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DOCUMENT  
AC/127-D/173(Draft)

COMMITTEE OF ECONOMIC ADVISERS

AD HOC GROUP OF EXPERTS ON DEMOGRAPHIC TRENDS  
IN THE SOVIET BLOC

Note by the Chairman of the Group of Experts

Attached is the draft report of the Group as established during the meeting at the end of October. It includes a section on Bulgaria and two tables on the labour forces in NATO countries which have not been discussed in the course of the meeting. For the information of members of the Group, some remarks on sources and methods have been appended to one of these tables. They will be omitted from the final version of the report.

2. As agreed, the final report will include, as Annexes IV to VII, the national contributions on Poland, the Soviet-occupied zone of Germany, Czechoslovakia and Rumania. In order to gain time, these contributions are not annexed to the draft report. They will be distributed shortly.

3. The members of the Group are invited to examine the draft report and transmit to the Secretariat any amendments they might wish to make. Attention is called in particular to the importance of checking and completing, if possible, the information now included on NATO countries and the text of paragraph 4 of the draft cover note. In order to allow an early submission of the report to the Committee of Economic Advisers, members of the Group are kindly requested to forward any amendments they may have not later than 22nd December, 1964. If, by that date, no advice to the contrary has been received from the members of the Group, the report will be submitted as it now stands.

(Signed) B. JØRGENSEN

OTAN/NATO,  
Paris, XVIe.

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Ch. F

THE LABOUR SITUATION IN THE USSR, THE EASTERN EUROPEAN COUNTRIES AND THE SOVIET-OCCUPIED ZONE OF GERMANY

Report by the Ad Hoc Group on Demographic Trends in the Soviet Bloc

On 19th March, 1964(1), the Committee of Economic Advisers decided that a meeting of the Ad Hoc Group on Demographic Trends should take place in October 1964 to bring up to date Part II of their report of 4th January, 1961 (AC/127-D/59) on the labour situation in the USSR and to carry out a similar study of the labour situation in each of the Eastern European countries and in the Soviet-occupied zone of Germany, completing it with some comparable data for NATO countries.

2. The Ad Hoc Group of Experts met on 28th, 29th and 30th October, 1964 to fulfil its mandate and consisted of the following members:

- |                              |                    |
|------------------------------|--------------------|
| Belgium:                     | Mr. A. Conruyt     |
| Denmark:                     | Mr. P.O.F. Nielsen |
| France:                      | Mrs. Blayo         |
| Federal Republic of Germany: | Dr. H. Klocke      |
| United Kingdom:              | Mr. D.J. Hodges    |
|                              | Mr. C.J. Curry     |
| United States:               | Mr. M. Feshbach    |

Mr. G. de Chollet and Mr. S. Obolensky attended the meeting as observers from SHAPE. The Group was assisted by Mr. B. Jørgensen and Mr. R. Killingbeck from the International Secretariat, the former acting as Chairman of the Group.

3. The Group agreed to submit the present report to the Committee of Economic Advisers. The report attempts, after setting out some general considerations, to assess the labour situation up till 1970 in the USSR, Poland, the Soviet-occupied zone of Germany, Czechoslovakia, Hungary, Rumania and Bulgaria. Lack of sufficient information made it impossible to consider the situation in Albania.

4. Two tables give data on NATO countries' labour forces in 1964, whenever possible projections of these for 1970, (Annex I) and a sectoral breakdown of these countries' labour forces in 1962 or the nearest year for which information is available (Annex II). It has been attempted to establish these tables in such a way that they correspond to those contained in the report for Communist countries. Comparisons are, however, hazardous in view of the differences in the economic systems

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(1) AC/127-R/131

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and limitations of available information. Figures for labour forces in NATO countries (Annex I) include the unemployed since they aim at giving the supply of labour. For Communist countries, where no unemployment is officially admitted, this is probably also the case, although the methods used in the report may imply that some unemployed persons are considered as part of the not economically active population.

5. The papers contributed by members of the Group from Denmark, France, the United Kingdom and the United States which have served as a basis for the report are attached as Annexes III to VII.

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THE LABOUR SITUATION IN THE USSR, THE EASTERN EUROPEAN  
COUNTRIES AND THE SOVIET-OCCUPIED ZONE OF GERMANY

PART I: GENERAL CONSIDERATION ON THE LABOUR FORCES  
AVAILABLE FOR THE COMMUNIST ECONOMIES

1. The Ad Hoc Group has examined the labour situation in the USSR, Poland, the Soviet-occupied zone of Germany, Czechoslovakia, Hungary, Rumania and Bulgaria. Its examination has been based on various papers prepared by the members of the Group, which are reproduced as Annexes and some additional material provided by the Economic Directorate. The Group stressed that the disparity of information available on the labour and the economic situations in Communist countries, both as regards content and period of coverage, rendered it difficult to adopt a uniform approach in making assessments and forecasts. The Group is, however, satisfied that the data given in the report on manpower in the national economies and the estimates of the labour forces available for the Communist economies between 1964-1970 are based on the same broad assumptions.

2. Future supply of labour in the Communist countries examined in the report might be affected by the following factors:

- (i) Change in the definition by the Communist Authorities of the official working age groups. Raising or lowering of the minimum school-leaving age or of the retirement age.
- (ii) Voluntary withdrawal of economically active people or participation of hitherto economically inactive people. The former might be the result of higher personal incomes and/or a more normal sex balance. The entry of previous non-participants into the labour market might result from special incentives offered or from their own economic circumstances. This group includes housewives, retired persons and young people still outside the working age groups.
- (iii) Changes in the size of the armed forces(1).
- (iv) Lengthening or shortening of working hours and statutory holidays.
- (v) Drafting, on a part-time basis, in the summer holidays and/or during the academic year, into the labour force of students who are within the officially defined working age groups.

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(1) For the purpose of this paper it has been assumed that between 1965 and 1970 there will be no change in the size of the armed forces from their 1964 level.

3. Whilst in the not too distant past emigration from certain Communist countries to the free world was substantial, it has now been brought to a stop and is unlikely to be resumed, on any significant scale, during the next few years. As shown in the report, certain Communist countries suffer from shortages of labour whilst others appear to have problems of creating sufficient employment opportunities for their potential labour force. It would appear rational to solve these imbalances by encouraging movements of labour between the Communist countries. Attempts in this direction have however been timid; the rigidity of the national plans together with existing nationalistic prejudices seem to have inhibited governments from fully using such possibilities as may exist. In the opinion of the Group these inhibitions are likely to continue to prevent any large scale migrations between the Communist countries during the period up to 1970.

4. Technological advances, the introduction of automation and the mechanisation of the agricultural sector of the economy do not only affect the demand for labour but also contribute to the expansion of production by increasing the productivity of the labour force. This is of particular relevance when the labour force is either stagnant or declining; it has also a bearing on sectoral redistribution of the labour force in the economy. The introduction of mechanisation and automation will vary greatly from one Communist country to another, reflecting the different labour situations prevailing as well as the resources available for investment and the technological capabilities of each country. In the absence of sufficient information, it has not been possible for the Group to assess the impact of these developments on the labour situation. Nor is it feasible to assess the possible increase in efficiency which might result from a better use of the labour force which could be brought about by the new ways of organizing the economy which have been recently widely discussed in the Communist countries.

5. As regards the demand for labour and its sectoral distribution for the period 1965 - 1970, it is extremely difficult to make any forecast since little is known about the next five-year plans in the Eastern European countries, and with respect to the USSR it is not even certain what the period of the next plan will be.

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PART II: ASSESSMENT OF THE LABOUR SITUATION UP TO 1970

(a) The USSR(1)

6. During the past five years the amount of labour available in the Soviet Union has been affected by the entry into the labour force of the depleted war-time age groups. However, the transfer of labour from the agricultural to the non-agricultural sectors of the economy has continued and has resulted in a fairly swift increase in industrial employment. The table below shows the civilian employment in the Soviet economy in 1962.

CIVILIAN EMPLOYMENT IN THE USSR NATIONAL ECONOMY, (a)  
1962, ANNUAL AVERAGES

Total	(in thousands)	%
	99,198	100.0
1. Agriculture and Forestry (including private subsidiary economy)	39,506	39.9
2. Industry	24,297	24.4
3. Construction	5,150	5.2
4. Transport and Communications	7,509	7.6
5. Trade	5,253	5.3
6. Administration, Services and other branches of the national economy	17,483	17.6

(a) Based on data in Joint Economic Committee, Congress of the United States, Annual Economic Indicators for the USSR, Washington, February 1964, pp. 56-61.

7. In the coming period, there will be a rapid recovery in accessions to the working-age groups which will benefit civilian employment and also facilitate an expansion of the armed forces, if this were deemed politically desirable by the Soviet leaders. (See table below). The major problem, however, will not lie so much in the total growth of the working population but rather in the achievement of the planned sectoral and geographical distributions of skilled labour. Measures have been taken in the past two years in an attempt to secure achievement of these aims. For example, in 1963 a directive was issued to the effect

(1) For further details see Annex III

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that graduates of higher educational institutions would not receive their diplomas until they had spent a year in the job assigned to them by the government. A large part of Khrushchev's 1958 educational reforms have been dismantled in the course of 1964(1). The 1964 revision of the old age pension laws aims at keeping pensionable skilled personnel in employment.

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(1) See Table I of Annex III for an evaluation of educational enrolment in the USSR between 1963 and 1970.

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ESTIMATES OF SUPPLY OF CIVILIAN LABOUR FORCE IN THE USSR  
1st JANUARY, 1964 - 1st JANUARY, 1970 (IN MILLIONS)

1st January	1964	1965	1966	1967	1968	1969	1970
1. Total population (a)	226.3	229.3	232.2	235.1	237.8	240.5	243.2
2. Population in able-bodied ages(a)	121.7	123.3	125.0	126.7	128.6	130.6	132.5
3. Total economically active(b) population (all ages)	118.1	120.0	121.2	122.7	124.1	125.5	127.0
4. Military and paramilitary(c)	3.5	3.5	3.5	3.5	3.5	3.5	3.5
5. Civilian labour forces available for the economy (of which, socialised sector)	114.6 (104.6)	116.5 (106.5)	117.7 (107.7)	119.2 (109.2)	120.6 (110.6)	122.0 (112.0)	123.5 (113.5)
6. Civilian labour force expressed as % of 1964 taken as base year	100.0	101.7	102.7	104.0	105.2	106.5	107.8

(a) From United States Bureau of the Census, "Estimates and Projections of the Population of the USSR, and the Communist countries of Eastern Europe, by Age and Sex", Washington, April 1964; 16-59 years of age for men, 16-54 years of age for women are defined as the able-bodied ages.

(b) Derived from labour force participation rates reported in 1959 census results and United States Bureau of the Census population projections.

(c) Based on NATO information.

8. The labour situation in the Eastern and Northern parts of the USSR is a matter of particular interest to the Soviet leaders. Existing plans for economic development indicate the need to transfer several million workers to those areas. Such plans probably involve important political as well as economic considerations. Earlier plans were seriously underfulfilled for lack of adequate manpower even though a certain population surplus exists in the Western part of the country. This failure can be attributed to the unfavourable living conditions in these frontier lands and to the practice of recruiting labour on a temporary basis. The various programmes and incentive devices, especially higher wage differentials, employed by the Soviet Government during the past decade to direct manpower to the east on a permanent basis have, by all accounts, produced rather meagre results. It is still not possible to determine the full impact of the various recent wage reforms in the Soviet Union upon regional or branch distributions of manpower.

9. Since 1956 the growing rate of labour turnover in the economy has been worrying the Soviet Authorities, a planned economy can less well tolerate unplanned turnover than a free economy where demand and supply influence the market. The official campaign launched earlier in 1964 for the introduction of a more comprehensive labour passport, which has not been followed by any change in the regulations, clearly had as its purpose a closer control of labour movements and reflected the concern of Soviet planners for the future.

10. Since the end of the Second World War, the participation of women in the Soviet economy has been maintained at a particularly high level. Soviet planners do not appear to foresee any decline and may even be aiming at an increase in the rôle of women in certain branches of the economy. It is, in fact, married women in urban areas who comprise the largest labour reserve.

11. In the past five years, labour productivity plans have been only partly fulfilled, largely as the result of the failure to introduce the desired level of "new technology" and a shortage of technicians. Renewed efforts are currently being made to rectify that situation.

(b) POLAND(1)

12. In the decade between 1951 and 1961, the Polish population increased by over five million due to very high birth rates. This tremendous increase resulted in considerable changes in the composition of the population by age and sex. As a proportion of total population, the working age groups decreased from 64% to 59% but at the same time the great numerical

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(1) For further details see Annex IV.

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superiority of women within this category diminished. This to some extent attenuated the effects of the relative decline in the working age groups as a higher proportion of men than of women are in fact economically employed.

13. The officially reported working population in 1960 is shown in the table below.

REPORTED EMPLOYED POPULATION IN THE POLISH ECONOMY IN 1960(a)  
(CENSUS FIGURES)

	000 persons	%
Total working population	13,689	100.0
1. Agriculture	6,541	47.80
2. Industry and handicraft	3,148	23.00
3. Construction	684	5.00
4. Transport	657	4.80
5. Trade	739	5.40
6. Administration, services and other branches	1,920	14.00

(a) It has not been possible to give any reliable figures for 1962.

14. During the present decade (1961-1971) the development will take another direction. The expected population increase will only amount to 2.7 - 3.1 million<sup>(1)</sup>, but the main increment will take place in the working age groups as the large numbers born in the years following the war will enter them. At the same time the pre- and post-working age population will remain practically constant: a continuous growth in the older age groups will, as a consequence of the decline of birth rates since the end of the 1950s, be offset by a decrease in the number of children. The excess of women in the active age groups will further diminish and change into a male surplus of 300,000 by the end of the decade.

15. The increase in the economically active population has, in recent years, been even greater than the figures for population in the working age groups would suggest, because a growing proportion of the population has been seeking work in the urban sectors of the economy. The increase exceeded the planned

(1) Based on document AC/127-D/131.

increases in employment; this development has compelled the government to take measures aiming at restricting new employment which apparently have resulted in some unemployment.

16. Between 1965 and 1970 the economically active population is likely to rise by 1.8 million, representing in 1970 112.7% of the working population in 1964. This further increase in population is likely, to an even greater extent than in recent years, to be the main preoccupation of economic planners. Great difficulties can be expected in financing sufficient investment without straining the economy in general and the balance of payments in particular. A considerable part of the newcomers in the labour force may however find employment inside the service sector which has been neglected for many years and is, according to Polish sources(1), less developed than in Czechoslovakia, the Soviet-occupied zone of Germany and the USSR.

ESTIMATED ECONOMICALLY ACTIVE POPULATION AND  
 LABOUR FORCE IN POLAND

(figures in 000's)

1st January	1964	1965	1966	1967	1968	1969	1970
1. Total economically active population	14756	15019	15306	15622	15836	16260	16592
2. Armed forces(a) military and paramilitary	315	315	315	315	315	315	315
3. Civilian labour force available for the economy (of which in the socialist sector)(b)	14441 (8181)	14704 (8424)	14991 (8691)	15307 (8987)	15521 (9181)	15945 (9585)	16277 (9897)
4. Civilian labour force expressed as a percentage of 1964 taken as base year	100.0	101.8	103.8	106.0	107.5	110.4	112.7

(a) Based on NATO information.

(b) The non-socialist sector has been assumed to increase by 20,000 persons a year.

(1) .....

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(c) SOVIET-OCCUPIED ZONE OF GERMANY(1)

17. Since 1950 the fall in the population of working age in the Soviet-occupied zone of Germany has been more than proportionate to the decline in the total population. There has been a continuous drive to recruit women into the labour force, and at the end of September 1963 women formed almost 46% of those reported employed. The crucial importance of increases in output per worker has been emphasised for some years.

18. Official statistics of the employed population in 1962 are given in the table below:

REPORTED EMPLOYED POPULATION IN THE SOVIET-OCCUPIED ZONE OF GERMANY (including apprentices) IN 1962

	30th September 000 persons	%
Agriculture and forestry	1,425	17.7
Industry and handicrafts	3,312	41.2
Construction	488	6.1
Transport and communications	534	6.6
Trade	904	11.2
Administration and services	1,380	17.2
Total working population(a)	8,043	100.0

(a) These figures are drawn from official statistics published in the Soviet-occupied zone of Germany. They do not include the armed forces, or employees in confidential branches of the economy, such as uranium mining.

More than 88% were employed either in the Socialist or semi-state sectors of the economy(2).

19. During the period 1964-70, for which the main lines of the economic plan have been laid down, the number of persons

(1) For further details see Annex V.

(2) Semi-state enterprises are formed by a contract between a private entrepreneur and the State, the latter usually being represented by the German Investment Bank; the State, however, is a partner with a limited guarantee while the private entrepreneur has an unlimited liability. Profits are divided on the basis of size of equity capital, but the entrepreneur receives for his management services a regular payment even when the enterprise suffers a loss.

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employed is expected to fall but it is not possible to deduce how large a fall the authorities in the Soviet-occupied zone themselves envisage.

20. On the assumptions made in this paper it is estimated that the economically active population and labour force will develop as in the table below.

ESTIMATED ECONOMICALLY ACTIVE POPULATION AND LABOUR FORCE  
IN THE SOVIET-OCCUPIED ZONE OF GERMANY

(figures in 000s)

1st January	1964	1965	1966	1967	1968	1969	1970
1. Total economically active population(a)	8585	8401	8360	8341	8442	8380	8407
2. Armed Forces(b) (military and paramilitary)	185	185	185	185	185	185	185
3. Civilian Labour Forces available for the economy;  of which in the Socialist and semi-state sectors	8400  (7100)	8216  (6941)	8175  (6925)	8156  (6921)	8257  (7057)	8195  (7020)	8222  (7072)
4. Civilian Labour Force expressed as a percentage of 1964 taken as base year	100.0	97.8	97.3	97.1	98.3	97.6	97.9

(a) In this table the figures for total economically active population have been obtained by adding to the total number of persons of both sexes within the officially defined working-age groups, the number of economically active people who are outside the defined working-age groups and by deducting the number of people who, although within the defined working-age groups, are not economically active. (In the Soviet-occupied Zone of Germany the officially defined working-age groups are 17 and under 65 for men, 17 and under 60 for women, plus 5/12 of all persons between 16 and 17).

(b) Based on NATO information.

Thus a fall of about 180,000 or 2.1% in the civilian labour force by the beginning of 1970 is indicated and it would seem that the Soviet-occupied Zone is already running close to the upper limit of participation by the population in labour force.

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21. Imports of labour seem unlikely to be significant. Whether there are relaxations of restrictions on emigration will depend partly on estimates by the authorities in the Soviet-occupied Zone of the numbers likely to avail themselves of such freedom. If restrictions on emigration are maintained at approximately their present level the régime may well seek to raise output by increasing pressure on the labour force, in addition to technological improvements.

22. Employment in the administration and services sector will probably continue to grow, but the proportions in which this increase will be met by declines in other sectors are difficult to assess.

(d) CZECHOSLOVAKIA

23. There have been reports of labour shortages in Czechoslovakia for some years, but until fairly recently industry was able to achieve high rates of growth by drawing labour from agriculture. Now that agricultural output has been hit by the resultant shortage of workers, the régime is trying to reverse this flow. The proportion of the labour force which is in agriculture is still high by the standards of industrialised countries, however, and it is unlikely that a reversal of the flow will be possible although a temporary slowing down may be achieved. Labour in parts of Slovakia is under-employed, nevertheless the Government is also trying to stop the drift of workers from Slovakia into Bohemia-Moravia.

24. The officially reported working population in 1962 is shown in the table below.

REPORTED EMPLOYED POPULATION IN THE CZECHOSLOVAK  
ECONOMY (EXCLUDING APPRENTICES) IN 1962

	Yearly averages: 000 persons	%
Total working population(a)	6,244	100
1. Agriculture and forestry	1,439	23.0
2. Industry	2,422	38.8
3. Construction	527	8.4
4. Transport and communications	389	6.2
5. Trade	511	8.2
6. Administration and services	956	15.4

(a) These figures are drawn from Czechoslovak official statistics, they do not include the armed forces and the undisclosed categories of employment, such as number of persons working in the uranium ore mines and people holding confidential jobs.

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25. The decrease in the percentage of economically active women following the extension of the period of compulsory education has probably been more than offset by a rise in such activity among those over school age. However, there is an overall shortage of labour.

26. The demand for labour during the period of the new five-year plan (1966-1970) is extremely difficult to forecast, since not even the framework of the plan has been announced. However, it emerges from the analysis in the report at Annex(1), that if the Czechoslovak economy is to achieve even a moderate rate of growth emphasis will have to be placed on increases in productivity, and consequently on technological advances, rather than on increases in the labour force; this does not preclude some switching of labour between different sectors of the economy.

27. Czechoslovak officials said in November 1963 that "for the period up to 1970 the prospects are that roughly 500,000 more persons can be recruited. This figure covers the entire economy, the health service, education, etc; only a very small margin will be available for industry". The table below shows the extra labour force which is envisaged for the end of 1970 on the assumptions made in the report at Annex. It therefore seems that the Czechoslovak Authorities are assuming greater participation in the economy on the part of certain categories than has been assumed in that report. They admit that not much additional manpower can be recruited from the ranks of women in households, and the possibility of importing labour on a large scale does not seem to be great. The way in which extra labour is most likely to be recruited is probably from the part-time work of those undergoing education or from the limiting of the extension of compulsory education.

ESTIMATED ECONOMICALLY ACTIVE POPULATION AND  
 LABOUR FORCE IN CZECHOSLOVAKIA

(figures in 000's)

1st January	1964	1965	1966	1967	1968	1969	1970
1. Total economically active population(a)	6978	7069	6942	7026	6895	7089	7054
2. Armed forces(b) (military and paramilitary)	260	260	260	260	260	260	260
3. Civilian labour forces available for the economy; of which, in the socialist sector	6718 (6492)	6909 (6583)	6682 (6456)	6766 (6540)	6635 (6409)	6829 (6603)	6794 (6568)
4. Civilian labour force expressed as a percentage of 1964 taken as a base year	100.0	101.3	99.5	100.7	98.7	101.7	101.1

Notes (a) and (b) on following page

(1) See Annex VI.  
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(a) In this table the figures for total economically active population have been obtained by adding to the total number of persons of both sexes within the officially defined working-age groups, the number of economically active people who are outside the defined working-age groups and by deducting the number of people who, although within the defined working-age groups, are not economically active. (In Czechoslovakia, the officially defined working-age groups are 15 to 59 for men and 15 to 54 for women). The import of labour is assumed to be negligible throughout the period under study.

(b) Based on NATO information.

28. Reductions in working hours or increases in statutory holidays seem unlikely in the period up to 1970.

(e) HUNGARY

29. Though Hungary has the lowest birth rate of any Communist country and one of the lowest in the world, the Hungarian economy does not seem to be threatened by a labour shortage for some time to come. As most of the other semi-industrialised countries of Eastern Europe, the Hungarian economy was able to achieve high rates of growth by drawing labour from agriculture, re-allocating labour from low productivity sectors, and raising the proportion of the active population, without worrying too much about the efficient use of such labour. During the coming years, these sources will be gradually exhausted, and from about 1971 onwards, the Hungarian economy will increasingly depend on growing productivity for further growth. The officially reported economically active population in 1962 is shown in the table below.

REPORTED EMPLOYED POPULATION IN THE  
HUNGARIAN ECONOMY AT END-1962  
(excluding apprentices)

	In 000 persons	%
<u>Total economically active population</u>	4,521	100.0
1. Agriculture and forestry	1,628	36.0
2. Industry	1,405	31.1
3. Construction	270	6.0
4. Transport and communication	297	6.6
5. Trade	330	7.3
6. Administration, services and others	591	13.0

SOURCE: Hungarian Statistical Yearbook, 1962. As there is reason to believe that the official statistics included the armed forces, the overall figure and the figures for "administration, service and others" have been reduced by the estimated strength of the armed force i.e. 140,000 or 3% of the original overall figure.

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30. During the decade 1961/1970 the Hungarian population is expected to grow by only 360,000 people - from 10.04 million to 10.4 million (official figure for 1st January, 1964: 10.1 million). However, this rather low natural increase coincides with important changes in the structure of the population: as a proportion of total population, the group below working age will decline from 24% to 19%; the effects of the high birthrate during the immediate post-war years will make themselves felt during that period by an increase of the labour force: the sexes will be more equally represented; the proportion of the population group above working age will increase, and as a consequence of better pensions fewer persons in this category will continue to work; the share of students in the working age groups will increase from 6.4% (380,000) in 1961 to 10.6% (660,000) in 1970.

31. The economically active population is expected to grow from 4.651 million in 1961 (4.66 in 1963) to 5.1 million in 1970 (see table below), a growth of 450,000. This is considered to be sufficient to fill the long-term requirements of the non-agricultural sector of the Hungarian economy, officially estimated at close to 800,000 persons, since the natural growth will be supplemented by a reduction of agricultural labour of about 250,000 people and the entering into the labour force of 190,000 housewives. This would result in an increase of the share of women from 36% in 1961 to 42% in 1970. The share of the male population does not seem likely to increase further. It is already fully employed, and the armed forces - estimated at 140,000 men (including 35,000 men in paramilitary forces) - seem too small to contain labour reserves of any significance. The quality of labour will be increased by a reduction of the share of unskilled labour in the labour force from 40% in 1961 to 30% in 1970. Services(1) are expected to employ an ever increasing proportion of the labour force: their share will rise from 27.8% in 1961 to 34.5% in 1970.

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(1) Comprising in this context all sectors of the economy apart from industry, construction and agriculture.

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ESTIMATED ECONOMICALLY ACTIVE POPULATION AND LABOUR FORCE  
IN HUNGARY

(in thousands)

1st January	1964	1965	1966	1967	1968	1969	1970
1. Total economically(a) active population	4,740	4,820	4,900	4,950	5,000	5,050	5,100
2. Armed forces(b) (military and para-military)	141	141	141	141	141	141	141
3. Civilian labour force available for economy(c)	4,599	4,679	4,759	4,809	4,859	4,909	4,959
in agriculture	1,614	1,600	1,586	1,572	1,558	1,544	1,529
in non-agricultural sectors	2,985	3,079	3,173	3,237	3,301	3,365	3,430
4. Civilian labour force in % of 1964:	100.0	101.8	103.4	104.5	105.6	106.7	107.9

(a) Figures given for the economically active populations are those forecast in an article on the "Hungarian Labour Situation in 1961/1971" by L. Berettyan and J. Timar of the Central Planning Office, published in "KOZGAZDASAGI SZEMLE" of November 1963, pp. 1257-1270.

(b) Based on NATO information.

(c) Approximately 96% are being employed in the socialist sector.

(f) RUMANIA(1)

32. Although the Rumanian population is ageing, in 1956 it was still much younger than that of most European countries.

33. In 1956, 60% of the population was still "economically active"; (2) this very high rate stems from the high proportion of the labour force, notably women, employed in agriculture (70%), the proportion of women to men in this branch of the economy is 115 to 100. However, in the other sectors of the economy there are three times as many men as women.

34. There is a very high proportion of economically active men in the 15-19 and over 60 age groups. The proportion of economically active women in all the age groups is higher than in any other European country but it is worth noting that the proportion of economically active women is much lower in the towns than in the country.

(1) For further details see Annex VII

(2) For a definition of this expression refer to footnote to table on Estimated Economically Active Population and Labour Force in Rumania at paragraph 38.

35. An estimate of the employed population in 1962 is given in the table below. The agricultural sector is the largest; yet the number of persons "employed" in this branch has been declining since 1956 and will tend to decrease in the future. In 1970, the proportion of persons employed in agriculture will nevertheless remain one of the highest in Europe.

REPORTED "EMPLOYED" POPULATION IN THE RUMANIAN ECONOMY(a)  
AS OF 1st JANUARY, 1962

	In 000's	%
Agriculture and forestry	6,524	66.1
Industry	1,490	15.1
Construction	395	4.0
Transport and communications	188	1.9
Trade	345	3.5
Administration and Services	927	9.4
TOTAL:	9,869	100.0

(a) The "employed" population includes all those within the official working age groups (14 - 59 years for men, 14 - 54 years for women) from which have been deducted the inactive persons, the members of the armed forces and the employees of the Communist Party.

36. The socialisation of agriculture which has been carried out at a slower pace than that of industry was almost completed by 1st January, 1963 (94% of the economically active population in agriculture was then employed in the socialist sector, mainly in co-operatives). When the move into the socialist sector is complete it will result in a substantial decrease in the number of household members and old age persons employed in agriculture and possibly in a better assessment, in the future, of the population "employed" in this sector of the economy.

37. Employment opportunities in the non-agricultural sectors will increase since the industrialisation of the country may be expected to continue. This increase, however, cannot be assessed, nor can the total labour requirements of Rumania for the period after 1965 since the only plan existing to date concerns the period 1960-1965.

38. As shown in the table below, the economically active civilian population should increase by 9% between 1964-1970. This increase may, however, have been slightly over-evaluated since in order to make the projections, constant rates of activity have had to be adopted as a working hypothesis. However, the proportion of economically active men in the age groups below 20 years and above 60 years may tend to decline. Concurrently, between 1964 and 1970, the overall proportion of economically active women in all age groups will tend to decline as a result of rural emigration; the increase which may be expected in the proportion of economically active women in urban areas will not be sufficient to modify this trend.

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ESTIMATED ECONOMICALLY ACTIVE POPULATION AND  
LABOUR FORCE IN RUMANIA

(figures in 000's)

1st January	1964	1965	1966	1967	1968	1969	1970
1. Total economically active population(a)	11,298	11,476	11,643	11,802	11,958	12,119	12,292
2. Armed forces(b), military and paramilitary	278	278	278	278	278	278	278
3. Civilian labour forces available for the economy; of which: in the socialist sector	11,020 (10587)	11,198 (10765)	11,365 (10932)	11,524 (11091)	11,680 (11247)	11,841 (11408)	12,014 (11581)
4. Civilian labour force expressed as a percentage of 1964 taken as base year	100.0	101.6	103.1	104.6	106.0	107.4	109.0

(a) The "economically active" population is made up of all civilian members of the population who derive an income from their work, whether they are within or without the legally defined working age groups, whether they belong to the urban or to the rural population. It includes the "members of social organizations", apprentices in professional schools, students in technical schools and members of the armed forces. The estimated economically active population has been obtained by applying the proportion of economically active persons in the different age groups, calculated on the basis of the data given in the 1956 census, to the population into each age group forecast by the Bureau of the Census of the United States.

(b) Based on NATO information.

39. Rumania is now in a period of transition. The ageing of its population, the industrialisation of its economy will gradually make it look more and more like the other European countries from which it is still very different. It is faced with a surplus of population in the agricultural sector and the pace of industrialisation is not yet fast enough to absorb it.

(g) BULGARIA

40. Of the total Bulgarian population of 8 million, close to 5 million, i.e. about 60%, are economically active. As in the case of other predominantly agrarian countries of Eastern Europe, such as Rumania, this very high percentage is mainly due to the large share (63%) of agricultural labour, including a great number of women, in the total labour force. During the decade of 1950 to 1960, the annual average increase in the total population was about 1% and in the working population 2.1%. The estimated distribution of labour in the Bulgarian economy is given in the Table below.

REPORTED EMPLOYED POPULATION IN THE BULGARIAN ECONOMY IN 1962(1)

	In 000's	%
<u>Total economically active population(a)</u>	4,732	100.0
1. Agriculture and forestry	3,000	63.4
2. Industry	834	17.6
3. Construction	189	4.0
4. Transport and communication	166	3.5
5. Trade	174	3.7
6. Administration, services & others	369	7.8

(a) Excluding members of the armed forces, unemployed persons looking for work and persons holding confidential jobs.

(b) The Bulgarian Statistical Yearbook excludes collective farm labour. The latter has been taken into account by extrapolating it from the official Bulgarian figure for 1960 given in the 20-year plan, 1960-1980.

41. During the decade 1961/70, the Bulgarian population is expected to continue to grow at a rate of close to 1% annually, and to reach approximately 9.4 million by 1970. The growth rate of the economically active population is, however, to drop to 0.9% annually (see Table below).

(1) Principle sources for both tables: The Bulgarian 20-year plan, 1960-80, set up in 1962 and reproduced in the 'Economic Survey for Europe in 1962', Part 1, Chapter I, pp. 50 ff. (ECE, Geneva), and Bulgarian Statistical Yearbook, Sofia, 1963.

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ESTIMATED ECONOMICALLY ACTIVE POPULATION AND LABOUR FORCE IN BULGARIA

(in 000's)

	1964	1965	1966	1967	1968	1969	1970
1. Total economically active population	5005	5050	5095	5140	5185	5230	5270
2. Armed forces military and paramilitary(b)	152	162	162	162	162	162	162
3. Civilian labour force available for the economy(c)	4843	4888	4933	4978	5023	5068	5108
In agriculture	(2822)	(2744)	(2666)	(2588)	(2510)	(2431)	(2352)
In non-agricultural sector	(2021)	(2144)	(2267)	(2390)	(2513)	(2637)	(2756)
4. Civilian labour force in % of 1964	100.0	100.9	101.8	102.7	103.6	104.5	105.4

(a) Figures given for the economically active population are based on information given in the United Nations Economic Survey of Europe in 1962, PART I, Chapter I, page 50ff on the Bulgarian 20-year "perspective" development plan.

(b) Based on NATO information.

(c) Over 90% are employed in the socialist sector.

42. One of the most striking features of the Bulgarian 20-year plan is the channelling of the increased employment into "non-productive" services to an extent that employment in the "productive" sectors will decline from 90% in 1960 to 80% in 1970. However, there will be important structural changes in the productive labour force: employment in agriculture will drop from over 65% in 1960 to about 45% in 1970, whereas labour in industry will increase from 16% to 20% and "productive services" from 7% to 13%.

43. The quantity of the labour input will be reduced by the planned shortening of the working week and a lengthening of annual leave, whereas the quality should improve as a consequence of the planned rise in the education level: by 1970, 5.5% of the industrial labour force is to have a university education (1.7% in 1960) and 39.5% a secondary school education (13.7% in 1960).

44. In contrast with previous trends, the contribution of employment to the future growth of the Bulgarian economy will be relatively small and that of productivity far more important.

PROJECTIONS OF TOTAL LABOUR FORCE(a) (ECONOMICALLY ACTIVE POPULATION) IN NATO COUNTRIES  
(in thousands)

	Belgium	Canada	Denmark	France	Western Germany	Greece	Iceland	Italy	Luxembourg	Netherlands	Norway	Portugal	Turkey	United Kingdom	United States
Total population															
1.1.1964	9,320	19,100	4,700	48,130	57,870	8,500	190	50,660	330	12,030	3,680	9,070	30,660	53,990	190,810
Total labour force(a)															
1.1.1964	3,685	6,970	2,270	20,410	26,960	3,430	77	20,890	153	4,605	1,535	3,465	14,770	25,700	76,600
1.1.1970	3,810	-	2,360	21,240	26,610	-	-	21,490	-	4,990	1,600	3,620	17,345	26,670	84,790
1970 in percent-															
age of 1964	103.4	-	104.0	104.1	98.7	-	-	102.9	-	108.4	104.2	104.5	117.4	103.8	110.7

The projections are giving evaluation of labour force(a) with constant activity rates corrected for changes in:

A, B, C, D - A, C A, C A, D, E, C  
A, B, C, D - A, C A, C A, C C - A, C, D -

(a) Labour force comprises:  
(i) all persons in civilian employment;  
(ii) all unemployed persons;  
(iii) the armed forces;  
for a full definition of these groups, see OECD Manpower Statistics 1950-1962 (Paris 1963).

Symbols used: A - school attendance E - other  
B - age of retirement causes  
C - migration  
D - employment of women

METHODS AND SOURCES USED FOR PROJECTIONS OF TOTAL LABOUR  
FORCE IN NATO COUNTRIES

To make the quotations of sources easier the sources used are numbered below. For the description of the methods these numbers will be used.

SOURCES

- I. "General Statistics" - September 1964, OECD.
- II. "International Trade Union Seminar on Active Manpower Policy" - September 1963, OECD.
- III. "Manpower Statistics 1950-1962" - OECD.
- IV. "Demographic Trends 1956-1976" - OECD.
- V. "Etudes statistiques" - juillet-septembre 1964, Institut national de Statistique et d'études économiques.
- VI. "Wirtschaft and Statistik" - September 1964, Statistisches Bundesamt.
- VII. "Greece" - août 1964, Etudes économiques de l'OCDE.
- VIII. "Europe's future in figures", Editor R.C. Geary, 1962, Amsterdam.
- IX. "Economic Review" - February 1963, National Institute of Economic and Social Research.

TOTAL POPULATION

Source used: I.

End year estimate for 1963 from source I has been taken for 1.1.1964. When there are no estimates for 1963, the most recent figure available has been extrapolated with a trend constructed with data from I.

TOTAL LABOUR FORCE

Belgium

Source used: II.

A geometrical interpolation has been made to estimate the labour force at 1.1.1964 and 1.1.1970.

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Canada

Sources used: I and II

With the aid of I the figure for 1962 from II has been extrapolated to 1.1.1964.

Denmark

Sources used. III and IV

A geometrical interpolation has been made with the aid of source IV with as base 1962 from source III.

France

Source used: V

Western Germany (including West Berlin)

Source used: VI

Net immigration has been estimated at 200,000 for the whole period.

Greece

Sources used: VII and III

With the aid of VII and III 1.1.1964 has been calculated.

Iceland

Source used: III

An extrapolation has been made to 1964.

Italy

As Denmark.

Luxembourg

As Iceland.

Netherlands

As Denmark. The outcome has been checked with source VIII.

Norway, Portugal, Turkey and United States

As Denmark.

United Kingdom

Sources used: III and IX

A geometrical interpolation has been made with the aid of source IX using as base 1962 from source III.

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PERCENTAGE BREAKDOWN BY ACTIVITIES OF EMPLOYED LABOUR FORCE IN NATO COUNTRIES

	Belgium	Denmark(b)	France	Western Germany	Greece	Iceland	Italy	Netherlands	Norway	Portugal	Turkey	United Kingdom	United States
	1962	1962	1962	1962	1961	1960	1962	1961	1962	1960	1960	1962	1962
Agriculture, forestry, hunting and fishing	6.7	19.1	19.8	13.3	53.5	24.7	27.4	9.6	21.0	43.3	72.4	4.0	8.2
Industry(a)	37.8	31.1	30.0	48.3	13.5	27.4	40.3	32.1	26.9	21.9	7.3	40.4	25.6
Construction	7.3	8.1	8.3		4.1	11.0		8.7	8.3	6.8	2.2	6.8	6.0
Transport and communications	6.7	41.7	5.5	37.0	4.2	8.2	30.3	6.9	11.0	3.6	1.8	6.8	4.8
Commerce	14.8		13.3		7.2	12.3		15.7	13.3	8.1	3.0	16.1	24.1
Services	23.7	18.4	12.8	16.4	24.0	16.6	14.2	9.9	24.1	27.3			
Armed forces	3.0	-	4.7	1.4	4.7	-	2.0	3.0	2.9	2.1	3.4	1.8	4.0
TOTAL	100.0	100.0(c)	100.0	100.0	100.0	100.0(c)	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source "Manpower Statistics 1950-1962" - OECE.

- (a) Industry includes mining and quarrying, manufacturing, electricity, gas and water.
- (b) In the case of Denmark gas, water, electricity and sanitary services are included in "Services" and not in "Industry"
- (c) Excluding armed forces.

USSR: ASSESSMENT OF THE LABOUR SITUATION UP TO 1970 (1)

Over the past several decades, the development of the Soviet economy, from the standpoint of its labour resources, has been marked by (a) a steady increase in industrial employment, and (b) a corresponding decline, both absolute and relative, in the farmwork force. In 1940, for example, approximately 60% of the labour force was engaged in agriculture. In 1953, for the first time, the number of non-farmworkers moved ahead of the total number of agricultural workers. By 1961, farmworkers constituted roughly 40% of the country's total labour force. At the same time, average annual employment (2) in non-agricultural jobs rose from 31 million in 1940 to 57.8 million in 1961; an increase of 87%.

2. In general, the Soviet Union practises its own unique version of a full employment economy. Nearly half of the entire population of the country is mobilized into the labour force, as compared with 35% in the United States. As a result, each employed person in the USSR supports only 1.1 dependants. By comparison, in the United States there are 1.8 dependants per wage earner.

3. The higher rate of employment in the USSR is due, in the main, to the larger number of women drawn into the labour force, especially during and after the second World War, partly to make good the male deficits caused by war losses. For Soviet women, in the relevant age group of 16 to 54 years, the rate of participation in the labour force runs as high as 76%, as against a figure of 51% in the United States. (For men, the rate of participation is roughly the same as in other countries; around 87%). The unusually large role played by women in the Soviet work force is attributed by most observers to several causes: viz., the inability of the male breadwinner to earn an adequate income, to the frequent absence of a male breadwinner, and to the traditional extensive utilization of women of the countryside in agricultural work. About 58% of the labour force in agriculture today is made up of women (19% in the United States).

4. For the relatively short future (until 1970) the main areas affecting economic growth lie in the structure of the population, in achievement of planned goals for mechanization of agriculture in order to release labour for work in other sectors, in implementation of plans for introduction of "new techniques" into industry in order to attain productivity goals, and so forth.

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- (1) This paper has been contributed by the United States member of the Ad Hoc Group.
  - (2) For the state sector annual averages of employment are made from the monthly averages of daily counts of persons on the registered staff of the organization. For collective farms another method is used, annual averages in this sector are determined as the average over the year of the monthly numbers of persons who participated at least one day during the month.

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5. In terms of population growth for the period 1964-70, the total population is expected to grow at a level of about 3.1 million per year. This is because the continuing drop in the birth rate will tend to keep population growth in the next few years at about the absolute level indicated despite the higher total population base. However, for the period 1964-70 there is a rapid recovery in accessions to the able-bodied and especially military ages, from the depths of wartime birth deficits.

6. The major problem, however, is not so much in total growth of the population (as was considered to be the prime difficulty in the period up to 1965), the present period will witness an adequate enough growth in order to avoid a major labour shortage in the aggregate (given what is known at this stage about the planning of the allocation of other factor of production), as much as it is one of the ability to obtain the desired spectrum of skills at given places and times during the period in order to achieve production and productivity plans.

7. In a country as vast as the Soviet Union regional factors play a large part not only in the production and distribution systems but also in adequacy of labour supply from local or distant sources to correct the many persistent imbalances frequently noted. Educational facilities geared to supply trained personnel for intraregional economic requirements also are very imperfectly distributed throughout the USSR.

8. The present employment situation in the 1963-64 period has been characterized by several major changes in labour policy affecting the supply of labour due, in large part, to increased demands for skills. Thus, for example, in May 1963, a directive was issued to the effect that graduates of higher educational institutions would not receive their diplomas until they had worked for one year on the job assigned to them. This was done in order to more fully ensure appearances of graduates to sectors and jobs planned previously. At the same time, the training programme was changed so that by 1970 graduates of higher educational institutions would be instructed in wider fields, whereas graduates of secondary specialized educational schools would be confined to narrower fields. Concurrently, in order to avoid the overemphasis throughout the economy on engineering requirements for skilled persons in industry, construction, transport, communications and agriculture, by 1970 the planners must provide for a distribution of only one engineer to every three-four technicians. One major effect, of course, will be the earlier entry into active employment by the technicians who require shorter training periods. (see table I on available information on the supply of trained personnel, to the economy from various educational systems.)

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9. This programme of earlier entries in order to satisfy the demand for labour was made further pronounced by the two changes in the educational system promulgated in 1964. First, one of the primary foundation stones of Khrushchev's December 1958 school reforms was removed. Beginning with the 1966 school year, i.e. graduation in mid-1966, will be a return to ten years' complete secondary education and there will no longer be any eleventh year in the general educational schools with production training. In addition, there was a recent announcement about reduction in the length of training in higher educational institutions of six months to one year. The impact of both these 1964 reforms is to reduce the period for school ages (in higher educational institutions) to ages 18-22 from 19-24. This allows a younger age group to enter into the military services after graduation, as well as two additional years of working life before eligibility for pensions.

10. The demand for more skilled personnel for employment also was met by the 1964 revision of the pension laws. Rather than penalizing, relatively speaking in terms of income, pensioners who continue to work, the March 1964 law encouraged the return of these persons to work. Effective in April 1964, and continuing for five years (i.e. almost the entire period under consideration), at least 50% of their pensions will be paid plus their wages (up to a maximum of 200 roubles per month in aggregate earnings). The Deputy Minister of Social Security of the RSFSR has estimated, perhaps over-optimistically, that one million old-age pensioners will return to work under the provisions of these new incentives. Provision is also made in the new law for more incentives to work in such undesirable areas as the Far East and Siberia as well as the Urals by paying 75% of their pensions; and in mining and agriculture by paying 100%.

11. The labour situation in the eastern and northern parts of the USSR is a matter of particular interest. It was announced that some 6 million persons would be required between 1961 and 1980 for development of the area. The interaction of demographic, economic and military factors making necessary a redistribution of labour to one of the more important industrial sites in the labour-deficit part of the USSR can be illustrated by the following quotation (1) :

"Until now the supplying of industrial establishments of the Yakut republic with cadres primarily came from the drawing of significant portions of the wage workers and engineering-technical personnel from other regions of the country. This was

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(1) Akademiya nauk SSSR, Sibirskoye otdeleniye, Yakutskiy filial, Voprosy ekonomiki promyshlennosti Yakutii, edited by F.G. Melnikov, Yakutsk, 1962, page 45.

necessary because of (a) the small size of the republic's indigenous population and resulting from this the impossibility of supplying labour force to industrial establishments from local resources; (b) the beginning and development of basic industrial centres in remote unsettled regions of the republic, and (c) the necessity for an accelerated inclusion into all-union, national-economic circulation of scarce minerals in the country, which also are important for foreign exchange and defence."

12. Beyond this example of regional requirements, the national pattern of the territorial division of labour has been classified by N.I. Shishkin, a prominent Soviet economic geographer working in the field of labour, into three basic groups, as follows:

1. Regions with inadequate labour resources - Northwest, Siberia, Far East and Kazakhstan.
2. Regions adequately supplied with labour resources - Volga, Urals, part of the Baltic republics.
3. Regions with surplus labour resources - Ukraine, Moldavia, Belorussia, North Caucasus, Transcaucasus, Central Asia.

13. This particular problem is illustrated by the following three points often made about these regions:

1. The Asian part of the USSR represents about 70% of the entire territory of the country. Yet it contains less than 16% of the total population; also roughly the same proportion of the labour force. Population density of these regions is about one-tenth of that of the western regions.
2. The eastern regions possess a great variety of untapped sources of metal ores, fuel, timber and water power.
3. In the east, there is also to be found a significant share of the total agricultural land of the USSR which is admittedly used much less intensively than is considered possible for the area.

The justification for economic development of these regions can be challenged on various grounds; however, it would seem that the Soviet government is committed to a policy of large scale development of the area.

14. Over the years official surveys have established that the planned development of such regions as West Siberia, Kazakhatan and East Siberia, has been seriously retarded for lack of adequate manpower. At the same time, the economic life of long-settled areas like Belorussia, Western Ukraine, Moldavia and Transcaucasia is regarded as being palpably weighed down by a certain surplus population and labour force. As a result of its persistent labour

shortage, it is reported, for example, that Siberia was unable to raise its rate of industrial growth above the national level during the decade of the 1950's, despite the existence of official plans to that effect (1).

15. Manpower assistance from other countries of Eastern Europe is numerically insignificant. Western newspapers reported several years ago on Chinese labour in the USSR in the sparsely populated regions. This source of labour has completely dried up for the period under review.

16. The various programmes and incentive devices, especially higher wage differential, employed by the Soviet Government during the past decade to direct manpower to the east on a permanent basis have, by all accounts, produced rather meagre results(2). Large numbers of youths, among others, were directed to work in the newly established state farms of the "New Lands". Organized groups of workers from the west were also transferred in large numbers to work on the construction of new giant industrial plants, power stations, railways and mines. But the net effect of this organized migration has been, on the whole, negative. Broadly, what has happened is this. During the five-year period 1956-60; more than 700,000 persons (including members of families) were moved to Siberia through various forms of organized territorial redistribution of labour resources. In addition, a still larger number of people arrived in the East on their own initiative. However, according to one authoritative report, "the total growth in the population of Siberia during this (5-year) period was somewhat lower than its natural growth; i.e. the number of people leaving Siberia during these years exceeded the number arriving (3)".

17. Soviet manpower specialists, who have worked on this major problem of labour turnover, explain this continuing difficulty of achieving a significant, permanent shift in population and labour toward the East on the following grounds :

1. The continued backwardness of the region in regard to providing a favourable "complex" of living conditions. This factor is considered to be the most significant in explaining the phenomenon of a labour-deficit area suffering from a loss of population.
2. The practice, under the present system of organized recruitment, of guaranteeing the return travel costs of the transferred worker after 1, 2 or 3 years. Often, such a worker is also guaranteed on

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(1) See V. Porevedentsev, "Problems of the Territorial Redistribution of Labour Resources", *Voprosy Ekonomiki* (Problems of Economics). No. 5, May 1963, p. 49.

(2) It is still not possible to determine the full impact of the various recent wage reforms in the Soviet Union upon regional as well as branch distributions of manpower.

(3) *Ibid.*, p. 50.

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his return to his point of origin the amount of dwelling space he occupied when he left for work in the East.

3. The severe climate of the region, which is not only a hardship in itself, but also entails additional outlays on food, clothing, housing and heating.
4. The lack of rest homes, health resorts, sanatoria and recreational areas in general. This makes it necessary for the new settler to incur extra expenses on trips to Western regions for rest and medical treatment.

18. In 1962, due to "unacceptable reasons" about 20% of the total number of persons working in industry left their place of employment for other jobs (for some industries the range was between 33-40%), many of whom also changed their occupation. A planned economy can less well tolerate unplanned turnover than a free economy where demand and supply influence the market. Although probably for internal political reasons, the early 1964 agitation about labour passports, and concomitant penalties for unnecessary job switching, will not come to fruition, the situation reflects the concern necessarily facing Soviet planners for the future.

19. The problem of labour supply for labour deficit areas is closely connected with the role of women in the labour force. Throughout the Soviet economy women participate to a very high degree. For example, in 1962 they were 48% of all workers and employees in the national economy (68,300,000 of both sexes) and over 50% of all able-bodied collective farmers who participated in the socialized economy (about 20-22 million). The accelerated rates of growth envisaged in the Soviet plans for the branches of economy already dominated by women(1), and the opening of new employment possibilities for female workers through greater mechanization of strenuous jobs, will undeniably both increase their opportunities and raise the economy's needs for increasingly larger numbers of women among workers and employers.

20. Soviet women already have one of the highest labour participation ratios in the world. Moreover, estimates constructed on the basis of the 1959 census data on marital status indicate that at the time of the enumeration the overwhelming majority of single women in able-bodied ages were either working or in school (unless hospitalized or otherwise incapacitated). It is the married women(2) then, most likely urban, who comprise additional labour reserves.

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(1) The number of workers in non-productive spheres is to increase at a much faster rate during the 20-year period covered by the party programme than in branches of material production where production gains are to come mainly from increases in productivity.

(2) Their labour participation level in 1959 can be estimated at about 70%.

21. The transfer of some of the housewives from homes into the labour force, however, has to be preceded by certain preparatory measures requiring considerably greater expansion in the production of labour-saving devices (1), in the commercialization of household services (including public dining facilities)(2), and in the network of pre-school institutions for the care of children (3). The lack of child-care facilities, even in such priority areas as Siberia and Kazakhstan hamper more women from getting jobs if they desired. For these regions the facilities are some 20-25% less than the average for the USSR as a whole, even though there is a younger population with a higher share of pre-school children.

22. During the seven-year plan period 1959-65, one of the basic goals was a labour productivity increase in industry of 45-50%. In particular, underlying the attainment of such a rapid increase was the introduction of "new techniques" into the production process. So important was this factor which links production, investment and labour, that over 50% of the planned increase in labour productivity was to be contributed by it. However, the fulfilment of this goal for introduction of new techniques has been at the rate of only 60% of the level expected. (See table III for a Soviet economist's own comparisons of Soviet labour productivity with American in a wide range of industries. If the trends evident in this computation are maintained, then the labour situation in terms of relative productivity is not very promising for the USSR, especially in combination with

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- (1) Some indications of the active interest in the problems of the household economy are found in the surveys of the time spent on domestic chores. See V. Moskalenko, "The Main Productive Force of the Society", Ekonomicheskaya Gazeta (Economic Gazette), 26th March, 1962, page 4.
  - (2) The volume of public dining is supposed to triple by 1970. (Ibid.) A new step in the direction of providing more services was the recent institution of extended-day schools in urban and rural localities. This is a system under which the children remain on school premises all day, thus relieving the parents of the burden. Meskalenko, loc. cit., reports that by 1980 about 5-6 million persons will be drawn from the household economy into social production (250,000 - 300,000 a year).
  - (3) In 1962, child-care facilities could however only accommodate about 7 million children, or slightly over 20% of all children of pre-school age. F.I. Kotov, Problemy truda i zarabotnoy platy v period perekhoda k kommunizmu (Problems of Labour and Wages in the Period of Transition to Communism), Moscow, 1963, page 212.

the planned but now apparently partially deferred reduction in work-time by 20% in 1965 as compared with 1959). In agriculture also the level of mechanization still lags well behind comparable advanced Western countries. Beyond any circumstances of nature affecting possible harvests, it has been reported that in 1962 only about 43% of the tractors officially deemed necessary for agriculture were available. In 1963 the RSFSR itself was lacking 400,000 tractor drivers, combine operators and machinists. The vocational training systems were inadequate for the needs.

23. In connection with the programme for mechanizing and automating production, the Ministry of Higher and Secondary Specialized Education of the USSR issued an order in 1960 for an increase in the number of specialists in automation and tele-mechanics, mathematical and computing instruments, devices and systems, industrial electronics, and so forth. This kind of reorganization of the specialties offered in higher schools frequently reflects the need to adjust occupational training and distribution plans in order to determine future supply of specialists to meet the demand anticipated according to current priorities and state of technology.

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TABLE I

EDUCATIONAL ENROLLMENT  
SEPTEMBER 1963 - SEPTEMBER 1970 (IN MILLIONS)(1)

	1963	1964	1965	1966	1967	1968	1969	1970
<b>Higher Educational Institutions</b>								
<b>Total</b>	3.3	3.6	3.9	4.2	4.5	4.8	5.1	5.4
<b>Full-time</b>	1.4	1.5	1.6	1.7	1.8	1.9	2.0	2.1
<b>Part-time and Correspondance</b>	1.9	2.1	2.3	2.5	2.7	2.9	3.1	3.3
<b>Secondary Specialized Educational Institutions</b>								
<b>Total</b>	3.0	3.25	3.5	3.8	4.1	4.4	4.7	5.0
<b>Full-time</b>	1.5	1.6	1.7	1.8	1.9	2.0	2.1	2.2
<b>Part-time</b>	1.5	1.6	1.8	2.0	2.2	2.4	2.6	2.8
<b>Vocational-Technical Schools</b>	1.5	1.6	1.7	1.8	1.9	2.0	2.1	2.2
<b>General Educational Schools, 8th-11th years(2)</b>	1.1	1.1	1.1	-	-	-	-	-

- (1) Based on reported proportions in 1963 and announced planned enrollment in 1970.
- (2) Based on approximation of less than one-quarter of total full-time enrollment in 1961 of 4.4 million students. After 1966 school year, the 11th year of school is to be dropped.

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TABLE II

PROJECTED CIVILIAN EMPLOYMENT IN THE USSR  
NATIONAL ECONOMY, 1965 AND 1970 \*

(in millions)

	1965	1970
<u>Employed in the National Economy</u>	107.2	112.4
Industry	26.2	32.0
Construction	6.8	7.5
Agriculture and forestry	44.1	41.7
(a) Socialized	34.1	31.7
(b) Private agriculture	10.0	10.0
Transport and communications	6.3	9.2
Trade, public dining, procurement, and material-technical supply	6.1	8.3
Education, Culture, Art and Science	8.9	11.9
Public Health and Physical Culture	3.8	5.5
Housing - Communal Economy	2.3	3.1
Other branches	2.7	3.2

■ Except for private agriculture which is assumed to remain at a level of 10.0 million (man-year equivalents), this table is derived from the 20-year programme estimates made by Ye. S. Rusanov in Akademiya obshch estvennykh nauk pri TsK KPSS, Tekhnicheskiiy progress i voprosy truda pri perekhode k kommunizmu, Moscow, 1962, p. 33. The results obtained are not to be used as final estimates because of divergences which have already taken place as well as the virtual abrogation of the plan for 1970 (and 1980). For example, in 1963, the reported employment in Construction numbered only 5.2 million, whereas according to this table there should be 6.8 million only two years thereafter.

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TABLE III

PRODUCTIVITY COMPARISONS  
ANNUAL OUTPUT PER WAGE WORKER IN USSR AND US INDUSTRY, 1940-1959

USSR as Percent of US

	1940/ 1939	1950/ 1947	1955/ 1954	1957/ 1956	1959/ 1958
Steel	46.3	43.2	54.7	51.9	62.4
Rolled products	41.7	38.2	49.7	46.9	56.7
Iron Ore	38.6	25.9	41.6	36.4	35.1
Coke	33.7	30.0	46.1	41.4	48.6
Coal, total	51.3	31.8	35.9	28.8	32.0
of which, Under-					
ground mining	53.7	34.7	36.7	28.6	32.1
Open-pit mining	41.7	47.4	79.5	78.2	94.8
Oil refining	48.2	41.0	37.0	42.1	46.2
Machine tool building	-	47.3	74.9	69.5	62.0
Production of Synthetic Rubber	-	18.6	17.5	15.6	12.1
Production of artifi- cial Fibers	23.4	11.9	17.4	19.8	20.6
Sawn wood	55.9	66.5	67.6	73.8	75.4
Cement	22.8	28.1	34.3	32.9	34.8
Construction bricks	45.5	35.7	42.7	46.2	57.9
Cotton textile	39.7	38.7	41.3	38.2	42.0
Wool	50.3	45.2	45.6	42.5	41.0
Shoes(except rubber shoes)	33.2	37.5	41.4	44.0	51.1
Rubber shoes	67.4	126.1	81.0	78.9	72.6
Meat (Including sub- products of 1st Cate- gory)	45.7	41.1	48.2	46.5	57.2
Milk & dairy products	29.8	29.8	43.4	52.2	50.6
Vegetable oils	57.1	39.8	34.9	27.5	30.2
Flour milling	40.1	39.0	60.4	60.8	57.6
Breadbaking	195.1	153.3	151.5	143.5	135.2

Source : A.I. Kats, *Proizvoditel'nost truda v SSSR i glavnykh Kapitalisticheskikh stranakh.*, Moscow 1964, p. 149.