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# USSR Report

HUMAN RESOURCES

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## LABOR

### LABOR EXPERT ANALYZES OFF-SEASON RURAL EMPLOYMENT

Moscow PLANOVYE KHOZYAYSTVO in Russian No 5, May 84 pp 89-91

[Article by I. Klimovets, chief of the Department for Labor of the Lvov Oblispolkom: "Ensuring Employment in the Rural Area in the Off-Season Period (from the Experience of Industrial Cooperation of Lvov Oblast Kolkhozes)"]

[Text] Much attention is being devoted to questions of rational utilization of manpower resources in the region under contemporary conditions, and further economic and social development of the oblast's national economy depends on their correct solution.

Calculations by the oblispolkom's department for labor have shown that during the 11th Five-Year Plan and in the long-term to 1990 the situation as regards providing the national economy of Lvov Oblast with manpower will become somewhat complicated, since no increase in the population of the able-bodied age is anticipated in the 1981-85 period and in the near future. Especially difficult situation is expected in kolkhozes and sovkhozes. The specific nature of agricultural production precludes uniform utilization of manpower resources throughout the year. There is already a shortage here annually of nearly 9,000 people during the spring field work period, especially during the harvesting period, and according to our calculations the able-bodied age population will somewhat decline in the 11th Five-Year Plan.

At the same time, able-bodied kolkhoz members have been considerably underutilized by kolkhozes in the oblast, especially during the off-season period. An average of 30,700 able-bodied kolkhoz members are not participating in social production in winter (from November through February). Our calculations show that in the indicated categories of workers alone, the annual underutilized manpower resources are estimated at approximately 25,000 average annual workers.

Some improvement in the employment of the rural population is being ensured at present through the development of auxiliary enterprises and trades in kolkhozes and sovkhozes during the off-season period. On the basis of organizing auxiliary and industrial production, many kolkhozes in the oblast have accumulated a positive experience in raising employment of kolkhoz members in social production and in more efficient utilization of manpower resources.

The ensure the requirements of kolkhozes, 2,156 various auxiliary enterprises and shops operated in Lvov Oblast in 1980, which employed 23,586 people or 15 percent of able-bodied kolkhoz members. All kolkhoz trades are profitable, they raise employment of kolkhoz members in social production by 12-20 percent.

The decisions of the 26th CPSU Congress devote great attention to this problem. They state: "To ensure further development in kolkhozes and sovkhoses of auxiliary industrial production and trades in the processing of agricultural production as well as in the manufacture of construction materials and production of consumer goods, mainly from local raw materials and industrial by-products." <sup>1</sup>

At the same time, experience proves that the auxiliary enterprises and trades operating in kolkhozes cannot ensure full utilization of labor reserves even when they are developed to the maximum, since the most active period in their activity basically coincides with spring-autumn field work and harvesting.

Moreover, many farms, especially in the suburban zone, make up for the shortage of manpower during the intense period of agricultural work by enlisting workers and employees from Lvov industrial enterprises, organizations and institutions, although industrial enterprises, which are expanding production programs and volumes of production, need these people themselves.

A more effective solution of this problem is achieved through organizing on farms on the basis of cooperation with industrial enterprises of joint production of various semimanufactures and components and units for machines as well as containers and packing materials for the production and technical ensurance of industrial enterprises and increased production of consumer goods. Both agriculture and industry are interested in this.

Section VI of the country's Food Program--"Improvement of Social and Daily Life Conditions in the Rural Area"--stresses that it is necessary "for the purpose of year-round employment of kolkhoz members and sovkhos workers to develop on farms, where it is expedient, auxiliary production and trades as well as production cooperation with industrial enterprises." <sup>2</sup>

Kolkhozes allocate, convert or construct the necessary facilities for shops, organize the process of production and provide it with manpower. Industrial enterprises assume an obligation to supply raw materials, materials and equipment, install, assemble and adjust mechanisms, conduct periodic engineering and technical maintenance, train personnel and accept manufactured products from kolkhozes by periods specified in an agreement.

By placing in the rural area of industrial shops of kolkhozes and sovkhoses, the daily pendulum-like migration of rural manpower is considerably reduced and retention of youths and graduates of rural secondary general education

1. "Materialy XXVI s'yezda KPSS" [Materials on the 26th CPSU Congress]. Moscow, Politizdat, 1981, pp 168-169.
2. "Proovol'stvennaya programma SSSR na period do 1990 goda i mery po yeye realizatsii" [The Food Program of the USSR for the Period Up To 1990 and Measures for its Implementation], Moscow, Politizdat, 1982, p 59.

schools is raised. The distinctive feature of such organization of production is that kolkhoz members (including 80-90 percent of youths) do not sever ties with agriculture, remain members of a kolkhoz and work in the field during periods of intense agricultural operations, thereby reducing or completely eliminating the enlisting of manpower by kolkhozes from other sectors of the national economy. For example, the imeni Lenin kolkhoz in Kamenko-Bugskiy Rayon has built with its own funds a two-story building in the kolkhoz territory for the Lvov Elektron Production Association, which houses the radio shop for the assembly of electrical assembly diagrams. With the funds of the kolkhoz, the plant trained personnel from among kolkhoz members and graduates of a local secondary general education school to perform this work.

At present, the shop of the imeni Lenin kolkhoz in Kamenko-Bugskiy Rayon has 290 people working in two shifts who produced R1,834,600 worth of gross production in 1983--45 percent of the kolkhoz's overall value of gross production. During the year, R847,700 in profits were obtained--69 percent of all profits of the kolkhoz. Industrial production in the shop is organized in such a manner so that everyone working in it in spring, summer and autumn can work 5-6 hours and even whole days in kolkhoz gardens or vegetable raising sectors.

The imeni Lenin kolkhoz, by leasing equipment from the Lvov Elektron Production Association and the Lvov Light Fittings Plant and purchasing raw materials, has been ensuring an annual profitability of industrial production output of at least 30 percent. Specialists of the plant assemble and adjust mechanisms in the kolkhoz shop and a special subdivision conducts technical and engineering maintenance.

High economic efficiency in utilization of rural manpower resources during the off-season period by fulfilling orders of industrial enterprises was achieved by the following kolkhozes: imeni Zhdanov of the same rayon, Nove Zhittya of Nesterovskiy and Yavorovskiy rayons, imeni Ivan Franko of Nikolayevskiy Rayon, Zorya of Gorodotskiy Rayon, Leninets of Samborskiy Rayon and other kolkhozes.

Organization of such shops in the rural area has made it possible not only to retain manpower in kolkhozes but also to considerably replenish it by using the returning young kolkhoz members who have left for industrial enterprises earlier. Thus, 27 former kolkhoz members returned from the city to the imeni Bogdan Khmel'nitskiy kolkhoz, which is located 35 km from Lvov, in 1980 alone, 23 more returned in 1981 and 45 in the 1982-83 period.

Development of production cooperation of agricultural and industrial enterprises, as experience proves, makes it possible to completely give up drawing people from industrial centers or to considerably reduce it by using workers of kolkhoz industrial shops during the agricultural work season.

The level of employment of kolkhoz members during the off-season period has risen sharply in kolkhozes which have organized their own industrial shops.

Calculations and an analysis conducted by the oblispolkom's department for labor show that 159,722 kolkhoz members of able-bodied age participated in

social production in kolkhozes of the oblast in 1983. They have worked a total of 37,227,000 man-days during the year or an average of 233 man-days per one able-bodied kolkhoz member. Our calculations show that if every kolkhoz member would have worked 275 man-days, like they work in industry, the reserve of manpower resources in the oblast would have amounted to 20,000 people.

Taking into account the high effectiveness of mutual production relations of industrial and agricultural enterprises, 33 shops in 29 kolkhozes of the oblast worked according to direct cooperation with industrial plants and associations in 1979, 34 shops in 1980 and 37 shops in 1981 and 56 shops in 47 kolkhozes in 1983. They employed nearly 3,000 kolkhoz members ranging in age from 20 to 27. The average monthly wages of those employed amounted to R110-120 in 1979 and R110-130 in 1980.

The work analysis of kolkhoz industrial shops in the oblast for 1980 has shown their high social and economic efficiency. According to the data of oblast agricultural organs, the balance profit in 1983 compared to 1978 had increased by 31.5 percent and amounted in these kolkhozes to more than R17.1 million and the net income to R4.2 million. By selling production of industrial shops, the overall profitability of production has reached 55.9 percent. Actual profitability of production of auxiliary shops has reached 49.7 percent. Moreover, shop workers are constantly helping their kolkhozes in agricultural work. They have worked 90,512 man-days and raised and collected 1,150 t of potatoes, 2,500 t of beets and vegetables and other produce.

Cooperation of kolkhozes with industrial enterprises during the off-season period ensures rational utilization of the oblast's labor potential and high level and rate of development of agricultural production and is becoming a realistic lever in the excessive drain of youths from the rural area. The questions of improving social and daily life conditions of rural residents are being successfully solved. The level of employment of kolkhoz members during the off-season period has noticeably risen and the bringing in of city workers and employees for agricultural work has been reduced. Farms are becoming economically stronger, implement plans for specialization and concentration of agricultural production and actively participate in intereconomic cooperation.

The profits, which were obtained from industrial shops on the basis of rational utilization of labor resources of the rural area during the off-season period, are directed at production, cultural and domestic services and housing construction, acquisition of means for intensification of agricultural production and raising wages and economic incentive of kolkhoz members.

Kolkhozes, which cooperate with industry, produce 1.2-1.5 fold more production than others calculated per unit of agricultural land resources.

The experience of production cooperation of kolkhozes and Lvov production associations Mikroprigor imeni Shestidesyatiletie Sovetskoy Ukrainy, Elektron, L'vovkhimsel'khoz mash and Biofizprigor and the radioelectronic medical equipment plant as well as some enterprises of light industry sectors shows that

under conditions of manpower shortage industrial enterprises can increase the output of production and raise labor productivity without additional housing construction and increase in the number of workers.

In most cases industrial shops of kolkhozes turn out the least complicated production. Industrial enterprises in this case improve the use of their operating production areas without assigning their people to agricultural work. The wages of kolkhoz members who are employed in industrial shops does not exceed the average wages of kolkhoz members who are employed in the basic production.

Thus, experience proves that utilization of rural manpower resources by kolkhozes in Lvov Oblast during the off-season period considerably reduces the diversion of manpower to agricultural work from industrial enterprises.

The auxiliary production activity in kolkhozes makes it possible to efficiently and rationally utilize industrial raw materials and by-products, local raw material resources and manpower of kolkhoz members not only during the autumn-winter period (the least intense agricultural work period) but also during collection of the harvest. Its development contributes to acceleration in the drawing together of kolkhoz-cooperative property with that of the state (national).

However, despite the economic and social effect of cooperation of agricultural production with auxiliary industrial activity, its further development is restrained by some organizational and economic reasons: there is no standard agreement on cooperation of kolkhozes with industrial enterprises and norms of staff schedule; plans are not supported by material and technical supply; and so forth. Some agricultural and planning organs still insufficiently support the development and strengthening of production relations of kolkhozes for the reason that as if they are not characteristic of agricultural production.

An analysis of the results of the experience being introduced has shown that the efficiency of this practice can be considerably raised in the future by improving long-term contractual relations between agricultural and industrial enterprises, planned formation of raw materials supply in shops of kolkhozes, allocating in a planned order to kolkhozes of construction materials for construction and modernization of industrial shops and rendering assistance in the development of planning documentation for introducing more advanced production technology.

Implementation of these and some other organizational and economic measures will make it possible to increase the output of industrial production within a brief period of time and without large state capital investments and to retain and use manpower in the rural area more efficiently.

Lvov Oblast has developed the Trud integrated directed program aimed at improving employment and raising efficiency in utilization of manpower resources in the 11th Five-Year Plan.

The question of using the labor of kolkhoz members and sovkhos workers in the off-season period is many-sided and deserves serious attention. The experience of Lvov Oblast was studied by delegations from Chuvashia and Ulyanovsk Oblast. It is necessary to study and generalize such experience in the country for the purpose of developing recommendations on its dissemination in agriculture.

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## LABOR

### PRODUCTIVITY, WAGE CORRELATION STUDY CONTINUES

Moscow PLANOVOYE KHOZYAYSTVO in Russian No 5, May 84 pp 84-88

[Article by V. Proskuryakov, doctor of economical sciences, professor, and K. Lupanov: "The Correlation of Labor Productivity and Wages at the National Economic Level"]

[Text] Outstripping growth of social labor productivity in comparison to wage growth is an objective regularity of the development of a socialist society. This correlation is one of the most important proportions of socialist expanded reproduction, one of the indicators which characterize the efficiency of social production. Observance of the given proportion is connected with the necessity to create appropriate savings for the development and perfection of social production and the non-production sphere, for increasing payments and benefits from social consumption funds and implementing a number of other nationwide measures.

The task of ensuring outstripping growth of labor productivity in comparison to wage growth in the branches of the national economy, in the associations, and at the enterprises was defined by the 26th CPSU Central Committee Congress as one of the paramount tasks for the 11th Five Year Plan. The CPSU Central Committee Politburo examined at one of its sessions (September 1983) the question of intensifying work on ensuring outstripping growth of labor productivity, and approved measures directed toward improving planning in the given area of the economy. Among these measures, a special role has been given to establishing standard correlations between labor productivity and wages; for expanding the sphere of their use; and for improving the existing methods.

Soviet scientist-economists have researched various aspects of the problem of the correlation of these very important categories of economic activity.<sup>1</sup> Many of the proposals for developing the designated standards at the level of industrial enterprises and branches lay at the basis of the methodical recommendations for conducting an economic experiment, which was begun at the enterprises of a number of industrial ministries on 1 January 1984.

At the same time, certain theoretical and methodological questions in this many-faceted problem have not yet received sufficient illumination in economic literature and their solutions have not been found. This pertains primarily to the correlation of labor productivity and wages at the national

economic level. The present method for calculating the correlation of the given indicators operates basically at the level of enterprises, associations and branches. But the question of how much the growth of labor productivity should outstrip the growth of monetary wages throughout the national economy as a whole has hardly been studied at all, while it is precisely this level that possesses the definitive role. In studying this dependence it is necessary, in our opinion, to proceed from a number of correlations, among which are the ratio of the growth rate of social labor productivity to the growth rate of: the real income of the populace; the wages of workers and employes, including payments and benefits from social consumption funds; the monetary wages of workers and employes occupied in the national economy; the monetary wages of workers and employes occupied in the sphere of material production; the wages of all the workers in the national economy (wages for workers and employes and payment for the kolkhoz members); and payment for the workers occupied in the sphere of material production.

Economic analysis of each of these correlations is significant, independently, in the theoretical as well as the practical plane. However, the leading role belongs to the ratio of the growth of social labor productivity in comparison to the increase in workers' pay in the sphere of material production. It shows which portion of the national income is directed toward pay for the workers who are directly involved in creating the social product and the national income of society, and which portion remains for carrying out other socio-economic tasks.

In researching the correlation of labor productivity and pay at all levels of economic activity, there is great practical significance to the analysis of the factors which influence change in both indicators, and influence the correlation between them. The operation of these factors in many instances is directed differently both in the national economy as a whole, and in the separate branches and manufactures. Therefore, the correlation between growth of labor productivity and pay should also differ by branches and manufactures. The given differences are explained by the fact that not all factors of growth of labor productivity lead to proportional changes in wages—just as wages do not in all instances increase by virtue of an increase in labor productivity.

At the national economic level, it is sensible to study the correlations cited proceeding from the general economic factors and planning proportions. In this instance, the optimal measure of outstripping growth of labor productivity and pay increases will be determined by the absolute amount and dynamic of the aggregate social product and the national income; by the proportion of growth of the national income, received by virtue of an increase in labor productivity; by the proportion of distribution of national income to the consumption fund and the savings fund; by the proportion of workers in the nonproduction branches of the national economy to the total number of workers and employes; by the correlation in the level of pay by spheres of activity; by an increase in the proportion of social consumption fund in the national income, and so on.

Comprehensive planning of the economic and social development of the country (or a union republic) is impossible without assessing for the forthcoming period the correlation of growth of labor productivity and pay in the sphere of material production. A systematic increase in wages for workers, employes and kolkhoz members should be supported by a corresponding mass of goods, which is possible only with continuously high rates of increase in labor productivity. "It is not enough to perfect the system of monetary remuneration for labor; it is also necessary to produce the required amount of goods which are in demand," it was stated at the June (1983) CPSU Central Committee Plenum.<sup>2</sup> The urgency of the problem of assuring consumer goods for the monetary resources of the populace, received in the form of remuneration for labor, lends great significance to the statistical analysis of the indicated correlations and to finding the standard for outstripping growth of labor productivity for the forthcoming period.

Comparison of the dynamic of labor productivity and pay can be accomplished in two forms: growth rates or rates of increase of given indicators. Thus, the correlation of rates of increase in pay for workers in branches of material production and social labor productivity is defined as a part of the effect (the additional product), received as a result of increasing labor productivity, and can be directed toward increasing pay for workers in the production sphere and such, and toward other national economic measures. The indicator of the relationship of the growth rate of average pay and productivity reflects, in essence, the level of expenditure for pay per ruble of production (the national income, if one examines the correlation by the sphere of material production as a whole).

The standard correlation between the growth of labor productivity and pay on the level of the national economy of the country or a republic can be quantitatively established by two methods: beginning with the primary (lower) levels of economic activity, and proceeding from the national economic planned tasks, taking into consideration the most important economic proportions and tasks for the economic and social development of society. For planning the optimal levels of a given correlation the second method appears to be more correct. In this instance, the correlation between the growth of labor productivity and pay for a ministry is established on the basis of a national economic standard, accounting for the intrabranh factors which influence its size as well. For the lower levels of economic activity the approach to the computation is similar.

Planning for a standard for the correlation examined stimulates the workers' interest in a continuous increase in labor productivity, inasmuch as when the plan for growth of labor productivity is overfulfilled, or is not fulfilled, the wage fund increases or declines proportionally, which promotes various possibilities for paying bonuses to workers from this fund.

The ratio between growth of labor productivity and pay cannot be stable for an extended period, since the indicators of which it is composed, as objective production conditions, do not change in the same way. Also affecting the national economic standard of comparison is the complex of economic and social tasks which society is carrying out in each specific period.

One of the variants for constructing the national economic standard for the correlation of the growth of labor productivity and pay is defining, for the planning period, the indicators of expenditures for pay in the sphere of material production per ruble of national income, in comparison with the analogous indicator for the current (base) period. Certain economists call this indicator the index of wage intensiveness. Such a standard (N) can be determined from planning and accounting information and appears as follows:

$$N = \frac{T_{3n}}{T_{np}} = \frac{\Phi_n^*}{\Delta_n} : \frac{\Phi_0^*}{\Delta_0} = \frac{\Phi_n^*}{\Phi_0^*} : \frac{\Delta_n}{\Delta_0}, \quad (1)$$

where  $T_{3n}$  — is the planned growth rate of average pay in the sphere of material production;  
 $T_{np}$  — is the planned growth rate of social labor productivity;  
 $\Phi_{n(o)}^*$  — is the planned (current) volume of the wage fund in the sphere of material production; and  
 $\Delta_{n(o)}$  — is the planned (current) volume of national income produced.

Knowing that the planned volume of the wage fund at any level is defined as the product of the average wage and the number of personnel, and that for the national economy it ( $\Phi_n^{**}$ ) equals the sum of such funds in branches of both the production and non-production ( $\Phi_n^*$ ) spheres, we can calculate the ratio which shows the relationship of this fund at the national economic level and in the material production branches ( $K_\Phi$ ):

$$K_\Phi = \frac{\Phi_n^{**}}{\Phi_n^*} = \frac{\Phi_n^* + \Phi_n^*}{\Phi_n^*} = 1 + \frac{123_n^* y_n^*}{123_n^* y_n^*} = 1 + K_{3n} K_y, \quad (2)$$

where  $3_n^{*(n)}$  — is the average pay in the production (nonproduction) sphere in the planning period;  
 $y_n^{*(n)}$  — is the number of persons occupied in the production (non-production) sphere in the planning period;  
 $K_{3n}$  — is the planned correlation of average wages in the non-production sphere and in material production; and  
 $K_y$  — is the planned correlation of the number of persons occupied in the nonproduction sphere and in material production.

Substituting the expression derived in formula (1) and, having made some simple transformations, we get:

$$N = \frac{\Phi_n^*}{\Phi_0^*} \frac{\Phi_n^{**}}{\Phi_n^*} : \frac{\Delta_n}{\Delta_0} = \frac{\Phi_n^{**}}{\Phi_0^* (1 + K_{3n} K_y)} : \frac{\Delta_n}{\Delta_0} \quad (3)$$

Entering the coefficients  $K_{321}$  and  $K_4$  into the formula for computing the planned standard for the correlation of growth rates of average wages in the sphere of material production and social labor productivity opens the possibility for multivariant planning of the correlation of the dynamic of labor productivity and pay in the sphere of material production. To determine the indicated coefficients for the forthcoming period one must trace the trends for their change for the preceding years and take into consideration the tasks which were assigned for the development of both spheres of activity. In the country as a whole the level of wages for workers and employes in the nonproduction sphere per ruble of pay for workers in material production ( $K_{321}$ ) declines, and the proportion of those occupied in the branches of the nonproduction sphere ( $K_4$ ) increases (table 1).

Table 1

3 Год	1 Среднемесячная оплата труда, руб.		2 Численность занятых, тыс. чел.		8 $K_{321}$ гр. 3 гр. 2	$K_4$ гр. 5 гр. 4	$K_6$ 1+гр. 6× ×гр. 7
	4 материаль- ное произ- водство 2	5 нематери- альная сфера 3	6 материаль- ное произ- водство 4	7 нематери- альная сфера 5			
1965 . . .	85,8	95,6	76 221	19 294	1,1142	0,2531	1,2520
1970 . . .	115,2	112,2	82 409	24 477	0,9774	0,2970	1,2903
1975 . . .	141,2	130,2	88 255	29 105	0,9195	0,3298	1,3033
1980 . . .	168,2	150,7	92 965	32 833	0,8959	0,3532	1,3164

- |   |                                 |
|---|---------------------------------|
| (1) Average Monthly Pay, in Rubles        | (5) Nonmaterial Sphere          |
| (2) Number of Persons Occupied, Thousands | (6) Material Production         |
| (3) Year                                  | (7) Nonmaterial Sphere          |
| (4) Material Production                   | (8) Group 3 over Group 2 [etc.] |

In calculating the correlations examined (as well as the coefficient  $K_6$ ) for the forthcoming period, one may utilize various meanings for the coefficients  $K_{321}$  and  $K_4$ : both, at the level of the base period; both, considering the trends for their change in the base period;  $K_{321}$  — at the level of the base period,  $K_4$  — considering the trends for their change in the base period;  $K_{321}$  — considering the trends for their change in the base period; and  $K_4$  — at the level of the base period. Comparison of predicted estimates according to these variants and according to the actual data for 1975 and 1980 has shown that the most accurate is the definition according to the significance of the coefficients  $K_{321}$  and  $K_4$ , established considering the trends for their change in the base period. In this variant of calculation, deviation of the coefficient  $K_6$  from its actual significance amounted to 0.35 per cent in 1975 and 0.03 per cent in 1980.

Having defined the standard for the correlation of growth rates of the indicators studied and knowing the planned value for social labor productivity and a number of other indicators, one can calculate the average wages and the annual wage fund in the sphere of material production by branches as well, the wage fund for kolkhoz members, and so on.

The State Plan for the Economic and Social Development of the USSR for 1981-1985 envisages for 1985 increasing the national income used for consumption and savings by 18 per cent as compared to 1980; average monthly wages for workers and employes, by 14.5 per cent; and pay for kolkhoz members for work performed in the social economy on the kolkhozes, by 20 per cent on the average. Proceeding from this and on the basis of other planning indicators the standard coefficient was calculated for growth, in the 11th Five Year Plan, of wages in the sphere of material production for each percentage point of increase in social labor productivity up to 1985 (Table 2).

Table 2

Indicator	1980	1985 as a % of 1980	1985
Number of Workers and Employes in the National Economy, millions of people. . . . .	112.5	105.1	118.2
Number of Kolkhoz Members, millions of people. . . . .	13.3	88.0	11.7
Total Number of People Occupied in the National Economy, millions of people. . . . .	125.8	103.3	129.9
Average Monthly Wages of Workers and Employes, in rubles. . . . .	168.9	114.5	193.4
Average Monthly Pay for Kolkhoz Members, rubles. . . . .	119.0	120	142.8
Average Monthly Pay for All Persons Occupied in the National Economy, in rubles . . . . .	163.6	115.4	188.8
Annual Wage Fund in the National Economy, billions of rubles . . . . .	247.0	119.1	294.3
National Income Produced, billions of rubles . . . . .	462.2	121.9	558.8

At the same time a number of assumptions were made. According to the plan for 1982, the number of workers and employes in the national economy of the country should have increased by one per cent, with respect to 1981. This figure was accepted as the average annual growth rate for the five year plan. Consequently, in 1985 the number of workers and employes should amount to 105.1 per cent, with respect to 1980. The number of kolkhoz members was determined by a method of extrapolation from the data of preceding years, and the planned growth in national income produced--as an average of the analogous indicators in the union republics.

The calculations took into consideration the fact that in the 10th Five Year Plan a centralized increase in pay took place in the nonproduction branches; therefore, the coefficient for the correlation of average wages in the non-production sphere and average wages in the sphere of material production--

although it also showed a decline for this period--this was not as intense as in the preceding five-year plan (See Table 1). In addition, in accordance with the decisions of the 26th CPSU Congress, it was stipulated that in the 11th Five Year Plan a centralized increase in wage rates and salaries would occur in the branches of the production sphere; therefore, the coefficient  $K_{sp}$  was determined considering the changes in this indicator in the Ninth Five Year Plan; that is, in accordance with the trend of that period in which similar measures were taken.

The coefficient for correlation of the number of workers occupied by sphere of activity was calculated for the planning period by a method of extrapolating the statistical regularity of the indicator for the proportion of the workers occupied in the branches of the production sphere, of the total number of workers occupied. At the same time data were used for the dynamic sequence of the given indicator for the years 1970-1980. Calculations were made for three variants--on the basis of processing the data: for the entire period examined; for the last five year plan; and for the last three years of the current five year plan. A test showed that the third variant is the most accurate.

Thus, for computing the standard for correlation of growth rates of average wages in the sphere of material production and social labor productivity for 1985, the following values were used for the coefficients:  $K_{sp} = 0.8428$ ;  $K_s = 0.3774$ ; and  $K_0 = 1.3181$ . The standard itself amounted to:

$$N = \frac{294.3}{187.6 - 1.3181} : 1.219 = 0.9763.$$

Proceeding from the value derived for the standard, calculations were made for the growth rates of average pay in the sphere of material production, and the average wages for workers and employes occupied in the production and nonproduction spheres, as well as their absolute amounts (Table 3).

Table 3

Indicator	1980	1985 as a % of 1980	1985 (estimated)
Average Monthly Pay in the Sphere of Material Production. . . . .	168.2	117.2	197.7
Average Monthly Wages for Workers and Employes:			
in the Production Sphere. .	176.4	116.1	204.8
in the Nonproduction Sphere	150.7	110.7	166.8

On the basis of the planned tasks for 1981 and 1982 one can determine the value of the standard index for wage intensiveness for these years and compare them with the actual figures. Thus, according to the calculation

in 1981 for every percentage point of growth of social labor productivity, there should be a 0.9961 per cent increase in pay in the sphere of material production, and for every percentage point of the increase, a 0.897 per cent increase in pay. The latter figure indicates that 89.7 per cent of the entire national economic effect of the growth of labor productivity should be directed toward the pay of the workers occupied in material production. Actually, this value amounted to 96.0 per cent. And the actual growth rates of average pay in the production sphere and in social labor productivity in 1981 were about equal, and their correlation amounted to 0.999. In 1982, the growth of pay in the sphere of material production exceeded the growth of social labor productivity.

In 1983, a certain positive achievement was expected in the correlation of growth rates for labor productivity and pay in the sphere of material production. As Gosplan USSR Chairman N.K. Baybakov noted at the Ninth Session of the USSR Supreme Soviet, the Tenth Convocation—in 1983 the task for growth of labor productivity in industry and in rail transportation was overfulfilled. The growth of labor productivity amounted to 3.5 per cent and the average monthly monetary wages for workers and employees was 2.4 per cent. The correlation of these indicators has improved, both in industry as a whole, and in the majority of the ministries.

The observance of standard planned proportions in correlating these indicators in all economic units, and above all in the production sphere as a whole, is intended to reduce the influence of a number of negative trends, including the disproportions between the population's monetary resources and the goods supplied to them.

#### FOOTNOTES

1. See, for example, L. Kunel'skiy, "Vazhnaya narodnokhozyaystvennaya proporsiya" [An Important National Economic Proportion], SOTSIALISTI-CHESKIY TRUD, 1982, No 10; and D. Karpukhin, "O sootnoshenii rosta proizvoditel'nosti truda i zarabotnoj platy" [On the Correlation of the Growth of Labor Productivity and Wages], PLANOVOYE KHOZYAYSTVO, 1983, No 10.
2. "Materialy Plenuma Tsentral'nogo Komiteta KPSS, 14-15 iyunya 1983 goda" [Materials on the CPSU Central Committee Plenum, 14-15 June 1983], Moscow, Politizdat, 1983, p 4.

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CSO: 1828/136

LABOR

WAGES, BONUSES FOR FOREMEN, ENGINEERING-TECHNICAL PERSONNEL

Wage Payment Procedure Outlined

Moscow EKONOMICHESKAYA GAZETA in Russian No 18, Apr 84 p 18

/Text/ In order to increase material incentive and responsibility for achieving higher production results with less outlays on the part of engineering and technical personnel comprising consolidated brigades, on 6 April 1984 USSR Goskomtrud /State Committee for Labor and Social Problems and VTsSPS /All-Union Central Council of Trade Unions/ approved a Temporary Procedure for paying the salaries of foremen and other engineering and technical personnel comprising the consolidated production brigades in industry; its text is published below.

1. The present procedure determines conditions for wages of foremen and other engineering and technical personnel who comprise consolidated production brigades according to an established procedure (by consent of collectives of brigades, foremen and other engineering and technical personnel), in cases where this is dictated by production necessity and where it is advisable in terms of production conditions.
2. The basic job of foremen and other engineering and technical personnel making up the consolidated production brigade is to solve problems dealing with organizational and technological production training, to improve the administration, technology and organization of labor, to reduce labor intensiveness of the products being manufactured, to increase their quality, to shorten the manufacturing items cycle and to improve the final results of brigade performance on this basis, and also to enact measures dealing with labor safety regulations and procedures.
3. Payment of workers in such production brigades is done according to a single order for final result.

In order to increase incentive for all categories of workers, including foremen and other engineering and technical personnel, in the achievement of high final results of brigade work, brigade members wages must be paid according to comprehensive piece-rate evaluations

per unit of production (work), calculated on the basis of technically substantiated norms for time (performance), wage rates corresponding to the category of jobs done by the brigade, and salaries of engineering and technical personnel.

4. The collective piece-rate salary of the brigade subject to distribution is composed of a payment based on wage rates (salaries), the piece-rate extra earnings for overfulfillment of output norms and bonuses for final results of brigade work.

5. Bonuses are awarded to foremen and other engineering and technical personnel comprising brigades, as well as to workers, according to results of the work of this brigade in fulfilling indicators and conditions established by the administration by agreement with the trade union committee. The following should be used as basic indicators for awarding bonuses to brigade collectives: fulfillment of the plan for the manufactured products list, reduction in labor intensiveness of items manufactured, and improvement in the quality of production. Bonuses for this are paid to workers, foremen and other engineering and technical personnel from the wage fund and also from the material incentive fund.

Brigade workers can also be rewarded for collective results of work on saving specific types of material resources, for manufacturing products with the state seal of quality, the manufacture of new consumer goods of better quality and other results from sources provided for by special systems of awarding bonuses.

6. Brigade piece-rate extra earnings and bonuses are distributed among members of the brigade according to wage categories assigned to workers and salaries awarded to foremen and other engineering and technical personnel, taking into consideration time actually worked and applying the labor participation coefficient (KTU).

7. The size of the labor participation coefficient is determined for foremen and other engineering and technical personnel by a decision of the collective (council) of the brigade, primarily according to criteria representing characteristics of functions fulfilled by these workers (providing conditions for productive labor on the part of the brigade, unconditional fulfillment of rules for labor safety, intolerance for breaches in technological and labor discipline, etc.). The value of the KTU established by the brigade collective (council) can be reduced by the administration by agreement with the trade union committee for observed neglect in the work.

8. When the total sum of the bonus fund is distributed in the brigade by using the labor participation coefficient, the size of the bonuses for individual workers and engineering and technical personnel for whom KTU's are increased can exceed the maximum amount stipulated by existing provisions (without increasing the total sum of bonuses for the brigade as a whole).

Payment of premiums to foremen and other engineering and technical personnel comprising the brigade is done during the same periods as for workers.

9. In consolidated production brigades with a time-rate wage system including foremen and other engineering and technical personnel, standardized quotas must be applied (service norms, numbers norms).

Salary is paid to these workers according to salaries established for them with bonuses awarded for final results of brigade work and with distribution of bonuses by applying the labor participation coefficient (KTU) in accordance with paragraphs 5, 7 and 8 of the present Temporary Procedure.

10. The establishment of additions to the salaries of foremen and other engineering and technical personnel comprising consolidated brigades on the basis of high qualification is not recommended.

11. Foremen can be on the staff of a consolidated production brigade when the number of workers comprising it is equal to or higher than the controllability norm for a foreman, and other engineering and technical personnel when there are work volumes surpassing the norms (quotas) for the corresponding categories of workers. In this regard, a reduction in the number of workers per shop or other subdivision must be guaranteed.

12. A definite procedure for the salary of foremen and other engineering and technical personnel including consolidated production brigades is established according to tasks and conditions of labor and production based on this Temporary Procedure by the manager of the production association (enterprise) together with the trade union committee and the participation of the labor collective.

#### Foreman Job Description Given

Moscow EKONOMICHESKAYA GAZETA in Russian No 19, May 84 p 22

Text In accordance with a decree by the USSR Council of Ministers and the AUCCTU of 1 December 1983, "Measures Regarding the Further Development and Increase in Effectiveness of the Brigade Form of Organization and Stimulation of Labor in Industry," USSR Goskomtrud and AUCCTU on 30 March 1984 made changes and additions to the position description for the foreman of a production section of a production association (combine), scientific-production association, industrial enterprise, construction and repair-construction organization, approved 30 May 1977, putting it into new words.

This position description is also circulated to foremen of locomotive and railway car depots, and also electrical depots, subway track and tunnel structures; foremen of production sections of experimental plants for scientific research, design and technological organizations and also of motor transport enterprises who are on an independent balance; foremen of production sections of mechanized railway divisions of loading and unloading operations in railway transport; foremen of enterprises of intersectorial industrial railway transport of the MPS /Ministry of Railways/, and also for foremen of railroad steam-flushing stations, railway car sections, rail-welding trains and railroad power supply sections.

It was suggested to the ministries and departments, in agreement with corresponding central and republic trade union committees in which the position description is circulated, to make additions and changes to the industry provisions concerning the foreman, to provide for an increase in the role and responsibility of foremen in improving the organization of production, strengthening labor discipline, and increasing efficiency in the collective forms of labor organization.

#### I. General Provisions

1. The foreman is the immediate supervisor of the labor collective, the organizer of labor and production, and trainer of workers in the section that he heads.
2. The basic tasks of the foreman are guaranteed fulfillment of plan tasks, adopted socialist responsibilities and counter plans with the lowest expenditures of materials and labor resources, wise expenditures of the wage fund, the manufacture of products of high quality, an increase in labor productivity based on the discovery and use of production reserves in every workplace and brigade, implementation and improvement of managerial accounting, the brigade and other progressive forms of labor organization and stimulation as well as intensified development of worker initiative and creative activity, affirmation of the spirit of genuine collectivism, mutual high expectations and comradely cooperation in the collective.

The foreman must be an active leader of technical progress in the section, a personal example to serve as a model of consciousness, diligence, creative activity and initiative; he must promote the creation of a moral-psychological climate guaranteeing job teamwork and the production of an active position in life on the part of members of the collective.

He must show special concern for the training of young workers and must sensitively and attentively relate to the needs and requests of workers; he must promote the development and tutorship and a communist attitude toward labor.

3. The foreman manages the labor collective based on one-man management in combination with the broad participation of workers in the administration, doing his work in close cooperation with party, trade union and Komsomol organizations.

All instructions relative to production activity of the section are presented for implementation only through the foreman. Instructions to brigade members are given by the foreman through the brigade leader.

The foreman's instructions are obligatory for the workers subordinate to him. A foreman's instructions can be changed by higher supervisors with required notification of the foreman concerning this.

Administrative decisions on all questions dealing with the labor, everyday life and leisure of section workers are made with the direct participation of the foreman or according to his opinion.

A master can be part of a consolidated production brigade when this is advisable in terms of production conditions, and he can supervise it when the number of workers in the brigade is equal to or higher than the controllability norm for the foreman. His salary is paid in accordance with existing provisions.

A foreman can supervise a consolidated brigade.

In this regard, in addition to the rights and responsibilities stipulated in the present position description, the rights of the brigade leader of a production brigade are publicized in it.\*

4. The appointment, transfer and dismissal from work of the foreman is done according to the opinion of the shop (section) chief, the work supervisor by order of the general director (director) of the production association (combine), the scientific-production association or according to his instruction--the supervisor on the staff of the association of the production (structural) unit, and also the supervisor of the enterprise or construction organization.

For effective management of the section and accomplishment of educational work in the collective, people with a higher or secondary specialized education are usually designated for the post of foreman,

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\* Position description for the production brigade, brigade council, brigade leader and council of brigade leaders, affirmed by decree of USSR Goskomtrud and the AUCCTU Secretariat on 30 March 1984, No 91/6-24.

as well as those studying at higher or secondary specialized educational institutions, and in individual cases highly qualified workers having sufficient experience and knowledge who have completed foremen's courses.

The foreman is directly subordinate to the senior foreman or the section (shop) chief, in construction to the work supervisor, and in a non-shop administrative structure to the director (supervisor of the production of structural unit).

5. The foreman must possess a broad sphere of knowledge in the area of labor organization, production and administration, salary, psychology and pedagogy, and must also have instructional skills, for which he must constantly perfect his qualification, to increase technical and economic knowledge and political and cultural level.

6. In his production, organizational and educational work, the foreman is guided by existing legislation, by provisions of the USSR law on labor collectives, the provision concerning the production brigade, the current provision and other directive documents and also by plan quotas established for the section by production-technical documentation, and orders from higher supervisors and by rules of the internal labor routine.

7. A foreman can be awarded the title "Foreman 1st Class" and "Foreman 2nd Class" for systematic fulfillment of established production indicators, successful accomplishment of educational work in the collective and for raising his qualification. The procedure for awarding the title is stipulated by the appropriate position description.

8. The foreman bears responsibility for the activity of the production section headed by him, for the successful fulfillment of tasks before him regarding increased work efficiency and quality, observance of labor legislation and also of commitments stipulated by the current position description.

## II. Basic Duties of the Foreman

The foreman's duties include:

9. Assured fulfillment by the section in fixed time periods of plan quotas for production (work) volume of high quality in a given products list (assortment); increase in labor productivity and maintenance of growth rates for it that are ahead of those for the average salary; reduction in production labor intensiveness by fully loading equipment and making use of its technical capacities; adherence to technological processes; increase in the machine work shift coefficient; adoption of scientific organization of labor and assurance of the most efficient expenditure of raw materials, materials, fuel and energy.

Formation of brigades (their numerical and occupational-qualification composition), development and adoption of measures for optimum brigade service, control of the handling of brigade labor certificates and coordination of their activity; adoption of measures for the creation of consolidated complex brigades with salary according to a single order for final result and distribution of a collective salary by applying the labor participation coefficient adoption of brigade cost accounting.

An extra payment of up to 50 percent of his salary can be established for the foreman of a production section for high qualification, and for development and implementation of measures to increase labor productivity, by means of wage fund savings obtained through the adoption of the brigades form of labor organization, according to a procedure stipulated by a decree of the USSR Council of Ministers and the AUCCTU on 1 December 1983, No. 1125.

10. Prompt presentation of production quotas to brigades and to individual workers who are not part of brigades, taking into consideration approved plans and production schedules, plan indicators for the use of equipment, raw materials, materials, tools, fuel, energy, the wage fund, and also the amount of incentives for saving them; analysis of labor results.

11. Organization of socialist competition among brigades and workers of the section, in cooperation with the trade union group supervisor. Creation of conditions for fulfillment by section workers of output norms, personal production plans and also counterplans and socialist commitments.

Cooperation in the development of initiative, the propagation of innovations, the development of efficiency promotion and inventiveness, and the prompt implementation of efficiency experts' suggestions.

12. Prompt review according to established procedure of the labor expenditure norms, adoption of technically substantiated norms and fixed quotas, participation in the development of measures and obligations for reducing labor intensiveness of production and the organization of their implementation in the section, cooperation in the development of worker initiative in the review of existing norms, correct and effective application of salary and bonus systems. Intolerance for overspending and assurance that the wage fund established for the section is wisely spent, reduction of salary per production unit.

13. Adoption of advanced experience in labor methods and procedures, of multiple-machine and multiple-unit service, the development of multiple professions, broadening of areas of service and application of other progressive forms of labor organization.

14. Production training of workers. Enactment of measures for the implementation of rules dealing with labor safety procedures and safety techniques, production sanitary measures and technical use of equipment and instruments, as well as control over their observance.

15. Assurance of adherence to established technological processes, prompt elimination of reasons for disrupting them, participation in the development of new and improved technological processes and production routines and schedules and improvement in existing ones; certification and efficiency improvement of workplaces, development and adoption of measures for the mechanization and automation of labor-intensive processes and manual labor, assurance of the proper use of production areas, equipment, outfitting with tools and instruments, /orgtekhosnastki/, prompt preparation for production and uniform (rhythmic) work of the action.

16. Creation within the labor collective of circumstances for cooperation and high standards, development on the part of the workers of feelings of strong responsibility for fulfillment of production plans, taking into consideration the interests of the section collective in increasing labor efficiency, participation in work on increasing their vocational skill and cultural-technical level and on improving sociocultural conditions. Organization of an improvement in qualifications of workers and brigade leaders and in training workers in second and allied vocations.

17. Enactment of measures dealing with the creation of favorable labor conditions, increased production culture, and optimum use of work time, assurance of strict adherence by workers to labor and production discipline and the rules of the internal labor system.

### III. The Rights of the Foreman

In order to carry out the responsibilities that have been entrusted to him, the foreman has the right:

18. To participate in the development and discussion of current, long-range, and counter plans and socialist commitments of the section, and also of the plans and socialist commitments of the brigades in the section, starting with problems of the fullest use of capacities and reserves of production and its all-out intensification, and acceleration of the technical progress and improvement in the organization of production and labor.

19. To propose a candidate for brigade leader from among the number of leading workers, taking into consideration the opinion of the brigade collective, for appointment by order (decree) of the director of the enterprise or shop or other structural subdivision, and also to propose his dismissal from brigade leader responsibilities.

20. To participate in the hiring of workers.

To effect the placement of laborers working individually and brigades, in accordance with the technological process. To promptly transfer workers from one brigade to another in the case of production necessity, by agreement with brigades and to make suggestions concerning the transfer of extra workers to other production sections.

21. To stop the implementation of a technological process in case of a deviation from it resulting in reduced quality or defects in products manufactured.

22. To participate in classification by wage rates as well as the designation of skill categories to section workers.

23. To participate in totaling the results of socialist competition and in the solution to problems concerning the moral and material incentive of section workers in accordance with established procedure in the enterprise. To participate in review and discussion by brigade councils of suggestions for the establishment of a labor participation coefficient (KTU) for brigade members. By agreement with the trade union group supervisor of the section, to grant bonuses to workers for the achievement of high quantitative and qualitative production indicators, exemplary work and successful fulfillment of quotas. Every month, assets of up to 3 percent of the planned salary fund per section are made available to the foreman for these purposes. To spend this money without overspending, within the limits of the salary fund established for the section. Means from the bonus fund not awarded in a given month can be used throughout the year.

24. To make suggestions concerning disciplinary action for section workers responsible for breach of production and labor discipline, systematic nonfulfillment of output norms through their fault, defects in work, breach of the rules of technical use of equipment and rules and norms for labor safety.

To make suggestions concerning disciplinary action for those who maliciously disrupt labor discipline, in accordance with existing legislation (reduction in the number of days of regular vacation, transfer to another lower-paying job for a period of up to 3 months, partial or total elimination of bonuses), to assure adherence to labor legislation in the section.

25. To participate in the inspection of finished jobs regarding renovation of the section, repair of technological equipment, mechanization and automation of production processes, as well as adoption of measures for scientific organization of labor and production.

26. To stop work in case of a breach of the rules of labor safety, not to allow work to be done on defective equipment or with tools of poor quality, or using for production raw materials, semi-finished products and materials that do not meet technical requirements. The foreman immediately notifies the supervisor above him of the decision that has been made.

27. To make suggestions concerning use in the section of an orderly form of organization and payment for labor. To participate in the development of conditions and of a procedure for their implementation.

28. To make suggestions concerning creation of consolidated complex brigades and multiple brigades in the section and in the shop; the inclusion of engineering and technical personnel in the makeup of the brigades (with consideration of organizational-technical conditions of production).

29. To form brigade leader reserves from the most qualified, politically mature workers, who have shown an inclination (capable) for organizational work; to recommend that they be assigned to study.

30. To recommend the purposeful designation of young, qualified workers to study at higher and secondary special educational institutions.

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LABOR

NEW METHODOLOGY FOR USING NET OUTPUT INDICATOR

Moscow PLANOVOYE KHOZYAYSTVO in Russian No 5, May 84 pp 113-115

/Article in the Column: "Our Consultations": "Changes and Additions to the Procedural Directives on the Application of NChP /Normative Net Output/ Indicators"/

/Text/ Based on the generalization of experience and according to suggestions by enterprises, associations and ministries of USSR Gosplan, USSR Goskomsen /State Committee on Prices/, USSR TsSU /Central Statistical Administration/, USSR Minfin /Ministry of Finance/, USSR Goskomtrud /State Committee for Labor and Social Problems/ and USSR Gosbank, changes and additions have been made to the Procedural Directives on the procedure for the development and application in planning of the (normative) net output indicator.\*

The spectrum of application of the NChP indicator has been more accurately defined. It has been established that the normative net output indicator is approved for the planning and analysis of quota fulfillment regarding the growth of labor productivity and other indicators of the plan dealing with labor, including the wage fund. The distribution of assets for the payment of wages by Gosbank institutions is carried out to the extent that the normative net output plan is fulfilled.

In this regard, "Procedural Directives" provisions which stipulated the use of the NChP indicator for the planning of production volume and other goals (pars 4, 5, 6, 20, 40 and 43, last part of par 34) were considered to have lost their strength; provisions dealing with total production volumes and the rates of its growth were excluded from the content of pars 44 and 45.

The composition of production on which normative net output is determined has been more clearly determined: it is developed and approved according to the entire products list of finished products and intermediate products realized on the side of the needs of their own capital construction and their nonindustrial economies, for which prices are approved, excluding production (work) whose competition is not revealed in the production program of production associations (enterprises) according to a specific products list and planning and

\*Hereafter "Procedural Directives"

reporting are accomplished merely in terms of cost (capital repair and modernization of their equipment and transportation facilities, work of an industrial nature, one-time orders).

In the formation of normative net output, the question of including supplementary payments in it based on regional coefficients and other similar additions to salary has been decided in different ways until now. It has now been established that the amount of salary, with deductions for social insurance, included in normative net output is determined without counting supplementary payments according to regional coefficients and additional payment for work in regions of the extreme north and places comparable to it and payments for length of service.

In those industries where the indicated additional payments, extra payments and payments have become a part of norms included in price lists in effect as of 1 January 1982, and also in supplementary price lists, norms for new types of products (pending a general review of wholesale prices and normative net output) can include these additional payments, extra payments and payments.

In the formation of normative net output, salary of production workers with deductions for social insurance is included in it according to the appropriate articles for calculating the production cost of items, and salary of the remaining industrial-production personnel is determined by a calculation method using the coefficient  $K_3$ . It is determined as the ratio of the salary of personnel dealing with service and production administration to the salary of production workers.

Questions arose in practice: should the  $K_3$  coefficient be stable or should it be recalculated (specifically, in the development of norms for new products)? It has now been established that for the development of normative net output for new items and for the adjustment of norms in case of a change in cooperation conditions, the  $K_3$  coefficient as a rule is considered stable pending a general review of wholesale prices and normative net output in an amount accepted during development of norms included in price lists in effect as of 1 January 1982 and also in supplementary price lists. The size of the  $K_3$  coefficient must be indicated in protocols of its agreement between ministries (departments) and the appropriate agencies establishing prices.

In individual cases (in case of the formation of new production associations based on previously independent enterprises, substantial change in the level of enterprise-new construction project overhead) the  $K_3$  coefficient can be reviewed by ministries (departments) by agreement with organs establishing prices.

In industries and subindustries in which identical products are produced by many production associations and enterprises (construction materials, woodworking, fishing, cable industry, etc.) the  $K_3$  coefficient is determined as the ratio of the salary values of industrial-production personnel dealing with service and production administration to base and supplementary salary of production workers on the whole throughout the industry (subindustry) or group of enterprises.

The  $K_3$  coefficient can be differentiated according to groups of products: by basic products, corresponding to the profile of the production association (enterprise), goods for popular consumption (for Group A industries) and other (nonprofile) production.

During a review of wholesale prices and normative net output, the  $K_3$  coefficient is revised according to shifts that have occurred in the wage structure of industrial-production personnel.

The procedure for determining normative coefficients to be used in those cases where formation of specific normative net output is impossible has been made more precise.

A single procedure for determining and applying normative coefficients is now accepted. For each production (work) group for which normative net output has not been established (capital repair and modernization of their equipment and transportation facilities, jobs of an industrial nature, one-time orders), production associations (enterprises) calculate and higher organizations approve normative coefficients of net output characterizing for each production association (enterprise) the ratio of the net output volume to commodity production in comparable prices for the 2 years preceding the transition to application of the normative net output indicator. In this regard, for each group of this production (work), the indicated normative coefficients cannot be more than one. The procedure for calculating the normative coefficients has not changed; it is presented in Appendix 2 of Procedural Directives.

In planning volumes of normative net output and comparing reporting data for these production (work) groups, single and stable normative coefficients of net output are applied, including previously approved coefficients for 1984-1985. In the next plan period, normative coefficients of net output with substantial structural changes in the composition of these production (work) groups can be made more exact on the basis of reporting data from the 2 preceding years according to the calculation presented in Appendix 2, and in individual cases according to calculation estimates data.

Besides production whose planned as well as actual volumes are determined only in terms of cost, there is a significant proportion of production (especially machine construction), whose specific makeup is complex and sometimes impossible to determine in developing a plan, while the actual volume can and must be calculated according to a specific product list. If production composition cannot be determined according to a product list, then it is included in the volume of normative net output not according to specific norms but according to normative coefficients. However, there are cases where enterprises use these coefficients, and these are cases where it is possible and necessary to use specific norms.

In this regard, it has been established that for spare parts, interplant cooperation shipments, goods for popular consumption (for Group A industries), equipment, instruments and accessories for their production, manufactured for their own needs using means provided for in the plan for financing capital investments, products whose expenses are reimbursed by assets from a single

science and technology fund or from a fund for the implementation of new technology, and other items whose manufacture in the production program of production associations (enterprises) is planned according to a group product list, and when a complete product list for their production exists according to agreements that have been concluded, orders-authorizations and other plan documents, normative net output is calculated and approved by specific items at the same time as wholesale prices.

Normative coefficients are used to determine planned normative net output volume by group nomenclature of these items. Specific norms are used to determine actual normative net output volume regarding these items.

One of the most complex questions in applying the NChP indicator is calculating changes in the conditions of production cooperation in the norms. If after approval of normative net output the cooperation conditions changed (i.e., instead of producing individual assemblies or parts through their own efforts, transferring their production to other production associations and enterprises or vice versa), then the actual labor expenditures of a given production association or enterprise would differ from those calculated in the normative net output. In order to provide objective and consistent reflect of this process, a new section has been added to the "Procedural Directives": "Procedure for Adjusting Normative Net Output in Case of Changes in Production Cooperation Conditions and the Reflection of These Adjustments in the Plans and Reports of Production Associations (Enterprises)". It was determined in this section that with a change in conditions of production cooperation as compared to its level calculated during formation of normative net output connected with the fulfillment of work (services) of an industrial nature (heat treatment, polishing, painting, foundry cleaning, etc.), the norms for items approved in the established procedure do not change.

In the case of a change in cooperation conditions in connection with the delivery (reception) of parts, assemblies, intermediate products and complete sets of items\* to other production associations and enterprises (with production by their own efforts) changes are made in the normative net output output for the products.

If the change in cooperation conditions regarding the assemblies results in a less than 25 percent change in norms for the items, surcharges (discounts) are applied to them in the following order:

By production associations (enterprises)--in the case of a cooperation change regarding assemblies for which normative net output has been approved in the established procedure. In the 2-week period after making the decision regarding the change in cooperation, production associations (enterprises) send to the higher organizations with jurisdiction over them data regarding the approved surcharges (discounts) and their calculation for information and control;

By ministries (departments)--in case of a cooperation change regarding assemblies for which normative net output has not been approved (manufactured in exchange

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\*further--assemblies

for imports and in other valid cases). In this case, production associations (enterprises) present the proper calculations according to the established form.

If the changes in cooperation conditions regarding assemblies result in a change in normative net output for parts by 25 percent or more, these norms are reapproved by the agencies that established them, on the basis of calculation materials presented by production associations (enterprises) and ministries (departments).

The changed norms and also the surcharges (discounts) are put into effect as of the time that production cooperation condition change.

Allowance should usually be made during plan formulation for a change in production cooperation conditions.

In the case of changes in production cooperation conditions between production associations (enterprises) of one ministry (department) in the course of a year, these ministries (departments) can in necessary cases make corresponding changes in plans of production associations (enterprises) regarding the normative net output volume, with refinement of interrelated plan indicators calculated on the basis of this indicator.

In the case of a change in the course of a year in production cooperation between ministries (departments), by agreement with USSR Gosplan in necessary cases they can introduce plan changes agreed upon between them.

In all cases of a change in normative net output in the year under review due to a change in production cooperation, data regarding the total volume of normative net output for the previous year are not subject to recalculation.

Ministries and departments of the USSR and union republics, by agreement with USSR Gosplan and USSR Goskomtsen (union republic gosplans and union republic goskomtsens) can issue directives for production associations (enterprises) subordinate to them concerning the procedure for adjusting normative net output in case of a change in cooperation conditions, taking into consideration industry production conditions.

Directors, deputy directors for economic problems (chief economists), chiefs of planning departments, chief accountants of production associations (enterprises) bear responsibility for the correct and timely presentation of materials concerning a change in normative net output due to a change in production cooperation conditions.

When it is discovered that normative net output has been overestimated, especially when appropriate changes have not been made in the case of increased production cooperation due to increased delivery of assemblies, production associations (enterprises) make the necessary changes to the norms and statistical reporting on plan quota fulfillment according to the established procedure, and they report on changes that have been introduced to organs in which the indicated reports were presented.

The higher organizations review all cases of normative net output overestimation and take the necessary measures banning its overestimation in the future.

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## LABOR

### NEW BONUS RULES AT 'EXPERIMENT' ENTERPRISES EXPLAINED

Moscow PLANOVOYE KHOZYAYSTVO in Russian No 5, May 84 pp 56-61

[Article by V. Rakoti, deputy department head, USSR State Committee for Labor and Social Questions: "Innovations in the Bonus System (An Economic Experiment)"]

[Text] Since 1 January 1984 in accordance with the CPSU Central Committee and USSR Council of Ministers decree "On Additional Measures to Expand the Rights of Production Associations (Enterprises) of Industry in Planning and Economic Activity and To Increase Their Responsibility for Work Results," an economic experiment in the Ukrainian SSR Ministries of Heavy and Transport Machine Building, Electrical Equipment Industry, and Food Industry, the Belorussian SSR Ministry of Light Industry, and the Lithuanian SSR Ministry of Local Industry has demanded further improvement of the mechanism for awarding bonuses to workers and employees. According to the present system bonuses for basic results of economic activity are paid when a large number of quantitative and qualitative indicators are fulfilled (for enterprise management personnel -- not less than five basic ones, while for the slightest underfulfillment of even one of them workers are completely deprived of the right to incentive pay). This has a negative impact on the effectiveness of bonuses. Successes in improving some work indicators are canceled out by failures in others. No dependence of the size of a bonus on each individual result is apparent. Wage leveling in material incentive occurs when the personal contribution of a worker to the total work results is not adequately taken into account. Bonuses have become widely used as sanctions for production omissions.

In contemporary conditions, when a decisive course to intensify production has been adopted, increasing the stimulative impact of the bonus on basic plan assignments is recognized as essential. Therefore the system of awarding bonuses is one of the most important components of the economic experiment. The innovation consists primarily in increasing the stimulative impact of bonuses on fulfilling assignments for the volume of output sold with due regard to obligations for delivering this volume in accordance with contracts concluded, increasing labor productivity and savings in material resources, and improving the utilization of production capital.

In order to achieve the goals set, model sectorial statutes on awarding bonuses have been approved by the ministries named, in conjunction with the trade union central committee and in accordance with the USSR Goskomtrud [State Committee for Labor and Social Problems] and the AUCCTU.

For enterprises participating in the experiment it has been established that the largest part (not less than 60 percent) of the total amount of bonuses (0.5 of the salary of the post, calculated by the month) is paid out for fulfilling deliveries of output according to contract. In this way, the main indicator of economic activity acquired its own share of the bonus.

The decisive importance of the plan for deliveries is also insured by the fact that the bonus system for its fulfillment is independent of other work results. However, when the plan for deliveries is underfulfilled, the bonus figured for other indicators is reduced or not fully paid: increase in labor productivity, improvement of output quality, increase in profits, and reduction in expenditures. For these same purposes the list of the most important types of articles whose underproduction will cause people to lose their bonuses has been significantly reduced.

Simultaneously the number of basic indicators and conditions for awarding bonuses is reduced: by two in the Mintyazhmash [Ministry of Heavy and Transport Machine Building], the Minelektrotekhprom [Ministry of Electrical Equipment Industry], and the Minpishcheprom [Ministry of Food Industry] of the Ukrainian SSR and the Minmestprom [Ministry of Local Industry] of the Lithuanian SSR, and by one in the Minlegprom [Ministry of Light Industry] of the Belorussian SSR. This should also increase the purposeful impact of bonuses on the decisive work indicators.

Bonuses to management personnel of enterprises for basic results of economic activity figured for other indicators are paid only in the event that under-delivery of output does not exceed the established percentage limit.

Special bonuses for performance of output deliveries for the whole year have been introduced. Management personnel of enterprises may receive from three salaries a year above the established bonus size limit.

The need to strengthen the interest in accelerating the intensification of production demands an increase in the role of qualitative work indicators in the bonus system. The national economy is not indifferent to what expenditures are incurred to fulfill the plan for output production. Fulfilling the task facing us within the limits of present incentive means and with consideration for priorities in the incentive system for meeting output deliveries according to agreement presupposes searching for a qualitatively new approach to organizing material incentive for workers. In connection with this, under the experiment separate bonuses for workers are awarded for improving each factor individually. A factor bonus system insures an accurate representation of the connection between bonus size and every indicator subject to incentive, which is impossible to trace when bonuses are paid for fulfilling a set of indicators. This also makes it possible to give incentive for one factor for increasing production efficiency without being burdened by

the condition that the assignment for other factors must be fulfilled. However, the advisability of giving incentive for qualitative work indicators, subject to fulfilling output deliveries according to contract, should also be examined further.

The choice of qualitative indicators for awarding bonuses to management personnel of enterprises involved in the economic experiment is primarily determined by the features of the individual sectors. In the Mintyazhmash and the Minelektrotekhprom increase in labor productivity and reduction in expenditures per ruble of output were chosen; in the Ukrainian SSR Minpishcheprom proportion of high quality output in the total production volume and profits or expenditures per ruble of commodity output were chosen; in the Belorussian SSR proportion of output of the highest quality category in the total production volume, increase in labor productivity, and profits or reduction of losses were chosen; and in the Lithuanian SSR Minmestprom increase in profits was chosen.

At enterprises switched to the economic experiment, bonuses paid for basic results of economic activity are divided into parts: in the Mintyazhmash, the Minelektrotekhprom, the Ukrainian SSR Minpishcheprom, and the Belorussian SSR Minlegprom into three parts, and in the Lithuanian SSR Minmestprom into two parts, according to the number of basic factors for evaluating economic activity.

During the experiment a number of questions of improving the bonus system which are of significant interest to workers in many sectors of industry are undergoing experimental verification. For example, at electrical equipment industry enterprises the chief of the department of technical control (OTK) is awarded bonuses not for fulfilling general indicators of economic activity, but only for those which are directed at improving output quality (absence of complaints against the output produced and its return for further work, reduction or complete absence of fines imposed for the low quality of output, fulfillment of measures for preventing defective products, and so forth). The experiment should dispel the prejudice that awarding bonuses to the OTK chief according to indicators which differ from those according to which the enterprise director is given incentive, may create conflict. Improving output quality is the common work of all members of the labor collective, and if some of them who are directly responsible for quality are also given incentives for conscientious fulfillment of their own direct duties, then ultimately this common work can only benefit.

In connection with the creation of production associations, when the function of managing the association is entrusted to workers of the the head production unit, some economists doubted the correctness of awarding bonuses to these workers according to the association's results alone. This doubt is based on the fact that part of the regular workers deal only with the activity of certain production units. This type of work organization is especially characteristic of territorially separate production units. In order to verify in practice the advisability of awarding bonuses to regular workers according to other than the association's results as a whole, it has been authorized for enterprises of the Ukrainian SSR Minpishcheprom to award bonuses to some of these workers according to the work indicators of their production units.

The model statutes that have been ratified define bonus indicators only for management personnel; this reflects the policy of consistent expansion of the rights of enterprises to organize material incentive. This does not mean unlimited independence, inasmuch as a situation is created at the same time which puts enterprises within a definite framework. In setting up material incentive for workers, engineering-technical personnel, and employees, under the appropriate economic conditions, enterprises must be guided by the indicators for awarding bonuses to management personnel. Otherwise it is practically impossible to focus the whole labor collective on fulfilling plan assignments established for the enterprise as a whole. In addition, organizing a bonus system for workers, engineering-technical personnel and employees is strongly influenced by the specific features of the actual production facility. For example, awarding bonuses to workers and engineering-technical personnel for conservation of particular types of material resources is done independently of other work results. However, in cost accounting brigades incentives for reducing material expenditures often are associated with fulfilling the production assignment. Or, for example, performing output deliveries under contract. By no means all workers can be awarded bonuses depending on their fulfillment, but in connection with this other appropriate indicators are needed. Therefore it is natural that the choice of indicators and conditions for awarding bonuses to workers, engineering-technical personnel, and employees is completely within the competence of the manager of the enterprise and the local trade union committee.

The question of the maximum sizes of bonus payments to enterprise executives for the basic results of management activity has been decided in a new way.

The sizes of the first and second parts of the bonus are determined based on the maximum bonus established in industry for basic results of economic activity: 0.5 of the post salary per month when 60 percent of the bonus, or one-third the salary, is envisioned for fulfilling output deliveries according to contract and 20 percent of the salary is for increasing labor productivity. It is different with the third part.

The point is that in order to reduce the number of plan indicators authorized for enterprises switched to the economic experiment, beginning in 1984 no limit for material expenditures per ruble of output is being ratified. In connection with this, workers are deprived of the opportunity to receive bonuses for reducing material expenditures in an amount up to one-fourth the salary per month. However, the problem of reducing the prime cost of production remains. Taking this into account, as well as in order not to worsen the condition of material incentive for workers of enterprises switched to the experiment as compared to regular enterprises; in addition to bonuses for fulfilling output deliveries under contract, for increase in labor productivity, and for improvement of output quality, bonuses are to be paid to management personnel of enterprises for reduction of total expenditures per ruble of output or increase (augmentation) in profits amounting to one-fourth the salary calculated per month. And the method for determining the size of this bonus differs fundamentally from the determination of the bonus for fulfilling output deliveries under contract, for increase in labor productivity, and for improvement in quality. Its amount does not, as is

usual, consist of two parts -- for fulfilling the plan and the smaller -- for each point of overfillment, but is established at one stroke for each plan and above-plan percentage point of reduction in expenditures (increase in profits), but calculated so that in total this bonus does not exceed one-fourth the salary per month, and it is paid when the plan for reduction of expenditures per ruble of output (increase in profits) is fulfilled.

This system for determining the size of the bonus is necessitated by the specifics of forming the source of its payment: in the material incentive fund there is no capital for the level achieved and it receives additional deductions only for reducing prime cost.

For workers, engineering-technical personnel, and employees, the present maximal sizes of bonuses have been retained, including 0.75 of the basic wage rate or salary per quarter for savings of specific types of material resources versus the established norms of consumption and for achieving these norms. In addition, in order to stimulate work methods on the example of the Shchekino Chemical Combine, managers of enterprises, in conjunction with trade union committees, are permitted to increase the amount of the bonus up to 10 percent of piece-rate earnings (tariff earnings) of the brigade, being paid from the wage fund for fulfilling the production assignment with the least number of personnel.

It should be noted that the system for determining actual sizes of bonuses within the limits of incentive fund capital which the enterprise has is being retained. The present system, under which bonuses for management personnel of enterprises may not exceed the average size of bonuses established for all engineering-technical personnel and employees of enterprises, is also not being changed. In this way, economic conditions under which an increase in bonuses is possible according to the degree of improvement of production indicators continue to operate.

But on the whole, as compared to the present system in industry, the new bonus system presents more opportunities for workers to receive incentives to the extent they can insure final results and raise production efficiency, especially when the substantial reduction of the content of the most important types of production is taken into account.

For workers of enterprises involved in the experiment, additional measures to strengthen their interest in new equipment are envisioned. Proceeding from the fact that one of the indisputable duties of enterprises is fulfilling the authorized plan for developing and introducing new equipment, when this plan is underfulfilled bonuses for basic results of economic activity are reduced by no less than 25 percent.

To a great extent progress in science and engineering depends on creative initiative and socialist enterprise. In connection with this new types of special bonuses are to be introduced. One of the important criteria of an innovation in output being produced is its competitiveness on the foreign market. In order to expand the product list (assortment) and increase the production volume of machines, equipment, and instruments delivered for export, awarding bonuses amounting to three post salaries per year above the

established bonus limits to specialists and workers at enterprises of the Mintyazhmash and the Minelektrotekhprom is permitted. The ministries have found it necessary to establish differentiated bonus sizes in accordance with the proportion of output delivered for export in the total production volume. Capital which enterprises receive for shipment of export output in accordance with the present system will be used to pay the bonuses.

In addition, awarding bonuses to workers at machine building enterprises and scientific research and design organizations for processing and producing output which, according to qualitative indicators, conforms to the best world and domestic models or exceeds them and meets the future demands of consumers is permitted. These bonuses are awarded beyond the established size limits and are made up of capital which becomes available to enterprises for developing and introducing new equipment.

The ministries and enterprises involved in the experiment face the challenge to realize new opportunities to strengthen labor incentive. This is necessary in order to eliminate wage leveling, which still occurs in the material incentive system, especially for engineering-technical personnel and employees. The statutes on awarding bonuses specifically envision that incentives for these workers based on work results of subdivisions (the most typical occasion for receiving incentives) should be given with consideration for the individual labor contribution of each person to final collective results of labor. In distributing bonuses the coefficient of labor participation may be applied not only in production brigades of workers, but also in subdivisions (departments, buro's) where engineering-technical personnel and employees work.

A new system of setting up sources for payment of bonuses facilitates more efficient organization of awarding bonuses. The wage fund of enterprises involved in the experiment consists of two parts: the base (on last year's level) and the auxiliary (for growth). In the Minelektrotekhprom, the Ukrainian SSR Minpishcheprom, and the Belorussian SSR Minlegprom the latter is figured for each percentage point of increase in net (normative) output; in the Lithuanian SSR Minmestprom it is calculated for each percentage of increase in commodity output (only the Mintyazhmash establishes the wage standard per ruble not of increase, but of total net (normative) output; that is, the present system has been retained). The base fund for next year is reduced by the total overexpenditures permitted, and at the same time another important question is decided: the fund is increased by the amount of savings achieved, regardless of whether it is tabulated in the material incentive fund or not. The material incentive fund is also composed of two parts: the base -- according to the previous year's plan, and the auxiliary -- for reduction of expenditures per ruble of output or increase (augmentation) of profits. The new system of forming sources for awarding bonuses, which improves the guarantee of incentives for results achieved, strengthens the basis for intensifying incentives for better quality and highly efficient labor, initiative, and enterprise through the use of bonuses, and accelerates scientific-technical progress and intensification of production.

In organizing the bonus system ministries and enterprises must take advantage of the new positive aspects of setting up sources for payment of bonuses as

fully as possible. Above all this refers to the opportunity to envision a precise mechanism for increasing the total amount of bonuses for basic results of economic activity as sources to pay for them grow. Planned amounts of bonuses for fulfillment of output deliveries under contract and the plan for increasing labor productivity are established within the confines of the base material incentive fund. Then the planned amount of bonus for each percentage of reduction of expenditures per ruble of output in the Mintyazhmash and the Minelektrotekhprom, and for increase or augmentation of profits in other sectors involved in the experiment, is established. With this structure of the bonus mechanism in accordance with the system for setting up the material incentive fund, as it seems to us, a strong basis is established for encouraging workers to raise plan assignments for reduction of expenditures (increase or augmentation of profits).

We cannot help being aware of another problem too. Base funds for wages and material incentive are formed according to the level achieved. This means that everything positive and all shortcomings which the enterprise has when it becomes part of the experiment are not taken into account, as though they are outside the confines of the experiment. Based on the experience of disseminating the Shchekino work method, it may be anticipated that the importance of the problem of evaluating the work level and the comparability of results of different enterprises will increase as a function of expanding the experiment. Already in preparing for the experiment certain ministries have introduced a proposal to correct the base fund of material incentive for individual enterprises. The purpose is to increase its amount approximately to the average sectorial level, disregarding past results of economic activity. To say nothing of the fact that adjustment of indicators is a condemned practice, increasing the fund of certain enterprises is accomplished, as a rule, by decreasing the fund of other, leading collectives. The result is wage leveling in the material incentive system, a most harmful defect in labor incentive. Increasing the amounts of the material incentive fund by changing the base generates a dependent frame of mind in workers and suppresses their aspiration to fight "to the end" to fulfill the established plan. All that has been said does not mean that lagging enterprises should not be helped. Establishing differentiated standards for setting up the material incentive fund fits more fully with socialist principles of labor incentive. By artificially neglecting to correct past results, differentiated standards enable enterprises to increase their fund in step with improved work results. A similar situation has developed with standards for planning the wage fund.

Developing differentiated standards for organizing sources of incentives for workers is a complicated problem. Certain sectors of industry have accumulated some experience in encouraging plan intensity. There is an intersectorial methodology approved by USSR Gosplan in January 1980. Obviously, it is time to develop an efficient mechanism for differentiating standards of increase in the material incentive fund and the wage fund, based on accumulated practical experience and theory.

The first months of work under the experiment attest to substantial progress in improving indicators of the economic activity of enterprises. Nonetheless, verification and analysis of the organization of the bonus system at

enterprises is demonstrating that opportunities for improvement built into the conditions of the experiment are by no means being taken advantage of fully. Still, analysis of practices leads to the conclusion that there are questions which require further study in order to increase the dependence of bonuses on the labor contribution of each worker to the total results of the work of the enterprise.

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## DEMOGRAPHY

### DILEMMA OF HOW TO LIMIT URBAN GROWTH FACES PLANNERS

Moscow EKONOMICHESKIYE NAUKI in Russian No 3, Mar 84 pp 60-68

[Article: "Urgent Applied Scientific Problems in Limiting the Growth of Large Cities in the USSR"]

[Text] The course for limiting the growth of large cities in the USSR not only has a sound theoretical basis (which of course does not rule out the need for further research in this area), it has also been outlined directly in the decisions of all the recent CPSU congresses. The applied scientific aspects of implementing this course in practice have received less attention. It is not entirely clear what needs to be done in order to carry out the measures that have been outlined more consistently and effectively. For example, questions involving the best combination of administrative and fundamental measures in the economic mechanism itself are especially important. When dealing with these issues it is necessary to proceed from the idea that problems of large cities reflect all major socio-economic transformations and changes.

One of the most characteristic manifestations of urbanization involves an increase in the number of large and largest cities and the concentration of the population in these cities. A clear trend has been observed here: as the population of large cities rises (those with populations over 100,000), their rate of growth slows down. Still, the largest cities are responsible for practically the entire increase in the urban population in the USSR. As of 1983 there are already 22 cities with a population of one million (in China, according the latest published data, there are 11 cities of this size; India and Japan each have 8 such cities; Brazil has 7; and the United States 6).

A well-known fact should be emphasized here: large cities are complex and in many ways effective forms for concentrating production and population. In such cities, however, are manifested not only the advantages of large-scale production, but also substantial negative trends, including economic trends. The continuing concentration of the population in these cities reflects not only intensive, but also predominantly extensive utilization of the industrial production potential and manpower resources that have been accumulated. Here one can find the most graphic negative aspects of extensive development of national production; overcoming this is now a major goal in the sphere of economics.

In the literature one sometimes encounters views, the essence of which is that large cities are growing with a certain "fatal inevitability." Even an evaluation of the contemporary situation in countries that started on the path of urbanization before the USSR indicates that it is impossible to agree with this sort of attitude.

It is widely known that in the 1970s in a number of economically developed countries in the West certain features of urbanization began to appear that differed from earlier characteristics. This was primarily the decline in population seen in the largest cities of Europe, the United States, Canada, and Japan. For example, between 1970 and 1975 the population of 8 of the largest cities in the United States declined by almost 700,000 people; between 1970 and 1980 the population of London decreased by almost 10 percent. The beginning of the process of population decentralization can be seen in the emergence and development of suburbanization. In the United States by the 1960s, for example, a significant proportion of the residents of large cities had already moved to suburban areas. In the 1970s the processes of population decentralization continued to develop and two distinct levels appeared: within the limits of agglomeration and on a country-wide scale (a more rapid migratory growth in the number of people living in outlying areas, beyond the limits of urban clusters), which is a new trend.

Similar trends in urbanization are also evident in other developed capitalist countries. Data on France, Sweden, Italy, and Canada confirm a general population shift to small and medium-sized cities as a result of a change in the direction of migration. In Great Britain, the Netherlands, Switzerland, Belgium, and Austria there has been a marked process of migration from the centers of large cities to suburban areas.

The change in the population of the largest cities in the United States and other economically developed capitalist countries, which reflects the development of the suburbanization and decentralization process, is a natural consequence of their hypertrophic growth, a manifestation of the general crisis of cities, and aggravation of social, class, and race antagonisms that are inherent in capitalism. These are, of course, social aspects of the process, which also has, however, some positive features inherent in it; these positive aspects are of general importance and are tied to the nature of contemporary productive forces. Developed capitalist countries have already passed the stage of extensive development and have entered the intensive development stage. This has been demonstrated most graphically in the largest cities.

An evaluation of the essence of urbanization, the latest trends in the development of population distribution abroad, in European socialist countries, and the prospects of communist population distribution in our country indicates the historical short-sightedness of the extensive growth of large cities and of agglomeration. The USSR is pursuing a course to prohibit or limit construction of new industrial enterprises in many cities with populations over 100,000 and reconstruction of individual enterprises in these cities is permitted only when there is no increase in the number of work places and the amount of external drainage and pollutants. In 1981 the number of large cities and agglomerations in our country in which new industrial construction was

prohibited or limited was expanded even further. Stress was placed on limiting the growth not only of cities, but also their suburbs.

At issue here is a certain capital investment policy aimed at more rational distribution of productive forces throughout the country, that is, we are in essence discussing economic regulation of the growth of large cities in which the direct flow of population into cities is not only limited, but also the volume of capital investments which create new work places. This policy is being pursued in the form of governmental decrees and instructions from the USSR State Planning Committee that are based on these decrees. From this standpoint planning agencies at all levels are implementing constant control over the activity of departments that are responsible for developing sectors of the national economy under their jurisdiction. Corresponding instructions are also being issued by agencies of the USSR State Committee for Construction that are engaged in long-range planning and urban development in the form of general plans for cities and drafts and models for rayon planning.

This is the foundation of the policy for regulating the urbanization process. Another measure has been carried out (since the 1930s) which involves administrative limits on the flow of people into large cities from other areas. Departments and enterprises are either required not to hire people who live beyond the limits of the given large city or its suburban zone (or the oblast) or they are assigned a quota for the number of workers they can hire from other areas, who are initially considered temporary workers and do not receive permanent residence rights.

Let us take a look at the problems we have named here using Moscow and Moscow Oblast as an example; about 13 million people are now concentrated in this area, which is almost 6 percent of the country's population. Over the last 20 years the population growth in this region was the result of a flow of people into Moscow and its suburbs. The rate of population growth in Moscow and Moscow Oblast is substantially higher than for the USSR as a whole and for the RSFSR. The population of Moscow and Moscow Oblast continues to make up a larger and larger proportion of the total population of the RSFSR.

Moscow Oblast now contains the largest concentration of urban settlements in the country: 73 cities and 82 city-type settlements. The number of large cities with a population of 100,000 continues to grow, as does their population density. In 1959 in Moscow Oblast there were 5 cities with a population of over 100,000 people; in 1970 there were 9; and in 1981 there were 14. Today almost one-fourth of the population of Moscow Oblast lives in large cities and the size of these cities is growing rapidly, as we mentioned. Also specific to Moscow Oblast is the profound transformation taking place under the influence of cities made up of rural workers. A significant portion of this population, in terms of the nature of its activities and place of employment is, in essence, a hidden city population. Here one should keep in mind that the concentration of the population in Moscow Oblast is occurring not only in Moscow itself, but also in the oblast's central region.

In the 1970s the increase in the population of Moscow occurred primarily as a result of an increase in migration (as in the 1920s). The natural increase (when the number of births exceeds the number of deaths) is preserved only

because of migration (which includes young people primarily) and on the whole is very low.

In spite of the migratory influx of people, its age and sexual composition is characterized in the first place by a low proportion of young people (which confirms the fall in the natural population increase resulting from the birth rate); in the second place, there is a very high proportion of people of retirement age; and in the third place, starting at 30 years of age the proportion of women in the total population is higher than that of men, and this difference becomes more pronounced the older the population (this is the result of the different mortality rate among men and women). It is clear that such a demographic situation also aggravates problems with manpower resources which are being felt more and more, even though at the end of the 1970s over 90 percent of the working-age population and 30 percent of the retirees were employed in the city's economy<sup>4</sup>. These data show that direct reserves for increasing the number of people employed in Moscow using the population available there are essentially inexhaustible.

The primary external source for providing Moscow's economy with manpower is the influx of people from other areas. Today this source exceeds all other sources for increasing the number of people employed, and only daily commuting can compete with it.

The influx of people into Moscow occurs for three main reasons: work, school, and marriage and reunification of families (labor, education, marital and family migration). Under the conditions of contemporary norms for regulating migration, people can come to work in Moscow primarily in accordance with the so-called quota, which is responsible for a very large number of the new arrivals. The main work places that are filled under quotas are concentrated in industry, construction, and transportation. There are several types of work, especially those that are not very desirable, in which Moscow receives all the workers it needs through the quota system. This source of workers, in addition to everything else, is not reliable enough: the number of "quota workers" who leave Moscow every year is about one-third the number who arrive. Every year various Moscow departments make requests for additional workers totalling about 100,000 people<sup>5</sup>, that is, there is a trend toward an extensive increase in the number of people employed while manpower from other cities continues to be recruited in unwarranted numbers.

Just what are the general difficulties and problems in providing the national economy with manpower resources and limiting the growth of the city, specifically Moscow (and are these two questions closely interconnected)?

The size of Moscow's population stipulated in the General Plan by a certain point in time (1990) will be exceeded (significantly), which in turn will create certain difficulties and problems. The goals set down in the General Plan for removing a whole series of enterprises, organizations, and plants from Moscow that do not correspond to the city's economic profile and that have a negative effect on the city's ecological situation have not been met. The situation with natural population growth in Moscow described above leads to a situation in which workers from other cities must be brought in again and again in large numbers. The native population of the city is not very mobile. In

Moscow there is an inordinate concentration of skilled scientific and technical personnel, while there is a shortage of such personnel in other parts of the country. In spite of the extensive work being done in Moscow to provide young people with vocational counseling, it is not effective enough: young people who have graduated from general education schools in the capital are often oriented toward obtaining higher education and are quite unwilling to go into the so-called "non-prestige" production jobs.

The demographic situation is characterized by the fact that the majority of Muscovites are oriented toward having a small family; the divorce rate is high; and the mortality rate among working-age men is higher than in other regions. All this demands that greater efforts be made to pursue an effective demographic policy. It is very important to emphasize that over the course of the past 10 years in Moscow a great deal of work has been done to make more effective use of the labor force in the national economy, to attract additional manpower into the national economy, to develop and implement a demographic policy that will counter, under complicated demographic conditions, the reduction in contingents of the working population employed in the national economy.

With the participation of scientific organizations, work has been activated and is being carried out in accordance with plans to distribute, redistribute and make effective use of manpower resources in the city's economy. A special integrated program is being carried out for increasing labor efficiency and economic utilization of manpower in Moscow's economy between 1981-1985. Special integrated programs are being worked out to reduce manual labor in sectors of the national economy in Moscow up to the year 2000, in addition to basic directions and indicators for the special integrated program for increasing the efficient utilization of manpower resources in Moscow's economy from 1986-1990. With the aim of limiting the growth of the capital's population departments are being assigned quotas for the number of workers (not just workers brought in from other areas, but all workers), decisions are being prepared on the expediency of creating new organizations, and so on.

Active measures are being taken to put Moscow's General Plan into practice; it contains the fundamental idea on limiting the city's growth and the technical and economic foundations are being developed for the city's General Plan for a new time period, the basic directions of which proceed from the need to further limit the growth of the capital's population. The department for family and marriage issues, created within the Moscow City Soviet Executive Committee, was actively included in the development of measures to strengthen the family and activate the demographic policy.

While noting all these undoubtedly positive aspects, one must, however, stress once again the urgent need to develop and actively pursue an effective demographic policy to rationalize the size and composition of Moscow's population and the demographic processes going on in the city. If one extrapolates from the current rate of population growth, by 1990 there will be about 9 million people living in Moscow. In our opinion, it would be wrong to use this growth rate as a basis for planning Moscow's future development; that is, to proceed from the standpoint that the problem of limiting the growth of Moscow's population remains unsolved for all practical purposes. It seems that

an orientation toward such growth rates is tied to inadequate attention to the possibilities of conducting a genuinely labor-saving policy.

The development of large cities must be coordinated constantly with problems solved on a state and national economic scale and with directions in the progress of society as a whole. The basic path for resolving problems of growth in large cities and overcoming the trend toward inordinate concentration of the population is to equalize regional differences in the standard of living and to create equal conditions in settlements of varying size. At the contemporary stage the top priority goal is to conduct a purposeful labor-saving policy that will serve as a powerful lever in limiting the growth of large cities and that is capable of providing intensification of production, stabilization, and under certain conditions and with the necessary foundations, a reduction in the size of the largest cities.

In the USSR the processes of transition from an extensive to an intensive path of development in the economy as well as in the population creates a solid, objective foundation for limiting the growth of the largest cities. However, it is necessary to take into account the lack of uniformity in the development of these processes in different cities. For example, in the 1950s Moscow had already made the transition to the intensive path of development of its population which is characterized by a low natural growth rate. This determined to a great extent the need to bring manpower into the city by means of migration. With regard to the formation of the intensive type of socialist expanded reproduction with stabilization and subsequent reduction in the absolute number of people employed, this process as yet has occurred only in Moscow industry. For the other sectors of physical production and the nonproduction sphere, it is characteristic to have a combination of extensive and intensive forms of development that still lead to an absolute increase in the number of people employed.

Trends in the development of sectors of the national economy in Moscow and principles of change in total employment indicate that achieving stabilization of this indicator in all sectors involved in the formation of a city, except industry, is extraordinarily complex and requires considerable capital investments and time. During the Eleventh and Twelfth Five-Year Plans the demand for manpower will be even higher as a result of an expected drop in the working age population. It is not simple to stop the process of increasing the number of work places. It is necessary to make fundamental changes in the capital investment policies involving large cities so that under conditions of limited resources they can be directed more and more toward technical retooling, reconstruction, and expansion of production with an increase in labor productivity and without planning for the city an increase in the over-all number work places and importing workers, that is, pursuing a labor-saving policy. The center of gravity in ensuring the planned development of large cities and managing them should be shifted from extensive growth and expansion to intensive development that is balanced with the surrounding territory. This is especially applicable to Moscow.

Is it possible to halt the recruitment of workers under the so-called quota system? In response to this question, one must point out that there are also positive aspects to this process. Many people from many different regions and

settlements throughout the country have the opportunity, if they have the desire of course, to live and work in the capital (or in other large cities); at the same time, Moscow is given the opportunity to lower the age of its population and to meet its needs for personnel in the most varied sectors and enterprises.

All this does not alter the need to reduce the number of "quota workers" (or to stabilize their residence in the city, primarily through administrative measures). We suppose that it is already possible in Moscow to stop bringing workers in from other cities for sectors such as housing and municipal services, the system of the Moscow Fruit and Vegetable Industry Main Administration, and several others. This can be achieved by expanding various forms of "secondary" employment: combining jobs (the number of people doing more than one job in public production in Moscow accounts for only a few percent of the total number of blue and white collar workers in the city); using the work of students who take classes during the day; and broad participation of workers in volunteer people's patrols for preserving public order. It is well known that a great deal of importance is assigned to the practice of combining jobs in Bulgaria, for example, and the work of students and schoolchildren is used extensively in the United States and other countries. The student construction brigade movement has spread throughout our country and it is very well organized and effective. This is not enough, however. On the path to widespread development of the practice of combining jobs, there are still some limitations that we believe are unwarranted. The problem of enlisting students and older schoolchildren for temporary work is still being resolved poorly, and to a great extent from positions of formalism that are without a practical foundation.

A reduction in the number of people recruited under the quota system into the motor transport services is possible only by transferring a significant number of service vehicle drivers to public transport jobs; this can certainly be accomplished if decrees and instructions already adopted are carried out completely. It is also possible to recruit more of the city's young people to work at plant conveyors and construction sites if the wages paid there are the same as the highest professional wage rate and the system of vocational orientation is improved.

It must be emphasized that devoting more attention to a policy of limiting the growth of the largest city should not in any way mean that certain existing norms and regulations will become stricter. We can also discuss and are discussing economic regulation of the base for city formation, and not setting artificial (and therefore, in the final analysis, unreliable) obstacles to the influx of people into large cities. It must be clearly explained that any administrative move to set stricter norms is capable of causing damage, especially in the long run, in spite of a possible temporary effect of slowing down population growth. Limiting the growth of cities is not a goal in and of itself, the primary goal is to improve the living conditions of the people in the city and its suburbs and to eliminate consistently obstacles that are still interfering in some way with the free and harmonious development of the individual.

If we embark on a path of introducing an open system of growth in the city, it is necessary first and foremost to combine this path with a broad program for the removal from Moscow, which is overloaded industrially, of many production enterprises, supply and sales enterprises, and other organizations in the production infrastructure, especially plants that are harmful in health terms, and that are materials-intensive and energy-intensive, by consistently selecting functions that are most typical for the capital. Incidentally, textile industry was removed from the major European capitals in the last century, while in Moscow over 15 percent of the total number of people employed in the city's industry are still working at enterprises in this sector. It would be expedient here to encourage at the same time (as the removal of the enterprise) the transfer of its basic contingent of workers, which would not be easy to accomplish. The resolution of this problem is a subject worthy of special attention; here we are just pointing out that when working out the technical and economic foundations of Moscow's General plan for a new time period, in our opinion, it is important to outline the necessary measures in this regard, specifically the site to which the enterprise is to be moved (beyond the limits of the suburban zone and preferably outside of Moscow Oblast), and recruiting manpower in the mass trades from southern regions of the country with labor surpluses; when working out five-year plans for economic and social development it is important to determine specific deadlines and goals for the removal of enterprises and organizations in accordance with positions outlined in the new General Plan.

In addition to industry, science and scientific services have become one of the most important urban formation sectors in the largest cities. It can be said that this sector is also developing along an extensive path. There is unwarranted concentration and a constant increase in the number of scientific institutions and the number of people employed in this sphere. For example, one-third of the country's scientific potential is concentrated in Moscow (in terms of number of people employed), along with over half of the organizations carrying out fundamental research. In spite of the high level that was achieved earlier, the number of people employed in science in Moscow increased over the last 15 years by a factor of 1.5. Such a high concentration of scientific activity in one city, even if it is Moscow, is hardly favorable. In addition to the question of removing production enterprises, the question has been raised a number of times of removing some of the scientific research institutes and even VUZes from Moscow. As a rule, however, in practice this method has not yielded acceptable results. Much better results were obtained by forming completely new, quite large scientific and scientific production centers in Moscow's suburban zone; these centers were formed on the basis of developing long-range directions in science and technology (Dubna, Pushchino, Dolgorudnyy, etc.) Quite a few Muscovites work in these centers as well. We think that this practice should be expanded.

A broader approach is required not only by the question of attracting people to Moscow, but also by the question of whether it is necessary to keep them there and thus continue to increase the number of people employed in the services.

In Moscow, as we already mentioned, there are certain surplus labor contingents (scientific and VUZ personnel, engineers); meanwhile, many other cities are in great need of such workers, especially highly trained workers. There are still

VUZes, for example, that do not have even one doctor of sciences; there are scientific institutions with a severe shortage of candidates of sciences; and in Moscow, experienced scholars often cannot be removed from the jobs that should be held by junior scientific associates. Thus, it becomes evident that it would be expedient for many workers to leave Moscow, even if only temporarily. This would help everyone--the capital, the cities in need of highly skilled workers, and the workers themselves (since they could exercise their creative abilities much more fully). It is also completely possible for some retirees to leave Moscow (and other large cities), who would benefit by settling in areas with a better natural environment, in rural localities, and in small towns. This process would be encouraged greatly by removing obstacles to obtaining private ownership of homes in rural areas, which are often vacant.

With the aim of improving the exchange of skilled personnel with other regions and encouraging some of the scientific and technical personnel to leave the city, it would be expedient to introduce a "guaranteed return" for any resident who leaves the city for professional work or who changes his residence after retirement. The selective reservation system for living space now being used when people leave the city is just a partial measure and is not enough to resolve the problem. It should be stressed that no financial expenditures are needed for adopting all the measures of this type; all that is needed is well-considered decisions.

It is also expedient to implement measures to regulate the growth of student contingents; this can be done by shifting some of the areas of specialization at VUZes (not within the city's profile and that have educational bases in other parts of the country) to VUZes in other cities, while creating in Moscow the conditions for organizing training of personnel in new, future directions of science and technology.

A great deal of effectiveness is needed in the control over the formation of new subdivisions, including scientific ones, at ministries and departments.

With the aim of activating the demographic policy it would be expedient to work out a comprehensive program for the development of Moscow's population for a time period that coincides with the new time period of the new General Plan for Moscow. The practicality of this plan will depend to a great extent on measures for further improvement in vocational orientation work in Moscow that is aimed at having school pupils completely master labor skills directly during the instructional process, and especially in those trades for which Moscow brings in workers from other cities. The plan of the CPSU Central Committee, "Basic Directions in Reforming General Education and Vocational Schools", is making radical changes in the system of vocational education for school pupils. It stipulates that universal secondary education for young people will be supplemented by universal vocational education. The specialization of training, and the specific nature of the socially useful, productive labor will be determined by the soviet executive committees of city and rayon councils of people's deputies, taking into account the demand for various personnel.

Under contemporary conditions of growth in the largest cities, the basic direction of the labor-saving policy is a course toward economizing on living

labor by means of the most rapid assimilation of achievements in technical progress and especially by reducing manual labor (in the 1970s about 40 percent of all the industrial workers in Moscow were engaged in unmechanized labor), making better use of manpower in the labor process, and eliminating surplus work places that exist at almost every enterprise and organization, for example, in the services sphere (where with extensive growth there are not enough workers). At the same time there should be better utilization of the possibilities of economic incentives for introducing scientific and technical achievements; and collective forms of economic incentives and progressive forms of the collective organization of labor should be developed; this is a generally recognized goal.

With respect to the so-called demographic sources of manpower, they have already been exhausted to a great extent in Moscow. There are still some reserves, which can be sought out and special emphasis can be placed on this.

The principle of saving labor is also tied to demographic policy. This is not the same connection in which demographic dynamics serve as the direct cause of a manpower shortage, since as the birth rate declines the natural growth declines and in light of this the question arises of stimulating the birth rate. Even if it was possible now to increase the birth rate, this would have an effect on the composition of the labor force only in 16-20 years. Therefore, from the standpoint of overcoming the shortage of manpower resources this direction cannot be viewed as the one with top priority, although it may be worthy of attention as a strategic goal. The main point is, as scientific research shows, that it is difficult to achieve a fundamental change in the trends of the birth rate processes; and in any case, we do not have the resources at our disposal yet that could be allocated in order to bring about fundamental changes.

Widespread discussion of birth rate problems has overshadowed the demographic problem. The objective process that involves the "aging" of the population and the larger number of people going beyond working age (along with a smaller number of people entering working age) is now aggravating the demographic situation. It is at this "exit" from working age that available manpower resources are not be utilized economically. Active labor activity should not only be prolonged under new conditions, but everything should be done to encourage it and provide incentives for when people go beyond working age. It is necessary to create more flexible forms of participation in national production for people of retirement age and a system needs to be developed for people to make the transition to retirement with a gradual decrease in their production workload. These measures could include a shorter work day for people in the older age groups, a change in profession, partial payment of pensions to make up for the reduced wages that come with declining labor activity, and varying retirement ages for people in different professions, etc. Quite a few sound decisions have been made regarding all of these questions, and it is important for them to be put into practice in an energetic way.

Of exceptional importance is the question of strengthening elements of the economic mechanism for regulating the growth of cities and utilization of their manpower resources. For a number of years there has been discussion in the literature of introducing additional fees for personnel that exceed the norms, the so-called "manpower fee" paid by enterprises to the city in proportion to the number of workers they have. This discussion has not yet had significant results. It is also possible that the establishment of new relations between city-forming enterprises and city organizations in the utilization of manpower resources, the production infrastructure, territory, water, etc., which often lacks the proper control, is of an extensive nature. Stricter norms should be set for city resources. These norms can be like quotas, which when exceeded would create worse conditions for the enterprise and would have an effect on the possibilities for providing economic incentives.

Finally, of the utmost importance is the planning of integrated development of all sectors of the national economy in the largest cities, and coordinating this planning with the development and distribution of national economic projects throughout the entire territory of the given oblast and economic region. We should stress that we mean the entire territory and not the large-city agglomeration, the further growth of which essentially prevents the growth of all other large cities. Therefore, the contemporary course should serve as a policy for limiting the growth of the large cities and agglomerations.

In conclusion, we should emphasize that in our opinion, the most important focus of attention now needs to be the fact that there has not been a complete, psychological reorganization of economic thinking and public opinion that corresponds to the principle of conserving labor in all sectors of society's vital activities. The most energetic efforts must be made to achieve this reorganization.

#### FOOTNOTES

1. Cf. B. S. Khorev, "Problemy gorodov" Problems of Cities, Moscow, 1975, and "Rost gorodov i sistema rasseleniya" The Growth of Cities and the System of Population Settlement, Moscow, 1975; M. N. Mezhevich, "Sotsial'noye razvitiye i gorod" Social Development and the City, Leningrad, 1979; A. V. Dmitriyev and M. N. Mezhevich, "Socialist Urbanization and Limiting the Growth of the Largest Cities", SOTSIOLOGICHESKIYE ISSLEDOVANIYA, No 4, 1981; "Sotsialisticheskiy gorod kak ob'yekt issledovaniya i upravleniya", (The Socialist City as a Subject of Research, Leningrad, 1983; etc.
2. Cf. "Rasseleniye i dinamika naseleniya Moskvy i Moskovskoy oblasti" The Settlement and Dynamics of the Population in Moscow and Moscow Oblast, Moscow, 1981, p 45.

3. Cf. G. I. Samborskiy, "The Socio-Economic Development of Moscow", in "Rol' obshchestvennykh nauk v bor'be za prevrashcheniye Moskvyy v obraztsovyy kommunisticheskiy gorod" The Role of Social Sciences in the Campaign to Turn Moscow into a Model Communist City, Moscow, 1980, p 18; N. Barbash and V. Glushkov, "Some Aspects of the Demographic Situation and Intracity Settlement in Moscow", in "Rasseleniye i demograficheskiye protsessy" Settlement and Demographic Processes (NARODONASELENIYE, No 41), Moscow, 1983, p 48; "Rasseleniye i dinamika...", op. cit.
4. Cf. Barbash and Glushkov, op cit., p 54.
5. The manpower shortage in the city as a whole in 1979, for example, was about 100,000 (cf. V. V. Grishin, "Izbrannyye rechi i stat'i" Selected Speeches and Articles, Moscow, 1979, p 625.
6. In this connection, one must point out that the situation is not improved by mass propaganda media, which are called on here to play an active, constructive role. Literature, the press, and films praise the merits of life in the largest cities to the extreme, and say nothing about the negative aspects. One example of this approach which is not serious enough is the delighted tone which is used to announce the appearance of each new city with a million people.
7. In the 1960s and 1970s its population grew at an average annual rate of 100,000 people (cf. G. I. Samborskiy, op. cit, p 18.) and since the late 1970s the growth rate has dropped to 80,000-90,000 people per year.
8. Cf. "The Plan of the CPSU Central Committee. Basic Directions in the Reform of General Education and Vocational Schools", PRAVDA 4 January 1984.
9. Cf. V. S. Steshenko "Izucheniye vosproizvodstva narodonaseleniya" (A Study of Population Reproduction, Kiev, 1981.

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GENERAL

NOTED JURIST EXPLAINS TEMPORARY CHILD SUPPORT REGULATIONS

Moscow KHOZYAYSTVO I PRAVO in Russian No 5, May 84 pp 50-51.

[Article by Geniy Pavlovich Baturev, chief of the General Courts Department of the USSR Ministry of Justice and member of the ministry collegium: "In the Child's Interest"]

[Text] On 6 February 1984 the USSR Council of Ministers adopted a decree "On Temporary Benefits for Minor Children During the Search for Parents Refusing To Pay Alimony."\* Our correspondent asked G. P. Baturev, chief of the General Courts Department and member of the Collegium of the USSR Ministry of Justice, to comment on this document.

Before I talk about the content of the decree, I would like to note that this act is the latest expression of concern by the party and government for our children. It is one of the social measures our society has taken to improve the living conditions of children. Suffice it to say that the five-year plan for the economic and social development of the USSR envisages the maximal expansion of the network of pre-school establishments, schools and Pioneer camps and the creation of more favorable conditions for women who wish to continue working while they raise their children.

The 1981 decree of the CPSU Central Committee and USSR Council of Ministers "On Measures To Reinforce State Assistance to Families with Dependent Children" also specifies a broad range of benefits and privileges for families with children. All of this testifies to constant concern and attention.

Although the state has taken on a large part of the cost of educating and raising children, it has not relieved parents of the responsibility of supporting minor children. The overwhelming majority of parents are quite diligent in discharging this obligation. Unfortunately, however, there are still some regrettable exceptions to the rule.

The marital and family laws of the USSR and union republics envisage the compulsory performance of this duty, including the collection of funds (or alimony) for the support of children when parents refuse to assume these expenses voluntarily.

Sufficient proof of this can be found in Article 67 of the RSFSR Marital and Family Law Code. It says: "Parents are obligated to support their minor children and disabled adult children needing assistance." These provisions can be found in all union republic law codes. Consequently, if one or both of the parents refuse to support their children by giving them financial assistance, the court will exact support payments from them.

As we know, alimony for minor children is set at one-fourth of the parents' wages (or income) for one child, one-third for two children, and one-half for three or more.

The court order will be sent to the debtor's place of employment, where the money will be deducted from his wages and sent to the plaintiff. The alimony plaintiff is usually the mother of the children.

Unfortunately, many debtors have already tried to avoid complying with the court order by frequently changing their place of employment and even their place of residence and by giving the courts false information. It is quite obvious that all of this delays the deduction of support payments from wages and the delivery of the funds to the plaintiff. If a person deliberately avoids child support payments, he can be prosecuted and often is prosecuted for violating Article 122 of the RSFSR Criminal Code and corresponding articles of the criminal codes of other union republics.

But sometimes there is a long interval between the time when the debtor starts avoiding payment and the time when he is apprehended.

This law envisages the collection of alimony from the time the claim is presented to the court. This means that the entire sum allotted to the child will eventually be collected from the debtor.

But this will happen "eventually," and child support payments are not made while the police are looking for the debtor (this sometimes takes months).

To improve the financial status of children whose parents are wanted by internal affairs organs for non-payment of support, the USSR Council of Ministers has instituted temporary benefits for minor children in this new decree.

The temporary benefits have been set at 20 rubles a month for one child, 30 for two, 40 for three and 50 for four or more. Union republic social security agencies will be responsible for these payments.

The state will make these payments to the plaintiff only during the search for the parent evading support payments.

The plaintiff will not have to repay these funds. The funds paid by the state for child support will not be collected from the plaintiff. They will be collected from the parent who evaded the support payments after he has been apprehended and has been placed in a job. Furthermore, an extra 10-percent charge will be added to the total sum to be collected. These funds will be used for the payment of other temporary benefits.

I will illustrate this with an example. Citizen M. fails to make child support payments for 4 months. During this time the state pays his child 80 rubles (20 a month). Consequently, when M. is found, he will owe the state not 80 rubles, but 88, the amount plus 10 percent. Furthermore, M. will be obligated to pay the child's mother the difference between the sum she would have received if M. had not evaded payment (25 percent of his wages for 4 months) and the actual amount the child received (80 rubles).

These payments will be financed by the funds collected from parents who evade support payments, in the amount of the sums paid out during the search for these parents plus 10 percent of the total, and by 50 percent of the state tax collected for the dissolution of marriages by the courts and civil registry offices.

Benefits will begin to be paid on 1 January 1985. The procedure of their assignment and payment during the search for debtors and their subsequent collection will be defined in instructions now being drafted by the USSR Ministry of Justice, the USSR Ministry of Finance, USSR Gosbank, the State Committee of the USSR for Labor and Social Problems and the USSR Ministry of Internal Affairs.

But this is not all. Support obligations generally arise in connection with broken homes and dissolved marriages. The judicial procedure of the divorces of spouses with minor children is stipulated in existing legislation.

The new decree of the USSR Council of Ministers envisages the payment of a higher state divorce tax to courts and civil registry offices for the partial coverage of the expense of these temporary benefits.

Since February 1984 a tax of 100 to 200 rubles has been collected from one or both spouses for a court dissolution and of 100 rubles for a divorce from a civil registry office.

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