

The Soviet Wages System

Source: *Labour*, February 1938, p. 141-2;
Transcribed: by Ted Crawford.

In the early days of the revolution the victorious working-class was striving for equality. Attempts were made to introduce “equal payment for all.”

I recollect, in the spring of 1918 in the People’s Commissariat for Foreign Affairs everyone from the People’s Commissar to the messengers received 500 roubles per month.

This system did not work and soon disappeared. However, during the whole period of war communism inequality was accepted as an evil that would one day be overcome.

Since the Socialist Soviet Republic is Socialist only in name no real equality is possible.

Soon a tendency towards the opposite extreme began to develop. Seventeen categories of wages were introduced. The opposition of the workers prevented the realisation of this scheme for a considerable time. A number of variations existed – eight categories of wages generally prevailed.

Definite rates of wages for each category of workers were fixed in the collective agreements between the employing State institutions and the Trade Unions.

With the advent of the Stalin regime the gospel of inequality began to be preached. The system of payment by result, the all-round application of piece-work made rapid progress. In 1928, When the first Five Year-Plan was introduced, piecework accounted to 57.5 per cent., in 1932 it reached 63.7 per cent., in 1933 it grew to 70 per cent, And it was supplemented by a “progressive” bonus system.

“The right-opportunist leadership of, the Trade Unions has, in practice, carried out a policy of equalisation ... and decrease of piece work.” complains A. Kudriavtsev in *Voprosy Profdvzhenia* (Problems of Trade Unionism), October, 1937. “The enemy of the people, Tomsky, and his gang have been perverting the policy of the Party directed towards a system of payment by quantity and quality of work. An exceptional role in overcoming the petty-bourgeois equalisation was played by Comrade Stalin, who in 1931 has given a complete programme of the struggle for the eradication of equalisation. On the directives of Comrade Stalin, the Party and the Trade Unions have carried out an enormous work for the establishment of piecework, progressive bonus and other encouraging forms of payment.”

Since Shvernik was put in place of Tomsky the Trade Unions entered upon a severe fight against “illegal increases of wages.”

“In many cases” indignantly declares the official Trade Union organ, *Trud*, of 11/8/1937, “there occurred arbitrary illegal additions to wages, leading to enormous over-expenditure on wages.”

The Soviet Trade Unions who have developed “Socialist” competition, shock brigadism, and the Stakhanov “movement” are using all their power to develop the “progressive piecework system” of remuneration of labour in all branches of industry. In March, 1937, this system prevailed:

	Per cent.
In iron and steel works	to 37.6
In the cotton industry	to 42.11
In the linen industry	to 59.5
In the coke-chemical industry	to 45.9

The essence of this “progressive piecework system” consists in the introduction of various scales of rates of payment for the same kind, quality and quantity of work to be applied in accordance with the individual worker’s attainment, non-attainment, or the percentage of his over-attainment of the prescribed norm of output.

The differentiation of piecework rates can thus be not only of a progressive character, that is to say higher than the basic scale, but also regressive – lower than the normal payment in case of non-fulfilment of the norm. The fixing of the prescribed norms of output therefore is of paramount importance to the workers.

At the end of 1936 a considerable percentage of the workers were unable to attain the prescribed norm, as may be seen from the instances given in the following table:

DECEMBER 1936				
Industry	Percentage of attainment of norm			
	Not attained	100-119%	120-149%	150-119% & over
Ore mining	14.8	29.6	37.4	18.2
Engineering	15.4	24.9	31.2	28.5
Chemical	16.7	33.8	29.4	20.1
Cotton	44.9	45.9	7.3	1.9
Timber	33.5	35.2	25.3	6.0
Paper	31.6	42.6	19.0	6.8

By the spring of 1937 in most industries the prescribed norms of output were considerably raised – by 13 to 40 per cent.

As the prevailing low wages led to a tremendous fluctuation among the workers many factory administrations tried, under the cover of the progressive piecework, to add in various ways to the workers' earnings. Such "illegal practices" brought the wrath of the "Trade Unions" on to the heads of the directors. Shvernik, the secretary of the V.C.S.P.S. (Central Council of Trade Unions) proclaimed:

"We must fight against the attempts utilise the progressive piecework system for a mechanical increase of wages, unconnected with an increase in the productivity of labour."

Already the Decree of the Council of People's Commissars of February 21 1933 , was intended to put a stop to the "mechanical squandering" of the wage funds. It also increased the porters of the "commanders of production" as regards regulation of labour conditions and wages.

Since the wage bills for each industrial institution, or works are fixed quantities the high premiums paid out to lucky Stakhanovites have to be counterbalanced by low payments to the average workers. When, for instance, the Stakhanovite Bannov, candidate for the Supreme Council) boasts that he attained fourteen norms and earned 355 roubles in one shift his unfortunate fellow-miners will have to foot the bill.

Soviet statistics on wages are both unreliable and inadequate. They publish only "average wages" for various spheres economic life. These include the wages of the highest officials, together with those of technical staff, employees, and workers. They provide no guide to the actual position of various groups of workers. Such information is rarely found.

While the total number of employed persons in all spheres of economic life in Russia increased from 22,300,090 in 1933 to 26,300,000 in 1937 the total wage fund simultaneously was raised from 25.0 milliard roubles to 78.3 milliard roubles.

The average wages show the following development during the period of the second Five-Year-Plan:

Year	In Roubles			
	Average Wage: All Spheres Economic Life		Average Wage: Big Industry	
	Yearly	Weekly	Yearly	Weekly
1933	1,566	30.12	1,662	31.96
1934	1,858	37.65	1,927	37.06
1935	2,269	43.63	2,375	45.67
1936	2,700	51.92	2,864	55.08
1937 (plan)	2,976	57.23	3,000	57.70

Stalin's economists and propagandists simply compare the bare figures of 1924-1925 with those of 1936-37 to "show" the great increase in wages. Yet they know well enough that in 1924-25 there was the stabilised tchervoniets-rouble while the value of the present inflated Stalin rouble is negligible. A comparison with 1934 also misleading – in 1934 there were still the ration cards: The worker received on the average about one-third of his demands at a very low price. Since, January 1 and October 5, 1935, all these cards have been abolished and unified prices established.

In 1936, according to *Trud* 7.6 per cent of the workers earned less than 300 roubles per month. As in that year the total number of persons employed was 25.7 millions, it follows that the earnings of about 1,953,000 persons were less than 100 roubles per month. To give some idea of the value of that sum let us state that 100 roubles are equal to 41.7 kilogrammes (approximately 84 lb.) of the cheapest kind of wheat flour.

On November 1, 1937, the Council of People's Commissars allocated another 600,000,000 roubles for 1938 and 100,000,000 for November and December, 1937 to raise the earnings of the low-paid workers to 100-115 roubles per month.

According to a report published in *Voprosy Progdvizhenia* of July, 1937, in a large Moscow engineering works, 77 per cent. of the workers earn less than 1 rouble per hour and only 4.8 per cent, more than 1.50 roubles.

Low wages may be explained by the backwardness of the country. But a wage system that deliberately sets out to destroy the solidarity of the workers, on which the working-class movement is based is an attribute to Stalin's personal dictatorship.

Stalinist Laws to Tighten "Labor Discipline," 1938-1940

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A major source for the following is

Donald Filtzer, *Soviet Workers and Stalinist industrialization*, Pluto Press, London, 1986; cloth, 338 pp.

Though a socialist who wrote favorably of Russia's October (Bolshevik) Revolution (1917), Filtzer is strongly anti-Stalinist.

Workers' living standards declined sharply from 1928 to 1933 by at least half, to a bare subsistence level. Part of this was the disastrous outcome of agricultural Collectivization, but part of it was deliberate policy: to finance the forced industrialization of the First Five-Year Plan (1928-1932) by squeezing the workers with simultaneous pay-cuts and production speed-ups. After 1933, living standards began to recover, but only precariously. For example, by 1937, wages had climbed back to 60% of the 1928 level. Nearly all investment was directed to heavy industry and weapons, rather than

consumer goods for working families. Despite a shortage of workers for new industrial projects, fierce repression of independent union activity ensured that wages would remain low.

Lower wage levels were not the only indicator of poverty. (After all, money has only limited value in a rationed "access" economy.) Equally important were wretched housing conditions, especially in industrial complexes outside established cities: overcrowded, sometimes unheated barracks, or even pits in the ground ("zemlyanki"). For ideological reasons, the Soviet government had destroyed any private housing market, that otherwise might have taken some of the slack. Government food supplies were often scant (requiring much waiting in lines) and sometimes rotten; private food suppliers had been wiped out by Collectivization. Local public transport was crowded and unreliable, if it existed at all.

(The wonderful Moscow Metro, first opened at a few stations in the 1930s, was only a showcase, in no way representative of conditions on buses and streetcars, especially outside the capital. In many areas, the only transport was by foot along muddy unpaved roads. One should not confuse the Stalin era with the more settled Khrushchov and Brezhnev periods, where a real effort was made to provide most urban working families with some sort of housing, public transport, and tolerable [even if not luxurious] living standards.)

Nevertheless, when workers got fed up with conditions at one site, they were free to quit and go look for something better. And this was no mere "freedom to starve"; Stalin's forced industrialization meant that plenty of jobs were available, even if low-paid. Or, if workers didn't want to move, they might simply take days off or show up late.

Nominally, by 1932, absentees were to be fired; quitters (and discharged absentees) were to be barred from housing and rations, and were to be blacklisted from new employment. See, for example

Decree of the Central Executive Committee and Council of People's Commissars of the USSR, ["On Firing for Unexcused Absenteeism,"](#) 15 Nov 1932

Source: "Pravda," 16 Nov 1932, p. 1

In reality, these sanctions were widely ignored, partly because they were unenforceable: an attempt in 1930 to impose "labor books" (labor passports, required for getting new jobs, listing all previous work and the conditions for discharge) had been quietly frustrated by shopfloor resistance. In addition, managers, desperate for additional workers, would hire them without too rigid an examination of their past. Some workers deliberately showed up late in order to force their firing, so that they could get a better job elsewhere.

In late 1938, however, after he had exterminated his former political opponents, Comrade Stalin was ready to settle accounts with the workers.

His first measure was a requirement for labor books. Unlike the 1930 law, this one was enforced; society by now was thoroughly cowed.

Decree of SNK SSSR, 20 Dec 1938, "O vvedenii Trudovykh knizhek", *Pravda*, 21 December 1938.
([Russian text](#) only; English translation may be posted later)

Now that labor books gave the government leverage, this was followed by a major revision of the labor code:

Resolution of the SNK SSSR, CK VKP(b), and VCSPS

"On Measures for the regulation of labor discipline, improvement in the practice of state social insurance, and struggle against abuses in that matter," 28 Dec 1938.¹

(partial text available in [Russian](#), or in [English translation](#)).

This restated the 1930 and 1932 penalties for quitting and absenteeism (mandatory firing, blacklisting, and loss of social benefits, eg housing, food rations, and social insurance). Managers who failed to obey and enforce these laws were subject to dismissal and criminal prosecution.

On 8 January 1939, the government made clear that an unauthorized [lateness of 20 minutes](#) (or taking a break 20 minutes too long, or leaving 20 minutes early) counted as absenteeism, grounds for mandatory dismissal (*Pravda*, 9 Jan 1939). Transportation breakdowns (a common event) were no excuse; a doctor's certificate was required, and doctors who gave certificates too easily themselves faced prosecution and prison.

Some workers still found it worthwhile to be absent and force a mandatory dismissal, so that they could seek work in a place where labor books were not closely read. Stalin put an end to this with a remarkable law,

Decree of the Presidium of the Supreme Soviet, 26 June 1940

["On the Transfer to the Eight-Hour Working Day, the Seven-day Work Week, and on the Prohibition of Unauthorized Departure by Laborers and Office Workers from Factories and Offices"](#)²

This replaced the civil sanctions of the 28 Dec. 1938 decree with mandatory criminal penalties: 2-4 months imprisonment for quitting a job, and 6 months of probation and 25% pay confiscation for an unauthorized tardiness of 20 minutes. Both managers and prosecutors were themselves subject to criminal prosecution if they did not enforce this law strictly.

Comment from the Ideology Dept:

To the petit-bourgeois mentality, these laws might suggest that Comrade Stalin was anti-labor. Nothing could be further from the truth. The difference between the Soviet Union and capitalist societies is that Soviet workers are building their own future, while Western workers are exploited for the advantage of greedy capitalists. As testimony from trade unions reveals, Soviet workers themselves were fed up at the frustration of their efforts by slackers, parasites, and self-seekers. They were grateful for this evidence that the Soviet Government took their concerns seriously.

Notes

Title of Russian original:

Postanovlenie SNK^{ab1} SSSR, CK VKP(b)^{ab1}, i VCSPS^{ab1}, «O Meropriyatiyax po uporyadocheniyu trudovoj discipliny, uluchsheniyu praktiki gosudarstvennogo social'nogo straxovaniya i bor'be s zloupotrebleniyami v e[^]tom dele», ot 28 dekabrya 1938

Go [back](#)

Title of Russian original:

O Perexode na Vos'michasovoj Rabochij Den', na Semidnevnyu Rabochuyu Nedelyu i o Zapreshchenii Samovol'nogo Uxoda Rabochix i Sluzhashchix s Predpriyatij i Uchrezhdenij

Go [back](#)

SNK -- Sovet Narodnyx Kommissarov ("Council of People's Commissars")

SSSR -- Soyuz Sovetskix Socialisticheskix Respublik (USSR)

CK -- Central'nyj Komitet ("Central Committee")

VKP(b) -- Vsesoyuznaya Kommunisticheskaya Partiya (bol'shevikov) ["All-Union Communist Party (of Bol'sheviks)", renamed "Communist Party of the Soviet Union" (CPSU) perhaps in 1952.

VCSPS -- Vsesoyuznyj Central'nyj Sovet Professional'nyx Soyuzov ("All-Union Central Council of Trade Unions"). Under Stalin and his Soviet successors, these trade unions were docile instruments of the government.

Go [back](#)

Appendix

I have posted some extracts from a 1946 Stalinist book on labor law at trud-pravo-e.html.

The extracts discuss the reasoning behind the criminalization of absenteeism, and especially what constitutes a legitimate excuse. The tone of discussion is just slightly apologetic, suggesting that, at least in the liberalized atmosphere of the first few months after WW II, judges tried to ameliorate the law in some cases.