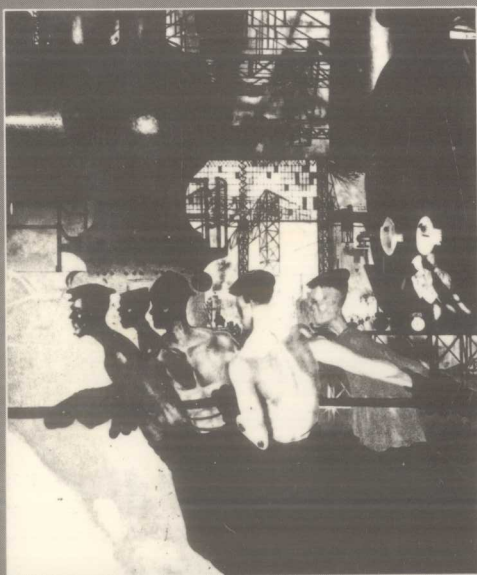


SOVIET LABOUR AND THE ETHIC OF COMMUNISM

*FULL EMPLOYMENT AND THE
LABOUR PROCESS IN THE USSR*



DAVID LANE

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Process in the USSR

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Contents

<i>Acknowledgements</i>	viii
Introduction: The Labour Process	1
1. Soviet Marxism and the Ending of Mass Unemployment	7
Work and employment in Soviet ideology	7
Alienation or fulfilment in employment?	9
Work under socialism	11
Changing conceptions of work	15
Problems of motivation for work	17
2. A Full-Employment Economy?	25
The evolution of full employment	25
The employed labour force 1939 to 1982	28
'Underoccupied' social groups	33
Some conclusions	40
3. Planned and Market Labour Mobility	44
<i>Orgnabor</i>	46
Transfers within industrial ministries	48
Social appeals	49
Resettlement of families	49
Employment bureaux	50
The Ufa-Kaluga experiment	54
The voluntarily unemployed and self-employed sub-cultures	55
<i>Shabashniki</i>	58
Control of the labour market	59
4. Types of Involuntary Unemployment	64
Frictional unemployment	64
Measurement of turnover	66

Comparative study of turnover	68
Limitations on labour turnover	70
Structural unemployment	75
Demographic change	78
Migration	83
Rural underemployment in Central Asia	85
Urban labour deficits	87
Location of industry	88
5. Labour Productivity	95
The level of labour productivity	96
Quality of the labour force	102
The tempo of work activity	107
The campaign for labour discipline	109
Managerial and systemic causes of poor labour discipline	114
Organizational measures to improve labour productivity	116
Norms	120
Conclusions: Productivity in a low-pay/full-employment economy	123
6. The Process of Redundancy, Displacement or 'Freeing' of the Work Force in Conditions of Labour Shortage	131
Occupational and sectoral labour mobility	131
An oversupply of jobs?	133
The underutilization of labour	136
The process of job creation	140
The 'Shchekino experiment'	142
Limitations on the spread of the method	147
Resistance to change	150
Displacement of labour at the enterprise	153
How displacement affects the worker	154
Retraining	162
Raising productivity through displacement while maintaining full employment	164
7. Distinguishing Features of the Soviet Labour Market	173
Employment and the dual labour market	173
A differentiated labour market	177
8. The Brigade System and the Work Process	182
Taylorism and the labour process	182
The system of brigades	185
Calculation of wages	189
Participation in administration	190

Labour productivity	194
Difficulties in forming brigades	197
Evaluating brigades	200
Conclusion	205
9. Full Employment and Labour Shortage:	
The Directions of Change	214
The government policy approach	215
The need for a market	217
Systemic contradictions	219
A sociological approach	221
Exchanges in socialist states	225
The fusion of political and economic	229
Interests promoting full employment	231
Sources of change	233
<i>Index</i>	242

Introduction: The Labour Process

On 13 March 1930, Michail Shkunov, A Moscow plumber, finally got a job. When he left the labour exchange, the doors closed and Soviet commentators pronounced that this event symbolized the end of mass unemployment in the USSR. Since that time, the provision of regular paid labour and a permanent occupation for all who are able to work has been one yardstick which has been used to legitimate Soviet society as a socialist state. This book seeks to discover the extent to which this claim is true and whether there are any systemic features of Soviet society in distinction from capitalism which lead to the provision of full employment.

Almost all research in the West on employment (or unemployment) and the labour process is based on capitalist market-type societies. Levels of unemployment are seen to derive from the working of the market economy: to be the result of structural insufficiencies in demand, of the overpricing or immobility of labour or—as seen by Marxist critics—to be consequent on the laws of capitalist accumulation creating a reserve army of idle people. Employment and the labour process in socialist states must be seen in a completely different economic, ideological and political context. It will be established in this book that the Soviet economy is one of full employment with the highest rate of paid employment known to history. This is considered to be a consequence of the operation of the economic mechanism and political system. In distinction from market economies, it will be shown that in the socialist economy there is no effective propensity to increase the profitability of capital by reducing labour costs.

The contemporary 'labour process' approach emphasizes the role of labour as the creator of wealth in the context of the

2 *Soviet Labour and the Ethic of Communism*

exploitation of labour through the competition of capitals. Numerous policies are seen to stem from this in the eyes of western labour process writers.¹ Exploitation of workers by capital prevents work from being the expression of a human need; coercion of labour by management is ensured by depriving workers of control—‘scientific management’ and automation lead to deskilling, to dependency on management, to redundancies and a pool of surplus labour which enfeebles the political resistance of workers.

This kind of approach cannot be applied without considerable modification to socialist states. It is not appropriate here to explain the Soviet economic system² but some of the major distinctions from market capitalism may be noted. The competition of capitals is replaced by administrative direction of accumulation; wholesale and consumer prices are fixed by planning organs. Output and product mix is not determined by market conditions and demand but by an administratively assigned economic plan. From the point of view of the enterprise, the output plan is the main indicator of success. There is a quasi-labour market in which the price of labour may respond to shortages within fairly strict wage differentials laid down by the planners and the total wage fund is given to a production enterprise. There is little incentive to reduce labour costs or the number of workers employed; on the contrary, the enterprise’s interest is served by the inflation of the wage fund. In this context, the quasi-labour market operates at the industry and enterprise level. Full employment and the absence of administrative restrictions on mobility between jobs give rise to labour mobility between enterprises. To maintain a large and reliable workforce, enterprises seek to reward their employees with better facilities to earn wages and provide payments in kind. This gives rise to the differentiation of conditions and opportunities not as under capitalism on the basis of a monopoly of skill or by bargaining position but by the industry and enterprise in which a person works.

Turning from the economic mechanism to the political and ideological spheres, there are also major dissimilarities between the USSR and the West. The government accepts responsibility for the provision of occupations for the population of working age and for a job thought appropriate for the worker. Marxist–Leninist ideology regards work not only as an instrumentality to provide

income to meet needs, but as a human need in itself. A priority of policy and one which confers legitimacy on the leadership is to provide employment—albeit, if necessary, at the expense of efficiency. Trade unions operate on an industry-wide basis and their prime job is to fulfil the plan—to increase output—rather than to support some sectional interest. The Communist Party plays an administrative role unknown to political parties in western societies: it functions not only to integrate the worker but also seeks to stimulate the efficiency of management and the productivity of the employee.

It will be shown in the chapters that follow that the Soviet economy is one of full employment and labour shortage. This affects the labour process by strengthening the position of labour *vis-à-vis* management, and weakening the 'control' of management. It leads to a 'slack' labour regime, with infractions of labour discipline such as absenteeism and low effort. In order to improve efficiency and labour productivity, the economic planners and management have to devise new and different methods of labour motivation. These involve collective financial incentive schemes, the use of moral stimulation, the development of a collective consciousness on the part of the workforce, and greater reliance on administrative control. A dilemma facing the Soviet economic and political leadership is whether it can increase efficiency in general and labour productivity in particular within the confines of a full-employment economy.

The approach taken in this book departs from the labour process paradigm associated with the followers of Braverman. First, it takes into account the dominant ideology defining the values which work and non-work have for the dominant classes and groups. Since the time of the Reformation, it has been widely held that work is a major component in the ethic of capitalism. Work, however, in its modern form of paid employment is an instrumentality, it is a means to the achievement of income. This, in turn, is seen to provide satisfaction in terms of standard of living or status by occupation. While it is true that some commentators see paid labour as being psychologically and socially desirable, in the West policy-makers tend to give priority to the provision of income as a substitute for work for those who are voluntarily (e.g. the sick, young and old people, much domestic labour) or involuntarily 'unemployed' (i.e. those actively 'seeking paid labour')

but unable to get it). It is hypothesized in this study that policy-makers in socialist states have a different attitude to the use of labour. Many western Marxists regard paid labour as alienating and seek to transcend it under socialism by the substitution of leisure³ for work. The writings of Marx and Lenin will be cited to show that they regarded labour as being part of human liberation. This element of Marxism, it is argued, provides an ideological environment which conditions policy-makers to give priority to providing employment (rather than income) in Soviet society.

Secondly, labour history has its own particular dimension which shapes popular aspirations to work of workers and non-workers. Historically, Soviet industrialization has placed great store on mobilizing labour as an economic resource; hence the value of work could be interpreted as an effect of the economic system in its legitimation of wage labour. It might therefore be regarded not as a fundamental value in Marxism, but as an instrumentality (similar to the 'Protestant work ethic') to induce people to accept a system of paid labour. The work culture of Tsarist Russia, shaped by the relatively short working year of the traditional peasant and inherited by Soviet power, has to be taken into account.

Thirdly, I consider that prominence has to be given to the political and economic system based on public ownership of property and which accepts responsibility for the level of economic activity, including investment and employment. In the absence of a market, administrative politics in the USSR dominate economics, and administrative solutions have to be found for economic problems. One must attempt to discover the forces which drive a socialist economy. Under the present conditions of Soviet planning, industrial enterprises are not subject to the constraint of a market, they are not threatened by bankruptcy or takeover. They seek to maximize output, and wage cost is relatively unimportant. One must consider whether a full-employment economy is simply the result of intentional decisions by the government or whether the operation of the economic mechanism creates a surplus of jobs in relation to the labour supply. There are obvious economic inefficiencies involved in a low-wage/high-employment economy: we shall investigate the extent to which *under* employment and low productivity are systemic properties of Soviet planning and the scope for improvement.

The book describes the context of the labour process and attempts to locate various theoretical approaches in an empirical context. The book has the following plan. In the first chapter, I consider the nature of the dominant value system of Marxism—Leninism as it has developed in the Soviet Union with respect to labour and employment. In Chapter 2, I outline the evolution of a full-employment labour economy in the Soviet Union and the extent to which one may say that ‘full employment’ has been achieved. Next I consider the ways that the labour force is allocated to jobs and the mobility of labour. Various forms of unemployment are analysed in Chapter 4 including ‘frictional’ movements due to turnover and structural unemployment as found in certain geographical regions. In Chapter 5 our concern is with labour productivity and administrative measures to improve it. In Chapter 6 we turn to consider the under-utilization of labour and the phenomenon of ‘labour shortage’ and the effects of technological change with respect to redundancy or what I have termed ‘displacement’ (*vysvobozhdenie*). In Chapter 7 some conclusions are made concerning the Soviet labour market. Next we examine the ‘brigade’ system of work organization devised to increase the efficient use of labour. Finally, I attempt to generalize about the labour market, full employment and a shortage economy by locating labour in a system of societal exchanges. These are: the resource mobilization system, the political support system, the loyalty solidarity commitment system, the labour consumption market system, the allocative standard system and the authority legitimization system. While these systems are common to all societies, the Soviet one does not function in the same way as under capitalism. Its peculiarities and interests promoting full employment are described in the last chapter.

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6 *Soviet Labour and the Ethic of Communism*

2. See David Lane, *Soviet Economy and Society* (Oxford: Blackwell, 1985), Chs 1–3; A. Nove, *The Soviet Economic System* (London: Allen and Unwin, 1977).
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1 Soviet Marxism and the Ending of Mass Unemployment

WORK AND EMPLOYMENT IN SOVIET IDEOLOGY

In their approach to the labour process, the leaders of the USSR have been influenced in their policy and thinking by Marxist assumptions. For Marx, the maintenance and reproduction of material life is the prime human need. In a well-known passage in *The German Ideology*, Marx writes: 'The first historical act is . . . the production of material life itself. This is indeed . . . a fundamental condition of all history, which today, as thousands of years ago, must be accomplished every day and every hour merely in order to sustain human life.'¹

In Marxist thought it is labour that creates value, i.e. it is the labour power that is embodied in a good or service that gives it social value. The labour theory of value is the linch-pin holding together work, production and output. Use-values are produced by conscious or purposeful human activity: such activity may be defined as work. The notion of work not only connotes physical or mental activity but also social relationships which are formed in the process of working. Work has two social aspects. First, it fulfils a social need on the part of the worker—it uses mankind's creative power. Expending such effort is man's 'life-activity'.² What distinguishes the human race from other species is the ability to transform nature to a world of its own making. The second aspect of such activity is that the goods and services produced are consumed. Material and spiritual human needs are met through the consumption of goods and services. Production and consumption are both aspects of the fulfilment of needs in the Marxist conception of human beings.

In Marxist theory, the kind of activity or work that characterizes a society (and the requisite structure of needs) is dependent on a given mode of production. The labour process in pre-capitalist societies was linked to the direct satisfaction of needs; the typical peasant laboured to fulfil his or her material and spiritual wants, and to pay taxes. Employment and unemployment are concepts which only have meaning in a society which has a market for labour. In peasant societies the division of labour activity into employment and unemployment does not occur. There is no wage labour. There is no sharp demarcation between work and leisure. The social relations engendered by work focus on family activity. If the harvest fails, the peasant starves, but he or she is not unemployed. If the family increases in size, all take part in tilling the soil, reaping the harvest and consuming the produce: all are absorbed in the social relationships of the domestic economy. If there are too many mouths to feed, some go hungry, but they are not unemployed. The growth of the division of labour, of paid labour and the employment of workers, gives rise to a different constellation of needs: production and consumption are differentiated. In the expansion of labour activity through a market system men and women need jobs or employment, they become wage labour.

While human activity and work fulfil human needs, the Marxist notion of class structure modifies the ways that work is organized and labour is performed. Work as fulfilment of human needs, it is argued by many Marxists, is vitiated, even precluded by the capitalist class structure. The division of societies into classes gives rise to a dominant and an exploited class. The significance of this division is that the dominant class, as such, does not participate in labour activity, though the dominant class and its agents shape the social relationships in which work takes place. While the consumption needs of members of the dominant class are met, they do not make any contribution to fulfilling human needs. Class relations also have their impact on the activity and labour of the exploited class. Exploitation means that the workers' exchange with nature is not an expression of their will but is determined by the domination of the ruling class. The social relations in which paid work takes place are based on exploitation and involve conflict. Under capitalism, much (not all) work is instrumental, it is organized by the capitalist class for the