuyant sur un travail de terrain ethnographique, il retrace la reproduction de l'hégémonie industrielle au travers des transformations postsoviétiques (la privatisation et les mesures d'austérité). La comparaison de trois cas qui représentent des configurations hégémoniques différentes (des mines privatisées par des Ukrainiens, une aciérie achetée par une société étrangère et des carrières faisant partie d'une société ukrainienne intégrée verticalement) permet de repérer nombre de variations de ce processus, dues au degré d'autochtonie du nouveau propriétaire et à sa capacité répressive, au caractère des relations informelles dans le processus de travail et dans la scène syndicale, ainsi qu'à l'encastrement social du propriétaire à l'échelle de l'usine et au niveau urbain. L'article montre comment la construction et le maintien du bloc hégémonique entre le groupe dominant et des groupes subalternes à l'échelle de l'entreprise reposent sur une économie morale vernaculaire, dans laquelle sont encastrées les activités économiques de chaque entreprise. Le paternalisme industriel postsoviétique est le produit des attentes populaires, qui sont elles-mêmes dynamiques et susceptibles de changer sous l'influence des politiques des propriétaires légitimes.

Mots clés – classes populaires, fordisme, hégémonie, industrie, paternalisme, post-socialisme, syndicats, travail, Ukraine, usine

---

41. Lucan Way, *Pluralism by Default: Weak Autocrats and the Rise of Competitive Politics* (Baltimore: Johns Hopkins University Press, 2015).