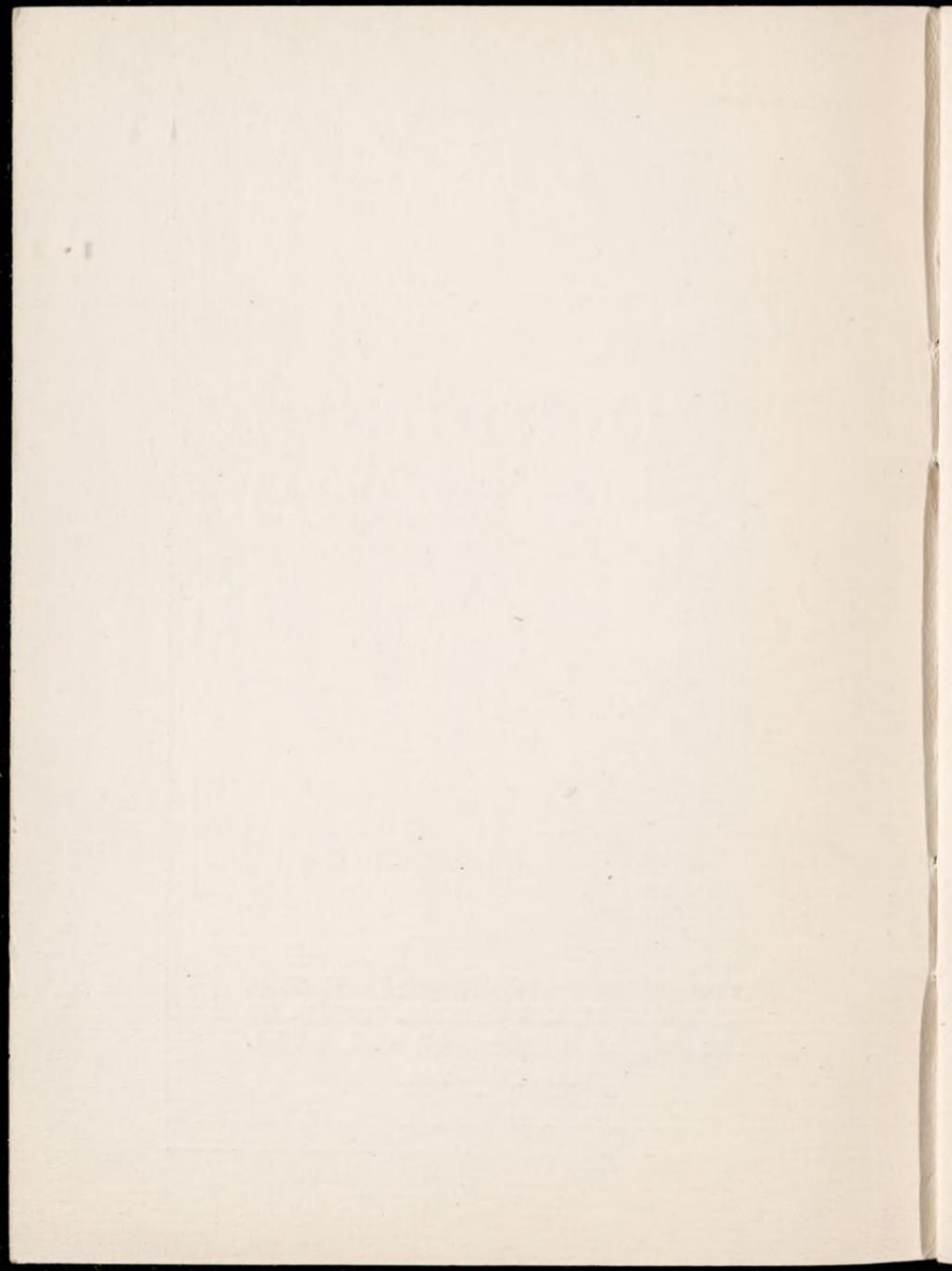


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**UNEMPLOYMENT IN THE USSR**  
AND  
**THE STRUGGLE AGAINST IT**

**PUBLISHED BY THE COMMISSION FOR FOREIGN  
RELATIONS OF THE CENTRAL COUNCIL OF  
THE TRADE UNIONS OF THE USSR.**

**MOSCOW — 1927**



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MOSCOW—1927

Главлит А—1806.

Зак. 205.

Тираж 4.000.

«Интернациональная» 39 тип. «Мосполиграф», Б. Путиковский пер. 3.

## Unemployment in the USSR and the Struggle against it

### The Unemployment Question.

A glance at the trend of development of unemployment in the USSR reveals at first sight a very strange position: during the decline of the national economy, there was no unemployment, but it grew with the development of industry. During the years of blockade and civil war (1919—1921), not only was there no unemployment, but the country experienced an acute shortage of labour power, despite the fact that the majority of factories and industrial undertakings were idle and Soviet national economy was experiencing a heavy crisis. The reason for this was, on the one hand, that many able-bodied men were in the Red Army and, on the other, that, as a result of the famine in the towns, thousands of workers had moved to the villages where food was less scarce.

The civil war and blockade ended (1922) and Soviet national economy, particularly industry, began to revive.

Consequently, the position of town workers improved, which circumstance caused those workers, who had gone to the villages during the famine, to return to the towns again, bringing also in their train part of the peasant population.

A huge number of new workers and employees were poured into the national economy during the

revival period (1922—26). This figure, according to the State Planning Commission of the USSR, amounted in 1922—23 to an average of 6,343 thousand, and in 1926—27 to 11,160 thousand. The figures regarding the number of trade union members also confirm this: whereas on January 1, 1923, the number was 4,324 thousand, on January 1, 1927, this figure had grown to 9,625 thousand.

These figures leave no doubt as to the fact that the national economy of the USSR in the period 1922—26 absorbed about 5,000,000 additional workers. Yet, in spite of the rapid growth of the national economy and the introduction of huge number of workers and other employees into industry, unemployment has steadily grown during that period.

Table No 1.

Registered unemployed at the Labour Exchange of USSR

Date	No. of Unemployed.
January 1 1922 . . . . .	160,000
» » 1923 . . . . .	641,000
» » 1924 . . . . .	1,240,000
» » 1925 . . . . .	901,600
» » 1926 . . . . .	951,200
» » 1927 . . . . .	1,310,500

Thus, the registered unemployment figure at the Labour Exchange at the beginning of 1922 was 160,000; in 1923—641,000 and in 1924 it increased to 1,240,000. In 1925, however, the unemployment figure decreased (true, partly owing to the fact that non-proletarian elements were excluded from the unemployment registers, as a result of the abolition of the privileges previously extended to them), but in 1926 it began to increase again.

It should be mentioned here that the exact trend of unemployment in the USSR cannot be observed from this table, since the figures for each year include a varying number of Labour Exchanges and the rules for registering the unemployed change from time to time. But, in spite of this, the table gives a fair idea of the situation.

This process, in which unemployment increases side by side with the rapid absorption of workers and employees into industry, is the most characteristic proof of the causes of unemployment in the USSR. It shows that with the improvement in the material condition of the proletariat, that section of the town population which migrated to the villages during the famine and economic decline, has returned to the towns. But this return of proletarian elements to the towns in search of work came to an end in 1924—25. The simultaneous influx of peasants, however, as will be seen later on, still continues to such an extent that the urban branches of the national economy have arrived at a point where it is quite impossible for them to absorb the surplus labour power. This has resulted in a disproportion between labour supply and demand, and a corresponding increase in the number of registered unemployed.

Without going further into the history of unemployment in the USSR, it would be as well to examine the situation during the last 2 years. (Table No. 2 page 6).

Thus, the increase in the registered unemployment figure, especially that of unemployed trade unionists, is continually on the ascendant. The increase at the beginning of 1927 is particularly great, but from June 1, 1927, it has been gradually decreasing.

In the winter months the increase is due to unemployment among seasonal workers, especially among builders, water-transport workers, workers on sugar

Table No 2.

No. of Unemployed in 281 Labour Exchanges (in thousands)

Date.	Total No. of Unemployed.	Including:				Total No of unemployed trade unionists <sup>1</sup> .
		Skilled Workers.	Skilled builders	Office Workers	Unskilled Workers	
Oct. 1, 1925	920.4	142.2	35.6	205.5	482.4	—
	100.0%	15.5%	3.8%	22.3%	52.4%	—
Jan. 1, 1926	951.2	139.4	48.8	190.2	503.5	468.5
	100.0%	14.7%	5.1%	20 %	52.9%	49.2%
Apr. 1, 1926	1056.5	159.3	72.7	179.2	573.2	498.2
	100.0%	15.1%	6.9%	17.0%	54.3%	47.4%
Jul. 1, 1926	1065.5	168.1	79.2	178.2	574.5	505.5
	100.0%	15.8%	7.4%	16.7%	53.9%	47.4%
Oct. 1, 1926	1070.7	182.7	32.3	210.5	586.1	514.7
	100.0%	17 %	3 %	19.7%	54.7%	48.1%
Jan. 1, 1927	1310.5	207.9	71.0	249.3	686.0	703.8
	100.0%	15.9%	5.4%	18.9%	52.7%	53.7%
Apr. 1, 1927	1477.9	240.3	96.7	283.8	758.1	795.2
	100.0%	16.3%	6.6%	19.2%	51.4%	53.8%
Jul 1, 1927	1216.9	202.7	77.7	260.6	606.6	701.5
	100.0%	16.7%	6.4%	21.4%	49.8%	58 %
Aug. 1, 1927 (prelim. data)	1052.6	175.9	34.3	266.8	525.9	—
	100.0%	16.7%	3.3%	25.3%	50. %	—
Sep. 1, 1927 (prelim. data)	1127.4	181.3	51.4	283.6	560.1	—

<sup>1</sup>) The figures indicating unemployment among trade unionists are not, complete, because not all unemployed trade unionists are registered at the Labour Exchange. This is partly due to the lack of Labour Exchanges in many provincial towns and workers' settlements.

plantations, etc. For these workers unemployment is a normal phenomenon, accounted for by the natural intervals in their work. These workers should not, therefore, be considered unemployed in the usual sense of the word.

The situation is far more serious among the main categories of workers and employees, particularly among the industrial workers. We find that during 18 months, from October 1, 1925 to April 1, 1927, the number of members of trade unions, except those of agricultural workers and other seasonal occupations, increased from 6.280,7 thousand to 7.809,6 thousand, i. e. by 1.529 thousand. And, since by trade union rules only employed persons can be admitted membership, it is obvious that during these 18 months, over  $1\frac{1}{2}$  million persons (exclusive of seasonal workers) were again taken on to work in the various branches of national economy. And yet, the number of registered unemployed persons, excluding seasonal workers, increased during this period by almost 500 thousand persons. True, this increase was partly due to new measures introduced by the trade unions, making it compulsory for all unemployed trade unionists to register at the Labour Exchange.

In capitalist countries with a high industrial development the ranks of the proletariat are filled up slowly and almost exclusively from the urban population. For such countries, a large increase of employed workers accompanied by a simultaneous growth of the number of unemployed would be impossible, since fresh labour power is generally recruited from amongst the unemployed urban proletariat.

The situation in the USSR is entirely different. In our primarily agricultural country, any rapid development of industry and the consequent improvement of the condition of the town workers, pro-

duces an influx of peasants into the towns, whose standard of life in the villages is lower than in the towns. According to the data of the People's Commissariat of Labour, the number of peasants taking up seasonal work was, in 1924/25 — 2,788,000; in 1925/26 — 3,885,000 and in 1926/27 — 3,590,000. A comparison of the yearly income of an independent peasant farmer (an average of 205 roubles, according to the State Planning Commission, for 1926—27 and of a town employee 710 roubles), more than explains the frantic efforts of the peasants to remain in the towns as permanently employed workers.

This tendency is confirmed by the figures showing the growth of the urban and rural population. According to the State Planning Commission, the population in rural localities increased in 1925—26 by 1,5%, whereas that of the towns increased by 5,7% in the same year.

Increased unemployment during the last few years, despite the even greater increase in the number of employed workers, comes as a result of the rapid influx of peasants to the towns, and of the considerable increase in the number of young people (almost 350,000 yearly), whose labour cannot be wholly employed. Less important, but nevertheless a significant factor influencing unemployment in the towns, is the gradual proletarianisation of other sections of the urban population which, before the Revolution, would never have dreamed of taking up employment, e. g. the urban petty-bourgeoisie, and women of the so-called housekeeping class.

From June, 1927, the figures of registered unemployed show a marked decrease (see Table No. 2), as a result of increased employment, during the summer months, of seasonal and, to a certain extent, industrial workers. On the other hand, the regulation

of the Council of People's Commissars (passed in the Spring, 1927), limiting the registration at Labour Exchanges of persons previously unemployed, also had its effect in reducing the figures of registered unemployed.

Towards the beginning of September, 1927, with the gradual closing down of the summer seasonal work, the unemployment figures once more begin to increase.

In the general total of unemployed, unskilled workers predominate to a considerable extent. For instance, as Table No. 2 shows, skilled industrial workers always comprise about 16%, office — workers about 20—25%, and unskilled workers over 50%, of which 29% are taking up employment for the first time.

The slackened rate at which the industries absorb the new cadres of workers and the continuous influx of peasants in search of work, hinder a rapid solution of the unemployment problem.

Data regarding duration of unemployment shows that the period of unemployment in each case varies very little. According to the figures of eight Labour Exchanges at the beginning of 1926, 33.1% are unemployed for a period of less than 3 months, 15.6% from 3 to 6 months, 7.7% — 6 to 9 months, 5.3% — 9 to 12 months, and 38.3% — more than one year. Consequently, the average duration of unemployment was 12.2 months. These figures are somewhat out of date, but there is every reason to believe that the average duration of unemployment is still the same.

Unemployment over a period exceeding 9 to 12 months is in the majority of cases, of a doubtful character. Many of these unemployed are women, who, as a result of family circumstances or other

reasons, either simply avoid taking up employment, or are not qualified for the work offered them. A certain number of them (especially old men) are invalids, incapable of doing regular work.

Summarising the situation, one has to admit that unemployment in the USSR is a serious problem. The towns obviously cannot absorb the millions of peasants flocking to them. A number of far-reaching measures for the development of rural economy and the increased absorption of hired labour in the towns, are necessary in tackling the unemployment problem.

### The Struggle against Unemployment.

The measures above — referred to should be two-fold: the development of industry, and the intensification of rural economy to such a degree as to provide sufficient income to the peasants and prevent their leaving the land for the towns.

During the last few years the efforts to raise the level of rural economy and to provide for the adoption of modern methods in agriculture have been very slow in comparison with the rapid development of industry. Consequently, the question of preventing the migration of peasants to the towns is at this moment of vital importance. Various plans in the direction of raising the national economy have been proposed, which include the following points:

1. Rationalisation of our migration policy, making possible the migration of sections of the population from crowded areas (or areas with little arable land) to districts where land is available.
2. More perfected forms of settlement on the land, and the introduction of modern methods in farming.
3. The advancement of industry in the over populated agrarian areas by means of a more extensive

use of industrial crops and the development of local industries (handicrafts, cooperative and State), using local raw materials.

4. The development of local road construction as a necessary preliminary to the full exploitation of our timber resources.

These measures have been in operation for some time already, but not to a sufficient extent. From now onwards (1927/28) they will be carried out with greater intensity, and 90 to 100 million roubles has been allocated for local road construction in 1927/28.

Besides the above mentioned measures, which entail great expenditures, the regulation of the labour market is being attended to more closely, employment being given primarily to proletarian elements, and efforts being made to keep them in industry.

The trade unions in almost all collective agreements stipulate the employment of trade unionists first and foremost. Actually, however, until 1927, this clause in the collective agreements was not fully observed, as a result of which the percentage of non-unionists obtaining employment was somewhat high.

Table No. 3.

Percentage of trade unionists out of the total number of persons obtaining employment.

Month.	1926	1927
January . . . . .	58.9%	70.3%
February . . . . .	58.4%	71.1%
March . . . . .	61.8%	74.4%
April . . . . .	68.5%	78.5%
May . . . . .	68.8%	78.8%
June . . . . .	65.9%	—

This table shows that at the beginning of 1926 only 60% of those obtaining employment were trade unionists.

The insufficient attention paid to the clause in the collective agreement safeguarding the preferential right of trade unionists, made it imperative for the supreme trade union bodies to issue strict injunctions to the effect that unemployed trade unionists should, whatever happened, be given work first and foremost. An exception was to be made only for juveniles, single women and demobilised Red Army soldiers. As table No. 3 shows, this injunction, issued at the end of 1926, immediately brought forth practical results.

Labour Exchanges have increased their activities since the abolition of the rule making it compulsory to hire labour only through their agency; the abolition of this rule had, however, its negative side in the form of the comparatively extensive employment of non-proletarian elements. To remedy this defect the trade unions, early in 1927 inserted a clause in the collective agreement whereby economic bodies were obliged to take on new employees through the Labour Exchanges, exceptions being made only with the consent of the trade unions. Simultaneously, the Government passed a resolution providing for the appointment of a labor manager in each undertaking, who is to be held personally responsible for the strict observance of the rules governing the hiring and dismissal of workers. These measures did not fail to produce the desired effect, as Table No. 4 shows (page 13):

It can be seen that in 1927, the percentage of persons engaged through the Labour Exchange increased considerably, amounting in May to 72.3% of the total number of persons obtaining employment.

Table No. 4.

Percentage of Workers engaged through the Labour Exchanges to the total engaged.

Month	1926	1927
January . . . . .	26.9	46.9
February . . . . .	26.1	53.7
March . . . . .	29.1	61.6
April . . . . .	32.5	68.0
May . . . . .	33.4	72.3
June . . . . .	30.9	—

The dominant position occupied by the Labour Exchanges highly facilitated the regulation of the labour market, in accordance with the accepted policy whereby employment was primarily given to proletarian elements.

The regulation of dismissals of workers and employees is of no less importance. In order to prevent the practice of frequent dismissals, a law was passed early in 1927 whereby dismissals of workers and employees «en masse» have now to be approved by the respective trade unions, and the extent and manner of dismissal and the category of dismissed workers is also considered jointly with the trade unions. In the case of pending mass dismissals, the respective undertakings or institutions are obliged to give notice to the trade unions and the Labour Exchange not later than one month previously. The local trade unions, in their turn, are instructed to prohibit the mass dismissal of workers and employees in cases where they are not absolutely necessary and without a careful, consideration of the question, as stated above.

Until 1927 more than half of the unemployed trade unionists failed to register at the Labour Exchanges; so the trade unions made it obligatory for their members (as a point of trade union discipline) to register. This was absolutely essential, since it relieved the economic bodies of the necessity of engaging non-unionists through the Labour Exchanges, because trade unionists with the required qualifications were not to be found on the registers.

Since, the employment of all persons, requiring employment, is out of the question in the near future, no other course could be adopted but to limit the registration at the Labour Exchanges. The regulation of 1927 stipulates that persons who have not been previously employed (excluding youths) cannot be registered with the Labour Exchange. This rule does not apply to seasonal and temporary workers, who are being registered at the Labour Exchanges, as before.

These, are the special measures taken against unemployment in 1927, which should somewhat ameliorate the unemployment among the workers.

#### U n e m p l o y m e n t I n s u r a n c e .

Social insurance relief is the chief form of assistance, rendered to the unemployed. In so far as a large percentage of unemployed persons in the USSR have never been employed, the insurance fund does not afford relief to all unemployed persons registered at the Labour Exchange. The following categories of unemployed are entitled to relief: skilled workers and persons with special training, regardless of their period of employment; unskilled workers, members of trade unions, after one year's continuous employment; unskilled non-unionist workers and office-workers, members of trade unions, — after 3 years

continuous employment; and non-unionist office-workers after 5 years continuous employment. Minors are also entitled to unemployment relief, regardless of their term of employment.

Insurance relief is extended only to those unemployed persons who receive no wages or income. An exception is made in the case of persons living on the income of the husband or wife (if the latter has an income not exceeding the established maximum), or of persons living at the expense of another person.

The receipt of relief from the trade union does not deprive an employed person of the right to insurance relief as well.

The large number of seasonal workers among the unemployed made it essential for the insurance bodies to limit the right of such persons to relief. By the regulation of May, 1927, seasonal workers are entitled to unemployment relief during the slack season only if they are permanent town-dwellers.

All unemployed are divided, by the same regulation, into three categories for obtaining relief:

The first category consists of skilled workers and highly qualified office workers; the second — semi-skilled workers and office—workers with average qualifications; the third — all other workerks and employees.

The amount of relief varies, the highest scale of relief being paid to the most highly skilled workers and employees. The following table gives the unemployment rates (table No. 5 page 16).

The family status of the unemployed is also taken into account when paying relief. In addition to the relief outlined above, additional family relief is allowed for the persons supported by the unemployed: for children under 16 and for parents (a mother over 50 and a father over 55 years). This additional relief

Table No. 5.

Rates of monthly unemployment relief in the USSR.  
(in roubles).

Territorial Zone <sup>1)</sup>	1st Category.	2nd Category.	3rd Category.
I . . . . .	26.00	19.00	15.00
II . . . . .	22.00	17.00	14.00
III . . . . .	18.00	13.50	11.00
IV . . . . .	16.00	12.00	10.00
V . . . . .	14.00	10.00	8.00
VI . . . . .	11.00	8.00	6.00

is given at the rate of 15% of the basic relief for one member of the family, 25% for two members, and 35% for 3 or more. The sum total of the two forms of relief cannot, however, exceed 50% of the average monthly wages of the person in question, when last employed. If both husband and wife are unemployed, each is entitled to unemployment insurance relief, independently of the other.

The rate of unemployment relief given in Table No. 5 was fixed in May, 1927, and is not, therefore, characteristic of the growth of unemployment insurance relief.

The table below shows unemployment relief rates during a period of 3 years (figures are given for 2 categories only, as before May, 1927, the unemployed were divided into 2 categories: skilled workers and persons with special training in the first category, and other unemployed persons in the second).

<sup>1)</sup> All regions of the USSR are divided by the insurance bodies into territorial zones, according to the average wage for the given locality. In the first, highest zone are included Moscow, Leningrad, etc.

Table No. 6.

The average actual Rate of Unemployment Relief in the USSR  
(in roubles).

Date	1st Category	2nd Category
January 1924 . . . . .	8.04	5.36
» 1925 . . . . .	8.77	5.85
» 1926 . . . . .	15.23	10.16
» 1927 . . . . .	16.68	10.60

During the course of 3 years, the rate of relief, although still small in 1927, has more than doubled.

Relief can be drawn by skilled workers and persons with special training for a continuous period of 9 months in the year, and by other workers, 6 months. Unemployment relief can be drawn over a period of unemployment not exceeding 18 months for a skilled worker and 12 months for others. Unemployed seasonal workers are entitled to not more than two months' unemployment relief during the slack season.

Only such unemployed persons as are duly registered at the Labour Exchange are entitled to unemployment relief. Nevertheless, many trade unionists until quite recently did not register at the Labour Exchanges, preferring to obtain relief from the unions. Under such circumstances and also because of the fact that many unemployed persons do not fully satisfy the above requirements of the insurance bodies the number of persons obtaining relief from the insurance fund is comparatively small.

The following table gives the number of unemployed in receipt of relief and the growth in the number of unemployed persons drawing relief from the insurance fund.

Table No. 7.

Number of unemployed in receipt of insurance relief in the USSR.  
(in thousands).

Year	January 1	April 1	July 1	October 1	Remarks.
1924 . . . . .	—	—	—	238.6	From October 1, 1925, the figures are exclu- sive of Trans-Caucasia.
1925 . . . . .	279.9	361.4	304.9	236.2	
1926 . . . . .	311.4	400.9	345.8	317.3	
1927 . . . . .	471.4	592.6	—	—	

Trade unionists comprised 75.8% on October 1, 1925, and 88% on October 1, 1926, of the total number of unemployed persons drawing relief from the insurance fund.

Besides direct relief, the insurance organs also took part in providing funds for «artels» of unemployed and for financing public works.

The expenditures of the insurance organs on unemployed relief can be seen from the following table.

Table No. 8.

Expenditure of Insurance organs on Unemployment Relief.

Year.	Expenditure on relief to unemployed (in 1,000 roubles)	Percentage of expenditure on unemployment relief in relation to the total expenditure (exclusive of house-building and medical aid).
1924/25 . . . . .	30.464.1	10.1%
1925/26 . . . . .	48.273.5	9.8%
1926/27 <sup>1)</sup> . . . . .	66.918.0	11.5%

<sup>1)</sup> Budget estimate. Actually, judging from the accounts of the first 9 months, the yearly expenditure will be greater.

The table shows that the amount allocated for unemployment relief increases every year, although the expenditure on unemployment in relation to the general budget of the social insurance, remains almost stable. No doubt, this is a defect in the composition of the social insurance budget, which was, pointed out by the trade unions at the 4th Plenum of the USSR Central Council of Trade Unions in May 1926, and again at the 7th Trade Unions Congress in November, 1926. The estimated insurance budget for 1927/28 will increase the expenditure on unemployment relief up to about 120 million roubles (about 18% of the total expenditure), and the circle of unemployed drawing relief from the insurance fund will be correspondingly widened.

Although insurance relief to unemployed is insufficient, nevertheless this help cannot be increased to any considerable extent in the near future. Of course, certain adjustments must be made in the social insurance budget, the expenditure on unemployment relief must be raised, but in so far as any increase in relief to the unemployed can only take place at the expense of other forms of relief, any possibilities in this direction are decidedly limited.

#### Trade Union Assistance.

Over and above the financial assistance from the insurance organs, the trade unions also help their unemployed members in a similar way. All trade unions, without exception, have at their disposal an unemployment fund. These funds are composed partly of membership dues and partly of voluntary contributions of the members. The size of these funds can be seen from the following table:

Table No. 9.  
Unemployment Funds of the Trade Unions.

Year	Total income (exclusive of last years balance) in 1,000 rubls.	Including:		Total expenditure on unemployment (in 1,000 roubles)	% financial assistance to total expenditure	Remarks.
		% of the union's contribution	% of voluntary levies from members			
1925 .	8,771.9	36.3%	52.5%	7,560.4	83.8%	Figures for 1925 include trade unions comprising only 75% of the total membership in the USSR.
1926 .	16,239.0	52.7%	32.7%	15,062.0	93.9%	

It should be emphasised that the 1925 figures are incomplete, since they include a number of trade unions, the total membership of which amounts to only 75% of the total number of trade unionists in the USSR. Actually, the size of the funds, is greater.

On an average, about 20% of unemployed trade unionists were in receipt of trade union unemployment relief (exclusive of agricultural workers, Soviet office and trading employees, and theatrical and art workers). The figures of individual trade unions are more instructive: in 1925 union assistance was afforded as follows:

Printers . . . . .	46.8%	of the unemployed.
Metal-workers . . . . .	36.4%	» » »
Local transport . . . . .	37.1%	» » »
Municipal workers . . . . .	29.9%	» » »
Chemical workers . . . . .	29.6%	» » »
Textile workers . . . . .	28.8%	» » »
Miners . . . . .	26.4%	» » »
Leather-workers . . . . .	24.5%	» » »
Railwaymen . . . . .	21.0%	» » »
Food workers . . . . .	18.7%	» » »
Medical workers . . . . .	16.4%	» » »
Others . . . . .	9—12%	of the unemployed

Total figures regarding trade union unemployment relief in 1926 are not yet available. However, in the metal—workers' union assistance was extended to 36% of the unemployed members; in the municipal workers' union — about 40%, Soviet office and trading employees —25%, local transport workers—22%, and the postal and telegraph workers — about 18% (at the end of 1926). etc.

The rate of monthly trade union unemployment relief amounted on an average for all unions to:

Ist half-year	1925	5.28	roubles.
2nd half-year	1925	5.50	»
Ist half-year	1926	6.20	»

In the individual unions, the average rate of relief in 1926 was: metal workers — 7 r. 66 cop.; local transport workers— 4 r. 85 cop.; postal and telegraph workers (end of 1926) — 9 r. 32 cop.; theatrical and art workers — 5 r. 70 cop.; printers (end of 1926) — 12 r. 91 cop.; builders (2nd half-year 1926)— 5 r. 70 cop.; leather workers (2nd half-year 1926)— 7 r. 53 cop.; medical workers (end of 1926)— 6 r. 63 cop.; and Soviet and trading employees— 5 r. 25 cop., etc.

The rules governing the payment of unemployment relief are not the same in all trade unions. Almost all unions, however, issue unemployment relief only to persons who have been members of the union for a definite minimum period: the metal workers and textile workers fix this period at 2 years; the leather workers—one year; the chemical workers — 6 months, etc. Then again, unemployment relief is afforded by the metal workers' union to all its unemployed members whether in receipt of insurance relief or not. The printers, and the textile workers' union, on the contrary, refuse relief to those of their unemployed

who are receiving unemployment relief from the social insurance fund. The leather workers, as a rule, deprive its unemployed members, receiving social insurance assistance, of union relief, only in cases where the social insurance rate exceeds the trade union rate.

### Public Works

This heading should be taken to mean work created specially for the purpose of affording assistance in the form of work to the unemployed. Consequently, public works are such as to involve much labour power, and the expenditure on wages considerably exceeds all other expenditures. In the vast majority of cases this work takes the form of town improvements, i. e. scavenging, laying out of parks and squares, digging of ditches, preparatory work in connection with buildings, river-embankment construction, drainage of ponds, etc.

The following table shows the amount spent on public works, the extent of such work, and the daily wage of the unemployed:

Table No. 10.  
Extent of Public Works in the USSR

Year:	Funds allocated for public works (in 1,000 rbls).	No. of days worked	Average daily wage (in roubles)	Remarks to 1926 and 1927.
1923/24 . .	4.350.6	2.438.257	1.40	Budget estimates.
1924/25 . .	10.459.1	5.513.027	1.80	
1925/26 . .	9.574.0	4.345.334	1.74	
1926/27 . .	12.176.1	4.850.256	1.81	

For the last two years public works have been carried on not only in the towns, but to some extent also in the rural localities. The performance of some public works in the villages was necessitated by the fact that the peasants began to be attracted to the towns by public works, and the latter, instead of being a means of struggle against unemployment, became a magnet attracting disengaged peasants to the towns. Under these circumstances it was decided to perform public works in a few of those rural districts, which showed the greatest exodus of peasants to the towns.

In both towns and villages public works, as a general rule, are carried on by the respective State organs (municipal departments, agricultural departments) under the supervision and control of the Labour Exchange committees. The conditions of labour are fixed by the trade unions.

The majority of persons engaged on public works are unskilled and a large percentage are non-unionists. Skilled workers are extremely unwilling to take employment on public works, on the one hand because unemployment among skilled workers is usually of short duration, and on the other, because the workers are afraid of lowering their degree of qualification, and of losing a certain amount of their skill. Office workers also very unwillingly accept employment on public works, because they are not accustomed to heavy manual labour (public works, aiming as they do at employing large numbers of unemployed, are carried out mainly by hand, without machinery of any kind).

Public works, however, as the above figures indicate, have not been very widely adopted in the USSR. Although in the bigger towns (Moscow, Leningrad) it has been carried on fairly extensively,

there are many towns which have not attempted this form of assistance to the unemployed.

The small funds appropriated for this form of assistance by the State and local budgets cannot be considered sufficient, but in the Soviet Union, with its planned economy and the concentration of the chief industries in the hands of the State, public works are, in themselves, abnormal and can hardly be considered an adequate weapon of struggle against unemployment. Resources at the disposal of the State can be utilised with far greater efficiency for the purpose of developing State industry, which will yield much bigger returns to the State and help to decrease unemployment.

When we consider that only a small number of skilled workers and trade union members are engaged on this work, it is obvious that public work of this kind can only be adopted as a temporary measure in connection with town improvement or the carrying out of work essential to industry and transport.

#### Artels of Unemployed.

Labour «artels» have been much more widely adopted throughout the USSR than public works. They are divided into three sections; productive, labour and trading artels. The total number of artels is shown in Table No. 11 (page 25).

The artels afford labour assistance to a fairly large number of unemployed.

The industrial artels are usually handicraft workshops, and even small factories. Sometimes, in individual cases, there are fairly large factories, in which several hundreds of persons are engaged. These artels usually manufacture clothing, leather, food, textile, they also have carpentry, locksmith, shops etc. Consequently skilled and semi-skilled workers are mostly

Table No. 11

Development of Artels in the USSR:

Date	Total No. of Artels of Unemployed.	No. of persons engaged.	Including:		In trading artels
			In industrial artels	In labour artels	
Oct. 1, 1923 . . . . .	540	20,995	—	—	—
» » 1924 . . . . .	1,440	58,429	27,871	26,001	4,557
» » 1925 . . . . .	2,208	86,946	40,642	34,227	12,077
1926 . . . . .	2,017	90,040	42,200	39,900	7,940
June 1927 . . . . .	2,145	103,614	49,320	46,006	8,288

engaged in artels. However, with a view to training the unskilled unemployed, a number of unskilled workers and employees have recently been sent to the artels.

Equal facilities in regard to the supply of raw materials at considerably reduced prices, etc. are extended to the artels as to State undertakings. The artels are also entitled to credits from the banks, which enables them to enlarge their operations. The handicraft method of production is used in the majority of cases.

Labour artels are as popular as the industrial artels, almost the same number of persons (as Table No. 11 shows) being engaged in each. They consist of dockers, porters, laundry workers, book-keepers, teachers, dentists, photographers, etc. In the main, skilled and semi-skilled come under the scope of the labour artels, but a small number of unskilled workers are also to be found there.

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There are considerably fewer trading artels, however; and they are chiefly engaged in the sale of cigarettes, tobacco, newspapers, candy, petroleum, etc.

In order that work should be given to as many unemployed as possible new workers are continually displacing the old. This process takes place every 6 months in the production artels, where a certain degree of skill is essential. In the other artels, however, it takes place every 3 months. True, these rules are not carried out to the letter; and often the spell of work lasts much longer, but nevertheless displacements take place frequently enough and resulted, in the period between 1923 and 1927, in work being obtained for a short period by as many as one million unemployed persons through the agency of the artels.

This form of activity developed particularly well in non-industrial areas: 15% of the unemployed being covered by artels in 1925 in White Russia, 11% in the non-industrial region of the Ural, and 6.2% in the RSFSR.

The wages paid in the artels are somewhat lower than that of workers in similar industries, but it is, all the same, much higher than the unemployment relief rate. In the first half of 1927 the average wage in the artels was about 1 r. 75 cop. a day.

On January 1, 1927, of the total number of unemployed persons engaged in work in the artels, 68% were trade unionists.

It is particularly important to dwell a little on the workshops for minors. Unemployment among young people is very great, since Soviet industry and other branches of national economy, are not in a position to absorb the growing generation, which in the USSR comprises yearly no less than 350 thousand persons. In order to ameliorate to some extent the unemployment among minors, special artels have

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been organised in the large towns like Moscow, Leningrad, Kharkov, and Nizhni-Novgorod. Usually they are of an industrial nature, the minors being trained in various trades. There are, for instance, book-binding, basket-work, box-making, carpentry, clothing, locksmith shops, etc.

Nearly all the workshops pay their way, and some even make a small profit. The term of apprenticeship is one year, but more often the young people remain for 2 and more years.

Some towns have organised trade-schools, where the term of apprenticeship is longer and where general education is given side by side with technical training.

All the figures go to prove that these artels have been widely adopted throughout the USSR. This is explained by the fact that the consuming market of the USSR is not yet saturated, and the artels of, unemployed are supplied with raw materials at reduced rates. No social insurance, premiums are paid by the artels, although persons working in them are entitled to all forms of insurance relief on the same basis as other employees. The artels also pay reduced taxes. The main point, however, is that the wages paid in the artels are somewhat lower than those paid in similar branches of industry, which fact, of course, together with the non-payment of insurance premiums, is hardly normal in present conditions. But this is permitted exclusively to encourage the artels, which in their turn afford great assistance to the unemployed in the form of work.

As a general rule, artels are formed only in those regions where they could not possibly serve as competitors to the local industrial enterprises, and where the complete sale of their products is wholly guaranteed.

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In order to use the funds for the creation of new artels, those artels which are not only self-supporting, but whose work is entirely up to the standard of work in industries, are turned over to the respective economic organs. It must be admitted, however, that the economic organs very reluctantly receive these artels, partly because from the moment the artels are joined to the particular branch of industry, they lose their privileges (reductions on raw materials, etc.) and begin to work at a loss. This reluctance on the part of the economic organs will, however, be overcome to a certain extent by the special regulation of the Soviet of People's Commissaries, issued in 1927, whereby artels retain, their privileges in respect of reduced taxes and non-payment of social insurance premiums for a period of one year after coming under the supervision of the economic organs. It is to be hoped that this regulation will make it more attractive for the economic bodies to take charge of the artels.

#### Other Forms of Assistance to the Unemployed.

The training of the unemployed in some skilled trade has recently been adopted in the USSR. In 1926—1927 as many as six thousand unemployed went through a course of special up-to-date training at the Central Labour Institute. This Institute prepares skilled workers, primarily metal-workers, by special methods. The period of training does not exceed 6 months, for the majority of trades even 4 or 5 months. It is intended to extend this form of assistance in the near future, and thus to prepare new groups of skilled workers possessing qualifications essential to the requirements of industry. This is the more important, since, despite the huge unem-

ployment in the USSR, industries frequently lack skilled workers.

In 1926/27 the sum of 2,070,000 roubles was allocated for the training of the unemployed.

Assistance in the form of free dinners, night-lodgings and so on, is not popular. Some free dinners are given in Moscow and more in the Ukraine. In many towns, however, this form of relief is quite non-existent. Night lodgings (not specially for the unemployed) are to be found in Moscow, Minsk, Vitebsk and a few other towns. About 500,000 roubles was allocated for public feeding and lodgings in 1926/27.

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We do not intend, to shut our eyes to the fact that unemployment in the USSR is a most serious economic problem. The development of our industry, now that the process of revival has ended, will advance at a much slower rate than before. Further, the reconstruction of industry will considerably reduce the need for new labour power, which means that the towns will find it impossible to absorb the surplus peasant population and the growing youth. Consequently, a decrease in the unemployment figures cannot be expected in the coming two or three years; on the contrary, we have every reason to believe that it will somewhat increase in the towns. This will, however, be of a temporary character. Much capital has been invested in the national economy, 4,400 million roubles were invested in 1926/27, out of which 2,670 million roubles went to the State and Cooperative enterprises and 1,730 million to others. In 1927/28 it is proposed to increase capital investments by 800 million roubles, making a total of 5,200 million roubles. Out of this 3,350 million

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roubles will go to the public branch of the national economy (including 1,166 million roubles to industry and 280 million to electrical construction) which will mean an increase of 11% in the expenditure on developing this branch of the national economy.

Although the effect of these huge capital investments is not felt at once, in the form of a decrease in unemployment, there can be no doubt that in the next few years, with still greater capital investments, the results will be felt throughout the whole of the national economy of the country.

Such huge undertakings as «Dnieprostroï» (hydro-electric power station on the Dnieper), the Volga—Don canal, the Turkestan — Siberian railway, etc., besides utilising much labour power, will themselves become sources of economic prosperity of large areas giving employment to a large section of the population.

Although capital investments in agriculture are relatively small, they, nevertheless, increase from year to year and should further the development of agriculture, thus offering employment to peasants. Steps will also be taken for the transfer of the surplus peasant population from overcrowded areas to districts where land is available.

Moreover, pending the full industrialisation of the country, a progressive factor in the struggle against unemployment is the development of handicraft industries, particularly in the villages, which should satisfy the needs of the peasants (mainly those needs which cannot be satisfied by the towns, for the present).

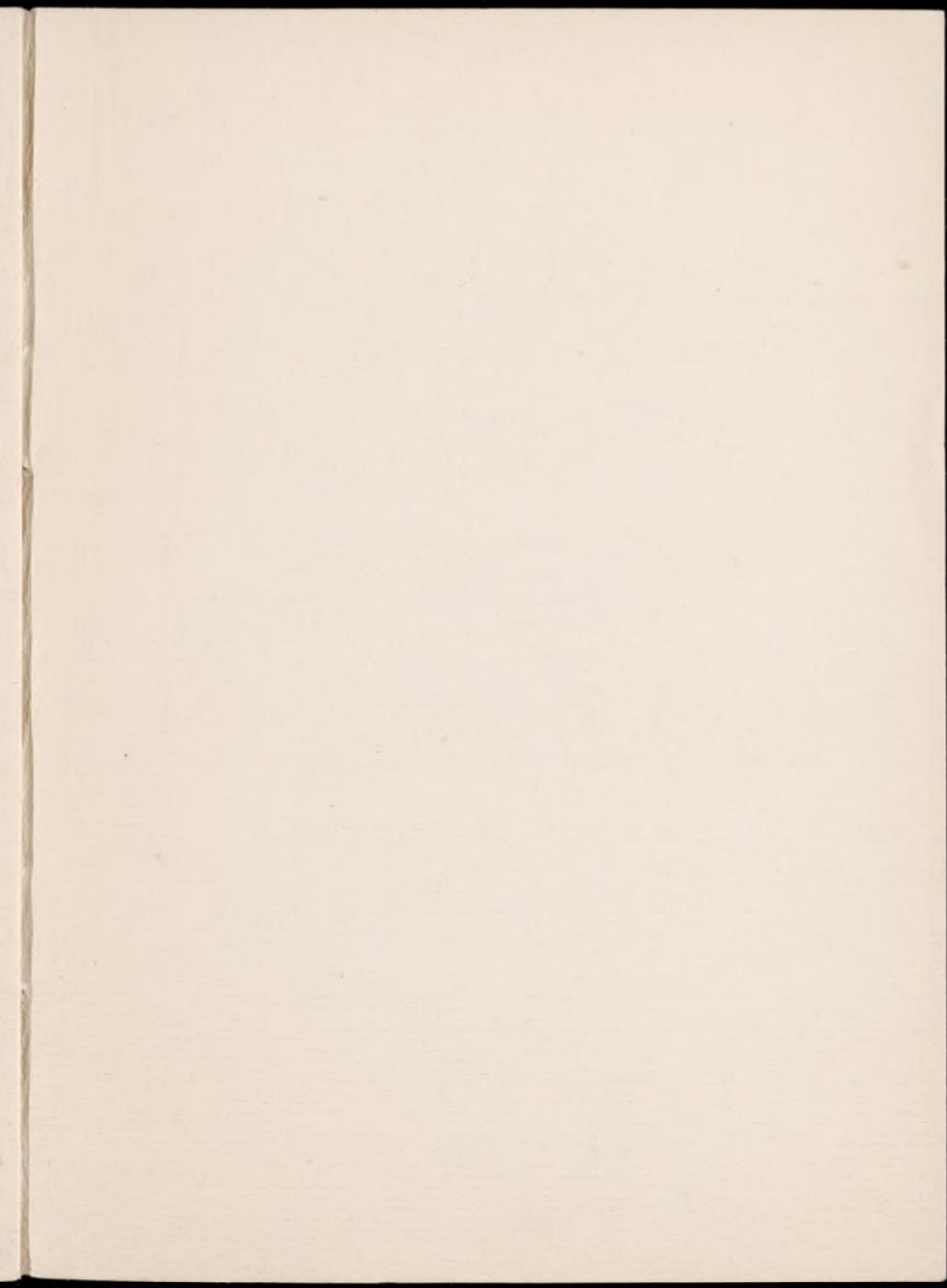
Finally, in considering the problem of unemployment, the huge national resources of the USSR (minerals, timber, etc.), which are so essential to the world market, should not be overlooked. This un-

told natural wealth is at present very little exploited by the USSR, because of the lack of capital. Foreign credits would make it possible to begin work in this direction, and would, moreover, considerably decrease our unemployment. Although only small foreign credits have as yet been granted to Soviet undertakings, it is to be expected that the credits will increase, because the world market is interested in the utilization of the natural resources of the USSR.

Side by side with the adoption of vigorous economic measures against unemployment, unemployment relief must also be increased. From the above figures it is quite obvious that while this, relief is totally insufficient, it nevertheless increases yearly along with the growth of the prosperity of the country. This tendency will undoubtedly continue further.

Although unemployment in the USSR is very serious and to a certain degree chronic, it is also clear that our national economy contains within itself the resources for a hard struggle against unemployment. Increased capital investments and the fuller exploitation of the immense natural wealth of the country will offer the population of the USSR a broad field for the application of their energy and labour.





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