4. WORKER BEHAVIOR.

Labor hoarding. Direct consequence of uncertainty of supply. *Shturmovshtshina.*
Ex: \( \frac{3}{4} \) of production done in second half of month.
Excess labor needed of

\[
\frac{3}{4} : \frac{1}{2} = \frac{3}{2} \Rightarrow 50\%.
\]

Labor shortage
⇒ absenteeism, voluntary mobility (\( \frac{2}{3} \) of labor mobility in USSR was voluntary.
⇒ low discipline.
⇒ Schemes to attract labor: internal shops, benefits in kind, promotions,…
Wages and incentives.
- At micro level, made sense for managers to increase wages of individual workers.
- At macro level, wages in excess of value of consumption goods => lower labor supply because lower “real wage” => lower output and aggregate consumption level => lower labor supply => “supply multiplier”.

=> Wage control and centralization was crucial institution of socialism.
Also tendency towards more wage inequality. Why?

Paradox: laziest worker has highest marginal product.

Firms used more skilled and productive workers first. Laziest worker helped fulfill the plan target!

Towards end of socialism, *shabashniki*: illegal workers proposing temporary help to fulfill plan. Had wages 2 to 3 times higher than official wages.

Short termism: production workers paid more than engineers.
Extra-economic discipline did not work.

- Stalinist labor laws.
- Andropov labor campaigns.