Exit and Voice Dynamics:

An empirical study of the Soviet labour market, 1940-1960s

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Dissertation for the Degree of Doctor of Philosophy, Ph.D.

Stockholm School of Economics, 2009.

Keywords

Russia, Soviet Union, USSR, labour market, labour history, economic history, coercion, compliance, command economy, Stalinism, Stalin, Khrushchev, Brezhnev, Hirschman, Exit, Voice, Loyalty, negotiation

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Akademisk avhandling

Som för avläggande av ekonomie doktorsexamen vid Handelshögskolan
i Stockholm framläggs för offentlig granskning
fredagen den 4 december 2009 kl. 13-15 i sal 750, Handelshögskolan,
Sveavägen 65, Stockholm

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Acknowledgements

This thesis had not been possible to write had it not been for the efforts and generosity of many dear colleagues, friends, and members of my family. I extend my gratitude to all of you. First of all, I wish to thank my principal advisor Örjan Sjöberg, who supported me with his encouragement, analytical skills and broad knowledge throughout the critical stages of my dissertation work. I would also like to thank my other advisors, Anu-Mai Köll of Södertörn University College, Hans Sjögren of Linköping University and Anders Ögren of Stockholm School of Economics, who extensively read and commented on various versions of my manuscript.

The thesis would never have materialized had it not been for Håkan Lindgren, who originally encouraged me to enroll in the PhD-program in economic history at the Stockholm School of Economics, and further suggested I develop my interest in Russian history. I cannot sufficiently express my gratitude for having received this life-changing opportunity.

A number of colleagues have had occasion to read and comment on my work. Their comments and suggestions have needless to say been instrumental in shaping this thesis. At my institute, I have benefitted much from conversations with Bengt-Åke Berg, Carl Bjuggren, Therese Broman, Harald Edquist, Anders Engvall, Axel Hagberg, Martin Korpi, Erik Lakomaa, Christoffer Rydland, Krim Talia and Mikael Wendschlag. Britt-Marie Eisler kindly provided me with her assistance and knowledge of the bureaucratic system at Stockholm School of Economics. In Uppsala, I received valuable advice from Mats Larsson and all my colleagues at the Uppsala Center for Business History. Helene Carlbäck of Södertörn University College commented on my manuscript at a critical conjuncture, exposing important gaps and providing valuable suggestions I have hopefully been able to accommodate. I am grateful to Lennart Samuelson, who introduced me to the Russian archives at the very earliest stages of my research.

This thesis had not been possible to write without the assistance by Russian archivists and librarians. I am especially grateful to Elena Tiurina and Sergey Dyogtev at the Russian State Archive of the Economy (RGAE), who provided me with assistance and access to the far reaching collections of their archive. I am further grateful to the staff at the State Archive of the Russian Federation (GARF), the Russian State Archive of Contemporary History (RGANI), the Russian State Archive of Social and Political History (RGASPI), and the Russian State Library in

Moscow. The staff at the library of Stockholm School of Economics has tirelessly helped me acquire literally hundreds of titles from foreign repositories; their help has been equally invaluable.

I have further benefitted from discussions with numerous experts on Russian history. Donald Filtzer – who I unexpectedly became acquainted with having ordered the same file at a Russian archive – kindly shared with me his data base on the post-war period and his insights into previous research. At the International Institute of Social History (IISH) in Amsterdam I received valuable advice from Gijs Kessler, Marcel van der Linden and their workgroup. Equally supportive was the input I received early in my research process at the Center for Russian and East European Studies (CREES) in Birmingham from Mark Harrison, Andrei Markevich and many others. Susanne Oxenstierna kindly shared with me important literature otherwise inaccessible. Needless to say, all of the remaining errors and mistakes in this thesis are my own.

I would further wish to extend my gratitude to Anna Arutyunova, Torbjörn Becker, Jurriaan Bendien, Ivan Boldyrev, Marcus Box, Andrea Colli, Rodney Edvinsson, Julie Elkner, Julia Garyavina, Egor Gavrilov, Karl Gratzer, Karin Hofmeester, Kalle Kniivilä, Victoria Linkova, Per Lundberg, Lars Magnusson, Svetlana Martynova, Anders Paalzow, Francesca Palese, Bo Sandelin, Yoshisada Shida, Jeremy Smith, Ilya Viktorov and Carl Wennerlind.

Most important has been the endless support and love from my family. It was my grandfather, Börje Kragh, who encouraged me to pursue an academic career and always carefully commented on my drafts no matter what the topic. My equally beloved grandmother Gerd Kragh tirelessly made sure that I carefully studied the French language from childhood, thus providing me with the tools and discipline necessary to apprehend the world. My dear father and brother, Bo and Stefan Kragh, have always been there for me when I needed them. My beautiful princess Paulina Stoltz arrived in my life over three years ago and has since then been my greatest love.

This thesis is dedicated to my mother, who was always there for me, and who taught me the importance of struggle.

Martin Kragh,

Stockholm, November 2009

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Abbreviations, Acronyms, and Technical Terms

Agitbrigady	Agitation brigades
Agitprop	Central Committee Department for Agitation and Propaganda
Agitpunkt	Agitation center
Autoreferat	Summary of thesis
Blat	Informal agreement or exchange
Brak	Spoilage (can also translate as marriage)
CPSU	Communist Party of the Soviet Union
Delo	A specific archival document
Fond	Archival institution ("fund")
FZO	Labour Reserve School
GARF	State Archive of the Russian Federation
GKO	State Defence Committee
Glavk	Chief department of an economic ministry
Gosbank	State Bank
Gosekonomkomissiya	State Economic Commission of the Council of Ministers for Current Planning of the National Economy
Goskomtrud	State Committee on Wages and Labour
Gosplan	State Planning Commission
Gulag	Chief Administration of Corrective Labor Camps and Colonies
Kolchoz	Collective (state) farm
Komsomol	Communist Youth League
Militsiya	Police
Minfin	Ministry of Finance
MVD	Ministry of Internal Affairs (police and secret police, 1946-60)
NII	USSR Scientific Research Institute for Labour
NKVD	People's Commissariat of Interior Affairs (police and secret police, 1934-46)
Normirovshchik	Time keeper
Obkom	Oblast level party committee
Opis	Subcategory of *fond*
Orgnabor	Organized Recruitment (of labour)

Otkhodnik	Seasonal worker
PCC	Party Control Commission
Perestroika	Political and economic reform period under Mikhail Gorbachev
Politburo	Political Bureau of the Central Committee of the Communist Party, the highest governing body in the USSR
Poselok	Settlement
Presidium	Temporary name for the Politburo, 1952-66
Progul	Absenteeism (from work)
RGAE	Russian State Archive of the Economy
RGANI	Russian State Archive of Contemporary History
RGASPI	Russian State Archive of Social and Political History
RKKA	Soviet Army (The Red Army)
SNK	Soviet Council of People's Commissars (*Sovet Narodnykh Komissarov*); name of the Soviet government 1922-46
Sovkhoz	State farm
Sovmin	Council of Ministers, formal name of the Soviet government from 1946
Sovnarkhoz	Regional Economic Council
Sovnarkom	Council of People's Commissars, formal name of the Soviet government from 1918
Spetspereselenets	Special settler (usually from former "kulak" families)
STE	Soviet Type Economy
Tekuchest'	Labour turnover (job-changing)
Tolkachi	Supply agents ("pushers")
TsSU	Central Statistical Administration
Udarnik	"Shock worker" (i.e. a person who over-fulfilled his norms)
USSR	Union of Soviet Socialist Republics
VTsSPS	All-Union Central Council of Trade Unions

Chapter 1. Introduction and Purpose of the Study

The Russian labour market has evolved through an unusual trajectory, beginning in the first years of the country's industrialization. This thesis is an attempt to reconstruct the dynamics of an important segment in this historical process, and the various institutional and political ramifications which were part if it. For most of the Soviet period, work had both economic as well as political connotations. To note only the most obvious example, it suffices to comment that the by far most common criminal offense in the Soviet Union between the years 1940 and 1956 was tardiness to work and illegal job-changing.

Three decades had passed since the death of Stalin, when in 1983, Russian sociologist Tatyana Zaslavskaya remarked that Soviet enterprises were plagued by a "low level of labour and production discipline, an indifferent attitude toward the work being done, low quality of work, social inertia... and a low level of morality." These characteristics in turn were the result of the functioning of a highly alienating regime, in which ordinary people were regarded as mere "cogs" that lacked any motivation to change the situation at hand.[1] Other scholars reported that 70 percent of the population was unsatisfied with their work in these years.[2] Even if we are reluctant to accept these conclusions at face value, it is relevant to ask what could potentially have motivated such pronunciations. The fact that labour in the USSR had such political significance on the one hand, and was framed in such negative judgements on the other, illustrates an interesting aspect about functioning of command economies.

Labour performed a pivotal role from the embryonic Tsarist industrialization through revolution, war and full scale mobilization, to the final collapse of Soviet power in the late 1980s. When peasants at the turn of the previous century left the countryside for the towns, it was to perform labour in industry and construction. Initially, industrial regions had been relatively closely situated to the areas where peasants actually lived. But as the Bolshevik plan for forced industrialization was initiated in the late 1920s under the dictatorship of Joseph Stalin, the country was to be fundamentally transformed. New regions grew and evolved into huge vehicles of industrial growth from the Urals to the Siberian settlements. The costs for this development were large, but contrary to the experience of World War I, the Soviet economy survived and sustained the

[1] An English translation of Zaslavskaya's paper can be found in T. Zaslavskaaya, *A Voice of Reform: Essays*, In translation from Russian. New York: M.E. Sharpe, 1989, pp. 158–83.
[2] K.P. Urzhinsky, *Pravovye problemy organizatsii truda rabochikh i sluzhaschikh i ukreplenya trudovoy distsipliny*, Kalinin: KGU, 1984, p. 6.

German attack in 1941. When Stalin died in March 1953, it was a developed industrial economy which was taken over by the reformist Nikita Khrushchev. However, it was not until the growing strike movements in 1989 that the Soviet command economy finally collapsed. The thesis is an attempt to tell a part of this story.

Contemporary development and trends in the Russian economy are only comprehensible with an eye to history. Successively over time – beginning shortly after the Russian revolution – the Bolsheviks more or less eradicated all independent channels of opinion such as strikes, demonstrations and free speech. From 1921, trade unions were put under centralized control. Soon, the state assumed control of all major economic spheres, launching the First Five Year Plan in 1928/29. All these aspects came to constitute core elements of the Soviet economic system until its final collapse, which raises a series of important questions.

1.1 Purpose of the Study

The main purpose of this study is to understand the dynamics of the Soviet economy with special reference to the labour market from 1940 to the 1960s. On the one hand I am interested in analysing empirically the practices implemented by Soviet authorities in order to manage and regulate labour market activity; and on the other hand how workers and enterprise managers responded to, and understood, these different practices. The reader should note however, that even though labour remains the main focus, the study is not confined exclusively to this topic alone. A concern which evolved over time during my research is related to a very traditional debate in Soviet studies – that of the relative economic efficiency of command economies. A broader purpose of this study is therefore to provide new evidence on the functioning of command economies. This thesis will argue that a close analysis of the labour process is an appropriate point of departure in order to comprehend this question.

The attentive reader has probably already noticed the somewhat anachronistic time frame of the study. Usually, research has focused either on the whole Soviet period, on the pre-revolutionary period, or perhaps on different periods of political leadership (the Stalin era, the Khrushchev era etcetera). This thesis begins one year before Russia's war with Germany (when Stalin was still the undisputed leader), and ends in the Brezhnev era (who had earlier dethroned Khrushchev). There are two principal reasons for the chosen time frame: one empirical and the other theoretical. As was noted in a recent article by Donald Filtzer, the Soviet labour market in the post-Stalin period "still remains to be adequately understood", especially in comparison with the more well

researched Stalin era.[3] It is for this period one finds the largest gaps in historiography, which raises important questions: If we are observing the Soviet experience as a moving target, to what extent is it possible to generalize about its economic system? And what would actually change – or remain – over time, as characteristic aspects or traits? The answer to these questions requires an empirical framework involving different political regimes. A broader approach in turn allows us to formulate sharper theoretical questions about labour in command economies: In the absence of democratic channels, what strategies could workers adopt to regain autonomy and influence economic policies? Did potential strategies change over time, and what motivated these changes? How did the regime respond to such strategies, and did their approach change over time? And perhaps most importantly, what were the effects of these strategies on economic outcome? These are some of the broader questions which have guided the research for this thesis.

Not counting the introductory chapters, the first chapter (Chapter 4) is an analysis of Soviet labour coercion in the years 1940-56, with special emphasis on the home front during the war. It is shown how the regime applied coercion as a regulatory mechanism under conditions of increasing external strain. In 1940, an edict was introduced which criminalized absenteeism to work and job-changing without management's consent. This edict was later reinforced as the war progressed, and it was only in 1956 that it was completely taken from the statues. In the course of a few years, millions had been convicted for minor labour infractions, making the edict one of the most far reaching in the history of Russia (if not the world). How were these edicts received in practice? What were their economic effects? And what conditions determined their implementation, efficiency and final relaxation?

The following chapter (Chapter 5) investigates some of the economic reforms implemented in the post-Stalin years, with special emphasis on the enterprise level. The main purpose is to study how enterprises and state organs negotiated access to scarce resources (capital and labour), and the various strategies that could be employed in this process. More concretely, it investigates how managers negotiated with ministries and other enterprises in order to fulfil plan quotas under conditions of shortage. How were demands for additional resources or adjustment in plan quotas motivated? What other potential strategies could enterprises employ in order to achieve

[3] D. Filtzer, "From Mobilized to Free Labour. De-Stalinization and the changing legal status of the workers", in P. Jones (ed.), *The Dilemmas of De-Stalinization. Negotiating cultural and social change in the Khrushchev era*, London: Routledge, 2006, p. 154.

economic plans? How did authorities respond to enterprise strategies that contradicted or circumvented their own plans?

The last two empirical chapters (Chapters 6 and 7) have been explicitly structured following Alfred Hirschman's framework of *Exit*, *Voice* and *Loyalty* (to be explained below). The chapters take as their point of departure the reforms implemented in the 1950s, which de-criminalized job-changing and reduced the most coercive regulations on labour discipline. Chapter six investigates the short and long term effects of these reforms on labour market activity, and attempts to explain the reasons and motivations for job-changing and recruitment. Special attention is given to aspects such as work conditions, women labour and differences between various industries. What were the reasons for changes in supply and demand of labour? Did factors specific to the Soviet system influence labour market activity? And what were the differences over time?

The penultimate chapter (Chapter 7) looks broadly at the different sources of inefficiency in the Soviet economic system, and their potential changes over time. Special attention is given to the incentives workers faced under conditions of shortage and reduced coercion, and how enterprise managers and state organs on the local level motivated work effort. What was the economic outcome of reduced coercion of labour under Khrushchev? Did economic efficiency decline over time? What other factors than declining work incentives can explain the observed levels of inefficiency? How did authorities attempt to increase effort under conditions of reduced coercion of labour?

The following chapter (Chapter 2) provides a short historical background and an overview of existing research on Russian economic history, pointing to existing gaps that new sources might fill. Chapter three outlines the theoretical and methodological framework.

Chapter 2. Historical Background and Previous Research

This chapter will describe the historical development and political changes which came to inform enterprise and labour market activity in the Soviet economy. The first section provides a short outline of the evolution of the Soviet system. The following section details the dynamics of economic development in the 1930s with special emphasis on labour. It highlights the industrialization, migration and demographic shifts over time, drawing primarily on existing literature and available statistical publications. The purpose is twofold: on the one hand to provide a necessary background to my own empirical analysis, and on the other hand to point to existing gaps in economic history research in general, and labour history research in particular. The last section illustrates the economic outcome of the strategies adopted by Soviet leaders in managing a growing labour market in the 1930s. This is the background on which my own contribution will rely.

2.1 The Soviet Structure of Command

The Soviet system is one of many dictatorships which have existed historically, but not all dictatorships are the same. Hitler's dictatorship was built on nationalist and racist ideology, centralization and political expansion; but it never wrestled private property out of the hands of ethnic Germans. It also only lasted for twelve years, collapsing with the defeat in World War II. In Chile, military leader Pinochet used political force to re-establish market allocation of resources, whereas Kim Jung Il of North Korea was handed his position through the mechanisms of a hereditary dictatorship. The regime Stalin built – and which would last for about seven decades – has resemblances as well as differences with all these different systems. For the present purposes, it suffices to briefly outline this regime structure as it assumed its characteristic form in the late 1920s and early 1930s. How has the Soviet system of command traditionally been understood?

Western scholarship[4] beginning in the post-war period has proposed different models to understand the Soviet system. One of the more enduring divisions has been that between the totalitarian school and the revisionist school, even though they were preceded and paralleled by

[4] The term "Western" has here been used rather anachronistically to denote the geographical areas of Western Europe and Northern America. Today, such distinctions are less relevant than during the Soviet era. Two review articles on Soviet labour history were published since the 1990s, see L. van Rossum, "Western Studies of Soviet Labour during the Thirties", *International Review of Social History*, vol. 35 (1990), pp. 433–53; L. Siegelbaum, "The Late Romance of the Soviet Worker in Western Historiography", *International Review of Social History*, vol. 51 (2006), pp. 463–81. Both these articles develop the discussion on the meaning of "Western" research.

also other perspectives.[5] The totalitarian school has been characterized, primarily by its revisionist critics, as a scholarly tradition focusing first and foremost on the role of the party and ideology. This characterization is only partially true, and there exist competing interpretations. Carl J. Friedrich and Zbigniew K. Brzeziński defined a totalitarian society as a pyramidal structure, where conflict between institutions was consciously devised to maximize the leader's personal power, in which the flow of influence was primarily top-down, and in which the society was reduced to an inactive and atomized mass.[6] The latter school emphasized instead the opposite, the primacy of social forces, discontinuities and diverse ideological and interpretative frameworks.[7] A clear division between the two schools has however never been overtly clear, and much research can hardly be included in this dichotomous pairing.[8]

Scholars today tend to agree on how the general characteristics of the Soviet system should be understood. The Russian revolution had established two formally separate but intimately related institutions; the party organs on the one hand (all under the monopolist holder of power, the Communist Party), and the state organs on the other. For this reason, the USSR has been dubbed a "party-state" regime.[9] The highest decision making body was the Politburo, a small group of selected party members who in practice decided all issues of economic, political and military significance. The goals of the regime – what Abram Bergson called the "planners' preferences" – were a function of the will of this group of people.[10] By the late 1920s these goals were clear:

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[5] A complete survey of previous Sovietology will not be given here, but alternative views on the dynamics of the Soviet system can be found in H. Gordon, F. Griffiths (eds), *Interest Groups in the Soviet System*, Princeton, NJ: Princeton University Press, 1971 and B. Moore, *Terror and Progress in the U.S.S.R.: Some sources of change and stability in the Soviet dictatorship*, Oxford: Oxford University Press, 1954.

[6] C.J. Friedrich, Z.K. Brzeziński, *Totalitarian Dictatorship and Autocracy*, New York: Praeger, 1956.

[7] For a discussion on this debate, see M. David-Fox *et al*, "Really-Existing Revisionism?", *Kritika: Explorations in Russian and Eurasian History*; vol. 2, no. 4 (Fall, 2001), pp. 707–11.

[8] For a repudiation of the idea that the "totalitarianism-revisionist" debate is unbridgeable, see M. Edele, "Soviet Society, Social Structure, and Everyday Life – Major Frameworks Reconsidered", *Kritika: Explorations in Russian and Eurasian History*, vol. 8, no. 2 (Spring, 2007), pp. 349–73. A perhaps separate path in Western literature is the Marxist tradition critical of the USSR, with its own methodology and emphasis. For the more widely read and discussed Marxist studies, see M. van der Linden, *Western Marxism and the Soviet Union; Criticism and Debates 1917-2005*, Leiden-Boston: Brill publishers, 2007; C. Bettelheim (ed.), *L'industrialisation de l'URRS dans les années trente: actes de la table ronde organisée par le Centre d'études des modes d'industrialisation de l'Ecole des hautes études en sciences sociales, 10 et 11 décembre 1981*, Paris: Editions de l'Ecole des hautes études en sciences sociales, 1982. This last anthology contains many valuable contributions with no clear political emphasis, and bearing on our topic; see for example the articles by M. Lewin, J. Barber, Z. Golubovic and J-P Depretto.

[9] For early work on the role of the party, see W.J. Conyngham, *Industrial Management in the Soviet Union: The role of the CPSU in industrial decision-making, 1917-1970*, Stanford, CA: Hoover Institution Press, 1973; J.F. Hough, *The Soviet Prefects*, Cambridge, MA: Harvard University Press, 1969; J.F. Hough, *Soviet Leadership in Transition*, Washington, DC: Brookings, 1980; K.W. Ryavec, *Implementation of Soviet Economic Reform*, New York: Praeger, 1975, especially chapter 4; A. Katz, *The Politics of Economic Reform in the Soviet Union*, New York: Praeger, 1972; D. Kelley, "Interest Groups in the USSR: The Impact of Political Sensitivity on Group Influence", *Journal of Politics*, vol. 34, nr. 3 (August, 1972), pp. 860–88.

[10] A. Bergson, *The Economics of Soviet Planning*, New Haven, CT: Yale University Press, 1964, pp. 338–40.

investment in heavy industry which would produce military strength. The means were the complete mobilization of all of the country's resources, including labour.

Members of the Politburo – and a few people aspiring to become members of this elite group – controlled the major ministries under the authority of the Soviet government. In practice, it meant that there was no real separation of powers in the USSR – the party was in control of the state apparatus.[11] This formation has been understood as the "top tier" in the Soviet command economy; and when I henceforth refer to "the Soviet leaders", "the regime" or "authorities", this is a simplification referring to this very layer in the country's administrative structure. The second tier was made up of the top bureaucracy, notably the influential Gosplan (State Planning Commission), the Ministry of Finance and other related agents who translated the goals of the Politburo into workable plans. The third tier was the group of ministries and enterprises concerned with the execution of the plans. This might seem like a rather simple process; all that had to be done was to "fulfill the plan". But planning and the execution of the plans were in practice far from straight forward operations. Plans were highly aggregated, were subject to change over the actual plan period, and did not specify any clear instructions to the producers how they should go about achieving them.[12] Bergson has further noted that superior agencies often "found themselves without the information needed for adequate and timely appraisal of alternatives", resulting in arbitrary decision making.[13]

In the light of such potential "hick-ups", it was necessary to implement some sort of separate agency which could loyally inform the leadership on the relevant and actual developments. Technically under the control of the government, but de facto an organ of Stalin personally, was the Ministry of Interior, i.e. the security police. They were the eyes of the leadership, reporting from factory and kolkhoz level on the "mood" of the population; if there was unrest, violations of rules or potential "wrecking" by "enemies of the people", they would know.[14] There was also what was later known as the Party Control Commission, who further supervised enterprises and other organs on behalf of the Central Committee (and more narrowly, the Politburo). All these

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[11] For a detailed outline of the Soviet system, see A. Nove, *The Soviet Economic System*, Boston, MA: Unwin Hyman, 1977 (third edition in 1988). Important for this section has been P. Gregory, *The Political Economy of Stalinism*, chapter 6. For a valuable overview on research on the secret police, see P. Gregoy, *Terror by Quota: State security from Lenin to Stalin (an archival study)*, New Haven, CT: Yale University Press, 2009.

[12] For an early study on Soviet planning in practice, see E. Zaleski, *Socialist Planning for Economic Growth, 1933-1952*, in translation from the French, Chapel Hill: University of North Carolina Press, 1980.

[13] A. Bergson, *Economics of Soviet Planning*, p. 331.

[14] For a recent study on the Soviet "secret structures", see N.E. Rosenfeldt, *The "Special" World. Stalin's power apparatus and the Soviet system's secret structures of communication*, in two volumes, Copenhagen: Museum Tusculanum Press, 2009.

institutions have left archival evidence which allow us to research the workings of the Soviet bureaucracy and economy in satisfying detail.[15]

The governing mechanism in the Soviet economy was state coercion. According to Mark Harrison, the regime (in his model "the dictator") used coercion to direct production and to regulate the activity of the population, so as to become a monopolist of capital and a monopsonist of labour. Harrison distinguishes coercion from repression as follows: coercion directs the labour of producers and the choices of consumers and punishes disloyalty to the interests of the leaders, whereas repression punishes political disloyalty.[16] How coercion of labour was applied in the Soviet command economy is explored in Chapter four, with special reference to the war period. The next two sections will provide some evidence on the pre-war period, during which the regime experimented with different forms of coercion.

2.2 Economic Development

Stalin launched his industrial revolution "from above" with the forced implementation of the First Five Year Plan in 1929. This commenced a process which would shape the Soviet economic system until its collapse in the late 1980s. The first years were important. Between 1929 and 1933, the workforce employed in industry and construction more than doubled. Most of them had come from the countryside, where land and property were collectivized and millions of peasants were de-kulakized (i.e. had their property confiscated) and repressed. These circumstances constitute the historical point of departure of this thesis.[17] This section will detail the economic development beginning in these formative years, in a short run a long run trajectory. The analysis draws on previous research (pre-archival and archival), and points to potential gaps in knowledge.

Studies on the early periods of Soviet industrialization had for decades to rely on scanty and insufficient data, and previous research was shaped by these restraints. This however does not imply that informative studies were not possible. As regards economic analysis, it suffices to look

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[15] Most of the published sources still concern only the Stalin period. See for example the document volume collection in I.N. Afanseev *et al* (eds), *Istoriya stalinskogo Gulaga: Konets 1920-kh – pervaya polovina 1950-kh godov*, a collection of documents in seven volumes, Moscow: Rosspen, 2004-2005. Hereafter referred to as *Istoriya stalinskogo Gulaga.*

[16] M. Harrison, "Coercion, Compliance, and the Collapse of the Soviet Command Economy", *Economic History Review*, vol. 55, no. 3 (August, 2002), pp. 397–433.

[17] For some recent work on labour migration in the pre-revolutionary period, see J. Burds, *Peasant Dreams & Market Politics – Labour migration and the Russian village, 1861-1905*, Pittsburgh, PA: University of Pittsburgh Press, 1998. The most important source on the economic history of Russia in World War I is today P. Gatrell, *Russia's First World War: A social and economic history*, Harlow: Longman, 2005. Gatrell's work contains many valuable parts on industry and enterprise, especially pp. 108–26. For a social history of the Civil War, see I. Narskiy, *Zhizn' v katastrofe – Budni naseleniya Urala v 1917-1922 gg.*, Moscow: Rosspen, 2001.

to the pioneering works by for example Naum Jasny and Alec Nove.[18] Similarly, extensive findings were made on the peasantry in research by Moshe Lewin.[19] With access to archival material captured by American soldiers during the war, Merle Fainsod's *Smolensk under Soviet Rule* from 1958 – interestingly from a "totalitarian" perspective – is a pioneering work on the social nature of Soviet industry under Stalin which provided a much needed micro perspective to the Soviet experience.[20] And when the "archival revolution" was already an established fact, Stephen Kotkin's far reaching studies of the Magnitogorsk factory town, with its Foucauldian micro emphasis on the "little tactics of the habitat", deepened the analysis while illustrating the importance of using a broad source base as possible.[21]

The characteristic features of the Soviet economic system have been well understood in previous research. The collectivization policies had undermined the countryside's traditional means for self preservation, driving young men and women to the larger cities and new industrial regions in Western Siberia and the Urals. On top of this grew a bureaucratic superstructure with its own liabilities and departmental interests. This development created its own contradictions. As the economy expanded, the more complex grew its organizational structure. Plans were implemented vertically from above, but to fulfil these enterprises had to rely on informal horizontal negotiations. As noted recently by Andrei Markevich, the composition of the factual plans was soft and subject to constant change, "from year to year, from one people's commissariat [ministry] to the other, and from *glavk* to *glavk*."[22] The Soviet system has therefore been characterized as governed more by administrative, rather than plan, measures, hence the locution "administrative command economy".[23]

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[18] N. Jasny, *Essays on the Soviet Economy*, Munich: Institut zur enforschung der UdSSR, 1962. For some other relevant studies, see for example A. Nove, *An Economic History of the USSR. 1917-1991*, London: Penguin Books, 1969 (revised edition 1992); R.W. Davies, *Crisis and Progress in the Soviet Economy, 1931-1933*, London: Macmillan, 1996; H. Schwartz, *The Soviet Economy since Stalin*, Philadelphia, PA: J.B. Lippincott Company, 1965. For an early joint publication between Soviet and Western economists, see H.G. Shaffer (ed.), *The Soviet Economy. A Collection of Western and Soviet Views*, London: Meredith Publishing Company, 1964.

[19] M. Lewin, *Le paysannerie et le pouvoir Soviétique 1928-1930*, Paris: Mouton, 1966; M. Lewin, "L'État et les classes sociales en URSS, 1929-33," *Actes de la recherche en sciences sociales*, no. 1 (1976). Moshe Lewin's studies on peasant reactions to collectivization and industrialization have been instrumental in understanding the social dynamics of Stalinism. In the article "L'État et les classes sociales en URSS, 1929-33" he explains the rural exodus under early forced industrialization as a defining moment in the regime's history.

[20] M. Fainsod, *Smolensk under Soviet Rule*, New York: Vintage Books, 1958.

[21] S. Kotkin, *Magnetic Mountain – Stalinism as a Civilization*, Berkeley, CA: University of California Press, 1995.

[22] A. M. Markevich, "Byla li sovetskaya ekonomika planovoy? Planirovanie v narkomatakh v 1930–e gg." in L.I.Borodkin (ed.), *Ekonomicheskaya istoriya – Ezhegodnik 2003*, Moscow: Rosspen, 2003, pp. 24-27. The *glavk* denotes the chief department of an economic ministry.

[23] A. Nove, *The Economics of Feasible Socialism Revisited*, London: Routledge, 1991 (first edition in 1983), p. 79. The theoretical reason plans were re-negotiated has been explained by Alec Nove to consist in the "contradiction, [arising from the] simple fact that the centre cannot know in full detail what is in fact needed by the customer, and yet the entire logic of the Soviet system [rested] upon the proposition that it is the duty of all subordinate management to obey the plan-instructions of the centre because these supposedly embody the needs of society."

What has previous research contributed on Russian labour history? The answer to this question depends on the time period and aspects discussed. Early research by R.W. Davies and Bergson has provided relevant measures on labour in industry during the First Five Year Plan. In this period, real wages and standard of living declined for broad segments of the population.[24] Urban citizens, torn between lack of basic food stuffs and adequate housing, deserted their workplace. That is, the supposed "bearers" of the plan – Soviet citizens – reacted by creating a massive social flux, leaving the industrial sites in the cities and resisting the procurement plans in the countryside. The dynamics can be illustrated with an estimate of the urbanization rate for 1928-33 (Table 2.1).

Table 2.1 Population Movements between Countryside and Towns, 1928-33.

Year	Arriving in Towns	Leaving Towns	Net Arrivals
1928	6,477,000	5,415,000	1,062,000
1929	6,958,000	5,566,000	1,392,000
1930	9,534,000	6,901,000	2,633,000
1931	10,810,000	6,710,000	4,100,000
1932	10,608,000	7,886,000	2,719,000
1933	7,416,000	6,644,000	772,000

Source: R.W. Davies, *Crisis and Progress in the Soviet Economy, 1931-1933*, London: Macmillan, 1996, p. 538.

Interestingly, no matter how large a number in transit, urbanization was by any means large. In fact, the expansion of the labour force was quite unexpected. The government had foreseen an increase from 11.9 million employed in 1928-29 to 15.8 million by 1932-33, but already in 1932 the actual number of people employed was 22.9 million.[25]

Statistics on labour turnover (job-changing) in industry for 1930-35 disclose an analogous trend. From 1932 the data for the economy breaks down into construction and industry, showing a record high level of over 300 percent turnover in construction, and about 135 percent in industry, respectively (Table 2.2). What forces could produce such turnover rates? An unforeseen result of

[24] For a reassessment of real wages in the 1930s, see R. Allen, *Farm to Factory: A reinterpretation of the Soviet industrial revolution*, Princeton, N.J.: Princeton University Press, 2003.
[25] The statistics in this section is based on R.W. Davies, *Crisis and Progress in the Soviet Economy, 1931-1933*, London: Macmillan, 1996, pp. 184-209, 236.

the economic policies had been severe food shortages and declining real wages facing urban areas and the countryside in 1932. Unexpected rises in wage debts due to money shortages at enterprises and stricter budget regulations put workers under economic strain. These aspects coalesced in driving turnover and absenteeism for industry and construction, and put immediate pressure on managers and industry to increase food rations for employees. That is, more than anything else, it was shortages which eventually informed necessary policy changes. Considering this information detrimental to Soviet interests, authorities ceased the publishing of practically all data on labour for about three decades (see discussion below).

Table 2.2 Quarterly Data on Job-Changing in Large-Scale Industry, 1930-35 (As Percentage of Labour Force).

Year	Branch	Jan.-March	April-June	July-Sept.	Oct.-Dec.	Total for year
1930	All Industry	32.8	41.4	41.3	37.1	152.6
1931	All Industry	32.2	34.2	35.8	35.1	137.3
1932	All Industry	30.3	33.6	37.6	34.5	136.0
	Construction	69.8	76.4	82.8	77.0	306.0
1933	All Industry	32.4	30.0	32.1	28.3	122.8
	Construction	77.7	70.0	76.6	67.2	291.5
1934	All Industry	-	-	-	-	97
1935	All Industry					86

Sources: **For the years 1930-33:** R.W. Davies, *Crisis and Progress in the Soviet Economy, 1931-1933*, London: Macmillan, 1996, p. 543.
For the years 1934-35: A. Bergson, *The Economics of Soviet Planning*, New Haven, CT: Yale University Press, 1964, p. 95.
Note: Definition includes only voluntary quits and dismissals. For a closer definition, see Chapter 6.

The increasing rates of labour turnover were considered by Soviet leaders and managers to be one of the most significant hindrances to economic growth. Not the least because recently urbanized peasants had to be trained *in situ* at the enterprises, which made recruitment costly.[26]

[26] An interesting insight is given in recently published stenographic protocols from a larger Politburo session on July 23, 1931. One of the invited speakers, a certain Mel'nik, manager at the Kramatorsk factory, mentions that qualified workers' supply had to be ameliorated, so that "these storm workers, these *subbotniki*, these chock brigades at work receive a sufficiently satisfying portion of food". Due to the shortages and poor working conditions, there was a "leakage of workers and technical personnel from the construction site and factory". Workers, who were unsatisfied, "would look for new factories, or, as comrade Stalin said, search for their fortune in other places." During the month, "some arrive, and some leave", since "we are unable to supply them with food stuff and goods." Further on, he became more specific: "Ancilliary staff, that is, people who came to us from the countryside, who cannot supply, people, who do not know our production. Service, is such a task, which one has to know how to perform, how to handle visitors. This works poorly, since we have a large labour turnover... once they have learnt our production... they run away... I believe, that of particular social importance, would be to give the workers a good meal, to give a

This view is not peculiar or unique in itself; contemporary Western economists had come to similar conclusions against the experience of war mobilization and Taylorism.[27] From an economic point of view, the increasing rates were related to the growing shortage of factors of production, which requires an institutional explanation. Considering the centrality of the concept of *shortage* in theories of socialist economies, it is necessary to briefly make some theoretical digressions. János Kornai explained shortage as a structural – and thus man made – aspect of socialist economies (not to be confused with scarcity, which is a reality of all human societies).[28] The main argument of his model is that in a resource-constrained economy, the "first basic form of adjustment to shortage is that the volume of production is adjusted to the current bottlenecks, i.e. to the momentarily scarcest resources." In an early publication, Kornai has noted, that:

> in a resource constrained economy... full employment becomes permanent... At the same time, chronic labour shortage emerges as one of the manifestations of resource shortage... An explanation of the phenomenon must be looked for in the institutional conditions. It is in consequence of the soft budget constraint that demand for resources grows almost insatiable. Demand for resources, including demand for labour, must necessarily grow as long as it does not hit the supply constraint.[29]

According to Kornai, labour shortages arose because the industrialization drive occurred under institutional factors which enabled enterprises to hoard labour, and thus create shortages. Recent research has concretely investigated the practice of enterprise managers in negotiating resources under such conditions, especially for the Stalin period.[30] The role of labour in this process has

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good buffet in places of social work, we would, thus, improve the material living conditions of the workers. Published in K.M. Anderson, *et al* (eds), *Stenogrammy zasedaniy Politbyuro TsK RKP(b)-VKP(b) 1923-1938*. In three volumes, volume 3, 1928-1938, Moscow: Rosspen, 2007, pp. 485–8.

[27] Primarily scientific management literature from around World War I to the 1930s regarded labour turnover as "a vast social problem" and a "malady" which drew heavy costs upon the enterprises and society. For such a negative view, see A.L. Prickett, "Labor Turnover Rate and Cost", *The Accounting Review*, vol. 6, no. 4 (December, 1931), pp. 261–76. For early Western economic literature on aspects such as absenteeism and turnover, see H. Behrend, *Absence under Full Employment*, Birmingham: Faculty of Commerce and Social Sciences, University of Birmingham, 1951; H. Behrend, "A Note on Labour Turnover and the Individual Factory", *The Journal of Industrial Economies*, vol. 2, no. 1 (November, 1953), pp. 58–64; H. Behrend, "Absence and Labour Turnover in a Changing Economic Climate", *Occupational Psychology*, vol. 27, no. 2 (1953), pp. 69–79; P.H. Cook, "Labour Turnover Research", *Journal of the Institute of Personnel Management*, vol. 33 (1951), pp. 2–9; O.P. Wickham, "Labour Turnover as a Dynamic Process", *Bulletin of Industrial Psychology and Personnel Practice*, vol. 7, no. 2, (1952), pp. 3–12; P. Florence, *Economics of Fatigue and Unrest*, London: Allen & Unwin, 1924, especially chapter IV; A.K. Rice, "An Approach to Problems of Labour Turnover, *British Management Review*, vol. 11, no. 2 (1953); P. de Wolff, *Wages and Labour Mobility*, Paris: OECD, 1965. For a bibliography on the literature on labour turnover, see B.O. Pettman (ed.), *Labour Turnover and Retention*, Essex: Gower Press, 1975, Chapter 1.

[28] J. Kornai, *Economics of Shortage*, in two volumes, University of Stockholm: Institute for International Economic Studies, 1979, especially pp. 43–51. This work was later published as J. Kornai, *Economics of Shortage*, in two volumes. Amsterdam: North-Holland, 1980. My references to Kornai are henceforth to the first Stockholm edition.

[29] J. Kornai, "Resource-Constrained Versus Demand-Constrained Systems", University of Stockholm: Institute for International Economic Studies, 1978, p. 34.

[30] See chapter 5.4.1 for an overview of early and current literature.

however not been specifically addressed. One task of this thesis is therefore to contribute to an empirical assessment of how enterprise managers in practice negotiated allocation of scarce resources with authorities, other enterprises and employees, during the 1950s and 1960s.

I have benefitted heavily from much pre-archival research on trade unions and labour in the USSR.[31] On the strength of official publications it was possible to draw relevant conclusions on what B.A. Ruble originally denoted the discrepancy between "Soviet theory" and "Soviet reality", though his analysis was partially restrained because of a lack of empirical sources.[32] Research on industrial enterprise practices was in this respect able to go further. The relationship between labour and management, and not the least the role of informal negotiations, was researched extensively in the seminal studies by among others Joseph Berliner, who put oral evidence by Soviet emigrants (former managers) to the US to good use.[33] This interview project provided outsiders with perspectives on the Soviet command economy which had otherwise never been fully understood.

Later research has complemented our knowledge about the role of informal favours and negotiations (*blat*) on different levels of the Soviet system, a topic otherwise hardly noted – due to the concealed nature of the practice – in studies of official publications.[34] We therefore have an already solid understanding of the practical and everyday experience at the enterprise level, even though two methodological issues persist. Firstly, the oral testimonies given in the interview

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[31] G.R. Barker, *Some Problems of Incentives and Labour Productivity in Soviet Industry: A contribution to the study of the planning on labour in the U.S.S.R*, Oxford: Published for Department of Economics and Institutions of the U.S.S.R., Faculty of Commerce and Social Science Birmingham University, Blackwell, 1956; L. Greyfie de Bellecombe, *Les conventions collectives de travail en Union Soviétique*, Paris: Études sur l'histoire, l'économie et la sociologie des pays slaves, 1958; I. Deutscher, *Soviet Trade Unions: their place in Soviet labour policy*, London: Royal Institute of International Affairs, 1950; E. Clark Brown, *Soviet Trade Unions and Labor Relations*, Cambridge: Cambridge University Press, 1965; L. Schapiro, J. Godson (eds), *The Soviet Worker: Illusions and Realities*, London: Macmillan, 1981, especially chapters 2, 3 and 5; J. Adam, *Employment Policies in the Soviet Union and Eastern Europe*, London: Macmillan, 1982; A. Kahan, B.A. Ruble (eds), *Industrial Labour in the USSR*, New York: Pergamon Press, 1979; M. McAuley, *Labour Disputes in Soviet Russia 1957-1965*, Oxford: Clarendon Press, 1969; W. Moskoff, *Labour and Leisure in the Soviet Union*, London: Macmillan, 1984; B.A. Ruble, *Soviet Trade Unions. Their Development in the 1970s*, Cambridge: Cambridge University Press, 1981. An often neglected work of significance is R. Conquest, *Industrial Workers in the USSR*, London: The Bodley Head ltd., 1967. For a work which, perhaps unintentionally, tended to adopt Soviet discourse, see E. Egnell, M. Peissik, *URSS. L'enterprise face a l'état*, Paris: Éditions du Seuil, 1974.

[32] B.A. Ruble, *Soviet Trade Unions*, p. 86.

[33] J. Berliner, *Factory and Manager in the USSR*, Cambridge, MA: Harvard University Press, 1957 (second edition 1968); J. Berliner, *The Innovation Decision in Soviet Industry*, Cambridge, MA: The M.I.T. Press, 1976, especially chapter 5; D. Granick, *Management of the Industrial Firm in the USSR*, New York: Columbia University Press, 1954; D. Granick, *The Red Executive: A study of the organization man in Russian industry*, New York: Macmillan, 1960; B. Richman, *Soviet Management: With significant American comparisons*, New York: Prentice Hall, 1965. For a later research project working in the Berliner tradition, see J.R. Millar (ed.), *Politics, Work, and Daily Life in the USSR. A Survey of former Soviet citizens*, Cambridge: Cambridge University Press, 1987.

[34] See primarily A.V. Ledeneva, *Russia's Economy of Favours. Blat, networking and informal exchange*, Cambridge: Cambridge University Press, 1998; A.V. Ledeneva, *How Russia Really Works: The informal practices that shaped post Soviet politics and business*, London: Cornell University Press, 2006.

projects were limited since Soviet authorities only allowed lower ranking personnel to emigrate. Secondly, the interviewees were distant in time and place from the issues being discussed. Official archival records from the administrative organs primarily concerned can therefore provide substantial evidence on several levels; as regards the scale and scope of informal economic relations and how various actors responded to such behaviour, including state authorities. These issues can only be addressed with the sources available now for the first time.

Wages in industry had been subjected to an early study by Abram Bergson already in 1944, but a broader interest in the field was limited due to restrictions on the availability of statistics until the 1960s.[35] A few detailed studies – some contemporary – investigated the labour market with a gender perspective.[36] Gender was always an issue of political significance, as was the *Stakhanovism* movement and the productivity of work.[37] A further manager-enterprise research field in the economic history of the USSR has been on aspects such as cheating, bribes and false accounting, perhaps some of the most difficult research fields regardless of country and time period analysed.[38] Just as informal negotiations can now be researched, we have similarly a potential to understand more fully the role of economic crime.

Recent archival research has begun to fill existing gaps in research on the post-war period. Historian Elena Zubkova has provided much needed attention to the everyday experiences of Soviet citizens, with two major monographs and as editor in the publication of document

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[35] A. Bergson, *The Structure of Soviet Wages*; Cambridge, MA: Harvard University Press, 1944. For some later relevant studies, see R. Fearn, "Controls over Wage Funds and Inflationary Pressures in the USSR", *Industrial and Labour Relations Review*, vol. 18 (January, 1965), pp. 186–95; G. Schroeder, "Industrial Wage Differentials in the USSR", *Soviet Studies*, vol. 17 (January, 1966), pp. 307–17; L. Kirsch, *Soviet Wages: Changes in Structure and Administration since 1956*, Cambridge, MA: The MIT Press, 1972.

[36] See particularly, M. Ilič *et al* (eds), *Women in the Khrushchev Era*, New York: Macmillan, 2004, especially chapter by Donald Filtzer, pp. 29–51. For a pioneering work using the then only available official statistical publications, see N.T. Dodge, *Women in the Soviet Economy: Their role in economic, scientific and technical development*, Baltimore, MD: Johns Hopkins Press, 1966. See also G. Lapidus, *Women in Soviet Society. Equality, development, and social change*, Berkeley, CA: University Of California Press, 1978, especially chapter 5 and 6. I am grateful to Helene Carlbäck for directing me to this last source.

[37] See Reimar Rohrbeck's PhD thesis published as R. Rohrbeck, *Le systeme stakhanoviste. Méthode pour l'accroissement de la productivité du travail et de la production industrielle en Union Soviétique*, Zürich: Juris Verlag, 1964. For a later overview, see L. Siegelbaum, *Stakhanovism and the politics of productivity in the USSR, 1935-1941*, Cambridge: Cambridge University Press, 1988.

[38] For some of the most relevant pre-archival literature, see P. Gregory, *Restructuring the Soviet Economic Bureaucracy*, Cambridge: Cambridge University Press, 1990; N. Lampert, *Whistleblowing in the Soviet Union: Complaints and abuses under state socialism*, London: Macmillan, 1985; S. Linz, "Managerial Autonomy in Soviet Firms", *Soviet Studies*, vol. 40, no. 2 (1988), pp. 175–95; A. Nove, "The Pace of Economic Development", *Loyds Bank Review* (April, 1956), pp. 1–23; S. Shenfield, "Pripiski: False Statistical Reporting in Soviet-Type Economies" in M. Clarke (ed.), *Corruption: Causes, consequences and control*, London: Frances Pinter, 1983, pp. 239–58. For two recent studies, see A. Markevich, "How Much Control is Enough? Monitoring and Enforcement under Stalin", PERSA Working Paper no. 53, University of Warwick, Department of Economics; J. Heinzen, "The Art of the Bribe: Corruption and Everyday Practice in the Late Stalinist USSR", *Slavic Review*, vol. 66, no. 3 (Fall, 2007), pp. 389–412.

volumes, utilizing primarily letters and petitions by citizens, and official reports on the population by state organs.[39] The pioneering approach notwithstanding, some source critical limitations in utilizing such material should be noted. The letters available in state archives, and thus the "voice of the citizens", exist because they were consciously kept and organized by Soviet authorities for specific purposes. This selection bias makes it difficult to draw inference also from large samples. For the purposes of this study, I have chosen to tread lightly with such material. More important for this thesis has therefore been the recent work by Donald Filtzer, who has continued his well informed studies of the Soviet working class, extending his analysis to the war and post-war periods.[40] I have also benefitted from recent Russian scholarship on labour law and social history.[41] Vladimir Kozlov's work on social unrest and protest in the post-Stalin period has shown how citizens' responded to political change with ambiguity.[42] Thanks to his scholarship, we now have an understanding of popular protest for a period in time which was previously little researched. However, the economic implications of these – in context still very limited – protests remain unclear.

Previous research with access to only official publications faced several methodological problems. One problem was the difficulty in *generalizing* suspected trend lines or developments. For example, there are plentiful official publications and speeches from Stalin to Gorbachev denouncing aspects such as industrial inefficiencies, poor labour indiscipline and low

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[39] E. Zubkova, *Russia After the War: Hopes, illusions, and disappointments, 1945-1957*, translated from the Russian. New York, M.E. Sharpe, 1998; E. Zubkova, *Poslevoennoe sovetskoe obshchestvo: politika i povsednevnost', 1945-1953*, Mosow: Rosspen, 2000; E. Zubkova *et al* (eds), *Sovetskaya Zhizn', 1945-1953*, Moscow: Rosspen, 2003.

[40] D. Filtzer, *Soviet Workers and Late Stalinism – Labour and restoration of the Stalinist system after World War II*, Cambridge: Cambridge University Press, 2002. See also the earlier studies by Filtzer which have been highly useful for this study: D. Filtzer, *Soviet Workers and Stalinist Industrialization – The formation of modern Soviet production relations, 1928-1941*, New York: M.E. Sharpe, 1986; D. Filtzer, *Soviet Workers and de-Stalinization – the consolidation of the modern system of Soviet production relations, 1953-1964*, Cambridge: Cambridge University Press, 1992; D. Filtzer, *The Khrushchev era – De-Stalinization and the limits of reform in the USSR, 1954-1964*, Basingstoke: MacMillan, 1993. Another informative work in Filtzer's tradition is K.M. Straus, *Factory and Community in Stalin's Russia. The making of an industrial working class*, Pittsburgh, PA: University of Pittsburgh Press, 1997, especially chapter 4. See also J.-P. Depretto, *Les ouvriers en U.R.S.S. (1928-1940)*, Paris: Publications de la Sorbonne, 1997; J. Rossman, *Worker Resistance under Stalin – Class and revolution on the shop floor*, Cambridge, MA: Harvard University Press, 2005; K. Murphy, "Opposition at the Local Level: a Case Study of the Hammer and Sickle Factory", *Europe-Asia Studies*, vol. 53, no. 2 (March, 2001), pp. 329–50.

[41] See, for example I. Ya., Kiselev, *Trudovoe pravo v totalitarnom obschestve (iz istorii prava XX veka)*, Moscow: Rossiyskaya akademiya nauk, 2003. Some unpublished dissertations have analyzed the Soviet labour market, though primarily on the early developments in the 1920s and 1930s, the Second World War or the forced labour camp systems which extended into the Khrushchev period. For the post-war period, see for example S.Yu, Mikhailova, *Trud rabochey molodezhi v promyshlennosti Mariyskoy, Mordovskoy i Chuvaskoy Respublik: istoricheskie uroki, sotsial'niy opyt serediny 1950-kh – serediny 1980-kh gg*, PhD dissertation, Cheboksary State University, 2007; O.V. Slinyucheva, *Ispolsovanie zhenskogo truda v narodnom khozyaistve Yuzhnogo Urala: nachalo 1950-kh – konets 1960-kh gg*, Candidate Dissertation, Orenburg State University, 2007; N.I. Voloshina, *Stimulirovanie truda na predpriyatakh Yuzhno-Ural'skogo ekonomicheskogo rayona v 60-80-e gody XX veka: na materialakh Chelyabinskoy oblasti*, Candidate Dissertation, Chelyabinsk State University, 2006.

[42] V. Kozlov, *Neizvestniy SSSR – protivostoyanie naroda i vlasti 1953-1985 gg*, Moscow: OLMA-Press, 2006. See also chapter 7.3.2 for a more detailed discussion on the protest movement, which also provides references to other recent publications on similar themes.

productivity. But how should one assess if productivity was worsening of improving from such pronouncements? Soviet leaders were always complaining about something. A major challenge was therefore how to estimate the actual extent of these phenomena, and their development over time (this does not imply however, that official sources are unimportant). Further, most official Soviet publications, also those parts translated into foreign languages, tended to be quite abstract, and/or empty of content, or it was difficult to know if the data could be trusted.[43] Specific statistical handbooks on labour were discontinued by Moscow in 1936, and not resumed until 1968 with the publication of *Trud v SSSR*.[44] That is, there was a close to complete lacuna for 32 years. The resumed publication in 1968 made available for the first time consistent statistics on annual average workers and employees by class of worker. Even then however, much valuable information which authorities were known to collect was still being omitted.[45] This discrepancy probably explains to an extent why significantly more research was always undertaken on the earliest, and last periods, of Soviet power respectively; an aspect which in turn has motivated the time frame chosen for this study. Two important issues emerge.

The increased openness in the 1980s enabled new research and cross-fertilization. Although some of this literature was practically oriented and not primarily concerned with more longitudinal trend lines, they made good use of the broader source base then available on labour statistics. Analysis of work motivation was put forward by M.E. Ruban and others in *Wandel der Arbeits- und Lebensbedingungen* ("Changes in Work and Living Conditions"), based on a survey of Soviet literature.[46] Later work by Sylvana Malle and Susanne Oxenstierna – building on the economic research tradition by Kornai and David Granick – made valuable estimates of the extent of the alleged labour shortages in relation to actual labour productivity and utilization levels for the 1980s.[47] However, the immediate effect on research on the economic history of

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[43] For an example or a publication virtually empty of content, see G.V. Osipov (ed.), *Industry and Labour in the U.S.S.R.*, London: Tavistock Publications, 1966. For an official work which nevertheless has some valuable insights, see S. Knishnik, A. Levikov, *Gibt es in der Sowjetunion einen Arbeitskräftmangel?*, Moscow: APN-Verlag, 1983.

[44] A.P. Volkov (ed.), *Trud i zarabotnaya plata v SSSR*, Moscow: Ekonomika, 1968; O.K. Makarova (ed.),*Trud v SSSR. Statisticheskiy sbornik*, Moscow: "Statistika", 1968. For the early 1930s, there are useful information on labour in Ya.M. Binemana (ed.), *Trud v SSSR. Spravochnik 1928-30 g.g.*, Moscow: Gosplan, 1930; and one of the last publications in E.I. Uryashvol (ed.), *Chislennost' i zarabotnaya plata rabochikh i sluzhaschikh v SSSR (itogi edinovremennogo ucheta za mart 1936 g.)*, Moscow: TsUNKHU Gosplan, 1936.

[45] For some early reviews, see M. Feshbach, "Manpower in the USSR: A Survey of Recent Trends and Prospects", in U.S. Congress, Joint Economic Committee, *New Directions in the Soviet Economy*, pt. 3, Washington, 1966. See also the valuable anthology on Soviet statistics, V.G. Treml, J.P. Hardt (eds), *Soviet Economic Statistics*, Durham: Duke University Press, 1972, especially the contribution by Feshbach on labour statistics.

[46] M.E. Ruban *et al, Wandel der Arbeits- und Lebensbedingungen in der Sowjetunion 1955-1980. Planziele und Ergebnisse im Spiegelbild sozialer Indikatoren*, Frankfurt: Campus Verlag, 1983, especially pp. 96–121. I am grateful to Lennart Samuelson for directing me to this source.

[47] P. Lawrence, C.Vlachoutsicos (eds), *Behind the Factory Walls – Decision making in Soviet and US enterprises*, Boston, MA: Harvard Business School Press, 1990. The more forward looking approach on the Soviet economy applied to much

Russia and the USSR was not straightforward, as wider archival access was still limited to only a few selected Soviet historians.[48]

In fact, considering the amount of literature written during the Cold War on the Soviet economy, the opening of the formerly secret state archives has not resulted in a substantially widened research interest in economic and labour history, especially as regards the post-Stalin period. [49] Of more significant interest has been – not surprisingly – political history in general, and studies of Stalinism in particular.[50] There has also been a growing literature on the political economy of Stalinism and dictatorship, some of which has theoretically informed this thesis,[51] and a few studies made retrospective analysis for purposes of understanding the transition in the early 1990s.[52] As regards research on the Khrushchev period, social and cultural history has so far dominated.[53]

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research in the West, A. Bergson, H. Levine, *The Soviet Economy: Toward the year 2000*, London: George Allen & Unwin, 1983; J. Chapman, "Gorbachev's wage reform", *Soviet Economy*, vol. 4, no. 4 (1988), pp. 338–65; T. Heleniak, "Puzzling Soviet Labour Force Statistics. Declining State-Sector Employment and Employment in Ministry of Defence", *US Bureau of the Census*, December 1991; S. Malle, "Labour Redeployment and Cooperatives in the Soviet Union", *Recherches économiques de Louvain*, vol. 56, no. 2 (1990), pp. 191–220; S. Malle, *Employment Planning in the Soviet Union: Continuity and change*, London: Macmillan, 1990; S. Oxenstierna, *From Labour Shortage to Unemployment? The Soviet labour market in the 1980s*, Stockholm: Almqvist & Wicksell International, 1990; K. Plokker, "The Development of Individual and Cooperative Labour Activity in the Soviet Union", *Soviet Studies*, vol. 43, no. 3 (July, 1990), pp. 403–28; P.A. Hauslohner, *Managing the Soviet Labor Market: Politics and policymaking under Brezhnev*, in two volumes, Unpublished PhD-thesis, The University of Michigan, 1984. I am grateful to Susanne Oxenstierna for generously making available her personal copy of P.A. Hauslohner's dissertation. See also Chapter 6 on turnover for a few other relevant sources on labour market research.

[48] For early archival research on Stalin's labour legislation, see O. Khlevniuk, "26 iyonya 1940 goda: illyozii i real'nosti administrirovaniya", *Kommunist*, no. 9 (1989), pp. 86–96; V.N. Zemskov, "Ukaz ot 26 iyunya 1940 goda... (eshe odna kruglaya data)", *Raduga*, no. 6 (1990), pp. 43–8. In these two early articles on the Soviet labour laws of year 1940, the authors Khlevniuk and Zemskov were still not allowed to quote the exact archival location of their sources.

[49] An exception is A. Markevich, A. Sokolov, *Magnitka bliz i Zavodogo Kol'tsa: Stimuli k rabote na Moskovoskom zavode 'Serp i Molot', 1883-2001*, Moscow: Rosspen, 2005. Andrei Markevich and Andrei Sokolov longitudinal study of the Moscow factory "Serp i Molot" was pivotal in providing relevant details for the present thesis. Focusing on the role of economic incentives, they have been able to incorporate a source rich material on a micro factory level into a broader historical context (while also de facto bringing the research field into the territory of business history).

[50] Some of the most significant publications in economic history include; E. Osokina, *Za fasadom "Stalinskogo izobiliya" – Raspredelenie i rynok v snabzhenii naseleniya v godi industrializatsii, 1927-1941*, Moscow: Rosspen, 1998; E. Osokina, *Zoloto dlya industrializatsii: Torgsin*, Moscow: Rosspen, 2009; M. Meerovich, *Nakazanie zhilishchem: Zhilishchnaya politika v SSSR kak sredstvo upravleniya lyud'mi. 1917-1937*, Moscow: Rosspen, 2008; O. Leybovich, *V gorode M. Ocherki sotsial'noy povsednevnosti sovetskoy provintsii*, Moscow: Rosspen, 2008.

[51] See P. Gregory, *The Political Economy of Stalinism – Evidence from the Soviet Secret Archives*, Cambridge: Cambridge University Press, 2004, pp. 95-109; P. Gregory, M. Harrison, "Allocation under Dictatorship: Research in Stalin's Archives", *Journal of Economic Literature*, vol. XLIII (September, 2005), pp. 721–61. See also the theoretical discussion in chapter 3.

[52] S. Clarke, I. Donova, "Internal Mobility and Labour Market Flexibility in Russia", *Europe-Asia Studies*, vol. 51, no. 2 (March, 1999), pp. 213–43, especially pp. 213–18; M. Burawoy, P. Krotov, "The Soviet Transition from Socialism to Capitalism: Worker Control and Economic Bargaining in the Wood Industry", *American Sociological Review*, vol. 57 (February, 1992), pp. 16–38.

[53] P. Jones (ed.), *The Dilemmas of De-Stalinization*; J. Fürst (ed.), *Late Stalinist Russia. Society between reconstruction and reinvention*, London: Routledge, 2006; J. Smith, M. Ilič (eds), *Khrushchev in the Kremlin: policy and government in the Soviet Union, 1956-64*, London: Routledge, forthcoming. The last title was not yet available when this thesis was completed.

The debate on the relative efficiency of the Soviet economy has not yet been settled. In an early comparative study by Bergson on labour productivity, it was concluded that the USSR was significantly falling behind the US since the post-war reconstruction. He deliberately refrained however from making an assessment of the exact reasons for this, in light of the then restricted access to comprehensive source material.[54] Current evidence suggests that economic growth was low but relatively stable up to the mid 1970s – with two breaks during the Great Terror (1937-38) and World War II (1941-45) – and this thesis will not attempt to challenge the prevailing views on this issue.[55] An important question remains however as regards the micro level utilization of resources, an aspect which would also shed light on the relative efficiency of the Soviet model. As was noted by Sovietologist Peter Wiles, "an economy can be... irrational and yet grow quickly and achieve striking successes."[56] Considering that inefficiency is a characteristic of all economies, at issue is then *how* inefficient the Soviet economy was, or rather *how it was inefficient.* No doubt the economy grew, but it remains to be understood why it could not have grown faster (or slower). Such questions require an inquiry at the micro level.

2.3 Work and Labour Discipline

> The press should keep reminding itself and its readers that socialism is built in the USSR not by sloppy individuals, hooligans and raving morons, but by a genuinely new and mighty force – the working class.
>
> Gorky to Stalin (November, 1929)[57]

> I have said that it is necessary to put an end to labour turnover, to retain the workers in the factories. But retaining the workers in the factories is not all; the matter does not end there. It is not enough to put an end to labour turnover... Can it be said that the present organization of work in our factories meets the modern requirements of production? Unfortunately, this cannot be said.
>
> Stalin (June 23, 1931)[58]

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[54] A. Bergson, *The Economics of Soviet Planning*, pp. 347–8.

[55] For a review of the debate and providing new data, see M. Harrison, "Trends in Soviet Labour Productivity, 1928-85: War, postwar recovery, and slowdown", *European Review of Economic History*, vol. 2, no. 2 (August, 1998), pp. 171–200.

[56] Quoted in N. Jasny, "A Note on Rationality and Efficiency in the Soviet Economy", *Soviet Studies*, vol. 12, no. 4 (April, 1961), p. 354.

[57] Quoted in A. Graziosi, *A New, Peculiar State. Explorations in Soviet History, 1917-1937*, Westport: Praeger, 2000, p. 179.

[58] J. Stalin, "New Conditions — New Tasks in Economic Construction", in *Works*, vol. 13, Moscow: Foreign Languages Publishing House, 1954, chapter 3. Translation corrected. The term *tekuchest'* literally translates as "fluidity", which is how the original English translation was rendered, but should in the context of the speech by understood as referring to the issue of labour turnover. In this speech, Stalin describes labour turnover as one of the six great tasks of the regime to manage.

This section has two purposes. Firstly, it will outline how the Soviet leadership's view on labour evolved during the first decade of forced industrialization. Secondly, it will show how workers negotiated effort under conditions of shortage and excess-demand for labour. There are different actors in this story whose partially conflicting interests can explain the development. The single most important actor was the Politburo, whose representatives began to increasingly apply coercion towards labour under Stalin. As has been noted by Andrea Graziosi, the workers' image in Soviet journals and newspapers evolved in a peculiar, and paradoxical, way in the late 1920s. On the one hand, it was marked by a clear anti-worker attitude and moral, representing workers as loafers, self-seekers, drunkards and absentees to "be fired and insulted in every way".[59] That is, plan fulfillment failures were blamed on workers, who, in the words of Stalin, had failed to assume a "personal responsibility" for their tasks. On the other hand, there was a politically conscious vanguard of workers – the "shock workers" (*udarniki*) – who wanted to build socialism, but were held back by less conscious remnants of the "old society". This was the political climate which came to inform all labour policy and legislation from the late 1920s, after the complete subduing of the relatively independent trade unions, but simultaneous with the forced industrialization programs and expanded use of forced labour (i.e. special settlers and Gulag prisoners).

Why did the regime care so much about workers' effort? Paul Gregory has suggested that one needs to regard this policy from the Politburo's primary goal – to maximize economic growth. In the long run, this would depend on physical and human capital formation, but if they wanted output right away, "it could only be brought about by more effort", that is, coercion had to be increased.[60] It is against this background that the implementation of increasingly strict labour regulations during Stalin has to be framed. Labour discipline was commonly understood to consist of two – not necessarily connected – phenomena: absenteeism and job-changing, which brings us to a second important group – the workers. Absenteeism was to an extent the outcome of a peasant culture confronted by new norms, work rules and commitment. In industry, the 1920s was still characterized by a widespread use of day laborers and the disruption of production caused by the revolution and Civil War.[61] The Bolsheviks' abolishment of religious holidays can further explain why absenteeism went up during specific periods of time. Party

[59] A. Graziosi, *A New, Peculiar State*, p. 179.
[60] P. Gregory, *The Political Economy of Stalinism*, p. 84.
[61] In fact, day laborers represented about 60 percent of industrial employees, and large segments still had strong rural ties.

reports mention that such behaviour was in fact persistent up to the mid 1950s in the countryside.[62]

But labour turnover was also a response to deteriorating work and living standards. Workers naturally opted for areas, enterprises or regions with the most developed housing, wages and food supplies, not the least considering the famine conditions at the countryside. Absenteeism was therefore also a result of weakened managerial control under conditions of growing shortage, which forced workers to abandon work temporarily in search for elementary food supplies. Our third group – enterprise managers – were stuck somewhere in between a rock and a hard place. Managers could certainly attempt to dismiss absentees – and indeed they did – but in most cases they would rather opt to collude with below average efficiency workers, in consideration of the more precarious situation of not fulfilling plan quotas.

Post-revolutionary Soviet law had not addressed the question of labour discipline, and when the issue was addressed, the law was by and large progressive, focusing on aspects such as shortening the work day and increasing the minimum legal work age. Article 18 of the first constitution, an echo of Lenin's earlier work, stated that the citizen "who does not work, does not eat". In a primarily agrarian society, this resolution cannot be considered severe.[63] In April 1920 the Council of People's Commissars, or *Sovnarkom*, agreed on the first resolution on absenteeism. The resolution was in effect a mirror image of the ensuing war communism, and was no less harsh than the general living situation at the time. In these years of severe turmoil factories all over the country ceased to function and reports spoke of 45-50 percent of the workday being lost due to absenteeism.[64] From now, laborers absent from work more than three days in one month were held accountable for "sabotage", and could be sentenced to labour camp. Minor infractions would lead to reduced amount of days off from work. These laws did reduce absenteeism, but when the civil war ended a more moderate regime was introduced. With the labour law of 1922, these "emergency laws" were abrogated. Still, the experience would not be forgotten by the Stalinist leadership, and the measures would come to be called upon again at a later time of strain.

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[62] See for example RGANI, f. 5, op. 34, d. 22, l. 177. Party Commission report from Novogorodskiy oblast' in 1957 (exact date unknown) reported that their efforts to curb absenteeism at the kolkhozes failed, as people did not attend public meetings and still upheld religious holidays through tradition.

[63] P. Holquist, *Making War, Forging Revolution. Russia's continuum of crisis, 1914-1921*, Cambridge: Harvard University Press, 2002, especially chapter 5.

[64] G. Pollyak, *Statistika truda v promyshlennykh zavedeniyakh. Dvizhenie rabochey sily, yavki na rabotu, proguly i zarabotnaya plata rabochikh v 1921 g.g.*, Moscow: TsSU, 1923, pp. 13–15.

To repeat, official Soviet publications, and the pronouncements by political leaders in the late 1920s, argued that deteriorating labour discipline – i.e. increases in absenteeism and labour turnover – was due to the inexperience of new workers coming from the countryside and the loose work culture endorsed by technical and management staff. This view was also mirrored in Western contemporary analysis,[65] though such conclusions find little support in recent archival research. Elena Osokina's study on the social conditions in the period has shown that absenteeism and labour turnover were less related to poor discipline and more to the shortages of consumer goods and declining real wages, for which reasons increased coercion was misdirected. She comments, that "repressive measures, fundamentally sanctioned by the Politburo, did not affect the 'economic mechanism' of the crisis. They did not solve the problems of consumer goods deficits and famine, or attempt to contain even the results – queues, labour turnover and absenteeism." Rather, such aspects were only "masked [*maskirovalis'*], and assumed new forms and did not go away."[66] That is, enterprise managers and workers colluded, as the efficiency of coercion was restrained by a growing commitment problem. The view that absenteeism[67] and job-changing[68] were "labour disciplinary problems" was persistent up to the last years of Soviet power. More nuanced perspectives on Soviet labour law can be found in early and more recent work by Western scholars.[69]

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[65] For a contemporary review and analysis of Soviet publications, see S. Zagorsky, *Wages and Regulation of Conditions of Labour in the U.S.S.R.*, Geneva: International Labour Office, 1930, pp.16–36.

[66] E. Osokina, *Za fasadom "stalinskogo izobiliya"*, p. 214.

[67] For a highly incomplete putting together of the literature on absenteeism and "labour discipline" for the 1980s only, see for example: T. Adenov, *Distsiplina truda – reservy povysheniya effektivnosti proizvodstva*, Kyrgyzstan: Frunze, 1982; E.I. Andrioschenko, *Ukreplenie trudovoy distsipliny i organizovannosti – vazhnoe uslovie povysheniya proizvoditel'nosti truda*, Kiev: Izd-o "Znanie", 1985; I.P. Biryukov, *Kachestvo i distsiplina truda*, Saratov: Privolzh. Kn. Izd-o, 1981; I.A. Ivanov, *Distsiplina truda i otvetstvennost' po trudovomu pravu*, Murmansk: Kn. Izd-o, 1988; N. Filippovna, *V.I. Lenin o kommunisticheskoy distsipline truda*, Leningrad: "Znanie" RSFSR, 1980; K.D. Postike, *Sotsial'no-ekonomicheskiy effekt distsipliny truda na predpriyatii*, Kishinev: Kartya moldovenyaske, 1985; T.K. Bedelbaev, *Trudovaya distsiplina – obyazatel'nay dlya vsekh*, Alma-Ata: Kazakstan, 1984; N.P. Pershov, *Distsiplina i trud*, Khabarovsk: Kn. Izd-o, 1982; V.N. Glukhov, *Sotsialisticheskaya distsiplina truda*, Moscow: TsNIITEneftekhim, 1984; N.I. Gorlach, *O trude, rabochem vremini, distsipline*, Kiev: "Znanie", 1981.

[68] For a highly incomplete putting together of the literature on turnover in Soviet industry from the 1980s only, see for example: V.D Areschenko *et al* (eds), *Problemy stabilizatsii trudovykh kollektivov*, Minsk: Nauka i tekhnika, 1982; A.M. Dziobenko, *Stabilizatsiya kadrov kak vazhny faktor povysheniya proizvoditel'nosti truda v legkoy promyshlennosti USSR*, Kiev: Znanie, 1983; I.R. Mulladzhanov, *Vliyanie sotsial'no-ekonomicheskilh faktorov na sokraschenie tekuchesti kadrov*, Tashkent: Uzbekistan, 1982; V.A. Baysburd, *Tekuchest' kadrov v promyshlennosti i puti ee sokrascheniya*, Kuybyshev: Kuybyshev University, 1983; R.M. Sultanova, *Sozdanie stabilnykh proizvodstvennykh kollektivov*, Moscow: "Znanie", 1981; N.E. Grubova, *Puti sokrascheniya tekuchesti kadrov v sluzhbe byta*, Tashkent: Uzbekistan, 1983; M.Ya. Loyberg, *Stabilizatsiya proizvodstvennykh kollektivov v lesnoy i derevoobrabatyvayuschey promyshlennosti*, Moscow: Lesn. Prom-st', 1982; Ya.U., Bezuglaya, *Pravovye sredstva borby s tekuchestyu kadrov*, Kiev: Izd-o "Znanie", 1984.

[69] A complete study of Soviet literature on labour law has been outside the realm for this study. For an overview of this literature in English, see M. McAuley, *Labour Disputes in Soviet Russia*, especially chapters 4 and 7. P.H. Solomon, *Soviet Criminal Justice under Stalin*, Cambridge: Cambridge University Press, 1996. For some early articles on Soviet law, see P.R. Heller, "Soviet Labour Law", *Soviet Studies*, vol. 2, no. 4 (April, 1951), pp. 378–86. For a translation and comment in English on Soviet labour law in the 1950s, see "The Settlement of Labour Disputes", *Soviet Studies*, vol. 3, no. 1 (July, 1951), pp. 90–99.

In March 1929, a new law expanded the powers of factory managers, who could now punish workers without consulting the trade unions, and tougher penalties were shortly thereafter introduced for violating disciplinary codes making dismissals easier. The role of party and trade union organs in production was simultaneously curtailed. The rate of dismissals for absenteeism began to increase rapidly, constituting 30 percent of all dismissals in 1929-30. To some extent, this was a result of collusion between management and the workers, who committed infractions as an exit strategy. Under conditions of excess-demand for labour, workers could rely on available outside options. A significant shift occurred in November 1932, when it was legislated that a worker who was absent for more than one day was to be immediately dismissed from work and also evicted from his home. In the words of Mark Meerovich, the state utilized the shortage of housing as a "regulatory tool" against its own citizens.[70] The tsarist internal passport system was then reintroduced two months later on December 28, in order to contain population movements between the cities and the countryside.[71] It is no coincidence; that it is at this point in time we note the first substantial drops in migration and labour turnover. In December 1938, the rules were subsequently strengthened with the redefinition of absenteeism as late arrival to work by more than 20 minutes and partially removing social benefits for those who were dismissed. In June 1940, absenteeism and job-changing without management's consent were made criminal offences, punishable with corrective labour or prison (these laws will be analyzed concretely in Chapter 4). The war period thus witnessed the culmination of labour coercive legislation.

2.4 The Suppression of Protest and its Economic Outcome

It was noted how the increasingly coercive labour legislation evolved and culminated in 1940 with the criminalization of common labour infractions. This process was also entailed by a growing repression against political dissent and open protest. The fact that independent trade union organs were suppressed and brought under state control cannot be separated from an economic analysis of the labour market. With recent archival material available from reports by the security police to the Politburo (often Stalin in person), previously unknown aspects of the forced industrialization have trickled out. The following data on strike activity has been collected from reports over two quinquennial periods (Diagram 2.1 and Appendix 2.1). The diagram shows the amount of strikes on the left vertical axis, and the amount of strikers on the right vertical axis, for the years 1923-34. Unfortunately, there are yet no complete statistics available.

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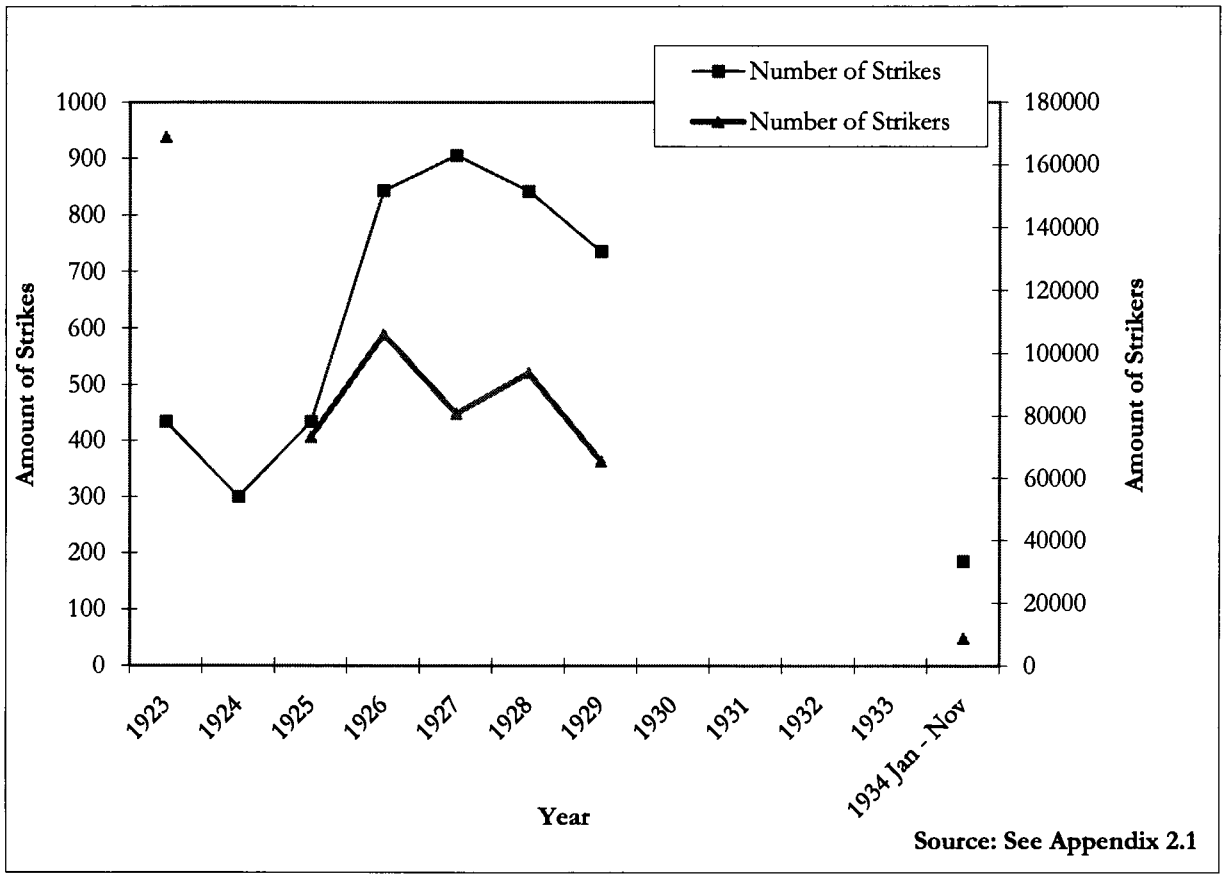
[70] M. Meerovich, *Nakazanie zhilischem*, pp. 6–7.

[71] See S. Kotkin, *Magnetic Mountain*, p. 99; G. Kessler, " The Passport System and State Control over Population Flows in the Soviet Union, 1932-1940", *Cahiers du Monde Russe*, vol. 42, no. 2-4 (April-December, 2001), pp. 477–504

Diagram 2.1 Amount of Strikes and Strikers in Soviet Industry and Construction, 1923-1934.



Source: See Appendix 2.1

For simplicity, I will assume that the practice of the security police in registering strike activity did not significantly change in any direction during the second half of the 1920s. If this assumption holds, the data illustrates that strike activity was in fact increasing in the period, only to be halted by the launch of the First Five Year Plan. On the other hand, the amount of strikers would in fact decline continuously throughout the period, and is thus not correlated with the amount of strikes. The long run tendency of strikes as well as amount of strikers was thus a decline. Some generalizations based on existing sources are possible. Whereas about 168,000 workers had come out on strike in 1923, there were some 65,000 in 1929 and, judging by all available evidence, even fewer in the next year as during the first the first six months of 1930, about 147 strikes with about 12,000 participants were recorded. The Russian historian A.N. Sakharov – one of few scholars who have had access to the FSB (former KGB) archival holdings – has looked in special detail into the evolution of labour protests during the 1930s.[72] He concludes, that by 1934:

[72] A.N. Sakharov *et al* (eds), *Trudovye konflikty v SSSR. 1930-1991 – Sbornik statey i dokumentov*, Moscow: RAN, 2006.

> Slow-downs became one of the most widely used forms of workers' collective protest. Such 'slow-downs' ('Italian strikes') usually followed the promotion of [new] economic tasks at the [enterprise] section. In the light of such passive protests, production operations were not completed, as workers at the sections cut off a few or more hours [of work].[73]

The evidence for the 1930s is weak, but one source states that there were 185 registered strikes, and 8,707 strikers, respectively, from January to November 1934. Significantly lower than the levels noted for the late 1920s.[74] It confirms the view proposed by Sakharov however, that strategies of protest had to assume a different form if to be effective. Most historians on Russia agree that expressions of grievance increasingly became more individualized, more covert and less direct. Jeffrey Rossman has confirmed this development in his detailed study of the textile industry, and concludes that organized protest was more or less eliminated, when leading trade unionists were imprisoned and older more experienced workers were subjugated.[75] Filtzer has also commented, that as workers lost the ability of collective action, they could "search only for individual solutions to their individual problems."[76] In fact, Filtzer locates this relation as the "fundamental source of crisis in the Soviet economy".[77] Similar views were proposed by Alexander Gerschenkron.[78]

The circumstances have been described by Alec Nove as follows: petitions were written, meetings were held and suggestions and criticisms were forwarded also at Soviet enterprises, but management was in theory and practice in command. Kozlov has for example illustrated cases of managers positioning guards outside their offices to keep employees away.[79] No other public

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[73] A.N. Sakharov *et al* (eds), *Trudovye konflikty v SSSR*, p. 45.

[74] The sharp variation over the months suggests that the most strike prone workers were seasonal *otkhodniki*, who had in fact been a "militant section of the Soviet working class" for decades. See K. Murphy, "Strikes during the early Soviet Period, 1922 to 1932", in D. Filtzer *et al* (eds), *A Dream Deferred. New studies in Russian and Soviet labour history*, Bern: Peter Lang, 2008, p. 180.

[75] J. Rossman, *Worker Resistance under Stalin*, especially pp. 231–36.

[76] D. Filtzer, *Soviet Workers and Late Stalinism*, p. 160.

[77] D. Filtzer, *Soviet Workers and de-Stalinization*, p. xi.

[78] "The Soviet economy has been one of intensive internal conflicts. As long as the ratio between investment (including military expenditures) and consumption remains so heavily weighed in favour of the former, the day-to-day economic processes in Soviet Russia are characterized by a continuous struggle between the government and the population. There is nothing sensational about these struggles. Least of all are they political in nature. But nonetheless they are very real. The government must fight the worker who is unwilling to sustain the tempo of work in the face of inadequate increases in levels of consumption and who is trying to keep the production norms as low as possible; the government must fight the manager of industrial plants who is trying in a variety of ways to evade the plan and who, conscious of inflationary pressures in the economy, is trying to hoard raw materials so as to achieve unplanned profits and the bounties and promotions which follow in the wake of such achievements" A. Gerschenkron, *Economic Backwardness in Historical Perspective – A Book of Essays*, Cambridge, MA: The Belknap Press of Harvard University Press, 1962, p. 302.

[79] V.A. Kozlov, *Mass Uprisings in the USSR – Protest and rebellion in the post-Stalin years*, translated from Russian by E. MacKinnon, London: M.E. Sharpe, 2002, p. 14.

options were available to ordinary citizens. However, the discretion of management was constrained on at least two levels. At the macro level, managers were constrained by plan fulfillment quotas which they could not easily violate.[80] At the micro level, they were constrained by the persistent shortage of inputs (including labour) as described by Kornai.

The theory can be summarized as follows. Under conditions of shortage, there is a sellers' market; and if the workers are free to relocate, two possible strategies emerge. Either the workers could remain at the enterprise but reduce effort in the light of a perceived decline in welfare. The manager could apply a certain degree of coercion to increase effort, but during conditions of shortage there was always a second outside option; and the better these options the lower the equilibrium level of effort. Because of excess-demand for labour, there was a low risk of unemployment. A dictator, who therefore wanted to maximize performance, would in turn attempt to find ways to suppress both of these strategies, as they imposed costs on the regime. This explains the increasingly repressive labour legislation and control. If employees could pressure the work tempo downwards, they were able to capture part of the rents otherwise lost due to purposefully low (below marginal product) wages. From a property rights perspective, imperfectly monitored workers could thus adjust their behaviour, reduce effort and to some extent dissipate the aggregate product belonging to the Soviet leadership. The non-pecuniary benefit was leisure at a relatively unchanged level of monetary reimbursement.[81]

2.5 Concluding Remarks

In conclusion, this chapter has attempted to illustrate four important aspects which were all present in the Soviet system that evolved under Stalin rule. Politically, the Politburo assumed control of all relevant decision making, and their decisive administrative mechanism was coercion. Simultaneously, the regime suppressed all public options of protest, strengthened its control and imposed increasingly coercive labour regulations. Economically, the growing shortage of goods, fuel and labour created competition between various enterprises, for which reason workers regained negotiating maneuverability otherwise lost. The optimal strategy for managers under such conditions was to attempt to collude with employees and important

[80] According to Alec Nove, managers were constrained "by the unorganized response of the workforce", which had replaced previously open expressions of discontent. Nove noted, that the Soviet experience showed that "management [found] it difficult to cope with go-slows, absenteeism, drunkenness and petty pilfering", suggesting that managers rather colluded with their employees than enforce strict regulations, even though this implied protecting below average efficiency workers. A. Nove, *The Economics of Feasible Socialism Revisited*, p. 89.

[81] For a theoretical exposition of the theory on property rights in analysis of the state, see D. North, "A Framework for Analyzing the State in Economic History", *Explorations in Economic History*, vol. 16, no. 3 (July, 1979), pp. 249–59.

suppliers under pressure of strict plan fulfillment quotas. This is the historical background which has informed the present study and motivated my research agenda.

Lastly – while noting that the thesis will not provide all the answers to the issues raised – some of the observed gaps in existing research should also be summarized. The governing mechanism in the Soviet command economy was coercion, but how this mechanism was applied in practice – especially how potential qualitative and quantitative shifts occurred over time – remains undeveloped. On a macro level, little is known about the reasons for authorities changing their policies in the 1950s, or what the economic outcome of these reforms was. This motivates a study covering different periods of political leadership. On a meso level, similar gaps exist on the practice of enterprises in negotiating for allocation of resources (including labour) under conditions of shortage. We specifically still lack a comprehensive understanding of the "day to day" functioning of command economies under lower levels of coercion (the Khrushchev and later periods). On a micro level, it remains to be investigated how enterprise managers and workers negotiated employment conditions, and further what the implications were as regards economic efficiency, in general and in the long run.

2.6 Primary Sources

A major part of this thesis relies on primary sources (documents) kept in the Russian state archives. When I entered the academia, the "archival revolution" was already an established fact, and the Soviet Union had since long ceased to exist. Probably, it is unthinkable that much of the research undertaken here had been possible without this material. Archival sources allow us to access material in the immediate proximity to the organs concerned, as the events actually unfolded. Whereas previous research had to rely on occasional reports of varying quality, archival sources provide a longitudinal depth otherwise unavailable. A cross-comparison of different documents over time also allows a more context specific and source critically sensitive analysis. These advantages allow me to build extensively on pre-archival research which could not rely on such material for its analysis.

It should be noted however, that archival studies are still in their infancy, with very little information available on the structure, content and history of the available sources. This made the search for certain documents assume the characteristics of a process of trial and error, which is otherwise rare in twentieth century research. Most likely, we have only just begun to comprehend and interpret the archives of the now non-existing Soviet Union; this is something

which is also reflected in academic discussions and debates.[82] The necessity of such self reflection has an immediate relation to a central source critical problem in this thesis.

Documents from the various state archives are problematic in the sense that they exist – completely – due to political decisions by the Soviet state apparatus. Either the material was directly collected through state organs (such as statistics or analytical reports), or decidedly kept because of certain political decisions or regulations (such as petitions, denunciations or other material from Soviet citizens).[83] Such considerations however should obviously not hinder scholarship from utilizing the material which is now available. The only thing one can do in such a situation is to state the problem as honestly as possible, and recognize the limits of the sources available. Whatever the case, poor or even flawed sources are still superior to no sources, as long as they are treated with the requisite care.

Practical research difficulties vary depending on the institution and time period concerned. As a rule of thumb, the lower down the administrative hierarchy, the less structured the contents of the inventory lists (*opisi*), and thus the fewer the clues offered on how the various documents are connected. This obviously becomes an issue when we are apprehending archives with collections of documents totalling in the millions. Certain *opisi* provide no thematic information at all, and only reference the period in time the documents relate to. Further, considering that we are dealing with formerly administrative archives, history as such has also left its mark. All students of periods of war and disintegration have probably discovered – now including me – that procedures of retrieving, dispatching and organizing documents under such conditions cease to function in accordance with protocol. For these reasons, I was able to find documents of very different character from the war period, bundled together in one and the same file with no explicit thematic connection. To some extent, this was a blessing in disguise, as I was able to discover documents which should have belonged to archives still fundamentally inaccessible (for example the for former KGB archive).

[82] For a discussion on the role of the archives, see the special issue in *Cahiers du Monde Russe*, vol. 40, nr. 1-2 (January-June, 1999), with articles by Andrea Graziosi and others.
[83] One may point to the exceptions in the works of Solzhenitsyn and Roy Medvedev, to name the most well-known dissident authors who were able to construct their own source bases in silence.

Four central archives have been utilized, all of them located in Moscow:

- GARF *The State Archive of the Russian Federation*
- RGAE *Russian State Archive of the Economy*
- RGANI *Russian State Archive of Contemporary History*
- RGASPI *Russian State Archive of Social and Political History*

I have consistently attempted to consult sources from a broad base of bureaucratic institutions. The structure of the archives – themselves a reflection of the Soviet state apparatus – renders necessary such an endeavour. Details on the exact collections utilized in the thesis are given in the list of references at the end of the thesis. A few issues should however be enucleated. GARF and RGAE are jointly located, and contain material from the state organs; these include for example the government and its respective organs, trade unions and the statistical administration. Contrary to what one may believe, statistical agencies did not necessarily link longitudinal data over time in any systematic fashion. Their primary purpose was to collect data for operational planning. To construct longer time series it was therefore necessary to consult many different sources over time and across various institutions. As is evidenced by a glance at the appendices of this thesis, these sources can be quite numerous and sometimes contradictory, not to mention when calculation methodologies seem to also have changed over time. In such instances where this is significant, I have notified the reader in the text. RGANI holds the archives of the party organs, including for example the Communist Party and the Politburo for the period 1953-91 (it contains certain material from earlier periods as well). These sources have been crucial in grasping the higher level political decision making and analysis. RGASPI lastly, covers a wide range of materials, though most importantly perhaps, material of the party organs for the period 1917-53. Considering the time period covered, RGASPI has been of secondary importance for this study.

The otherwise helpful archivists did not grant me any access to the archival *fond* of the Politburo at RGANI; which however no later than 2004 seems to have been at least partially accessible for research.[84] Details of the party leadership's view and discussion on necessary economic reforms in the post-Stalin period therefore remain relatively unexplored, even though it is not possible to

[84] According to the archival guide book published by RGANI in 2004, more than 1,300 Politburo documents are supposed to have been de-classified. However, the author was denied permission to access the inventory lists in March 2009. See N.G. Tomilinoy (ed.), *Rossiskiy gosudarstvenniy arkhiv noveyshey istorii. Putevoditel'*. Volume one. Moscow: Rosspen, 2004, especially pp. 76–82 describing the content of the Politburo *fond*.

tell what material there is either. Relevant for the present study has therefore been the three volumes of collected documents from the Politburo, published as *Prezidium TsK KPSS. 1954-1964*, by Russian historians and archivists.[85] Such volumes have greatly simplified access to archival institutions which are not necessarily available to scholars. Archival sources have been quoted as follows:

RGAE/GARF/RGANI/RGASPI designates the given archive, *f.* designates *fond* (usually a given authority or institution); *op.* designates *opis* (subcategory to the fond); *d.* designates the specific document, *delo*; and *l.* the page number *list'*. A reference can thus be structured as follows:

RGAE, f. 1561, op. 337, d. 49, l. 13 where;

RGAE designates the Russian State Archive of the Economy
f. 1561 is the collection of the Central Statistical Authority,
op. 337 is the inventory list for the years 1961-63,
d. 49 is the sequence of the file, and
l. 13 is the given page number of the file.

An attempt has been made to explain the archival material used as fully as possible in the footnotes, as regards for example the creator of the document, its receiver, date and circumstances.[86]

[85] A.A. Fursenko (ed.), *Prezidium TsK KPSS 1954-1964. Chernovye protokol'nye zapisi zasedaniy. Stenogrammy. Postanovleniya.* In three volumes, Moscow: Rosspen 2006-2008. Henceforth, I have chosen to quote documents from this volume referring both to the archival directory number as to its place in the published source, even though I had access only to the latter.

[86] See discussion in *Kritika – Explorations in Russian and Eurasian History*, vol. 8, no. 2 (Spring, 2007), pp. 227–30.

A historical analysis of the Soviet labour market requires both empirical and theoretical considerations. This chapter will attempt to outline a theoretical framework based on Alfred O. Hirschman's concepts of *Exit*, *Voice* and *Loyalty*. It is practical however, to begin with the neoclassical price theory, which suggests that labour is supplied as a function of the wage level. As noted by J.R. Hicks, "wages are the price of labour, and thus, in the absence of control, they are determined, like all prices, by supply and demand."[87] Under such conditions, supply will be plenty when the price is high, and inversely, scarce when price of labour is low. Turnover under such conditions will occur as an effect of high productivity firms attracting labour from lower productivity firms. The model's assumptions, making the wage level the sole regulatory principle on the market for labour, have been criticized. In most cases, incentives to work are the result of a compound of various factors: economic, social and individual. Lastly, the neoclassical model has as point of departure only one form of action – to enter or leave the market – whereas other means of negotiation remain unexplored.[88]

A common measure for workers in all mature economies is to abandon the workplace in search for better work and living conditions elsewhere. On the other hand, wages and other aspects can be re-negotiated by taking measures on the shop floor while not actually abandoning the workplace. Based on the framework by Hirschman, the former option is labelled *Exit*, and the latter *Voice*. Which of these options that will prevail in turn relies on the degree of *Loyalty* the client has to his organization. Hirschman's model is useful since it helps us structure a wide range of potential strategies employed by actors in different contexts. An attempt to illustrate and motivate how the present thesis has put these concepts to use is outlined below.

3.1 Defining the Concepts of Exit, Voice and Loyalty

Hirschman's famous trinity has been utilized for a multitude of different purposes.[89] This section is an attempt to outline his original model as it was originally formulated. The following section will add some new relevant concepts in order to make the model operational (Section 3.2), the last section concludes and summarizes.

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[87] J.R. Hicks, *The Theory of Wages*, London: Macmillan, 1932, p. 1.

[88] It should be noted however, that Hicks and many other economists also investigated aspects such as bargaining and conflict in between employers and unions and various forms of hindrances and rigidities. See especially J.R. Hicks, *The Theory of Wages*, chapter iv, "The Working of Competition".

[89] See references and commentary in A. Hirschman, *Rival Views of Market Society and other Recent Essays*, Cambridge, MA: Harvard University Press, 1992 (first edition in 1986).

The point of departure in Hirschman's model is the notion of "slack". George Kingsley Zipf regarded the human propensity to slack as an evolutionary trait, commenting that "each individual will adopt a course of action that will involve the expenditure of the probably least average of his work (by definition, least effort)."[90] Hirschman has argued that all mature economies somewhere along the line will generate a given amount of organizational inefficiency. Accordingly:

> firms and other organizations are conceived to be permanently and randomly subject to decline and decay, that is, to a gradual loss of rationality, efficiency, and surplus-producing energy, no matter how well the institutional framework within which they function is designed.[91]

The statement implies that because of the existence of slack, additional "investment, hours of work, productivity, and decision making can be squeezed out... by pressure mechanisms", in case they would have to be called upon.[92] Hirschman then introduces two concepts to explain how members of the organization (be they consumers or employees) are able to react when confronted with such deteriorating conditions: *Exit* and *Voice*.[93]

To revert to the *Exit*-option means that a person can stop buying a firm's product or opt to leave the enterprise where he is working. This leads to a drop in revenue or in our case to disruptions in production. To revert to the *Voice*-option means that people express their dissatisfaction directly to management or some other authority. Theoretically, this should encourage management to try to remedy the perceived problem. The third concept in Hirschman's model is *Loyalty*, which in fact he does not expressly define. The general idea is simple however: the higher degree of *Loyalty*, the higher probability to opt for *Voice* rather than *Exit*. The point is best illustrated with the consumer model. In this model, it is assumed that a loyal customer would

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[90] G. Kingsley Zipf , *Human Behavior and the Principle of Least Effort: An Introduction to Human Ecology*, Cambridge, MA: Addison-Wesley, 1949, p. 18. It is in Zipf that one finds an early – and perhaps the first – description of the theory of "principle of least effort". As should be noted however, effort, as the concept of utility, is purely subjective. What is measurable in economic terms is output.

[91] A. O. Hirschman, *Exit, Voice, and Loyalty – Response to decline in firms, organizations, and states*, Cambridge, MA: Harvard University Press, 1970, p. 15.

[92] Ibid., pp. 12–14.

[93] The concepts in Hirschman's model are also not far removed from the analysis of peasant societies by James Scott, and his theory of the "weapons of the weak". Se J. Scott, *Weapons of the Weak: Everyday forms of peasant resistance*, New Haven, CT: Yale University Press, cop. 1985. The concept of "exit" was used by Hiroaki Kuromiya in his longitudinal study of the Russian-Ukrainian borderland. See H. Kuromiya, *Freedom and Terror in the Donbass: a Ukrainian –Russian borderland, 1870s-1990s*, Cambridge: Cambridge University Press, 1998.

rather formally complain than abandon his brand to consume a different product, i.e. to leave. As long as the consumer feels that he can influence the firm's behaviour, he will also remain loyal. *Loyalty* thus crowds out *Exit*.

Previous scholarship has highlighted two significant problems in the application of Hirschman's model to a labour market analysis: one empirical and on the other conceptual. Empirically, when applied to a producer (or labour market) perspective, the relation between *Voice* and *Loyalty* has been shown to fall, since loyal employees seem to "suffer in silence" rather than make their grievances known in light of an experienced quality decline.[94] This is the opposite of what Hirschman's model would suggest, and renders the definition of loyalty difficult to make operational, since it seems to produce the same outcome as apathy ("silence"). As was noted by Boroff and Lewin, "research on the employment relationship... is confronted with conceptual gaps in the application of Hirschman's model and with empirical findings that do not square with it."[95] For these reasons, it is necessary to carefully consider how to make operational the concepts of *Exit* and *Voice*, not the least when applying the concepts with a view to structuring an analysis of a non-market economy.

3.2 The Fair Wage Model and Hirschman in a Labour Market Context

An analysis similar to that of Hirschman's model has been presented in an interesting attempt to model the Soviet economy by Paul Gregory and Mark Harrison.[96] In their model, the dictator (Stalin) adjusts economic plans to harmonize with the workers' perception of a stable "fair wage", a concept which encompasses broad aspects such as living standards, work conditions and real wages (i.e. monetary and non-monetary aspects).[97] If the workers believe they are receiving less than the fair wage, effort drops and productivity declines. The investment-maximizing Soviet leadership could thus respond with different strategies. When productivity fell and signs of labour unrest occurred, the Politburo could increase their effort to allocate provision and consumer goods to cities where declines were occurring. Another feasible response was simply to reduce investment plans, and lessen the pressure exerted on enterprises.[98] Considering that both these

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[94] K. Boroff, D. Lewin, "Loyalty, Voice, and Intent to Exit a Union Firm: A Conceptual and Empirical Analysis", *Industrial and Labour Relations Review*, vol. 51, no. 1 (October, 1997), pp. 50–63.

[95] K. Boroff, D. Lewin, "Loyalty, Voice, and Intent to Exit a Union Firm", p. 52. The difficulty in defining *Voice* was partially recognized by Hirschman, who emphasized that it "can be graduated all the way from faint grumbling to violent protest." A. O. Hirschman, *Exit, Voice and Loyalty*, p. 16.

[96] See P. Gregory, *The Political Economy of Stalinism*, pp. 95-109; P. Gregory, M. Harrison, "Allocation under Dictatorship: Research in Stalin's Archives", pp. 721–61.

[97] The fair wage model was originally formulated by George Akerloff, who asserted that "if people do not get what they deserve, they get even" by reducing effort. See discussion in ibid.

[98] Ibid, p. 96.

options incurred costs on the regime in terms of lost investment, there was always a third strategy which the leadership often preferred: convincing the workers that the actual wage, no matter how low, was the fair wage.[99] Such a strategy would be advantageous since it implied no redistribution of rents. There were primarily two ways this could be done. Pro primo, the leadership could use ideology to allude to the utopian socialist future, arguing that sacrifice now would double the reward in the future. Pro secundo, pure coercion could be applied, leading not to higher productivity, but at least in the short run to an acceptance of a lower fair wage.[100] If the costs for propaganda and coercion were relatively fixed in the short run, this was the investment-maximizing strategy. This thesis will refer to all of the above mentioned strategies as different means to influence *Loyalty*, defined in this thesis as compliance. For the dictator, it is not necessarily relevant if the loyalty is sincere, what matters is whether or not instructions are fulfilled.[101] The actual level of a "fair wage" is purely hypothetical, but it gives an economic rationale as to why employees would reduce their effort in a phase of decline.

Chapter 3.1 above identified the original parts of Hirschman's model in pure form. In that model, *Exit* and *Voice* are considered to be mutually exclusive. In my framework, the concepts are understood to be complementary. I regard both options as responses to a perceived decline in the fair wage level, where the economic outcome is ***withdrawal of effort*** (i.e. a decline in either the quantity or quality of labour supply) and increasing slack. The original rationale for this anachronistic approach was intuitive. We saw how Stalin in the course of forced industrialization opted for coercion and repression against his population. This in turn raises an important question: in a non-market economy, with few efficient collective and formal channels of protest, how do workers adjust effort when confronted with a perceived decline in their fair wage? A prevailing view has been to consider aspects of increasing slack as precisely one such substitute in the Soviet context. To structure my thesis, I have therefore defined *Exit* as labour turnover (job-changing) and *Voice* as for example absenteeism, loss of labour time, walk-outs, strikes, spoilage and petty hooliganism. It will be the burden of the ensuing analysis to show to what extent these aspects can be understood to have been motivated by declines in the perceived fair wage level,

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[99] Ibid, p. 97.

[100] It is possible to point to a few other scenarios as well, which Gregory and Harrison recognize. Failures to supply the population with the basic requisites could be blamed on the deliberate actions of external enemies, arguing that had these disruptions not occurred, consumption would be higher. The creation of new posts which carried larger wage premiums, or the problematic Stakhanovite movement, were also different means to extract a higher work effort. All these efforts were doomed to incur more costs, creating their own contradictions when expanded, driving wages (real and perceived) upwards.

[101] A theoretical work of significance for this thesis is the model of dictatorships presented in R. Wintrobe, *The Political Economy of Dictatorship*, Cambridge: Cambridge University Press, 1998. Wintrobe's model suggests that the dictator will use repression to the point where the loyalty curve is reversed, and further repression simply reduces the level of loyalty. Ibid, p. 60.

rather than some other factors. The thesis will in other words address the issue of intentionality. Lastly, in contrast to the original Hirschman model, *Loyalty* in my approach crowds out *Exit* as well as *Voice*. As was noted, to be loyal in a command economy means first and foremost to be compliant.[102] In an economy where coercion is the allocating mechanism, this implies that enterprise managers are supposed to fulfil instructions issued from above and employees to remain compliant.

Further, research on the Soviet experience raises new hurdles. Not only is it impossible to directly measure grievances since time has passed and we cannot remake studies for our own purposes, controlling for the aspects we would wish to study. But potential substitutes, such as petitions, complaints and letters, have also been shown to be problematic, and there were no independent forums which have left us any alternative sources (see discussion in Section 2.2 and 2.3).[103] Had there been any space for collective bargaining between, for example, unions and employers in the USSR, a rich theoretical literature would have been applicable.[104] These are the reasons why I have opted for a definition of *Voice* which is as inclusive as possible, while recognizing the potential problems my use of Hirschman's model might also create. To my knowledge, his model has not been previously adapted to a study of labour in a non-market economy.[105]

3.3 Concluding Remarks

Theory can be used in at least two different ways. Either it can be used in order to define the object of inquiry as such, where the goal is to make a primarily theoretical contribution to existing knowledge. Or it can be used so as to provide the analysis with important concepts, so that the theory forms part of the method of analysis, but not the actual knowledge contribution. It is in the latter sense that theory is applied in this thesis. The theory of *Exit* and *Voice* is chosen for primarily two reasons. Firstly, in order to give structure to the empirical analysis of the Soviet economy and labour market. Secondly, to separate the Soviet (ideological) concept of "labour

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[102] This view is also taken by Winiecki. See J. Winiecki, *Resistance to Change in the Soviet Economic System*, London: Routledge, 1991, pp. 5–7, 18, 39, 72–5.

[103] A sociologic (Marxist) approach to Hirschman's model was developed by Beverly Silver who argues that all forms of "labour unrest" are examples of acts of *Voice*. With the concept of unrest she identifies all *purposeful* and *collective* action against "the commodification of labour", that is, actions against the expansion and development of wage labour. She thus explicitly excludes isolated acts of voice with reference to the Soviet experience, where collective action was more or less muted and restrained. Accordingly, *purposeful* action is collective action only. This however is an unsatisfactory definition, considering the given context where Soviet law rendered impossible collective bargaining and negotiation. B. J. Silver, *Forces of Labour – Workers' Movements and Globalization since 1870*, Cambridge: University Press 2003, pp. 184-187.

[104] See for example the early American literature on the topic: M. Brofenbrenner, "The Economics of Collective Bargaining", *Quarterly Journal of Economics*, Vol. 53, No. 4 (August, 1939), pp. 535–61; R. Lester, J. Shister (eds), *Insights into Labor Issues*, New York: Macmillan, 1947.

[105] For an early attempt to understand Soviet politics in the aggregate in terms of Hirschman's theoretical framework, see S. Hedlund, "Exit, Voice and Loyalty – Soviet Style", *Coexistence*, vol. 26 (1989), pp. 179–208.

discipline" from the analysis in preference of a less overtly biased framework. The fair wage model is in turn applied as a theoretical benchmark; and I connect *Exit* and *Voice* as the two potential strategies that emerge in response to a perceived decline.

In my chosen framework, the fair wage model and Hirschman's concepts are complementary. The framework in itself does not provide any specific answers, but gives structure and helps us understand and interpret otherwise diverse phenomena. In the end, it will be the burden of the thesis to prove to what extent there is a fit between form (model) and substance (observed measures in archival research). In consideration of the measures available I am not a priori assuming a perfect fit. My broader philosophy follows the neoclassical model in the sense that I attempt to explain agency and change in accordance with methodological individualism. This however does not imply that larger social constellations and historical context cannot also influence and shape the actual choices people make.

Chapter 4. Labour Coercion, 1940-1956

Traditional economic models of the labour market assume to one extent or the other that transactions between buyers and sellers are more or less "free". Economic history tells us however, that labour transactions have only rarely taken this form and that the dominant mode of transactions has been in a coercive employment relationship. There are different theories on why coercive labour relations have grown and declined, and different varieties of "unfree" labour have been identified.[106] Whereas research interest on Stalin's GULAG machinery has been quite substantial, less work has been done on the less repressive – but in fact completely dominant – civilian labour transactions that existed in Soviet industry and construction.

Coercion was the governing mechanism in the Soviet command economy, but it could be applied by the regime in varying degree, and thus influence the utility of the workers. Whereas workers in a "free" market can choose to abstain from employment and effort (obviously under the threat of unemployment), coercion implies that the workers are forced to accept a certain employment they would otherwise reject. In a coercive employment relationship, sanctions are imposed on non-compliant agents. This chapter will analyse the functioning of Stalin's labour edicts implemented in 1940 and 1941, some of which were on the statues until 1956. On the brink to war, Stalin criminalized absenteeism from work and job-changing without management's approbation. In Hirschman terminology, the edicts suppressed the *Exit* strategy (job-changing), and parts of the available *Voice* strategies (absenteeism). From an economic point of view, coercion was applied in order to improve effort, as the edicts made non-compliance increasingly costly and re-allocated rents from the workers to the regime. How were these regulations received in practice? What were their economic effects? And what conditions determined their implementation, efficiency and final relaxation? The analysis presents new empirical evidence on the repression machinery under Stalin and the functioning of command economies under conditions of increased coercion.

A short period preceding the Soviet Union's entry into war with Germany witnessed an expanding suppression of labour market activity. Year 1940 represents an important turning point when severe punishments for ordinary offenses were implemented with far reaching aim. Three important laws were published within a few months. Firstly, the introduction of a five to eight year term for managers responsible for producing defective goods; secondly, the imposition

[106] For an overview, see for example T. Brass, M. van der Linden (eds), *Free and Unfree Labour: The debate continues*, Bern: Peter Lang, 1997.

of a minimum sentence of one year for petty theft in factories and hooliganism; and thirdly, the criminalization of labour turnover and absenteeism.[107]

Needless to say, the Bolsheviks had an archaic view on economic efficiency and a purely instrumental view on law. Edicts were decided and formulated by members of the Politburo, and they were usually published as law by the Supreme Soviet the same or next day (if, as often was, it was not decided the edicts should be kept secret). The first edict on labour, issued on June 26, 1940, made job-changing and absenteeism criminal offences. In practice, this meant that leaving one's job without the sanction of management or other valid reason earned a penalty of two to four months in prison (but not in a labour camp), and any tardiness within the working day of more than 20 minutes was punishable with up to six months of corrective labour at the worker's current enterprise with reduced pay (up to 25 percent).[108] Draconian as this may seem, suspects were at least tried in civilian People's Courts.[109] It was only on December 26, 1941 that an expanded edict made also workers in war industry subject to trial in a NKVD military tribunal for "desertion", punishable with up to eight years in a labour camp.[110] Subject to this edict were mobilized workers, who either abandoned their place of work (the "labour front"), or were considered "persistent absentees" (*zlostnye progul'schiki*).[111] In 1943, a specific amendment introduced equal measures in railways and water transport (see Table 4.1 below for an overview).

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[107] For an authoritative overview of Soviet criminal law, see P. H. Solomon, *Soviet Criminal Justice under Stalin.*

[108] Previous research has focused mostly on the edict of June 26, 1940 only. See D. Filtzer, *Soviet Workers and Late Stalinism*, chapter 5; S. Kotkin, *Magnetic Mountain*, pp. 95–99; S. Davies, *Popular Opinion in Stalin's Russia. Terror, propaganda and dissent, 1934-1941*, Cambridge: Cambridge University Press, 1997, part 1, chapter 1; P. Solomon, *Soviet Criminal Law under Stalin*, chapter 9; A. Sokolov, "Forced Labour in Soviet Industry: The end of the 1930s to the mid-1950s: An overview", in P. Gregory, V. Lazarev (eds), *The Economics of Forced Labor. The Soviet Gulag*, Stanford, CA: Hoover Institution Press, 2003, chapter 2.

[109] Equal measures were introduced for forced labour. As regards German prisoners of war (POWs), one can also note the GKO decision no. 1123 on January 10, 1942 on the death penalty for desertion from forced labour. Already on April 28, 1941, there had been a NKVD decision on the implementation of the death penalty for Gulag escapees.

[110] Interestingly, the knowledgeable Peter H. Solomon's study of criminal justice under Stalin devoted a whole chapter to the labour edicts of June 26, 1940 and labour infractions in general, but does not mention the edict on desertion issued one year later. P.H. Solomon, *Soviet Criminal Justice under Stalin*, chapter 9.

[111] There were in fact two different edicts expanding the criminalization of absenteeism. The edict of July 7, 1941 stated that a worker convicted for absenteeism three times should be eligible to prison for 2–4 months, i.e. he would be convicted for willful leaving. On November 12, 1942, the trine absenteeism was equated with desertion if the last instance had been significant.

Table 4.1. Soviet Labour Edicts and their Sentences, 1940-1956

Edict	Edict of June 26, 1940 ("wilful leaving")	Edict of December 26, 1941 ("desertion")	Art. 193 of Criminal Code (Edicts of April and May 1943)	Absenteeism under Edict of June 26, 1940
Sentence	2-4 months in prison	5-8 years in labour camp for workers in war industry. Abrogated in May 1948	3-10 years in labour camp for transport employees. Abrogated in March 1948	Up to 6 months corrective labour at enterprise with 25 % wage deduction. Gradual relaxation in prosecution after 1951

There were different actors and interest groups in this story whose internal relationship should be explained. At the highest level, members of the Politburo introduced plan goals and all relevant legislation. It was the Procuracy which was responsible for instituting proceedings, after having received cases from the police (*militsiya*). The *militsiya* in turn relied on enterprise managers to correctly report on any infraction, as this material would constitute the information on which a search could be initiated. As regards the special edict on desertion (edict of December 26, 1941), the Procuracy was not expected to bring the cases for trial in a civilian court (People's Court), but to a military tribunal under the authority of the NKVD (the security police). Military tribunals were supervised in turn by the Military Collegium of the USSR Supreme Court. In practice, this administrative relationship was not necessarily as clear cut as one may think. There were two sorts of restraints: economic/technological restraints (causing administrative congestion) and political/judicial forces (causing inter-institutional conflict). Both of these restraints reduced the efficiency of coercion. Parts of this chapter will illustrate how the enforcement of Soviet criminal law would work out in practice, under conditions of administrative congestion and inter-institutional conflict.

4.1 Illegal Job-Changing and Absenteeism: The Edict of June 26, 1940

Authorities had experimented with a series of different measures to suppress labour market activity in the 1930s, from the introduction of a passport system for cities to the allocation of housing in accordance with observed compliance with existing regulations.[112] The edict of June 26, 1940 was implemented after a Politburo decision only one day earlier.[113] From now, tardiness

[112] M. Meerovich, *Nakazanie zhilischem*, chapter 1.

[113] RGASPI, f. 17, op. 3, d. 1025, protocol no. 18, ll. 4–5. "O perekhode na vos'michasovoy rabochyi den', na semidnevnuyu rabochuyu nedelyu i o zapreschenii samovol'nogo ukhoda rabochikh i sluzhaschikh s predpriyatiy i iz uchrezhdenii". Document dated June 25, 1940.

by more than twenty minutes and job-changing without management's consent became criminal offences.[114] What was the rationale for invoking such strict labour regulations?

Previous research has given different explanations, none of which takes fully into account the known restraints posed by the functioning of a command economy. The most common argument explains the edicts with reference to the outbreak of the war. In other words, timing can explain why coercion of labour was increased. The war threat posed by Germany had been made real with the invasion of Poland on September 1, 1939.[115] Further, the military failures in Finland had exposed important weaknesses in the Soviet command system, and the formal surrender of France to Hitler on June 25, 1940 worried Stalin whose strategy had relied on postponing larger conflict.[116] In the light of these events, it is possible to regard the edicts of June 26, 1940 as part of a general mobilization preparedness.[117] However, the Molotov-Ribbentrop pact was still official policy, and Soviet citizens could hardly be told there was any risk of an imminent German attack. As was noted by Alec Nove, the edicts were therefore never presented as such when published (one may further ask, if such legislation had really boosted the moral of the citizens at a time of war).[118]

The explanation with reference to timing is plausible since coercion should be expected to increase under conditions of strain (for example external threat). But the circumstances alone can not explain why coercion assumed the specific form it did. For example, why did the legislation target primarily workers, and not enterprise managers, a group Stalin suspected of poor loyalty as much as any other? And what was the rationale for fusing the seemingly discordant aspects of job-changing and absenteeism in one piece of legislation?

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[114] If such speedy implementation seems suspicious, it needs to be remembered that the draconian law of August 7, 1932 (on "theft of socialist property") had been implemented almost word by word based on a series of telegrams by Stalin to his deputy Kaganovich just two-three weeks before. See original document in O.V. Khlevniuk *et al* (eds), *Stalin i Kaganovich. Perepiska. 1931-1936 gg.*, Moscow: Rosspen, 2001, pp. 235–6. See also P. Solomon, *Soviet Criminal Justice under Stalin*, pp. 112–23.

[115] Before this tremendous event, the Sino-Japanese war had begun in Asia in 1937, threatening to destabilize the Soviet Union's eastern boarders.

[116] I am grateful to B-Å Berg for pointing out the defeat of France as a potential factor behind the implementation of the labour edict.

[117] For a Soviet account, A.V. Mitrofanova, *Rabochiy klass SSSR v gody Velikoy Otechestvennoy voiny*, Moscow: Nauka, 1971, pp. 434-436. The ex post explanation in the USSR for the far reaching edicts on labour was with reference to the war situation in the West and East, see A. Volkov (ed.), *Trud i zarabotnaya plata v SSSR*, Moscow: Ekonomika, 1974 (second edition), p. 542f. See also S. Fitzpatrick, "Workers against Bosses: The impact of the Great Purges on labour-management relations", in L. Siegelbaum, R. Suny (eds), *Making Workers Soviet. Power, class, and identity*, Ithaca: Cornell University Press, pp. 239–40.

[118] A. Nove, *An Economic History of the USSR. 1917-1991*, London: Penguin Books, 1992 (revised edition), pp. 265–67.

A second and related explanation can be traced from the history of World War I, a period during which many European nations implemented strict labour legislation.[119] It was also well known, that efficiency losses in the Russian economy had been continuously large into and throughout the period of Civil War (1918-21).[120] The leadership was therefore well aware of the challenges a military confrontation could pose, though an explanation with reference to this experience alone is impaired by the same weakness as that with reference to timing. A third factor which has therefore been emphasized is the cost that absenteeism and job-changing was believed to have imposed on the economy during forced industrialization. It has been argued, that turnover rates and low discipline were considered high to a point of disruption in the 1930s.[121] Archival data on turnover and loss of labour time in the late 1930s are contradictory however; and it is clear that if the Stalinist leadership took these aspects into consideration, it was not on the strength of official statistics. According to information from the Central Statistical Administration (TsSU) for 1939, work time lost due to stoppages and sickness was significantly larger than losses due to absenteeism (as was in fact true during the whole Soviet era).[122] And further, labour turnover was decreasing from the early 1930s, not increasing (see Chapter 6).

An explanation which is congruent with all of the above factors has to be grounded in an economic model of the Soviet command system. It also has to explain why the edict criminalized job-changing and absenteeism in tandem. My application of Hirschman's model suggests that *Exit* and *Voice* imposed costs on the regime in the form of dissipation of rents. By suppressing job-changing, Stalin reduced the utility of the workers by removing their outside option, which in economic terms should translate into a lower equilibrium level of effort (i.e. a withdrawal of effort). This explains the parallel suppression of absenteeism, which made such non-compliance costly for the workers. In this sense, absenteeism and job-changing were complementary from the regime's point of view. By suppressing both, Stalin ensured more compliance at the original

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[119] The German government had tightened labour regulation in the Patriotic Labour Service Act of late 1916, which restricted mobility and made labour participation compulsory for all males aged 16–60 years. Similar restrictions were implemented in other countries as well. See G. Hardach, *Der Erste Weltkrieg*, Munich: Deutscher Taschenbuch-Verlag, 1973, p. 195.

[120] G. Pollyak, *Statistika truda v promyshlennykh zavedeniyakh*, pp. 13–15. Regulation of movement between the countryside and towns had been enforced during the collectivization drive in the late 1920s and early 1930s. Some of the most well-known of these regulations was the ban on migration from the North Caucasus and Ukraine, ordered on January 22, 1933. Within a few months, about 225,000 people were picked up in the course of implementing it, and returned to their villages where many faced starvation and/or famine like conditions. For a discussion on these events, see M. Ellman, "Stalin and the Soviet Famine of 1932-33 Revisited", *Europe-Asia Studies*, vol. 59, no. 4 (June, 2007), pp. 663–93.

[121] This point has been stressed by John Barber. See J. Barber, "The Development of Soviet Employment and Labour policy, 1931-1941" in D. Lane (ed.), *Labour and Employment in the USSR*, Brighton: Wheatsheaf Books 1986.

[122] RGAE, f. 1562, op. 54, d. 1243, l. 12. Handwritten sheets not for publication, exact date unknown. Similarly, see RGAE, f. 1562, op. 54, d. 1241, 1242, 1243 and 1280. As will be demonstrated in chapter 7, official estimates of losses of labour time were chronically poor.

equilibrium level of effort or higher, but with a lower level of welfare for the workers. In other words, he ensured that people not only remained at the enterprise, but that they also worked sufficiently hard.[123] Lastly, under conditions where the excess-demand for labour by enterprises under soft budget constraints was difficult to regulate, it was less costly to suppress the supply side of the labour equation. When labour is scarce, the value of effort increases and encourages coercion.

4.1.1 Legal Practice and Administrative Resistance

The Soviet regime applied law as a regulatory and socializing tool. Edicts were published as a political signal, to which loyal administrative agents lower down the hierarchy responded, with the risk of being either too lenient or too abusive. This gave the Stalinist repressive machinery its dynamics. The edict of June 26, 1940 was regulatory in the sense that it made non-compliance costly for the workers, and socializing in the sense that authorities actually expected a real behavioural change in the long run. No other crime in the history of Russia (the USSR) has ever been followed by so many sentences – in absolute as in relative terms – during a time period of only a few years. At its peak during the war, more than 60 percent of all court convictions were labour related. Such conditions were unsustainable, as the increasing legal burden created congestion and reduced the level of administrative compliance. But the significance of the edicts makes them a good case study for evidence on coercion in command economies. This section presents revised data on court convictions and highlights some new evidence on legal and administrative practices regarding the edict of June 26, 1940.[124]

To comprehend how the number of court convictions came to grow so fast, the process has to be regarded against the Great Terror which had ended only a few years earlier. The extent to which this experience informed the psychology of state organs was likely significant. Only a few weeks after the implementation of the edict, recorded levels of "labour disciplinary" infractions began to increase.[125] On paper, the draconian measures thus had the effect of making labour discipline seem worse – though obviously, this was not the case. The increased reporting was the outcome of political pressure on factory managers to record and register infractions more

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[123] A less substantiated view has focused on Stalin's view on the "political consciousness" of Soviet workers. See Erik van Ree, "Heroes and Merchants", *Kritika – Explorations in Russian and Eurasian History*, vol. 8, no. 1 (Winter, 2007), especially p. 42.

[124] GARF, f. 9553, op. 1, d. 68, l. 95–97. File containing copy of the edict as issued by the Soviet Supreme Court, with amendments by the Council of Commissars (the government).

[125] GARF, f. 8131, op. 37, d. 749, l. 12. Data on labour disciplinary infractions in Chelyabinsk tractor factory June-August 1940. In June, the factory recorded 250 cases, in August, 582. GARF, f. 8131, op. 37, d. 749, ll. 11–23. These qualitative reports on absenteeism and willful leaving from the enterprises in the Ural region mention a doubling of such aspects.

adequately, and their compliance was strengthened with the parallel criminalization of "protecting absentees". These measures made collusion between managers and workers more costly.

A report from the state procurator Viktor Mikhailovich Bochkov to the Politburo members Stalin, Malenkov and Molotov dated December 16, 1940 summarized the result of the initial months of the campaign (August 1–November 15) against turnover and absenteeism. In this short period of time, some 1,973,122 persons had been brought to trial for a "labour disciplinary" infraction. Out of these, 1,577,459 persons were convicted (79.9 %). The preliminary numbers are tabulated below (see Appendix 4.5 for a geographical distribution of convictions).

Table 4.2 Amount of Sentences under the Edict of June 26, 1940, per 15 November 1940.

Crime:	**Amount:**
Absenteeism	1,321,740
Illegal job-changing	234,579
Protecting absentees	6,032

Source: Yu. N. Afansaeev *et al* (eds), *Istoriya stalinskogo Gulaga – Konets 1920-kh – pervaya polovina 1950-kh godov*, a collection of documents in seven volumes, volume 1, Moscow: Rosspen, 2004, p. 411.

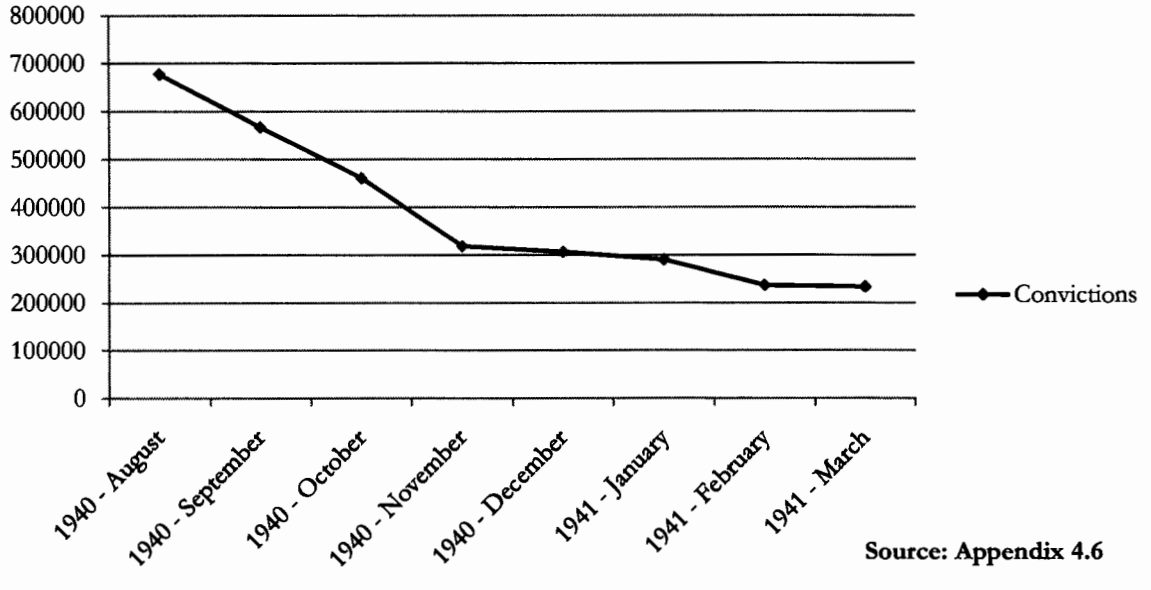
The by far most common offence was absenteeism, an offence which was also the most controversial. As Peter Solomon's study of Soviet jurisprudence has shown, courts, lawyers, bureaucrats and police were all heavily burdened by the amount of new case loads, creating administrative congestion and non-compliance.[126] Equally, Sarah Davies' study of popular opinion in the USSR has shown how ordinary workers and citizens responded to these strict regulations with little enthusiasm.[127] This should be expected, as the welfare of the workers was forced downwards under increased levels of coercion.

The administrative congestion was the result of a Soviet legal practice taken to its extreme. As a rule, whenever a new edict or law of mass character was introduced, it was followed by immediate political pressure and media attention, transforming the new regulations into a "campaign". Initially, procurators, courts and managers were thus instructed to make the edict of June 26, 1940 their top priority. In these early months, legal standards fell, thousands were convicted daily, and procurators' offices were flooded with unmanageable amounts of cases.[128] Over time, political pressure began to abate, and two results were expected to crystallize.

[126] P. Solomon, *Soviet Criminal Justice under Stalin*, chapter 9.
[127] S. Davies, *Popular Opinion in Stalin's Russia*, especially part 1, chapter 1.
[128] See P. Solomon, *Soviet Criminal Justice under Stalin*, chapters 3, 11.

Firstly, it was expected that actual levels of turnover and absenteeism were really reduced. If so, the edict could be said to have served its instrumental purpose. Secondly, as the campaign came to an end, authorities would be less inclined to prosecute. The result would be fewer court cases. Whereas in August 1940, about 61,932 cases were taken to court in Moscow alone, by mid November there had been only 17.[129] This was however also an effect of a normalization of court procedures, as political pressure on judges and procurators began to peter out. Per April 1, 1941 courts had received 3,358,368 cases, out of which 2,576,849 were convicted (76.7 %), a slightly lower ratio than for the first period August 1 – November 15. Interestingly, the reports mention that illegal job-changing was reduced less rapidly than absenteeism, even as the latter still dominated in absolute terms. Diagram 4.1 give the data on court sentences for the early eight months of the campaign. It illustrates the expected cycle, during which monthly sentences subsequently declined.

Diagram 4.1 Total Amount of Sentences under the Edict of June 26, 1940; from August 1, 1940 to March 1, 1941.



Source: Appendix 4.6

It should be noted already here, that even though the campaign began to peter out, expanded coercive measures against absenteeism could still be introduced. Two complementary edicts – implemented after that war had broken out on June 22, 1941 – actually furthered the suppression of absenteeism. The edict of July 7, 1941 stated that a worker convicted for absenteeism three times should be eligible to prison for 2–4 months, i.e. convicted as for willful leaving. On

[129] Yu. N. Afansaev *et al* (eds), *Istoriya stalinskogo Gulaga*, a collection of documents in seven volumes, volume 1, Moscow: Rosspen, 2004, p. 412.

November 12, 1942, the trine absenteeism was equated with desertion if the last instance had been significant, and provided the worker was employed in war industry. These amendments are crucial as if to understand part of the institutional conflicts that arose between different state organs during the war.[130]

Archival documents reveal many details on the outcome of the campaign against absenteeism and job-changing.[131] On the one hand, courts and prisons in many regions were excessively overburdened due to the mass character of the crime. On the other hand, organs became increasingly non-compliant when legislation was also considered too coercive. One inquiry had shown that a Moscow prison with a capacity for 400 prisoners was in fact holding 1,179 people, of which 85 were children of mothers convicted for absenteeism. This case is interesting because it shows in part the institutional conflicts which existed in the Soviet state apparatus. On September 28, 1940, prosecutor Bochkov sent a sharply written telegram to NKVD chief Lavrentiy Beriya arguing that the large number of convictions on absenteeism and turnover had overstrained the Moscow prisons and created administrative chaos. Prisoners were sleeping in barracks on earthen floor and prisoner transfers were conducted in violation of regulations. This however had not reduced the pressure to prosecute. In fact, the prison overpopulation had – in accordance with a top secret NKVD decree of September 26 (no. 001208) – begun to be transferred to labour camps. This was Bochkov's major complaint, arguing that in consideration of the strained circumstances, it was "completely incomprehensible for what purposes contingents were transferred from prisons to settlements", where they were "forced to settle for prolonged periods of time and perform the normal tasks of settlers for the fulfillment of yearly GULAG quotas on output for labour camps and colonies." He further criticized Beriya's instructions that relatives should not be informed on the whereabouts of the convicted, even though they were clearly no longer in the prisons to which courts had originally sentenced them.[132]

A NKVD note sent to Bochkov in response to his complaint confirmed that people convicted to prison for absenteeism had in fact been sent to GULAG, though the note does not specify any

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[130] There was also the edict of December 28, 1940, making it illegal to leave labour reserve schools (FZO). In between 1940-45, 50,179 people were convicted under this edict. *Istoriya stalinskogo Gulaga*, p. 623.

[131] GARF, f. 8131, op. 37, d. 749, ll. 12 (report on labour discipline at the Chelyabinsk tractor factory), 62–71 (review by V. Bochkov on court practices during the war).

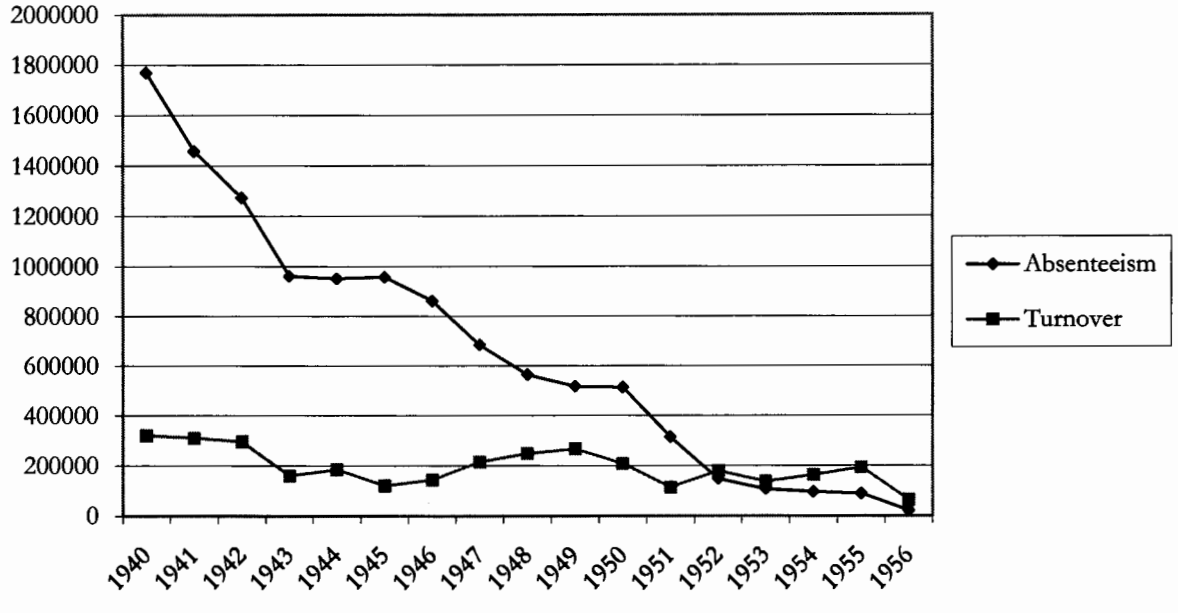
[132] GARF, f. 8131, op. 37, d. 358, ll. 286–7. Top secret telegram from Bochkov to Beriya, September 28, 1940. No personal reply from Beriya has been located. Ibid., l. 301. Prosecutor report from Moscow prisons holding convicts on the edict of June 26, 1940.

numbers.[133] Oleg Khlevniuk mentions however, that in 1940, no less than 50,000 people convicted for absenteeism, had been transferred to a labour camp from prisons.[134] The institutional conflict between the Procuracy and the NKVD on legislative practice is thus aptly illustrated with the edicts on labour. It gives a further rationale as to why the later edict on desertion (edict of December 27, 1941) was to be taken to tribunals under the authority of the more compliant NKVD. A rationale principal such as Stalin would under increased strain (external threat) shift administrative responsibility to his most loyal agents. Chapter 4.2 will provide new evidence on the results of this policy.

A data serie is given in Table 4.2 below which shows sentences for absenteeism and illegal job-changing for the period 1940-56. It complements previously known figures with data on also the last three years in the period, and illustrates the massive extent of convictions.[135] In 1940 alone, over one million workers were convicted for illegal job-changing and absenteeism. As long as Stalin was alive, hundreds of thousands were taken to court on a yearly basis. Around the time of the leader's death in 1953, absenteeism was for the first time surpassed by job-changing as the most common offence. A further factor which stands out is the relative stability of convictions for job-changing, whilst corresponding figures for absenteeism declined much more sharply from its originally much higher level. In the last part of this chapter, further conclusions are drawn including the analysis of the edict of December 26, 1941 (on desertion).

[133] GARF, f. 8131, op. 37, d. 358, l. 112. Note from NKVD prosecutor A. Unzhlag. Exact date not known, probably late September or early October 1940.
[134] O. Khlevniuk, *The History of the Gulag – From collectivization to the Great Terror*, New Haven, CT: Yale University Press 2004, p. 245.
[135] The hitherto most commonly quoted Zemskov figures only contain data up to year 1953. See V. Zemskov, "Ukaz ot 26 iyunya 1940 goda".

Diagram 4.2. Total Amount of Sentences for Illegal Labour Turnover and Absenteeism, 1940-1956.



Source: See Appendix 4.2

The by far most common crime in the USSR in the years 1940-56 was absenteeism from work, and on a distant second place illegal job-changing. The relative share of sentences for these crimes to all convictions is illustrated in Diagram 4.3 below (left vertical axis), together with total data on convictions for all crimes in the same period (right vertical axis).[136] The graph illustrates the extent to which these acts were mass crimes, hovering at 61.5 percent of all convictions in 1940, and then steadily declining throughout the edict's roughly 15 years of existence. The diagram also illustrates that even though the relative share of convictions under the labour edicts did decrease by almost 20 percentage units in this time period, they were still the single most common "crimes" in the country. Only the draconian laws on "theft of socialist property" would subsequently be even near their relative weight (with the law on "hooliganism" at a distant third of about 6 percent in 1940 and 10 percent in 1955).[137]

[136] Based on data in *Istoriya stalinskogo Gulaga*, vol. 1, pp. 611–12.

[137] In fact, one wonders if Stalin did not break a dubious world record, creating such a large amount of sentences in a few years time on the basis of one single edict.

Diagram 4.3. Total Amount of Convictions and Convictions for Illegal Labour Turnover and Absenteeism as a Percentage Share of all Convictions, 1940-55.

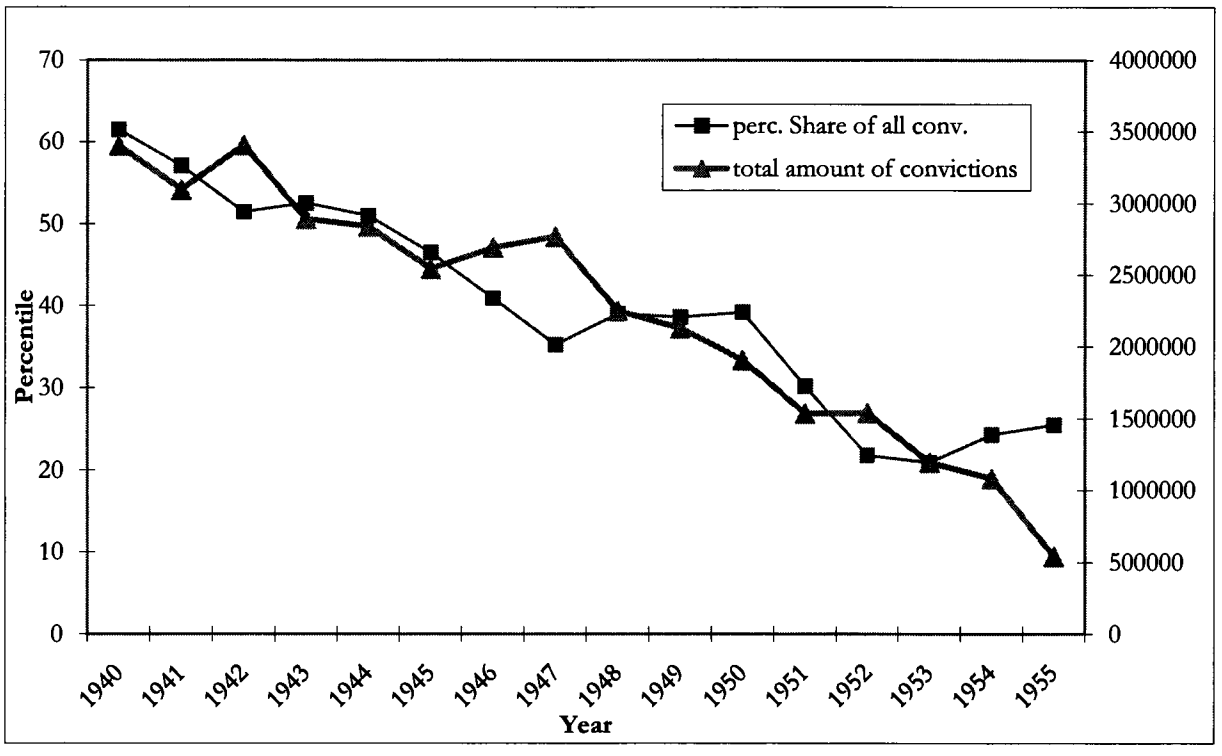


Diagram 4.3 reveals the importance of the labour edicts in Soviet jurisprudence in relative as in absolute terms. As the amount of prosecutions on absenteeism and job-changing decreased in relative terms (i.e. in relation to other edicts), so did the amount of prosecutions *in toto*, as well. The two lines are neatly correlated for significant periods of time, except for an increase in total convictions 1942-45, and early 1950s. The data on total convictions is also an illustrative example of the repression machinery under Stalin. Under conditions of external threat, it seems as if coercion increased and then declined as the threat abated. If this hypothesis holds, it implies that Stalin's use of coercion was more predictable than his use of repression (for example, the timing of the Great Terror still remains a source of controversy among historians).

4.2 Desertion: The Edict of December 26, 1941

While the general Soviet mobilization plans in the 1930s have been rather well researched in recent years, attempts by authorities to regulate labour at the home front during war have remained virtually unexplored.[138] The only articles on labour during the war have focused

[138] O. Ken, *Mobilizatsionnoe planirovanie i politicheskie resheniya. Konets 1920-seredina 1930-kh gg.*, St. Petersburg: Evropeiskiy universitet v Sankt-Peterburge, 2002; A. Meliya, *Mobilizatsionnaya podgotovka narodnogo khozyastvo SSSR, 1921-1941 gg.*, Moscow: Al'pina Biznes Buks, 2004; R.W. Davies, M. Harrison, "The Soviet Military-Economic Effort Under the Second Five-Year Plan, 1933-1937", *Europe-Asia Studies*, vol. 49, no. 3 (1997), pp. 369–406; L. Samuelson, *Plans for Stalin's War Machine: Tukachevskii and Military-Economic Planning, 1925-41*, London: Macmillan,

exclusively on the GULAG camps and special settlements, a narrow focus considering the relatively small role forced labour contributed to the mobilization effort.[139] Of special interest in this section is the edict of December 26, 1941, which made "desertion" from war industry punishable with up to eight years in labour camp. In practical terms, considering that a significant share of industry was on war footing, most job-changing would henceforth be tried in a military tribunal rather than a civilian court. New archival material provides evidence to suggest that Stalin's legislation on labour performed an important role on the home front. This section will outline a micro and macro level analysis on how the edict on desertion was enforced in practice. What factors determined the efficiency of the edict? How did various actors in the administrative machinery enforce the edict, and under what conditions?

The first section provides a short outline of the mobilization for war industry. The second provides a micro level analysis concretizing the factors reducing the enforcement of labour coercion. The last parts provide some macro level empirical evidence and concludes.

4.2.1 The War Economy

Soviet military doctrine had not fully anticipated the theatre of war to be performed on its own territory. Hitler's surprise attack on June 22, 1941 put serious pressure on the ability of the Soviet system to mobilize necessary war resources, as vast industrial regions fell into the hands of a hostile belligerent. Planned output prior to the war had also not been met, and quotas had been subsequently revised downwards. Archival data show, that for the first quarter of 1941, plan targets for war industry were reduced by four percent between February and March. This reduction notwithstanding, the moderated plan for the first quarter of 1941 was still only fulfilled by 87.4 percent.[140] This was the information Stalin had when Hitler attacked, and can explain his at the time known preference for deterrence.

Nevertheless, the outbreak of the German-Soviet war was followed by an unprecedented expansion of defence industry. Mark Harrison has estimated that employment in this sector increased from about 9.8 million workers in 1940 to 17.3 million in 1942. It was also in 1942 that the relative share of industry's employment to the war effort peaked at the almost unbelievable 96

2000. For an early study of the mobilization of industry during the war, see S.R. Lieberman, "The Evacution of Industry in the Soviet Union during World War II", *Soviet Studies*, vol. 35, no. 1 (January, 1983), pp. 90–102.

[139] S. Kotkin, "World War Two and Labor: A Lost Cause?", *International Labor and Working-Class History*, vol. 58 (Fall, 2000), pp. 181–91; S. Barnes, "All for the Front, All for the Victory! The Mobilization of Forced Labor in the Soviet Union during World War Two", *International Labour and Working-Class History*, vol. 58 (Fall, 2000), pp. 239–60.

[140] RGAE, f. 1562, op. 313, d. 550, ll. 7–8. TsSU report on industrial output including the category "war industry" (*narkomaty oboronnoy promyshlennosti*). The original plan goal for output in the first quarter of 1941 had been set to 8,030,000 rubles, then reduced to 7,760,900 rubles and reportedly fulfilled to 6,783,000 rubles.

percent, while GDP dropped about 24 percent compared to the previous year.[141] In other words, this year was the decisive year for the Soviet war economy which merits an investigation into the workings of the home front. Official historiography did not seriously consider the social and political conditions in the country during the war. And foreign scholarship was severely restricted in access to informative sources. In his well-known treatise on World War II, high ranking member of government and director of Gosplan Nikolai A. Voznesensky remembered, that:

> In spite of the influx into production of new personnel with little training, socialist labour discipline was enhanced and the productivity of labour increased everywhere in the USSR during the war-economy period... Productivity of labour during the Patriotic War increased both as a result of greater output per unit of work time, achieved primarily by rationalizing production processes, and the prolongation of work time by cutting stoppages and absenteeism, and by overtime work.[142]

It is safe to assume that this rendering of the mobilization of labour during the war is slightly stylized. As was noted in an authoritative study by John Barber and Mark Harrison, labour turned out to be the "ultimate bottleneck", constraining the war potential of Stalin's Russia as well as of Hitler's Germany. Not only was there the risk of sending too many working hands to the front, the actual level of productivity and work moral had to be kept under strict control. This required careful mobilization, meaning that all resources were directed towards the war effort, and coordination, meaning that the mobilized resources were also efficiently proportioned.[143] The political pressure was a *sine qua non* in this effort. In early 1942, Bochkov reminded all the branches of the Procuracy, that one of their main duties during war:

> [c]onsists in the steadfast struggle against the disorganizers of the home front – counterrevolutionaries, wreckers of socialist legality, speculators, embezzlers, disturbers of labour discipline and various criminals – interfering in the defence work of our country.[144]

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[141] M. Harrison, *Accounting for War. Soviet production, employment, and the defence burden, 1940-1945*, Cambridge: Cambridge University Press, 1996, pp. 118–24. Change in GDP calculated by dividing year 1942 data with those of 1941. Harrison's original measure is estimated in billion international dollars and 1985 prices, with an approximation of 297 billion in 1941 and 227 billion in 1942 for the USSR.

[142] N.A. Voznesensky, *Voennaya ekonomika SSSR v period otechestvennoy voyny*, Moscow: OGIZ, 1948, pp. 113–14.

[143] Rendered as in J. Barber, M. Harrison, *The Soviet Home Front*, pp. 143–44, 152–53.

[144] GARF, f. 8131, op. 37, d. 37, l. 62. Top secret telegram from Bochkov, dated February 1942.

Initial mobilization to the armed forces had begun on September 1, 1939, with the law of universal military service.[145] A further edict of July 6, 1940 had decreed that any "willful absence" (*samovol'naya otluchka*) from one's military unit was to be treated as desertion, rendering a sentence of 5 to 10 years in peace time, and death followed by confiscation of property in war time.[146] As concerns coordination of labour power, the Labour Committee was founded on June 30, 1941, responsible for the mobilization of labour to war industry. In the same year, about 826,000 youth, primarily male, were recruited from the countryside to Labour Reserve Schools (FZO), preparing them for work at strategically important enterprises.[147] In February a year later a decree instructed the recruitment to factories and enterprises of men 16 to 55 years of age, and women 16 to 45 years of age. In late 1942, there was a further decree "on the lessening of bread norms for absentees", a not insignificant measure in a time of severe strain on food supplies.[148] The passport law regulating movements between the countryside and regime cities was also still operating.[149]

4.2.2 The Combat against Desertion

The expanded edict on desertion is counterintuitive in the sense that job-changing was already a crime. As the previous analysis has shown however, authorities remained unsatisfied with the outcome, considering the present legislation insufficiently deterring. The fact that war industry was thus subjected to increasing coercion is no coincidence. The more productive (important/prioritized) the industry, the more should employers be willing to apply coercion. This is a paradox, since under market conditions, enterprises with a higher marginal productivity of labour make the workers better – and not worse – off. Under conditions of labour coercion in a non-market economy, it was the exact opposite.

Soon after the edict on desertion had been implemented, a new government resolution, dated January 3, 1942, (signed by Voznesensky), instructed directors of all defense industries and their related enterprises to no sooner than one day after a desertion had been established, report the case to a military prosecutor (in places with no military prosecutor, to the regional prosecutor).[150]

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[145] S.N. Mikhalev, *Voennaya strategiya. Podgotovka i vedeniye voyn novogo i noveyshego vremini*, Moscow: Kuchkovo Pole, 2003, p. 595.

[146] GARF, f. 8131, op. 27, d. 969, l. 41. Top secret letter from V. Bochkov to V. Voznesenskiy describing the law of July 6, 1940 on desertion from the army, signed March 5, 1942. .

[147] GARF, f. 9507, op. 2, d. 418, l. 1. Document containing statistics on enrollment to FZO for the years 1940-47.

[148] GARF, f. 8131, op. 37, d. 749, l. 64. Document containing a description of the edict "on lessening of bread norms for absentees".

[149] GARF, f. 8131, op. 37, d. 976, l. 185. Top secret document from the head of the department of surveillance at the *militsiya*, Prokudovich, dated March 4, 1943.

[150] Unpublished government resolution, no. 6, January 6, 1942. "O poryadke napravleniya v voennie tribunal del o prestupleniyakh predusmotrennykh Ukazom Presiduma Verkhovnogo Soveta SSSR ot 26 dekabrya 1941 goda".

The prosecutor was then to "in no late terms" bring the accused to a military tribunal with the relevant material and "selection of proper measures of suppression". The material to be brought was to include:

- the factory's note on details of the actual desertion
- personal documents (passport, military documents)
- information on disciplinary background and if there were previous recorded transgressions on the worker

The typical "measure of suppression" for desertion was five to eight years in a labour camp.

The People's Commissariat of Justice began reporting to the State Defence Committee (GKO) – the small group of selected leaders under the command of Stalin who in effect had replaced the Politburo during the war – in early March on the handling of the edict on desertion. These documents are a valuable source on the evacuation of industry and the subsequent mobilization of the home front. Due to organizational problems, it was reported that "machinery was standing in the snow" at the factory property, while some parts had simply not arrived on time or disappeared. As regards social aspects of labour, "the majority of all instances of desertion" were from "the war industry of the Ural war region, i.e. such regions as Sverdlovsk, Molotov and Chelyabinsk, where such a significant share of the evacuated war factories are kept." Many deserters were in fact young men from the occupied industry regions of the Ukraine, who had arrived "by foot, and whose clothing and shoes had been worn out. At the new place of work, no preparations for their arrival had been made."[151] This chaos and struggle constituted some of the main economic ramifications following the first phase of Germany's speedy advance.

Because of the administrative situation, with its large movements of personnel and material across the country and administrative chaos, strict legislation on desertion could not be enforced. The anatomy of this process can be summarized as follows. Factory managers were screened for employing deserters, a move which "seriously threatened to increase the amount of deserters... when the strengthening of labour discipline" continued to be "one of the most urgent tasks."[152] On the other hand, factories needed all the workers they could receive so as to uphold production; and managers therefore had incentives to collude with workers regardless of their

[151] GARF, f. 8131, op. 27, d. 969, ll. 27, 36. Secret reports from Bochkov to the GKO members Stalin, Molotov, Malenkov, Beriya and Voznesenskiy, dated March 3, 1942 and March 7, 1942 (only to Voznesenskiy).
[152] GARF, f. 8131, op. 27, d. 969, l. 105. Secret report from V. M. Bochkov to A.Ya. Vyshinskiy on March 20, 1942.

background. A further issue was the difficulty in actually locating the accused deserters. This problem was so significant that it gave rise to a legislative innovation. In order to simplify procedures, the NKVD issued order no. 002375/00438/113ss, dated October 28, 1942, instructing organs of the *militsiya* – in case the accused could not be found – to transfer within five days all cases on desertion back to the procurator's office for further redirection to a military tribunal which then would revise the case, with or without the accused present. This last aspect was decisive. In fact, the majority of all cases on desertion during the war came to be administered by the tribunals with the accused in absentia, who in turn would be convicted but "on paper", while *de facto* "continuing to move from one enterprise to another". That is, most people who were summarily handed long sentences for desertion were in fact never caught, and thus remained unpunished.[153] It is possible to identify at least three different types of restraints which together reduced the efficiency of the labour mobilization and the edict on desertion (and also the earlier edict of June 26, 1940):

- administrative congestion
- administrative and managerial non-compliance
- economic and social factors

These three aspects are concretized below.

4.2.3 Administrative Congestion

A major factor on the home front was the *administrative congestion* and lack of proper information on the whereabouts and standing of mobilized workers. Cases on desertion remained at the desks of factory directors and procurators for up to three to four months, and in the meantime, the accused would be able to relocate. There was a managerial rationale for this. During the first days of desertion, there was really no way the manager could determine whether the employee had committed desertion, or was simply absent (*progul*), and thus expected to soon return to work. When desertion could finally be established, the worker was nowhere to be found.

A case in point mentioned in the reports was a lathe operator at trust no. 21, Skrivers (given name and patronymic not known), who had failed to show up at his enterprise from August 3, 1942. From that date, it had taken 4.5 months to complete an investigation into the reasons for his absence, and only on December 21, was there an application to formally charge him with

[153] RGANI, f. 6, op. 6, d. 1487, ll. 3–4. Quotes as in a Party Control Commission report, dated March 3, 1943.

criminal responsibility. The procurator did not receive the material until January 28, 1943, almost half a year too late. From the available material, it seems such administrative delays in handling transgressions were common place.

Deserters could escape legal measures not because they had necessarily left the town or region. In many instances, there were simply no resources among the *militsiya* to instigate a search process. They were understaffed, lacked basic means of communication and had plenty of other urgent tasks at their hands. Under conditions where search became increasingly costly, administrative organs had to opt between leniency and abuse. Many reports note, that deserters would often continue to live at the same place not far from work, without anyone ever looking for them.[154] Reports from the later years of the war mention workers convicted twice for desertion from two different employments in absentia, but still remained unpunished. Other workers could remain arrested for 2–4 months for desertion without authorities being able to establish their designated place of work or even exact identities. This was typical as regards young workers recruited from regions of the Caucasus, Uzbekistan, Kirgizia, Tadzhikistan and Turkmenistan, who did not necessarily know the name or exact location of their factory (in part a downside of the secretive Soviet system).[155]

4.2.4 Administrative and Managerial Non-Compliance

Secondly, there was *administrative and managerial non-compliance* at different levels. This non-compliance did not only imply that agents lower down the hierarchy necessarily refused to take measures considered too coercive. Ordinary bureaucratic aspects had simply collapsed. This meant that aspects of common managerial practice could simply not be fulfilled, as regards for example the registration of workers' home address and whereabouts. For such reasons, authorities found it increasingly difficult to search for missing deserters. The outcome of this was increasing congestion and inefficiency. It could happen that workers, who were hospitalized or recruited to the Red Army, would in fact be prosecuted for desertion. A worker woman, M. Kosykh, employed at factory no. 82, was sentenced in absentia on December 18, 1942 to five years of forced labour for desertion. Upon examination, it turned out that she had fallen ill, even though the Krasnogorsk police and procurators had insisted she had in fact deserted and was in hiding. In other instances, authorities prosecuted invalids and others who in fact turned out to be in the hospital or at another work site.

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[154] GARF, f. 8131, op. 37, d. 980, l 2. Report from Bochkov to deputy people's commissar of NKVD, Merkulov. Dated January 24, 1942.
[155] GARF, f. 8131, op. 37, d. 1435, l. 4. Secret report from Bochkov to Vyshinkskiy, dated January 4, 1943.

A separate NKVD report tells the story the worker I.V. Afinogenov at factory no. 54 in the city Nitva, who had been sentenced in absentia to six years in labour camp for desertion on August 31, 1942. Upon examination, it turned out he had died in a hospital from heart failure already on August 17. Enterprise management had not noted his absence until almost two weeks later, and the *militsiya* had never attempted to search for him.[156] Another NKVD report noted the case of I.K. Zanegin at factory no. 82 in Moscow oblast, who was sentenced to five years on November 29, 1942 for desertion. Upon examination, it turned out he had in fact never deserted, and was still working at the same factory. Another worker was absent for illness for five days, but had then returned and worked double shifts. Nevertheless, the enterprise director had reported him as a deserter, and he was sentenced to five years.[157]

At the Kirov factory in Chelyabinsk oblast, V. Korovin, L. Marvin and T. Galimzhanov, were to be dispatched to the front, a formal decision they had notified the administration. Nevertheless, upon noting their absence, the factory director reported them as deserters, and they were subsequently convicted to a labour camp. This is striking in many ways. According to the official statutes of the Labour Committee, workers in defence industry were exempted from conscription to the Red Army, as they were technically subject to military service already. But in practice, authorities did not always know where people were employed, and much was subject to negotiation at the enterprise level. Apparently, this could also involve completely innocent people being severely prosecuted. Only in July 1943 was there a specific edict explicitly granting deserters freedom from liability if they had been recruited to the Red Army.[158] The very fact that such an edict was needed speaks for itself. Such was the level of administrative chaos and even overt falsification or cheating during the war; and illustrates that loyal agents made an active decision between leniency and abuse under conditions of increasing search costs.

4.2.5 Economic and Social Factors

A third factor which reduced the level of enforcement was the strong downward pressure on the standards of living and poor housing conditions, with young men and women cramped into cold barracks in unsanitary conditions and a general shortage of proper clothes, food and water. At the enterprise level, this translated as a commitment problem. Under conditions where employers cannot uphold the fair wage levels, coercion should theoretically be reduced. The work and living

[156] RGANI, f. 6, op. 6, d. 1487, l. 36f. Secret report by Andreev, head of department, NKVD military tribunal. Dated January 20, 1943.
[157] RGANI, f. 6, op. 6, d. 1487, l. 76. Secret report by Zaytsev, head of department, NKVD military tribunal in Moscow oblast. Dated February 22, 1943.
[158] GARF, f. 8131, op. 37, d. 1612, ll. 65, 99. Document dated no earlier than July 17, 1943.

conditions had needless to say declined sharply during the war. In certain instances workers would even prefer to remain in the factories over night, where there was usually functioning heat and perhaps access to clean water. Problems arose however if people were relocated between work places or could not work due to lack of proper clothing. Obviously, poor living conditions were an important reason for desertion.[159] Documents mention the women worker Shirpova whose lack of winter clothes had forced her to return home to collect some basic articles. As she eventually arrived in her home town she decided not to return, and the procurator closed the investigation. This illustrates that there was an administrative resistance to prosecute cases considered too strict, too costly or simply counterproductive. It was in other words not obvious whether high search costs should favour leniency or abuse, making the legislation increasingly arbitrary.

There were many reasons authorities could refuse to prosecute. The directors at the Aviation Motor Factory no. 466 (Gorky oblast) were accused of having shown "instrumental" and "formal bureaucratic" tendencies in arranging their list on 734 deserters. The reason is that upon closer investigation by the prosecutors' office, 137 of these were discontinued as unfounded. In 10 cases, the accused were actually in the hospital, in 8 cases in school or training, in 18 cases in the army, and in 38 cases they were under 16 years of age whereas in 53 instances, the cases were closed since there had been poor living conditions in connection to the factory.[160] Azarnova, employed at Moscow factory no. 82 during the war, explained to the court about the reasons for her desertion (in fact only a longer period of absenteeism):

> My absenteeism has to be seen in relation to my mother's illness. After six days of tardiness, I was afraid to go back to work. All in all, I was absent for twenty days. I would much rather work, and rather than to receive five years in prison, I would join the army [RKKA].[161]

The court decided not to prosecute Azarnova for desertion and she continued her work at the factory. Another major factor at the enterprises was living conditions, which were indisputably poor. The dormitories at the Kirov factory were reportedly dirty, cold and lacked proper beds and heated water (or even fresh drinking water). The report mentions five sections holding 5,000 workers, which shared *in toto* 3,272 mattresses, 3,643 blankets, 1,892 pillows and 1,652 bed-

[159] Andrei Markevich and Andrei Sokolov have argued that living and family conditions were the major reason for young workers to abandon their place of work during the war in their case study of the Moscow steel factory "Serp i molot". See A. Markevich, A. Sokolov, *Magnitka bliz i Zavodogo Kol'tsa*, pp. 168–9.
[160] RGANI, l. 5.
[161] Quoted in procuracy report, see GARF, f. 8131, op. 37, d. 2271, l. 2 (document not dated, probably early 1945).

sheets, all of which were cleaned only "very rarely". For these reasons, many workers stayed at the factories for prolonged periods of time, "living in the workshops and sleeping on the floor near the machines." Due to these conditions, they were not able to rest properly and regain their strengths during breaks from work. Already in early 1942, it had been noted that due to lack of medicine and sanitary conditions, typhus was spreading in the most overcrowded living spaces.[162]

Unforeseen insights into everyday living conditions have been gained from letters intercepted by the NKVD / NKGB censor organs of the postal service during the war. Security organs scanned thousands of letters, registering "complaints" and forwarding a not insignificant share of them to prosecution. People were dying at their workplaces from undernourishment and stress. It suffices here to quote one worker Dobrovol'skaya in Chelyabinsk, who in a letter to her family described that:

> Workers at the section are dying right by the furnaces, where those who are still alive are taken and sent to the hospital. Here they obviously die, from having no nourishment. In Chelyabinsk people are no longer buried alone in their pits, but by parties of 20–30 people in one single pit.[163]

Hunger deaths increased significantly during the war. But one needs to bear in mind that deaths due to hunger during the war were also work-related, since what killed people was not the shortage of calories in absolute terms, but the shortage of calories relative to the increased expenditure of calories demanded by long hours of heavy labour, coupled with calories expended walking long distances to and from work because transport was not working, not to mention calories expended on household chores, such as hauling water in buckets.[164]

In conclusion, there were major restraints on the enforcement of the edict on desertion due to a number of factors: congestion, non-compliance and economic and social factors. These aspects reinforced one another in creating administrative delays, chaos, poor living conditions, abuse, and/or leniency (depending on the cost of non-compliance, search could be either abusive or lenient). How authorities responded will be briefly outlined as follows, and the last section concludes with quantitative data on convictions for the whole war period.

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[162] GARF, f. 8131, op. 27, d. 969, ll. 150–7.
[163] GARF, f. 8131, op. 37, d. 980, l. 100. NKVD report on "complaints" intercepted by the NKGB control organs. No date, probably early 1943.
[164] I am grateful do Donald Filtzer for this comment.

4.2.6 Reactions

The enforcement of the edict on desertion was becoming increasingly costly already in early 1942, evidenced by the administrative complaints and non-compliance. No one less than Vasili Ulrikh, head of the mighty Military Collegium of the Supreme Court of the USSR, intervened on December 24, 1942 in a memorandum to the head of the Soviet Supreme Court. In an extraordinarily sharp tone, he rebuked the tribunals for not showing enough lenience towards especially young workers from 16 to 18 years of age. Commenting on the amount of convictions in the period July-September, he noted that:

> Such an enormous amount of convicted workers from war enterprises in only three months evokes in me personally an enormous uneasiness and compels me to warn you of the problems as regards the issue of bringing to trial on the edict of December 26, 1941. The amount of young workers (under 18 years of age) convicted deserves especially steadfast attention.[165]

This is an interesting comment for someone who five years earlier had been a major culprit in organizing the Great Terror, and who throughout his career passed the death sentence on thousands of citizens.[166] Ulrikh's major argument was that these young workers (the deserters) had often been recruited from the Labour Reserve Schools (FZOs) and kolkhozes and had little experience from industry. Often their girlfriends or family members could be at a different geographical location, or possibly at the front. He even noted instances where workers under 16 years of age had been sentenced for desertion. *O contrario*, an important Party Control Commission (hereafter PCC) report on desertion concluded that the government resolution from January 3, 1942 had been "issued in good time", and that it had "indisputably given proper results in the strengthening of labour discipline at the enterprises. However", the report continued:

> If enterprise directors, party organizations, organs of the prosecutor's office and *militsiya* had put to practice all the legislative measures corresponding to this resolution – it would have achieved significantly better results.[167]

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[165] RGANI, f. 6, op. 6, d. 1487, l. 22. Secret document from V.V. Ulrikh to the head of the Supreme Court, I.T. Golyakov. Document dated December 24, 1942.

[166] Presiding in the position a head of the Military Court, V.V. Ulrikh had been responsible for leading some of the major show trials during the Great Terror (1937-38), among others against Mikhail Tuchachevsky and Nikolai Bukharin and other previously high ranking Bolsheviks. See M. Jansen, N. Petrov, "Mass Terror and the Court: The Military Collegium of the USSR", *Europe-Asia Studies*, vol. 58, no. 4 (June, 2006), pp. 589–602.

[167] RGANI, f. 6, op. 6, d. 1487, l. 7. On March 4, 1943, Stalin's personal secretary and assistant Alexander Poskrebyshev received a secret memorandum from the Party Control Commission on the implementation of the edict of December 26, 1941, "on desertion from war industries". This was standard procedure in the Soviet system of secrecy. In principle, most communication to Stalin was received in the first instance by his secretary, and it was expected he would either forward the information directly, or summarize it in written or oral form in person, to his

That is, more workers would have been located and properly sent to labour camp had only the authorities been more resilient. This is a conclusion that should be expected from an agent who was loyal and/or without political clout. The comments by Ulrikh are therefore the more revealing. The PCC memorandum is however relevant because of the response it triggered: a secret government resolution "on the strengthening in the struggle against willful leaving (desertion) of workers and clerks from enterprises in the war industry", dated no later than March 18, 1943 and signed by people's commissar Molotov. [168]

Molotov's resolution nullified the previous NKVD order from October 28, 1942. It obliged the security police to search for deserters during the preliminary investigation and only entrust employees of the *militsiya* the responsibility for its carrying out. This made sense, considering the amount of reports testifying to the non-compliance of the police organs. The archival material shows instances where the *militsiya* had given information "that the citizen was no longer living at his original address", when they in fact "had never searched for him".[169] The original edict had now been strengthened on at least three separate occasions. In the first step, the edict of December 26, 1941 had lifted responsibility away from civilian courts in preference for the more loyal (compliant) courts of the security police. In the second step, procedures had been simplified allowing the military tribunals to convict workers in absentia. Now, in the third step, further measures were taken to shift responsibility away from organs considered too lenient – the ordinary police (*militsiya*). Further, in case the suspect was not located within a month, he could still receive a verdict by a military tribunal in absentia, but factory directors were to hold legal responsibility for providing authorities with untruthful information on workers and other employees. Managers were also to be held responsible for holding a "criminal-bureaucratic attitude" – whatever that might entail – towards the living conditions and needs of the employees, and recruitment was to be regulated so that it was possible only if the worker could be provided for. This was a way of reducing the commitment problem, so that managers would in turn apply coercion more strongly. Overall, party organs were instructed to further strengthen the total system of control throughout the mobilized parts of industry. That is, during the first

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boss. For an excellent study of the concealed structures of communication under Stalin rule, see N.E. Rosenfeldt, *The "Special" World. Stalin's power apparatus and the Soviet system's secret structures of communication*, in two volumes, Copenhagen: Museum Tusculanum Press, 2009, especially pp. 558–60 on Poskrebyshev's role during World War II.

[168] Unpublished government resolution (project), no sooner than March 18, 1943. "O merakh po usileniyo borby s samovol'nym ukhodom (dezertirstvom) rabochikh i sluzhaschikh s predpriyatiy voennoy promyshlennosti". A project version of the resolution can be found in GARF, f. 8131, op. 37, d. 1435, ll. 103–4.

[169] RGANI, f. 6, op. 6, d. 1487, l. 41–44. Report from the Party Control Commission of the Communist Party in Chelyabinsk oblast. Dated February 5, 1943.

year of the edict's existence, coercion was still enforced and leniency suppressed. As long as the conditions of strain persisted, increasing coercion was used to enforce compliance at privileged enterprises.

4.2.7 Sentences and Practice of the Edict on Desertion

In conclusion, how many convictions were there for desertion? Quarterly data exist for almost the whole of 1942, for the NKVD tribunals, as well as those under the jurisdiction of the Red Army and Transport (railways and water). These provide evidence to suggest, that convictions for desertion were by no means negligible, and further that the Soviet legal system seemed to emulate an otherwise well known feature of industry, i.e. *storming*. In the beginning of the year, prosecutions were low, and the system was systematically filled up with unresolved cases. A majority of all convictions in 1942 were passed in the last quarter. This implied that months had already passed when the deserters were eventually charged, and the suspects were nowhere to be found. It illustrates how congestion became an integral aspect of the Stalinist repressive machinery. The evidence for 1942 suggests that NKVD tribunals charged about 58.1 percent of all deserters in absentia.

Table 4.3 gives the number of sentences on desertion by all the different courts. Regulations as regards transport had been further strengthened with edicts of April and May 1943, making desertion from rail and water transport punishable with in between three to ten years. It is interesting to note however, that such convictions – though negligible in context – were possible already on the basis of the original edict of December 26, 1941.[170]

[170] V.N. Zemskov, "Ukaz ot 26 iyuniya 1940 goda", p. 46.

Table 4.3	Number of Sentences Under the Edict of December 26, 1941, in Military Tribunals of the NKVD, the Red Army and Military tribunals of Railways and Water Transport, 1942.				
Period of Time	**Military Tribunal of the NKVD**		**Military Tribunals of the Red Army**	**Military Tribunals of Transport**	**Total**
	All	**In absentia**			
First Quarter	4,280	2,566	3,006	160	7,446
Second Quarter	6,268	2,531	2,056	146	8,470
Third Quarter	23,629	13,061	12,629	281	36,539
Oct.-Nov.	24,091	11,882	11,920	2,333	38,344
December*	20,138	15,516	7,624	1,746	29,508
Total*	78,406	45,556 (58.1 %)	37,235	4,666	120,307

Source: RGANI, f. 6, op. 6, d. 1487, l. 29

* Data yet not complete for December as report was written.

The level of administrative congestion is further illustrated by data on cases received which remained unprocessed. Such evidence exists for the Ural region, the key hub of the Soviet home front (Table 4.4). The data suggests that procurators and tribunals were able and willing to process only a minor share of their total case load. Out of 53,240 cases received in 1942, only 35,120 (65.9 percent) had been processed and out of those, some 22,104 (62.9 percent) of the accused were not present when prosecuted. The inefficiency also seems to have been spread out relatively even across the four quarters, even though the total case load increased significantly in the last two quarters of the year.[171]

Table 4.4	Number of Sentences under the Edict of December 26, 1941, in Military Tribunals of the NKVD in the Ural Region, 1942.					
Time Period	**Cases Received**	**Cases Processed**	**Of which *in absentia***	**Investigations**	**:As Percentage Share**	**In Preparation**
First Quarter	3,187	1,831	1,090			769
Second Quarter	5,292	2,597	1,060			2,777
Third Quarter	23,458	15,358	9,143			6,671
Fourth Quarter	21,303	15,334	10,811			4,535
Total	53,240	35,120	22,104	1,422	5,1	14,752

Source: RGANI, f. 6, op. 6, d. 1487, l. 17.

[171] It has been previously noted that authorities' propensity to prosecute for "desertion" had been low in the post-war years. The NKVD data here quoted suggests that this is a tendency which originated already during the first year of the edict's existence. For the post-war period, see D. Filtzer, *Soviet Workers and Late Stalinism*, pp. 165–9.

A sample survey of all those convicted in 1942 also illustrates some general characteristics of the average deserter. Of a survey of totally 35,758 cases, there were 27,275 men (76.3 percent) and 8,483 women (23.7 percent); 10,942 persons were under 18 years of age (30.6 percent); and 14,089 were in between 18–25 years of age (39.4 percent). Only a fraction of those convicted were party members or candidate members (3.6 percent), whereas 3,959 had been previously convicted (11.1 percent), typically for a previous labour disciplinary infraction.[172] That is, the average deserter was not surprisingly male, young and with short work experience (typically recruited from the countryside), which suggests that coercion was more easily applied against relatively non-skilled labour.

Statistics from the NKVD also provide information on the share of those convicted in absentia who were also located by authorities (Table 4.5). The data illustrates the difficulties there were in fully enforcing the strict regulations on desertion from war industry, as the majority of all those convicted were in fact never found. According to the NKVD, tribunals in major industrial hubs like the Ural and Privolzhky regions were unable to locate more than five percent of all those convicted in absentia during 1942. That is, deserters who remained in hiding could be close to confident they would remain unpunished. In total terms, the punishment rate for all convicted in 1942 was about 40 percent.

Table 4.5 Amount Located of those Sentenced in Absentia for Desertion by NKVD Military Tribunals, 1942.

Military tribunal (by Distrcit)	**All Convicted in Absentia**	**: Of which Located**	**: Located As Percentage Share**
Ural	22,104	1,422	5,1
Privolzhky	12,004	646	5,3
Western-Siberian	3,534	143	4,4
Moscow	6,670	552	8,3
Khabarovsk	118	16	13,9

Source: RGANI, f. 6, op. 6, d. 1487, l. 31.

Note: The data for 1942 is not complete, as data for December had not been completely processed.

We noted how the regime had attempted to circumvent non-compliance and collusion with a series of amendments to the original edict. In concrete terms, prosecutors, factory managers and police had few incentives and little capacity to actually enforce the word of the law. The political

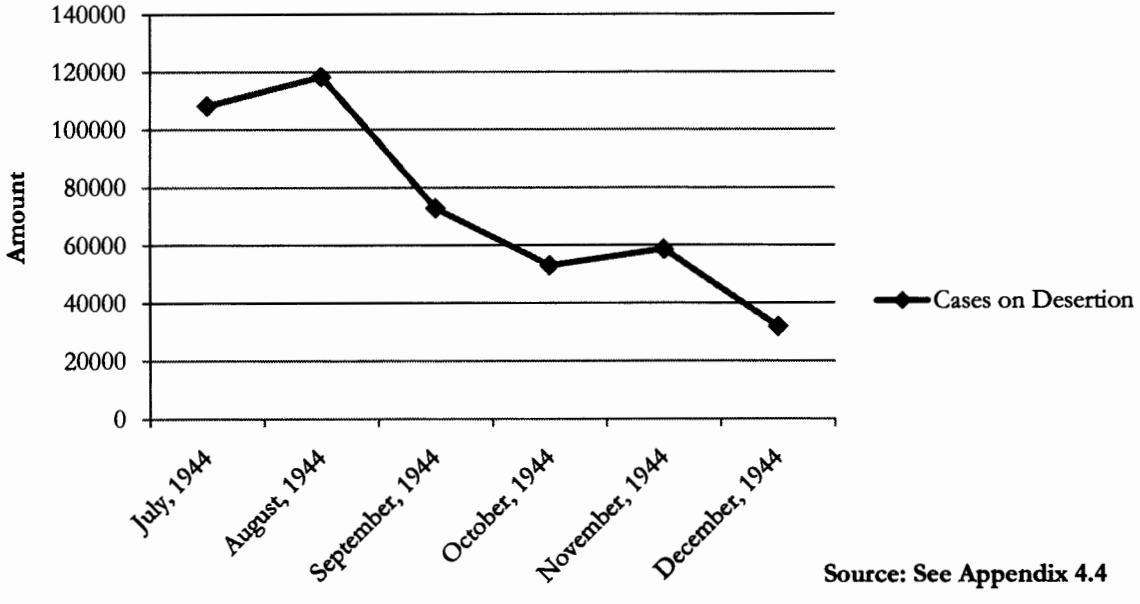
[172] RGANI, f. 6, op. 6, d. 1487, l. 121.

response to these moral hazard problems was to subject also these groups to coercive measures. In some instances, factory managers were sentenced to three years in prison for neglect of newly arriving workers, production or evacuated machinery, though such convictions were rare.[173]As noted in Table 4.2, managers were also sentenced to prison from 5 to 10 years for protecting absentees and deserters. For example Gorbunov, head of the aluminum factory in Kemerov oblast, was sentenced to ten years for having falsified over 100 cases of desertion during the first war years.[174] Police officers were also occasionally convicted for "criminally-negligent attitudes towards the search for deserters", typically for ten years in prison, as were factory timekeepers who inaccurately recorded the presence of employed workers. Unfortunately however, no systematic yearly data seems to exist on any such convictions.[175] It is safe to assume however, that the regime utilized its repressive machinery to enforce coercion, maximizing convictions at the highest equilibrium level of congestion and compliance available under the existing economic/technological constraints.

As the war reached its conclusion, pressure to prosecute deserters dramatically changed. The amount of cases sent to the Procuracy decreased from 108,194 cases in July 1944, to 31,821 cases in December the same year (Diagram 4.4). As the amnesty became known throughout society, many former deserters returned to their previous site of employment. For example, out of 205 people who returned to factory no. 60 in Frunze, 124 had in fact never left the town, and 72 had remained in the oblast.[176] That is, most people had continued their work either at some other town enterprise, or returned to work at some nearby farms. As the external threat abated, coercion was reduced.

[173] GARF, f. 8131, op. 27, d. 969, ll. 28, 138. For example, director S.E. Obrant at the Kirov factory was convicted for "massive delays" in dispatching necessary output and failing to uphold labour discipline.
[174] GARF, f. 8131, op. 27, d. 1797, ll. 38–40. SNK report to Molotov on desertion, dated August 4, 1944.
[175] GARF, f. 8131, op. 27, d. 1797, l. 157.
[176] GARF, f. 8131, op. 37, d. 2271, l. 52. Secret report to Malenkov, dated April 13, 1945.

Diagram 4.4 Cases on Desertion Sent to the Procuracy, July - December 1944.



Source: See Appendix 4.4

4.3 Concluding Remarks

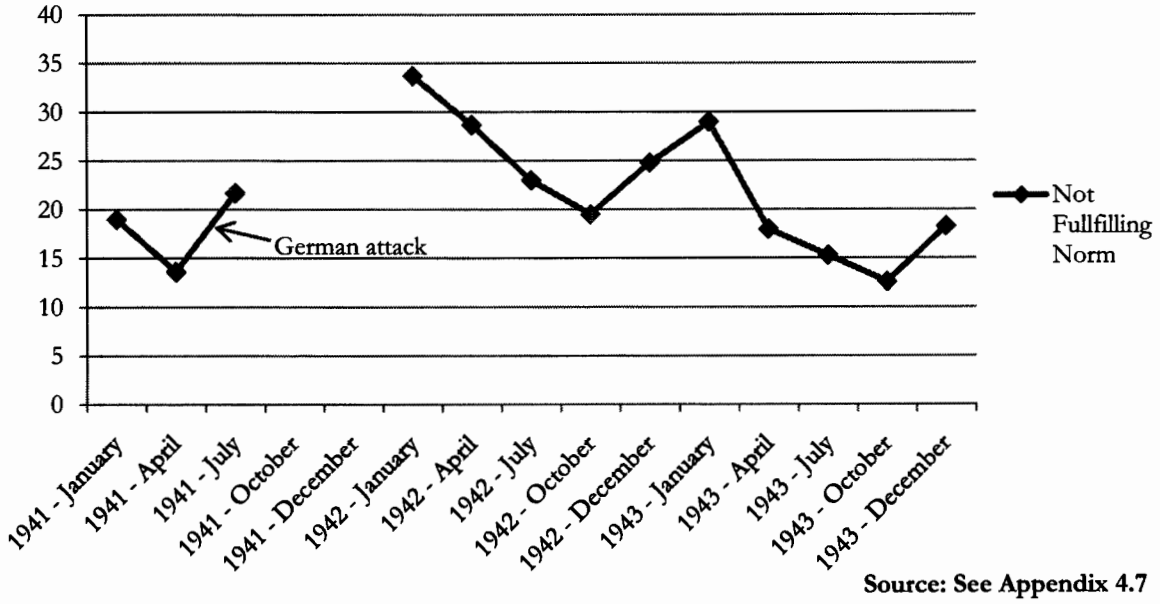
This last section can be divided in three parts. The first part attempts to examine the efficiency of labour coercion, showing to what extent the edicts on desertion and absenteeism produced their expected outcome in actually increasing effort. The second part provides longitudinal data on the conviction rates, illustrating the dynamics of Stalin's repressive machinery. It shows how the edict on desertion was enforced, and the potential reasons for its final relaxation. The last part summarizes the whole chapter.

4.3.1 Efficiency of Labour Coercion

This chapter has shown how the enforcement of the edicts on desertion and absenteeism could be mitigated by congestion and non-compliance; which in turn raises an important question: was the legislation efficient? That is, did illegal job-changing decline and effort increase under conditions of imperfect monitoring? No total data seems to exist on job-changing in the country during the war, but we have data on desertion in ferrous metallurgy (i.e. steel and pig iron), encompassing important sites for the war effort such as the Magnitogorsk works. The well organized archival collection of the steel industry suggests they took all aspects of legislation seriously. As should be expected, the illegal share of job-changing (desertion) did decline somewhat compared to the pre-war situation. As a relative share of the workforce, 9.7 percent of the workers deserted in 1942, as did 11.2 percent in 1943 (with a total turnover rate of about 30–40 percent, including leaves to the Red Army). As regards effort, no independent measure exists

which would allow us to control for the coercion effect. Not the least because wages were also increasing fast (though under conditions of rationing, purchasing power remained weak). We know that about 25 percent of the employees in ferrous metallurgy were counted for absenteeism in 1942, as were 16.5 percent in 1943, implying that in total, some 30–35 percent committed a "labour disciplinary infraction" during an average year.[177] As was previously shown however, the majority of all these cases can be explained with reference to the conditions during the war, and the fact that the legal campaigns against absenteeism had been significantly more far reaching in the beginning of the war. Such measures should therefore be handled cautiously. A diagram (Diagram 4.5) on non-fulfillment of work norms in ferrous metallurgy for 1941-43 illustrates more reliably the exogenous nature of the productivity decline.

Diagram 4.5 Non-Fulfillment of Work Norms in Ferrous Metallurgy (percentage share of workforce), 1941-43.



Source: See Appendix 4.7

The diagram illustrates how mobilization for war on the home front by and large followed the pattern described by Voznesensky in his treatise on the war economy (quoted in Chapter 4.2.1). Non-fulfillment began to increase immediately with the German attack in June 1941, as distribution links were disturbed and experienced male workers were recruited to the front, being replaced by women workers who needed initial training. As one document reveals, declines in performance were "the result of inadequate social conditions, especially for newly recruited

[177] RGAE, f. 8875, op. 46, d. 103, ll. 4–20. I am much grateful to Donald Filtzer for generously sharing this source with me.

workers." The major causes of stoppages were sickness, invalidity and death.[178] In early 1942 however, productivity began to increase again, soon stabilizing at a level on par with the pre-war conditions.

In conclusion, the impact of the edict on illegal job-changing/desertion remains difficult to assess, because even though it was low in relative terms, total turnover rates were still quite normal in comparison with pre-war levels, much because of the large recruitment to the army and because of increases in sickness. Similarly, data on convictions on absenteeism remain a very poor proxy for efficiency. The major causes of increases in inefficiency during the war were exogenous, and had little relation to the purported compliance of individual workers. In fact, performance would rebound only some six months after the initial shock.

4.3.2 Labour Coercion in Practice: Theory and Evidence

From an economic point of view, a rational dictator would set an equilibrium level of coercion which maximizes the amount of deserters convicted, with the least amount of congestion in the state administration. To make a rational choice simply means to choose the most preferred option among different feasible alternatives. This suggests that he would allow for more simplified procedural methods if there was a signal that coercion was either inefficient or too costly, or else there would be administrative resistance to comply. An alternative theory could be that Stalin did not care for the actual amount of convictions or risk for congestion in the state apparatus, and that the main target was prophylactic, expecting that draconian legislation would be a sufficient deterrent warranting its costs. Only an empirical analysis can solve this question. Diagram 4.6 below is crucial to an understanding of the workings of the edict on desertion. It expounds yearly data from 1942-46 in four steps:

- the amount of cases received by the Procuracy
- the amount of instituted proceedings (investigations begun)
- the amount of cases sent to a NKVD military tribunal
- the amount of convictions

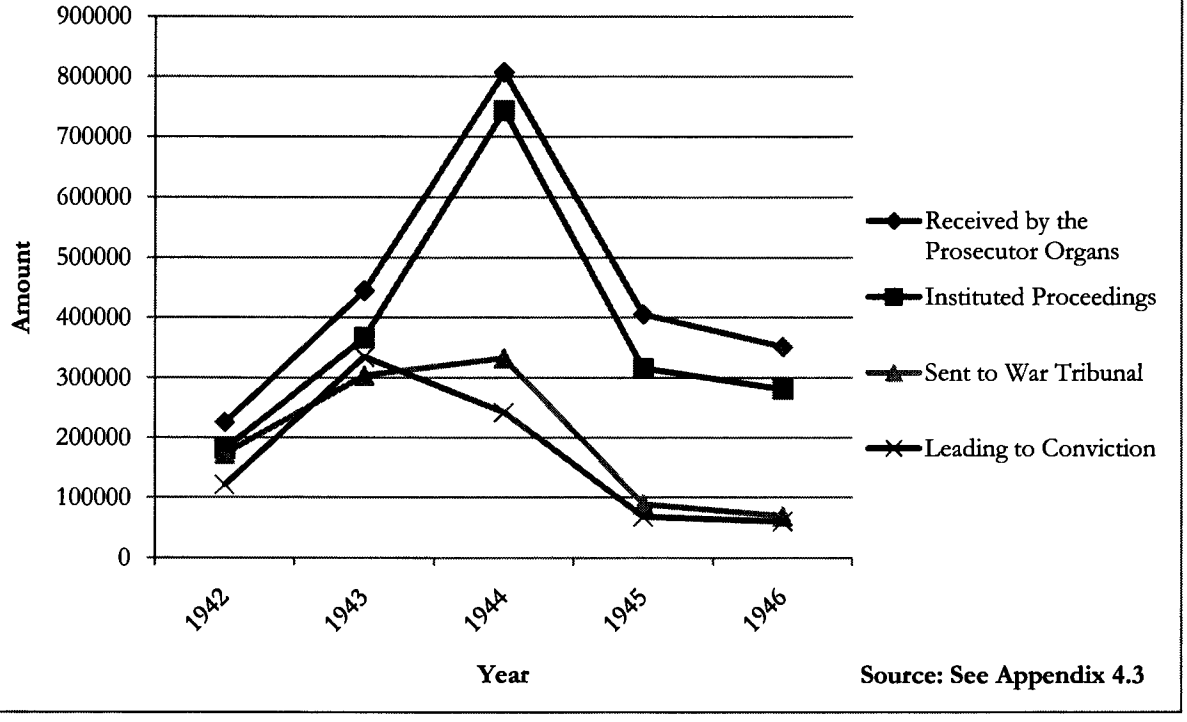
The diagram illustrates an interesting aspect of the Soviet command structure. All organs except the NKVD were to some extent non-compliant, sometimes by default (due to congestion), and sometimes because of organizational resistance (refusal to prosecute cases considered too

[178] RGAE, f. 8875, op. 46, d. 103, l. 21.

coercive). The largest discrepancy in the diagram is between cases sent to the Procuracy (1,883,028 cases in 1942-45), and the amount of cases actually forwarded to a military tribunal (899,749). Not surprisingly, the NKVD tribunals were compliant and convicted almost everyone, regardless of whether the accused was present or not. This is a clear contrast to the edict of June 26, 1940, under which cases were tried in civilian People's Courts. As was shown in Chapter 4.1.1, such courts could opt for leniency if the infraction was found justified or the punishment considered disproportionate.[179] This can thus explain why a rational dictator would increase coercion only if he could simultaneously minimize congestion using more compliant and loyal agents.

As long as the enterprise managers, *militsiya* and Procuracy could not be completely removed from the picture however, there would still be restraints on the enforcement of the edict on desertion. Compared to the actual amounts recorded by prosecutors, convictions are low. The conviction rate (the ratio between cases received by the Procuracy to actual concitions in military tribunal) increased from 53.6 to 75.3 percent between 1942 and 1943, likely because of the simplified procedures which had been introduced over time. From then, conviction rates declined to 30 percent in 1944, and 16.8 percent in 1945, respectively.

Diagram 4.6 The Development of Cases on Desertion (Edict of December 26, 1941), 1942-46.



Source: See Appendix 4.3

[179] See also P. Solomon, *Soviet Criminal Justice under Stalin*, chapter 9.

One needs to also remember the large share of convictions which never resulted in any de facto punishment because the deserters were not found. Unfortunately, I have not been able to locate any corresponding yearly data on in absentia convictions, though some relevant clues do exist. We know that the share of such convictions was close to 63 percent in 1942. Between January 1 and March 1, 1944, the corresponding figure was 76.8 percent. Obviously, the higher the ratio of in absentia convictions, the lower is the real punishment rate. That is, it became increasingly less costly to abandon one's work the closer to the end of the war the world got.[180] Not surprisingly, in the last two quarters of 1944, out of 201,389 arrested deserters, 52,483 of those had already once been convicted for the same crime in absentia.[181] Further, as Beriya had noted in a telegram, an investigation had shown how 85.4 percent of all workers at the Kirov factory had been earlier convicted for desertion, at had about 56 percent the Balashova factory, and close to 46 percent at the hydro energy plant Bim in Ivanov region.[182]

Allowing for the fact that many workers who deserted were never caught and that cases remained unconcluded and unprocessed, coercion of labour was by any measure severe during the war.[183] If we assume that about 60 percent of all deserters remained unpunished, this still leaves us with about 483,000 people sent to a labour camp during the war period. If anything, we learn that the Soviet legal system was also arbitrary, since it produced a crime with no obvious criminals or victims.[184] These examples point to a now classic quandary in the research on dictatorships: if a totalitarian society cannot function without repression, what should it do when repression no longer works?[185]

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[180] It is difficult to say, what could have happened if the external threat had on the contrary increased – assuming that for example Germany would have won at the battles of Stalingrad (1942-43) or Kiev (1943) – rather than the other way around.

[181] GARF, f. 8131, op. 32, d. 9, l. 117.

[182] GARF, f. 8131, op. 37, d. 1612, ll. 1–4. Top secret report by Beriya to Bochkov, dated December 26, 1942. I have not found any other confirmation of these claims.

[183] In his longitudinal study of Russian (Soviet) factory town Chelyabinsk, historian Lennart Samuelson argues that the edict on desertion was implemented in a "not very repressive" way during the war, due to the labour shortages and strained social circumstances. This is only partially true; notwithstanding the administrative resistance to report and process cases on desertion, the amount of convictions during the war is still large by any measure and shows that the edict was in fact implemented seriously. See L. Samuelson, *Tankograd. Den ryska hemmafrontens dolda historia 1917-1953*, Stockholm: SNS Förlag, 2007, p. 223.

[184] In this sense, the edict on desertion faced the same fate as what is known of the earlier edicts of June 1940 on turnover and absenteeism in the civilian sector. See for example GARF, f. 8131, op. 37, d. 342, ll. 168–74. State prosecutor of the USSR, V. Bochkov, report to G.M. Malenkov on 28 September, 1940, on the implementation of the law on turnover and absenteeism. Bochkov complains in the report of "a lot of fuss and red tape" and "liberal relations to drifters", as he notes that local authorities and enterprise managers were often reluctant to report and prosecute cases of absenteeism and turnover.

[185] See P. Gregory, M. Harrison, "Allocation under Dictatorship: Research in Stalin's Archives", *Journal of Economic Literature*, vol. XLIII (September, 2005), pp. 721–61.

There were two important reforms of the edict on desertion by the end of the war which may provide an answer: firstly, an option for courts to change indictments on desertion to absenteeism if the truant returned to his place of work, and secondly a general amnesty to all those already sentenced in absentia, upon condition they returned to their place of work. It was on December 28, 1944 that Molotov submitted to Stalin a proposal for a general amnesty for workers convicted for desertion. By then, the Procuracy had already argued for a moderation of the legislation for two years, a result of their administrative burden for which they in mid 1944 had even had to employ an additional 800 staff members.[186] However, as needs to be noted, the amnesty covered only those who had been sentenced in absentia and not yet found. The edict says nothing of those who were already suffering in prison or a labour camp. That is, the purpose was to release an administrative burden from authorities, not to conclude the campaign against job-changing. In the margin of the proposal, Stalin however dotted a "yes", and the amnesty was implemented two days later.[187] Now, all workers who compliantly returned to their enterprises would have their indictments changed to absenteeism from desertion, or perhaps see the accusations dropped altogether. In 1945, it was also no longer possible to prosecute "willful leavers" under the less coercive edict of June 26, 1940 in absentia.[188] But not until May 31, 1948 was the edict on desertion abrogated completely.[189]

4.3.3 Conclusion

In conclusion, four significant limits on the efficient enforcement of labour coercion may be identified. Firstly, there was collusion on the enterprise level between managers and workers, and the former were also subject to commitment problems which reduced coercion. Secondly, increased search costs for the *militsiya* could result in either too lenient or too abusive enforcement, both alternatives being inefficient. Thirdly, there was administrative congestion in the Procuracy organs, which introduced new restraints on compliance and enforcement. Fourthly, enforcement was mitigated because of the low punishment rate associated with the

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[186] The Procuracy had lobbied for such measures since early 1943 in consideration of the unsustainable workload. It was also argued that these cases made it more difficult to prosecute more serious felonies. See GARF, f. 8131, op. 37, d. 1612, l. 3. Secret telegram from Bochkov to Vyshinskiy, dated April 3, 1943, arguing that the *militsiya* should be allowed to scrap a specified amount of unsolved cases on desertion. GARF, f. 8131, op. 32, d. 9, l. 120. Document verifying the employment of an additional 800 people to administer cases on desertion, dated June 9, 1944.

[187] V. Zemskov, "Ukaz ot 26 iyunya 1940 goda", p. 46. Zemskov's informative article on Stalin's labour laws remains a key source on Russian labour history. For a good summary article on the larger Stalin time period, see A.K. Sokolov, "Prinuzhdenie k trudu v sovetskoy promyshlennosti i ego krizis (konets 1930-kh – seredina 1950-kh gg.)", in L.I. Borodkin, Yo.A. Petrov (eds), *Ekonomicheskaya istoriya: Ezhegodnik. 2003.*, Moscow: Rosspen, 2004, pp. 74–99, especially pp. 83–5.

[188] On August 1, 1945 authorities removed the possibility to prosecute willful leavers (the edict of June 26, 1940) from ordinary industry in absentia altogether. See GARF, f. 8131, op. 32, d. 9, l. 99. Decree entitled "Ob ustranenii nedostatkov v praktike primeneniya Ukaza Presiduma Verkhovnogo Soveta SSSR ot 26/6 – 1940 po delam o samovol'nom okhode rabochikh i sluzhaschikh s predpriyatiy i iz uchrezhdeniy."

[189] For an analysis of the post-war period, see D. Filtzer, *Soviet Workers and Late Stalinism*, pp. 158–200.

practice of in absentia convictions. The regime's attempt to shift responsibility for enforcement to more loyal agents was thus restrained by economic/technological factors which limited their monitoring capabilities, regardless of level of compliance. There were also political and/or judicial forces which put a downward pressure on efficient enforcement, no matter what Stalin did to avoid it. Stalin therefore had to find an optimal equilibrium which maximized the number of convictions with the lowest level of congestion possible, ensuring a stable level of effort. This conclusion is congruent with Gregory's model of coercion in the short run.[190]

This chapter has also provided an economic rationale for the tandem suppression of job-changing (*Exit*) and absenteeism (*Voice*), which to my knowledge is new.[191] Previous research has explained the edict primarily with reference to timing (the war), but it has not explained why coercion of labour assumed the form it did. By suppressing job-changing, Stalin reduced the utility of the workers by removing their outside option, making them worse off. Under conditions where a downward pressure on the fair wage would reduce effort, it was increasingly efficient to suppress also absenteeism, making it more costly for the workers to reduce effort. He used coercion broadly, as it was difficult in practice to know the distribution of the true amount of compliant versus non-compliant agents.[192] This explanation fits with a general model of over-demand for labour as well as with a dictator striving for an equilibrium level of coercion. Lastly, Stalin could – *ceteris paribus* – only increase coercion if he simultaneously introduced simplified methods (reducing the economic/technological restraints) and/or shifted responsibility to more loyal agents.

Lastly, the data on the number of unpunished deserters also adds new perspectives on the Soviet labour camps. Most academic discussion has hitherto focused on aspects where the NKVD statistics underestimate the total amount of victims of repression.[193] The data on convictions for desertion shows that there might equally be instances of overestimating certain figures. Or to put it more succinctly, the preceding analysis has shown that war time data on sentences to labour

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[190] P. Gregory, *Political Economy of Stalinism*, p. 84.

[191] Filtzer's explanation is differently framed but not far removed from my hypothesis. He argues that under conditions of labour shortage, sanctions against workers were inefficient since they could always relocate. Filtzer does not connect this structural feature of the Soviet economy to the edict of June 26, 1940 however, and therefore does not explain why both job-changing and absenteeism were simultaneously criminalized. See D. Filtzer, *Soviet Workers and late Stalinism*, pp. 160–1.

[192] This model of labour coercion could be easily plotted in a standard normal distribution curve. The problem for Stalin in identifying those who were truly non-compliant from those who for factors external to their personal incentives could not reach the norm induced him to use coercion broadly, and not selectively.

[193] R. Conquest, "Comment on Wheatcroft", *Europe-Asia Studies*, Vol. 51, No. 8 (December, 1999), pp. 1479–83; S.G. Wheatcroft, "The Scale and Nature of Stalinist Repression and Its Demographic Significance: On Comments by Keep and Conquest", *Europe-Asia Studies*, Vol. 52, No. 6 (September, 2000), pp. 1143–59. I have not considered any pro-Stalinist literature in this discussion.

camps not necessarily represent reliable figures on the actual flow to the labour camp population. On the other hand, the analysis has shown that people who had been convicted to prison for shorter time periods, could in some instances be sent to a labour camp. These conclusions do not fundamentally alter any previous perception of the scale of repression, but it does add to a fuller and more complete understanding of how Soviet jurisprudence worked in practice, not the least during a situation of total war.

Chapter 5. Khrushchev's Reforms and the Soviet Enterprise

The post-Stalin period has received an increasing amount of attention by historians in recent years.[194] Of special interest has been the broader political reforms initiated by the Presidium (the Politburo) and the struggle for ministerial control in the 1950s.[195] Less investigated has been the relation between important reforms and related goals for economic performance. While scholars have debated interpretations of different growth levels, less archival work has been done to shed light on the enterprise level where plans in practice were carried out.[196] This chapter will therefore attempt to illustrate:

- The reforms implemented by the political leadership aimed at raising economic performance, and their effects on an enterprise level
- A general outline of the Soviet economy with special focus on the enterprise level in the post-Stalin period

The chapter is structured as follows. The first section will briefly discuss the Soviet leadership's discussion on economic reform in the mid 1950s. It further outlines the details of one of the most significant reforms at the time, the wage and workday reforms. The second section outlines a short anatomy of the Soviet enterprise and illustrates how managers and state organs in practice negotiated to achieve plan fulfilment. The last part concludes the outcome of the reforms against the backdrop of economic performance.

In discussing reforms in the Soviet system, previous research has intermittently investigated different parts of various administrative structures. There have been studies on the party level,[197]

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[194] P. Jones, (ed.), *The Dilemmas of De-Stalinization.*; M. Ilič, J. Smith (eds), *Soviet State and Society under Nikita Khrushchev*; M. Ilič, J. Smith (eds), *Khrushchev in the Kremlin.*

[195] For the political and institutional reforms by Khrushchev in the mid 1950s, see Y. Gorlizki, "Anti-Ministerialism and the USSR Ministry of Justice, 1953-56: A Study in Organizational Decline", *Europe-Asia Studies*, vol. 48, no. 8 (December, 1996), pp. 1279–318; V.P. Naumov, "Bor'ba Khrushcheva za edinolichnuiu vlast'", *Novaya i Noveishaya Istoriya*, no. 2 (1996), E. Zubkova, "Malenkov i Khrushchev: Lichniy factor v politike poslestalinskogo rukovodstva", *Otechestvennaya Istoriya*, no. 4 (1995).

[196] For a review of the debates on post-war growth levels, see M. Harrison, "Post-War Russian Economic Growth: Not a Riddle".

[197] For a pre-archival debate on the role of the party and party organs in economic administration, see W.J. Conyngham, *Industrial Management in the Soviet Union: The Role of the CPSU in Industrial Decision-Making, 1917-1970*, Stanford, CA: Hoover Institution Press, 1973; J.F. Hough, *The Soviet Prefects*; J.F. Hough, *Soviet Leadership in Transition*; K.W. Ryavec, *Implementation of Soviet Economic Reform*, especially chapter 4; A. Katz, *The Politics of Economic Reform in the Soviet Union*; D. Kelley, "Interest Groups in the USSR".

bureaucracy,[198] specialists' debates,[199] workers[200] and the enterprise.[201] This chapter will attempt to explore the dynamic and interaction between three "tiers": state organs and ministries, enterprises and the workforce. Simply put, these three tiers are brought together considering how state organs set the plan goals, enterprises organized the production and the workforce had to be moderately controlled and complacent in order for anything to be produced. How were demands for additional resources or adjustment in plan quotas motivated? What other potential strategies could enterprises employ in order to achieve economic plans? How did authorities respond to enterprise strategies that contradicted or circumvented their own plans?

5.1 Re-organizing the Industrial Landscape: Khrushchev's Dictum

Historiography has traditionally been kind to the Khrushchev period. R.W. Davies labelled the 1950s and early 1960s the "golden years of the Soviet administrative economy".[202] Similarly, G.I. Khanin conceives of the period as one of "a genuine flourishing".[203] Their arguments are straightforward. Productivity in agriculture boomed, increasing 250 percent in the five years between 1953 and 1958, much due to the investments made in tractors and other machinery.[204] The regime devoted a substantial increase of investment to housing construction and consumer articles – sectors which in the words of Gerschenkron had previously been the "stepchildren of Soviet economic policies" – bringing about a doubling of the stock of urban housing between 1950 and 1965.[205] These ameliorations were introduced *pari passu* with a significantly lower level of labour coercion.

The *Sovnarkhoz* reforms introduced by Khrushchev abolished all-union control and de-centralized decision making, at least in theory. The nature of the Soviet economy had promoted

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198 See for example A. Nove, *The Soviet Economic System*, chapter 2; A. Katz, *The Politics of Economic Reform*, chapter 9 and D. Kelley, "Interest Groups in the USSR".

199 R.W. Judy, "The Economists", in H. Skilling, F. Griffits (eds), *Interest Groups in Soviet Politics*, Princeton, NJ: Princton University Press, 1971; M. Lewin, *Political Undercurrents in Soviet Economic Debates*, Princeton, NJ: Princeton University Press, 1974; A. Katsenelinboigen, *Economic Thought and Political Power in the USSR*, New York: Pergamon, 1980. See also the previously unpublished letter by Alec Nove on the economic debates during Khrushchev in A. Nove, *Previously Unpublished Writings. 2, Alec Nove on communist and postcommunist countries*, Cheltenham: Elgar, 1998.

200 See for example D. Filtzer, *Soviet Workers and Late Stalinism;* D.Filtzer, *Soviet Workers and Stalinist Industrialization*; D. Filtzer, *Soviet Workers and de-Stalinization*; D. Filtzer, *The Khrushchev era*; K.M. Straus, *Factory and Community in Stalin's Russia;* J.-P. Depretto, *Les ouvriers en U.R.S.S. (1928-1940)*; J. Rossman, *Worker Resistance under Stalin*; K. Murphy, "Opposition at the Local Level".

201 See references below in section 5.3.

202 R.W. Davies, *Soviet economic development from Lenin to Khrushchev*, Cambridge: Cambridge University Press, 1998, p. 67.

203 G.I. Khanin, "The 1950s: The Triumph of the Soviet Economy", *Europe-Asia Studies*, vol. 55, No. 8 (December, 2003), p. 1187.

204 Nove, *An Economic History of the USSR*, chapter 12.

205 See A. Gerschenkron, *Economic Backwardness in Historical Perspective – A Book of Essays*, Cambridge, MA: The Belknap Press of Harvard University Press, 1962, p. 249.

the growth of dozens of highly centralized ministries all covering but one specific industry branch, as for example heavy industry, ferrous metallurgy, forest industry or coal. This institutional setting had its strengths and weaknesses. The state's ability to allocate resources over huge territories, and over a long period of time through one and the same organizational body, was a strength given the regime's political goals. The major weakness from the perspective of Soviet leaders was the difficulty for ministries to scrutinize regional development at the micro level. From an economic development point of view, Soviet industrial linkages had become "fossilized", and were unable to transform. This resembles, as has been noted by scholars on underdeveloped countries, the catch-up dilemma as in contrast to the catch-up advantage, where new technology and less scarce factors of production provide an export advantage, but also run the risk of fossilization.[206]

This section will outline the background and reasons for the administrative reforms initiated in the mid 1950s. In order to concretize the broader agenda, special emphasis is devoted to the wage and work day reforms. The reorganization of the Soviet economy intended to promote regional decision making, and different branches of industry on a regional level. Many arguments for structural change were brought forward at the Twentieth Party Congress in 1956.[207] Davies had noted one year earlier, that there was a shared consensus among economists, factory directors and politicians that "time had come to make industrial planning and administration more efficient."[208] These discussions had their roots from at least a few years back.[209]

From an economic point of view, raising productivity while avoiding increased labour autonomy (under market conditions, trade unions would have performed a constructive role) leaves only one option absent coercion: improving conditions for the workers. It has sometimes been argued, that Soviet leaders were incapable of grasping the fundamental flaws of the planned economy; and that if there were any debates on re-structuring it was simply a projection of internal fighting for power in the state apparatus.[210] Archival evidence does not support this view. First Secretary Nikita Khrushchev himself motivated his *Sovnarkhoz* reforms with special

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[206] See H. Myint, "Economic Theory and the Underdeveloped Countries", *Journal of Political Economy*, vol. 73, no. 5 (October, 1965), pp. 447–91.

[207] See R.W. Davies, "Economic Aspects of the XX Congress", *Soviet Studies*, vol. 8, no. 2, October 1956), pp. 172–84.

[208] R.W. Davies, "Industrial Planning Reconsidered", *Soviet Studies*, vol. 8, no. 4, October 1957, p. 426.

[209] Important policy changes to shift investments away from heavy industry and military segments had been drafted already in the early 1950s, not the least on the initiative of Molotov. Beginning in 1951, more resources were allocated to agriculture, consumer goods industries and housing; the gap between standards of living between urban and rural communities was reduced; and there was a diffusion of economic decision making giving more scope for innovation and initiative to factory management and local government.

[210] See discussion on Peter Hauslohner's work in chapter 6.

emphasis on the large discrepancy between central plans and actual performance at the enterprise level. In a circular letter written January 27, 1957 he critically lamented that the state ministries:

> know nothing about the standing of their factories, do not spare in their calculations the existence of large stoppages of equipment due to lack of rhythm, untimely provision resources, organizational and technological discrepancies from which hence follows delays. In the first half of each month equipment is idle, until the second half, or even the last few days of the month, when all hands are on deck. As a result production is disorganized, producing much spoilage, reducing the amount of products, damaging machines and low level of labour productivity with workers getting less than the normal wage.[211]

If one would not have known that these were the words of the most powerful man in the USSR, one could equally have been led to believe they come from one of the system's fiercest critics. I have chosen to label the statement "Khrushchev's dictum", since it illustrates the leadership's view that further economic growth was only possible conditional upon the fulfilment of necessary reforms, increased control and better incentive structures for the workers.

To achieve the objectives at hand – restructuring the organization of the industrial landscape – systematic change had to be implemented. Continuing his argumentation at a Politburo meeting one day later, Khrushchev added that "I do not expect a recession, but bloodshed". This was necessary if they were to abolish the previous system and achieve a "democratic centralism in industry management".[212] It was then decided the issue should be presented to the Central Committee Plenum in February. The reorganization was not straightforward. Among the sceptical high ranking members was Molotov, who raised a number of objections. How many economic regions were there supposed to be? What functions were Gosplan to keep?[213] In conclusion Molotov remarked, that "no estimates on this account had been made"[214] Contemporary Western observations from the outside were equally sceptical.[215]

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[211] RGANI, f. 3, op. 12, d. 170, ll. 5–27. *Fond* number three at the archives RGANI and AP RF refers to the collection of the Politburo, to which the author has gained no access. All these references refer to what documents have been published *in extensio* in A.A. Fursenko (ed.), *Prezidium TsK KPSS 1954-1964*. Henceforth referred to as *Prezidium*. For above quoted file, see *Prezidium*, volume 2, pp. 522–39.

[212] RGANI, f. 3, op. 12, d. 1006, ll. 63–5. Published in *Prezidium*, volume 1, p. 223. The exact quote is: "V reorganizatsii ya vizhu ne spad, a priliv krovi. Za demokraticheskiy tsentralizm v rukovodstve promyshlennosti."

[213] RGANI, f. 3, op. 12, d. 1007, ll. 22–6. Published in *Prezidium*, volume 1, pp. 238–9.

[214] AP RF, f. 3, op. 52, d. 283, ll. 211–13. Khrushchev responds to this letter affirming his previous position, see AP RF, f. 3, op. 52, d. 283, ll. 203–9. Published in *Prezidium*, volume 2, p. 151. The so called "anti-Party group", in which Molotov was perhaps the most well known party official, was purged and removed from the Politburo for their alleged attempts to frustrate the re-organization.

[215] See for example, R.W. Davies, "The Decentralization of Industry: Some Notes on the Background", *Soviet Studies* vol. 9, no. 4, April 1958, pp. 362–3. The idea that Khrushchev's reforms were uniformly embraced within the party

In a Politburo protocol dated December 24, 1955, Gosplan received directives to develop a new plan for work hours in industry during the sixth five-year plan.[216] Two weeks later, on January 5, 1956, the Presidium of the Supreme Soviet (Supreme Court) is presented with the preliminary content of these changes. The following decrees were decided upon by the Politburo:

- Shorten, beginning in 1956, the work day on Saturdays and in between holidays by two hours
- Go into a seven hour working day, with the possibility of introducing in some sectors of the national economy a five day workweek (40 hours)
- Restore the 6 hour work day for juveniles between 16 and 18 years of age

Overall, the years 1955-60 constitute a period of important policy shifts toward improvements in welfare and standard of living. Among others, there were the Politburo resolutions "On the increase in wages for low paid groups of workers and clerks and the regulation of wages for the sixth Five Year-Plan,"[217] on changes in work norms and wages for industry,[218] development of housing,[219] and pensions. For present purposes, the analysis will focus on the wage and workday reforms.

5.2 The Wage and Workday Reforms

In the USSR, the state was the major owner of industry and land, but individual firms competed for scarce resources (materials, labour) and the firm was the *de jure* employer of labour. If there was competition (i.e. available outside options), this should – *ceteris paribus* – make *Exit* and *Voice* more efficient. One of the most important economic reforms of the time was launched at the Twentieth Party Congress in 1956 (primarily notable for Khrushchev's famous speech on the personality cult of Stalin and the Great Terror), namely an all sector wide wage reform projected for the years 1957-60, together with a shortening of the workday. These reforms were more evolutionary than revolutionary, and did not intend to change the current economic or political

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hierarchy can now be definitively rebutted. See for example the otherwise excellent study, P.A. Hauslohner, *Managing the Soviet Labor Market: Politics and Policymaking under Brezhnev*, in two volumes, Unpublished PhD-thesis, The University of Michigan, 1984, chapter 2, especially pp. 96–8. I am grateful to Susanne Oxenstierna for kindly making available her personal copy of this work for my research.

[216] RGANI, f. 3, op 10, d. 209, ll. 1-2. Published in *Prezidium*, volume 2, p. 151

[217] RGANI, f. 3, op. 10, d. 211, l. 5. Published in *Prezidium*, volume 2, p. 174. The Politburo session ventilated some various proposals, agreeing that the countryside should receive a little less, but decided, again, that Gosplan should work out the details.

[218] RGANI, f. 3, op. 14, d. 14, l. 5. Published in *Prezidium*, volume 2, p. 225.

[219] RGANI, f. 3, op. 14, d. 137, ll. 1–2. Published in *Prezidium*, volume 2, p. 677.

system in any other way as to make its wheels "turn more easily". In such circumstances, both employers and employees would need to receive a stake in the new legislation and the broadly designed social amelioration programme fit this assumption.[220]

The main objective of the reform was to equalize and increase wages, especially for low paid sectors and tough manual labour.[221] There was an economic and political rationale for this. The State Committee on Wages and Labour (Goskomtrud), formally under the Council of Ministers, argued for their "position" in August 1955. According to their analysis there were large structural problems in all sectors of the economy, shown primarily through the "insufficient organization of production and implementation of new technology", and the existence of "severe inadequacies in the organization of labour and regulation of labour and wages."[222] The final program set the minimum wage for workers and clerks in "cities and settlements" at 330 roubles, and in the countryside at 280 roubles, per month. This was a primarily horizontal fix, since vertically a more uneven remuneration system of wages was stressed. An ordinary wage differential in these years between factory directors and factory workers was in the ratio of 1:6 to 1:7. On top of this, one needs to add the better living conditions, services and consumer goods supply for managers and officials.[223] Wages were not equal in any egalitarian meaning in the Soviet economy.

Wage increases were to be implemented over time, with priority to workers currently beneath the new minimum wage level. The Central Committee and Council of Ministers made it clear that the "fixing of the wages represented a necessary stimuli to the productivity of labour and amelioration of the material well-being of the workers and clerks." Further that the project had an "important political and socio-economical role, whose implementation required enormous expenditures of monetary funds." It was therefore fundamental, that leading personnel of party organizations, enterprises and construction sites understood that "the increase in wages for the lowest paid... in all sectors of the economy, had to be followed by a significant increase in productivity of labour, lowering of production costs... and even economizing on the size of the staff at the enterprises and in the administration."[224] The reform was a combination of sticks and

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[220] Studies on the development of American labour market legislation for the period 1890-1930 seem to confirm the same experience. See P. V. Fishback, "Operations of 'unfettered' Labour Markets: Exit and Voice in American Labour Markets at the Turn of the Century", *Journal of Economic Literature*, vol. 36, no. 2 (June, 1998), pp. 722–65.
[221] RGAE, f. 355, op. 1, d. 202, ll. 1-226. File includes all drafts of the plan and subsequent communication between the Central Committee, Council of Ministers, Gosekonomkomissiya, and Gosplan. "O povyshenii zarabotnoy platy nizkooplachivaemyich grupp rabotnikov i uporyadochenii zarabotnoy platy rabochykh i sluzhaschikh".
[222] GARF, f. 9553, op. 1, d. 3, l. 50.
[223] RGAE, f. 4372, op. 55, d. 121, l. 22. The wage differential is given in the document.
[224] RGAE, f. 4372, op. 55, d. 121, l. 12.

carrots; i.e. the wage increase was connected to revised output and performance norms. The projected increases were detailed as follows (Table 5.1).

Table 5.1 Planned Increases and Regulations of Wages for Workers and Clerks, 1957-60 (billion roubles)

Year 1957 (billion roubles)	
a) Increase for Workers and Clerks	6.0
b) Regulation of Wages for Workers in:	
i) Ferrous Metallurgy	0.1
ii) Non-Ferrous Metallurgy	0.1
iii) Coal Industry	0.4
iv) Machine Construction	2.1
v) Branches of Light and Food Industry	3.0
c) Regulation of Wages for Workers and Clerks	3.3
d) Regulation of Wages for Various Governmental and Republican Organizations	3.0
Total for 1957	**18.0**
Year 1958 (billion roubles)	
a) Regulation of Wages for Workers in:	
i) Chemical Industry	0.8
ii) Electric Power Stations	0.3
iii) Oil Industry	0.8
iv) Construction Materials Industry	0.8
v) Forest Industry	0.5
b) Regulation of Wages for Engineers and Clerks	1.3
Total for 1958	**4.0**
a) Regulation of Wages for Workers in:	
i) Unprofitable Industries	3.0
ii) Transport	0.5
iii) Construction	4.0
iv) Agriculture	0.8
v) Trade	1.1
b)) Regulation of Wages for Engineers and Clerks	1.6
Total for 1959	**11.0**
Year 1960 (billion roubles)	
a) Regulation of Wages in other Branches (transport, construction, and trade)	2.0
Total for 1957-60	**40.0**

Source: RGAE, f. 355, op. 1, d. 202, ll. 14–15, 21.

Some noticeable aspects of the plan for wage increases stand out. Of the total budgeted outlays of 40.0 billion roubles in four years, 6.2 billion were earmarked for engineers ("ITR-workers")

and clerks. This was the only group to receive wage increases for three subsequent years rather than at one turn. Secondly was the important 6.0 billion roubles increase for low-paid workers in the economy at large, a category of workers whose social role remains to be properly researched for the period, but whose size was estimated at 7.2 million workers – a small group consisting of mainly part time workers and working pensioners – for the whole country in 1956 (see Appendix 5.1).[225] This was not a small fraction. The Central Committee directives and drafts on the wage reform clearly remark that the project's full completion was regarded as a process over time, but that sectors or enterprises working below the new minimum wage level were to regulate this deficit, regardless of the overall plan, as soon as possible. The regulation in turn was not to pay heed to existing "wage premiums or length of service", meaning that the regulation was supposed to cover all workers, regardless of qualifications and work experience.[226]

As noted, the wage and workday reforms were implemented with a combination of sticks and carrots. Primarily, wage and productivity increases were to be followed by a rationalization on labour. Here, the policy was shaped through a crude application of Marx' theory of value. Labour releases in Soviet planning did not imply actual redundancies; instead, the purpose was to achieve increasing volumes of output where productivity growth was measured in higher volumes of output per unit of labour time. Productivity gains were thus the result of increased output (i.e. economies of scale), rather than decreasing total labour costs. There were two estimates of labour release: relative and conventional. Relative release of labour was the result of gains in productivity obtained from *existing* capacity; whereas the conventional labour saving was the consequence of the introduction of labour-saving technology, i.e. an increase in production capacity. It was the former estimate of labour release which dominated in the 1950s and 1960s (a policy shift was introduced in the *perestroika* period), though planners seem to have implicitly applied both. An illustration is given below on how rationalization could be implemented in practice.

It fell on among others Goskomtrud to procure information on "means to increase labour productivity", as in the case of the leather factory "L.M. Kaganovich". In their recommendations two means were listed for every potential scenario: "Improve work conditions" and "Release x

[225] RGAE, f. 4372, op. 55, d. 121, l. 141 (Central Committee info sheet). For a more complete tabulation of the relative size and share of the low-paid category, see Appendix 5.1. Note that the calculated amount of low-paid workers relates to the new regulations, i.e. all those earning less than 350 roubles per month in the towns, and less than 280 roubles per month in the countryside.
[226] RGAE, f. 4372, op. 55, d. 121, l. 8 (draft version), 19 (decree version).

amount of workers". In total, this specific proposal contained fourteen different recommendations.[227] For illustrative reasons it suffices to give but two examples:

1.	Instead of manual labour to rehydrate leather install two siccative humidifying aggregates	Improve on the working conditions and release 3 workers
2.	In order to have a more rational organization of labour and use of labour power begin controls on the quality of leather production at the separating and rolling machines, using the experience of the Tel'man factory.	Release 3-10 workers

These recommendations illustrate that in practical planning, there was not necessarily any clear distinction between relative and conventional labour release/rationalization. For every improvement in production or introduction of new technology, enterprises released an x amount of employees. Documents, such as the one quoted above, also rebuts a popularly held opinion that Soviet labour laws made redundancies and dismissals virtually unobtainable. In fact, enterprises were never constrained by law to keep workers on the payroll. New staff lists, labour plans, technical changes and restructuring were legitimate grounds for dismissals.[228] These measures also illustrate the limits to rationalization in an economy with no price function to determine factor allocation; i.e. practical allocation had to be performed in physical terms. It would be rewarding to look closer at the existing data on the implementation of new technologies, but it is notoriously difficult to analyse the effects. How new machines were used and to what extent their implementation actually contributed to higher productivity per worker needs to be assessed at the micro level, and such data would require several case studies.

In summary, authorities under Khrushchev implemented reforms aimed at raising the fair wage level under conditions of reduced labour coercion. These improvements were conditional however on rationalization and increases in production. The results will be discussed in the last section of the chapter.

[227] GARF, f. 9553, op. 1, d. 3, l. 73.
[228] See D.S. Karev (ed.), *Sbornik zakonodatel'nykh aktov o trude*, Moscow: Gosudarstvennoe izdatel'stvo yuridicheskoy literatury, 1960.

5.3 The Soviet Enterprise

There is a rich historiography on different aspects of the Soviet enterprise. Drawing on this literature and archival sources, this section will attempt to identify some of the most well documented aspects. In subsequent order, these are hoarding of labour, "storming" (to be explained below) and organized recruitment of labour. These were important, as the political leadership articulated the need to reform the economy in terms of efficiency. Hoarding of labour and storming were general articulations of inefficiency, and the wage and workday reforms attempted to contain them as such. The post-Stalin period is also marked by a clear shift from organized recruitment through official state channels, to more informal channels at the enterprise level.

Hoarding of labour has traditionally been understood from a micro economic point of view. Risk averse industry managers had incentives to hoard labour, that is, to maintain a given amount of people on the payroll not used in production (though hoarding is obviously not only a Soviet phenomena). Hoarding in turn was made possible by the "soft budget restraint", as analysed by Kornai.[229] This shadow activity enabled managers to uphold production quotas when labour turnover was large and output low. David Granick remarked that whether or not authority would regard this behaviour as "anti-social" and detrimental to economic planning, depended upon their weighting of various objectives. On the one hand, hoarding drew costs of production upwards, and should thus be reprimanded. On the other hand, plan fulfilment was the fundamental economic target. A loyal manager was an obedient manager who fulfilled plans. From that standpoint a certain flexibility in labour input plays an important role, representing a *faute de mieux desideratum*, muting partially the negative effects of turnover and layoffs.[230]

Soviet workers adhering to disciplinary regulations were granted basic protection and could only under specific circumstances be discharged. Lower productivity workers were thus protected, presumably to an extent considered detrimental by officialdom. Some high ranking trade union officials were genuinely worried. Local trade union director Yakubov complained, that "to solve the problem of ineffective workers in our socialist industry, just as they simply discharge workers in capitalist production, evidently we may not."[231]

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[229] J. Kornai, *Economics of Shortage*. See also chapter 2.1.
[230] D. Granick, *Job Rihgs in the Soviet Union*, p. 253.
[231] GARF, f. 5451, op. 26, d. 1445, l. 5. Letter from Yakubov, Oblast director of the Council of Trade Unions, to V.V. Grishin at the VTsSPS.

There is a significant historiography on the economy of the USSR discussing the tradition of overstaffing at the enterprise level. Unfortunately, I have not found any clear measure or evidence of such practise. The archival silence may evidently be for at least three reasons. The first would be that managers covered up the existence of such staff, knowing that it was an economic crime. The second reason, that authorities did not recognize the issue, or that they did not care to investigate. Lastly, it is possible that due to the high levels of labour turnover and relative inexperience of young workers, the actual size of the staff was in fact considered normal. If managers covered up overstaffing, it is not obvious how this would show. It was previously noted how authorities pressured enterprises to release workers in line with reorganization for higher efficiency, but this was always an issue of *substitution of* capital for labour, or of implementation of new work methods – but never of simply having it removed.

A large body of research on these aspects grew in the 1960s with the emergence of new trends in the Soviet social sciences. Estonian scholar Luule Käis made a case study on six enterprises analysing various aspects of the "labour disciplinary problem" in 1968.[232] Her study revealed that disciplinary infractions correlated with the level of output. At the beginning of the month, activity was normal, and the amount of labour infractions at the enterprise stabilized. As time passed, workers' effort was reduced, as too did the amount of infractions. Finally, in the last ten days, when monthly plan targets had to be fulfilled, both output and the amount of labour infractions would increase rapidly. This pattern emulates the well known aspects of storming, which meant that machines and workers were idle until the last days of the plan period, when all resources were quickly mobilized to fulfil production norms. What has been less well known was the way this pattern correlated with the amount of registered labour infractions. The relationship however is not necessarily surprising. Käis notes that the major causes for infractions were aspects such as irregular work rhythm, stoppages, storming and overtime work.[233] In a recent study, Andrei Markevich and Andrei Sokolov argue that in the factory sectors characterized by storming, one also found the lowest output and the lowest labour discipline; whereas the only thing that remained high – was the level of absenteeism.[234] It implies that the major reasons

[232] L. M. Käis [Kyays], *Ob ukreplenii sotsialisticheskoy distsipliny truda v period razvertyvaniya kommunisticheskogo stroitel'stva*, summary of PhD-dissertation, Tartu University 1968. The original Estonian version exists in typewriting only, but an *autoreferat* in Russian was published as was also customary. The Russian version is quoted henceforth. I am grateful to Aurika Gergeleziu at the National Library of Estonia for help locating the Estonian version, and thus make it possible for me to present the non-transliterated version of the author's name, and not the least, to confirm the gender and full name of the given author which was otherwise not self-evident from the initials only.
[233] Ibid. p. 15.
[234] A. Markevich and A. Sokolov, *Magnitka bliz i Zavodogo Kol'tsa*, pp. 211–96.

behind labour infractions were structural aspects of the Soviet system itself, an aspect which will be further developed in Chapter eight.[235]

The presence of storming in the Soviet economy has been well-documented in the literature, but empirical illustrations of quantitative nature have been rare.[236] This sort of data can be drawn from careful factory reports, conducted by enterprise managers in the 1950s. The Ministry of Food gave the following data, illustrated below diagrammatically (Diagram 5.1). For simplicity, output has been redefined to fit the diagram more easily (see Appendix 5.2 for more information). What should be noticed is not the actual level but the trend. The size of the workforce did not change much over the year, but output is 3.5 times higher in the fourth quarter than in the first. This is in essence how storming has been understood. Plans had to be fulfilled by the end of the year, and so as time passed, pressure increased.[237] It is also indirect evidence of hoarding of labour at the micro level, since during the first two quarters employment and potential output (as implied by the later part of the year) must have been higher than actual output.

The diagram illustrates the earlier point made by Granick, that the size of the workforce needs to be related to the hierarchy of competing state goals, where plan fulfilment was pervasive. Labour hoarding is in other words a relative concept, which needs to be interpreted against potential economic outcome over time. For managers to fulfil plan goals, a certain amount of periodic slack was inevitable.

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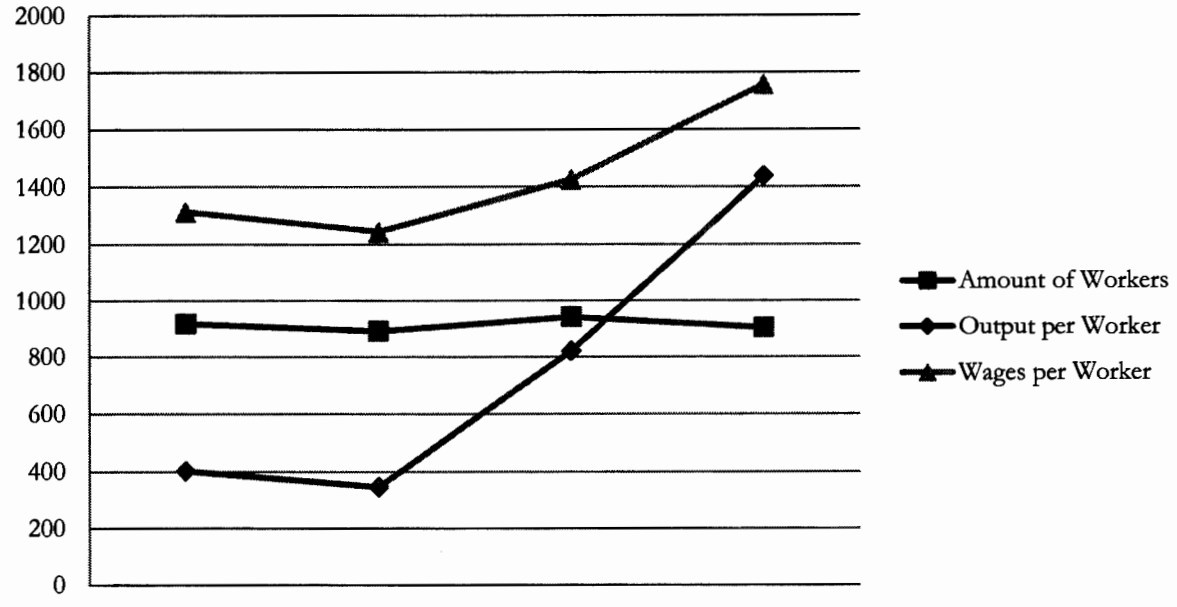
[235] This pattern of absenteeism was however not recognized by other Soviet scholars, who claimed that about 80 percent of all these cases were registered in the first ten days of the month. See O.V. Abramova and V.I. Nikitinsky, *Trudovaya Distsiplina*, Moscow: Yuridicheskaya literatura, 1984, p. 133. The reasons for this discrepancy likely depend on the nature of the enterprise. The authors also note that poor working conditions was the major cause for absenteeism in industry, and that stoppages were due primarily to lack of proper instruments and material and inadequate organization of labour. (Ibid., pp. 134, 140). Other important factors were sanitary conditions. They argued that one measure to counteract these negative effects could be legislated recesses during the workday. Another possibility would be the implementation of adversity. As an example of this, they mention the moralizing example of an industry with a sign at the entrance reading "Progulschik! Pomni shto tyi teryaesh!" ("Absentee! Remember that you are wasting time!"). Note that the slogan is addressing the worker in second form singular. (Ibid., p. 182).

[236] For aircraft industry in the 1930s, see M. Mukhin, "The Market for Labor in the 1930s: The Aircraft Industry" in M. Harrison (ed.), *Guns and Rubles: The Defense Industry in the Stalinist State*, New Haven, CT: Yale University Press, 2008, pp. 180–209.

[237] GARF, f. 9553, op. 1, d. 61, ll. 210, 247.

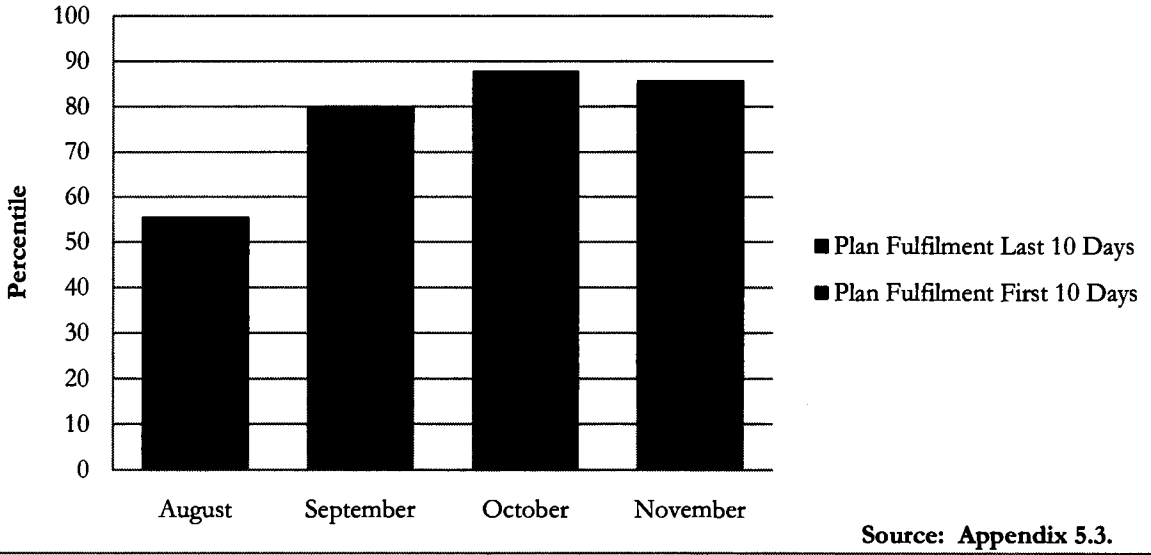
Diagram 5.1 Output in Food Industry, Year 1955.



Source: Appendix 5.2.

Interestingly, archival sources confirm that the same incentive structure which informed performance over the year, also created similar results over the monthly cycle. The Dynamo factory in Moscow reported the following example for year 1955 (Diagram 5.2 below). The missing part of each bar up to the 100 percent mark represents the mid ten days of each consecutive month. The diagram illustrates the various rhythms of storming which could co-exist or overlap with those of other industries. At the Dynamo factory some 50–60 percent of plan fulfilment was routinely achieved in the last ten days of the month.

Diagram 5.2 Plan Fulfilment, First and Last 10 Days of the Month, "Dynamo" Factory, 1955.



Source: Appendix 5.3.

A few generalizations can be made based on existing data. The way storming materialized was in part due to the nature of the specific enterprise. If output targets had to be met on a weekly, monthly, or yearly basis, this affected the rhythm of output and performance over time. Whatever the case, the presence of such behaviour negated the "plan" in the "planned economy".[238] Further, Soviet industry was remarkably unevenly developed, with certain sectors performing rather normally, and other having significant relative disadvantages. Neither is it possible to asses with accuracy how widespread this phenomena was. That said, the amount of factory reports confirming the picture can only be described as voluminous and consistent over time.[239]

5.3.1 Orgnabor – Organized Recruitment

In Filtzer's account of the post-war period, organized recruitment (*orgnabor*) was shown to be an important but contested regime tool to mobilize young and/or demobilized workers.[240] The role of such recruitment was being steadily diminished in the 1950s. In year 1964, it accrued for only 76,675 people employed, out of which 29,385 in industry and 43,490 in construction. During the years 1950-55, *orgnabor* systematically lost ground in the central regions, and recruitment was stretched outwards towards the periphery and kolkhoz areas. Where organized recruitment could still perform an important task was in recruitment of labour to branches of industry which had no natural inflow. Forest, fishing, coal, construction and mining were all such branches that

[238] For a classic study on Soviet planning in practice, see E. Zaleski, *Socialist Planning for Economic Growth.*
[239] RGAE, f. 1562, op. 44, d. 3226, ll. 4–5. On storming in various branches in 1964.
[240] D. Filtzer, *Soviet Workers and Late Stalinism*, pp. 29–34.

relied to some extent on *orgnabor*, and in fact, they were the ones who were the hardest hit by turnover, which was, it should be noted, not necessarily lower in the peripheral areas.[241] When in the first quarter of 1955, organized recruitment was only fulfilled to 68.6 percent (62 percent for the Russian republic), it was obvious that centralized labour allocation had come to an end. The biggest problem however, was the relatively unmotivated and untrained amount of the workforce which actually applied through *orgnabor*.[242]

A Gosplan research institute queried in 1955 into the background and motivations among those who during a period of six days applied for work at one of the three offices in Moscow. By the end of this period, 81 persons had been recruited, 25 had filed for application, 195 had been turned down, and 264 had refused the work offers. One hundred and eighty five of the applicants had left their earlier place of work unsponsored ("on their own accord"), 38 had served prison time and 24 had been discharged due to disciplinary breaches. Among those recruited who in the end refused the work offer (total 264 people), 97 stated they "wanted to go fishing" instead, and 116 said that their given jobs were not what they had looked for. It seems as if young workers had very low incentives to participate in the organized recruitment, most likely, because of the usually more harsh forms of labour they were made to perform. Gosplan concluded that in fact, enterprises were better off recruiting "at the gates".[243] These recommendations notwithstanding, the industrial ministries were hesitant to recruit *orgnabor*-labour anyhow, with the result that this form of recruitment was used primarily to allocate labour to locations where labour was scarce, i.e. unwelcoming peripheries such as Sakhalin.[244] Otherwise, enterprises were expected to independently recruit and train the necessary labour inputs.

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[241] RGAE, f. 4372, op. 55, d. 66-67 (microfilm), ll. 3–6.
[242] For an early study covering the development of organized recruitment, see R. Conquest, *Power and policy in the U.S.S.R.: The Study of Soviet Dynastics*, London: Macmillan, 1961, especially p. 195.
[243] RGAE, f. 4372, op. 78, d. 166, ll. 7–35 (microfilm). See chapter seven for a deeper elaboration on the geographical aspects of turnover.
[244] RGAE, f. 4372, op. 55, d. 161, 162.

5.4 Exit, Voice and Economic Crime

The Soviet enterprise manager had not only to fulfil plans, he also had to make sure that the workers complied (did not withdraw effort) and that necessary inputs for production arrived on time. Taking Khrushchev's dictum seriously, this section will investigate how:

- enterprise managers negotiated increases in the wage fund to retain workers
- enterprise managers negotiated deliveries when ordinary distribution channels were insufficient

A stimulus to the wage and workday reforms had been falling real wages for many categories of workers in the post-war period.[245] The State Economic Commission of the Council of Ministers USSR for Current Planning of the National Economy (*Gosekonomkomissiya*) holds two large files for the years 1956-57 on reports from different industry ministries on the economics of labour.[246] Reports that came here were thus received in the highest echelons of power possible. Several of these discuss the issues of unsponsored labour turnover, and as a rule in relation to the inadequacies of work conditions and pressure for higher fair wages. In other words, the documents illustrate how enterprise managers negotiated wages with state organs in order to retain workers and fulfil plan goals. When and under what conditions could enterprises receive additional resources or other forms of assistance? And what other strategies could enterprises adopt in order to fulfil plan quotas? These are some of the guiding questions in this section.

According to theory of socialist planning, money and finances were not supposed to matter for practical allocation of steel, fuel, textiles, machines or labour; and rubles were only financial expressions of physical transactions. This is the opposite of the functioning of a market economy, where it is the financial ability which determines allocation of resources and not the other way around. In practice however, it has been shown that i) Soviet enterprises attempted to hoard as much money as possible (preferably cash), and ii) unplanned issuing of credits further expanded the size of outstanding debt (in financial terms, M0 + M1). Firm A performed its delivery plans to firm B in accordance with administrative orders regardless of B's solvency. If B could not pay for deliveries, some ministry would always guarantee that A received the value of the product (or cost overruns would be corrected via subsidies, tax reliefs, price increases or a

[245] RGAE, f. 4372, op. 55, d. 121, ll.2-3.

[246] RGAE, f. 9573, op. 1, d. 1624 (1) and d. 1624 (2), microfilm. Each file is divided into two separate microfilms. Each of the two microfilm files in turn contains hundreds of documents, which were previously separate *dela* (files). For "efficiency reasons" Gosplan was split in the 1950s, where Gosekonomkomissiya was to care for current planning, and Gosplan for perspective planning. The archival documents however reveal that very often the two were intertwined in practice, and had to coordinate much of their work.

combination of all three). Gosbank was therefore the Lender of Last Resort for not only financial institutions, but every industrial enterprise in the country. This aspect has been described by Kornai as the "soft budget constraint."[247]

Enterprises had to negotiate for resources because of existing shortages of inputs to production. Jan Winiecki argued that shortages could accrue for different reasons. The first could be that *the quantities reported earlier by enterprises were* – to some degree – *fictitious*. That is, part of the reported output existed only on paper. The second reason could be that *the resources were not of the right quality*, and the third reason could be that *the resources were not of the right type*. Both of these reasons implied that enterprises were forced to correct faulty deliveries and apply "micro level import substitution", which was detrimental to specialization as individual firms had incentives to internalize foreign tasks. The fourth and fifth reasons could be that *the resources did not arrive on time* or *at the right place*. These reasons explain the motivation for storming and hoarding of resources which we observed in the preceding sections. None of these aspects are unique to socialist command economies, but they are characteristic of the particular form of this economy and interact to produce structural shortage and distortions.[248]

This chapter will not expand on all these different aspects. Previous research has focused primarily on the inter-enterprise negotiations for resources,[249] but the following section will analyse how enterprises in fact could also negotiate directly with authorities for additional resources. It will be seen, that enterprise managers could allude to declines in fair wage levels and plan fulfilment in order to receive additional resources and increases in the wage fund. This in turn is contrary to what has been previously asserted by David Granick, who in his influential study of the Soviet labour market concluded that the wage fund was subject to a "hard budget constraint."[250]

Usually, authorities would attempt to support enterprises and ministries under strain. A typical example is the case with the Leningrad bus and trolley bus drivers. The report showed that as a result of the wage variations and falling real wages, turnover among drivers increased more than

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[247] J. Kornai, *Economics of Shortage*, chapter 16.
[248] J. Winiecki, *The Distorted World of Soviet-Type Economies*, London: Routledge, 1988, pp. 3–6, 75–77. For a theoretical discussion on STE:s (Soviet-Type Economies), see also A. Åslund, *Private Enterprise in Eastern Europe. The Non-Agricultural Private Sector in Polan and the GDR, 1945-83*, Oxford: Macmillan, 1985. For an early discussion on the problems associated with Soviet planning, see M. Ellman, "Lessons of the Soviet Economic Reform", *Socialist Register*, vol. 5 (1968), pp. 23–53.
[249] See P. Gregory, *The Political Economy of Stalinism*, pp. 214–17.
[250] D. Granick, *Job Rights in the Soviet Union*, p. 59.

20 percent, creating in turn overwork, exhaustion and poor work conditions for those who remained, and were now forced to fill in the gaps.[251] On March 5, 1957, A. Ishpov, director of the Fishing Ministry of the Russian Republic, reports to A.N. Kosygin, at the time director of Gosekonomkomissiya, on the falling output in some of the ministry's branches.[252] As a result of the current regulations these drops had led to unwarranted wage reductions of up to 40 percent in the years 1955-57, causing in turn a "substantial turnover of experienced cadres". The ministry petitioned for a larger wages fund, so as to contain these effects. As Kosygin and later I. Garoshkin at Goskomtrud rejected any changes, the issue ended up at the Ministry of Finance, which actually accepted a wage increase, but in turn forced the ministry to rationalize on employment and equipment. The reason for this sudden shift can be found in the ministry's argument on the negative reciprocity between falling fair wages and turnover. They argued, that "such low wages among the staff produce a large turnover of cadres and create serious difficulties for the trawler fleet which worsens the conditions for the industrial environment."[253] There was in other words a direct relation between declines in the fair wage and negotiations for resources.

Differences in remuneration and social status between various sectors (such as between heavy and light industry) have previously been observed and are well documented.[254] What has been less observed is existing – and partially unexplainable – wage differences between enterprises within the same ministry and even region or town. Large and unexplainable wage differences existed also between similarly skilled jobs, such as between chauffeurs and bus drivers, within the same community.[255] The presence of such an impure equalization in the labour market was noted by economists such as Charles Kindleberger as regards Western style market economies, but has previously been less developed in Soviet studies.[256] These wage inconsistencies served to compound labour turnover in the late 1950s.

In the end, *Exit* and *Voice* would thus create a contradictory outcome. On the one hand, there was a stabilization of the wage fund with the introduction of fixed minimum wages (unrelated to

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[251] GARF, f. 9553, op. 1, d. 42, ll. 34–52.

[252] RGAE, f. 9573, op. 1, d. 1624 (1), ll. 3–12. In this specific case is mentioned the fading output by the fleet in the Barents Sea.

[253] RGAE, f. 9573, op. 1, d. 1624 (1), ll. 3–12. The Ministry of Finance sealed its decision March 23, 1957.

[254] See for example J-P. Depretto, "Stratification without class", *Kritika – Explorations in Russian and Eurasian History*, vol. 8, no. 2, 2007, pp. 383.

[255] Donald Filtzer has written a well informed pre-archival article on the anomalies of the year 1956 wage reform, and notes how low wage jobs were abandoned as earning would fall in relative terms. D. Filtzer, "The Soviet Wage Reform of 1956-1962", *Soviet Studies*, vol. 41, no. 1 (January, 1989), p. 91.

[256] Speaking on Western market economies, Kindleberger noted that "equalization of wages does not take place within a country, except in broad terms and for some professional and technical classes; some labour economists make a lot (too much) of the fact that there is variability in wages for equal skills in the same town." C. Kindleberger, *International Economics*, Illinois: Richard D. Irwin, Inc., 1973 (Fifth edition, first printing in 1953), p. 210.

output); on the other hand the Ministry for Fishing Industry had to "substantially" reduce their staff.[257] Other reports exist, for example the petition to increase wages for "chauffeurs at scientific expeditions at the Academy of Science of Kazakhstan" on April 2, 1957; or the April 3, 1957 petition to increase wages for the country's 32 employees at various weather stations. These and other similar petitions were rejected. The Council of Ministers would however accept the petition for wage increases from the Estonian and Latvian Ministries of Construction, who argued that due to the 40 percent rate of unsponsored turnover in 1956, planning was rendered impossible.[258] A similar proposal was granted the cinema theatre operators. In 1955, from a staff of 14,250 employees, there was a reported yearly turnover of 31.5 percent, and a close to 85 percent turnover within five years. This group was granted a wage increase by one fifth.[259] The wages fund was a "hard" budget constraint only to the extent that it could not be re-negotiated. A haggle between various ministries for pecuniary improvements seems to have continued unabated.[260] The Gosplan archival holdings reveal hundreds of examples in various collections,[261] as does the collections of Goskomtrud.[262]

At the enterprise level, this struggle reflects what may be labelled the manager's "double restraint"; on the one hand, managers were tied down by plan fulfilment orders, on the other, they faced restricted budgetary funds. Mark Harrison and Byung-Yeon Kim have argued that inflationary pressure in the Soviet economy came about due to managerial struggles to increase the firm's output prices.[263] This surplus siphoning however not only had pecuniary motives of self interest, but was plausibly also an expression of the double restraint. To fulfil plans, managers had to negotiate wages and employment on the shop floor, and this required additional revenues (as did the competition for scarce raw materials). Considering that officialdom would not grant all requests for additional funding, the Harrison-Kim conclusion is not unlikely. When formal channels dried up, informal negotiations should, *ceteris paribus*, expand, and thus create inflationary pressure.

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[257] RGAE, f. 9573, op. 1, d. 1624 (1), ll. 3–12. The Ministry of Finance sealed its decision March 23, 1957.
[258] RGAE, f. 9573, op. 1, d. 1624 (1), ll. 3–12. The Ministry of Finance sealed its decision on March 12, 1957.
[259] RGAE, f. 9573, op 1, d. 1626 (2), ll. 163–65. The Ministry of Finance sealed their decision 23 February, 1957.
[260] RGAE, f. 7, op. 3, d. 1130, l. 71. Report on large turnover at the Hermitage in Leningrad (now St. Petersburg), dated May 10, 1962.
[261] RGAE, f. 7, op. 3, d. 790, ll. 163 (specialists in agriculture), 164 (Ukrainian construction workers), 172 (senior theatre workers). RGAE, f. 4372, op. 55, d. 159, ll. 36-38 (Sakhalin workers).
[262] GARF, f. 9553, op. 1, d. 41, ll. 128–30 (engineers in capital construction), 132–35 (forest industry), 157–8 (aviation industry).
[263] M. Harrison, B-Y. Kim, "Plans, Prices, and Corruption: The Soviet Firm under Partial Centralization, 1930 to 1990", *Journal of Economic History*, vol. 66, no. 1 (March, 2006), pp. 1–41.

The scenarios outlined above also have implications for our understanding of the functioning of command economies. The evidence that comparatively insignificant micro issues were shuffled to centralized authorities further illustrates a practical restraint in the Soviet command economy. On the one hand, orders and plans were set by the centre in order to "trickle down" and be executed, on the other hand, there was a large amount of petitions, revisions and inquiries which would soon also "trickle up". There were many potential reasons for this, budgetary restraints, lack of resources, unfulfilled plan quotas, low performance, but perhaps not the least, incapacity among lower level decision makers to make independent decisions.

5.4.1 Economic Crime and Informal Collusion

The centralized Soviet system of command rested in theory on the ability of planners i) to issue commands and instructions to agents below them in the hierarchy, and ii) to rely on those agents that these instructions would be fulfilled. Contrary to a market economy, the Soviet system relied on coercion with no option for agents to formally abstain. In a hierarchy, the planner ("the principal") – or anyone else further down the hierarchy who issues commands – must then be able to rely on the agent to forego private interests, which could otherwise jeopardize plan fulfilment (for example practices of shirking, stealing and cheating). That is, agents are expected to be loyal. Economic historians have learned that commands in the Soviet system were systematically negotiated, which illustrates that officials were not merely passive receivers and issuers of instructions, but also active participants with their own limitations, considerations and interests. From an economic point of view, this illustrates a potential for a principal-agent problem, and the gap between "Soviet theory" and "Soviet reality" is what motivates an empirical investigation of the practice of command economies.

At the level of the enterprise, managers had to negotiate access to scarce material and fuel, and ensure a sufficiently compliant workforce. We saw above, that enterprises often alluded to increases in labour turnover and discontent as a reason for additional funding. However, when there were no formal procedures for negotiation, managers had the option to engage in illegal and informal activities. There has been a growing research interest in economic crime in command economies.[264] What in Soviet practice could be understood as a crime, and what in reality were the intentions of the purported criminal, is not however a straight forward operation.

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[264] E. Belova, "Economic Crime and Punishment", in P. Gregory, *Behind the Façade of Stalin's Command Economy. Evidence from the Soviet State and Party Archives*, Stanford, CA: Hoover Institution Press, 2001, pp. 131–51. For an early contribution, see for example G. Grossman, "The Second Economy of the USSR", *Problems of Communism*, vol. 26, no. 5 (September-October, 1977); A. Katsenelinboigen, "Coloured Markets in the Soviet Union", *Soviet Studies*, vol. 29, no. 1 (1977), pp. 62–85. According to Grossman, corruption and economic crime within the Soviet state apparatus was widespread. He was not able however to quantify these claims.

A large literature has emphasized the prevalence of shadow activities in the Soviet command economy; i.e. aspects such as managers side stepping official distribution channels so as to receive goods directly or the practice of falsifying the books so as to receive funding for non-existing outlays. These practices were commonly referred to as *blat*, which could also refer to everyday practices as obtaining extra bread rations during rationing.[265] In his work from the 1950s, Joseph Berliner quoted a former Soviet manager as follows: "Sometimes this sort of activity was done for the sake of the enterprise and sometimes for one's pocket. But in fact we were often compelled to do illegal things or [accept] informal requirements not for our own benefit but simply so that the enterprise could function." Berliner further commented, that "if we were totally reliant upon the written sources of Soviet society, we might hardly have guessed at the importance of *blat*."[266] With archival material the situation has slightly changed.[267]

There exists some interesting archival evidence on the unique Soviet practice of enterprise supply agents – so called *tolkachi* – whose role was to travel between various enterprises across the country to negotiate deliveries outside formally planned transactions. The supply agents in turn received a minor bonus for each successful transaction that made life easier for their principals. A year 1961 report (top secret) from the Bureau of the Central Committee of the Russian Communist Party mentions, that "many factory directors, *sovnarkhoz* managers, organizations and departments violate official resolutions on the prohibition on dispatching official persons, *tolkachi*, and do not sufficiently approve of measures to facilitate the organization of material-technical supplies." The report concretizes, how during 1960 alone, about 3,238 supply agents had arrived to the Magnitogorsk metallurgical enterprise, 1,427 to the Saratov bearing factory, 1,500 to a Tula chemical factory and 1,703 to a Sverdlovsk factory, to negotiate deliveries outside of plan.[268] That is, on an average day, managers at important enterprises could expect the presence of about a dozen negotiators, whose sole purpose was to outsmart state plans.

This is evidence not of occasional friendly visits among peers, but systematic features approaching standards for what could only be described as enterprise shuttle service. To perform

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[265] See note in chapter one for the literature on managerial-crime. The practice of *pripiski*, or "false accounting", was also noted in the economic system of forced labour. See the NKVD report dated February 8, 1946, in O.V. Khlevniuk (ed.), *Istoriya stalinskogo Gulaga. Konets 1920-kh – pervaya polovina 1950-x godov, volume 3. Ekonomika gulaga*, Moscow: Rosspen, 2004, pp. 430–31.

[266] J. Berliner, *Factory and Manager in the USSR*, pp. 184, 197.

[267] Much research remains on economic crime in command economies. Economic crime was an issue dealt with by the *militsiya* and the secret police, but it could also be handled by the party organs. The evidence the author has found has been informational "svodki" (informational sheets) sent from the MVD to the Bureau of the Central Committee of the Communist Party.

[268] RGANI, f. 13, op. 2, d. 2, ll. 10–12.

these tasks, state orders had to be manipulated and resources had to be transferred illegally away from official channels. Further, according to the documents, this was just the tip of an iceberg; and it was explicitly concluded that neither Gosplan nor the Ministry of Finance exerted any control or influence over the situation.[269] My contention is that authorities did not wish to intervene, considering that the main purpose of the *tolkachi* activity had been plan fulfilment – and not personal enrichment – which was a clearly legitimate purpose. We also know that these practices had been widespread already from the beginning of the First Five Year Plan, illustrating that they were systemic features which had been made permanent.[270]

There were also other means to receive necessary resources for production. Through the falsification of recorded outlays, managers were able to access significant amount of resources. One party report noted that "to receive resources for illegal construction, enterprises and state farms put together fabricated documents in a series of cases under the appearance of outlays on basic activities or planned construction."[271] The most typical "Soviet hustle" regarded access to metals, timber and pasteboard. There seems to be no country wide data, but in 1964, a total of 48 illegitimate objects were built in Gorky oblast alone, amounting to a siphoning of 677,400 roubles. Of 2,560 *Sovnarkhoz* enterprises, 899 (34 percent) began to build 3,091 unplanned objects in the same year, for which they managed to receive a total of 9.6 million roubles. Chelyabinsk oblast had performed the worst, with 577 illegal objects amounting to a total of 1.6 million roubles (note that there was a denomination in 1960, so that one "year 1961 rouble" equals ten "year 1960" roubles). These were large amounts, by any standards, but Gosbank's reaction seems to have amounted to no more than measures to restrict credit to such enterprises, avoiding local party conflict.[272] Authorities would however prosecute if the informal practices were found to be disloyal.

Pure theft of construction material such as roofing materials were noted by the secret police / Ministry of Internal Affairs (MVD) in a year 1961 report to the Bureau of the Central Committee of the Communist Party. In one case, the police had arrested 18 people on charge for having stolen 100 tons of roofing steel (*krovel'noy stali*), and some 20 tons of wire and other materials

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269 RGANI, f. 13, op. 2, d. 2, ll. 10–12.
270 Studies of informal negotiations during the 1930s have yielded similar conclusions. See E. Belova, "Economic Crime and Punishment" and P. Gregory, *The Political Economy of Stalinism*, pp. 174–77.
271 RGANI, f. 5, op. 41, d. 119, l. 87. Report from the All-Russian Council of the National Economy to the Bureau of the Central Committee, exact date unknown, year 1965. Microfilm.
272 Ibid., l. 132.

amounting to a value of about 40,000 roubles (the equivalent of roughly forty monthly salaries).[273] One can imagine that the only potential customer for such large quantities must have been other enterprises or people with access to any sort of pecuniary perk (i.e. party officials). In such cases, some authorities had to choose between allowing enterprises to fulfil plan quotas and turn a blind eye, or descend on what at any case could be considered blatant misuse of state funds.[274]

To summarize, enterprise managers could negotiate with ministries for additional funding and moderated plan quotas, but when needed, they would also resort to informal trade and even crime. There is evidence which shows that also seemingly insignificant enterprises were able to engage in formal negotiations. This confirms earlier archival work on the Stalin period, and the early studies by Joseph Berliner in the 1950s, illustrating that there was a continuity of informal practices immanent to the functioning of the Soviet command economy.[275] Party and state control organs – including Gosplan and Minfin – were informed about the persistence of the practices, but there is no evidence in the documents of any prosecution of agents acting informally, as long as it did not border economic crime for private gain. Enterprise managers were driven by risk aversion, and therefore evaluated their prospects from the viewpoint of minimizing the risk of non-fulfilment of plan quotas in the short run. The lesser the risk, the higher probability of receiving pecuniary rewards. Under conditions of a soft budget constraint, they had clear incentives to hoard inputs and keep performance stable.

5.5 Concluding Remarks

Mark Harrison has remarked, that when the dictator's costs of monitoring become too large, he is confronted with either of two options: increase surveillance costs or let producers (workers and enterprise managers) steal output.[276] In other words, the dictator can be seen as facing a social contract dilemma, where he has to decide the optimal level of relative autonomy for his subordinates. That is, there is an equilibrium between increasing costs of coercion on the one

[273] RGANI, f. 5, op. 41, d. 198, l. 2. Report from MVD to the Bureau of the Central Committee of the Communist Party, December 30, 1961. Microfilm.

[274] Inter-industry conflicts were occasionally solved in Soviet courts. Defective goods could be rejected, but it was a rare scenario. The State Arbitration under the Council of Ministers reported on an increase in cases of disputes on this issue in the mid 1960s, but the amount was rather low. The total amount of cases in 1965 amounted to about 300 cases worth a total of about three million roubles. It thus seems, that it was only in case of larger defective orders that state administrators were called upon to intervene. See RGANI, f. 5, op. 41, d. 197, ll. 29–32. Report dated March 6, 1966. Microfilm.

[275] E. Belova, "Economic Crime and Punishment".

[276] M. Harrison, "Coercion, compliance, and the collapse of the Soviet command economy".

hand, and reduced ability to monitor the producers, on the other; and the dictator has to find an optimal level.[277]

Khrushchev's dictum stated that wider structural and economic reforms would be self-financing, and that an increased fair wage was to translate into stronger incentives and a more efficient production. The evidence presented in this chapter is not conclusive, but the political leadership remained unconvinced about the purported positive effects. As far as they were concerned, the main result of the reforms had been a re-distribution of rents from the state to the producers. According to a 1960 Gosplan report, there was an agreement between their representatives, and others from the Ministry of Finance and Gosbank (the State Bank), that productivity of labour in the 1950s was lagging seriously behind wage increases. Accordingly, "the shortening of the work day has not been followed by any increases in labour productivity. Wages have been rising too fast in 1955-59 (33 percent), whereas productivity only increased 9 percent". Gosbank economists further noted "serious inadequacies in the economic and technical management of the [low performing] enterprises".[278] The Ministry of Finance noted a similar trend, and subsequently reported to the Council of Ministers.[279] They refrained however from making any assessment on the scale of these inefficiencies.

It should be noted, that the situation was slightly more complex. The implementation of the wage reforms had been sketchy on all levels in the economic system. The decree on the wage reform had been issued March 26, 1956. About a month later, a special commission at the Presidium of the Central Committee (L. Kaganovich, A. Aristov, and V. Grishin) attempted to solve the issue of "inadequacies in the work to review wage-rate and performance indicators at the enterprises".[280] The commission was to address workers' "complaints" on "factual and unfounded" lowering of wages as a result of the revised output norms and subsequently correct these "formal-bureaucratic mistakes". For example the Ministry of Trade reportedly had serious difficulties in arranging for dispatching and handling of goods. Instead of lowering plan targets

[277] This author is in agreement with this view, but in contrast to Harrison, has found it relevant to differentiate between enterprise managers and the workforce, rather than regarding them together as "producers".
[278] RGAE, f. 7, op. 3, d. 482, ll. 154–57. The reader who is interested in Soviet economic thought should consult ll. 23-44, for an interesting essay by L.A. Vaag, "Methodological questions on price formation, levels of economic efficiency and profitability". The author speaks primarily on price formation, but covers also topics on scarcity and "deficit aspects". The revival of economic thought in this period has been well documented, and there seems to be more to explored in the Gosplan archives on this topic.
[279] RGAE, f. 7, op. 3, d. 788, l. 142. Report dated 22 March, 1961.
[280] Ibid., l. 29. April 23, 1956.

however, the Council of Ministers agreed to grant premiums to the staff which fulfilled work *according* to plan.[281] That is, norms were in effect lowered, as performance declined.

Similar problems occurred with the shortening of the workday. A report by organs of the Council of Ministers argued that as the expected increases in labour productivity had failed to accrue, norms were not fulfilled. Many enterprises could not fulfil the plan quotas due to lack of qualified personnel or lack of raw materials. The largest problem however was the exodus of workers in relation to holidays and plan fulfilment; thus negating the otherwise expected "storming" at the end of each period. The result was overwork, cancellation of holidays and falling wages, which in turn sparked discontent at the affected enterprises (the wider effects of this trend is discussed in Chapter 8). One example noted the Moscow factory "Kalibr" which did not fulfil its daily norms due to delivery failures and poor quality materials. Thirty workers were sent home three hours early on the decision of the administration.[282] In concluding, the report argued, that:

> The poor organization of work and production occurred as a result of the failure at the ministries, head branches and among enterprise managers to adhere solely to the edict of shortening the workday, and not securing the conditions for furthering the productivity of labour [in relation to the time before] weekends and holidays. The result is a decrease in the output of products, [and falling] productivity and wages of labour among wide sections of workers.[283]

This was a Soviet dilemma in a nutshell. Wages were connected to plan fulfilment, but the shortened workday created a situation where norms could not be met, as productivity did not increase. According to an immediate edict by the Council of Ministers, it was primarily forest, chemical and coal industry and railway transport which were the most affected: "At a series of enterprises workers do not reach the conditions for high productivity work, with the result an existing decrease in the monthly wages for large groups." Ministries and managers who failed to correct the perseverance of such slack were to face "severe accountability".[284] The initial premises (connecting the wage reform to increases in efficiency) outlined as an original *sine qua non* of the reforms had come to a naught in a few months time. To some extent, the reform failures

[281] RGAE, f. 4372, op. 55, d. 155, l. 8.
[282] RGAE, f. 4372, op. 55, d. 155, ll. 114–21. Letter to the Council of Ministers on the fulfilment of the edict on the shortening of the workday dated May 26, 1956, signed by G. Kosyachenko, V. Garbuzov, V. Grishin, B. Bezrukov, A. Stepanov, I. Kurakov, A. Lifatov.
[283] RGAE, f. 4372, op. 55, d. 155, l. 116.
[284] RGAE, f. 4372, op. 55, d. 155, l. 122. Draft edict by the Council of Ministers, date not known.

represented a continuation of earlier structural inefficiencies, and they served as an efficient check on the overall political phase transition.

I have not located any clear data on estimates of excess-employment, but circumstantial evidence suggests it was considered a serious obstacle. It was widely believed that wage funds were being improperly used for excess-employment at the enterprise level. Based on a report from the Ministry of Finance, Khrushchev commented in 1962, that "managers at a series of *sovnarkhozy*, ministries and enterprises" are "illegally increasing wages for engineers and clerks"; and further, that they "illegally spend significant state resources on the keeping of excess-employment of workers."[285] Whatever the intentions of the wage and workday reforms, they had not fundamentally altered the enterprise incentives to hoard factors of production, and thus reproduce shortages in the economy.

In summary, this analysis has not altered previous conceptions of the Soviet economy, even though some additional detail and supportive evidence can be added.[286] At the state level, there was a clear understanding of the problems encountered in a planned economy and there were competing ideas on how to correct them. There is also evidence that state organs such as Gosbank and the Ministry of Finance had little leverage on micro level practice, even when it was in direct defiance of plan goals. At the enterprise level, managers had to continuously negotiate labour on the one hand, and dysfunctional distribution of material and means of production on the other. This is a dynamic which earlier research has not explicitly investigated, focusing either on labour or inter-enterprise relations only (even though Kornai mentions the possibility). The evidence shows that production was irregular over the plan cycle and that managers invested significant resources into informal negotiations for resources (and even crime). These two aspects likely compounded one another by bringing increasing levels of slack into the plan. A further option for enterprise managers was to negotiate with state organs for reductions in the plan quotas or increases in the wage fund, which illustrates that declining coercion could translate into effective *Exit* and *Voice* indirectly via the plan fulfilment constraint. Evidence also suggests that not only the most prioritized sectors could receive increases in the wage fund. In practice, this meant that managers would negotiate at three levels: the shop-floor, inter-enterprise and vertically with state authorities. Revised incentives and the implementation of a higher fair-wage

[285] RGAE, f. 7, op. 3, d. 1125, l 88. Note from protocol meeting at the Presidium of the Council of Ministers, September 5, 1962.

[286] Insights about the discrepancy between *ex ante* plans and *ex post* economic results were demonstrated for the Stalin period in E. Zaleski, *Stalinist Planning*, pp. 484–90. The practices of enterprise managers were described successfully in J. Berliner, *Factory and Manager*; D. Granick, *Management of Industrial Firms*.

level were however irregular and contradictory, illustrating the limits to Khrushchev's reforms. In the end, perceived declines in the fair wage continued to induce workers to opt for *Exit* and *Voice.*

This chapter will attempt to illustrate the short and long run trajectories of labour market activity in the Soviet economy, relating these to changes in the institutional environment and relevant economic differences in the composition of the workforce. As detailed in Chapter three, labour turnover may be regarded as one of several potential responses to a decline in the perceived fair wage, understood in Hirschman's framework as *Exit*. The chapter uses this measure as a proxy for changes and differences in the supply and demand for labour over time.

The issue of labour turnover was an integral aspect of the Soviet economy which could never be fully reconciled with state ideology and planning. Official publications regarded turnover as a "disease" and a "social evil", not justified by "objective needs". This view was partially taken over by Western scholars, who similarly commented that losses in work time due to job-changing were "immense", without considering other potential sources of inefficiency costs.[287] Needless to state, similar conclusions were also drawn on absenteeism from work. The negative view held by Soviet authorities dated back to the original principles of state planning and mobilization with central control of resources. As was noted by Silvana Malle; "in a *model* of planned allocation of resources which does not wish to be constrained by the actual scarcity factor/price ratios, only moral persuasion and/or coercion are available to direct labour according to planned output targets."[288]

It was previously shown how the Soviet leaders took the principle of direct coercion to its extreme during war. The suppression of spontaneous job-changing was targeted on the supply side of labour, but was arguably equally intended to moderate excess-demand by enterprises under soft budget constraints. Further, the fact that this regulation was so associated with a specific political regime is illustrated by the fact that it was only after the death of Stalin in 1953 that substantial policy changes would begin to commence. This shows that the relaxation was more related to internal political and judicial forces than limited monitoring capabilities of the

[287] Previous research on labour market mobility and turnover in the USSR before the "archival revolution" is still very useful and contains valuable references to official publications. See R. Fakiolas, "Problems of Labour Mobility in the USSR", *Soviet Studies*, vol. 14, no. 1 (July, 1962), pp. 16-40; R.E. Fakiolas, "Work Attendance in Soviet Industry", *Soviet Studies*, vol. 14, no. 4 (April, 1963), pp. 365-378; D.E. Powell, "Labour Turnover in the Soviet Union", *Slavic Review*, vol. 36, no. 2 (June, 1977), pp. 268-285; S. Malle, "Planned and Unplanned Mobility in the Soviet Union under the Threat of Labour Shortage", *Soviet Studies*, vol. 39, no. 3 (July, 1987), pp. 357-387; W. Tackelberg, "Labour Turnover and Job Satisfaction: Indicators of Industrial Conflict in the USSR?", *Soviet Studies*, vol. 30, no. 2 (April, 1978), pp. 193-211. Quotes above from D.E. Powell, ibid, p. 271–2.

[288] S. Malle, *Employment Planning in the Soviet Union*, p. 74. Malle's italics.

regime. The existing edict on desertion from war-industry was not lifted until 1948, even though its application was somewhat moderated in the post-war period. Circumstantial evidence from reports by party and security organs suggests however that the existence of suppressive legislation continued to exert an influence on the quantity and quality of labour supply.[289] From 1951 and onwards, the labour edicts of June 26, 1940 were reprinted in all compendia on Soviet law without the penal stipulation, which however did not completely eradicate the rates of sentencing. Only in April 1956 were unauthorized job-changing and absenteeism de-criminalized completely, and dismissal was reinstated as a punishment for late arrival to work. A worker was now able to leave his job on giving two weeks' notice to the management; but if he did so "on his own accord", he would lose his record of uninterrupted service, which affected the scale of social insurance benefits.[290]

The purpose of this chapter is to investigate:

- the short and long term effects of the abrogation of the labour edict of June 26, 1940 in 1956

- the motives and driving forces of changes in labour supply in relation to aspects such as age, gender and background

- the (structural) factors determining enterprise demand for specific labour

Preliminary conclusions show that important changes in labour market activity occurred over time, quite irrespective of the effective leadership, and that it was quite normal by international standards from the 1950s and onwards. The conclusions reject previous claims that there were large increases in labour turnover in this period, and show that visible changes in reporting were actually due more to changes in the incentive structure of enterprise managers in concealing certain data. The chapter also illustrates that there are relevant differences as regards place of employment, skill level, geography and gender. The specific demand for labour by enterprises can only be understood if we do not assume homogenous labour, but instead analyse the structural factors which in turn informed recruitment.

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[289] See various original documents rendered in E. Zubkova, *Sovetskaya zhizn'. 1945-1953*, pp. 267–279 and D. Filtzer, *Soviet Workers and Late Stalinism.*

[290] For a well-informed early study, see R. Conquest, *Industrial Workers in the USSR*, pp. 95–114.

6.1 Definitions

Exit in Hirschman's framework is defined straightforwardly as *leaving* the enterprise of employment. It needs to be noted however, that labour mobility can be *vertical* (up or down, i.e. vocational mobility) as well as *horizontal* (between various enterprises). Both are important, but have been analytically separated. An appreciation of the Soviet career system is crucial to understand the relatively long term stability of the political system. The legitimacy of the system had probably not endured had mobility flowed in primarily one direction – horizontally – and never vertically.[291] The horizontal mobility of labour is commonly framed in terms of either *total separations* or *quits*. The term "total separations" includes all workers leaving their employment during a specific time period; whereas "quits" in the Soviet context would denote the narrower share of those who left without management's approval ("on one's own accord" and "wilful leaves" are terms often used in the documents).[292]

The Soviet term *tekuchest'*, one of the regime's measures on "labour discipline", includes quits and dismissals due to labour disciplinary infractions. There was a historical reason for this interlacing of two different variables. In the 1930s, a typical measure for workers to leave their enterprise had been to commit enough labour disciplinary infractions so as to be discharged and thus able to relocate. It was this category of workers which had been criminalized in June 1940. Considering the absence in traditional economic theory of a term corresponding to *tekuchest'*, I have chosen to render it as "unsponsored turnover". All separations with management's approval are correspondingly rendered as "sponsored turnover".[293] The term *total separations* will continuously be used to denote all leaves during a specific time period.

Two further distinctions should be made, of which the first, between *job flow* and *worker flow*. A job flow usually implies the creation or destruction of work opportunities, whereas a worker flow implies what has been referred to as *Exit*, i.e., the leaving and subsequent replacement of labour from an enterprise. The thesis does not primarily investigate the issue of job flow, assuming that

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[291] Well informed studies have put great emphasis on the role of peasant workers' careers in the Soviet system, that is, people who in the years from the revolution to the late 1970s had their work, schooling and training within, and thanks to, this system. See S. Fitzpatrick, *Education and Social Mobility in the Soviet Union, 1921-1934*, Cambridge: Cambridge University Press, 1979. For a relevant case study on this subject, see S.T. Guryanov, "Vertical mobility of employees in an enterprise", in G.V. Osipov (ed.), *Industry and Labour in the U.S.S.R.*, London: Tavistock Publications, 1966, pp. 126-41. See also J.-P. Depretto, *Pour une histoire sociale du regime soviétique (1918-1936)*, Paris: L'harmattant, 2001.

[292] Western literature sometimes uses the distinctions *voluntary* and *involuntary* turnover, on the basis of whether or not the movement is initiated by the employee or not. As will be shown, these terms may be misleading on different accounts, and for reasons of clarity, the terms *total separations* and *quits* were chosen.

[293] The terms *sponsored* and *unsponsored* turnover were borrowed from I. Gordon, "Migration in a Segmented Labour Market", *Transactions of the Institute of Brittish Geographers*, vol. 20, no. 2 (1995), pp. 139–55.

job creation was sufficient to employ those looking for work. The standard measure of turnover – in the USSR and internationally – is obtained using the formula $T = \frac{S}{P}$, i.e.

(1) $$Rate\ of\ Turnover = \frac{Total\ Number\ of\ Separations}{Average\ Number\ on\ Payroll}$$

This measure obviously contains *quits* as well as other separations (for example, ending of labour contract, retirement, entry into the army), and to obtain a clean measure of *tekuchest'* (quits plus dismissals), the measure on separations needs to exclude those who left in accordance with official regulations.[294] Fortunately, such data is readily available from the Soviet archives and publications for most of the years here concerned. Lastly, when I henceforth refer to "industry" in singular form, this relates to the Soviet statistical component in which is included not only manufacturing industries, but also mining, forest and all other sectors except for construction, farming, administration and self-employed.

6.2 Labour Turnover

The regime's attempts to completely regulate the movement of labour had been mitigated by costly enforcement and non-compliance since the onset. This was illustrated for the war period in Chapter four, and has been similarly developed for the post-war years by Donald Filtzer.[295] Turnover has two sides: on the one hand it is a cost to the individual firm, on the other, a certain degree of flexibility is necessary for any economy to function properly. Even though political repression in general abated in the post-Stalin period, the view of labour turnover as detrimental to productivity and "labour discipline" did not change. In a journal such as *Socialist Labour*, it could thus be noted in 1963:

> The level of labour organization has a direct influence on workforce mobility, on the creation of stable cadres at the enterprise. In one sense, it can be said that the level of labour turnover is an indicator of economic leadership, work organization, work conditions, and socialization of work in the collective.[296]

The Central Statistical Administration (TsSU) produced quarterly and yearly reports on turnover and absenteeism divided by republic and industry sector. They also provided the Council of

[294] In Western literature on the subject, many different measures on turnover are utilized depending on the specific research question. See B.O. Pattman (ed.), *Labour Turnover and Retention*, especially Chapter 3.
[295] D. Filtzer, *Soviet Workers and Late Stalinism.*
[296] B. Mil'ner, "Stabil'nye kadry na zavody i organizatsiya truda", *Sotsialstichekiy Trud*, nr. 4 (1963), p. 32.

Ministers with a yearly report on labour market activity.[297] According to this archival evidence, the increase in labour turnover in 1956 was believed to be linked to the abrogation of the edict of June 26, 1940. The TsSU report on labour for 1960 concluded that "since the removal of legal responsibility of workers and clerks for absence from work...the rate of [unsponsored] turnover has risen [...] in industry from 15 persons in 1950 [of every 100 workers, author's comment] to 19 persons in 1960[...] and in construction – correspondingly, from 18 to 41 persons."[298] This is an interesting conclusion, since by the removal of this very regulation by the Presidium of the Supreme Soviet on April 25, 1956, the rationale had been "the increased consciousness of the workers". To what extent it is possible to actually speak of increases in unsponsored turnover will be a challenge of this chapter to determine.

Previous research has linked the relaxed coercion of labour to Khrushchev's campaign against the Stalinist legacy. I was not been granted any access to Politburo files which could potentially have shed light on the top level political discussion, but also have no reason to fundamentally change this view. There was however also an economic reason for the policy changes – the costs and administrative reluctance to uphold ineffective legislation. This has also been pointed out in recent research.[299] The chronology of the events suggests however that economic/technological restraints in enforcement and monitoring were not sufficient to completely relax the levels of coercion, and that fundamental change could only come about because of the acting out of internal political and judicial forces in the Soviet leadership, after the death of Stalin.

The following statistics (Table 6.1) was assembled from a wide range of sources in the state archival holdings of TsSU and the All-Union Central Council of Trade Unions (VTsSPS). They confirm and complement the best estimates made from Soviet official publications before the opening of the archives (See Appendix 6.1). Two notes: the new data makes it possible to dispose of previous – and often quoted – estimates which are by any measures either under- or overestimates. For example, data previously quoted by Murray Feshbach and David Powell seems to have overestimated separation rates for industry and construction by about 10–20 percentage units for the late 1950s.[300] Secondly, data for the years 1951-54 has not been located in archival

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[297] RGAE, f. 1562, op. 337, d. 49. The Central Statistical Administration had from March 10, 1948 been directly subordinated to the Council of Ministers and reported to them regularly.

[298] RGAE, f. 1562, op. 337, d. 49, l.. 36. The author mentions *Ob otmene suebnoi otvetstvonnosti rabochikh i sluzhashchikh za samovol'nyi ukhod s predpriiatii i iz uchrezhdenii i za progul bez uvazhitel'noi prichiny'* (Published in *Vedemosti Verkhovnogo Soveta SSSR*, № 10, 1956, art. 203).

[299] A. Markevich, A. Sokolov, *"Magnitka bliz sadovogo kol'tsa"*, D. Filtzer, *Soviet Workers and Late Stalinism.*

[300] See D. Powell, "Labour Turnover in the Soviet Union", p. 269 and M. Feshbach, S. Rapawy, "Labour Constraints in the Five-Year Plan", p. 539.

holdings, but Soviet scholar A.V. Smirnov noted that the share of unsponsored turnover in 1954 was 12 percent in industry, and 25 percent in construction. As will be seen, there are no material reasons to question these estimates.[301]

[301] Smirnov's data in D. Filtzer, *Soviet Workers and de-Stalinization*, p. 37. Smirnov's assessment that the level of unsponsored turnover in 1960 "was only half its level in 1956" (Ibid., p. 47) cannot be upheld. In fact, as can be seen from the table, there was rather a degree of stabilization at about 20 percent unsponsored turnover, and 30 percent total turnover, in industry. The data quoted in M. McAuley, *Labour Disputes in Soviet Russia*, p. 122, need also be revised. McAuley mentions that unsponsored turnover in 1956 was 38 percent, a figure which is too high for industry.

Table 6.1 Arrivals, Total Separations, and Unsponsored Turnover in Soviet Industry and Construction 1950-1987, as Percentage of Labour Force.

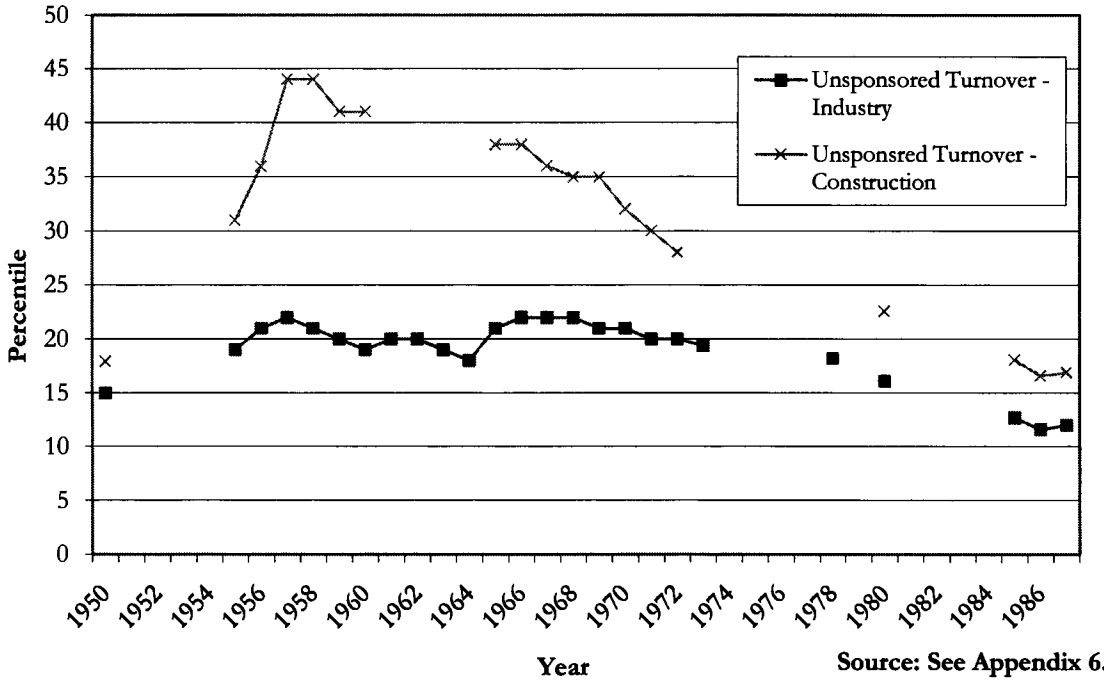
Year	*Sovnarkhoz* Industry			Construction		
	Total Arrivals of Workers	Total Separations	Of which: Unsponsored Turnover*	Total Arrivals of Workers	Total Separations	Of which: Unsponsored Turnover*
1950	37	32	15	61	49	18
1955	33	32	19	69	62	31
1956	35	33	21	72	59	36
1957	35	33	22	71	63	44
1958	34	32	21	79	64	44
1959	32	29	20	73	63	41
1960	31	28	19	73	63	41
1961	n/a	29	20	n/a	n/a	41
1962	n/a	29	20	n/a	n/a	n/a
1963	n/a	n/a	19	n/a	n/a	n/a
1964	n/a	n/a	18	n/a	n/a	n/a
1965	31	29	21	n/a	n/a	38
1966	32	30	22	66	60	38
1967	31	31	22	67	60	36
1968	33	33	22	68	60	35 (36.3)**
1969	31	32	21	69	58	35 (34.7)**
1970	31	31	21	62	55	32
1971	31	32	20	60	53	30
1972	29	30	20	57	52	28
1973	n/a	30.5	19.4	n/a	n/a	n/a
1978	n/a	n/a	18.2	n/a	n/a	n/a
1980	n/a	n/a	16.1	n/a	n/a	22.6
1985	n/a	n/a	12.7	n/a	n/a	18.1
1986	n/a	n/a	11.6	n/a	n/a	16.6
1987	n/a	n/a	12.0	n/a	n/a	16.9

Sources: See appendix 6.1.
Estimates for 1950, 1955 and 1956 have, according to the source, been recalculated on the basis of information from former All-Union and Union-Republican industrial ministries.
* Includes workers leaving on their own accord, discharged because of absence from work and other violations of labour discipline.
** Alternative data, given in RGAE, f. 1562, op. 47, d. 29, l. 121.

As can be inferred from Table 6.1 above, unsponsored turnover in industry and construction began to increase in 1956-57. Estimated on 100 workers, 1957 saw 22 workers leaving industry and 44 leaving construction unsponsored (note that these numbers do not include workers leaving for the army, superannuation, schooling etcetera). Following this there was a subsequent

drop, and the numbers for all categories are stabilized on a slightly lower level until they decline in the 1970s. In absolute terms, this implies that in 1960, 2,439,000 persons left industry all over the country, either unsponsored ("on their own accord") or due to being discharged because of absence from work and other violations of labour discipline.[302] The effect can perhaps be better illustrated diagrammatically, isolating the shares of unsponsored turnover for industry and construction.

Diagram 6.1 Unsponsred Turnover in Industry and Construction, 1950-1987 (as Percentage of Labour Force).



Source: See Appendix 6.1

The diagram above reveals in closer detail the expected effect, as the share of unsponsored turnover in construction increases especially in 1956. It also shows the relative long term stability of labour market activity until the late 1970s, when turnover began to decrease significantly. One needs however to take into account a source critical problem behind the reported numbers, and the alleged increase in the mid 1950s. Total separations in industry is not markedly higher in 1950 (32 percent) as compared to 1957 (33 percent); but in the same period, the share of unsponsored turnover increases from 15 to 22 percent. This has two possible explanations;

[302] RGAE, f. 1562, op. 336, d. 6905, l. 18.

- On a *manager* level, concealing unsponsored turnover had a previous rationale as it granted the worker some protection as long as the legislation was enforced and made management seem inefficient. This logic lost ground after 1956.

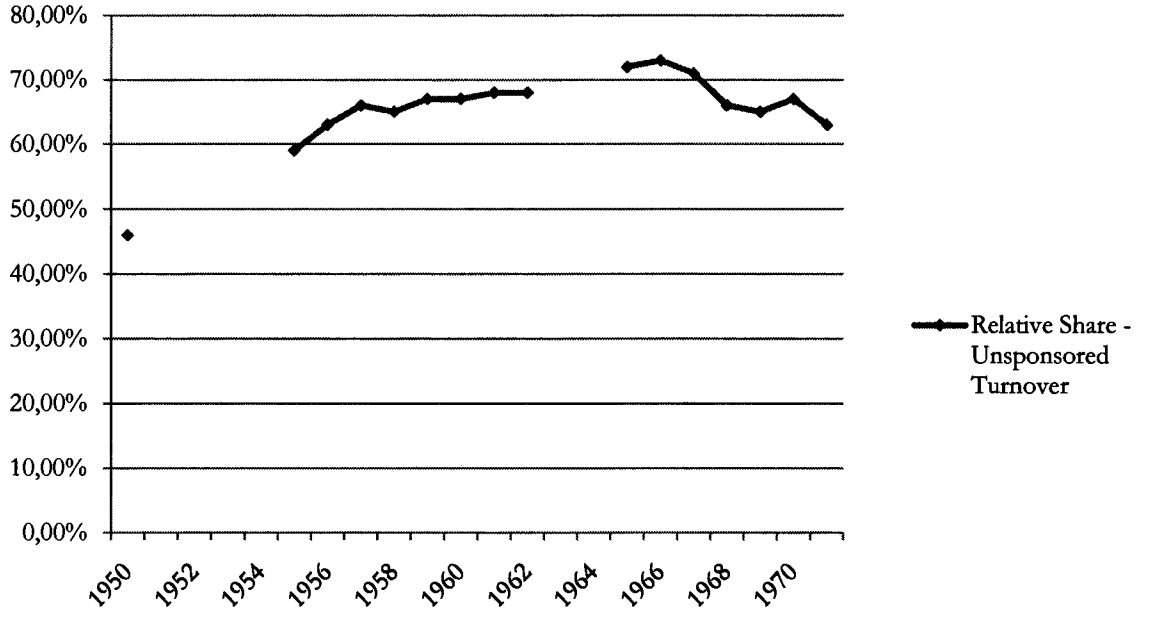
- On a *worker* level, there was no longer any legal incentive to negotiate leave with superiors since the de-criminalization of unsponsored turnover, as employment opportunities at other enterprises were expected under conditions of shortage.

One further aspect should be mentioned. The liberalized labour code of 1956 still entailed the punishment of losing social insurance benefits on leaving work unsponsored; illustrating why part of the increase could be explained by younger, more turnover prone workers opting for *Exit* (young workers had fewer incentives to care about insurance benefits and pensions), and that there could also be managers who would not release their employees upon request, and who therefore opted for unsponsored leave. Under conditions of excess-demand from enterprises enjoying soft budget constraints, labour market activity therefore remained high. The subsequent decline in the 1970s and 1980s can be explained by supply as well as demand factors, even though this period partially falls outside of the scope of this thesis.

Diagram 6.2 below illustrates the relative share of unsponsored turnover to total separations for the time period 1950-73 (source as above). It outlines how reporting shifted as a result of the de-criminalization of job-changing in 1956. In 1950, unsponsored turnover had constituted less than half of all separations, whereas a decade later it had increased to over 70 percent. If anything, the late 1960s seem more difficult to explain, i.e. why unsponsored turnover again began to abate. The VTsSPS believed this was due to increased wages and ameliorations in living conditions, but it could equally be related to stagnated growth levels and a decreasing supply of new recruitment to industry.[303] That is, the decline can be explained by changes in the supply of labour, as well as demand for inputs, by Soviet enterprises. These are however issues which the current thesis has not been able to resolve.

[303] GARF, f. 5451, op. 60, d. 1, l. 25.

Diagram 6.2 Relative Share of Unsponsored Turnover to Total Separations, 1950-1973 (Industry).



What was the actual structure of those leaving and arriving to industry during a typical year? The changes in reported levels can be explained by comparing more detailed tables on labour recruitment and turnover. Below some estimates are presented for the fourth quarter of 1958 – i.e., two years after the labour edicts had been abrogated.

Table 6.2 Dynamics of Arrivals and Separations in Soviet Industry (Excluding Forest Industry), Fourth Quarter 1958.

	Total for USSR		Total for the RSFSR	
	Amount (Thousand):	As percentage of Total:	Amount (Thousand):	As Percentage of Total:
Total influx	936,93	100	567,42	100
Out of Which Through:				
1. Organized Recruitment	32,68	3.5	11,36	2.0
2. Technical School	16,31	1.7	11,08	2.0
3. Other Enterprises and Organizations	59,13	6.3	39,58	7.0
4. "At the Gates"	828,81	88.5	505,40	89.0
Total Separations	961,83	100	587,00	100
Out of Which due to:				
1. Transfer to Another Enterprise	90,97	9.5	57,08	5.7
2. Accordance with Labour Contract	133,99	13.9	86,37	14.8
3. Military Service and Other*	223,69	23.3	141,69	24.1
4. "Wilful Leaves"**	436,15	45.3	257,71	43.9
5. Violation of Labour Discipline	77,03	8.0	44,15	7.5

Source: RGAE, f. 1562, op. 332, d. 6945, l. 1.

* Herein is also included transfer for further education, transfers in accordance with existing legislation, and disabilities, sickness and old age.

** "Wilful leaves" was the official term for unsanctioned leaves, i.e. quits in economic parlance.

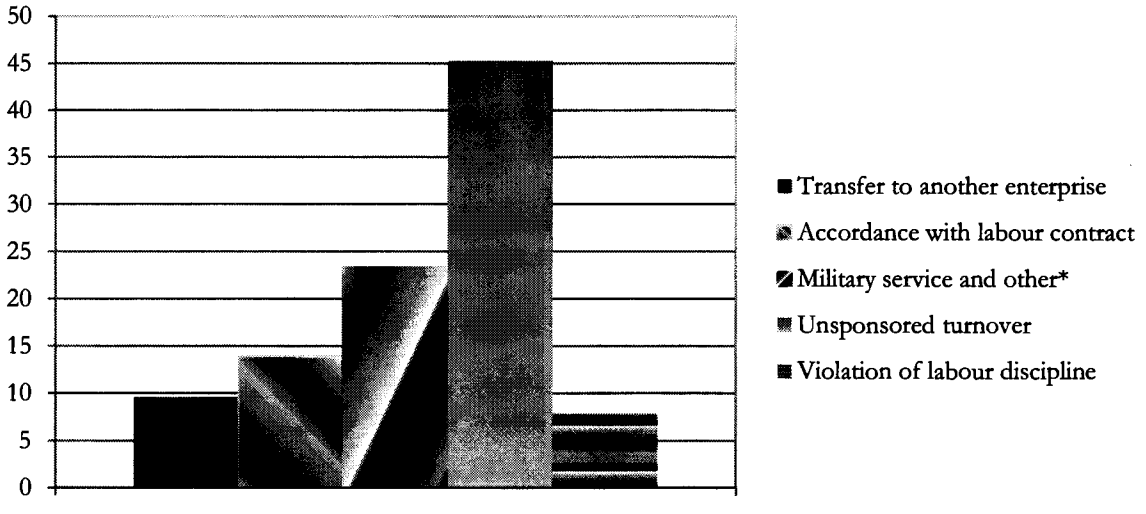
Particularly noteworthy is the remarkably large share of "wilful leaves" (45.3 percent) which together with discharge due to violation of labour discipline (8.0 percent) constituted 53.3 percent of total separations (row number four and five under "total separations").[304] Turnover due to military service, disabilities, sickness and old age is the second largest category at 23.3 percent.[305] The data presents for the first time a breakdown on dismissals (due to "violation of labour discipline"), a category otherwise concealed in official Soviet publications. It is probable

[304] The share of turnover was statistically calculated in relation to the *average* amount of employees during the period at hand, and not the actual in the beginning and end of the period. For an explanation, see RGAE, f. 1562, op. 37, d. 3551, ll. 1-7. When miscalculations were made, TsSU attempted to have them corrected.

[305] RGAE, f. 1562, op. 332, d. 6945, l. 1.

that the category of wilful leaves also includes a certain amount of people who left due to redundancies, and who otherwise would have been registered as "dismissed".

Diagram 6.3 Structure of Total Separations in Soviet Industry, Fourth Quarter 1958.



Source: See table 6.2

* Herein is also included transfer for further education, transfers in accordance with existing legislation, and disabilities, sickness and old age.

Of further interest is also the significant share of recruitment "at the gates" (88.5 percent for the USSR and 89.0 percent for the Russian republic), illustrating that recruitment was managed almost completely without any intermediaries.[306] In the Soviet context, this implies that the labour market was the least regulated of all sectors. Unlike materials and equipment, labour was allocated by a decentralized process and no central agency directed specific workers to specific enterprises (except for in certain instances, for example job searchers with a university degree). The majority of all workers were expected to find their own employment, and enterprises recruited in accordance with the production plans. A variety of recruitment techniques could be utilized; there were "open door days" for graduate students, postings on factory gates and bulletin boards, and announcements in journals and radio to provide information.[307] Interestingly, recruitment to industry by and large either followed the state plans or exceeded them (sometimes quite

[306] No information on the exact amount of unemployed in the Soviet economy has been found, but a Council of Ministers' report dated June 9, 1956, gives the number for Moscow to be "more than 175,000 people". RGAE, f. 355, op. 1, d. 202, l. 130. Note however, that the Soviet category of "unemployed" was statistically merged with the category "unemployable" in a not coherent way. They included herein not only demobilized and youth, but also invalids.

[307] These aspects were discussed in Western literature, see E. Brown, *Soviet Trade Unions and Labor Relations*, p. 27; J. Berliner, *The Innovation Decision in Soviet Industry*, pp. 155–6.

significantly).[308] It is revealing, that authorities expected workers to independently find employment, while it was simultaneously considered detrimental to leave work when remuneration was considered to be below expected fair wage levels. It further illustrates that the demand side in the equation was taken little into account.

For comparative purposes, corresponding figures for the first quarter of 1953 are given in Table 6.3 below. Unfortunately, I have only traced data for the Russian union republic (RSFSR), which however may safely be regarded as representative in this context.

Table 6.3 Dynamics of Arrivals and Total Separations in Industry in RSFSR, First Quarter 1953.

	Amount:	As Percentage of Total:
Total Arrivals	201,793	100
Out of Which Through:		
1. Organized Recruitment	24,573	12.17
2. Technical School	2,534	1.25
3. Other Enterprises and Organizations	17,345	8.59
4. "At the Gates"	149,319	73.99
5. Other	8,022	3.97
Total turnover	229,521	100
Out of Which due to:		
1. Transfer to Another Enterprise	19,259	8.39
2. Accordance with Labour Contract	44,893	19.55
3. Military Service and Other*	43,080	18.76
4. "Wilful Leaves"	4,596	2.00
5. By Decision of Administration **	117,693	51.27

Source: RGAE, f. 1562, op. 332, d. 2400, l. 3.
* Herein is also included transfer for further education, transfers in accordance with existing legislation, and disabilities, sickness and old age. This document actually differentiates between turnover in accordance with military service (29,647 persons) and turnover in accordance with disabilities, sickness, and old age (13,433 persons), respectively. We have for simplicity added these columns so that the numbers are more easily comparable.
** It is assumed that herein is included those workers also discharged due to violation of labour discipline.

[308] RGAE, f. 1562, op. 332, d. 6230, ll. 2-4. See also S. Malle, *Employment Planning in the Soviet Union*, chapter 1.

Tables 6.2 and 6.3 above illustrate that the abrogation of the edicts regulating absenteeism and job-changing in 1956 coincided with an important change of definition. As noted in an earlier study of Filtzer on the post-war period, there existed until this year a highly ambiguous term for turnover "by decision of administration".[309] The category was used to conceal the true amount of illegal job-changing at the enterprise, and explains why authorities chose to define *tekuchest'* as a combination of quits plus dismissals ("by decision of administration" before 1956). To see why, one can make a simple comparison.

As seen in Table 6.3, the share of "wilful leaves" to total separations in year 1953 is infinitely small; 2.0 percent as compared to 43.9 percent five years later. The category "by decision of administration" does only exist up to the year 1956 change in the law, and is not well defined. Considering its dominant share of 51.27 percent, it most likely contains a large part of those later redefined as "wilful leaves". That this might indeed be the case is shown by simply adding rows 4 and 5 in Tables 6.2 and 6.3, respectively. The share earlier defined as "wilful leaves" plus "by decision of administration" in 1953 equals 53.7 percent; as compared to the shares of "wilful leaves" and "violation of labour discipline", equalling 51.4 percent, in 1958.

An analysis of TsSU working material (all of it written by hand on large sheets) enables one to trace the changes in somewhat better detail. It is plausible from this material that the change of definition occurred in the last quarter of year 1956, when the administration simply did not register any data on "wilful leaves". The column was left blank for the fourth quarter, and as the data sets for year 1957 commence, the changes in design had already been implemented with the ambiguous "by decision of administration" scrapped. Unfortunately no all-union data has been found, but for the Russian republic, the quarterly data sets reveal that wilful leaving increased from 5,164 persons in the first quarter of 1956, to 294,312 persons in the first quarter of 1957 (a 569.9 percentage increase). This large shift is part of the "reform effect", where changes of definition were related to changes in jurisprudence and administrative practice, and not actual labour market activity. These changes illustrate the extent of collusion at the enterprise level between workers and management; and how a reduced level of coercion paradoxically encouraged a more truthful reporting of relevant data.

[309] D. Filtzer, *Soviet Workers and Late Stalinism*, p. 169.

Table 6.4 Data on "Wilful Leaves" in the Russian Republic, 1956–57 (First Quarter).

Time Period	Number of Persons
First Quarter 1956	5,164
Second Quarter 1956	7,376
Third Quarter 1956	10,638
Fourth Quarter 1956	Entry in list left blank
First Quarter 1957	294,312

Source: RGAE, f. 1562, op. 332, d. 5262 (handwritten lists).

6.3 Economic Structure: Work Conditions and Recruitment

This section will argue that only an analysis that accepts labour as heterogeneous in character can explain on the one hand variations in supply of labour; and on the other, the specific demand for labour at Soviet enterprises. The analysis begins with some empirical evidence on work conditions and structural inefficiencies in different industries. It then discusses the economic implications for recruitment of labour. Empirically the analysis concretizes with evidence on industry, construction and forest.

Living conditions began to improve significantly under Khrushchev compared to the war and post-war periods. New residential areas were built and investments were increasingly shifted towards consumption (and thus should increase the perceived fair wage level). Work conditions however remained a check on performance and health standards. The fair wage model proposes that a response to declining incentives can be brought about for various reasons. In construction, the major reason for turnover remained poor work conditions at the enterprise level. The differences between industry and the more manual construction and forest sectors are particularly clear. The archives contain a fairly rich documentation on qualitative aspects of work conditions (for example letters from workers and trade union and party organ reports). The Central Committee of the Labour Union of Construction reported that on January 10, 1957, they had received the following petition from the trust "Azovestral'stroy" of the town Zhdanov, signed by 26 workers:

> Currently the concreters are working under open skies in severe cold and heat, in snow and in rain; fitters arrange the armature in freezing temperatures... ground that does not defrost, does not get any warmer, sand does not get dry, freezes together, the frost makes the water pipes crack, work here is manual and very tough. We perform 130–40 percent of our muscular capacity to labour, but still, our working conditions are nowhere near those in industry.[310]

As regards stoppages, poor work conditions in construction made production sensible to weather conditions. One enterprise reported that during winter, x amount of labour days were lost due to cold, and in May-June, $4x$ the amount was lost due to rain.[311] The implementation of protective gears was irregular. According to a VTsSPS report to Bulganin at the Council of Ministers, some enterprises offered complementary special clothing, whereas other ones would deduct such outlays from the workers' wages. On February 11, 1958, this sort of business was ended, as the Council of Ministers ordered that all necessary clothing should be provided free of charge.[312] Another aspect was the lack of basic protective gears and clothing. The Council of Ministers noted that as regards the forest industry as a whole in 1955, 18,023 workers did not receive any felt boots, and 18,766 workers did not receive any cotton clothing.[313] As a percentage of the total amount employed in the forest industry sector, these unfortunates represented about six percent of all employees.[314]

There was also a more far reaching side of the Stalinist legacy which made itself felt in various sectors. Forest work and other tasks in the more remote regions of the country had since the early 1930s been performed to a large extent by *spetspereselentsy*, special settlers or supposed "kulaks" and their families who had been targeted in the de-kulakization campaigns in the Soviet countryside.[315] The special settlements constituted a major element of the Gulag system, notorious in general for its apparatus of violence, neglect and low productivity. The system was gradually abolished after the death of Stalin in March 1953, but until then, authorities attempted with combinations of sticks and carrots to induce the special settlers to more productive work.

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[310] RGAE f. 9573, op. 1, d. 1624 (1), microfilm, l. 148. Considering the item's location, the letter was probably forwarded to the State Economic Commission and / or Council of Ministers for review. On March 22, April 22 and November 29, there were similar reports for coal industry, construction bureaus and the forest industry, respectively. In the case of forest industry, it was reported to the Council of Ministers from the labour union office of Tatarstan for forest industry, that conditions were so strained, that in the first quarter of 1956, there was a recorded loss of 2,369 working days out of a total of 2,586 workers. They recorded 2,442 incidents causing sick leave in 1956. Ibid.

[311] GARF, f. 5451, op. 26, d. 1325. l. 51.

[312] RGAE, f. 4372, op. 56, d. 334, l. 197 (VTsPS report dated March 7, 1958; Council of Ministers resolution dated February 11, 1958)).

[313] RGAE f. 9573, op. 1, d. 1624 (1), microfilm, l. 172.

[314] Based on my own calculations. See RGAE, f. 1562, op. 332, d. 6942, l. 1.

[315] The de-kulakization continued after World War II in the Baltic countries and the regions of former Poland and Romania.

To a large extent it boiled down to efforts at "socialization" and "raising their awareness", as part of the socialist project. A secret VTsSPS edict, as late as January or February 1953, "On improvements in the work of trade union organizations with special settler blue-collar workers and white-collar workers", argued as follows:

> The secretariat of the VTsSPS recognizes, that trade union organizations, and in particular coal, forest, fishing, mining industry and construction... unsatisfactorily implement mass-enterprising and cultural-educational work among blue-collar and white-collar special settler workers, unsatisfactorily involve them in socialist competition, do not devote necessary attention to schooling them in the mentality of honest, meaningful relation to work, and do not strongly maintain labour discipline."[316]

Many directors of enterprises and local trade union organizations did not wish to accept special settler labourers. According to the edict, special settlers avoided public speeches, mass meetings and various clubs. Thus:

> As a result of this, a significant part of... the special settlers are poorly informed about the successes in building communism and current developments in the life of our country and the world. [Nor do they] raise their cultural level and [nor] do they take part in the lives of enterprising collectives.[317]

In 1953, there were 2,754,000 special settlers in various regions of the USSR, thus constituting the largest constituency of unfree labour.[318] To this day there have been few studies of the fates of those souls as they were subsequently released, from special settlements and other camps.[319] To my knowledge, there has been not one economic historical analysis dedicated to the subject matter. A significant source could possibly have remained in the same village or town, continuing their previous work as technically free persons. And further, work conditions probably did not improve very fast in the short – and not much in the long – term either. There is some evidence for this. A report from the Ministry of Forest Industry, dated January 24, 1967, spoke of

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316 RGANI, f. 5, op. 15, d. 424, l. 47. [VTsSPS Secretariat, secret edict, exact date unknown, January-February 19539]. Microfilm.

317 RGANI, f. 5, op. 15, d. 424, l. 48. Microfilm.

318 V.N. Zemskov, *Spetsposelentsy v SSSR, 1930-1960*, Moskva: Nauka, 2005, pp. 20–21.

319 There exist some literary and narrative accounts, see A.I. Solzhenitsyn, *Archipelag GULAG: 1918-1956. Volume 3*, Moscow: Sovetsky pisatel', 1989; L. Toker, *Return from the Archipelago: Narratives of Gulag Survivors*, Bloomington, IN: Indiana University Press, 2000, pp. 49–52, 73; R. Medvedev, G. Chiesa, *Time of Change: Insider's View of Russia's Transformation*, New York: I B Tauris & Co Ltd, 1989, pp. 99–100; A. Antonov-Ovseenko, *Vragi naroda*, Moscow: Intellekt, 1996, p. 367. Relevant historical analysis has been made in N. Adler, *The Gulag Survivor. Beyond the Soviet System*, New Brunswick, NJ: Transaction Publishers, 2002; O. Figes, *The Whisperers: Private Life in Stalin's Russia*, New York: Metropolitan Books, 2007. See also S. Cohen, "The Victims Return: Gulag Survivors under Khrushchev" in P. Hollander (ed.), *Political Violence. Belief, Behavior, and Legitimation*, New York: Macmillan, 2008, pp. 49–68.

difficulties in recruitment and large turnover. Work conditions were strained and the regulation of the work-day was poor. Shifts were not discontinued in concern of poor weather conditions and a large amount of workers still lived in dormitories or "settlements" (*poselok*).[320] Many years after the dictator's death, his imprint made its mark on society.

Perhaps not surprisingly, a Council of Ministers report noted the Ministry of Forest Industry did not fulfil the norms for labour productivity, and further that "many enterprises employ amounts of workers to a larger extent than planned numbers, poorly utilize mechanization, falsify labour fulfilment numbers" and that a "significant amount of workers digress from ancillary tasks in basic production."[321] Forest industry represents the typical unprivileged industry sector of the Soviet economy; work conditions and payment were low, but in average market logic, effort was correspondingly low. In the end, authorities reported excess payments of wages of no less than 112 million roubles in year 1956. Forest industry was also dependent on seasonal workers, especially during the active winter months of the year. One ministry report in 1955 noted that achieved recruitment of seasonal labour averaged in between one quarter and a third of planned input.[322]

A major inheritance from the forced industrialization in the 1930s was the imbalance between different sectors in the economy. There were also important geographical and historical differences between industries and regions. Nominal wages were on average rather equalized, but other differences could be more pronounced.[323] This is obvious from available material, not the least from the statistics on work-place accidents (Tables 6.5 and 6.6). In 1964, some of the most hazardous branches were coal, construction, construction materials, forest and metallurgy. From the available data on the Russian republic for 1966, out of 633,000 workers involved in a work-place accident, some 5,700 people perished and about 21,000 were disabled.[324]

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[320] RGANI, f. 5, op. 59, d. 191, ll. 53–56. Report from the Ministry of Forest Industry to the Central Committee of the Communist Party, dated January 24, 1967. Microfilm.
[321] GARF, f. 9553, op. 1, d. 41, l. 182. (Protocol no. 38 from the Commission of the Council of Ministers on Labour Questions, dated September 15, 1956).
[322] RGANI, f. 5, op. 41, d. 27, l. 71. Report from Ministry of Forest Industry to the Central Committee of the Communist Party, April 13, 1955. Microfilm.
[323] See RGAE, f. 1562, op. 337, d. 2861 for a breakdown on wages in different industries for year 1961.
[324] RGANI, f. 5, op. 59, d. 50, l. 90. Secret party report. Microfilm.

Table 6.5 Accidents and Their Outcome in Various Branches of Industry and Construction, 1964 (sample).

	Average Amount of Employed	Incapa-citated > 3 days	Death	Incapa-citated > 3 days / 1000 employed	Days Lost	Average Amount of Days Lost per Accident
Ferrous Metallurgy	1,393,679	26,089	345	19	553,943	21
Non-Ferrous Metallurgy	731,619	11,800	246	16	294,218	25
Construction Materials	1,410,946	38,557	331	27	759,995	20
Construction	5,671,725	110,509	1,740	19	2,299,486	20
Agriculture	8,218,533	217,077	1,638	26	3,736,618	17

Source: RGAE, f. 1562, op. 37, d. 2714, ll. 1–2.

Table 6.6 Amount of Work-Place Accidents and Their Outcome in the RSFSR, 1966.

		Amount:	As Percentage Share:
Amount of People Involved in an Accident		633,000	100
Of which:	Death	5,700	.9
	Invalidity	21,300	3.4

Source: RGANI, f. 5, op. 59, d. 50, l. 90. Secret party report. Microfilm.

6.3.1 Structural Demand and Heterogeneous Labour

Industries such as construction and machine construction existed on a different level of performance, work conditions were harsher and the average skill level among the employees was considered underdeveloped. We noted important differences in work conditions between various sectors. But labour needs to be differentiated also on an industry level and on aspects such as age, background and gender (i.e. it is necessary to analyse labour as heterogeneous). There were structural factors of the Soviet economy which to an extent determined the demand for specific labour. More specifically, the difficulties in utilizing technology and the shortage of engineers and skilled workers increased demand for manual and auxiliary workers.

Nominal wages were slightly higher in construction than in industry, but apparently not sufficiently high.[325] The Council of Ministers argued that there were severe "inadequacies in the quality of construction work, in the usage of resources of mechanization and the organization of

[325] A.A. Alimov *et al* (eds), *Narodnoe khozyaystvo SSSR: 1922-1972 gg. Yubileyniy statisticheskiy ezhegodnik*, Moscow: Statistika, 1972, pp. 350–51.

labour at the construction sites," in much due to a substantial deficit of qualified workers. This situation was said to be primarily a result of the losses in the war, recruitment of qualified workers to industry and a "significantly larger turnover of workers at the sites".[326] Those who completed their "ten months schooling arrived to work without the necessary professional prerequisites", and they did not "master the necessary industrial habits."[327] Adequate schooling was low in comparison with other developed countries. The average period of schooling in the USSR was ten months, compared to 2–3 years in Czechoslovakia, Hungary and GDR, 3–3.5 years in Western Germany, and 3–4 years in France, Italy and the USA. Authorities were highly aware of these skill differences, and archival documents reveal to what extent the American experience actually served as a benchmark for Soviet leaders. According to a memo by Kosygin from 1961, capacity use in machine construction was only 35–50 percent, primarily because of a lack of skilled technicians.[328]

One important reason for the larger turnover in construction was the relatively low skill premium from the outset; a qualified construction worker (an engineer or technician) could earn more by moving to another ministry and assume tasks different than trained for.[329] It is probable however, that schooling could perform a more important role than simply to deepen the levels of skill or knowledge. Schooling in general also performs a secondary but equally important role of socialization and creates loyalty to the organization. In light of the troubled nature of the Ministry of Construction, it is not surprising that authorities argued for significant extensions of training periods, as well as a deepening of their content. This was the background to the Council of Ministers' edict on "means to improve the level of qualification among workers in construction" in 1956, as well as the earlier and similar edict of August 23, 1955.[330] Special pecuniary measures were introduced to keep technicians and engineers in construction, a group subject to special scrutiny by Gosplan and Council of Minister officials.[331]

Investment plans were more easily set than executed, a little investigated aspect of the Soviet economy which nonetheless produced some unexpected results. TsSU investigated some strategic construction sites for light industry during the years 1959-62, for which reason we have

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[326] RGAE, f. 355, op. 1, d. 202, l. 178.
[327] Ibid., l. 180.
[328] RGAE, f. 7, op. 3, d. 1128, ll. 3–6. Report by Kosygin to the Council of Ministers, September 19, 1961.
[329] GARF, f. 9553, op. 1, d. 41, ll. 128–129 (case of factory no. 202, "Minsudproma").
[330] See the Central Committee and Council of Ministers edict "On means to further industrialization, improving of quality and decreasing costs in construction", 23 August, 1955. RGAE, f. 355, op. 1, d. 202, ll. 183–189 (draft of the 1956 edict), 208 (relevant part of the year 1955 edict).
[331] Ibid., ll. 213–215. "On the regulation of wages for engineers and technicians in construction" of 13 October, 1956. In the early 1960s, this topic recurred again. See RGAE, f. 7, op 3, d. 1128, l. 89.

quite elaborate archival sources. Light industry was meant to provide many of those consumer goods that Khrushchev had prioritized in his economic reforms. However, the completion of light industry enterprises was slowed down as construction did not keep the desired pace. On a yearly basis, completion oscillated in between 14–31 percent in relation to the total amount of projects launched in that year. The TsSU report continued: "Construction in various important enterprises of light industry is completed unsatisfactorily. The allocation of capital investments are exploited incompletely and inadequately concentrated on new projects." Certain projects had been begun already in 1951, but had been completed by less than 40 percent some 12 years later. An important, and unforeseen, result of this slow development was quickly increasing outlays on import of various sorts of equipment.[332] Table 6.7 illustrates the discrepancy between plan targets and economic feasibility. Every year, about 10–20 percent of all projects remained less than half completed, and some further 20–35 percent of all projects were finished by less than three quarters. The yearly trend for 1959-62 is tabulated as follows.

Table 6.7 Relative Completion of Important Construction Sites for Light Industry, years 1959-1962.

	Amount of Enterprises in Construction				As Percentage of Total			
	1959	1960	1961	1962	1959	1960	1961	1962
Amount of New Construction Sites	102	127	135	152	100 %	100 %	100 %	100 %
Out of which:								
Completed the Plan Targets	25	39	19	37	25 %	31 %	14 %	24 %
Did not Complete the Plan Targets	77	88	116	115	75 %	69 %	86 %	76 %
Out of which:								
Completed less than 50 percent	8	9	24	23	10 %	10 %	21 %	20 %
Completed 50-75 percent	19	17	32	40	25 %	19 %	27 %	35 %
Completed 75-100 percent	50	62	60	52	65 %	71 %	52 %	45 %

Source: RGAE, f. 1562, op. 337, d. 6431, l. 117.

[332] RGAE, f. 1562, op. 337, d. 6431, ll. 117–8.

Light industry is less technology intensive than for example heavy industry or chemicals production, but the fact that only some 14–31 percent of all projects were completed on time reveals an important aspect of the Soviet economic system. This implies that technology and machinery were increasingly outdated at the time it was first put to use in actual production. Such circumstances exacerbated the ratio of manual to non-manual labour and drove demand for auxiliary and manual workers, and reinforced a downward trend in work conditions in general. Following an isoquant allowing for a trade-off between labour and capital, the Soviet economy can thus be said to have existed at a higher labour ratio than other similarly industrialized market economies at the same period in time (substituting technology for labour).

TsSU reported in 1962 that work was manual in forest industry to a degree of "51 percent of the employees working by hand with no support of machines or mechanization." This still represented an improvement compared to 70 percent in 1954, and 57 percent in 1959.[333] The data should be compared to the only somewhat better number of 55 percent for industry as a whole in the same year.[334] Interestingly, performance in forest industry declined in the same period, indicating that the average worker was more *Voice* prone. In 1954, 70 percent of all manual work was still being fulfilled according to plan, eight years later; this number was down to a lower 51 percent. Figures for mechanized work in the same period would on the contrary show increasingly positive results, indicating that improvements in work conditions would as a rule also increase productivity.[335]

The official statistics on employment do not provide any clear measure on manual labour, but an appropriate proxy for which we have archival sources is auxiliary staff. Why is this measure relevant? As was noted by Winiecki, disproportionate and increasing demand for manual labour was a structural feature of Soviet Type Economies (STEs). This is an interesting feature, since demand for manual labour in industrialized countries could be expected to decline over time, and not the other way around. Winiecki's theory was based on his insights into the functioning of command economies. In order to explain the differentiated demand for labour – and not only the observed general excess-demand stemming from soft budget constraints – he introduced the concept of *twofold under-specialization* (see previous chapter), which explains not only the volume but also the structure of demand for inputs. On the one hand, he argued, socialist economies were under-specialized because of restraints on imports and exports which disconnected them

[333] Special study commissioned by the TsSU, March 16, 1962. Included in RGAE, f. 1562, op. 337, d. 3042, ll. 23–24 (TsSU report to the Council of Ministers, May 19, 1962).
[334] RGAE, f. 1562, op. 337, d. 3042, l. 78 (TsSU report to the Council of Ministers, 28 December, 1962)
[335] RGAE, f. 1562, op. 337, d. 3042, l. 27 (May 19, 1962 report).

from global distribution (this was not a significant problem in USSR which was a large country); and on the other because of the incentives of each individual enterprise as such to procure as many intermediate products as possible independently from one another because of poorly functioning internal distribution linkages. This last structural phenomenon was endogenous to the experience of all STEs, and thus persisted also in the Soviet economy.[336]

Between 1948 and 1954 the absolute amount of auxiliary staff increased from 2,592,700 workers to 4,824,600, or by 1.87 times. Non-auxiliary staff grew by 76.3 percent in the same period, as compared to 86.1 percent for auxiliary staff.[337] It needs to be remembered however, that both categories could include different degrees of manual labour. This view fits with Kosygin's remark about the high degrees of underutilization due to lack of skilled technicians and the long completion periods of investment projects. In the absence of qualified workers, and the fossilization of old technologies in delayed projects (and the retention of obsolete technology next to new equipment in existing enterprises), output could only be expanded with the increasing use of more manual labour.

Another explanation for the large demand for manual labour was the deficit of engineers and workers with higher training. This was a paradox for the casual observer. The Soviet system had expanded the amount of trained engineers and technicians after the revolution. Employed workers with a higher education had increased from 190,000 in year 1913 (just before the onset of the war), to 909,000 in 1941, and 3,824,000 in 1961. Close to 60 percent of these were women, even though an undisclosed amount was actually reported as having withdrawn from the labour market (to perform housework).[338] Turnover among the most skilled strata of workers was costly and it was noted, that an especially significant share (over 50 percent) of agricultural technicians actually worked in branches of the economy for which they had not received their formal schooling. Russian sociologists devoted much effort to evaluate the dynamics of this process, and a number of studies were published in the 1960s.[339]

Notwithstanding the expansion of schooling, the Council of Ministers argued that there was a deficit of qualified workers (workers with higher training) in the early 1960s: "Considering that

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[336] E. Winiecki, J. Winiecki, *The Structural Legacy of the Soviet-Type Economy. A collection of papers*, Enfield: The Centre for Research into Communist Economies, 1992, especially chapter 2.
[337] GARF, f. 9595, op.1, d. 105, l. 2.
[338] RGAE, f. 1562, op. 337, d. 3042, ll. 1–2, 8. Report to the Council of Ministers from TsSU, May 19, 1962.
[339] For a tentative breakdown on the driving forces of turnover among skilled workers, see for example G.V. Osipova, Ya. Shchepan'skogo (eds), *Sotsial'nye problemy truda i proizvodstva – Sovetsko-pol'skoe sravnitel'noe issledovanie*, Moscow: Izdatel'stvo Mysl', 1969, p. 191. I am grateful to Lennart Samuelson for directing me to this source.

the need for qualified worker cadres at industry and construction enterprises only increases, the preparation of such at professional-technical schools for industry and construction increased unsatisfactorily in the last years, and for some branches even decreased." It was further argued, that the actual training did not sufficiently prepare young students for their work.[340]

Attempts to estimate the costs of turnover were made for qualified workers. Gosplan and Gosekonomkomissiya estimated that for industry and construction, 2-4 times the amount of staff needed had to be actually trained for the job. They argued; that in the three years of 1959-61, there was a yearly preparation of 1.8–1.9 million workers to ensure a growth of 0.5–0.85 million for qualified work. In construction, there was a yearly preparation of 0.580 million qualified workers to ensure a growth level of 0.131 million.[341] These costs were born by the enterprises, since many schools provided only a smaller share of the training; i.e. most preparation was to be given the workers on the spot while on the job, for which reason many young workers also failed to receive the necessary schooling. In documents prepared by Gosplan and Gosekonomkomissiya, it was noted that enterprises were constantly re-training new employees, as the earlier ones left: "There is a large turnover of labour power in industry and construction, which has shown to be one of the major causes of lack of qualified workers at many industries and construction sites."[342] This is an echo of the discussions held in the early 1930s, as rendered in the introductory Chapter 2.1. To understand the effects of unsponsored turnover among skilled workers, one can relate the planned increases to the total residual after yearly leaves. The estimated need of qualified workers in the period 1962-63 was calculated as follows. Of a total added need of 2.62 million qualified workers in 1962, only 0.313 million would actually add to the existing stock, whereas 2.307 million would be replacement due to turnover.

Table 6.8 Estimated Demand for Qualified Industry Workers, 1962-63.

	Total Need	Of which will:	
		Add to Growth of Total	Be Replacement due to Turnover
1962	2,620,000	313,000	2,307,000
1963	2,785,000	465,000	2,320,000

Source: RGAE, f. 7, op. 3, d. 1128, l. 99 (Gosplan work document).

[340] RGAE, f. 7, op. 3, d. 1128, l. 89. Council of Ministers' draft edict "On means to improve the preparation of qualified workers for industry and construction".
[341] RGAE, f. 7, op. 3, d. 1128, l. 103.
[342] Ibid., l. 102.

6.5 Driving Forces of Labour Turnover

The fair wage model introduced in Chapter three assumed that declining incentives, and as a correlate labour turnover, could materialize out of a host of various factors, where the nominal wage was only one part. In fact, VTsSPS noted that about 22–25 percent of turnover was opted for even as this resulted in a lower wage than at the previous place of work.[343] There can be various explanations for this, but one is arguably geographical. Next to industry sector, geographical location of work played an important role in turnover (see also Appendix 6.2). It was noted, that the largest share of unsponsored turnover occurred at newly industrialized sites, such as in Siberia, the Far East and Kazakhstan. Living conditions in such regions were logically the crucial factor. In Novosibirsk and Kemerovo oblasts turnover represented about 47–48 percent, in Irkutsk oblast about 54 percent and in various Chelyabinsk oblast enterprises 64 percent, of the labour force. At some enterprises in western Siberia, turnover was even higher at 80–109 percent. This occurred even though remuneration was sometimes significantly better, indicating deficiencies in supply of consumption goods and/or poor living conditions.[344]

Contrary to the official Soviet doctrine, archival evidence has not shown much clear evidence between turnover and labour discipline. The most common driving forces were non-monetary factors such as work and living conditions. Even party representatives at the enterprises – i.e. those who in practice were most responsible for upholding the official ideology – were clear on this issue in internal communication. A stenographic report from a conference for *obkom* secretaries of the Central Committee Department for Agitation and Propaganda (Agitprop) was dedicated in large extent to "labour problems". A secretary representative, Stepanov, argued he had much experience of unsponsored turnover and absenteeism at "his enterprise". He continued:

> Yes, these questions are our largest concern. How can one begin to understand them? There is one form of turnover as to the army or for studies, but a large amount of workers leave for reasons related to managerial questions. A young worker, who lives in a communal house and is about to get married but can find no apartment. Such questions force the workers to leave the enterprise and search for better places."[345]

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[343] GARF, f. 5451, op. 60, d. 1, l. 5.

[344] GARF, f. 9595, op. 162, d. 102, ll. 101–103. Council of Ministers report on labour turnover and geographical differences. Wages could be about 14 to 37 percent higher in Siberia and the Far East, respectively, compared to the centre.

[345] RGANI, f. 5, op. 34, d. 23, l. 19. (stenographic report dated February 21, 1957).

Table 6.9 represents one of the better studies on driving forces of turnover from year 1968 made on a random selection of 150 enterprises. Residence related job change represented 27.4 percent of all changes, a clearly larger share than those dissatisfied with wages (13.3 percent), work (6.3 percent) and any other aspects. As regards age, the dominant groups were in between 16–19 years (17.8 percent), 20–29 years (45 percent) and 30–39 years (24.7 percent) old (see Appendix 6.6). Specialists and people with higher training were as a rule less turnover prone. About 40 percent of unsponsored turnover was opted for by workers with less than one year employment at the given enterprise.[346] The information from archival sources differs little from what has previously been inferred from official publications.[347]

Table 6.9 Driving Forces of Unsponsored Turnover, III Quarter, 1968 (Sample of 150 Enterprises).

	Amount of People	Percentage Share
Work not in line with training	370	2.1
Dissatisfaction with work	1,217	7.3
Irregular work, storming, stoppages and overtime	106	.6
Seasonal character of work	151	.9
Work at warm levels, closed for ventilation etc.	156	.9
Heavy physical work	727	4.2
Unsatisfying sanitary conditions	290	1.6
Monotone work	138	.8
Dissatisfaction with work schedule	1,034	5.9
Dissatisfaction with wage remuneration	2,329	13.3
No chances to improving qualifications	175	1.0
Distance in between place of work and home	1,052	6.0
Change of place of home	4,792	27.4
Other	4,915	28.1
Total	17,452	100.0

Source: GARF, f. 5451, op. 60, d. 1, l. 21.

We previously noted the advantage of not assuming labour to be homogenous. Important differences existed between manual and non-manual labour. There were also noticeable differences between men and women as regards labour market activity. The role of women labour – being doubly domestic and industrial – had long been a pronounced aspect of the Soviet economy. Not a small share of some of the heaviest tasks was performed by women. This can to a large extent be explained by what Russian scholars have labelled "demographic echoes", that is,

[346] GARF, f. 5451, op. 60, d. 1, ll. 22–24.
[347] R. Fakiolas, "Problems of Labour Mobility in the USSR", p. 23.

the effects of the population deficit incurred by the war between the USSR and Germany (1941-1945), which had produced a total population deficit of approximately 34 million people.[348] This deficit would only be compensated for by the late Stalin period's recruitment efforts of women and young men from the countryside. Over a decade later, women were a driving force of the Soviet economy. Almost half of all industrial work was done by women. They dominated completely traditional women work such as communications and teaching, but constituted no less than a third of the labour force in construction.[349] Their share of the industrial labour force was reported in 1958 as follows (Table 6.10). While present in all sectors with no less than a third of the total labour force, they would dominate some especially: Light industry – 72.6 percent, glass and whiteware industry – 53.3 percent, fishing industry – 51.1 percent, and production of abrasive micaceous coal graphitic wares – 51.0 percent.[350]

[348] M. Harrison, *Accounting for War*, p. 162.
[349] See RGAE, f. 1562, op. 337, d. 9564, l. 2.
[350] RGAE, f. 1562, op. 332, d. 6248, l. 1–3.

Table 6.10 Soviet Industry, Total Amount of Employees and the Share of Women Labour, per January 1, 1958.

	Amount of enterprises*	Total amount of employees in industry		As a percentage share of total
		Total	Of which women	
All industries	75,965	17,859,011	7,876,437	44. 3 %
Out of which:				
Ferrous metallurgy	262	963,050	316,765	32. 9 %
Non-ferrous metallurgy	278	493,647	150,195	30. 4 %
Fuel industry	2,251	1,590,835	450,103	28. 3 %
Production of electrical and heat-and-power energy	2,034	210,055	63,932	30. 4 %
Mechanical engineering and metal working	9,694	5,641,548	2,218,456	39. 3 %
Production of abrasive micaceous coal graphitic wares	35	21,496	10, 956	51. 0 %
Chemical industry	1,144	687,612	356,648	51. 9 %
Forest, paper and woodworking industry	14,938	2,192,513	696,850	31. 8 %
Construction materials industry	6,886	882,960	350,153	39. 7 %
Glass and whiteware industry	490	207,457	110,581	53. 3 %
Light industry	10,958	2,678,630	1,945,231	72. 6 %
Fishing industry	20,094	1,863,681	951,447	51. 1 %
Other industries	3,254	10,117	4087	35. 3 %

Source: RGAE, f. 1562, op. 332, d. 6248, ll. 1–3.

* No definition of an enterprise is given in the data sets.

Even though women constituted a significant share of all gainfully employed, they were less visible at managerial positions. Comparative data for the years 1956 and 1963 shows recruitment of women labour to managerial positions in the economy as a percentage of the total. The share of women in such positions was fairly low; constituting about 6–7 percent of enterprise directors, 16 percent the position of chief engineers and 12–14 percent position of floor or deputy manager (see Table 6.11).

Table 6.11	Percentage Share of Women Workers at Post of Director, Chief or Manager in Soviet Industry, 1956 and 1963.	
Year	**1956**	**1963**
Position of Enterprise Director	7	6
Cheif Engineer	16	16
Floor Manager and Deputy Manager	14	12

Source: RGANI, f. 5, op. 55, d. 125, l. 27. Microfilm.

There were many reports to testify on women turnover accruing especially in relation to the arrival of the first child.[351] Plans for a concerted effort to improve "the conditions for working mothers at enterprises and offices" were launched by the Council of Ministers June 15, 1956.[352] All Soviet republics were to construct and arrange kindergartens and after school activities for a total of roughly one million places in the years 1956-60.[353] Further improvements were to be made in sanatoria and work clothes for light industry. Women with newborns were to be granted a one year leave from their workplace, without losing their right to return. The strained work conditions for women was recognized and discussed, but one cannot neglect the role of international scrutiny. One report on women labour reform explicitly mentions the regime's prestige being at stake, if the country would not meet international regulations.[354]

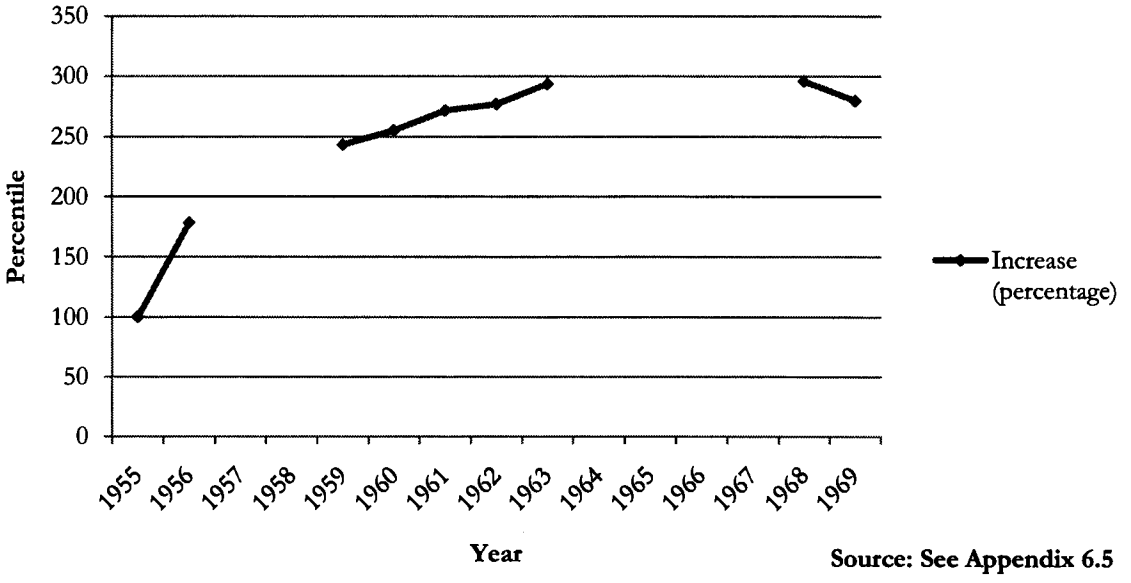
Under prevailing conditions, one way to simplify women's work participation was to expand public crèches. In the USSR, these often constituted an integral part of the enterprise. The Ministry of Light Industry were to prepare 87,620 places for children (1,945,231 women workers, 72.6 percent of labour force), whereas for example the Ministry of Industry for Construction Materials, were to prepare 28,000 places (350,153 women workers, 39.7 percent of labour force).[355] Interestingly, there was no clear correlation between the amount of women employed at any specific ministry, and the amount of places planned for day nursery.

Gail Lapidus found that abortions were a major source of birth control in the USSR. Such aspects were problematic for different social and economic reasons, but not the least because the issue of family planning and fertility had had political connotations since the Russian

[351] GARF, f. 9553, op. 1, d. 15, ll. 175–77 (report from the factory "Paris Commune").
[352] GARF, f. 9553, op. 1, d. 41, ll. 2–11 (copy of draft proposal).
[353] Ibid, l. 8. Totally in the USSR, there were to be 388,340 kindergarten places prepared, and 658,200 for "children of school age," respectively.
[354] RGAE, f. 4372, op. 55, d. 121, l. 22. See also M. Ilič, "What did women want? Khrushchev and the revival of the *zhensovety*", in M. Ilič, J. Smith (eds), *Soviet State and Society under Nikita Khrushchev*, pp.104–22.
[355] RGAE, f. 4372, op. 55, d. 121, ll. 8–11.

revolution.[356] As a result of the disastrous social upheaval in the years of the First Five Year Plan, abortions had been criminalized in 1935, considered a threat to the population's growth level. De-criminalized again on November 23, 1955, through the edict "On the abrogation of criminalization of abortions", there exists some quite precise data on its scope and dynamics. In 1955, the total amount of registered abortions amounted to about 2.6 million cases; in 1969 this has increased to roughly 7.5 million, or an increase by three times (see Diagram 6.4 and Appendix 6.5). The issue of fertility was also connected to economic growth. For decades, authorities had relied on the ability to draw untapped segments of the population into the industrial labour force, and shrinking birth levels activated a vibrant discussion in the 1970s on the shift towards intensive, rather than extensive, use of scarce resources.[357]

Diagram 6.4 Percentage Increase of Registered Abortions in the USSR, 1956-1969 (1956 = 100).



Source: See Appendix 6.5

According to the evidence, legally performed abortions increased by about 279 percent in the years 1955-69. From year 1957, the amount of legal abortions performed in the USSR was *larger* than total births.[358] These data contribute to previous estimations by well informed scholars, who had access to then only official publications. David Heer had estimated the amount of abortions in 1959 to be no less than 5,829,000, but cautioned that it could be even substantially larger.[359]

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[356] G. Lapidus, *Women in Soviet Society*, pp. 299–300.

[357] For a review on this discussion from a social family perspective, see G. Lapidus, *Women in Soviet Society*, pp. 309–310.

[358] RGAE, f. 1562, op. 337, d. 3044, l. 76.

[359] D. M. Heer, "Abrtion, Contraception, and Population Policy in the Soviet Union", *Soviet Studies*, vol. 17, no. 1, (July, 1965), p. 81.

The actual amount was, as can be seen in Table 6.12, about 6,501,000 legal abortions. For comparative reasons, it is also possible to tabulate abortion data in relation to births.

Table 6.12 Registered Amounts of Legal Abortions per 100 Births in the USSR, 1955-1963.

Year:	Total per hundred births:	As per towns:	As per countryside:
1955	53	106	16
1956	95	188	33
1959	124	231	44
1960	128	235	44
1961	138	248	48
1962	155	n/a	n/a
1963	161	288	n/a

Source: Years 1955-61: RGAE, f. 1562, op. 337, d. 3044, l. 76.
Years 1962-63: RGAE, f. 1562, op. 37, d. 53, l. 2.

An important explanation for the increasing levels of abortion was the lack of contraceptives and sexual education. But some evidence also reveals two other important aspects of the era. Work conditions and care for family could not be met at this point in time, especially with the majority of housework undertaken by women. Russian sociologists began to address this issue in the 1960s, and it was also the topic for a widely read novel by Natalia Baranskaya, *A Week Like Any Other*, published in *Novyi Mir* in 1961.[360] This is also the aspect which has been given the most attention in previous scholarship.[361] Melanie Ilič, basing her research on official Soviet publications, notes cases of women workers who faced dismissal when pregnant (when in fact they were protected by Soviet labour law), and schedules that could not harmonize the working hours of kindergartens.[362] In contrast, archival documents mention women opting themselves for *Exit* and leaving their worksites when pregnant.[363] Did enterprise managers systematically conceal dismissals in the reports? Perhaps, but to leave work when pregnant is neither a bizarre nor hard to comprehend choice.

[360] N. Baranskaya [Baranskaia], *A Week Like Any Other and Other Stories*, Seattle, WA: Seal Press, 1990.
[361] D. Filtzer, *Soviet Workers and de-Stalinization*. See also the article by Filtzer in M. Ilic (ed.), *Women in the Khrushchev Era*, pp. 29-51. For an early work on female industrial employment statistics, see N.T. Dodge, *Women in the Soviet Economy*.
[362] Ibid., pp. 9–11.
[363] GARF, f. 5451, op. 26, d. 1325, l. 83.

As a general rule, unsponsored turnover among women was reportedly large, even though only aggregated data seems to exist.[364] TsSU reported in year 1962 that women constituted more than 55 percent of all unsponsored turnover. In this narrow sense, they were equal to men. When analysed in more detail, there was a de facto marked gender bias in the Soviet labour market. The average reasons for turnover given in the named report were poor work conditions (31 percent), unsatisfying pay (23 percent) and "family circumstances" (23 percent).[365] What were the corresponding figures for the women group? Among them, the dominant reasons were quite different. There was unsponsored turnover "in relation to family circumstances / child birth" and "lack of children's facilities and similar reasons" (42 percent) and the smaller categories "poor work conditions" (27 percent) and "unsatisfying pay" (17 percent).[366]

To conclude, a rather compound picture emerges with this additional evidence. Work conditions were strained but varied between different industries. The increase in recruitment of auxiliary workers and the large amount of manual labour depended on factors that were endogenous to the Soviet system. Lags in plan fulfilment reproduced a lower technological level as compared to what should be expected from comparatively developed countries. Labour turnover varied on a regional level and between different branches. There were also important differences depending on background, age and gender. As a rule, non-monetary factors were more important than monetary factors. The women who for dependency reasons could not resort to any *Exit*-option were restrained by their double burden, as work and care for children could not harmonize. On the other hand, those who could rely on alternative sources of alimony (support from family, husband, community) could more safely abandon their worksite, perhaps detrimental to the plan fulfilment of the enterprise, but preferable to the individual person.

6.6 Concluding Remarks

Any functioning economy requires a certain degree of labour flexibility, but to what extent turnover represented a net drain on resources, or whether it was innocuous or perhaps even beneficial, is not easy to conclude. The potential economic costs to the enterprisees can be considered in at least four dimensions:

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[364] The quarterly and yearly reports on turnover and loss of labour time only differentiates between republics and ministries. From where TsSU collected data on gender division is not known at this point.

[365] RGAE, f. 1562, op. 337, d. 3042, l. 16 (TsSU report to the Council of Ministers, May 19, 1962).

[366] There were various reports on this topic over the years, but data presented for 1962 is still representative. See GARF, f. 5451, op. 60, d. 1, l. 10.

- Loss of labour time at the enterprise level and due to periods of unemployment
- Wasted training on the job
- Lower labour discipline
- New recruitment costs

An additional cost is also born by the job-searcher, since switching of jobs in not costless. He has to learn about other opportunities, possibly adopt new skills and endure the costs of moving to a different place, including the disruption of family and friendship ties. In towns with only one employer, there is the possibility of employer monopsony.

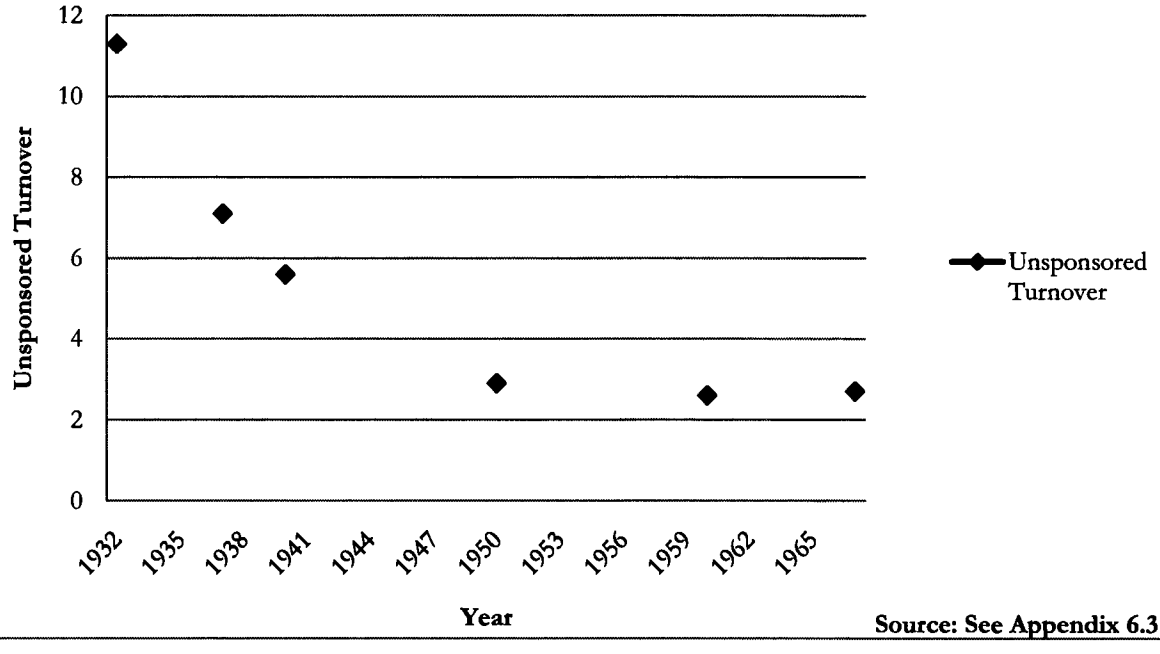
The empirical evidence does not suggest any reasons why job-changing should have been a significant net drain on the economy (this theme is developed in Chapter 7.5). The absolute numbers give an impression of the impact of incremental changes, as a small percentage increase in unsponsored turnover amounted to a large absolute change. The total workforce grew over time, thus inflating the absolute shares, but if 19 percent unsponsored turnover represented some 3.5 million persons in year 1960, 22 percent in year 1967 accrued to a total unsponsored turnover of 5.3 million persons.[367] One report from the Lithuanian state committee on labour noted in 1968, that the average case of unsponsored turnover lowered productivity by 7–12 percent in the first month, at the old enterprise, as on the new. They also noted that the average time of unemployment was about twenty work-days (the larger the town, the shorter the period of unemployment).[368] This is a comparatively short period of time of job-searching. An estimate in the late 1950s put the total losses due to unsponsored turnover to ten percent of state welfare expenditure (pensions, subsidies, education etcetera), but this number was never substantiated.[369] It will be the challenge of the next chapter to put these costs due to losses of labour time in perspective against other potential sources of inefficiency.

With archival data it is now possible to construct longitudinal data on unsponsored turnover for almost the whole Soviet period. Diagram 6.5 illustrates how the share of labour turnover over the historically short period of about three decades decreased from very high levels in the early 1930s to the more normal phase in the 1960s. These large changes are remarkable considering the short time period involved, and a VTsSPS report noted that the labour market had by then

[367] GARF, f. 5451, op. 60, d. 1, l. 17.
[368] GARF, f. 5451, op. 60, d. 7, l. 2 (report dated September 6, 1968). See also an early contribution on the subject in R. Fakiolas, "Problems of Labour Mobility in the USSR", p. 28.
[369] Quoted in R. Fakiolas, "Problems of Labour Mobility in the USSR", p. 29.

"stabilized", as compared to the years of the first Five Year-Plan.[370] Diagram 6.6 expands the comparison to five Western economies for the years 1953-75. As can be seen, the Soviet labour market was by then characterized by a quite modest level of labour market activity. The levels were significantly lower than rates in Canada or the United States, similar to those in Great Britain and slightly above those for Japan.

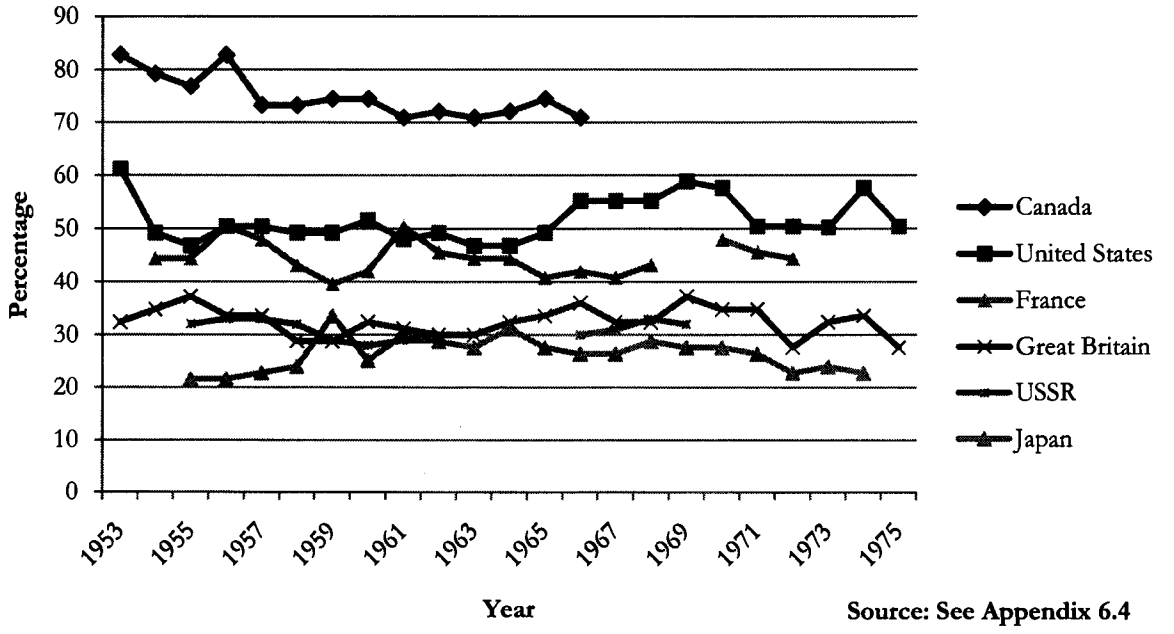
Diagram 6.5 Monthly Unsponsored Turnover per 100 Employed in Industry, years 1932-67.



Source: See Appendix 6.3

[370] GARF, f. 5451, op. 60, d. 20, l. 9.

Diagram 6.6. Total Separations in Industry as Percentage of Average Yearly Labour Force, 1953-75 in Canada, United States, France, Great Britain, USSR, and Japan.



Source: See Appendix 6.4

P.A. Hauslohner's study of the labour market in the Brezhnev period argued that Soviet economic policies could be explained by an implicit "social contract". There is evidence that such a contract did exist on an enterprise level, with management and workers colluding to escape coercive legislation, though it remains difficult to see how such a contract would show on the level of government policy. Hauslohner further asserts that the leadership until the 1960s were incapable of grasping the ineffectiveness of its policies, due to a lack of "empirical data" showing that "happier, freer, better-defended workers are also more productive and compliant", but this conclusion does not hold against what the archival material has revealed. As this and previous chapters have demonstrated, the labour legislation regulating turnover was never efficient – not even during periods of war and "high Stalinism" – and it produced costs for administration and legislative bodies which could not be defended.[371] The real challenge would rather be to explain the reasons why the leadership altered its policies only incrementally or not at all, obtaining the information they actually did. A more plausible explanation is that the levels of coercion were not determined so much by economic/technological restraints limiting monitoring capabilities, as by political and judicial changes as such. In other words, who ruled the country was more important than levels of performance, in deciding the level of coercion.

[371] Hauslohner's remark should be seen against the background that he had access to only official Soviet debates and discussions, apart from the interviews with Soviet experts he was able to make in the early 1980s. See P.A. Hauslohner, *Managing the Soviet Labor Market*, p. 128.

Why did Soviet economists and authorities find job-changing so detrimental to economic performance and labour discipline?[372] Hauslohner called the discrepancy between knowledge of labour market realities and actual policy the "learning gap". Another possibility could be ideological bias, rooted in the Leninist aversion towards the workers' alleged *stikhiynost'*, or "unpredictability". Presumably, there can be many different reasons. This author suspects that the great attention afforded to the phenomena of turnover can be explained primarily by three characteristic properties: political, cognitive and economic properties. Politically, workers were supposed to stay put, and thus remain loyal to socialist construction. Nowhere was this more clearly visible than during Stalinism, but the same non-market view persisted throughout Soviet rule.[373] The cognitive reason may be labelled the *information bias*, that is, a human propensity to ascribe a relatively larger importance to factors which can be credibly measured. Turnover could be measured, as could for example absenteeism (though this was more problematic, as will be shown in Chapter 7), and for this simple reason, their importance might have been inflated. Various measures on productivity or output were also important, but they were not as clear cut in a non-market economy of Soviet type. There were no measures on efficiency use of labour time, only attendance as such. The last reason may have been economical. Under conditions where the marginal productivity of labour was close to average due to technological backwardness, a diminution of one labour unit had a disproportionately large effect on output (and on the contrary, an increase on the margin would always be auspicious, for which reason managers hoarded labour and had close to infinite demand for additional inputs). Such a conclusion would be congruent with the known functioning of Soviet enterprises in general.[374]

In conclusion, labour market activity was reaching internationally normal levels in the 1950s, even though the leadership, economists and trade union officials were never reconciled with its presence. The increase in unsponsored turnover in 1956 can however be partially explained as a statistical effect, given that total separations did not fundamentally change. If anything, at least a part of the increase can be explained by changing incentives for managers and workers in colluding to falsify statistical reporting. The major driving forces of *Exit* were non-monetary,

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[372] After having studied a significant amount of archival sources from the Council of Ministers, the All-Union Central Council of Trade Unions and the more limited Politburo files available, I have not found any reference to the reasons for abrogating the labour edicts of June 26, 1940. I will therefore leave this issue aside, referring to the discussion outlined in Chapter 4.

[373] This idea is substantiated by Kornai, who argues that "unconditional discipline" was an essential constituent of command economies. "The prevailing political line must be followed, the decisions endorsed, and the commands of superiors obeyed without hesitation." See J. Kornai, *The Socialist System. The political economy of communism*, Oxford: Clarendon Press, 1992, p. 57.

[374] See Chapter 3 and P. Gregory, *The Political Economy of Stalinism*, chapter 6.

such as housing, work conditions and family relations. There are also important differences as regards place of employment, age, skill level, geography and gender, illustrating that perceived fair wage levels were context specific. We know less about the demand side of labour allocation, but can conclude that there were structural factors which informed how enterprises recruited labour. Under conditions of a soft budget constraint, this helped compound a level of turnover authorities found detrimental to economic performance. The negative view taken by Soviet authorities on labour turnover was thus partially a chimera. Labour market activity was driven by factors endogenous to the economic system as such, and operated on the supply side as well as on the demand side. The changes over time in labour market activity cannot be explained without taking both these aspects into account. *Exit* was only efficient as long as enterprise demand remained sufficient.

This chapter will attempt to analyse declines in performance over time and estimate the role of changes in the quality and quantity of labour supply. A point of departure will be to investigate to what extent these losses can be understood as *Voice*. As was noted in Chapter three, Hirschman's definition of *Voice* is a much more inclusive concept by nature than its sister concept *Exit*.[375] Previous literature on the Soviet economy has often pointed to the parallels between aspects such as absenteeism, loss of labour time, spoilage and similar measures of efficiency losses on the one hand and to what can be regarded as discontent, declining incentives and even resistance against the regime, on the other.[376] Soviet economists typically regarded absenteeism (together with labour turnover) as a proxy for the level of "labour discipline", for which reason it had also been criminalized in 1940.[377] There are no valid a priori reasons to assume however, that declines in performance could not also be explained by other factors. This chapter will therefore attempt to evaluate which declines in performance can be explained by *Voice*, and which accrue from other factors (such as structural factors).

A guiding assumption in this thesis is that a downward pressure on the perceived fair-wage would be followed by a decline in the quantitative and qualitative supply of labour (i.e. a withdrawal of effort). János Kornai explained economic inefficiencies of planned economies with his theory of "resource constrained" growth, where shortages of all goods (consumption and means of production) in the long run translate into deteriorated incentives and lower work moral due to forced unemployment at the job. Jan Winiecki developed this idea and argued that under imperfect monitoring; workers could also dissipate rents through a downward pressure on the work tempo.[378] What Kornai and Winiecki have in common theoretically speaking is that in the absence of efficient *Voice*, this quality deterioration would continue as long as the structural shortages could not be corrected.[379]

[375] Hirschman intended *Voice* to include "the articulation and channelling of opinion, criticism, and protest" as an outcome of a perceived decline of a good or in an organization. A. Hirschman, "*Exit* and *Voice*: An Expanding Sphere of Influence", in A. Hirschman (ed.), *Rival Views of Market Society*, p. 77.
[376] See discussion in chapter 3.
[377] That absenteeism was understood to represent such a measure was stated in official publications as well as in correspondence in between authorities. See for example RGAE, f. 1562, op. 337, d. 3042, l. 16 (TsSU report to the Council of Ministers, May 19, 1962).
[378] See chapter 2.4 and J. Winiecki, *Resistance to Change in the Soviet Economic System*, pp. 44–45.
[379] J. Kornai, *Economics of Shortage*, chapter 2.6.

Labour codes were increasingly liberalized in the 1950s, as the most coercive legislation was abrogated. My application of the Hirschman model suggests that *Loyalty* (i.e. compliance) should crowd out *Exit* and *Voice* (i.e. withdrawal of effort). Under less coercive conditions, a pressure on the fair wage should theoretically be allowed to play out its implications more freely; i.e. a perceived decline should more clearly be followed by a real withdrawal of effort as non-compliance became less costly. What was the economic outcome of reduced coercion of labour under Khrushchev? Did economic efficiency decline over time? What other factors than declining work incentives can explain the observed levels of inefficiency? How did authorities attempt to increase *Loyalty* under conditions of reduced coercion of labour? Inquiring into these issues can bring forth important aspects about the functioning of command economies in transition.

It should be remarked, that primarily the relation between the enterprises and their employees is considered.[380] Party and state organs are considered in so far as it is relevant for this relation. A short note. The analysis depends to a large extent upon the forms of data collected and deemed important by Soviet authorities. That certain data exist is due to political decisions by the Politburo and the Council of Ministers with its various subordinate institutions. This implies that decisions on what information to record transformed over time; and further, no scholarly interests were considered in these decisions beyond what was (deemed) relevant for the analysis, planning and operative decision making in the national economy. To a large extent, detailed data in this sense exist on certain issues because of the existing state ideology which regarded organizational problems in industry to a large extent through the lens of "labour disciplinary problems". This has informed how the concept of *Voice* has been made operational in the thesis. History has passed, and it is not possible to re-create measures for my own purposes, controlling for other aspects that could have been relevant. In this sense, available archival evidence has had to be taken as given. However, a careful analysis of these documents enables one to go beyond the "Soviet façade", to paraphrase a recent work by Paul Gregory, allowing the analysis to bring forward conclusions which were not necessarily inherent to the intentions of policy at the time.[381]

In subsequent order, this chapter will analyse the following measures: absenteeism from work, walk-outs and strikes, spoilage, losses of labour time, stoppages and overtime work. It will then discuss to what extent these aspects can be understood as relevant proxies for *Voice*.

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[380] In the 1950s, there were literally hundred of thousands of court cases between state and its various institutions and enterprises on a yearly basis. These forms of relations will not be considered in the subsequent analysis however. For data on the year 1953, see RGAE, f. 4372, op. 55, d. 155, l. 176.

[381] See P. Gregory, *Behind the Façade of Stalin's Command Economy*.

7.1 Absenteeism

No aspect was considered by Soviet authorities as detrimental to labour discipline as absenteeism from work. Donald Filtzer has ascribed its role, and the regime's obsession to contain it, to an antagonistic relationship between state and managers on the one hand, and the workers on the other.[382] He noted however, that it is not easy to separate intentional from structural factors.[383] For example, public transportation breaking down and causing tardiness at the enterprise is no necessary intentional act of *Voice*. Absenteeism was also a result of widespread alcohol abuse, especially among the youth.[384] It will be the task of this section to outline the role and extent of these issues more carefully.

Before continuing, a short definition of terms might be useful. By the term *absence*, economists understand all types of absence, and the term refers to days lost through absence from any cause. By the term *sickness absence*, one refers only to absence due to certified sickness, and by *absenteeism*, one understands voluntary absence without the consent of management. It is primarily the latter which will be discussed in the subsequent analysis.

In contrast to unsponsored turnover, absenteeism from work had partially been de-criminalized already on July 14, 1951, which helps explain the earlier peak. The law was changed so that only absenteeism by one day or more was still a criminal offence. Only in 1956 was the law abrogated completely.[385] The timing of these events complicates what was argued in the previous chapter, where the de-criminalization of job-changing was explained as the outcome of primarily political and judicial forces, rather than economic/technological restraints in enforcement and monitoring. That conclusion was partially based on the assumption that Stalin would not have opted for any reduction in coercion, regardless of the monitoring difficulties. In 1951, Stalin was still alive and the undisputed leader; and no major decisions were taken without his knowledge. If he accepted a change in the labour code, it was likely because of clear signals that the enforcement was costly, or unwarranted (the periods of war and post-war reconstruction were over, making coercion less efficient). In the absence of conclusive sources however, the motivations for the liberalized legislation remain inconclusive.

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382 Filtzer, *Sovet workers and late Staliinsm*, p. 224.

383 Filtzer writes that "in reality there is no clear dividing line between the losses due to 'structural' factors and those caused by the deliberate actions of factory personnel." Ibid., p. 230.

384 See for example, GARF, f. 5451, op. 26, d. 1325, l. 4 and section 7.6.

385 Edict of the Supreme Soviet, 14 July, 1951. "O zamene sudebnoy otvetstvennosti rabochikh i sluzhashchikh za progul, krome sluchaev neodnokratnogo i dlitel'nogo progula, merami distsiplinarnogo i obshchestvennogo vozdeystviya".

Soon after the reform had been implemented, the secretariat of VTsSPS issued an edict in response to the increases in absenteeism, including directives to local labour unions to "strengthen the struggle for a steadfast fulfilment of the government's decision on labour discipline and regard this issue as an important aspect of their work", and other similar measures.[386] The question of problems with increased absenteeism was also discussed in Central Committee organs in 1953 on at least two occasions, illustrating again the tendency towards "trikle up" economics in the Soviet system, as rather insignificant issues could be delegated at relatively high levels in the bureaucratic system.[387] Originally, absenteeism had been defined as any delay in arrival of more than 20 minutes, with no upper limit ever delineated. After the relaxation in 1951 many enterprises differentiated between "tardiness" (*opozdaniya*) and "absenteeism" (*progul*). The latter was now defined in the Rules of the Internal Working Order as one day's absence from work or appearance at work in a state of intoxication which rendered the worker unfit for a whole shift. As will be seen later in the chapter however, the non-existence of an upper limit in the definition of absenteeism left certain discretion on behalf of the managers.

Table 7.1 below illustrates the reform effects on levels of reported absenteeism in early 1952. The two last quarters in the year had registered an increase in absenteeism by over 50 percent compared to the first two quarters of the year.[388] Deputy General Prosecutor Boldyrev traced the increase in cases to an expanded vigilance at enterprise level to report, but the lower amount of sentences to a lessened propensity of courts to prosecute cases on "labour disciplinary" crimes.[389] This is evidenced by comparing the share of cases received by the Procuracy to the amount actually prosecuted. Of 527,563 cases in 1952, only 335,785 translated into actual convictions, or 63.6 percent. This interesting paradox can be explained by a conjunctural mix of incentive structures; i.e. by the lessened propensity of legal organs on the one hand to prosecute, and on the other hand the lessened propensity of enterprise managers to conceal, the actual amount of recorded cases. Thus, recorded levels of absenteeism increased in the period, as on the other hand convictions steadily declined. This evidence gives credence to the theory that the edict on

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386 GARF, f. 5451, op. 26, d. 1325, ll. 1–5. Edict signed by the chairman of VTsSPS, V. Kuznetsov, January 19, 1952. Anecdotally one notes the discursive shift in the years after Stalin's death, as wordings such as "steadfast struggle" and similar are not found in the later periods.

387 RGANI, f. 5, op. 15, d. 433, ll. 28–33 (Central Committee decision (project) "On the strengthening of labour discipline at enterprises and construction sites in Kuybyshev oblast"); ll. 115–29 (Central Committee department for party, trade union and Komsomol organs, January 8, 1953 on large increases in absenteeism in between 1952 and 1953).

388 These general data are supported by sporadic assessments on increases in absenteeism between years 1951-1952 exist. One factory report mentions that between July and October 1951, the amount of infractions increased threefold. See GARF, f. 5451, op. 26, d. 1325, l. 14.

389 GARF, f. 8131, op. 32, d. 2400, l. 6. Secret report by V.A. Boldyrev, deputy general prosecutor at the State Procuracy. Exact date unknown, probably early 1953.

absenteeism was liberalized for political and judicial reasons; i.e. the reluctance of state organs to prosecute cases considered too strict. The liberalized legislation in turn reduced the incentives for management and workers collusion, further inflating reported numbers of cases on absenteeism.

Table 7.1. Number of Cases on Absenteeism and Illegal Job-Changing sent to the Procuracy and Amount of Sentences, 1952.

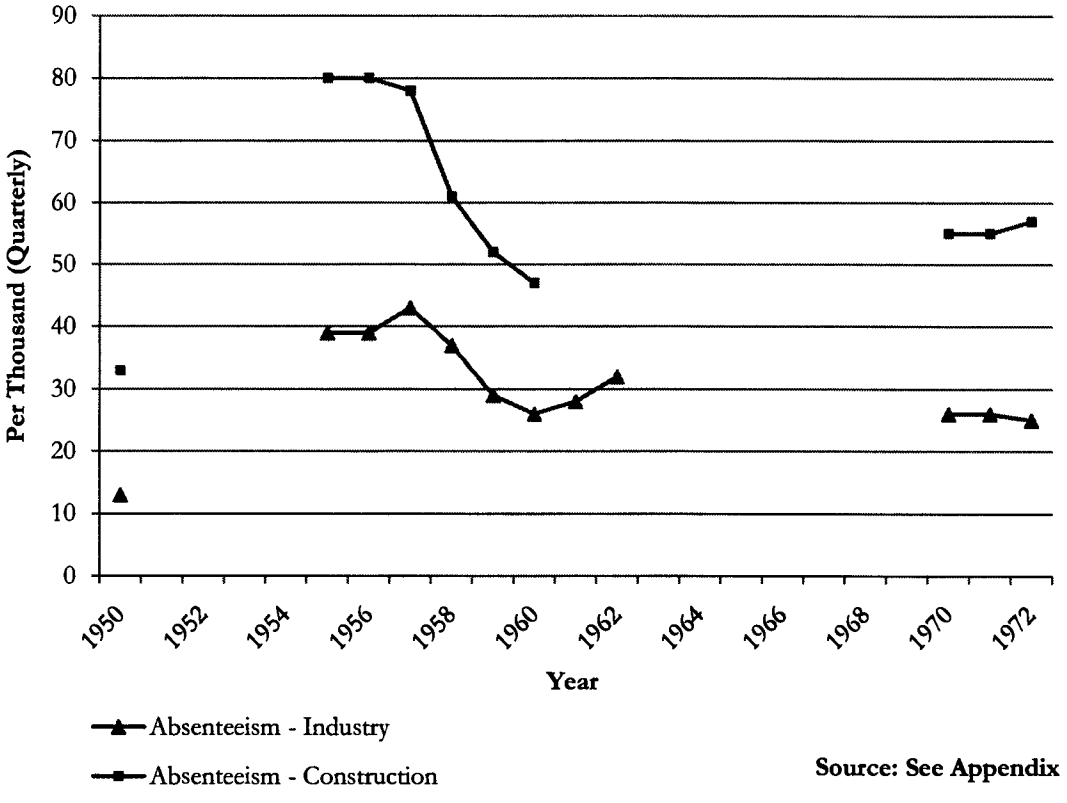
Cases Received:	**Quarters 1-2, 1952**	**Quarters 3-4, 1952**	**Increase (Absolute / Percentage)**
Absenteeism	70,294	106,427	36,138 (51.4 %)
Illegal Job-Changing	147,575	203,240	55,665 (30.5 %)
Total	217,869	309,667	81,798 (42.0 %)
Total Amount of Sentences, 1952	**Absenteeism**	**Job-Changing**	**Total**
	152,544	183,241	335,785 (63.6 %)

Source: GARF, f. 8131, op. 32, d. 2400, l. 5. For data on sentences, see Appendix 4.2.

If pre-archival research had access to data – though inconsistent and not without errors – on labour turnover, data on absenteeism, especially longitudinal, seems to not have been much revealed at all. The amount of workdays lost due to absenteeism alone in 1960 amounted to 4,455,000 workdays in industry, and 4,776,000 workdays for construction. Quarterly throughout 1960, on average 341,000 workers were registered for absenteeism in industry, and 214,000 in construction, respectively.[390] This represents about a sevenfold increase in comparison with the early 1950s. Diagram 7.1 below outlines the development of recorded cases on absenteeism for the longer time period 1950-72. Unfortunately, it was not possible to locate any data for the years 1951-54 and 1963-69, respectively (and no data was found on later periods), but the overall trend line should still be fairly clear. From a significantly lower level during the late Stalin period, recorded cases of absenteeism began to increase already in the early 1950s. In the Brezhnev years finally, the numbers began to somewhat stabilize at a slightly lower level.

[390] RGAE, f. 1562, op. 337, d. 49, l. 39. Note that people registered more than once for absenteeism in one year was still only counted once.

Diagram 7.1. Quarterly Amount of Workers Registered for Absenteeism in Industry and Construction, 1950-72.



Source: See Appendix 7.1

Absenteeism and loss of labour time were recorded sporadically, not the least due to a not insignificant discretion of managers. In practice, it was brigade leaders and shop floor masters who were in charge of timekeeping, but there could be large inter-enterprise differences. A stricter factory regime would report any tardiness with over twenty minutes, whereas another regime failed to take account of obviously blatant cases. Other enterprises made seemingly arbitrary distinctions between absenteeism and "late or early arrival/leave" to or from the job.[391] In the absence of more conclusive evidence, the purported increase in absenteeism in 1956 should be interpreted cautiously. To some extent, it can be explained by the changing incentive structures in formal reporting.

Regardless of policy changes, coercion remained the governing mechanism in the Soviet economy. The state never surrendered in its attempts to influence the economic behaviour of its citizens. For these reasons, labour discipline had a significantly different role in the Soviet industrial equation. Drafting a new law in 1956 on the "strengthening of the struggle with anti-

[391] GARF, f. 5451, op. 60, d. 6, l. 34 (report on the "Kuybyshev" factory, 1967).

state and parasite elements", the Presidium of the Supreme Soviet pointed out that the citizens of the USSR "not only had the right to labour, but also should labour."[392] This was an echo of the year 1936 constitution, where under article 12, work became compulsory, and under article 118, it was listed as a right.[393] Labour motivation was to stem from within the worker.[394] For this to make any sense, it had to include punctuality and a dedication towards the overall production process, aspects that were seen to be lacking at many times.[395] This new law, and other similar events, also suggest that there were clear limits to the extent of Khrushchev's liberalism. In the next section, it will be put in concrete form how various organs in practice implemented state policies at the enterprise level.

7.2 Creating Loyalty

Previous research has commented that the relative labour shortage in the Soviet economy made managers reluctant to deal with disciplinary infractions, wary as they were that the employees would abandon work altogether and thus threaten plan fulfilment. Filtzer has commented, that managers in the 1930s "openly disregarded increasingly severe disciplinary legislation because they could simply not afford to dismiss workers, no matter how troublesome their behaviour."[396] When coercion can only insufficiently produce the expected level of compliance, other measures can be introduced to increase *Loyalty* (i.e. compliance). Indirectly, increases in the fair wage were consciously designed as the regime under Khrushchev expanded the construction of housing and social infrastructure. These ameliorations were important, but the focus of this section is narrower, and will concretely assess only the attempts to create *Loyalty* at the enterprise level.

Much time and effort was involved by party and state organs in containing the adverse effects of absenteeism and other aspects of withdrawal of effort. There were basically three units of control at the enterprise level: the manager, the trade union and the party organ. These units represent the major independent sources of information we have on Soviet enterprises. Unfortunately, little

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[392] AP RF, f. 3, op. 57, d. 67, pp. 147–48. Original top secret edict by the Presidium (Politburo), published in *Prezidium*, pp. 411–12.

[393] This contradiction was aptly formulated by Stephen Kotkin: "Everyone had the right to work; no one had the right not to work". S. Kotkin, *Magnetic Mountain*, p. 202.

[394] For a discussion on labour socialization in the USSR, see F. O'Dell, D. Lane, "Labour Socialization and Occupational Placement in Soviet Education", *Soviet Studies*, vol. 28, nr. 3 (July, 1976), pp. 418–29.

[395] Soviet leader Leonid Brezhnev discussed the issues of labour discipline in a September 1973 speech in Tashkent, where he gave the following elucidation. "Capitalist labour discipline, as is known, rests on the fear of joblessness, on the lack of social rights. We have abandoned this long ago. Our ideal is conscious discipline which presupposes a proprietary attitude towards the matter and creative keen-wittedness and wide scope for workers' initiative." L.I. Brezhnev, *Leninskim kursom*, 9 volumes, Moscow: Politizdat, 1970-82, volume 4, pp. 292–94.

[396] D. Filtzer, *Soviet Workers and De-Stalinization*, pp. 59–60.

evidence has been preserved or ever existed on independent organs or representatives for the majority group – the employees.

Party organs were actively involved in daily economic planning, from supervision to propaganda under the umbrella of "party work". On the other hand, they had no responsibility for the results. This conflict of interests is however of little concern to us here. This section will investigate how various organs attempted to create *Loyalty* and acceptance for existing fair wage levels. To repeat, major enterprises held three layers of control: the manager of the enterprise, the party representative(s), and the trade union representative(s). Representatives of each were responsible for reporting and data collection, and have left different useful sources on aspects of labour. The three groups represent our major actors in this section, and the archival sources they have produced illustrate how "labour discipline" was resolved in practice, and how various measures played out when implemented at the enterprise level.[397]

Trade unions had different roles, from managerial like services to the distribution and arrangement of different welfare benefits, ranging from sanatoria to maternity leave, and could constitute up to a third of a household's monthly income in the late 1970s.[398] As noted by Blair Ruble, the subservient status of trade unions in the USSR left their officials with two options: either they could exercise their authority to defend workers' legal rights, or they could choose not to do so. Ruble's scepticism against the purported pro-worker role of Soviet trade unions was aptly formulated in his differentiation between "Soviet theory" and a distant "Soviet reality".[399] As implied by the fair wage theory, the stick and the carrot are both associated with additional costs (real improvements in welfare, as well as increased coercion, are both costly), whereas reference to loyalty in order to convince workers that the received wage is also the fair wage, comes at a significantly lower cost. This section therefore investigates how party and state organs in practice negotiated labour at the enterprise level. What measures were taken, by whom and for that purposes? Later, it will be investigated to what extent these measures were also successful, when the analysis is extended towards a quantitative assessment of the use of labour time.

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[397] The role of the trade unions and other administrative units was partially strengthened during Khrushchev, which helps explain the existence of certain data and factory reports. Equally was the public debate more vibrant, as were emergent new research fields such as sociology.

[398] Tsentral'noe statisticheskoe upravlenie SSSR, *Narodnoe khoziastvo SSSR v 1978 g.*, Moscow: Statistika, 1979, p. 371.

[399] For an original elaboration on the choice of trade union officials and their relation to workers, see B.A. Ruble, *Soviet Trade Unions*, pp. 86, 100.

As in the case of unsponsored turnover, absenteeism could be combated at the factory level *in situ* through the element of adversity and/or various practical measures. A number of VTsSPS reports present an interesting picture of managerial efforts to uphold labour discipline at the enterprise level.[400] For example, authorities in the Kemerovo economic region reported on improvements in labour discipline through the strengthened control and implementation of adversity through local propaganda channels:

> Studies showed, that many labour union organizations at the enterprises and construction sites at the Kemerovo *Sovnarkhoz* improved mass-educational efforts among the workers, engineers and white-collar workers to strengthen work and industrial discipline...Every incident of disciplinary violations is judged at labour union sessions, police-offices, workshops, or at the labour union committee sessions... An important role in the strengthening of labour and industry discipline at the many enterprises and construction sites is played by the largely circulated journals and wall posters, as for example the special satirical publications "Krokodil", "Kolyuchka", "Molniya", journals whose contents heavily attack disciplinary violations and absenteeism especially.[401]

Larger industrial and construction enterprises carried their own wall papers and factory journals. Equally important were comrades' courts, agitation brigades (*agitbrigady*) and lectures, targeting especially young workers (more prone to disciplinary infractions). Other factory reports mention that about half of the seminars and lectures were of "educational character", covering topics such as "The moral code of a young Soviet worker", "Dangers of alcohol", "The role of parental authority in the upbringing of children", "Not all about the money", "Don't complain" and "V.I. Lenin on labour discipline". The author of the same report concludes *en passant* that the former Stalinist law had been more efficient, as absenteeism then had never posed such a significant challenge as it did now.[402] How widely shared this belief was remains inconclusive.

On a party level, agitation brigades employed a large amount of organized communists whose two major tasks involved i) the organization of elections to the soviets, and ii) the arranging of propaganda (a word which still carried positive connotations), lectures and supervision at

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[400] GARF, f. 5451, op. 26, d. 1325. This VTsSPS file contains 28 reports divided on 240 pages. Some reports are factory specific, some cover larger economic regions. The reports date from 1952-1958, even though the majority belong to the last year of the period.

[401] Ibid., l. 1. Special VTsSPS report on the Kemerovo region, dated 15 November 1958. The report also mentions the persistence of large labour disciplinary problems in some sectors of the region.

[402] Ibid., l. 41. It needs to be noted, that terminology such as "agitation" and "propaganda" did not carry any specifically negative connotations at the time. In the west also, it was only increasingly as a result of communist and nazi regimes that such terminology changed its meaning.

enterprises and factories. To "gain credibility among the workers", it was important that the agitators had a good background and perhaps various awards. The presence of organized party activists at elections – no matter how pre-arranged in reality – were important since they allowed the regime to assess the "mood of the voters," i.e. the sort of issues and problems which were important to workers and peasants. This aspect is explicitly mentioned in their own communication. In 1953, a report noted there were about 1,943,000 agitators in 40 regions (oblasts), and each region has a couple of thousand *agitpunkty* from where their work would be organized. Unfortunately, I have not located any data for the whole USSR. The table (Table 7.2) below gives however an impression of the reach of party organs.

Table 7.2 Amount of Organized Agitators and *Agitpunkty* in Five Soviet Regions, 1952.

	Amount of Agitators	Amont of *Agitpunkty*
Belorussia SSR	174,000	4,717
Kazak SSR	162,000	7,572
Moscow oblast	150,000	1,400
Georgia SSR	71,288	2,782
Gorky SSR	60,000	1,829

Source: RGANI, f. 5, op. 15, d. 408. Microfilm, no clear page indication.

According to Russian demographers, there lived about 178.5 million people on the territory of the USSR in 1950.[403] If one leaves out children (1–16 years old), this implies that there was roughly one agitator for a segment of about eighty citizens, more than enough to guarantee a presence at every major enterprise in the country.

In some instances, it is not possible to differentiate among manager, trade union or party representative reports on labour, since they often carry similar sort of substance and connotations. But party organs also performed a supervisory role, not only on employees but on ministerial organizations such as trade unions as well. One agitation brigade was departed to Irkutsk, site of some major construction projects, in March 1957 "to assist in mass political and cultural work among workers". Their subsequent report noted that:

[403] V.B. Zhiromskaya, *Naselenie Rossii v XX veke: Istoricheskie ocherki.* In three volumes. Volume 2, 1940-1959, Moscow: Rosspen, 2001, p. 198.

> There were large deficiencies in the organization of construction. There is an especially low work discipline, poor organization of work and most importantly, little concern for people, young workers... Absenteeism is on a massive scale and party, trade unions and enterprise managers have done nothing in this respect.[404]

These topics were recurring themes for party authorities. A Central Committee report dated December 9, 1966 commented on the effect of active propaganda work and agitation. They noted, that after a series of hundreds of lectures and active propaganda work, a "spirit" for "responsible relations to work" had been established in the Tula region. Labour disciplinary breaches had been reduced at one enterprise by about 70 percent and unsponsored turnover by 84 percent. Other enterprises had shown a similarly positive development.[405] Central party reports of these kinds were often transmitted as a signal to other regions, but how such signals were received elsewhere is an issue which needs to be more thoroughly investigated. State organs also noted the reluctance of comrades' courts to deal with certain labour related infractions. One VTsSPS report complained, that "at all enterprises and construction sites, comrades' courts only attend to issues dealing with absenteeism, and totally ignore other labour disciplinary infractions." The general impression however, was that there was an overall reluctance to administer any such cases, including those regarding absenteeism.[406]

An important part in understanding why timekeeping was often frustrated is the work in itself. Timekeeping – performed by so called *normirovshchiki* – was considered low status work, and typically occupied by younger workers who as a rule lacked more advanced training (documents mention that 70 percent lacked higher training).[407] The registering process at the construction sites was reported as rather defective. One inspector noted in 1958 that:

> There are no timekeepers at the construction sites, numbers are superimposed by the toolmaker, who registers in the table the attendance of workers or those connected to the workplace, or registers the report from the master, who obviously not always arrives at the correct presence of workers at the sites... From July to August this year the timekeeper is on vacation and absolutely no one is filing any reports. Tardiness at work, irregular leave or stoppages at work are registered by the superior at the section and sent to the administration, who takes administrative measures... But there are no measures undertaken to combat labour disciplinary infractions. [408]

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[404] RGANI, f. 5, op. 34, d. 24, l. 1. Microfilm (Info note to the Central Committee of the RSFSR, March 27, 1957)
[405] RGANI, f. 5, op. 59, , d. 15, ll. 4–6.
[406] GARF, f. 5451, op. 26, d. 1325, ll. 5–7. (Report dated April 4, 1964)
[407] GARF, f. 9553, op. 1, d. 61, l. 12.
[408] Ibid., l. 84. (Report dated August 1, 1958)

In other words, local enterprise practice showed little enthusiasm and effort to correctly resolve disciplinary infractions? According to protocol, measures in practice could vary depending on circumstances and context, but the Rules of the Internal Working Order, stipulated that an employee would face four different measures, in increasing order of severity, for a "disciplinary infraction":

- censure
- reprimand
- severe reprimand
- transfer to lower-paid work of the same specialty for a maximum of three months[409]

Under article 47 of the Labour Code, a worker could be dismissed for breaches of labour discipline. The same law also stipulated specific measures as regards late arrival to work. It is thus noticeable, that authorities found it necessary to have specific labour disciplinary rules for absenteeism:

- deprivation of premium, wholly or partly
- deprivation of an increment for length of service for up to three months
- a 25 percent deduction of a single increment for length of service
- dismissal

Another important feature (which remains also in contemporary Russia) was the so called workbooks. They had been introduced in the 1930s to record aspects such as background, education and disciplinary track record. For various reasons, the practical function of these workbooks was somewhat limited. Previous literature has noted that workers could simply "loose" their books; and managers, keen on hoarding labour power, would choose to turn a blind eye.[410] This is confirmed by archival documents which mention manipulation and loss of workbooks, but also forging of signatures and faking date of birth. The Council of Ministers noted on the March 7, 1957, that "all this has come to [the fact that] workbooks at the present time do not serve their purpose since they are no proof of the real background and expertise for

[409] For a summary of these regulations, see M. McAuley, *Labour Disputes in Soviet Russia*, p. 189–90.
[410] For an overview, see P. Solomon, *Soviet Criminal Justice under Stalin*, chapter 9; D. Filtzer, *Soviet Workers and Stalinist Industrialization*, pp. 250–1.

every worker."[411] The following decision to impose detailed and strict regulations to assure a proper management of workbooks did, however, not arrive at its intended result either.[412] A few years later, archival reports mention the persistence of the problem, but also note opposite complaints from workers who had their books stolen, held back, or falsified by factory managers. According to a year 1962 TsSU report to the Council of Ministers, low performing sectors in general were also those who fared worse with respect to this specific question.[413]

In summary, reduced levels of coercion informed the incentive structure at the level of production. On the one hand, incentives for managers and employees to collude declined, illustrated by the increased reporting on infractions. On the other hand, different sources testify to a general reluctance in managing aspects such as absenteeism at the enterprise level. Neither management, nor trade unions and party organs could effectively monitor the activity of the workforce, creating the conditions for rent dissipation through a downward pressure on the work tempo. The potential reasons and results for this outcome will be discussed in ensuing sections.

7.3 Three Aspects of Voice: Walk-Outs, Strikes and Dissent

In the introductory theoretical chapter, I broadened the category of *Voice* to include different measures of a decline in performance. Such declines can be expressed openly (protest), or in silence. As was shown in Chapter two, state authorities under Stalin suppressed independent trade union activity and open forms of protest were severely curtailed. Archival evidence suggests however, that instances of open protest did occasionally materialize. Regardless of how one chooses to make Hirschman's concepts operational, aspects such as walk-outs, strikes and public dissent can be regarded as *Voice*. Such instances were however limited in scale and scope, though evidence suggests that the regime took any such event seriously.

7.3.1 Walk-outs and strikes

Workers' strikes and collective action had been virtually extinguished during the 1930s in the campaigns of increasing political repression. The last year of any significant strike activity for which this author has any evidence is the period January to November, 1934, when security organs registered 185 illegal strikes with about 8,707 participants.[414] Previous research has

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[411] RGAE, f. 9573, op. 1, d. 1624 (2), microfilm, ll. 203–5.

[412] The workbooks were henceforth to contain information on the employee's i) full name, ii) age, iii) date of birth, iv) education, v) profession, vi) type of work, vii) incentive and reward (*pooschrenie i nagrady*), viii) average pay, ix) time period at the work (to contain also information on "disciplinary record and performance".

[413] RGAE, f. 1562, op. 37, d. 51, ll. 6–17. The report entitled "O nedostatkach vo vedenii trudovykh knizhek na rabochikh i sluzhashikh v prepriyatiyakh." These problems were addressed in the August 9, 1962 edict "Ob ustranenii nedostatkov v vedenii trudovykh knizhek na predpriyatiyakh, v uchrezhdeniyakh i organizatsiyakh".

[414] See A.N. Sakharov *et al* (eds), *Trudovye konflikty v SSSR*, p. 46 and chapter 2.3.

recorded severe incidents of mass unrest, such as the Novocherkassk uprisings in the early 1960s, which were noted also abroad as the events unfolded.[415] More mundane aspects of dissent, such as youth opposition, have received scholarly attention only recently.[416] Practically unexplored have been the less far-reaching instances of workers' discontent at the enterprise level. This section will outline some tentative evidence.

Considering the current archival restrictions, the source base for the post-Stalin period is limited in scope. Party organ sources mention document some instances of walk-outs from work in 1969. In this year, authorities noted at least 20 occasions of such instances, involving no less than about a thousand people. In Belorussia, there were five walk-outs involving about 460 persons, in the Ukraine eleven walk-outs involving 350 persons, in Turkmenistan one walk-out involving 74 persons, in the Sakhalin oblast there were three walk-outs involving 57 persons and in the Irkutsk oblast there was one walk-out involving 140 persons.[417] It is safe to assume, that such a form of collective voice was one rare bird, even should more evidence be found.

As a rule, walk-outs were sparked by factory specific problems such as poor remuneration or work conditions (i.e. a decline in the fair wage level). Other reasons noted in archival documents were unsanitary conditions, inadequate technical security, poor equipment, delayed pay or forced overtime work. One case noted, that on July 7, 1969:

> 140 workers walked out from work at the Minsk radio factory from the section for chassis assembling of the television "Horizon". At the following day another collective did not show up for work (140 people). An analysis of the standards here showed a poor circle of supervisors, who did not attract the attention of this issue to [party] leaders and trade union activists.[418]

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[415] As a rule, such information would be received through *émigré* and dissent channels, and finally through outlets such as Radio Liberty or *New York Times*. For research on the Novocherkassk uprisings, se for example L.Alexyeva, P.Triolo, "Unrest in the Soviet Union", *Washington Quarterly*, nr. 13 (Winter 1990), pp. 63–77; O. Nikitina, "Novocherkassk: The Chronicle of a Tragedy", *Russian Social Science Review*, nr. 5, vol. 33 (September-October 1992), pp. 48–78; I. Mannteufel, "Der 'Blutsamstag' in der Sowjetunion. Die Niederschlaugung der Proteste in Novocerkassk im Juni 1962", *Osteuropa, Zeitschrift fur Gegenwarsfragen des Ostens*, nr. 7 (1998), pp. 724–37. For a more recent work, see S. Baron, *Bloody Saturday in the Soviet Union: Novocherkassk 1961*, Stanford, CA: Stanford University Press, 2001.

[416] S. Davies, *Popular Opinion in Stalin's Russia*, especially chapters 1 and 11. See also H. Kuromiya, "'Political Youth Opposition in Late Stalinism': Evidence and Conjecture", *Europe-Asia Studies*, vol. 55, no. 4 (June, 2003), pp. 631–38; H. Kuromiya, "Re-Examining Opposition under Stalin: Further Thoughts", *Europe-Asia Studies*, vol. 56, no. 2 (March, 2004), pp. 309–14.

[417] RGANI, f. 89, op. 16, d. 10, ll. 3–5. Report from N. Petrovichev (Central Committee Department for Organization of Party Work) and S. Baskanov (department of heavy industry) dated January 7, 1970. Addressed to the Central Committee of the Communist Party.

[418] RGANI, f. 89, op. 16, d. 10, l. 3.

In certain instances, walk-outs could be attached to the threat of collective turnover, tightening the interface between the concepts of *Exit* and *Voice*. Soviet authorities considered that there had been too few discussions about these questions among party activists and their organs, indicating that more directives were needed. Just as party organs had lamented a perceived laxness in the work with labour discipline, they concluded, that:

> These undesirable manifestations could have been averted, if party committees more profoundly had considered the details of each sector of industry, had better known the outlook of the workers, more completely had implemented control over the workings of the administration, and more concretely had commanded political-educational work.[419]

Other forms of protest were noted through police and secret police reports. The KGB reported on "anti-Soviet manifestations" among civilian population groups regularly, a tradition begun by the security organs already in the 1920s.[420] The few reports openly available now should therefore not be *a priori* regarded as conclusive, considering the unsystematic procedures of archival de-classification and the present location of the available material.[421] They do provide however an interesting picture of the work this organization carried out. According to one report, in relation to the elections to the councils in early 1957, "anti-Soviet" propaganda had been distributed at various localities throughout the country. Local "hooligan acts" had also occurred, with people deliberately avoiding the election sites and disturbing the procedures. Ivan Serov, then head of the KGB, reported on one example:

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[419] RGANI, f. 89, op. 16, d. 10, l. 5.

[420] RGASPI, f. 17, op. 84, d. 1004, ll. 189–93. Top secret report from OGPU (the Security Police) to the Politburo, dated October 26, 1925, on the situation at the factory "Krasniy Putilovets". Already in this report, labour discipline was given clear political connotations, and measured primarily as the level of absenteeism and job-changing. For a continuing publication of archival material covering this topic, G.N. Sevost'yanov *et al* (eds), *"Sovershenno sekretno": Lubyanka – Stalinu o polozhenii v strane (1922-1934 gg.)*, in eight volumes (continuing), Moscow: RAN, 2001-.

[421] RGANI, f. 89. This archival fund contains various documents de-classified in the early 1990s for almost the whole Soviet period (1919-91). Its various documents were taken from different collections and archives, including the Politburo fund, the archive of the KGB (now FSB) and the State Archive of the Russian Federation (GARF). A short description is given in the archival guidebook by RGANI from 2004, but it gives no information on the possible existence of other similar sources or from where the exact documents have been taken. See N.G. Tomilinoy (ed.), *Russiyskiy gosudarstvenniy arkhiv noveyshey istorii.*

> Thus, at 23 hours, 45 minutes on March 3, at the election station in the countryside of the Moscow oblast, an intoxicated A.M. Bulanov, born in year 1927, with no party membership and in 1953 convicted for spoilage, with no definitive occupation, who, having received the ballot-paper, crossed out the candidates, and then insulted members of the election committee and attempted to attack one of them. Bulanov was detained at the Kurovsky police department.[422]

The above quoted description fits the stereotype, fulfilling the requisites i) young male; ii) not a party member; iii) previously convicted (in this case for a labour disciplinary infraction); iv) unemployed and v) under the influence of alcohol. As has been noted in previous research however, it is possible to find these types of reports on all kinds of individuals, of different background, gender and social status.[423] More revealing is the fact that the head of the KGB would actually report such trivial demeanours to the Central Committee, which in contrast to strikes and walk-outs had no clear economic or political motivation and were small-scale.

7.3.2 Dissent and Repression: A Comment

In a recent article by historian Julie Elkner, it was noted that newly available statistics on convictions for "anti-Soviet agitation and propaganda" in the post-Stalin period "indicate the need to introduce quite substantial correctives into the traditional view of this period." Another author, Robert Hornsby, has argued that there was "a real growth of dissenting behaviour" in the same period. The authors' arguments – based to a large extent on a previous study by Russian historian Vladimir A. Kozlov – being that the two years 1957-58 constitute 41.5 percent of all convictions for anti-Soviet agitation and propaganda in the period 1956-87. Accordingly, the "repressive apparatus" was in fact not "reined in" by the time of Khrushchev's secret speech in 1956, but only later in time, in Elkner's account.[424] If so, increases in social disorder and repression can be expected to have had an effect on economic performance (as for example the Great Terror in 1937-38 disrupted production severely, see Chapter 8.5.1).

These statements however, seem to be examples of selection bias, and to see why they should be put in perspective against the whole Soviet period. Before the reform in the late 1950s, article 70 was named article 58-10 on "anti-Soviet agitation and propaganda", and it was the main

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[422] RGANI, f. 89, op. 18, d. 37, ll. 1-2. Top secret KGB report to the Central Committee of the Communist Party, dated March 5, 1957. Another person had been detained for "agitating" that "he would not vote unless he was given a new apartment".

[423] V.A. Kozlov (ed.), *Kramola – Inakomyslie v SSSR pri Khrushcheve i Brezhneve 1953-1982 gg – Rassekrechenie dokumenty verkhovnovo suda i prokuratury SSSR*, Moscow: Materik, 2005.

[424] J. Elkner, "The Changing Face of Repression under Khrushchev" and R.Hornsby, "Voicing Discontent: political dissent from the Secret Speech to Khrushchev's ouster", in M. Ilič, J. Smith (eds), *Soviet State and Society under Nikita Khrushchev*, pp. 144, 166. V.A. Kozlov (ed.), *Kramola – Inakomyslie v SSSR pri Khrushcheve i Brezhneve 1953-1982 gg*, p. 36.

instrument in the Stalinist terror. Diagram 7.2 below gives an illustration of how the law was implemented in 1930-58, though exact data for the years 1955-56 are not available (these have been imputed based on a known total figure for the years 1956-60). It is safe to conclude however, that the de-classified data for the post-Stalin period does not alter the general view of the Khrushchev reforms. The fact that the amount of convictions is perhaps three times larger in 1956-57 than during the first post-Stalin years cannot fundamentally alter the perception that repression was severely lessened in these years. In fact, the data may more credibly be read as to imply that it took Khrushchev a few years to completely reform the workings of the security police, but that already after Stalin's death a deeper shift was forthcoming (as evidenced for example, by the changes in the top KGB leadership in 1958).

Diagram 7.2 Amount of People Convicted for Anti-Soviet Agitation and Propaganda, 1930-58.

Source: See Appendix 7.5

The larger issue here however is not how drastically low the amount of convictions in the late 1950s seem in comparison with the period of 1930-52, but how one can interpret an alleged "rise" in "anti-Soviet agitation" in a satisfying manner. To put it briefly, it is doubtful one can use Soviet statistics on convictions as a measure on the changing mood of the population. If so, the Great Terror in 1937-38 can be equally read as years of great popular dissent, a notion few would subscribe to. The idea assumes that the Soviet security police based their measures on principles of legality. But even taking Hornsby's statement, that the rise in sentences during 1957 was

"dramatic" at face value is problematic.[425] As was noted, the amount of convictions in 1957 was in fact lower than for any year since 1930 (and probably earlier), except for the years 1955-56. While it might be true that the Hungarian uprisings in 1956 reverberated also in the USSR, more case specific analysis is required before it is possible to draw any inference about dissent on the evidence of convictions for political crimes.

In conclusion, available evidence suggests that collective and/or open forms of protest were low, but that authorities nonetheless responded to every minor expression of dissent seriously. On no more than about a hundred occasions yearly was a decline in the fair wage also followed by open and collective protest (walk-outs). The economic results of these actions remain unclear, though on the aggregate their impact was obviously negligible. The minor increase in convictions for anti-Soviet activity is not sufficient to warrant any conclusion on either the protest movement or potential shifts in the level of repression.

7.4 Spoilage

The viability of economic growth not only relies on an efficient use of labour time. It also depends on the efficient use of other resources. In Chapter five, it was shown how a general shortage of resources induced enterprises to negotiate on different horizontal and vertical levels. Another factor was the use of these resources once attained. One measure of this factor is spoilage. Soviet authorities had criminalized spoilage in 1940 (statute 152), a law which was subsequently never lifted in the political reforms 1956. It has not been possible to collect any consistent data on convictions for this particular crime, but a formerly top secret note at the *fond* of the Ministry of Justice reported a few hundred convictions yearly for the mid 1960s. If the numbers were larger in the Stalin or Khrushchev period remains unclear.[426] There was also separate legislation regulating employees at the Ministry of Railways, which was more militarized. Severe punishment was meted out for disciplinary violations, with even a small share of the employees receiving more than 20 years in prison (about 0.2 percent of all convicted). In 1956, there were 9,600 sentences in accordance with this stricter regime convicting employees of the railways.[427]

What was the extent and what were the reasons for spoilage? Measures of spoilage (*brak*), ruptures, quality problems and losses of labour time were reported for every large enterprise, in

[425] R. Hornsby, "Voicing Dissent", p. 167.
[426] GARF, f. 9492, op. 6s, d. 98, ll. 177-79 (note dated August 27, 1965).
[427] GARF, f. 9492, op. 6s, d. 18, l. 16 (April 26, 1957).

rouble terms and "real" terms (for example tons, kilograms, meters). The data is contradictory, but it remains clear what industries were systematically spoilage prone: machine construction and metal processing, ferrous metallurgy and construction materials. This is hardly remarkable, considering the nature of these enterprises.

Rejected deliveries amounted to only a fraction of total output.[428] The data alone, however, cannot sufficiently validate or repudiate earlier research claims that a low share of rejections were due to managerial constraints, even though it is a plausible explanation. Because of a generalized shortage of goods, enterprises were reluctant to refuse also sub quality deliveries. Metallurgical enterprises reported that due to poor quality of delivered materials, there were large losses of labour time as much effort went into repairing faults. The Zakavkaz metallurgical factory reported that 20.8 percent of labour time was lost due to a malfunctioning electric crane, 22.8 percent of labour time was lost due to having removed faulty parts from metals, and a further 30-35 percent was lost in the work teams. In total, more than half the work day was regularly lost, much of it because of having to compensate for faulty inputs.[429] Similar reports are found for the Dalstroy and Magnitogorsk factories.[430] On an aggregate level however, there is no evidence of any such substantial inefficiency losses.

The director of TsSU, Starovskiy, reported to the Council of Ministers on October 6, 1959, that total losses from spoilage in 1958 amounted to close to three billion roubles, or roughly 1.4 percent of total capital investments in the same year. This number is significantly higher than other separate reports the author has encountered (see Appendix 8.7), and the discrepancies are significant enough to warrant scepticism about the reliability of the data in question.

[428] RGAE, f. 1562, op. 15, d. 164a.
[429] GARF, f. 9553, op. 1, d. 61, l. 280.
[430] GARF, f. 9553, op. 1, d. 59, l. 4.

Table 7.3 Losses from Spoilage in Million Roubles, 1958 and First Six Months 1959 in the USSR

	Losses of Spoilage	
Year	1958	First Six Months 1959
Total losses of spoilage in *Sovnarkhoz* industry	2,881,000,000	1,431,000,000
Of which:		
Machine Construction and Metal Processing	1,917,000,000	1,413,000,000
Ferrous Metallurgy	581,000,000	279,000,000
Construction Materials	139,000,000	70,000,000
Total losses as Percentage of Capital Investment in 1958:	1.4 percent	

Source: GARF, f. 5446, op. 93, d. 934, ll. 49–56. Also published in O.V. Khlevniuk *et al* (eds), *Regional'naya politika N.S. Khrushcheva. TsK KPSS i mestnye partiynye komitety 1953-1964 gg.*, Moscow: Rosspen 2009, pp. 309, 406.

In conclusion, the aggregate data on spoilage is not easily reconciled with micro level archival data from specific enterprises or with what has been stated in previous qualitative assessments of the Soviet economy. This indicates either a systematic suppression of relevant facts as data travelled upwards in the bureaucracy, or the un-representativeness of the cases here concerned. For a Harvard study conducted in the 1950s, Joseph Berliner interviewed former factory managers from the USSR. In his monograph the problem is discussed in wordings such as "large volume of sub quality production" and "large quantity of spoilage", but for obvious reasons, he refrained from making any exact quantitative assessments.[431] It is probably safe to state however, that there has been a clear perception of the Soviet economy as spoilage prone and its consumer goods as being of inferior quality. Soviet literature covered the topic more openly in the thaw period, as in Galina Nikolayeva's *Bitva v puti* ("Battle on the Road"), where the dishonest manager is brought out to daylight for his systematic manipulation of factory data.[432] The available information suggests that certain sectors were indeed wasteful, but there is no support in de-classified data for the claim that the economy as a whole, in the 1950s, was particularly plagued. Numerous qualitative assessments that contradict the statistics exist in trade union and factory inspection reports, but they offer no general outlook.

7.5 Losses of labour time

The perhaps most relevant litmus test is the amount of labour time lost in industry and construction as a result of aspects such as unplanned stoppages and absenteeism. As indicated in the qualitative assessments earlier, there are large problems with officially reported levels on

[431] J. Berliner, *Factory and Manager in the USSR*, p. 139.
[432] G.E. Nikolayeva, *Bitva v puti*, Mosocw: Sovetsky pisatel', 1958.

losses of labour time.[433] There are different reasons for this. One general explanation is that official TsSU data was aggregated from sources high up in the hierarchy. As Winiecki commented, "the more aggregated the figures are...the more distortions they contain."[434] Another more specific reason for the distorted data on use of labour time was noted by Silvana Malle who showed why measures on capacity utilization through physical indicators were unreliable.[435] Capacity utilization under this definition assumes effective workers, but as enterprises kept records only on attendances, relevant estimates of actual performance were not attained. To arrive at a more credible perspective on performance, this section will make use of more detailed archival evidence on time management in the Soviet economy.

The average worker's loss of labour time in 1960 due to stoppages and absenteeism was, according to official TsSU reports, in industry 1.5 days, and in construction 2.2 days. Certain regions were however more outstanding than others, the Georgian industry lost 3.9 days on average, the Armenian 3.4 days and the Lithuanian 2.7 days. Construction was worse off than industry, with an average of 2.2 days lost per worker in 1960; harbouring top levels of 4.2 days lost in Azerbaijan and 3.9 days in Kazak construction (Table 7.4). Total loss of time in industry due to stoppages was 14,307,000 workdays, for construction 6,072,000 workdays.[436] For the reasons outlined above, this data should not be taken at face value.

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[433] For a discussion of Soviet official debates on the problems with the statistics on losses of labour time, see M. Feshbach, *The Soviet Statistical System: Labor Force Recordkeeping and Reporting since 1957*, U.S. Department of Commerce: International Population Statistics Reports no. 17, 1962.

[434] J. Winiecki, *The Distorted World of Soviet-Type Economies*, p. 13.

[435] See for example data estimates on work time lost in the 1980s, *SSSR v tsifrakh v 1987*, Moscow: Finansy i statistika, 1988, p. 69. For Malle's analysis, se S. Malle, *Employment Planning in the Soviet Union*, pp. 124–6.

[436] RGAE, f. 1562, op. 337, d. 49, l. 42. For an early study of absenteeism and loss of labour time in the Soviet economy, see R.E. Fakiolas, "Work Attendance in Soviet Industry", *Soviet Studies*, vol. 14, no. 4 (April, 1963), pp. 365–78. Fakiolas concluded that absenteeism accounted for no more than 0.1-.6 percent of time scheduled for work.

Table 7.4 Average Loss of Labour Time per Worker (days) for Industry and Construction, 1960.

	Sovnarkhoz industry	Of which due to stoppages and absenteeism	Construction, due to stoppages and absenteeism
All	3.9	1.5	2.2
RSFSR	4.0	1.4	2.0
Ukrainian SSR	3.1	1.0	2.1
Belarussian SSR	3.6	1.7	1.3
Uzbek SSR	4.9	1.6	2.6
Kazak SSR	3.8	1.7	3.9
Georgian SSR	7.4	3.9	2.9
Azerbaijan SSR	5.6	2.6	4.2
Lithuanian SSR	5.3	2.7	3.5
Moldavian SSR	3.7	1.9	2.5
Latvian SSR	5.1	2.3	2.1
Kyrgyz SSR	4.7	2.1	3.2
Tadjik SSR	4.9	2.5	2.7
Armenian SSR	6.6	3.4	.9
Turkmenian SSR	5.1	2.6	1.8
Estonian SSR	4.0	1.8	2.8

Source: RGAE, f. 1562, op. 337, d. 49, p. 39.

The TsSU report quoted above also presented a survey on the effective usage of equipment and work-hours in machine construction, which revealed that the main underlying causes of inefficiency were lack of raw materials, materials, storage and components. Stoppages related to these issues accounted for 27-50 percent of all losses of labour time. Qualitative reports present another picture altogether. In 1958, VTsSPS received a series of reports from local actors. A revision of the output norm at the Krasnoyarsk factory under the Ministry of Radio-Technological Industry had shown a:

> Complete lack of coordination between the organizational and technical plan and organizational measures. [That] the factory works extraordinarily spasmodically, producing enormous losses of labour time. Workers at the production area are idle 10-15 days on a monthly basis.[437]

At best, this means people at the factory were working no more than halftime in a normal month, and in the worst case scenario, not even this much. Less dramatic reports were more

[437] GARF, f. 5451, op. 26, d. 1320, l. 69.

frequent.[438] Other reports in 1958 mentioned that data collection in the country at enterprise level was poor and negligent:

> The factual amount of stoppages at the enterprises is in reality larger, but they are not all accounted for. Labour unions at the enterprises incorrectly manage the struggle for a thorough usage of the workday. [They are] unable to deal with these questions at the meetings, industry gatherings, factory meetings and shop floor committees. [They are] unable to hold accountable people responsible for the poor organization of labour.[439]

Another report for the Kuznetsk Metallurgical factory "Stalin" wrote that "due to the poor organization of labour there are large losses of labour time and materials. A large share of the weekly stoppages is not counted at all. Workers are idle 2–3 hours per day".[440] It was in reality left to the brigade leaders and shop floor masters to record all stoppages, who had – according to one report – incentives to "conceal stoppages, them being indicative of poor organization."[441] Another report described how at the beginning of the shift, not "one of the 17 machine-operators had commenced work according to schedule. Workers began somewhere in between 20 to 60 minutes after... After each break, work does not commence until after 5 to 20 minutes."[442] Many similar reports accrue in various archival holdings.[443] The VTsSPS report outlined an illuminating example:

> For example, on 8 July 1958, loaders Chuzhakov, Popov, Goryunov did not work from eight to eleven in the morning due to stoppages in transport. [illegible part removed] The reason being shortages of material. From conversations with workers, it was made obvious, that such a situation occurs almost on a daily basis.... Even worse, when entire brigades of 20–25 people for whole weeks do not work. [At other sections] people work for 4 days, and rest on the fifth day. Thus, is presented the graphic of 'overlapping'...Workers are laying around for hours with nothing to do or lay at the workshops sleeping.[444]

It is noteworthy, that the same report would comment that the production plan targets for the same enterprise had been met. Other reports mention the same phenomena, as the

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[438] GARF, f. 5151, op. 26, d. 1275 (stenographic report from a VTsSPS conference, 1958).
[439] GARF, f. 5451, op. 26, d. 1325, l. 39.
[440] GARF, f. 5451, op. 26, d. 1325., l. 34. Undated report, probably written somewhere around August or September 1958.
[441] Ibid., l. 83. Report from the technical inspector at the Kislevsk construction trust, 1 August, 1958.
[442] GARF, f. 9553, op. 1, d. 14. (Report to Kaganotvich from Goskomtrud, undated, year 1955].
[443] The reported details on spoilage are more informative for the 1960s. See RGAE, f. 1562, op. 37, d. 429, l. 18. For problems in railway industry, see GARF, f. 5451, op. 26, d. 1274, l. 27.
[444] GARF, f. 5451, op. 26, d. 1325, l. 34.

"Stalinskpromstroy" director who argued that the 105.5 percent plan fulfilment in 1957 had come about in spite of "large inadequacies in labour and industrial discipline, enormous amount of absenteeism and a very low level of discipline at the various sectors of the enterprise."[445] If so, it means that plans through years of "trial and error" – as famously suggested by Oskar Lange – now had come to take account of an erratic and disorganized management of production. In other words, plan targets were set in consideration of, a sometimes large, amount of slack in the economy of the individual enterprise.[446] This cannot have been what Lange had in mind when arguing for the feasibility of economic planning, even though in the strict sense, he was right that a feedback mechanism did exist.[447] It further illustrates that workers were able to dissipate a significant portion of rent without threatening plan fulfilment quotas. If half the workday could be continuously appropriated as leisure at work, we are dealing with a structural inefficiency which no agitation or propaganda – no matter how large – could suppress.

Soviet authorities knew that official levels of losses of labour time were unreliable.[448] One TsSU report in 1965 even commented, that "it is well known, that these losses [of labour time] are underestimated ten times over."[449] With the 1968 publication of *Trud v SSSR* ("Labour in the Soviet Union"), Western scholars were given the first official data on labour since the early 1930s.[450] The few entries it gave on use of labour time was however aggregated and with few details to guide the reader. It therefore helps little to look to official sources for guidance. Interestingly, the archives contain separate studies which can shed some light on the more plausible dynamics. Material from the research institute NII ("USSR Scientific Research Institute for Labour") gives dramatic corrections to the official data published by TsSU.[451] The official estimate of total losses due to stoppages, a total of about 14 million work-days in 1960, should be compared to the adjusted estimate of 829 million work-days lost according to NII. It is safe to say, that the TsSU data in this case was highly misleading. However, the two estimates'

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[445] GARF, f. 5451, op. 26, d. 1225, l. 53. Undated report, probably written somewhere around August or September 1958.

[446] Beginning in the 1960s, Gosplan attempted to revitalize the five-year plans through the introduction of more flexible perspectives, subject to annual modification and revision, thus making in "elastic", similarly to those developed by larger American firms at the time being. See N. Jasny, "Improving Soviet Planning – Thirty Years of Mediocrity", *International Affairs (Royal Institute of International Affairs 1944-)*, vol. 37, no. 4, (October, 1961), pp. 465–76.

[447] See Oskar Lange's discussion on the use of "trial and error" for a socialist plan economy. O. Lange, "On the Economic Theory of Socialism: Part One", *Review of Economic Studies*, Vol. 4, No. 1 (October, 1936), pp. 53–71.

[448] GARF, f. 9595, op. 1, d. 165, l. 4.

[449] RGAE, f. 1562, op. 37, d. 3224, l. 39. Report dated March 8, 1965.

[450] See Ya. M. Binemana (ed.), *Trud v SSSR*, p. 173.

[451] GARF, f. 9595, op. 1, d. 162, l. 4 (report entitled "Poteri rabochego vremini v promyshlennosti SSSR i puti ikh ustraneniya").

definitions are also different, and if NII presented more accurate data, it is only because they were able to include aspects which TsSU misreported or did not register at all.

The quandary can be easily resolved by looking at the type of estimates used, and how they were defined. NII noted that their estimates were superior, having included – in their opinion – more accurate measures of losses of labour time during shifts and losses due to unsponsored turnover. According to the NII measures, TsSU did not properly record the former, and ignored completely losses related to the latter. As can be seen, it was losses during the shifts which caused the largest amount of losses of labour time (54 percent of all lost time).

Table 7.5 Loss of Labour Time in Soviet Industry, 1959 (Million Work-Days), NII-Estimate.

	Losses During Shifts	Losses due to Sickness	Losses due to Unsponsored Turnover	Stoppages in Accordance with Administration	Stoppages in Accordance with Regulations	Absenteeism	All-Day Stoppages
- Million Work-Days:	448	230	57.6	42.0	40.3	6.7	5.0
- Relative Share of all Losses (percent):	54.0	27.7	6.9	5.1	4.9	0.8	0.6

Source: GARF, f. 9595, op. 1, d. 162, l. 7.

According to Table 7.5, total loss of labour time amounted to about 829 million work-days in 1959. The largest share, due to losses during shifts, amounted to about 448 million work-days, or 54.0 percent of the total. The second largest variable, losses due to sickness, still represent only slightly more than half of this, amounting to 230 million work-days lost, or 27.7 percent of the total. (This is also contrary to official data which put losses due to sickness as the primary cause of losses of labour time. See appendix 7.6). It is also possible to compare the estimated losses from unsponsored turnover to this data. These were about 60 million work-days in 1959, i.e. only a small share of the losses accruing from losses during regular shifts. This makes it difficult to understand why Soviet officialdom and economists considered job-changing so detrimental to economic efficiency. Similarly, losses from absenteeism were even more insignificant. The claims by Soviet authorities and economists (and also some Western economists) that losses due to

"labour disciplinary infractions" (here understood as losses due to absenteeism and job-changing) were important find no support in this data.

In total, NII estimated that about 10–13 percent of all labour time at the average industrial enterprise was lost due to inefficiencies during shifts. A separate study had instructed 1000 workers at 13 different industry enterprises to report individually on the losses of labour time at their work station. The average worker lost 43.8 minutes on every shift, major causes being 17.2 percent due to negligent use of material, 28.7 percent due to lack of material and 20.0 percent due to repair. "This is the result of a weak organization of production and work, spasmodic factory labour and a low work culture."[452] The error component in these self-administrated surveys is likely to be significantly lower compared to surveys conducted by time-keepers or managers.

In conclusion, spoilage and losses of labour time can to a significant extent be explained with structural inefficiency endogenous to the Soviet economy. A general shortage of goods meant that sub quality inputs could not be rejected, an aspect which in turn created increased levels of slack. It further gives an alternative rationale as to why attempts to regulate absenteeism were lax: attendance was not strict under conditions where it had no material impact on production. This confirms Kornai's assertion, that declining incentives were the outcome of structural shortages. It was further noted that official data on the aggregated level should be treated cautiously, as unaccounted omissions make certain interpretations misleading.

7.5.1 Losses of Labour Time in Perspective

Above it was illustrated how a micro level analysis of the workday revealed a significant level of inefficiency in production (stemming from primarily losses during the shifts). It is a worthwhile exercise however, to also ask what result one gets from a longitudinal macro analysis. That is, assuming the measurement error to be fairly constant, what factors could force equilibrium levels of use of labour time to drift? Authorities collected aggregated data on losses of labour days which shed light on the Stalin period. Unfortunately, I have not located any data for later periods in time. However, the available material is sufficient to illustrate an important conclusion: on a macro level, none of the endogenous inefficiency drivers seem to have played any role in explaining change. On this level, only larger exogenous chocks are revealed in the diagram. As regards the long term trajectory (Diagram 7.3), especially three points in time should be noted:

[452] GARF, f. 9595, op. 1, d. 162, ll. 36–37.

- The years 1937-38, generally known as years of the Great Terror, constitute absolute peak years, with 931.8 days lost per 100 workers in 1936, 831.5 in 1937 and 883.9 in 1938, respectively (why 1936 stands out will be discussed below).[453] This can be expected, since as the terror put pressure on enterprises, and managers and workers suffered from the repression, production was disrupted;

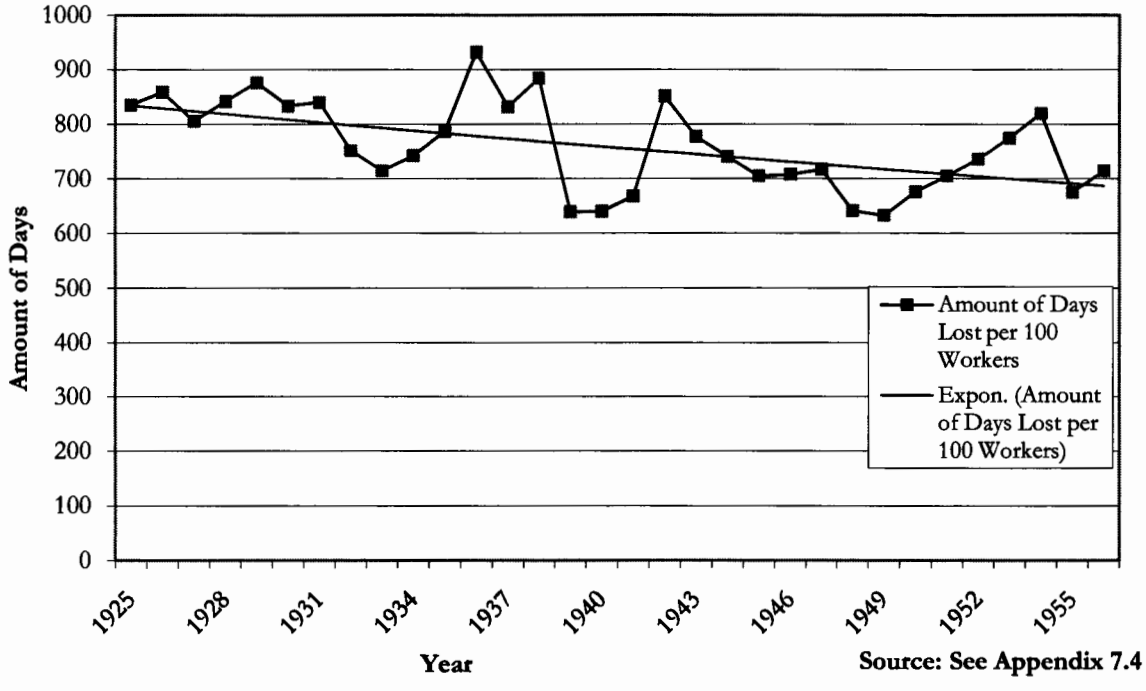
- The year 1942, and for some years to come under the impact of the German aggression, represents the second peak of work day losses (851.1 days lost per 100 workers in 1942);

- A smaller peak year is marked in 1954, which – curiously enough – is harder to explain.[454] One explanation can be the increasingly lessened coercion at the enterprise level from the end of the war and onwards.[455]

Given these data, the years before and after the Great Terror, and the reconstruction period after World War II, come across as years of quickly expanding industrial production, with substantial drops in losses of labour days.[456]

[453] Special studies for this period have confirmed the rise in absenteeism as a result of the repression. See D. Hoffman, "The Great Terror on the Local Level: Purges in Moscow Factories, 1936-1938", in J.A. Getty, R. Manning, *Stalinist Terror: New Persepectives*, Cambridge: Cambridge University Press, 1993, p. 166.
[454] GARF, f. 5451, op. 29, d. 434, l. 2.
[455] Such a conclusion would square with qualitative evidence from party reports on labour discipline from the mid 1940s. See for example party report from May 28, 1945 in E. Zubkova (ed.), *Sovetskaya Zhizn'. 1945-1953*, p. 267.
[456] Previous research confirms the idea that disruptions to production began already before the asault of German troops in 1941. See B.G. Katz, "Purges and Production: Soviet Economic Growth, 1928-1940", *Journal of Economic History*, Vol. 35, No. 3 (September, 1975), pp. 567–90.

Diagram 7.3 Yearly Amount of Days Lost per 100 Workers, 1925-1956 (excluding for pregnancy and birth).



Source: See Appendix 7.4

A short remark as regards the sources for the longitudinal data presented above (Diagram 8.3) is necessary in consideration of the discussion among historians on the reasons for the commencement of the Great Terror. Interestingly, it was not located in the archival collections of TsSU – whose own sets on use of labour time do not seem very useful – but in a document folder from the collections of VTsSPS. I was not able to find any related sources which could explain how the data had been collected. However, the revised data on labour productivity in the USSR by Mark Harrison correlates roughly with the first two peaks (1937-38, 1941-44), though not the last and smaller one. He notes that productivity fell from 1937 to assume an increase only in the post-war period.[457] It remains, however, to be understood why there was a significant increase in losses of labour time already in 1936, i.e. one year before the period usually referred to as the Great Terror had actually commenced, and one year before Harrison's measure on productivity decline.

What is known of the Great Terror? Russian historian Oleg Khlevniuk has set the starting point of the mass repression with the Politburo resolution "On anti-Soviet elements"; decreed on July

[457] M. Harrison, "Trends in Soviet Labour Productivity, 1928-85: War, postwar recovery, and slowdown", *European Review of Economic History*, vol. 2, no. 2 (1998), p. 182.

2, 1937 and targeted against former putative "kulaks" that had been repressed in the campaigns of the early 1930s, and had now completed their five year sentences as forced "special settlers". It was also in the second half of 1937 that a significant leap upwards in mass killings came about.[458] Why was there then a sharp increase in losses of labour time already one year earlier? It has been noted that the generally assumed "three good years" of 1934-36 were more problem laden than previously thought for armaments productions especially, but research shows that they in general never represented years of disruption or stagnation – contrary to what was to come in 1937.[459] Administrators, directors of factories and engineers had been targeted for repression already in the late 1920s and were continuously so throughout the Stalin years at a fairly constant level – this was nothing new. It has been argued in previous literature that the mass repression could have been a political response to poor economic performance and weak labour discipline. This claim has not been substantiated by other scholars however,[460] but would find support in the new data on losses of labour time. The argument is not convincing. If there can be any clear correlation between increases in economic disturbances and repression, it could only have been during the Great Terror, when the scale of terror assumed unprecedented levels. The argument is substantiated in David Hoffman's studies in the Moscow Party Archive which shows that the rates of absenteeism and turnover increased as a result of the repression, and not the other way around.[461]

Measurement errors could be one explanation to the precipitate increase in 1936, but then two questions arise as to why the error was upward rather than downward, and why the measurement error should have been any different in this year specifically, rather than constant over time. Another possibility is that the increases in losses of labour time as recorded, were not actually correlated to aspects such as absenteeism or "slack". A third possibility is that the sources here utilized contain processing errors, i.e., mistakes made in the original preparation of the data sets.

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[458] Khlevniuk notes that "up until the middle of 1937... the main blow of repression was directed against members of the party, mainly those who had in their time participated in the oppositions or who had shown some kind of dissent with Stalinist policies." This was only a fraction of the victims to be in the next two years. See O. Khlevniuk, "The Objectives of the Great Terror, 1937-1938", in J. Cooper *et al* (eds), *Soviet History, 1917-53: Essays in Honour of R.W. Davies*, Houndmills: Macmillan, 1995, p. 161.

[459] R. W. Davies, M. Harrison, "Soviet Military Expenditure and the Armaments Industry, 1929-33: A Reconsideration", *Europe-Asia Studies*, vol. 49, no. 4 (1997), esp. pp. 387, 389–92.

[460] R.W. Davies, "The Soviet Economy and the Launching of the Great Terror", in M. Ilič (ed.), *Stalin's Terror Revisited*, Basingstoke: Macmillan, 2006, pp. 67.

[461] Hoffman writes: "Labour discipline deteriorated quickly with the onset of the purges (as shown by a marked increase in worker absenteeism and tardiness), and resulted in a substantial fall in factory production. The purges not only decimated the ranks of managers and party officials, but also severely eroded managerial authority. Workers became emboldened to criticize their foremen, whereas managers were reluctant to discipline workers for fear of antagonizing them and provoking denunciations. The lingering effects of the purges are reflected in the fact that labour discipline had still not recovered in 1939." D. Hoffman, "The Great Terror on the Local Level: Purges in Moscow Factories, 1936-1938", p. 166.

This third option is not likely, but it cannot be dismissed *a priori*. It remains fundamental to not assume away that Soviet administrators could make common mistakes in their work with quantitative measures. Hoffman's argument here is more convincing, being based on several qualitative reports and analysis written at the time. Until other sources confirm, explain or reject the data, the question of large losses for 1936 cannot be concluded and remains open. The discussion is relevant however, since it is potentially damaging for previous interpretations on the repression.

7.6 Socialization and Soviet Life

Soviet officialdom experimented with different measures in governing the behaviour of its citizens over the years. During the early 1930s, Stalin decreed and sanctioned a series of draconian measures to curb "anti-state" and "hostile" behaviour. Some of them, such as the labour edicts of June 1940 were workplace related. Others targeted movements within larger towns and cities (the passport law), and yet another would target primarily countryside residents (the law of "theft of socialist property"). In the post-Stalin period, analogous though less draconian measures were applied to shape the social fabric of especially younger and unruly citizens. To a large extent, the approach of "liberal communism" was to act pre-emptively with prophylactic measures, especially among the youth.

In the USSR, the boundary between work and everyday life was never overtly clear, and aspects such as alcohol abuse and "hooliganism" were broadly related to all aspects of life. This section will outline how the state responded to unruliness and putative "anti-state" behaviour among the citizens. It presents some new data on alcohol consumption and crime statistics. It is argued, that the boundary between the workplace and other aspects of life was relatively fluid. This can be expected in a country where a large share of the cities had in fact been organized around specific enterprises.[462]

Aspects such as housing, health and access to consumer goods were important issues also for the enterprise manager. One predominant, but very hard to assess, factor behind absenteeism (and also stoppages and losses of labour time) was alcoholism, by tradition a typical male worker phenomena.[463] In official parlance, a person who had "labour discipline" was also a person who

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[462] For a standard reference work on these aspects, see S. Kotkin, *Magnetic Mountain.*

[463] The Russian language differentiates between alcoholism (*alkogolizm*), which is a disease, and drunkenness (*p'ianstvo*), which is a temporary condition denoting a person under the influence. Thus, when the archival documents talk of alcoholism, they refer to people who cannot control their consumption of alcohol. For a discussion on the role of alcoholism in Russia's industrialization drive, see K. Transchel, *Under the Influence – Working-class Drinking,*

in life commanded respect among his fellow comrades, and cared for the society and micro cosmos in which he lived. Conversely, an unscrupulous person was a person who would drink too much and not care much for his environment. Available data on alcohol consumption is fragmentary, but a Ministry of Health report from 1958 provides evidence of an increase in the 1950s. In Tomsk oblast, 575,000 decilitres of vodka had been sold in 1956, compared to 382,000 decilitres in 1953 (an increase by about 50 percent); or about 7.1 litres per citizen in 1956. In Murmansk, consumption was significantly larger, averaging at about 29.7 litres per citizen yearly (note that Soviet statistics calculate consumption per capita, including minors and children). In income terms, this accrued to about 13–19 percent of the monthly consumption of goods. The report noted, that "the majority of all absentees [from work], and a significant share of spoilage in production, is committed under the influence or due to hangover." And further, sections of enterprises with women workers only experienced few cases of absenteeism and acts of hooliganism.[464] Of the hundreds of trade union, enterprise and party organ reports accessed, this is the only source which has explicitly put alcohol consumption so clearly in relation to absenteeism and spoilage.

The health report mentions that existing data were underestimates of the true extent of alcohol related problems, but the trend line on amount of people taken to hospital for treatment in the whole country during the 1950s is clear (though abysmally low): From 13,763 persons in 1950, to 34,445 persons in 1956. Similar development seems to be true for people taken to custody for sobering up. In Murmansk, there had been an increase from 1,266 persons in 1947, to 9,203 persons in 1956. The potential reasons for these increases remain to be investigated.

Fragmentary archival documents also point to the relation between poor work performers and criminality. Firstly, enterprise director M. Lozovskiy as the "Karbolit" factory of Kemerovo noted that all cases of absenteeism at his factory were alcohol related. Lozovskiy gave a handful of examples of "hellions" who for various reasons were no longer on the list of employees. He paid special attention to one worker Sidorov, who had been employed at the factory for less than a year. During this short time, he was arrested no less than three times. On February 11, 1958, Sidorov was arrested for 15 days, having offended policemen when under the influence. On March 26 the same year, Sidorov was again arrested for 15 days, this time for having disturbed

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Temperance, and Cultural Revolution, 1895-1932, Pittsburgh, PA: University of Pittsburgh Press, 2006. For an early outline on the socialization of labour, see C. Ziegler, "Worker Participation and Worker Discontent in the Soviet Union", *Political Science Quarterly*, Vol. 98, No. 2 (Summer, 1983), pp. 235–53.

[464] GARF, f. 8131, op. 32, d. 5682, ll. 17–19. Top secret report from Ministry of Health of to the Ministry of Justice. Dated May 9, 1958.

public order. In June, he was sentenced to an eight year prison term for robbery. In conclusion, Lozovskiy writes that "all these incidents tell us that the factory seriously needs to look into the question of labour recruitment".[465]

The most typical everyday offences would fall under the laws on hooliganism. A few factory and party reports include these laws as proxies for labour discipline next to absenteeism. Hooliganism was a broad concept covering a series of various actions from knife fighting to foul language. It was later defined in law as "intentional actions that rudely violate public order and express clear disrespect for society".[466] During Stalin, hooliganism was used broadly and harshly, but from 1956, there was a legal innovation with the introduction of petty hooliganism, which in practice would be applied to less serious offences. Petty hooliganism was in 1956 defined as "violation of public order and peace, insolent disrespect to citizens, the use of obscenity and other indecent acts." It was also a purely administrative offense, meaning that the arrestee would perform a shorter period of mandatory physical labour from three days to one or two weeks.

Petty hooliganism was a fundamental rubber law which could be applied to various forms of social "parasites", the official term employed during Khrushchev's alleged liberal communism. According to historian Brian Lapierre, the introduction of the edict on petty hooliganism meant that "the state declared war on minor misbehaviour and announced a new era of post-Stalinist social discipline and control focused on the mundane, the ordinary and the everyday." Accordingly, what happened in practice was that a new broader stratum of potential hooligans was created, as "the petty hooligan edict, by watering down the definition of hooliganism, transformed the commonplace borderline between behaviours of the everyday into imprisoning offences."[467]

This statement however is only partially correct, since petty hooliganism as a rule did not signify any longer term "imprisoning"; what is true however is that a much larger amount of people was *detained* (arrested) under the new edict, in comparison to people *convicted* under the previous edict.

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[465] GARF, f. 5451, op. 26, d. 1325, l. 62.

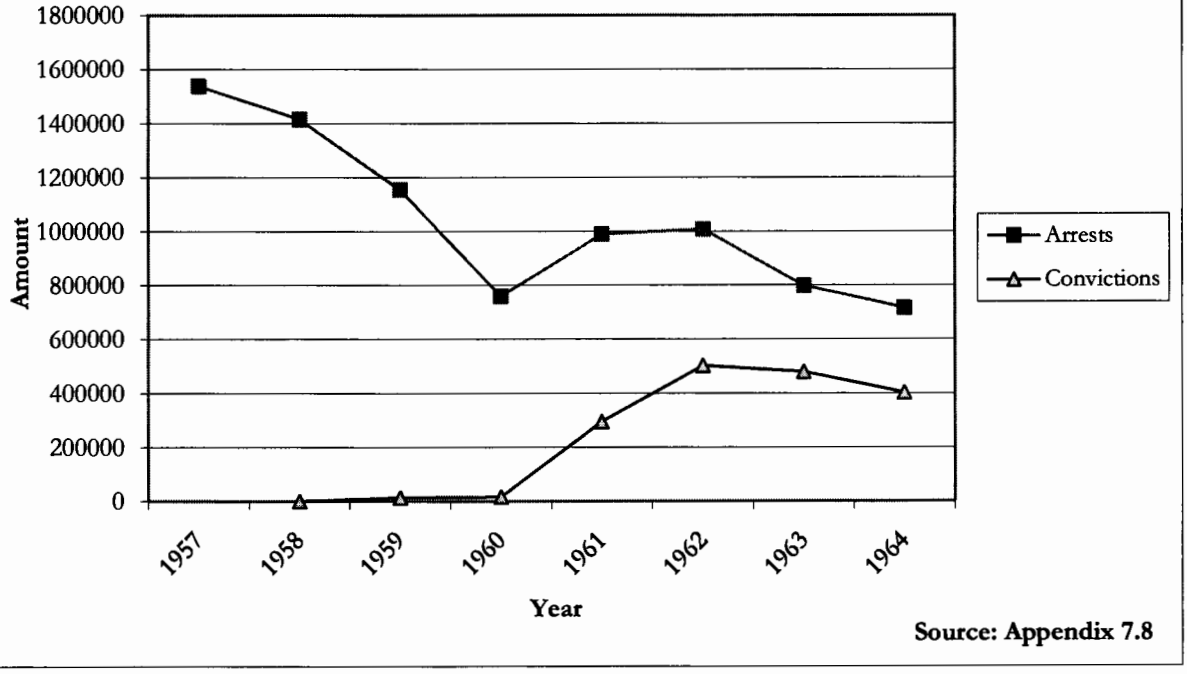
[466] For two contemporary articles on the question of social order under Khrushchev, see B. Lapierre, "Making Hooliganism on a Mass Scale – The Campaign against petty hooliganism in the Soviet Union, 1956-1964", *Cahiers du Monde Russe*, vol. 47, nr. 1-2, (January-June 2006), pp. 349-76; Y. Gorlizki, "Policing Post-Stalin Society. The *militsiia* and public order under Khrushchev", *Cahiers du Monde Russe*, vol. 44, no. 2–3 (April-December, 2003), pp. 465–80. Gorlizki interprets the increase in sentences on hooliganism during the 1950s to increased levels of social disturbances. This might have been the case, but if so one needs to also explain how these levels of convictions relate to the pre-war period, when they were higher or about equally high. Rather, it seems as if the amount of sentences were returning to a pre-war trajectory; and the difficulties then remains to explain the post-war low levels. See Appendix 7.3 for a tabulation of the data.

[467] B. Lapierre, "Making Hooliganism on a Mass Scale", p. 352.

Even though the rate of arrests increased significantly under the less strict but broader edict, those who were effectively brought down a notch from convictions for "malicious hooliganism", to arrests for "petty hooliganism" were in fact better off. And convictions for malicious hooliganism were still significant in the 1950s, ranging from about 71,000 in 1950 to about 185,000 in 1957 (see Appendix 7.3).

The intentions of the edict on petty hooliganism were pro-active and prophylactic, as can be deduced from the statistics on court sentences. When the offender had made good for his crime, he was left with no mark in his criminal record. Law protected the convicted from losing his job, but repeated offence was ground for dismissal. It is at this point in time that the crime came into the manager's field of concern. As was now a standard aspect of Soviet jurisprudence, judges were reluctant to comply with the legal procedures considered too strict.[468] Political pressure to convict would however only increase. Thanks to de-classified data, we can note an interesting relation between arrests, which decreased, and actual convictions, which only increased towards the late Khrushchev period (Diagram 7.4).[469]

Diagram 7.4 Amount of People Arrested and Convicted for Petty Hooliganism, 1957-64.



Source: Appendix 7.8

[468] For an early study on this topic, see R. Schlesinger, "The Practice of Soviet Justice", *Soviet Studies*, vol. 9, no. 4 (April, 1958), p.410.
[469] GARF, f. 9492, op. 6s, d. 98, l. 169.

The Khrushchev reforms in the 1950s aimed at ameliorations in a broad *milieu* of social life. This made sense for a regime keen on keeping the workers at the designated enterprises. But there was a much broader normative and social side to these aspects. Cramped communal living space was a source of trouble according to local party representatives. One party report on communal housing in Irkutsk noted that certain regions were centres of "drunkenness, fights and unruliness". And that in some flats, populated by young Leningrad workers, "a group of hooligans" had been away from work for a prolonged time. Because of this situation, "managers were afraid to visit the workers in their communal house at night".[470]

Archival documents reveal that workers were not reprimanded simply for arriving at work under influence, but sometimes also for "unscrupulous attitudes to the family".[471] These incidents might be merely anecdotal, but the family-work relationship must have been obvious to the concerned manager (just as it would be anywhere else). Occasionally it seems as if also incidents of wife-battering were included in factory reports due to their cases being brought to local comrades' courts.

As was noted in Chapter six, the housing question was a predominant aspect of grievances in the period. Other reports mention that the battle against absenteeism and turnover in 1958 had included the construction of housing and kindergartens, the latter especially in consideration of the enterprise's large share of women workers. Some factories report that many employees still lived in barracks from the World War II era.[472] Equally important for young workers was the availability of clubs, sport facilities and cultural activities. Turnover and absenteeism were more frequent when construction of such utilities developed unsatisfactorily.[473] As regards health, factories were to provide their employees with basic medical facilities and care, but inspections showed that in reality there was a large deficit of doctors and trained personnel.[474]

In conclusion, state policy towards "anti-social" behaviour was relatively ambiguous in the post-Stalin years. The state had abandoned mass repression as a governing mechanism, but did continue its attempts in managing everyday life in a more indirect way. Alcohol consumption

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[470] RGANI, f. 5, op. 34, d. 24, l. 2.
[471] GARF, f. 5451, op. 26, d. 1325, ll. 48, 80. Reports from the Construction enterprise no. 1, trust no. 96 and Kemerovo hardware plant. Documents not dated, likely dating August-September 1958.
[472] Ibid., l. 82.
[473] Ibid., ll. 60–62, 152. Reports dated August 8 and August 15, 1958.
[474] GARF, f. 5451, op. 27, d. 222, l. 14.

seems to have increased in the period, and is likely to explain part of the data on absenteeism and other aspects of social disorder. Except for some isolated cases however, it is difficult to asses to what extent alcohol intake was related to economic performance.

7.7 Overtime Work

As was shown earlier, the levels of slack (measured in use of labour time) in the Soviet economy could be quite substantial. I have deliberately avoided references to price and specific output indexes due to the – potentially insurmountable – source critical problems such an approach would require. For my purposes, it is therefore tempting to utilize potential proxies for efficiency. Data on overtime work over time can be one such proxy. This section will investigate to what extent efficiency problems over time resulted in increases in overtime work.

Overtime work was officially strictly regulated in Soviet legislation. As was noted above however, trade union control was slack and much is believed to have passed unnoticed.[475] Its relative share of the total amount of hours worked is still however a potentially valuable measure of inefficiency. This is also how the data was understood by Soviet authorities. TsSU argued, that "the increases in overtime work, depend...on the large amount of losses in labour time due to serious inefficiencies in the organization of production and labour at the enterprises." The same report also confirmed the general picture that overtime was very often forced upon the workers outside trade union control, and in defiance of the existing legislation. It was calculated, that in year 1962, 59 percent of all overtime work was performed in defiance of the legislation, and this is the data which was given by the examined enterprises. Further, according to official estimates, some 63–66 percent of estimated overtime was actually never compensated for, simply being "falsified" and left unaccounted for. Registered overtime work in turn would often be inadequately compensated, and there were large differences between enterprises.[476]

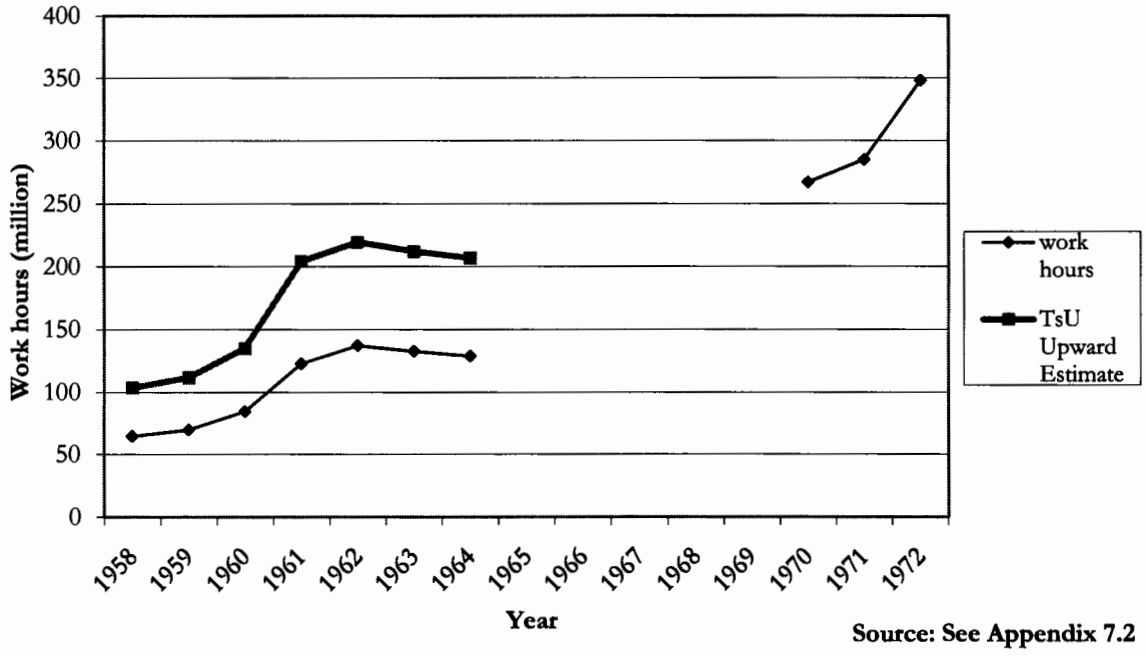
Archival findings reveal, that these inadequacies in data recording notwithstanding, in the short time period of 1958-61, reported overtime work in industry had increased by 190 percent already, or from 64.8 million work hours in 1958 to 122.7 million work hours in 1961. In the period from 1958 to 1972, recorded overtime work increased even more significantly, from 64.8 million to

[475] For a review of the official Soviet publications on the topic, see D. Granick, *Job Rights in the Soviet Union*, pp. 252–53.

[476] RGAE, f. 1562, op. 45, d. 3543, l. 5. See similar NII report in RGAE, f. 7, op. 3, d. 1130, l. 137.

348 million work hours, i.e. by some 537 percent.[477] This is a significant increase beyond what can be explained by an expanded workforce. Between the years 1966 and 1972, yearly overtime per worker in industry increased from 9.3 hours to 15.2 hours, and in construction from 9.4 hours to 19.2 hours.[478]

Diagram 7.5 Overtime Work in Industry, 1958-72 (Million hours).



Source: See Appendix 7.2

Contrary to earlier statements that overtime work in the Khrushchev and Brezhnev period was "small", archival data reveal that recorded overtime work increased significantly 1958-72.[479] The reason scholars underestimated the extent of overtime work were the strict regulations, which stipulated that overtime was allowed only in exceptional circumstances (such as defence of the country, flooding and disasters). However, the official regulations were elastic, as the Labour Code also allowed for "technical reasons" to overtime (delays in deliveries, breakdown of production, absenteeism). Further, because of weak trade unions, many enterprise managers would in practice simply violate the regulations governing overtime,[480] and workers could not

[477] RGAE, f. 1562, op. 337, d. 3042, ll. 33–38 (TsSU report to the Council of Ministers, August 2, 1962). The report continues, "The census showed, that a series of enterprises, the adequate amount of hours of overtime work, are falsified and do not show in the statistical reports." Ibid, l. 37.

[478] RGAE, f. 1562, op. 47, d. 1882, l. 79 and op.50, d. 32, l. 62.

[479] RGAE, f. 1562, op. 44, d. 43, l. 4. For an earlier assessment that overtime work was insubstantial, see M. McAuley, *Labour Disputes in Soviet Russia*, p. 114.

[480] Under Soviet law, there were five major categories which constituted legal justification for overtime work:
i) production associated with national defence and coping with natural disasters;

refuse overtime unless specifically exempted.[481] The authorities were obviously not ignorant of the illegal and legal use of overtime; but the pressures for plan fulfilment, a growing labour shortage and large inefficiencies, were reasons to ignore the phenomena and give managers a pass. Managers on the other hand, had an incentive to violate regulations as long as the expected payoffs (bonus for plan fulfilment) were larger than the potential cost (a nominal fee).

If overtime work increased fast during these years, how then about regular hours worked? In relation to the workday reform in 1956, the average time worked per day in industry decreased from 7.86 hours in 1955, to 6.72 hours in 1962, or 82 percent of the year 1955 level.[482] The length of the workday then remained about the same until the collapse of the USSR. It is possible, that the combination of these political reforms together with the plan fulfilment constraint, a relative labour shortage and the inability to sufficiently increase productivity, actually forced overtime work to increase. Given these constraints, the average worker was worse off after the reform than before, as earlier normal pay was now potentially unreimbursed overtime work. As was seen above, that risk was rather prevalent. This unofficial extension of the workday also illustrates the inability of trade unions to negotiate labour conditions; under increasing levels of plan strain the interests of the enterprise rose above existing regulations.

7.8 Concluding Remarks

This chapter has attempted to investigate some relevant factors which determined performance in the Soviet economy using new archival data. The preferred measure in this process has been use of labour time. This data is problematic in so far as the figures tend to be increasingly skewed the more aggregated they become. The reason is that concealment of potentially damaging information was systematically practiced in official and unofficial publications. However, assuming that the measurement error was sufficiently constant, longitudinal data can still be used. On a macro level, new data data has shown that departures from equilibrium use of labour time use was disrupted for primary exogenous reasons. At this level of aggregation, the major negative impact came from events such as large scale repression and war. A different result was provided

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ii) to keep public utilities functioning;
iii) to complete work which for technical reasons could not be finished during regular work time;
iv) to repair equipment if its damaged condition would force a work stoppage for a significant number of workers;
v) on assembly line work, if a worker's replacement on the next shift does not show up then the worker can be asked to stay. In this case, the management is supposed to find another worker to replace the one working overtime.

For a summary of Soviet labour regulations in English, see W. Moskoff, *Labour and Leisure in the Soviet Union*, pp. 67–72.

[481] A.A. Kliuev, A.V. Iarkho, *Profaktivu o kontrole za rabochim vremenem otdykha*, Moscow: Profizdat, 1975, p. 37.

[482] RGAE, f. 1562, op. 337, d. 6882, l. 3.

by a more detailed micro level analysis. On this level, sources support the models proposed by Kornai and Winiecki that there were also structural elements – endogenous to the Soviet system – which informed economic performance.

Kornai's explanation for inefficiency, that declines emanated from resource constraints which translated into deteriorated incentives at work, is confirmed by existing quantitative and qualitative evidence. The sources also support the view by Winiecki that under imperfect monitoring, workers could dissipate rents through a downward pressure on the work tempo. However, we should be cautious in ascribing the role of *Voice* too much significance, in the sense that a perceived decline in the fair wage level had a direct influence on the labour performance. The picture which has emerged is rather that redistribution of rent was primarily indirect. Slack occurred because of factors partially outside the control of any individual or enterprise; such as faulty and late deliveries, negligent use of resources and repair. These factors were indisputably more important than losses due to voluntary actions by individual workers (some of which can be explained by the increasing levels of alcohol consumption in the post-war period). Even though reduced levels of coercion did lead to increases in the levels of absenteeism (and job-changing), the impact of such factors on production were negligible in context. This had been earlier noted for the 1980s, but the present study has shown that these were systemic features with historical roots.[483] It illustrates that inefficiency was primarily structural, rather than intentional.[484]

The minor levels of collective and open forms of protest (such as walk-outs) recorded in the Khrushchev and Brezhnev eras had no overall influence on economic performance. Neither can the existing sources on political dissent convincingly show that the late 1950s were remarkably more unstable than earlier or later periods in Soviet history. More remarkable is the extent to which measures were taken by the security organs against even insignificant occurrences, such as small-scale mischief by intoxicated individuals.

Authorities under Khrushchev had abandoned the most coercive measures inherited from his predecessor, and for good reasons. However, the remaining measures were equally inadequate in imposing a comprehensive governing mechanism. Trade union, party organ and enterprise

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[483] For a review of the economic trends in the 1980s, see S. Oxenstierna, *From Labour Shortage to Unemployment?*, chapter 1.

[484] An early study by Paul Gregory had not been able to fully conclude the role of aspects such as absenteeism on productivity. His skepticism however should be seen as tentatively confirmed. See P. Gregory, "Productivity, slack, and time theft", in J.R. Millar (ed.), *Politics, Work, and Daily Life in the USSR. A survey of former Soviet citizens*, Cambridge: Cambridge University Press, 1987, pp. 253, 263.

manager reports provide a rather uniform picture. Concerted efforts were made to motivate the workers and build *Loyalty* to production targets, but a persistent resistance at the enterprise level to manage cases of labour disciplinary character negated much of this effort. Therefore, for all of the reasons delineated above, any such measures by authorities were insufficient by default. We further noted the overriding role of plan targets, which bestowed upon enterprise managers a rather extensive discretion in extending the workday and forcing overtime work in defiance of existing regulations. The quite significant and partially unaccounted increases in the use of overtime further suggest that it became increasingly difficult over time for enterprises to fulfil plan quotas. The exact reasons for this remain to be explored.

Chapter two quoted the view by Peter Wiles, that "an economy can be... irrational and yet grow quickly and achieve striking successes."[485] Beyond doubt the Soviet economy grew, but as this chapter has shown, plans were fulfilled because of slack which allowed for substantial inefficiency. Enterprises with documented large amount of slack could nonetheless report plan fulfillment by a certain margin. The increasingly extensive use of the workday, rather than a more intensive use of existing resources, suggests that on a macro level there were limits to the extent productivity could increase.

[485] See chapter 2.2.

Chapter 8. Concluding Remarks

The purpose of this study has been to analyse the Soviet economy from a labour market perspective with primary emphasis on the period 1940-1960s. Methodologically, Hirschman's theory of *Exit* and *Voice* has been used in order to provide the analysis with relevant concepts. From a consumer perspective, the concepts have traditionally been understood as responses to a perceived quality deterioration in a product or service. In this case, the consumer can either opt out and withdraw purchasing power (*Exit*), or make his concerns known while "staying put" (*Voice*). This thesis has applied the framework somewhat differently to a producer perspective; i.e. in order to structure how workers and enterprise managers responded to changing incentives, measured in terms such as labour turnover, loss of labour time and absenteeism, where the ensuing downwards pressure on performance as such is actually the response, rather than the stimuli. That is, *Exit* and *Voice* have been understood as a decline in the quantity and quality of labour supply. Some guiding questions of this thesis have been what motivated such declines? What was their influence on economic performance? And how did the regime respond to these declines and did their strategy change over time?

Even though labour has been the focus of my analysis, the thesis has not been confined to this topic alone. A broader question which came to inform much of my research has been that of the relative efficiency of the Soviet command economy. A study from a labour market perspective proved a useful entry into this discussion, bringing forth aspects that previous research has not necessarily explained. This concluding chapter will summarize my empirical chapters individually and then provide some concluding remarks, evaluating also some source critical and methodological questions the thesis raises.

8.1 Summary of Chapter 4

Chapter four analysed the evolution and culmination of labour coercion under Stalin. It was shown how coercion as the governing mechanism in the Soviet economy could be increased in order to improve effort under conditions of strain (external threat posed by the war). Firstly, the analysis suggested a theoretical explanation for the tandem criminalization of job-changing and absenteeism – which were the regime's proxies for "labour discipline" – with reference to the functioning of the Soviet system. To my knowledge this explanation for the use of labour coercion in command economies has not been previously stated. By suppressing job-changing, Stalin reduced the utility of the workers by removing their outside option, making them worse off. Under conditions where a downward pressure on the fair wage would be expected to reduce effort, it was therefore also increasingly efficient to further suppress absenteeism, making it more costly for the workers to reduce effort. Stalin used coercion broadly, as it was difficult in practice to know the distribution of the true amount of compliant versus non-compliant agents. This explanation fits with a general model of excess-demand for labour as well as with a dictator striving for an equilibrium level of coercion. Further, Stalin could – *ceteris paribus* – only increase coercion if he simultaneously introduced simplified methods (reducing the economic/technological restraints) and/or shifted responsibility to more loyal agents. This explains why the edict on desertion, which deepened the coercion of labour, also shifted the responsibility for sentencing to his most loyal agents – the security police, and introduced simplified measures to reduce search costs.

The regime's use of coercion (punishment for economic non-compliance) was shown to be more predictable than its use of repression (punishment for political non-compliance). However, the outbreak of the war can only explain the timing of the increased coercion, not how it was designed and implemented. The implementation and enforcement of the labour edicts can only be understood with reference to the Soviet economic system, where enterprises faced shortages of inputs to production while operating under soft budget constraints. Initially, enforcement was massive, sentencing millions of citizens for ordinary labour infractions within the period of a few years, making the labour edicts the most extensive in the history of Russia. The chapter then identified four significant limits on the efficient enforcement of labour coercion.

Firstly, there was collusion on the enterprise level between managers and workers, and the former were also subject to commitment problems which reduced coercion. Secondly, increased search costs for the *militsiya* could result in either too lenient or too abusive enforcement, both alternatives being inefficient. Thirdly, there was administrative congestion in the Procuracy

organs, which introduced new restraints on compliance and enforcement. Fourthly, enforcement was mitigated because of the low punishment rate associated with the practice of in absentia convictions. The regime's attempt to shift responsibility for enforcement to more loyal agents was thus restrained by economic/technological factors which limited their monitoring capabilities, regardless of level of compliance. There were also political and/or judicial forces which put a downward pressure on efficient enforcement, no matter what Stalin did to avoid it. Stalin therefore had to find an optimal equilibrium which maximized the number of convictions with the lowest level of congestion possible, ensuring a stable level of effort. As the external threat abated, enforcement became increasingly inefficient. These conclusions find support in previous research on the functioning of command economies,[486] but also provide new nuances which have previously not been explicitly stated.

Lastly, the data on the number of unpunished deserters also adds new perspectives on the Soviet labour camps. The data on convictions for desertion shows that war time data on sentences to labour camps do not represent reliable figures on the actual flow to the labour camp population. On the other hand, the analysis also showed that people who had been convicted to prison for shorter time periods, could in some instances be sent to a labour camp. The conclusions do not alter any previous perception of the scale of repression, but it does add to a fuller and more complete understanding of the practice of Soviet jurisprudence, not the least during a situation of total war.

8.2 Summary of Chapter 5

Chapter five investigated the outcome of economic and social amelioration under Khrushchev, with special reference to the shortening of the workday and increases in wages. It then provided evidence on how enterprises negotiated for resources under conditions of shortage. Khrushchev's dictum stated that wider structural and economic reforms would be self-financing, and that an increased fair wage would translate into higher incentives and a more efficient production. The evidence is not conclusive, but the political leadership remained unconvinced about the purported positive effects. As far as they were concerned, the main result of the reforms had been a re-distribution of rents from the state to the producers (enterprise managers and workers). This was a Soviet dilemma in a nutshell. Wages were connected to plan fulfilment, but the shortened workday created a situation where norms could not be met, as productivity did

[486] See for example M. Harrison, "Coercion, Compliance, and the Collapse of the Soviet Command Economy", pp. 397–433; A. M. Markevich, "Byla li sovetskaya ekonomika planovoy? Planirovanie v narkomatakh v 1930 –e gg.", in L.I.Borodkin (ed.), *Ekonomicheskaya istoriya*, pp. 24-27.; P. Gregory, *The Political Economy of Stalinism*, pp. 95-109; P. Gregory, M. Harrison, "Allocation under Dictatorship: Research in Stalin's Archives", pp. 721–61.

not increase. To some extent, the reform failures represented a continuation of earlier structural inefficiencies, and they served as an efficient check on the overall political phase transition.

In summary, the analysis of the Soviet enterprise under lower levels of coercion has not altered previous conceptions of the functioning of command economies, even though some additional detail and evidence can be added.[487] At the state level, there was a clear understanding of the problems encountered in a planned economy and there were competing ideas on how to correct them. There is also evidence that state organs such as Gosbank and the Ministry of Finance had little leverage on micro level practice, even when it was in direct defiance of plan goals. At the enterprise level, managers had to continuously negotiate labour on the one hand, and dysfunctional distribution of material and means of production on the other. This is a dynamic which earlier research has not explicitly investigated, focusing either on labour or inter-enterprise relations only. The evidence shows that production was irregular over the plan cycle and that managers invested significant resources into informal negotiations for resources (and even crime). These two aspects likely compounded one another, in effect bringing increasing levels of slack into the plan. A further option for enterprise managers was to negotiate with state organs for reductions in the plan quotas or increases in the wage fund, which illustrates that declining coercion could translate into effective *Exit* and *Voice* indirectly via the plan fulfilment constraint. Contrary to previous statements, the wages fund was not subject to a hard budget restraint.[488] In practice, this meant that managers would negotiate at three levels for plan fulfilment: the shop-floor, inter-enterprise and vertically with state authorities. Revised incentives and the implementation of a higher fair-wage level were however irregular and contradictory, illustrating the limits to Khrushchev's reforms. In the end, perceived declines in the fair wage continued to induce workers to opt for *Exit* and *Voice*.

8.3 Summary of Chapter 6

Chapter six was explicitly structured in accordance with Hirschman's concept of *Exit*, looking at the reasons for variations in the demand and supply of labour under conditions of reduced coercion. This equilibrium approach to an archival based study of the Soviet labour market is to my knowledge new.[489] Soviet authorities were never reconciled with their view on wilful job-

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[487] See for example J. Berliner, *Factory and Manager in the USSR*, chapters 10–12; J. Berliner, *The Innovation Decision in Soviet Industry*, especially chapter 5; D. Granick, *Management of the Industrial Firm in the USSR*, New York: Columbia University Press, 1954; D. Granick, *The Red Executive*, pp. 112–28. For a later research project working in the Berliner tradition, see contributions in J.R. Millar (ed.), *Politics, Work, and Daily Life in the USSR*, chapters 8, 11.

[488] D. Granick, *Job Rights in the Soviet Union*, chapters 2–3.

[489] Archival based labour market research has had primarily a historical and sociological approach; see for example D. Filtzer, *Soviet Workers and Late Stalinism*, K.M. Straus, *Factory and Community in Stalin's Russia.* and D. Filtzer *et al*

changing, considering it detrimental to production and labour discipline. The early years of forced industrialization had witnessed three-digit levels of annual labour turnover, and the regime experimented with different forms of coercive measures to deter desertion and job-changing – none of which was particularly efficient. The implementation of Stalin's labour edict in 1940 had reduced the levels of job-changing, even though enforcement became increasingly weak over time. However, in a historical and comparative perspective, turnover rates in the post-Stalin period were low and relatively stable. It was even shown, that part of the increase in wilful job-changing after 1956 could be explained as a statistical effect, given that total separations did not fundamentally change. In fact, part of the increase could be explained by reduced incentives for managers and workers in colluding to falsify statistical reporting.

The major driving forces of *Exit* were non-monetary, such as housing, work conditions and family relations. There were also important differences as regards place of employment, age, skill level, geography and gender, illustrating that perceived fair wage levels were context specific. We know less about the demand side of labour allocation, but can conclude that there were structural factors which informed how enterprises recruited labour. Inefficient implementation of new technology increased demand for manual and auxiliary work, as did unpredictable supplies which reduced incentives for workers to invest in productivity (for example, training). Under conditions of soft budget constraints, this helped compound a level of turnover authorities found detrimental to economic performance. The negative view taken by Soviet authorities on labour turnover was thus partially a chimera. Labour market activity was driven by factors endogenous to the economic system as such, and operated on the supply side as well as on the demand side. The changes over time in labour market activity cannot be explained without taking both these aspects into account. *Exit* was only efficient as long as enterprise demand for labour remained sufficient. As the economy stagnated, labour market activity declined.

8.4 Summary of Chapter 7

This chapter was explicitly structured following Hirschman's concept of *Voice*, and attempted to investigate the factors which determined performance in the Soviet economy. One of my preferred measures was use of labour time, which allowed me to analyse the relative efficiency of the Soviet economy without reference to possible distorted price data. A macro level analysis showed that departures from equilibrium use of labour time use was disrupted for primary

(eds), *A Dream Deferred*, especially chapters 8–9 and 12. For a pre-archival economic approach, see for example S. Malle, *Employment and Planning in the Soviet Union*, chapter 3; D. Granick, *Job Rights in the Soviet Union*; J. Winiecki, *Resistance to Change in the Soviet Economic System*, chapter 2.

exogenous reasons. At this level of aggregation, the major negative impact came from events such as large scale repression and war. A different result was provided by a more detailed micro level analysis. At this level, more reliable sources supported the models proposed by Kornai and Winiecki that there were also structural elements – endogenous to the Soviet system – which had a profound impact on economic performance.

Kornai's explanation for inefficiency, that declines emanated from resource constraints which translated into deteriorated incentives at work, was confirmed by existing quantitative and qualitative evidence.[490] The sources also supported the view by Winiecki that under imperfect monitoring, workers could dissipate rents through a downward pressure on the work tempo.[491] However, the evidence suggests cautiousness in ascribing the role of *Voice* too much significance, in the sense that a perceived decline in the fair wage level had a direct influence on the labour performance. The picture that emerges is rather that any redistribution of rent was indirect. Slack under such conditions accrued because of factors partially outside the control of any individual or enterprise; that is, faulty and late deliveries, negligent use of resources and time needed for repairs. These factors were doubtless more important than losses due to voluntary actions by individual workers (some of which can be explained by the increasing levels of alcohol consumption in the post-war period). This makes it impossible to understand all *Voice* as intentional, given how this thesis makes the concept operational. Even though reduced levels of coercion did lead to increases in the levels of absenteeism (and job-changing), the impact of such factors on production were negligible in context. This had been earlier noted for the 1980s, but the present study has shown that these were systemic features with historical roots. It illustrates that inefficiency was primarily structural, rather than intentional.

The chapter also criticized the view that existing sources on political dissent can prove that the late 1950s were remarkably more unstable than earlier or later periods in Soviet history.[492] There is evidence that alcohol consumption began to increase in the period, an aspect which affected economic performance and can explain some of the laws enforcing social order that were introduced at this point. Evidence also suggests that open forms of economic protest were very rare, as aspects such as walk-outs recorded in the Khrushchev and Brezhnev eras were few. Therefore, neither political nor economic protest – at least not in their open and collective shape – can be shown to have exerted any overall influence on performance.

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[490] J. Kornai, *Economics of Shortage*, chapter 2.6.
[491] J. Winiecki, *Resistance to Change in the Soviet Economic System*, pp. 44–45.
[492] See for example contributions in M. Ilič, J. Smith (eds), *Soviet State and Society under Nikita Khrushchev*, pp. 144, 166.

The reduced levels of coercion under Khrushchev were believed by Soviet authorities to explain the increases in recorded labour disciplinary infractions. Trade union, party organ and enterprise manager reports provide a rather uniform picture. Concerted efforts were made to motivate the workers and build *Loyalty* to production targets, but a persistent non-compliance at the enterprise level to manage cases of disciplinary problems negated much of this effort. Therefore, for all of the reasons identified above, any such measures by authorities were insufficient by default. We further noted the overriding role of plan targets, which bestowed upon enterprise managers a rather extensive discretion in extending the workday and forcing overtime work in defiance of existing regulations. The quite significant and partially unaccounted increases in the use of overtime further suggest that it became increasingly difficult over time for enterprises to fulfil plan quotas. The exact reasons for this remain to be explored. The Soviet economy continued to grow in the 1950s and 1960s, but as this chapter illustrates plans were fulfilled under conditions which allowed for substantial inefficiency. Enterprises with documented large amount of slack could nonetheless report plan fulfillment by a certain margin. The increasingly extensive use of the workday, rather than a more intensive use of existing resources, suggested that on a macro level there were limits to the extent productivity could increase.

8.5 Summary Discussion

The analysis has shown that there was both continuity and change in the Soviet system. The leadership's view on labour did not fundamentally change from Stalin to Gorbachev. Problems of incentive and productivity were continuously framed in a discourse of "labour discipline", which in turn mandated either of two options: the stick or the carrot. Either the regime could apply coercion to enforce compliance, or they could attempt to increase the fair wage level. Stalin increasingly opted for coercion, a strategy enforced until the early post-war years, when edicts were moderated and subsequently taken from the statues under Khrushchev. The regime did not fundamentally change however, as illustrated by the relentless efforts to increase productivity via decree. As late as July 28, 1983, the Politburo issued a top secret protocol number 117 "On the Strengthening of the Work for the Consolidation of Socialist Labour Discipline". The whole document has not yet been made available for researchers, but an excerpt shows the instructions for state organs to:

> implement their work on the consolidation of legality at enterprises and in organizations; and to strengthen the relation between administration, legal organs and civil organizations, groups and outposts of people's control in the goal of preventing disturbances of state and labour discipline, and in the improvement of a correct education of workers and clerks in the spirit of a rigorous maintenance of Soviet law.[493]

After decades of socialist construction, the regime had – according to its own pronouncements – still failed to implement a "spirit of rigorous maintenance of Soviet law" and labour discipline continued to be an issue of political significance. The same points were simultaneously noted in different tone by sociologist Tatyana Zaslavskaya, who argued that Soviet enterprises were characterized by a "low level of labour and production discipline".[494] However, neither the Politburo's, nor Zaslavskaya's, explanation for inefficiency holds.

The most important sources of inefficiency in the Soviet economy were endogenous to the system, and only indirectly related to "labour discipline". If there was a relation, it needs to be seen against the structural conditions of shortage (as suggested by Kornai), which made a downward pressure on effort possible under imperfect monitoring (as suggested by Winiecki). The conditions of shortage also explain why enterprises had to continuously rely on informal (and even criminal) negotiations for resources in order to meet plan quotas. The Soviet system was not alien to growth, but it was restrained in the sense that it continuously operated with a potentially significant amount of slack, or inefficiency, in production. This inefficiency could possibly explain the final demise of the Soviet system, were it not for the difficulty in determining whether slack was increasing, constant or decreasing. The results presented in this thesis remain highly inconclusive, but suggest that if productivity could have increased it would have been done primarily through extensive, rather than intensive, means. Marginal productivity of labour remained low under conditions where investment in human capital was not encouraged because of increasing demand for manual and auxiliary work. This view is supported by the evidence for the increased use of overtime work and informal extension of the workday in the Brezhnev period. These two factors combined suggest that the Soviet system reached a ceiling on the availability of extensive sources of growth.

The adapted Hirschman framework allows me to study empirically phenomena which previous research could often only frame in general terms. The framework in itself does not provide any

[493] RGANI, f. 89, op. 8, d. 21, ll. 1–2.
[494] T. Zaslavskaaya, *A Voice of Reform*, pp. 158–83.

specific answers, but provides a structure within which developments as evidenced by the archives can be interpreted. As the analysis has shown, the upside of this approach is that it is inclusive, allowing me to approach phenomena particular to the functioning of a non-market economy. Nevertheless, much archival work remains to be done on the Soviet experience. Because of restrictions on archival access, this analysis had to stop short where the Soviet economy began to stagnate (mid 1970s). But even as restrictions will be eventually lifted, two points should be stressed. Firstly, archival sources are limited in the sense that much data simply do not exist. There is, in this sense, an "archival silence". Secondly, this thesis also shows that archival sources have to be handled with caution, and any use of quantitative material needs to be contextualized. The higher the level of aggregation, the larger is the potential for measurement errors. This can be explained by the varying degree of incentives for concealment that different agents in the Soviet system confronted over time. Macro level analyses should therefore be complemented by micro level sources as far as possible. All conclusions in this thesis, and the new evidence that archival material has provided, rely on such a combined analysis.

In conclusion, the thesis has not fundamentally altered previous perceptions of the Soviet economy. A few contributions should however be mentioned. The thesis has added new data and statistics on labour and enterprise; and it has further provided new knowledge on the practical functioning of command economies, and pointed to the potentially largest sources of inefficiency problems associated with the system. Previous research on the Stalinist as on the Gorbarchev years suggests that there were important continuities over time, conclusions supported in this thesis. Though improvements in official policy and welfare increased in the period, the fundamental structural properties of the system did not change. Labour and management were still confronted with similar incentives and limitations, and state authorities would rather accommodate them than bring about larger reform. However, it was not until the growing strike movements in 1989 that the Soviet system would eventually begin to collapse.

9.1 Archival Collections

GARF - State Archive of the Russian Federation

f. 5446 Council of Ministers (Sovet Ministrov, Sovmin)
f. 5451 All-Union Central Council of Trade Unions (VTsSPS)
f. 8131 State Procuracy
f. 9492 Ministry of Justice
f. 9507 Main Directorate of Labour Reserves under the Council of Ministers (1954-1959)
f. 9553 Ministry of Labour and Social Questions (1955-1991)
f. 9595 Scientific Research Institute for Labour (NII)

RGAE - Russian State Archive of the Economy

f. 7 State Scientific-Economic Council of the Council of Ministers
f. 355 State Planning Commission (Gosplan)
f. 1562 Central Statistical Administration (TsSU)
f. 4372 State Planning Commission (Gosplan)
f. 7733 Ministry of Finance (Minfin)
f. 8875 Ministry of Ferrous Metallurgy
f. 9573 State Economic Commission of the Council of Ministers for Current Planning of the National Economy

RGANI - Russian State Archive of Contemporary History[495]

f. 5 Organ of the Central Committee
f. 6 Party Control Commission of the Central Committee
f. 13 Bureau of the Central Committee
f. 89 Documents de-classified by the Special Committee on Archives under the President of the Russian Federation

RGASPI - Russian State Archive of Social and Political History

f. 17 Central Committee of the Communist Party

9.2 Documentary, Legal and Statistical Publications and Archival Guides

Afanseev, Yu.N. *et al* (eds), *Istoriya stalinskogo Gulaga: Konets 1920-kh – pervaya polovina 1950-kh godov*, a collection of documents in seven volumes, Moscow: Rosspen, 2004-2005.

Alimov, A.A. *et al* (eds), *Narodnoe khozyaystvo SSSR: 1922-1972 gg. Yubileyniy statisticheskiy ezhegodnik*, Moscow: Statistika, 1972.

Anderson, K.M. *et al* (eds), *Stenogrammy zasedaniy Politbyuro TsK RKP(b)-VKP(b) 1923-1938*. In three volumes, Moscow: Rosspen, 2007.

[495] Note that references to fond number 3 (fond of the Politburo) have been made in accordance with what was stated in chapter 2.6.

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Appendix 2.1 Amount of Strikes and Strikers, 1923-34

Year	Amount of Strikes	Amount of Strikers
1923	434	168,864
1924	300	
1925	434	73,243
1926	843	106,044
1927	905	80,784
1928	842	93,835
1929	735	65,443
1930	n/a	n/a
1931	n/a	n/a
1932	n/a	n/a
1933	n/a	n/a
1934 (January - November)	185	8707

Sources: (for the years 1924-26, 1928-29): G.N. Sevost'yanov *et al* (eds), *"Sovershenno sekretno": Lubyanka-Stalinu o polozhenii v strane (1922-1934 gg.)*, in eight volumes, Moscow: RAN, 2001-, vol. III, p. 112, vol. IV, pp. 1026 – 28, vol. VI, pp. 160, 206, 256, 315, 376, 415, 455, 503, 544, 603, 670, vol. VII, pp. 85, 173, 229, 279, 320, 365, 406, 478, 526, 564, 603
(for year 1927): K. Murphy, "Strikes during the Early Soviet Period", in D. Filtzer *et al* (eds), *A Dream Deferred. New studies in Russian and Soviet labour history*, Bern: Peter Lang, 2008, p. 173
(for year 1934): Sakharov, A.N., *et al* (eds), *Trudovye konflikty v SSSR. 1930-1991 – Sbornik statey i dokumentov*, Moscow: RAN, 2006, p. 136.

Appendix 2.2 Demographic Population Structure Between Town and Countryside, USSR and RSFSR 1939-1960.

Year	USSR			RSFSR		
	Population (million)		Urban share (percentage)	Population (million)		Urban share (percentage)
	All	Town		All	Town	
1939	190.7	60.4	31.7	108.4	36.3	33.5
1950	178.5	69.4	38.9	101.4	43.7	43.1
1959	208.8	100.0	47.9	117.5	61.6	52.4
1960	212.4	103.6	48.8	119.0	63.7	53.5

Source: Yu. A. Polyakov (ed.), *Naselenie rossii v XX veke – Istoricheskie ocherki.* In three volumes, *volume 2 1940-1959*, Moscow: Rosspen, 2001, p. 198.

Appendix 4.1 **Amount of Minors Sentenced for Absenteeism and Illegal Job-Changing under the Edict of June 26, 1940, years 1946-51.**

Year:	Amount:
1946	8,584
1947	8,642
1948	5,982
1949	3,310
1950	939
1951	476

Source: GARF, 9492, op. 6s, d. 98, l. 158.

Appendix 4.2 **Total Amount of Sentences for Illegal Job-Changing and Absenteeism, 1940-1956 (Also Including Sentences Under the Jurisdiction of Railways and Water Transport and the Red Army).**

Year	Law of June 26, 1940	Law of December 26, 1941	Art. 193 of Criminal Code (Edicts of April and May 1943	Total Amount of Sentences for Illegal Job-Changing	Absenteeism Under the Law of June 26,1940	Total Amount of Sentences all Crimes
1940	321,648	n/a	n/a	321,648	1,769,790	3,401,703
1941	314,976	n/a	n/a	314,976	1,483,873	3,098,238
1942	300,086	161,252	n/a	461,338	1,293,586	3,405,134
1943	160,306	386,846	15,490	548,701	974,156	2,893,365
1944	184,942	310,258	35,042	530,242	954,266	2,841,605
1945	120,611	102,541	29,743	252,895	960,603	2,543,687
1946	143,600	92,100	26,575	262,275	862,790	2,692,541
1947	215,679	73,956	20,396	310,031	685,404	2,769,748
1948	255,639	31,039	6,800	293,478	589,768	2,249,809
1949	274,765	n/a	n/a	274,765	546,818	2,126,558
1950	213,846	n/a	n/a	213,846	534,274	1,907,485
1951	137,282	n/a	n/a	137,282	327,519	1,536,791
1952	183,241	n/a	n/a	183,241	152,544	1,541,277
1953	139,929	n/a	n/a	139,929	110,318	n/a
1954	165,179	n/a	n/a	165,179	97,907	n/a
1955	195,080	n/a	n/a	195,080	89,508	n/a
1956	64,216	n/a	n/a	64,216	20,723	n/a
Total:	3,391,025	1,157,992	134,046	4,669,122	11,454,119	n/a

Sources: **Years 1940-54 (Columns 1,2,5):** Yu.N. Afanseev *et al* (eds), *Istoriya stalinskogo Gulaga*, vol. 1, pp. 626–7.
Years 1943-48 (Column 3): V. Zemskov, "Ukaz ot 26 iynya 1940 goda", p. 47.
Years 1955-56: GARF, f. 9492, op. 6s, d. 18, l. 20.
Note: Total data here presented is slightly larger than in Zemskov's original figures, including also sentences under the courts of Railways and Water Transport. The data here presented is thus more complete.

Appendix 4.3. The Development of Cases on Desertion (Law of December 26, 1941).						
	1942	**1943**	**1944**	**1945**	**1946***	**Total for 1941-1945**
Amount of Cases on Desertion:						
- Received by the Prosecutor Organs	225,703	444,563	807,257	405,505	351,821	1,883,028
- Resulting in Instituted Proceedings	181,238	366,753	743,340	315,816	281,450	1,607,147
- Sent to a War Tribunal	173,061	304,295	333,293	89,100	68,919	899,749
- Leading to Conviction	121,024	335,071	242,768	68,152	59,955	767,015

Source: GARF, f. 8131, op. 32, d. 9, l. 116.
*Only for the period January to November 1946.

Appendix 4.4. Amount of Cases on Desertion Sent to the Procuracy, July-December 1944.	
Month:	**Amount of Cases Sent to the Procuracy:**
July, 1944	108,194
August, 1944	118,324
September, 1944	72,855
October, 1944	53,050
November, 1944	58,656
December, 1944	31,821

Source: GARF, f. 8131, op. 37, d. 2271, l. 24.

Appendix 4.5. Amount of Sentences Under the Law of June 26, 1940, per November 15, 1940, Distributed on a Union Republic Level.	
RSFSR	1,082,922
Ukrainian SSR	269,922
Belorussian SSR	47,206
Azerbaijan SSR	28,118
Turkmenian SSR	9,337
Uzbek SSR	34,159
Tadjik SSR	6,380
Kirgiz SSR	10,541
Karelian-Finnish SSR	14,148

Source: Yu.N. Afanseev *et al* (eds), *Istoriya stalinskogo Gulaga*, vol. 1, p. 411.

Appendix 4.6 Amount of Sentences under the Law of June 26, 1940, from August 1940-March 1941.	
August 1940	677,795
September 1940	567,357
October 1940	461,033
November 1940	318,449
December 1940	306,671
January 1941	290,197
February 1941	236,681
March 1941	233,228

Source: Yu.N. Afanseev *et al* (eds), *Istoriya stalinskogo Gulaga*, vol. 1, p. 416.

Appendix 4.7 Percentage Share in Ferrous Metallurgy not Fulfilling Norm, 1941-1943.

	Percentage Share not Fulfilling Norm:
1941 – January	19
1941 – April	13,6
1941 – July	21,7
1941 – October	
1941 – December	
1942 – January	33,7
1942 – April	28,7
1942 – July	23
1942 - October	19,5
1942 - December	24,8
1943 - January	29
1943 – April	18
1943 – July	15,3
1943 - October	12,6
1943 - December	18,3

Source: RGAE, f. 8875, op. 46, d. 103, l. 121.

Appendix 5.1 Output in Food Industry, Four Quarters in Year 1955.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Amount of Workers	918	892	942	904
Output (100 kilos) per Worker	402	346	821	1438
Wage per Worker (Roubles)	1313,5	1244	1426	1757

Source: GARF, f. 9553, op. 1, d. 61, ll. 210, 247.

Appendix 5.2 Monthly Output at the Dynamo Factory, year 1955.

	August	September	October	November
Output of Products in the First Ten Days	21.1 percent	19.5 percent	17.7 percent	13.6 percent
Output of Products in the Last Ten Days	53.4 percent	60.4 percent	70.1 percent	72.1 percent

Source: GARF, f. 9553, op. 1, d. 61, l. 14.

Appendix 6.1 Sources to Table 6.1 on Labour Turnover in Industry and Construction, 1950-87.

Years 1950-1960 RGAE, f. 1562, op. 337, d. 49, l. 35.
Years 1961-1962 (*Sovnarkhoz* industry) RGAE, f. 1562, op. 337, d. 6440, l. 64.
Year 1961 (construction), RGAE, f. 1562, op. 337, d. 3042, l. 20
Years 1963-65 (*Sovnarkhoz* industry): GARF, f. 5451, op. 60, d. 1, l. 17.
Years 1966-72: RGAE, f. 1562, op. 50, d. 31, l. 27.
Years 1966-69 (total arrivals and separations): RGAE, 1562, op. 47, d. 33, l. 71.
Year 1971 (total arrivals and separations) RGAE, f. 1562, op. 48, d. 279, l. 1.
Year 1971 (total separations construction), RGAE, f. 1562, op. 50, d. 31, l. 26.
Year 1973: RGAE, f. 1562, op. 50, d. 665, l. 1.
Years 1978-1987: S. Malle, *Employment Planning in the Soviet Union*, p. 63.

Appendix 6.2 Arrivals, Total Separations and Unsponsored Turnover in Soviet industry and Construction under the Jurisdiction of the Council of Ministers of Union Republics, 1960. Estimates on 100 Workers.

Year	*Sovnarkhoz* Industry			Construction		
	Total influx of workers	Total outflow of workers	Unsponsored turnover*	Total influx of workers	Total outflow of workers	Unsponsored turnover*
All	31	28	19	75	65	43
RSFSR	29	26	18	66	57	38
Ukrainian SSR	32	30	18	80	69	43
Belarusian SSR	26	22	13	64	52	31
Uzbek SSR	35	31	23	94	84	62
Kazak SSR	46	42	33	99	86	62
Georgian SSR	49	45	32	131	114	68
Azerbaijan SSR	38	35	22	82	74	46
Lithuanian SSR	35	28	19	116	102	48
Moldavian SSR	62	55	26	118	106	69
Latvian SSR	42	36	26	88	75	50
Kyrgyz SSR	46	40	28	109	88	71
Tadjik SSR	50	42	33	91	92	68
Armenian SSR	44	35	26	134	129	66
Turkmenian SSR	47	43	34	106	92	66
Estonian SSR	38	31	23	89	72	53

Source: RGAE, f. 1562, op. 337, d. 49, l. 37.

* Unsponsored turnover, *tekuchest'*, includes workers leaving on their own accord (*po sobstvennemu zjelaniju*), discharged because of absence from work and other violations of labour discipline.

Appendix 6.3 Monthly Unsponsored Turnover per 100 Employed in Industry, years 1932-67.

Year	Amount of Monthly Leaves per 100 Employed
1932	113
1937	71
1940	56
1950	29
1960	26
1967	27

Source: GARF, f. 5451, op. 60, d. 20, l. 9.

Appendix 6.4 Total Separations in Eight Industrialized Economies, 1953-1975.

	Canada	United States	France	Great Britain	Sweden	Italy	Japan	USSR
1953	82.8	61.2	-	32.4	-	-	-	
1954	79.2	49.2	44.4	34.8	-	-	-	
1955	76.8	46.8	44.4	37.2	-	-	21.6	32
1956	82.8	50.4	50.4	33.6	-	-	21.6	33
1957	73.2	50.4	48.0	33.6	-	-	22.8	33
1958	73.2	49.2	43.2	28.8	20.4	26.4	24.0	32
1959	74.4	49.2	39.6	28.8	22.8	26.4	33.6	29
1960	74.4	51.6	42.0	32.4	22.8	28.8	25.2	28
1961	70.8	48.0	50.4	31.2	32.4	32.2	30.0	29
1962	72.0	49.2	45.6	30.0	30.0	33.6	28.8	29
1963	70.8	46.8	44.4	30.0	31.2	33.6	27.6	-
1964	72.0	46.8	44.4	32.4	33.6	32.4	31.2	-
1965	74.4	49.2	40.8	33.6	37.2	24.0	27.6	-
1966	70.8	55.2	42.0	36.0	36.0	24.0	26.4	30
1967	-	55.2	40.8	32.4	30.0	25.2	26.4	31
1968	-	55.2	43.2	32.4	30.0	27.6	28.8	33
1969	-	58.8	-	37.2	38.4	28.8	27.6	32
1970	-	57.6	48.0	34.8	38.4	25.2	27.6	-
1971	-	50.4	45.6	34.8	28.8	28.8	26.4	-
1972	-	50.4	44.4	27.6	25.2	26.4	22.8	-
1973	-	50.2	-	32.4	26.4	26.4	24.0	
1974	-	57.6	-	33.6	28.8	16.8	22.8	
1975	-	50.4	-	27.6	25.2	13.2	-	

Source: All Western countries and Japan: P.A. Hauslohner, *Managing the Soviet Labor Market*, p. 683.
USSR: See Table 6.1.

Note: All figures have been converted from monthly rates, as reported in the source. These figures are therefore un-weighted and should be regarded as only approximations of the annual figure. In addition, the data are not strictly comparable across countries, owing to the differences in coverage and in definitions of "separation" and the employment base. For our purposes, these differences are almost certainly non-consequential. (As in P.A. Hauslohner, ibid).

Appendix 6.5 Registered Number of Legal Abortions in the USSR, 1955-1969

Year:	Amount of abortions:	As percentage of year 1955:
1955	2,671,000	100
1956	4,768,000	178.5
1959	6,501,000	243.3
1960	6,818,000	255.2
1961	7,258,000	271.7
1962	7,399,000	277.0
1963	7,838,000	293.4
1968	7,901,000	295.8
1969	7,470,000	279.7

Source: Years 1955-61: RGAE, f. 1562, op. 332, d. 3044, l. 76.
Years 1962-63: RGAE, f. 1562, op. 37, d. 53, l. 2.
Years 1968-69: RGAE, f. 1562, op. 47, d. 35, l. 8.
Note: Third column, author's own calculations.

Appendix 6.6 Unsponsored Turnover on Age, III Quarter, 1968 (Sample of 150 Enterprises).		
Age	**Amount of People**	**Percentage Share**
-16	56	0.3
16-19	3,110	17.8
20-29	7,858	45.0
30-39	4,342	24.7
40-49	1,629	9.2
50-54	309	1.7
55-59	172	.9
60-	68	.4
Source: GARF, f. 5451, op. 60, d. 1, l. 22.		

Appendix 7.1	Average Quarterly Amount of Workers Registered for Absenteeism, Estimated on 1000 Workers, 1950-1972.	
Year	**Industry**	**Construction**
1950	13	33
1955	39	80
1956	39	80
1957	43	78
1958	37	61
1959	29	52
1960	26	47
1961	28	n/a
1962	32	n/a
1970	26	55
1971	26	55
1972	25	57
Source:	Years 1950-1960 (all): RGAE, f. 1562, op. 337, d. 49, p. 39. Years 1961-1962 (industry): RGAE, f. 1562, op. 337, d. 6861, l. 63. Years 1970-72: RGAE, f. 1562, op. 50, d. 31, l. 55. Estimates for 1950, 1955 and 1956 have, according to the source, been recalculated on the basis of information from former All-Union and Union-Republican industrial ministries. Data for years 1970-1972 have been recalculated from average yearly to quarterly data.	

Appendix 7.2 Recorded Levels of Overtime Work in Industry, 1958-1972.			
Year	**Overtime Work (million hours)**	**Overtime Work / Worker**	**TsSU Upward Estimate (approximate)**
1958	64.8	n/a	103.6
1959	69.8	n/a	111.7
1960	84.4	n/a	135
1961	122.7	n/a	204.3
1962	137.2	n/a	219.5
1963	132.6	n/a	212.1
1964	128.8	n/a	206.8
1965	n/a	n/a	n/a
1966	197	9.3	n/a
1967	222	10.2	n/a
1968	262	11.7	n/a
1969	294	12.8	n/a
1970	267	11.4	n/a
1971	285	12.6	n/a
1972	348	15.2	n/a
Source:	Years 1958-1964: RGAE, f. 1562, op. 50, d. 31, l 75. Years 1966-1972: RGAE, f. 1562, op. 47, d. 33, l. 79 and op. 50, d. 31, l. 62.		

Appendix 7.3 Amount of Convictions for Hooliganism, 1940-1957.	
Year	**Amount of Convictions**
1940	199,074
1945	39,728
1946	69,789
1947	40,133
1948	45,024
1949	70,425
1950	71,907
1951	85,741
1952	103,897
1953	116,592
1954	126,832
1955	126,772
1956	196,558
1957	185,035

Source: GARF, f. 8131, op. 32, d. 5682, l. 44.

Appendix 7.4	Number of Days Lost per 100 Workers in the USSR, Excluding for Pregnancy and Birth, 1925-1956.		
Year:	**Amount of Days:**	**Year:**	**Amount of Days:**
1925	835	1941	667.7
1926	858.5	1942	851.1
1927	805.8	1943	777.9
1928	841.2	1944	740.7
1929	875.6	1945	705.1
1930	833.1	1946	708
1931	839.6	1947	717.2
1932	752.1	1948	641.2
1933	714.7	1949	632.8
1934	742.7	1950	675.8
1935	787.4	1951	705.2
1936	931.8	1952	736.2
1937	831.5	1953	775.2
1938	883.9	1954	820
1939	639.1	1955	675.2
1940	640.2	1956	714.5

Source: GARF, f. 5451, op. 29, d. 434, l. 2.

Appendix 7.5	Amount of People Convicted for Anti-Soviet Propaganda and Agitation in the USSR, 1930-1958.		
Year:	**Amount of Convictions:**	**Year:**	**Amount of Convictions:**
1930	208,069	1944	75,109
1931	180,696	1945	123,248
1932	141,919	1946	123,294
1933	239,664	1947	78,810
1934	78,999	1948	73,269
1935	267,076	1949	75,125
1936	274,670	1950	60,641
1937	790,665	1951	54,775
1938	554,258	1952	28,800
1939	63,889	1953	12,949
1940	71,806	1954	2,049
1941	75,411	1955	400
1942	124,406	1956	400
1943	78,441	1957	1,964
		1958	1,416

Source: Yu.N. Afanseev *et al* (eds), *Istoriya stalinskogo Gulaga*, pp. 608–9.

Appendix 7.6 Time Structure of the Average Work-Day in Soviet Industry, per Worker, 1928-59.

Year	1928	1932	1937	1940	1950	1956	1957	1958	1959
Calendar Days	366	366	366	366	366	366	366	366	366
Factual Work-Days	303.7	298.9	298.2	302	309.5	309.5	308	307	307
Loss in Days due to:									
- Sickness	12.1	11.9	11.6	11.8	11.2	11.1	13.5	12.2	13.7
- Pregnancy	3.2	2.3	6.0	2.1	2.2	2.6	3.8	3.8	3.8
- Ordinary vacation	14.2	15.1	13.7	13.0	14.9	16.0	16.9	16.9	17.2
- Stoppages, in defiance of laws	-	-	-	-	2.1	3.5	2.9	2.8	2.4
- Stoppages, in defiance of administration	3.6	5.2	4.2	3.6	1.9	2.1	2.6	2.7	2.5
- Absenteeism	-	6.0	-	.4	.2	.4	.5	.5	.4
- Other stoppages	-	1.2	-	.3	.2	.4	.5	.4	.3

Source: GARF, f. 9595, op. 1, d. 162, l. 5.

Appendix 7.7. Industrial Spoilage Divided on Soviet Republics, 1953.

Republic	Spoilage (thousand roubles)	As percentage of total costs	Total costs of production (thousand roubles)
RSFSR SSR	29	0.0499	58,135
Ukrainian SSR	83	0.1613	51,467
Belorussian SSR	n/a	n/a	16,523
Uzbek SSR	19	0.1067	14,811
Kazak SSR	14	0.0817	17,145
Azerbaijan SSR	4	0.0716	5,584
Georgian SSR	1	0.0318	3,144
Lithuanian SSR	4	0.0391	10,230
Moldavian SSR	n/a	n/a	43,4
Latvian SSR	10	0.0659	15,171
Kyrgyz SSR	8	0.1442	5,549
Tajikistan SSR	n/a	n/a	1,090
Armenian SSR	n/a	n/a	4,940
Turkmenistan SSR	n/a	n/a	n/a
Estonian SSR	11	0.1055	10,422
Total costs of spoilage (million roubles)	**0, 2***	**0.08***	**214, 6***

Source: RGAE, f. 1562, op. 332, d. 2385, l. 56. Column three, own calculations. The calculations have been made through the same calculations as used by the Central Statistical Administration of the USSR, though dividing the rouble value estimate of spoilage (column 2), with total costs of production (column 4).
* The last row reads from the left.

Appendix 7.8	Amount of People Subjected to Administrative Responsibility for Petty Hooliganism, 1957-64.		
	Total	Of which:	
		Arrests	Convictions
1957	1,537,689	1,537,689	-
1958	1,415,855	1,415,836	19
1959	1,168,825	1,155,418	13,407
1960	77,501	758,569	16,441
1961	1,331,419	988,884	295,384
1962	1,606,032	1,007,526	502,266
1963	1,390,642	797,497	479,974
1964	1,256,685	715,351	403,131

Source: GARF, f. 9492, op. 6s, d. 98, l. 169.


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