

MUNICH, 8 June 1970 (CAA Dept.) The following is a Radio Liberty Research item of 1 June (No. CRD 200/70).

With the extension of the Shchekino experiment to some 30 enterprises with one quarter of a million workers and employees,¹ and with a 600,000 reduction scheduled for the construction industry by 1972,² the number of frictionally unemployed at any one time throughout the Soviet economy is expected to remain high, despite the overall shortage of labor. (Frictional unemployment results when the demand for labor is not adjusted to its supply and is caused by the lack of knowledge by employers that workers are available or by workers that employment is available). The average time lost between jobs has been put at about one month;³ this seems to have remained fairly constant during the past decade.⁴

Since only two weeks' severance pay is granted, considerable hardship may ensue when the family breadwinner is unemployed for the average period or for any time beyond that. Thus it is hardly surprising that pleas for the restitution of unemployment benefits to alleviate this hardship are being aired in the Soviet press.⁵ What appears to be the latest implicit example of this movement comes from the director of the Shchekino combine. Speaking at an all-union conference of economists of the chemical industry, he is reported as saying: "It is now already clear that the new conditions require also a new approach to dealing with the problems of finding employment for the personnel released, material compensation where needed during retraining and other measures."⁶

It seems very likely that after 40 years unemployment benefits will be introduced in the USSR, albeit under the ideologically acceptable classification of retraining allowance or reeducation stipendium. (KB)

1. Sotsialisticheskaya industriya, January 24, 1970.
2. Radio Moscow-1, 1730 GMT, February 12, 1969.
3. Trud, April 3, 1968.
4. See, for instance, Partiinaya zhizn, No. 17, 1963, p. 22; Izvestia, October 7, 1965; Ibid., January 19, 1967; Pravda, June 22, 1968; Trud, May 11, 1969.
5. For instance, Planovoye khozyaistvo, No. 11, 1968, p. 16 and Trud, September 16, 1969.
6. Voprosy ekonomiki, No. 2, 1970, p. 151.

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