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

$\frac{3}{4} : 1/2 = \frac{3}{2} \Rightarrow 50\%$.

Labor shortage
\Rightarrow absenteeism, voluntary mobility (2/3 of labor mobility in USSR was voluntary.
\Rightarrow low discipline.
\Rightarrow 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 equality. 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.